

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON LABOR

January 19, 1993 Hearing Room D 8:30 a.m. Tapes 7 - 8

MEMBERS PRESENT: Rep. John Watt, Chair Rep. Lee Beyer Rep. Michael Payne Rep. Charles Starr Rep. Bob Tiernan

STAFF PRESENT: Marilyn Johnston, Committee Administrator Debbie Schieno, Committee Clerk

WITNESSES: Bob Andrews, HB 2172 and HB 2174 Marvin Evans, HB 2172 Victoria Dozler-Totten, HB 2172

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These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. [--- Unable To Translate Graphic ---]

TAPE 7, SIDE A

002 CHAIR WATT: Calls the meeting to order at 8:30 a.m.

(Tape 7, Side A) HB 2172 - Relating to public employee retirement, Public Hearing

004 MARILYN JOHNSTON, COMMITTEE ADMINISTRATOR: Outlines Preliminary Measure Analysis. (EXHIBIT A)

010 BOB ANDREWS, PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS): Testified in support of HB 2172. (EXHIBIT B)

045 CHAIR WATT: What is being done in the internal accounting system to correct the errors?

055 ANDREWS: We are in the process of maintaining internal control.

091 ANDREWS: Continues with testimony. >The bill needs to state, unless a member authorizes a reduction in their benefits, there can be no reduction of more than 25% of a monthly payment. >The board needs the option to waiver overpayment of benefits or underpayment of contributions, when the error is less than \$50. >Frequently, the cost of collection far exceeds the amount collected.

164 JOHNSTON: There may be a fiscal impact on this bill.

168 ANDREWS: The fiscal impact was a write-off of \$60,000 last year, which is lost revenue.

198 MARVIN EVANS, CONFEDERATION OF OREGON SCHOOL ADMINISTRATORS: We do not object to the fact that PERS needs to collect appropriate overpayments. >Concerns with this bill include penalties, both in interest and payment of the cost for recovery. We suggest those

penalties/costs not be inflicted on the member unless there is clear evidence that they have attempted to defraud PERS with misinformation. >Another concern is the lack of clarity in appeal rights.

257 VICTORIA DOZLER-TOTTEN, OREGON SCHOOL BOARDS ASSOCIATION: There is a contributing factor in the failure to promulgate administrative rules, giving notice to members about the potential situations resulting in overpayment. >Suggests that consideration be given to an administrative procedure, in addition to the rules, to be exhausted before the board attempts to collect. >Expresses concern with attorney fees. This should be a situation that is clear, not inhibiting someone from pursuing their administrative remedies because of a concern about the costs involved. >Concern with the retroactivity clause contained in the last section of the bill.

(Tape 7, Side A) HB 2174 - Relating to public employee retirement, Public Hearing

319 JOHNSTON: Outlines Preliminary Measure Analysis. EXHIBIT C

327 BOB ANDREWS, PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS): Testifies in support of HB 2174. EXHIBIT D

490 CHAIR WATT: Notes a fiscal impact on the bill. EXHIBIT E

TAPE 8, SIDE A

048 Discussion about the introduction of LC 1919.

050 CHAIR REPINE: Adjourns the meeting at 9:04 a.m.

Submitted by:

Reviewed by:

Debbie Schieno  
Administrator

Marilyn Johnston Clerk

EXHIBIT LOG:

A - Preliminary Measure Analysis HB 2172 - Staff - 2 pages  
B - Testimony on HB 2172 - Bob Andrews - 3 pages  
C - Preliminary Measure Analysis HB 2174 - Staff - 1 page  
D - Testimony on HB 2174 - Bob Andrews - 2 pages  
E - Fiscal Analysis HB 2174 - 1 page