

Enrolled House Bill 2001

Sponsored by COMMITTEE ON PUBLIC EMPLOYEES RETIREMENT SYSTEM

CHAPTER

AN ACT

Relating to crediting of accounts of certain members of PERS; creating new provisions; and amending ORS 238.255.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 238.255 is amended to read:

238.255. (1) The regular account for an active or inactive member of the system shall be examined each year. If the regular account is credited with earnings for the previous year in an amount less than the earnings that would have been credited pursuant to the assumed interest rate for that year determined by the **Public Employees Retirement Board**, the amount of the difference shall be credited to the regular account and charged to a reserve account in the fund established for the purpose. A reserve account so established may not be maintained on a deficit basis for a period of more than five years. Earnings in excess of the assumed interest rate for years following the year for which a charge is made to the reserve account shall first be applied to reduce or eliminate the amount of a deficit. *[The Public Employees Retirement Board shall attempt to ensure that the reserve account is funded with amounts adequate to leave a zero balance in the account when all members who established membership in the system before January 1, 1996, as described in ORS 238.430, have retired.]*

(2) **The regular account for an active or inactive member who established membership in the system before January 1, 1996, as described in ORS 238.430, may not be credited with earnings in excess of the assumed interest rate until:**

(a) **The reserve account established under subsection (1) of this section no longer has a deficit;**

(b) **The reserve account established under subsection (1) of this section is fully funded with amounts determined by the board, after consultation with the actuary employed by the board, to be necessary to ensure a zero balance in the account when all members who established membership in the system before January 1, 1996, as described in ORS 238.430, have retired; and**

(c) **The reserve account established under subsection (1) of this section has been fully funded as described in paragraph (b) of this subsection in each of the three immediately preceding calendar years.**

SECTION 2. The amendments to ORS 238.255 by section 1 of this 2003 Act apply to crediting of earnings for the calendar year 2003 and all subsequent calendar years.

Passed by House January 29, 2003

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Chief Clerk of House

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Speaker of House

Passed by Senate February 11, 2003

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President of Senate

Received by Governor:

.....M,....., 2003

Approved:

.....M,....., 2003

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Governor

Filed in Office of Secretary of State:

.....M,....., 2003

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Secretary of State