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**OREGON ADMINISTRATIVE RULE**  
**PUBLIC EMPLOYEES RETIREMENT BOARD**  
**CHAPTER 459**  
**DIVISION 015 – DISABILITY RETIREMENT ALLOWANCES**

1    *[459-015-0060*

2    *Reduction Due to Workers' Compensation Payment*

3        *(1) PERS disability payments are reduced by payments a Tier Two member receives*  
4    *from Workers' Compensation. There is no reduction for a Tier One member. Other*  
5    *disability-related income, such as Social Security and/or private disability insurance plan*  
6    *payments will not affect the amount of a PERS disability retirement allowance.*

7        *(2) A Tier Two member's disability retirement allowance will be offset by any gross*  
8    *monthly workers' compensation payment paid in a calendar month on account of*  
9    *temporary total disability or permanent total disability under the provisions of ORS*  
10 *Chapter 656; regardless of whether the condition on which the workers' compensation*  
11 *claim is based is related to the condition on which the PERS disability retirement claim is*  
12 *based.*

13        *(a) A monthly workers' compensation payment includes:*

14        *(A) Weekly gross payments;*

15        *(B) Semi-monthly gross payments;*

16        *(C) Monthly gross payments; and*

17        *(D) That portion of a lump sum payment of a workers' compensation disability claim*  
18 *that is expressly designated as compensation for temporary total disability or permanent*  
19 *total disability.*

20        *(b) A monthly workers' compensation payment does not include:*

21        *(A) Payments for medical services;*

22        *(B) Payments for vocational training;*

1        *(C) Reemployment assistance payments; and*

2        *(D) Any payment based on an employee's waiver of all rights to, and includes no*  
3 *payment for, a temporary total disability or a permanent total disability claim.*

4        *(c) The workers' compensation payment will be considered paid on the date that*  
5 *payment is issued, and will not be allocated to any period other than the month payment*  
6 *is issued.*

7        *(3) In the event a Tier Two member is eligible to receive a PERS disability*  
8 *retirement allowance, PERS will request of the Workers' Compensation Division, or any*  
9 *other public or private workers' compensation insurance carrier, documentation of the*  
10 *portion of a lump sum settlement that is made on account of a temporary total disability*  
11 *or a permanent total disability.*

12        *(4) The disability allowance of a Tier Two member will be reduced by the amount by*  
13 *which the combined monthly benefits payable from both PERS and any monthly workers'*  
14 *compensation payment on account of temporary total disability or permanent total*  
15 *disability exceed the monthly salary of the member at time of disability.*

16        *(5) A Tier Two member who is eligible to receive a disability retirement allowance*  
17 *must report immediately to PERS the receipt or the award of any monthly workers'*  
18 *compensation payment as described in section (2)(a) of this rule.*

19        *(6) In the event a Tier Two member receives one or more monthly workers'*  
20 *compensation payment(s) while also receiving a disability retirement allowance, but*  
21 *PERS is not notified of the workers' compensation payment until after making one or*  
22 *more disability retirement allowance payments:*

1        *(a) PERS will recalculate the disability retirement allowance, taking the monthly*  
2 *workers' compensation payments into account; and*

3        *(b) PERS will invoice the member for, or recover under ORS 238.715, any*  
4 *overpayment of PERS benefits.*

5        *(7) A Tier Two member's PERS disability retirement allowance:*

6        *(a) Will first be calculated in accordance with ORS 238.435 and this rule prior to*  
7 *determining any reduction to the PERS disability retirement allowance under ORS*  
8 *238.330(3).*

9        *(b) Any reduction under ORS 238.330(3) will be made to the adjusted PERS*  
10 *disability retirement allowance established under ORS 238.435 and this rule.*

11        *Stat. Auth.: ORS 238.650*

12        *Stats. Implemented: ORS 238.435 & 238.330(3)]*