

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON LABOR

February 12, 1993 Hearing Room D 8:30 a.m. Tapes 28 - 29

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

EXCUSED MEMBERS: Rep. Bob Tiernan

STAFF PRESENT: Marilyn Johnston, Committee Administrator Rick Gaupo, Committee Clerk

MEASURES CONSIDERED: HB 2170 - Public Hearing

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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 28, SIDE A

008 Chair Watt calls the meeting to order at 8:30 a.m. and opens the Public Hearing on HB 2170

(Tape 28, Side A) HB 2170 - Prohibits payments from Public Employees' Retirement Fund in

excess of limits set by Internal Revenue Code

WITNESSES: Bob Andrews, PERS Elizabeth Harchenko, Department of Justice

011 Administrator Johnston submits Staff Measure Summary and impact statements - (Exhibit A)

014 Bob Andrews, PERS, submits and summarizes a prepared statement on HB 2170 - (Exhibit B)

127 Chair Watt expresses that this is a very confusing bill and would like to look at the bill section by section

141 Rep. Starr asks whether this proposed bill is the only way to be in compliance with federal law

183 Chair Watt calls a recess at 8:45 a.m. and resumes the meeting at 9:05

195 Elizabeth Harchenko, Department of Justice, explains diagram of PERS fund (on chalkboard) > Explains the sources that contribute to the PERS fund 248 > Explains both the amount due to persons, and the excess PERS fund > Discussion with Vice-Chair Beyer on the limit of how much an

employee can put away for retirement > Discussion with Chair Watt on why Congress changed the rules on

pension funds 430 > Discussion with Rep. Payne concerning
subsidies in the excess fund TAPE 29, SIDE A

053 Discussion continues with Rep. Payne and Elizabeth Harchenko on
whether the excess fund is in actuality a way to subsidize the
retirement funds for the wealthy

089 Elizabeth Harchenko explains the employer's contribution >
Chair Watt asks questions concerning the federal ceilings 120 >
Discussion with Chair Watt on how this fund prevents Oregon's PERS
fund from being in violation of the federal law > Discussion with
Vice-Chair Beyer on how a person's PERS fund is

tracked, and upon retirement what options that person has to

withdraw from his or her fund. Pension funds are contractual and

the state of Oregon must find a way to pay what is due while

staying within the federal ceiling 231 > Discussion with Rep. Payne
on how PERS fund affects those who earn less than \$109,000 and those
who earn more. 274 > Discussion with Vice-Chair Beyer on whether a
two-tier system can be used, and whether legislation can be used to put
a ceiling on

maximum funds for people who are hired after the date this bill is
passed

392 Chair Watt asks that this diagram be provided for the next
hearing of the bill

TAPE 28, SIDE B

017 Chair Watt closes the Public Hearing on HB 2170 and adjourns the
meeting at 10:15 a.m.

Submitted by

Reviewed by

Rick Gaupo
Committee Administrator

Marilyn Johnston Committee Clerk

EXHIBIT LOG: A - HB 2170 Staff B - HB 2170 PERS