

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD MEETING AGENDA

**Friday
January 30, 2026
9:00 a.m.**

**PERS HQ
11410 SW 68th Pkwy
Portland, OR 97223**

ITEM	PRESENTER
A. Administration	
1. December 5, 2025 PERS Board Meeting Minutes	JARAMILLO
2. Director's Report	OLINECK
a. Forward-Looking Calendar	
b. OPERF Investment Report	
c. Budget execution report	
d. Annual report of director's financial transactions	STANLEY
B. Administrative rulemaking	
1. Notice of rulemaking for plan limits rules	VAUGHN
2. Adoption of rulemaking for Lost in Transmission	VU
C. Action and discussion items	
1. Modernization Program update	IVERS
2. Legislative update and legislative concept preview	CASE
3. Senate Bill 1566 reporting requirements	WINSHIP
4. Preliminary 2025 earnings crediting and reserving	HORSFORD, GRAVES
5. Verbal update reflecting on earnings through December 31, 2025	MILLIMAN

Visit <https://www.oregon.gov/pers/Pages/Board/PERS-Board-Information.aspx> to register to attend remotely or to submit public comment or testimony. A video recording of the meeting will be available on the PERS website following the meeting.

<http://www.oregon.gov/PERS/>

**2026 Meetings: January 30, April 3*, May 29, July 24*, September 25, December 4* *Audit Committee
planned for post-board meeting**

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD MEETING AGENDA

The PERS Board members, meeting presenters, and the public have the option to attend this meeting in person or remotely. Public testimony or comment will be taken on action items at the Chair's discretion. All written testimony/comment and requests to provide oral testimony/comment should be submitted three days or more in advance of the meeting. In compliance with the Americans with Disabilities Act (ADA), PERS will provide PDF documents in an alternate format upon request. To request a document in an alternate format, call 888-320-7377 (toll free) or TTY 503-603-7766.

Public Access and Accommodation Information: *PERS Board meetings are open to the public and follow Oregon public meeting laws. The meetings are recorded and, if attending online, there is the option to turn on closed captioning. To request in-person accommodation for individuals who are deaf, hard of hearing, have a disability, or need materials in alternative formats, please email us. Accommodation requests should be submitted at least 72 hours in advance.*

A.

A. Administration

- 1. December 5, 2025 PERS Board Meeting Minutes**
2. Director's Report

B. Administrative rulemaking

1. Notice of rulemaking for plan limits rules
2. Adoption of rulemaking for Lost in Transmission

C. Action and discussion items

1. Modernization Program update
2. Legislative update and legislative concept preview
3. Senate Bill 1566 reporting requirements
4. Preliminary 2025 earnings crediting and reserving
5. Verbal update reflecting on earnings through December 31, 2025

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD MEETING MINUTES

December 5, 2025

Board members present:

John Scanlan, Kristen Connor, Bob Hestand, and Robert Tintle attended in the PERS Boardroom. Jardon Jaramillo was not present for the meeting.

Staff present:

Kevin Olineck, Yvette Elledge-Rhodes, Alex Gaub, Richard Horsford, Jake Winship, Melanie Chandler, Stephanie Vaughn, Heather Case, Shane Perry, Jason Stanley, Jordan Masanga, Sam Paris, Matt Rickard, Kristi Ivers, Yong Yang, Anne Marie Vu, Pam Foust, Neil Jones, and Shawn Harper attended in the PERS Boardroom.

Akiko Yoshida, Alexander Gaub, Alyse Greer, Anne Marie Vu, Chris Carrera, Daniel Rivas, David Larson, Elizabeth Saufley, Erin Stutesman, Jason Ward, Janice Richards, Jennifer Champie, Joel Mellor, Julie Coatney, Karen Herrold, Kevin Olineck, Kristi Ivers, Mary Lang, Matthew Graves, Melissa Piezonka, Natalie Newgard, Richard Horsford, Sofia Lalev, Susannah Bodman, Theresa Bechtol, Tiffani Cairo, Troy Phillips, and William Martinson attended virtually.

Others present:

Scott Preppernau, Matt Larrabee, Lacey Engle, and Jeff Gudman attended in the PERS Boardroom.

Andrew Roper, Brendan Watkins, Brian Harrington, Carol Samuels, Carol Gay Lynn Bath, Cindy Huie, Dee-dra Kleve, Geoff Hildreth, Ian Peterson, Jannel Kropf, Jamie McCreary, Jennifer Jones, Kali Leinenbach, Maurizio Bottalico, Michelle Morrison, Nate Carter, Olivia Haugen, Sara Collins, Steve Staten, and Tan Cao attended virtually.

Vice Chair Scanlan called the meeting to order at 9:00 a.m.

ADMINISTRATION

A.1. SEPTEMBER 26, 2025 PERS BOARD MEETING MINUTES

Board Member Hestand moved to approve the minutes from the September 26, 2025 PERS Board meeting as presented. Board Member Connor seconded the approval of the minutes.

Vice Chair Scanlan voted in favor of the motion; Board Member Connor voted in favor of the motion; Board Member Hestand voted in favor of the motion. Board Member Tintle abstained from voting, as he was not present at the September 26, 2025 PERS Board Meeting. Board Chair Jaramillo was not present for the meeting.

The motion passed (one member abstained, one member was not present).

A.2. DIRECTOR'S REPORT

Director Kevin Olineck presented the Director's Report, which is a summary of items for the board to be aware of, and the forward-looking calendar.

He reported that the *2025 PERS Annual Comprehensive Financial Report* (ACFR) and PERS Popular Annual Financial Report are set to be published later in December. The agency won the Public Pension Standards Award for Funding and Administration for the 24th year in a row. Additionally, PERS was awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the 2024 ACFR.

PERS Deputy Director Yvette Elledge-Rhodes will be retiring at the end of December after over 36 years with the agency. Elledge-Rhodes has been a significant contributor to the success of PERS over the course of her career. In addition to the responsibilities of her role as deputy director, she has played a key part in building out and fostering the culture of PERS, as she has initiated and led employee recognition

events and developed and supported the Labor Management Committee. The agency is grateful that Elledge-Rhodes chose to spend her career here and will miss her immensely.

The PERS Expo, PERS' largest virtual event of the year, was held on October 1. The event offered interactive and on-demand content, including live educational presentations and question-and-answer sessions. It was open to all PERS members – whether they are new to public service, midway through their career, or nearing retirement. Nearly 12,000 members registered for the event – an increase of almost 20% over 2024.

Lastly, Olineck shared that the agency donated over \$18,000 at the time of this meeting to the Charitable Fund Drive, a cross-governmental annual fundraising initiative. The agency met its goal in fundraising.

The Oregon Public Employees Retirement Fund (OPERF) returns, for the period ending September, 2025, were positive, at 7.32%

Operating expenditures for September, October and preliminary expenditures for November are \$5,797,181, \$6,492,554, and \$8,492,190 respectively. Through November 14, 2025, the agency has expended a total of \$29,285,450 or 18.5% of PERS' legislatively approved operations budget of \$158,589,264.

Olineck reviewed the meeting agenda.

A.3. BOARD SELF-EVALUATION RESULTS

Olineck reported on the completion of the biennial PERS Overall Board Self-Evaluation results.

Olineck explained that the process involved distributing and collating the Overall Board Evaluations, with results summarized in a document showing the number of board members responding in each evaluation category. He provided a verbal update on the evaluation outcomes during the meeting.

No board action was required.

A.4. BOARD GOVERNANCE ASSIGNMENTS

Olineck reviewed the PERS Board Governance Assignments with the board.

Bob Hestand will serve on the board and be the Audit and Risk Committee Chair. Kristen Connor will serve on the board and be a member of the Audit and Risk Committee. Robert Tintle will serve on the board as well as be the Employer Advisory Group representative. John Scanlan will continue to serve as the board vice chair as well as the Retiree Health Insurance (PHIP) liaison. Jardon Jaramillo will continue to serve as the board chair as well as remain a member of the Audit and Risk Committee.

The board was in support of the proposed assignments. No additional board action was required.

A.5. UPDATE ON GOVERNOR'S EXPECTATIONS

Olineck provided an update on the Governor's Expectations.

When Governor Kotek took office, she sent a letter to Executive Branch agencies with a series of expectations for state agency leaders. She also tasked the Department of Administrative Services (DAS) with creating the infrastructure and oversight for agencies to meet these performance measures. DAS created a Strategic Initiatives and Enterprise Accountability Section in response to these expectations.

PERS is in compliance with all fourteen categories.

No board action was required.

ADMINISTRATIVE RULEMAKING

B.1. NOTICE OF RULEMAKING FOR LOST IN TRANSMISSION

Anne Marie Vu, Research Policy Coordinator, presented a notice of rulemaking for Receipt Date Rule. The impacted rule is OAR 459-005-0220 *Receipt Date for Reports, Documents, Remittances, Payments, Data, and Requests*.

Vu discussed the notice of rulemaking concerning the receipt date for reports, documents, remittances, payments, data, and requests, specifically addressing claims related to lost or delayed transmissions. She explained that the rulemaking aims to extend the 30-day deadline for filing lost or delayed transmission claims to align with longer deadlines applicable to appeals, contested case hearings, or disputes, ensuring that members or employers are not barred from submitting relevant evidence.

A rulemaking hearing will be held remotely, and in person, on December 30, 2025, at 2:00 p.m. The public comment period ends January 2, 2026, at 5:00 p.m.

A rulemaking hearing will be held remotely and in person on January 20, 2025. The rule is scheduled to be brought before the PERS Board for adoption at the January 30, 2026, board meeting.

No board action was required.

B.2. ADOPTION OF RULEMAKING FOR OSGP SECURE ACT 2.0 RULE

Yong Yang, Tax Policy Coordinator, and Stephanie Vaughn, Policy Analysis and Compliance Section (PACS) Manager, presented an adoption to implement portions of the federal SECURE 2.0 ACT for the Oregon Savings Growth Plan. Impacted rules include Oregon Administrative Rule (OAR) 459-050-0040 *Unforeseeable Emergency Withdrawal Appeals Committee*; OAR 459-050-0150 *Unforeseeable Emergency Withdrawal*; OAR 459-050-0070 *Catch-Up Programs*.

Yang explained that staff recommended adopting amendments to Oregon Administrative Rules 459-050-0040 (Unforeseeable Emergency Withdrawal Appeals Committee), 459-050-0150 (Unforeseeable Emergency Withdrawal), and 459-050-0070 (Catch-Up Programs) to align with both mandatory and optional provisions of the SECURE 2.0 Act.

Yang reviewed the Act's background, signed into law on December 29, 2022, enhancing retirement savings flexibility and building upon the earlier SECURE Act of 2019. He outlined the rulemaking process timeline, which began with the filing of the Notice of Rulemaking on September 23, 2025, followed by publication on October 1, 2025, and a public hearing held remotely and in person on October 28, 2025. The public comment period closed on October 31, 2025, with no comments received. The rules underwent legal review by the Department of Justice, and any necessary changes were incorporated.

Yang noted that the mandatory provisions ensure compliance with federal law, while the optional provisions provide clarifications such as allowing plan participants to self-certify emergency withdrawals.

Board Member Connor moved to adopt rules to implement portions of the federal SECURE 2.0 AVE for the Oregon Savings and Growth Plan as presented. Hestand seconded the motion.

Vice Chair Scanlan voted in favor of the motion; Board Member Connor voted in favor of the motion; Board Member Hestand voted in favor of the motion. Board Member Tintle voted in favor of the motion. Board Chair Jaramillo was not present for the meeting.

The motion passed (one member was not present).

B.3.a. ADOPTION OF RULEMAKING TO IMPLEMENT 2025 LEGISLATION

Yong Yang, Tax Policy Coordinator, and Stephanie Vaughn, Policy Analysis and Compliance Section (PACS) Manager, presented a notice of rulemaking to implement 2025 legislation: Senate Bill (SB) 849 –

OAR 459-009-0095 *Pooled School District Employers Side Account*; Senate Bill 851 – OAR 459-005-0610 *Recovery of Overpayments*; Senate Bill 852 – OAR 459-005-0570 *Required Minimum Distributions, Individual Account Program (IAP)*; House Bill (HB) 3968 – OAR 459-011-0110 *Credit for Military Service Under USERRA*; OAR 459-011-0115 *Credit for Military Service Under ORS 238.156(3)*; Aligning with Federal Statutory Definition – OAR 459-050-0072 *Military Leave Catch-up*.

Yang discussed the comprehensive rulemaking process initiated to implement legislative changes enacted in 2025 affecting PERS.

A rulemaking hearing was held remotely, and in person, on October 28, 2025, at 2:00 p.m. The public comment period ended October 31, 2025, at 5:00 p.m. No public comments were received.

Vice Chair Scanlan moved to adopt the 2025 legislative implementation rulemaking as presented. Board Member Connor seconded the motion.

Vice Chair Scanlan voted in favor of the motion; Board Member Connor voted in favor of the motion; Board Member Hestand voted in favor of the motion. Board Member Tintle voted in favor of the motion. Board Chair Jaramillo was not present for the meeting.

The motion passed (one member was not present).

B.3.b. ADOPTION OF RULEMAKING FOR MAJOR FRACTION OF THE MONTH RULE CHANGES

Anne Marie Vu, Research Policy Coordinator, presented an adoption of rulemaking to implement changes made under Senate Bill 851 (2025) relating to “Major Fraction of a Month.” Impacted rules include OAR 459-005-0015 *Leave of Absence Without Pay*, OAR 459-010-0014 *Creditable Service in PERS Chapter 238 Program*, and OAR 459-075-0150 *Retirement Credit (in OPSRP Program)*.

Vu discussed the proposed adoption of rulemaking to implement changes under Senate Bill 851 (2025) relating to the definition and application of the “major fraction of a month” in PERS rules. She explained that prior to SB 851, the term was undefined, leading to inconsistencies in creditable service accrual during partial months of employment. The bill clarifies that a “major fraction of a month” means a calendar month in which an active member is employed for more than half of the total calendar days and is paid salary for hours worked or paid leave, except when on an official leave of absence without pay for more than half the month.

The rule modifications, which include housekeeping changes to align administrative rules with the new legislative provisions. She reported that the rulemaking process included a public hearing held remotely and in person on October 28, 2025, with the public comment period closing on October 31, 2025; no public comments were received. The rules underwent legal review by the Department of Justice, and any necessary changes were incorporated.

Board Member Tintle moved to adopt rules implementing Senate Bill 851 (2025) regarding Major Fraction of the Month as presented. Board Member Connor seconded the motion.

Vice Chair Scanlan voted in favor of the motion; Board Member Connor voted in favor of the motion; Board Member Hestand voted in favor of the motion. Board Member Tintle voted in favor of the motion. Board Chair Jaramillo was not present for the meeting.

The motion passed (one member was not present).

B.3.c. ADOPTION OF RULEMAKING TO IMPLEMENT SENATE BILL 588

Melanie Chandler, Research Policy Coordinator, and Stephanie Vaughn, PACS Manager, presented an adoption of rulemaking to implement Senate Bill 588 (2025). Impacted rules include OAR 459-001-0035 *Contested Case Hearing*, OAR 459-015-0001 *ORS 238 Disability Definitions*, OAR 459-015-0005 *ORS 238 Disability Eligibility*, OAR 459-015-0010 *ORS 238 Disability Eligibility Criteria*, OAR 459-015-0030 *ORS 238 Disability Hearings*, OAR 459-015-0045 *ORS 238 Disability Return to Work*, OAR 459-076-0001 *OPSRP*

Disability Definitions, OAR 459-076-0005 OPSRP Disability Eligibility, OAR 459-076-0010 OPSRP Disability Eligibility Criteria, and OAR 459-076-0030 OPSRP Disability Hearings.

Chandler discussed the proposed adoption of rulemaking to implement Senate Bill 588, pertaining to disability benefits and contested case timelines within PERS. She explained that the amendments align PERS administrative rules with legislative changes enacted by the 2025 Oregon Legislature, specifically addressing disability eligibility criteria and contested case hearing procedures. The bill, effective May 27, 2025, includes an emergency clause and impacts multiple OARs related to disability definitions, eligibility, hearings, and return to work provisions.

Chandler reviewed the rulemaking process timeline, noting that a public hearing held remotely and in person on October 28, 2025. The public comment period concluded on October 31, 2025, with no comments received. Legal review by the Department of Justice was completed, and any necessary changes were incorporated into the final rules presented for adoption.

Board Member Hestand moved to pass a motion to adopt the rules implementing 2025 Senate Bill 588-related edits. Board Member Tintle seconded the motion.

Vice Chair Scanlan voted in favor of the motion; Board Member Connor voted in favor of the motion; Board Member Hestand voted in favor of the motion. Board Member Tintle voted in favor of the motion. Board Chair Jaramillo was not present for the meeting.

The motion passed (one member was not present).

ACTION AND DISCUSSION ITEMS

C.1. PERS MODERNIZATION PROGRAM UPDATE

Kristi Ivers, Modernization Program Director, presented the PERS Modernization Program update.

Ivers presented a comprehensive update on the PERS Modernization Program, a multi-biennial initiative aimed at evolving business capabilities through people, processes, and technology to meet future member and employer needs. She reported that the program's budget of approximately \$14.5 million for the 2025-27 biennium was approved by the Legislature.

Ivers reviewed the status of multiple projects within the program portfolio, including the jClarety UI/UX Modernization Project, the Pension Administration System (PAS) modernization, the Member Identity Access Management, the Telephony Modernization Project, and the Hybrid Integration Platform Implementation Project.

She noted that the program is actively addressing several Gartner-identified risks, such as the evolving modernization strategy impacting funding clarity, the need for cooperation with DAS and DOJ to meet procurement timelines, and the limited availability of skilled project managers. Ivers reported that the modernization director has engaged with DAS Procurement Services to discuss support models and timeframes, with further meetings planned. The program has resubmitted its business case and charter to Enterprise Information Services (EIS), incorporating feedback and aligning with governance requirements.

Key activities highlighted by Ivers include preparation for an agency budget request submission in December 2025 to secure additional funding for modernization initiatives, initiation of data cleaning and migration planning workstreams pending legislative approval, and ongoing recruitment of senior project managers to strengthen project execution. Ivers informed the board that foundational architecture documents are being developed, with completion expected by April 2026, and that the PAS project is on track with vendor selection and procurement processes underway.

Overall, Ivers acknowledged the program's progress in managing risks, refining strategy, and advancing key modernization efforts while emphasizing the importance of continued oversight and resource allocation to meet long-term objectives.

No board action was required.

C.2. ACTUARIAL CONTRACT APPROVAL

Jake Winship, PERS Associate Actuary, presented an Actuarial Contract Approval.

Winship discussed the impending termination of the current actuarial services contract with Milliman, set to expire on December 31, 2025. He reviewed the competitive procurement process conducted by PERS staff, which resulted in the selection of Milliman for a new four-year contract extending through December 31, 2029, with options for two-year extensions up to a total of ten years if mutually agreed upon.

Winship presented two options: to adopt the new actuarial contract with Milliman effective January 1, 2026, as negotiated by staff, or to direct staff to modify the terms or explore alternative options. He reported that staff recommended adoption of the new contract as proposed.

Board Member Connor moved to adopt an Actuarial Contract with Milliman effective January 1, 2026, as per the terms negotiated by PERS staff. Board Member Hestand seconded the motion.

Vice Chair Scanlan voted in favor of the motion; Board Member Connor voted in favor of the motion; Board Member Hestand voted in favor of the motion. Board Member Tintle voted in favor of the motion. Board Chair Jaramillo was not present for the meeting.

The motion passed (one member was not present).

C.3. BOARD SCORECARD REPORT ON AGENCY PERFORMANCE MEASURES

Matt Rickard, PERS Central Data Management Coordinator, presented the Board Scorecard Report on Agency Performance Measures.

A key part of PERS' Outcome-Based Management System (POBMS) is the Quarterly Target Review of scorecards that evaluate our effectiveness in a number of outcome and process measures. These measures foster accountability and transparency in key operating areas. The scorecard results help direct strategic planning, resource allocation, and risk assessment.

Rickard highlighted his report to the board:

- Six of the eight measures are performing in the green ranges.
- 22 consecutive quarters in the green range for both Benefit Estimates Completed and Eligibility Reviews Completed.
- Accuracy of Calculations has been in the green range eighteen of the 19 previous quarters
- System Uptime has been in the green range 13 of the 14 previous quarters.
- Recruitment has been in the green range for five consecutive quarters.

The next report will be presented at the May 2026 meeting, showing the scorecard results for the first quarter of 2026.

No board action was required.

C.4. VALUATION UPDATE AND FINANCIAL MODELING RESULTS

Scott Preppernau and Matt Larrabee of Milliman presented.

The presentation reviewed long-term financial modeling projections reflecting published investment results through September 30, 2025. The preliminary year-end 2025 investment results will be available for the January 30, 2026 board meeting.

No board action was required.

C.5. ADOPTION OF ACTUARIAL EQUIVALENCY FACTOR TABLES

Director Kevin Olineck presented and adoption of actuarial equivalency factor tables.

Olineck discussed the adoption of the Actuarial Equivalency Factor Tables prepared by Milliman. He explained that these tables are based on board-adopted changes to actuarial methods and assumptions presented in the 2024 Experience Study, including an assumed rate of 6.9%.

He presented two options: to adopt the tables as prepared or to direct Milliman to review and revise their recommendations to better align with board direction. Staff recommended adoption of the tables as presented.

Board Member Connor moved to adopt the Actuarial Equivalency Factor Tables, as prepared by Milliman, based on the board-adopted changes to the actuarial methods and assumptions as presented by Milliman in the 2024 Experience Study, including the assumed rate at 6.9%. Board Member Hestand seconded the motion.

Vice Chair Scanlan voted in favor of the motion; Board Member Connor voted in favor of the motion; Board Member Hestand voted in favor of the motion. Board Member Tintle voted in favor of the motion. Board Chair Jaramillo was not present for the meeting.

The motion passed (one member was not present).

Vice Chair Scanlan adjourned the PERS Board meeting at 11:27 a.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Kevin Olineck", written in a cursive style.

Kevin Olineck, Director

A.

A. Administration

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Director's Report

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Kevin Olineck, Director



Overview

This Director's Report tries to encapsulate noteworthy changes that have taken place since the last board meeting, while highlighting staff accomplishments.

Highlights

I want to continue to recognize where PERS staff have not only made great progress with standard operational projects but also on strategic initiatives. The following are areas that deserve to be highlighted, with staff publicly acknowledged for their efforts.

HB 4045 Police and Fire Age Change implementation

One aspect of House Bill (HB) 4045 which was passed in 2024 was a change to the retirement age for Oregon Public Service Retirement Plan (OPSRP) Police and Fire members. This was effective January 1, 2025 and for 2025, staff put in place manual processes to calculate benefit payments to those members. On January 15, 2026, staff implemented automated calculation processes for those calculations.

With this successful implementation, staff have now pivoted to begin planning, analysis, and design work on the most significant part of HB 4045, setting up the OPSRP Hazardous Position classification, which has an effective date of January 1, 2030.

All-staff meeting We held our semiannual all-staff meeting on December 9. Board Member Connor attended the meeting, providing welcoming remarks

and comments on behalf of the board, which was appreciated by all in attendance.

The meeting agenda included updates on the PERS Modernization Program; the PERS budget; Diversity, Equity, and Inclusion Committee activities; and an artificial intelligence and Microsoft Copilot update.

Two days after the all-staff meeting, we hosted an Executive Leadership Team question-and-answer session for agency staff. During this event, staff raised a broad spectrum of questions with the appropriate executive responding. Both meetings were well attended and engaging for all participants.

Employer Rate Projection Tool (ERPT) update A yearly activity that may go unnoticed is our update of the ERPT with new assumptions and factors from the latest actuarial valuation. These factors are calculated and provided by PERS' actuary, Milliman. The new factors were put into production earlier this month.

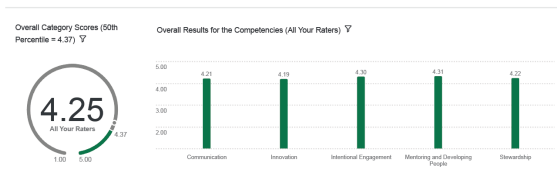
Accomplishments

Manager 360s and Employee Engagement Survey results As noted in previous Director's Reports, PERS has been focused on building out our management competencies and capabilities as we recognize the impact that managers have in building the overall culture of the agency and in staff engagement.

One of the most important areas for opportunity that staff highlighted in last year's engagement survey was continued leadership development throughout the agency, and we couldn't be prouder of not only the efforts we've put into upskilling our leaders, but

how those efforts were reflected in our most recent Leadership 360 Survey – focused not just on the agency as a whole, but on the effectiveness of our leadership, as seen through the lenses of their own leaders, colleagues, and their direct reports.

Our 2025 Leadership 360 Reviews have let us know that with staff's support, participation, feedback, and engagement, we've achieved an increase in each of the State of Oregon's managerial competencies over last year's scores – from an overall 4.19 to a 4.25 – a significant achievement in a single year.



While we saw improvement in each competency, we saw the greatest upward mobility in the areas of Stewardship, Mentoring and Developing People, and Innovation, with the greatest year-over-year improvement in Mentoring, letting us know our leaders' efforts toward providing complete and timely feedback and recognition practices haven't gone unnoticed.

Even though this was only our second Manager 360 assessment cycle, leadership believed that we would see improved results based on this focus and those beliefs were confirmed. All managers are currently working through their own personal action plan to build upon their efforts.

Given the increase in the Manager 360 scores, leadership was optimistic that this would translate into an increase in the employee engagement scores and this proved to be the case. As noted below, our overall results improved from 4.07 to 4.17, with only a slight drop in our response rate.

RESPONSE RATE COMPARISON		ENGAGEMENT MEAN COMPARISON		TOP QUARTILE TEAMS	
Company Current	80%	Company Current	4.17	Current	17
Company Past	83%	Company Past	4.07	(55% of teams)	
Gallup Overall Median	84%			(Past: 9; 32% of teams)	
Government - Local (City/County/State)		Overall Q1+ Database (2020-2024)			
Company 2025	73 rd	Company 2025	55 th		

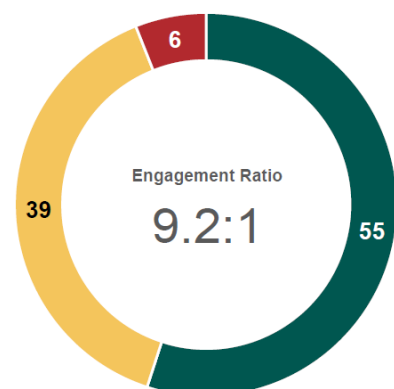
Of equal import, the scores for all 12 questions improved. The largest increase in score was in recognition. As noted above, this was one of the focus areas identified in the 2024 Manager 360 results and managers' efforts were recognized by staff.

Percentile Range in Gallup Database:

	1 st -24 th	25 th -49 th	50 th -74 th	75 th -89 th	≥90 th
ELEMENT PERCENTILES					
	MEAN	MEAN Δ	Government - Local (City/County/State) P-TILE		
Q00 Overall Satisfaction	4.36	+0.19	86 th		
Q12 Learn and Grow	4.26	+0.16	68 th		
Q11 Progress	4.39	+0.06	77 th		
Q10 Best Friend	3.29	+0.08	50 th		
Q09 Committed to Quality	4.33	+0.14	71 st		
Q08 Mission/Purpose	4.34	+0.09	73 rd		
Q07 Opinions Count	4.01	+0.10	72 nd		
Q06 Development	4.23	+0.14	70 th		
Q05 Cares About Me	4.42	+0.14	63 rd		
Q04 Recognition	3.97	+0.21 ▲	72 nd		
Q03 Opportunity to do Best	4.13	+0.03	61 st		
Q02 Materials and Equipment	4.27	+0.10	65 th		
Q01 Know What's Expected	4.45	+0.03	61 st		

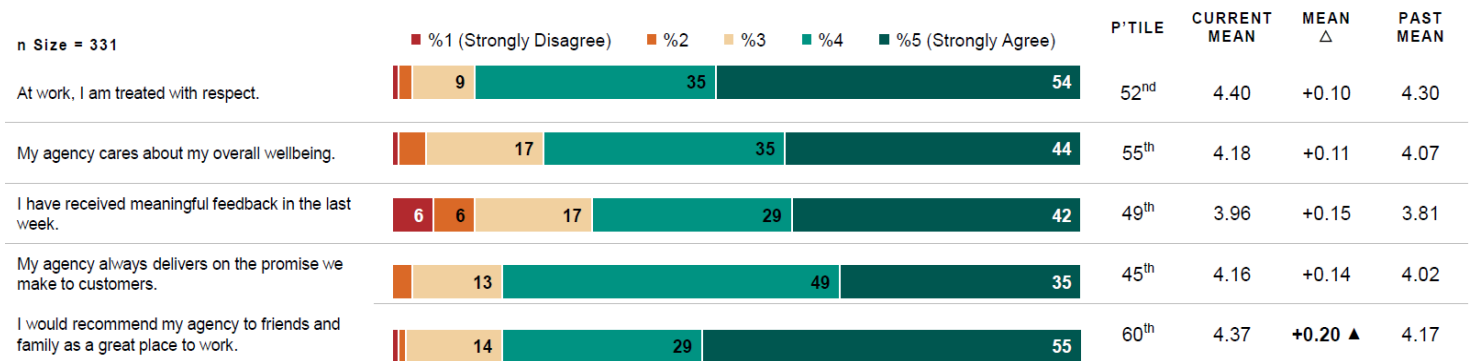
As noted in the chart below, PERS' has 9.2 engaged employees for every disengaged employee, and 55% of PERS employees are engaged, up from 49% in 2024. This compares to an average engagement score for participating government agencies across the country of 31% and an Oregon state agency average of 39%.

CURRENT ■ % Engaged ■ % Not Engaged ■ % Actively Disengaged



PAST ■ % Engaged ■ % Not Engaged ■ % Actively Disengaged

49 41 10



In addition to the Gallup 12 base questions, PERS also asks four additional questions and, as was the case for the Gallup 12 grouping, all scores increased.

I am extremely pleased with the overall results. PERS leadership will review these results with the management group at both the enterprise and divisional levels. We will continue to build out focused action plans to both maintain and, where possible, improve upon these scores. As I read through the comments provided by staff, they've identified both opportunities and challenges that we will seek to address in 2026 and beyond.

PPCC Standards Award Certificate

The Public Pension Coordinating Council (PPCC) awarded the 2025 Public Pension Standards Award to PERS for its plan funding and administration. The PPCC is a coalition of three associations representing public pension funds that cover most public employees in the United States. The associations are as follows: the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement. Public pension standards are intended to reflect minimum expectations for public retirement system management and administration. They also serve as benchmarks by which all defined benefit public plans are measured.

This is the 23rd year the PPCC has offered the award to public retirement systems and the 22nd consecutive year PERS has applied for and received the award.



PERS BOARD MEETING FORWARD-LOOKING CALENDAR

Wednesday, September 2, 2026 (joint meeting with Oregon Investment Council (OIC) at Treasury)
(PERS Board will be joining the second half of the regular OIC Board meeting 9:00 a.m.-1:00 p.m.)

Friday, January 30, 2026

Annual Report of Director Financial Transactions
 Legislative preview and update
 Senate Bill 1566 reporting requirements
 Preliminary Earnings Crediting and Reserving

Monday, April 3, 2026*

Oregon Public Employees Retirement Fund Performance Review
 Oregon Savings Growth Plan Annual Report
 Legislative session review
 Board approval to file legislative concepts
 Final Earnings Crediting
 Agency budget development update for next biennium

Friday, May 29, 2026

Board Scorecard Report on Agency Performance Measures
 Propose board meeting dates for next year
 Board Education Policy renewal
 Annual report of board member training activities
 Board Governance Best Practices Survey
 Retiree Health Insurance Plan renewals and rates
 PERS Health Insurance Plan annual update
 Agency budget development update for next biennium

Friday, July 24, 2026*

CEM Benchmarking results
 Approval to submit agency budget request for next biennium
 System-Wide Valuation results

Friday, September 25, 2026

Review board meeting dates for next year
 PERS Agency Strategic Plan update
 Legislative update and legislative concepts update
 PERS Annual Member and Employer Survey results
 Actuarial valuation and adoption of Actual Employer Rates

Friday, December 4, 2026*

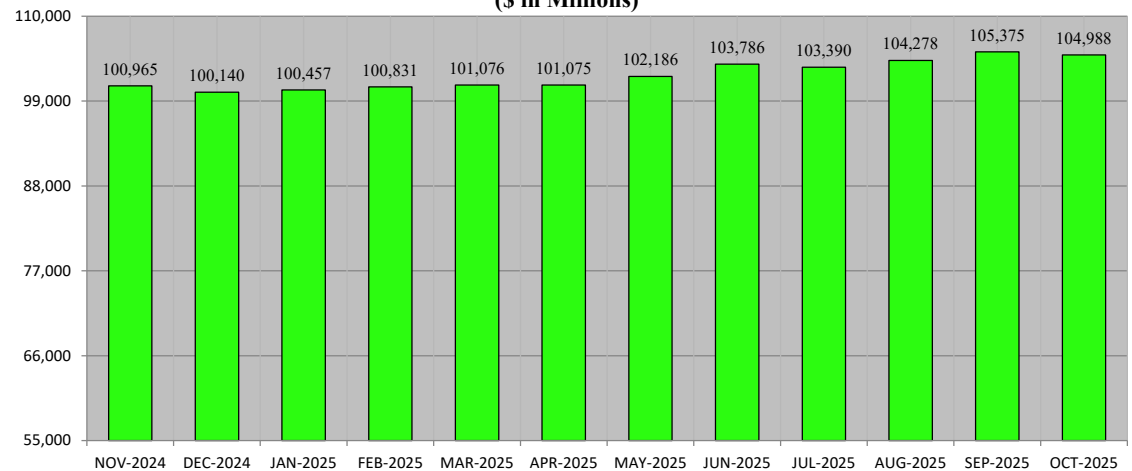
Board governance assignments
 Board Scorecard Report on Agency Performance Measures
 Governor's Expectations update
 Employer Incentive Fund update
 Presentation of final draft of legislative concepts before filing
 Appointment of Legislative Advisory Committee
 Financial modeling

**Audit and Risk Committee planned for post-board meeting*

OPERF	Regular Account				Historical Performance (Annual Percentage)							
	Policy ¹	Target ¹	\$ Thousands ²	Actual	Year-To-Date ³	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS
TOTAL OPERF Regular Account			\$ 99,391,753		7.49	7.91	8.50	6.96	4.96	8.92	8.08	7.88
<i>OPERF Policy Benchmark</i>					11.49	12.85	14.81	12.03	6.43	9.63	9.30	8.88
Value Added					(4.00)	(4.94)	(6.31)	(5.06)	(1.48)	(0.71)	(1.22)	(1.00)
<i>OPERF Reference Portfolio</i>					15.39	15.94	19.80	15.15	5.56	9.28	9.14	8.13
Public Equity	22.5-32.5%	27.5%	\$ 19,001,810	19.1%	19.45	21.06	26.48	20.57	10.10	15.39	12.53	11.27
<i>MSCI ACWI IMI Net</i>					20.67	22.00	27.06	20.89	8.96	14.26	12.47	11.04
Private Equity	17.5-27.5%	20.0%	\$ 24,904,433	25.1%	3.20	1.96	4.03	4.57	4.20	11.59	11.47	11.65
<i>Russell 3000+300 Bps Qtr Lag</i>					14.17	19.43	24.64	24.08	13.69	19.20	16.89	16.59
Total Equity	45.0-55.0%	47.5%	\$ 43,906,243	44.2%								
Fixed Income	20-30%	25.0%	\$ 23,198,727	23.3%	6.72	6.25	8.40	6.25	1.04	0.87	2.95	2.52
<i>Oregon Custom Fixed Income Benchmark</i>					6.80	6.16	8.33	5.60	(0.17)	(0.07)	2.16	1.87
Real Estate	9.0-16.5%	12.5%	\$ 13,378,762	13.5%	2.15	2.66	(2.40)	(3.82)	3.15	5.22	4.84	6.03
<i>Oregon Custom Real Estate Benchmark</i>					2.83	2.85	(3.44)	(6.19)	0.95	2.56	2.71	4.39
Real Assets	2.5-10.0%	7.5%	\$ 10,536,057	10.6%	8.47	11.36	10.16	9.63	11.90	13.09	8.36	7.66
<i>CPI +4%</i>					6.59	7.27	6.98	7.11	8.32	8.74	7.81	7.31
Diversifying Strategies	2.5-10.0%	7.5%	\$ 5,362,662	5.4%	7.65	9.96	6.68	4.92	9.40	9.50	3.96	2.61
<i>HFRI FOF: Conservative Index</i>					6.30	7.51	7.59	6.41	4.54	6.27	5.23	4.31
Opportunity Portfolio	0-5%	0%	\$ 2,954,375	3.0%	9.24	11.60	12.27	12.57	9.53	12.89	10.28	9.68
<i>Opportunity Custom Benchmark</i>					11.49	12.85	14.81	11.26	11.72	11.67	10.18	9.27
Cash w/Overlay	0-3%	0%	\$ 54,928	0.1%	3.99	4.86	5.41	5.31	3.86	3.12	2.97	2.49
<i>91 Day Treasury Bill</i>					3.53	4.34	4.86	4.83	3.81	3.04	2.65	2.12
Target Date Funds			\$ 5,322,350									
TOTAL OPERF Variable Account			\$ 274,304		21.08	22.45	27.47	21.19	9.29	14.60	12.80	11.40

Total OPERF NAV
(includes Variable Fund assets)
One year ending OCT-2025

(\$ in Millions)



¹OIC Policy revised April 2023.

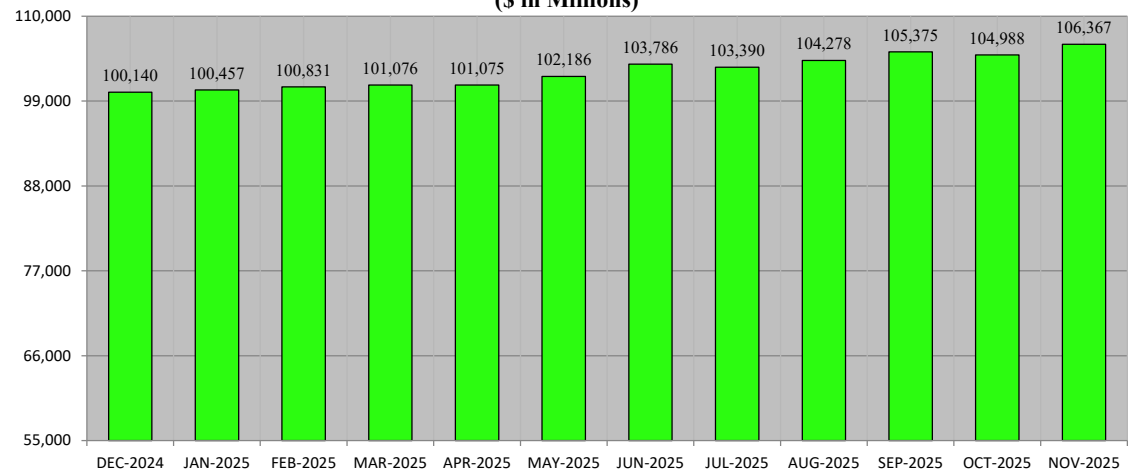
²Includes impact of cash overlay management.

³For mandates beginning after January 1 (or with lagged performance), YTD numbers are "N/A". Performance is reflected in Total OPERF. YTD is not annualized.

OPERF	Regular Account				Historical Performance (Annual Percentage)							
	Policy	Target ¹	\$ Thousands ²	Actual	Year-To-Date ³	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS
TOTAL OPERF Regular Account			\$ 100,773,287		8.78	7.86	8.11	6.51	5.00	7.92	8.09	8.04
<i>OPERF Policy Benchmark</i>					12.48	11.78	13.35	11.26	6.79	8.68	9.25	9.03
Value Added					(3.70)	(3.92)	(5.25)	(4.75)	(1.79)	(0.76)	(1.16)	(0.98)
<i>OPERF Reference Portfolio</i>					15.75	13.10	15.74	12.90	6.12	7.45	9.00	8.22
Public Equity	22.5-32.5%	27.5%	\$ 19,303,001	19.2%	20.03	16.80	21.62	17.85	11.01	12.79	12.42	11.35
<i>MSCI ACWI IMI Net</i>					20.82	17.57	21.64	18.02	9.74	11.60	12.26	11.12
Private Equity	15-27.5%	20.0%	\$ 25,162,726	25.0%	5.22	4.18	4.56	5.15	3.78	10.59	11.35	11.87
<i>Russell 3000+300 Bps Qtr Lag</i>					17.48	20.16	26.97	25.81	14.45	19.12	16.95	16.92
Total Equity	42.5-52.5%	47.5%	\$ 44,465,727	44.1%								
Fixed Income	20-30%	25.0%	\$ 23,523,782	23.3%	7.39	5.96	6.71	5.44	1.10	0.78	2.98	2.62
<i>Oregon Custom Fixed Income Benchmark</i>					7.46	5.70	6.29	4.56	(0.09)	(0.16)	2.19	1.97
Real Estate	7.5-17.5%	12.5%	\$ 13,583,865	13.5%	2.84	3.35	(1.17)	(3.92)	2.26	4.91	4.83	6.17
<i>Oregon Custom Real Estate Benchmark</i>					3.01	3.02	(3.02)	(6.17)	0.47	2.57	2.65	4.41
Real Assets	2.5-10.0%	7.5%	\$ 10,875,835	10.8%	11.40	11.21	12.22	9.78	11.80	13.15	8.55	8.17
<i>CPI +4%</i>					6.72	7.11	6.98	7.07	8.13	8.71	7.83	7.31
Diversifying Strategies	2.5-10.0%	7.5%	\$ 5,394,568	5.4%	8.29	10.18	7.50	5.84	9.99	9.88	4.31	2.62
<i>HFRI FOF: Conservative Index</i>					7.06	7.67	7.42	6.56	4.89	5.86	5.47	4.36
Opportunity Portfolio	0-5%	0%	\$ 2,919,016	2.9%	11.01	11.25	12.32	12.26	9.53	12.53	10.65	9.74
<i>Opportunity Custom Benchmark</i>					12.48	11.78	13.35	11.48	11.71	11.80	10.31	9.34
Cash w/Overlay	0-3%	0%	\$ 10,494	0.0%	4.37	4.80	5.30	5.29	3.96	3.18	3.00	2.53
<i>91 Day Treasury Bill</i>					3.82	4.24	4.77	4.82	3.88	3.10	2.66	2.15
Target Date Funds			\$ 5,327,240									
TOTAL OPERF Variable Account			\$ 266,600		21.21	17.91	22.01	18.32	10.05	11.92	12.58	11.48

Total OPERF NAV
(includes Variable Fund assets)
One year ending NOV-2025

(\$ in Millions)



¹OIC Policy revised April 2023.

²Includes impact of cash overlay management.

³For mandates beginning after January 1 (or with lagged performance), YTD numbers are "N/A". Performance is reflected in Total OPERF. YTD is not annualized.



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Tina Kotek, Governor

Public Employees Retirement System

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www.oregon.gov/pers

January 30, 2026

TO: Members of the PERS Board
FROM: Gregory R. Gabriel, Budget Officer
SUBJECT: January 2026 Budget Report

2025-27 OPERATING BUDGET

Operating expenditures for November, December, and preliminary expenditures for January are \$5,644,429, \$8,303,608, and \$10,192,177 respectively. Final expenditures for January will close in the Statewide Financial Management System on February 13 and will be included in the March 2026 report to the board.

- Through January 9, 2026, the agency has expended a total of \$35,760,386 or 22.6% of PERS' legislatively approved operations budget of \$158,589,264.
- At this time, the agency's projected variance is \$692,128 or .44%.
- Core Retirement Systems Applications (CRSA) expenditures for November, December, and preliminary expenditures for January are \$238,998, \$678,617, and \$642,533 respectively. As of January 9, the agency has expended \$2,218,543 or 10.3% of the legislatively approved budget of \$21,558,480.
- At this time, the CRSA projected variance is \$6,788,251 or 31.5%.

2023-25 OPERATING BUDGET

Operating expenditures paid July through December 2025 were \$3,489,046. The final variance is \$7,555,083 or approximately 5.1% of the operations budget.

To date, the agency has expended a total of \$139,510,084 or 94.9% of PERS' legislatively approved operations budget of \$147,065,167. This concludes reporting on appropriation year 2025.

2025-27 NON-LIMITED BUDGET

The adopted budget includes \$15,243,591,683 in total estimated non-limited expenditures. Non-limited expenditures include benefit payments, health insurance premiums, and third-party administration payments for both the PERS Health Insurance Program (PHIP) and the Individual Account Program (IAP).

- Non-Limited expenditures through January 9, 2026 are \$3,138,913,595.

A.2.c. Attachment 1 – *2025-27 Agency-Wide Budget Execution Report*

A.2.c. Attachment 2 – *2025-27 CRSA Summary Budget Analysis*

PERS Monthly Budget Report

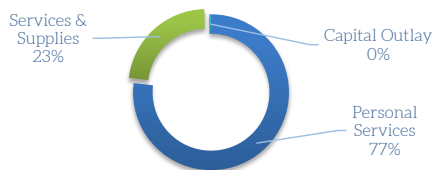
2025-27 Agency-Wide Budget Execution
Preliminary for the Month of January 2026

Limited - Operating Budget

2025-27 Biennial Summary

Category	Actual Exp. To Date	Projected Expenditures	Total Est. Expenditures	2025-27 LAB	Variance
Personal Services	24,528,400	93,899,161	118,427,561	115,235,179	(3,192,382)
Services & Supplies	11,153,081	27,737,589	38,890,670	42,769,871	3,879,201
Capital Outlay	78,905	500,000	578,905	584,214	5,309
Total	35,760,386	122,136,750	157,897,136	158,589,264	692,128

Projected Expenditures



Actual Expenditures



Monthly Summary

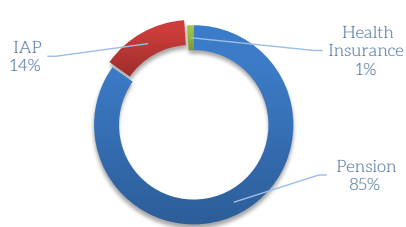
Category	Actual Exp.	Projections	Variance	Avg. Monthly Actual Exp.	Avg. Monthly Projected Exp.
Personal Services	4,776,025	4,949,249	173,224	4,934,482	4,082,572
Services & Supplies	4,933,651	5,112,592	178,941	1,620,445	1,205,982
Capital Outlay	482,500	500,000	17,500	78,905	21,739
Total	10,192,177	10,561,841	369,664	6,633,831	5,310,293

Non-Limited Budget

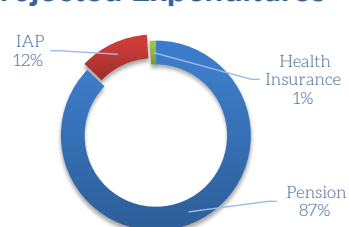
2025-27 Biennial Summary

Programs	Actual Exp. To Date	Projected Expenditures	Total Est. Expenditures	Non-Limited LAB	Variance
Pension	2,661,892,197	10,205,932,859	12,867,825,056	13,506,890,512	639,065,456
IAP	443,435,212	1,298,227,249	1,741,662,461	1,604,842,886	(136,819,575)
Health Insurance	33,586,186	121,511,920	155,098,106	131,858,285	(23,239,822)
Total	3,138,913,595	11,625,672,028	14,764,585,623	15,243,591,683	479,006,059

Actual Expenditures



Projected Expenditures



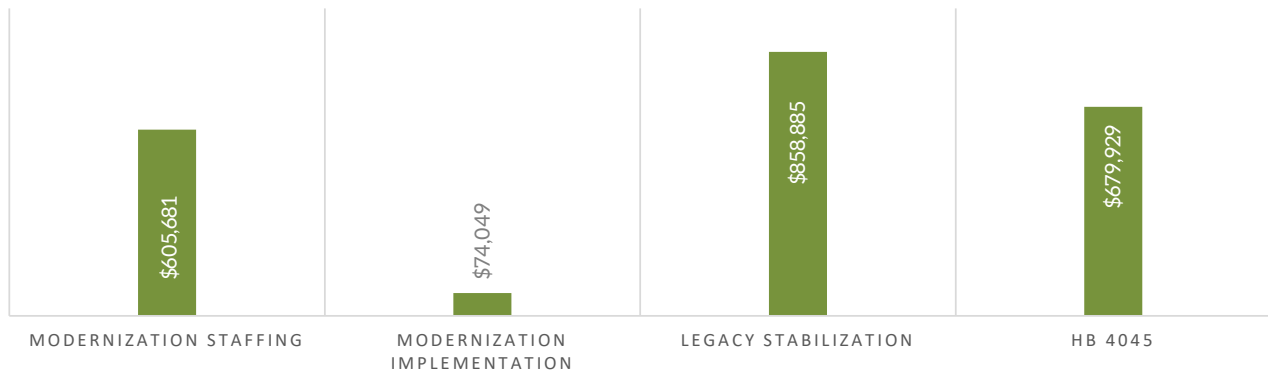
Core Retirement Systems Application

Summary Budget Analysis Preliminary for the Month of January 2026

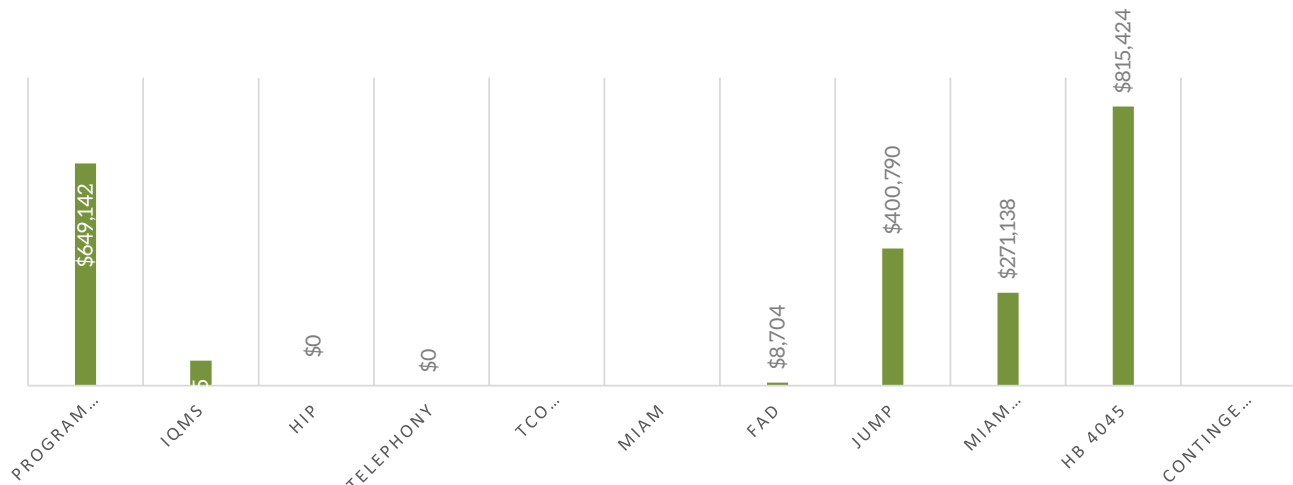
Biennial Summary

Category	Actual Exp. To Date	Projected Expenditures	Total Est. Expend.	2023-25 LAB	Variance
Personal Services	640,777	4,390,726	5,031,503	4,581,700	(449,803)
Services & Supplies	1,577,766	8,160,959	9,738,725	16,976,780	7,238,055
Capital Outlay					
Total	2,218,543	12,551,686	14,770,229	21,558,480	6,788,251

EXPENDITURES BY PACKAGE



EXPENDITURES BY PROJECT





Oregon

Tina Kotek, Governor

Public Employees Retirement System

Headquarters

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January 30, 2026

TO: Members of the PERS Board
 FROM: Jason Stanley, Chief Compliance, Audit, and Risk Officer
 SUBJECT: Review the Annual Report of Financial Transactions of the
 PERS Director for the fiscal year ended June 30, 2025

REQUESTED ACTION

In accordance with PERS policy and procedure, the chair of the Audit and Risk Committee has reviewed the summary of salary, benefits, personnel expenses, travel, and other financial charges incurred by PERS Director Kevin Olineck in the aggregate amount of \$368,986. This amount covers the period of July 1, 2024, through June 30, 2025. Details of this amount were provided at the December 5, 2025 Audit and Risk Committee meeting. The financial records supporting this summary are maintained in the Financial Services Division.

BACKGROUND

Oregon Accounting Manual (OAM) policy number 10.90.00.PO requires boards and commissions to establish a formal structure to ensure the proper review and approval of the agency head's financial transactions. This is supported by PERS policy number 1.01.02.00.001.POL.

The policy requires the agency's chief compliance, audit, and risk officer or deputy director to review and approve all financial transactions of the director, including monthly timesheets, travel claims (both in-state and out-of-state), Small Purchase Order Transaction System card purchases, etc. The policy also requires that the chair of the Audit and Risk Committee report to the committee and the PERS Board annually that they have reviewed the director's financial transactions, and that their review and approval be documented in the board meeting minutes.

I reviewed the detailed transactions (payroll time reports, travel expense reimbursement claims, and SPOTS card purchases) of the PERS director for the period of July 1, 2024, through fiscal year ended June 30, 2025, and found no exceptions or inappropriate transactions.

The PERS Board minutes for this meeting will reflect receipt of this report on the director's financial transactions for the fiscal year ended June 30, 2025, as submitted by Chief Compliance, Audit, and Risk Officer Jason Stanley, in compliance with OAM 10.90.00 PO.

B.

A. Administration

1. December 5, 2025 PERS Board Meeting Minutes
2. Director's Report

B. Administrative rulemaking

1. **Notice of rulemaking for plan limits rules**
2. Adoption of rulemaking for Lost in Transmission

C. Action and discussion items

1. Modernization Program update
2. Legislative update and legislative concept preview
3. Senate Bill 1566 reporting requirements
4. Preliminary 2025 earnings crediting and reserving
5. Verbal update reflecting on earnings through December 31, 2025



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January 30, 2026

TO: Members of the PERS Board
 FROM: Stephanie Vaughn, Manager, Policy Analysis and Compliance Section
 SUBJECT: Notice of Rulemaking for Plan Limits Rules:

OAR 459-005-0525, *Ceiling on Compensation for Purposes of Contributions and Benefits*

OAR 459-005-0545, *Annual Addition Limitation*

OAR 459-017-0060, *Reemployment of Retired Members*

OAR 459-045-0090, *PERS Administrative Fee*

OAR 459-080-0400, *Employee Pension Stability Account (EPSA)*

OAR 459-080-0500, *Limitation on Contributions*

OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Update rules to reflect the 2026 Internal Revenue Code (IRC), Social Security, salary limit, monthly salary threshold for the Employee Pension Stability Account (EPSA), and the maximum divorce administration fee.
- Policy Issue: None identified.

BACKGROUND

The Internal Revenue Service revises various dollar limits annually based on cost-of-living adjustments. These revisions are used throughout the PERS plan's statutes and rules, but revisions to the limits must be adopted by the Legislature or PERS Board to be effective.

The proposed rule modifications to Oregon Administrative Rules (OAR) 459-005-0545 and 459-080-0500 incorporate the federal adjustments for calendar year 2026 and are necessary to ensure compliance with the federal limits on the amount of contributions. In addition, the proposed modifications to OAR 459-017-0060 adopt the 2026 Social Security earnings limitations.

Under ORS 238.005, 238A.005 and 238A.330, as amended by Senate Bill 1049 (2019), on January 1 of each year, the PERS Board shall adjust the overall salary limit, and the salary threshold for Employee Pension Stability Account (EPSA) contributions to reflect cost-of-living increases from the previous year, based on the Consumer Price Index (CPI) for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor. ORS 238.465 was updated by House Bill 2284 (2023), increasing the maximum administrative fee for administering a divorce decree to \$1,300, to be increased each January 1 according to the CPI as described for the salary and EPSA threshold.

PERS has established a three-tiered approach to the administrative fee based on the complexity and administrative cost of administering the court order.

The All Urban Consumers, West Region (All Items) CPI for November 2024-2025 is 3.0%. Accordingly, the amendments to the limits are as follows:

SUMMARY OF PLAN LIMIT UPDATES		
	2025 Limit	2026 Limit
Federal limit on contributions	\$70,000	\$72,000
Social Security compensation limit – before full retirement age	\$23,400	\$24,480
Social Security compensation limit – calendar year reach full retirement age	\$62,160	\$65,160
Salary limit	\$238,567	\$245,724
EPSA threshold	\$3,777	\$3,890
Divorce fee – low cost	\$666	\$686
Divorce fee – moderate cost	\$998	\$1,028
Divorce fee – high cost	\$1,331	\$1,371

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely, and in the PERS Boardroom, on February 24, 2026, at 2:00 p.m. The public comment period ends February 27, 2026, at 5:00 p.m.

LEGAL REVIEW

The attached rules were submitted to the Department of Justice for legal review and any comments or changes will be incorporated before the rules are presented for adoption.

IMPACT

Mandatory: Yes, statute requires the PERS Board to update its rules to reflect revisions by the IRS and Social Security Administration and to update its rules to reflect cost-of-living increases from the previous year for salary limit and EPSA contributions salary threshold.

Benefit: Clarifies the 2026 limits for: contributions and benefits under federal law, Social Security earnings limit, salary limit, EPSA contributions salary threshold, and the maximum divorce administrative fee.

Cost: There are no discrete costs attributable to the rules.

RULEMAKING TIMELINE

January 26, 2026:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
February 2, 2026:	Secretary of State publishes the Notice in the Oregon Administrative Rules Database. Notice is sent to employers, legislators, and interested parties. Public comment period begins.
January 30, 2026:	PERS Board notified that staff began the rulemaking process.
February 24, 2026:	Rulemaking hearing to be held remotely at 2:00 p.m.
February 27, 2026:	Public comment period ends at 5:00 p.m.
March 30, 2026:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

NEXT STEPS

A rulemaking hearing will be held remotely on February 24, 2026. The rule is scheduled to be brought before the PERS Board for adoption at the March 30, 2026, board meeting.

B.3. Attachment 1 – *459-005-0525 Ceiling on Compensation for Purposes of Contribution and Benefits*

B.3. Attachment 2 – *459-005-0545 Annual Addition Limitation*

B.3. Attachment 3 – *459-017-0060 Reemployment of Retired Members*

B.3. Attachment 4 – *459-045-0090 PERS Administrative Fee*

B.3. Attachment 5 – *459-080-0400 Employee Pension Stability Account (EPSA)*

B.3. Attachment 6 – *459-080-0500 Limitation on Contributions*

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 005 – ADMINISTRATION**

459-005-0525

Ceiling on Compensation for Purposes of Contributions and Benefits

(1) This administrative rule shall be construed consistently with the requirements of the Internal Revenue Code (IRC) Section 401(a)(17) relating to the limitation on annual compensation allowable for determining contribution and benefits under ORS Chapters 238 and 238A.

(2) For purposes of this rule:

(a) "Annual compensation" means "salary," as defined in ORS 238.005 and 238.205 with respect to Chapter 238 and in 238A.005 with respect to Chapter 238A paid to the member during a calendar year or other 12-month period, as specified in this rule.

(b) "Eligible participant" means a person who first becomes a member of PERS before January 1, 1996.

(c) "Employer" means a "public employer" as defined in ORS 238.005, for the purposes of this rule as it applies to Chapter 238. For the purposes of this rule as it applies to Chapter 238A, an "employer" means a "participating public employer" as defined in 238A.005.

(d) "Noneligible participant" means a person who first becomes a member of PERS after December 31, 1995.

(e) "Participant" means an active or inactive member of PERS.

(3) For eligible participants, the limit set forth in IRC Section 401(a)(17) shall not apply for purposes of determining the amount of employee or employer contributions that may be paid into PERS, and for purposes of determining benefits due under ORS Chapters 238 and 238A. The limit on annual compensation for eligible participants shall be no less than the amount which was allowed to be taken into account for purposes of

1 determining contributions or benefits under former ORS 237.001 to 237.315 as in effect
2 on July 1, 1993, for calendar years before 2020. Beginning in ~~[2025]~~ 2026, the limit on
3 annual compensation taken into account for purposes of determining contributions or
4 benefits under ORS Chapter 238 or 238A for eligible participants shall be measured on a
5 calendar year basis, and shall not exceed ~~[\$238,567]~~ \$245,724 per calendar year.

6 (4) For noneligible participants, the annual compensation taken into account for
7 purposes of determining contributions or benefits under ORS Chapters 238 and 238A
8 shall be measured on a calendar year basis, and shall not exceed ~~[\$238,567]~~ \$245,724
9 per calendar year beginning in ~~[2025]~~ 2026.

10 (5) A participant employed by two or more agencies or instrumentalities of a PERS
11 participating employer in a calendar year, whether concurrently or consecutively, shall
12 have all compensation paid by the employer combined for determining the allowable
13 annual compensation under this rule.

14 (6) PERS participating employers shall monitor annual compensation and
15 contributions to assure that reports and remitting are within the limits established by this
16 rule and IRC Section 401(a)(17).

17 (7) For a participant, Final Average Salary under ORS 238.005 with respect to
18 Chapter 238 and under 238A.130 with respect to Chapter 238A shall be calculated
19 based on the amount of compensation that is allowed to be taken into account under this
20 rule.

21 (8) With respect to ORS Chapter 238, creditable service, as defined in 238.005,
22 shall be given for each month that an active member is paid salary or wages and
23 allowable contributions have been remitted to PERS, or would be remitted but for the
24 annual compensation limit in this rule. With respect to Chapter 238A, retirement credit as
25 determined in 238A.140, shall be given for each month that an active member is paid

1 salary or wages and allowable contributions have been remitted to PERS, or would be
2 remitted but for the annual compensation limit in this rule.

3 (9) Beginning in 2020, the limitation on annual compensation under sections (3) and
4 (4) of this rule will be indexed by cost-of-living adjustments in subsequent years as
5 provided in the Consumer Price Index for All Urban Consumers, West Region (All
6 Items), as published by the Bureau of Labor Statistics of the United States Department
7 of Labor.

8 Stat. Auth.: ORS 238.630, 238.650, 238A.370 & 238A.450

9 Stats. Implemented: ORS 238.005 & 238A.005

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 005 – ADMINISTRATION**

459-005-0545

Annual Addition Limitation

(1) This administrative rule shall be construed consistently with the requirements of the Internal Revenue Code (IRC) Section 415(c) and the Treasury regulations and Internal Revenue Service rulings and other interpretations issued thereunder.

(2) Except as otherwise provided in this rule, a member's annual additions to PERS for any calendar year after ~~2025~~ 2026 may not exceed ~~[\$70,000]~~ \$72,000 (as adjusted under IRC Section 415(d)).

(3) For purposes of this rule, the term "annual additions" has the same meaning as under IRC Section 415(c)(2).

(4) The following special rules shall apply with respect to purchases of permissive service credit, as defined in OAR 459-005-0540, Permissive Service Credit:

(a) If a member's after-tax contributions to purchase permissive service credit are included in the member's annual additions under section (3) of this rule, the member shall not be treated as exceeding the limitation under section (2) of this rule solely because of the inclusion of such contributions.

(b) With respect to any eligible participant, the annual addition limitation in section (2) of this rule shall not be applied to reduce the amount of permissive service credit to an amount less than the amount that could be purchased under the terms of the plan as in effect on August 5, 1997. As used in this subsection, the term "eligible participant" includes any individual who became an active member before January 1, 2000.

(5) If a member makes a payment to PERS to purchase retirement credit for service in the Armed Forces pursuant to 238.156(3)(c) or 238A.150 and the service is covered

1 under Internal Revenue Code Section 414(u), the following special rules shall apply for
2 purposes of applying the annual addition limitation in section (2) of this rule:

3 (a) The payment shall be allocated as an annual addition to the calendar year to
4 which it relates; and

5 (b) The member shall be treated as having received the following amount of
6 compensation for the period of service in the Armed Forces to which the payment
7 relates:

8 (A) The amount of compensation the member would have received from a
9 participating employer had the member not been in the Armed Forces; or

10 (B) If the amount in paragraph (A) of this subsection is not reasonably certain, the
11 member's average compensation from the participating employer during the 12-month
12 period immediately preceding the period of service in the Armed Forces (or, if shorter,
13 the period of employment immediately preceding the period of service in the Armed
14 Forces).

15 (6) The provisions of this rule are effective on January 1, 2004.

16 Stat. Auth.: ORS 238.630, 238.650, 238A.370 & 238A.450

17 Stats. Implemented: ORS 238.005 - 238.715, 238A.370

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 017 – REEMPLOYED RETIRED MEMBERS**

459-017-0060

Reemployment of Retired Members

(1) For purposes of this rule:

(a) “Bona fide retirement” means that the retired member has been absent from service with all participating employers and all employers in a controlled group with a participating employer for at least six full calendar months between the effective date of retirement and the date of hire.

(b) “Retired member” means a member of the PERS Chapter 238 Program who is retired for service.

(2) A retired member may be employed under ORS 238.082 by a participating employer without loss of retirement benefits provided:

(a) The period or periods of employment with one or more participating employers total less than 1,040 hours in a calendar year; or

(b) If the retired member is receiving retirement, survivors, or disability benefits under the federal Social Security Act, the period or periods of employment total less than either 1,040 hours in a calendar year, or the total number of hours in a calendar year that, at the retired member’s specified hourly rate of pay, would cause the annual compensation of the retired member to exceed the following Social Security annual compensation limits, whichever is greater.

(A) For retired members who have not reached full retirement age under the Social Security Act, the annual compensation limit is ~~[\$23,400]~~ \$24,480; or

1 (B) For the calendar year in which the retired member reaches full retirement age
2 under the Social Security Act and only for compensation for the months before reaching
3 full retirement age, the annual compensation limit is ~~[\$62,160]~~ \$65,160.

4 (3) The limitations on employment in section (2) of this rule do not apply if the
5 retired member has reached full retirement age under the Social Security Act.

6 (4) The limitations on employment in section (2) of this rule do not apply if:

7 (a) The retired member meets the requirements of ORS 238.082(4), (5), (6), (7), or
8 (8), and did not retire at a reduced benefit under the provisions of ORS 238.280(1), (2),
9 or (3);

10 (b) The retired member retired at a reduced benefit under ORS 238.280(1), (2), or
11 (3), is employed in a position that meets the requirements of ORS 238.082(4), the date
12 of hire is more than six months after the member's effective retirement date, and the
13 member's retirement otherwise meets the standard of a bona fide retirement;

14 (c) The retired member is employed by a school district or education service district
15 as a speech-language pathologist or speech-language pathologist assistant and:

16 (A) The retired member did not retire at a reduced benefit under the provisions of
17 ORS 238.280(1) or (3); or

18 (B) The retired member retired at a reduced benefit under the provisions of ORS
19 238.280(1) or (3), but is not employed by any participating employer until more than six
20 months after the member's effective retirement date, and the member's retirement
21 otherwise meets the standard of a bona fide retirement;

22 (d) The retired member meets the requirements of section 2, chapter 499, Oregon
23 Laws 2007, as amended by section 1, chapter 108, Oregon Laws 2015;

24 (e) The retired member meets the requirements of section 2, chapter 475, Oregon
25 Laws 2015;

1 (f) The retired member is employed for service during a legislative session under
2 ORS 238.092(2);

3 (g) The retired member meets the requirements of ORS 238.088(2), and did not
4 retire at a reduced benefit under the provisions of ORS 238.280(1), (2), or (3); or

5 (h) The retired member is on active state duty in the organized militia and meets the
6 requirements under ORS 399.075(8).

7 (i) The retired member is employed as a special campus security officer
8 commissioned by a public university and meets the requirements under section 5,
9 chapter 152, Oregon Laws 2019.

10 (j) The retired member is employed as a security officer for a community college
11 and meets the requirements under section 5, chapter 152, Oregon Laws 2019.

12 (k) The retired member is employed by Harney County Health District as a person
13 licensed, registered or certified to provide health services and meets the requirements
14 under section 2, chapter 496, Oregon Laws 2019.

15 (5) For purposes of population determinations referenced by statutes listed in this
16 rule, the latest federal decennial census shall first be operative on the first day of the
17 second calendar year following the census year.

18 (6) For purposes of ORS 238.082(6), a retired member replaces an employee if the
19 retired member:

20 (a) Is assigned to the position of the employee; and

21 (b) Performs the duties of the employee or duties that might be assigned to an
22 employee in that position.

23 (7) If a retired member is reemployed subject to the limitations of ORS 238.082 and
24 section (2) of this rule, the period or periods of employment subsequently exceed those
25 limitations, and employment continues into the month following the date the limitations
26 are exceeded:

1 (a) If the member has been retired for six or more calendar months:

2 (A) PERS will cancel the member's retirement.

3 (i) If the member is receiving a monthly service retirement allowance, the last
4 payment to which the member is entitled is for the month in which the limitations were
5 exceeded.

6 (ii) If the member is receiving installment payments under ORS 238.305(4), the last
7 installment payment to which the member is entitled is the last payment due on or before
8 the last day of the month in which the limitations were exceeded.

9 (iii) If the member received a single lump sum payment under ORS 238.305(4) or
10 238.315, the member is entitled to the payment provided the payment was dated on or
11 before the last day of the month in which the limitations were exceeded.

12 (iv) A member who receives benefits to which he or she is not entitled must repay
13 those benefits to PERS.

14 (B) The member will reestablish active membership the first of the calendar month
15 following the month in which the limitations were exceeded.

16 (C) The member's account must be rebuilt in accordance with the provisions of
17 section (9) of this rule.

18 (b) If the member has been retired for less than six calendar months:

19 (A) PERS will cancel the member's retirement effective the date the member was
20 reemployed.

21 (B) All retirement benefits received by the member must be repaid to PERS in a
22 single payment.

23 (C) The member will reestablish active membership effective the date the member
24 was reemployed.

1 (D) The member account will be rebuilt as of the date that PERS receives the single
2 payment. The amount in the member account must be the same as the amount in the
3 member account at the time of the member's retirement.

4 (8) For purposes of determining period(s) of employment in section (2) of this rule:

5 (a) Hours of employment are hours on and after the retired member's effective
6 retirement date for which the member receives wages, salary, paid leave, or other
7 compensation.

8 (b) Hours of employment that are performed under the provisions of section (4) of
9 this rule on or after the later of January 1, 2004, or the operative date of the applicable
10 statutory provision, are not counted.

11 (9) If a member has been retired for service for more than six calendar months and
12 is reemployed in a qualifying position by a participating employer under the provisions of
13 238.078(1):

14 (a) PERS will cancel the member's retirement effective the date the member is
15 reemployed.

16 (b) The member will reestablish active membership on the date the member is
17 reemployed.

18 (c) If the member elected a benefit payment option other than a lump sum option
19 under ORS 238.305(2) or (3), the last monthly service retirement allowance payment to
20 which the member is entitled is for the month before the calendar month in which the
21 member is reemployed. Upon subsequent retirement, the member may choose a
22 different benefit payment option.

23 (A) The member's account will be rebuilt as required by ORS 238.078 effective the
24 date active membership is reestablished.

25 (B) Amounts from the Benefits-In-Force Reserve (BIF) credited to the member's
26 account under the provisions of paragraph (A) of this subsection will be credited with

1 earnings at the BIF rate or the assumed rate, whichever is less, from the date of
2 retirement to the date of active membership.

3 (d) If the member elected a partial lump sum option under ORS 238.305(2), the last
4 monthly service retirement allowance payment to which the member is entitled is for the
5 month before the calendar month in which the member is reemployed. The last lump
6 sum or installment payment to which the member is entitled is the last payment due
7 before the date the member is reemployed. Upon subsequent retirement, the member
8 may not choose a different benefit payment option unless the member has repaid to
9 PERS in a single payment an amount equal to the lump sum and installment benefits
10 received and the earnings that would have accumulated on that amount.

11 (A) The member's account will be rebuilt as required by ORS 238.078 effective the
12 date active membership is reestablished.

13 (B) Amounts from the BIF credited to the member's account under the provisions of
14 paragraph (A) of this subsection, excluding any amounts attributable to repayment by
15 the member, will be credited with earnings at the BIF rate or the assumed rate,
16 whichever is less, from the date of retirement to the date of active membership.

17 (e) If the member elected the total lump sum option under ORS 238.305(3), the last
18 lump sum or installment payment to which the member is entitled is the last payment
19 due before the date the member is reemployed. Upon subsequent retirement, the
20 member may not choose a different benefit payment option unless the member has
21 repaid to PERS in a single payment an amount equal to the benefits received and the
22 earnings that would have accumulated on that amount.

23 (A) If the member repays PERS as described in this subsection the member's
24 account will be rebuilt as required by ORS 238.078 effective the date that PERS
25 receives the single payment.

1 (B) If any amounts from the BIF are credited to the member's account under the
2 provisions of paragraph (A) of this subsection, the amounts may not be credited with
3 earnings for the period from the date of retirement to the date of active membership.

4 (f) If the member received a lump sum payment under ORS 238.315:

5 (A) If the payment was dated before the date the member is reemployed, the
6 member is not required or permitted to repay the benefit amount. Upon subsequent
7 retirement:

8 (i) The member may choose a different benefit payment option.

9 (ii) The member's retirement benefit will be calculated based on the member's
10 periods of active membership after the member's initial effective retirement date.

11 (B) If the payment was dated on or after the date the member is reemployed, the
12 member must repay the benefit amount. Upon subsequent retirement:

13 (i) The member may choose a different benefit payment option.

14 (ii) The member's retirement benefit will be calculated based on the member's
15 periods of active membership before and after the member's initial effective retirement
16 date.

17 (iii) The member's account will be rebuilt as described in ORS 238.078(2).

18 (g) A member who receives benefits to which he or she is not entitled must repay
19 those benefits to PERS.

20 (10) If a member has been retired for less than six calendar months and is
21 reemployed in a qualifying position by a participating employer under the provisions of
22 238.078(2):

23 (a) PERS will cancel the member's retirement effective the date the member is
24 reemployed.

25 (b) All retirement benefits received by the member must be repaid to PERS in a
26 single payment.

1 (c) The member will reestablish active membership effective the date the member is
2 reemployed.

3 (d) The member account will be rebuilt as of the date that PERS receives the single
4 payment. The amount in the member account must be the same as the amount in the
5 member account at the time of the member's retirement.

6 (e) Upon subsequent retirement, the member may choose a different benefit
7 payment option.

8 (11) Upon the subsequent retirement of any member who reestablished active
9 membership under ORS 238.078 and this rule, the retirement benefit of the member
10 must be calculated using the actuarial equivalency factors in effect on the effective date
11 of the subsequent retirement.

12 (12) The provisions of paragraphs (9)(c)(B), (9)(d)(B), and (9)(e)(B) of this rule are
13 applicable to retired members who reestablish active membership under ORS 238.078
14 and this rule and whose initial effective retirement date is on or after March 1, 2006.

15 (13) A participating employer that employs a retired member must notify PERS in a
16 format acceptable to PERS under which statute the retired member is employed.

17 (a) Upon request by PERS, a participating employer must certify to PERS that a
18 retired member has not exceeded the number of hours allowed under ORS 238.082 and
19 section (2) of this rule.

20 (b) Upon request by PERS a participating employer must provide PERS with
21 business and employment records to substantiate the actual number of hours a retired
22 member was employed.

23 (c) Participating employers must provide information requested under this section
24 within 30 days of the date of the request.

1 (14) Accumulated unused sick leave reported by an employer to PERS upon a
2 member's retirement, as provided in ORS 238.350, may not be made available to a
3 retired member returning to employment under sections (2) or (9) of this rule.

4 (15) Subsections (4)(c) and (4)(d) of this rule are repealed effective January 2,
5 2026.

6 (16) Subsection (4)(e) of this rule is repealed effective June 30, 2023.

7 (17) A member who is retired for service maintains their status as a retired member
8 of the system, and does not accrue additional benefits during the period of employment.
9 A retired member may not participate in the pension program or the Individual Account
10 Program as an active member, except as provided by ORS 238.092(1) or 237.650.

11 (18) For calendar years 2020 through 2024, a public employer employing a retired
12 member shall apply the employer's contribution rate for its covered payroll to the wages
13 paid to the retired member. The public employer shall make a payment to the Public
14 Employees Retirement Fund in that amount. This payment is in addition to the
15 employer's contribution required under ORS 238.225, and will be applied to the
16 employer's liabilities, including pension benefit costs and retiree medical benefit costs. If
17 the employer is a member of a pool established under ORS 238.227, the additional
18 payment will be applied to the employer's rate pool's liabilities.

19 (19) For calendar years 2020 through 2024, the limitations on employment in
20 section (2) of this rule do not apply to a retired member unless the member retired under
21 the provisions of ORS 238.280(1), (2), or (3), and does not have a bona fide retirement.

22 (20) For calendar years 2020 through 2024, if the member retired under the
23 provisions of ORS 238.280(1), (2), or (3), and does not have a bona fide retirement, the
24 member is subject to the limitations on employment in section (2) of this rule.

25 (21) Sections (18), (19), and (20) of this rule are repealed effective January 2, 2025.

26 Stat. Auth.: ORS 238.650 & ORS 238.630

- 1 Stats. Implemented: ORS 238.078, ORS 238.082, ORS 238.088, ORS 238.092,
- 2 ORS 399.075, 2007 OL Ch. 499 & 774, 2015 OL Ch. 108 & 475, 2018 OL Ch. 48 & 2019
- 3 OL Ch. 355

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 045 – DOMESTIC RELATIONS ORDER**

OAR 459-045-0090

PERS Administrative Fee

(1) An administrative fee is assessed by PERS for obtaining data and making calculations to administer court-ordered alternate payee awards under ORS 238.465 in the name of an alternate payee.

(2) Pursuant to the provisions of ORS 238.465(9), the board may not charge more than ~~[\$1,331]~~ \$1,371 for calendar year ~~[2025]~~ 2026 for the total administrative expenses and related costs incurred in administering court-ordered alternate payee awards. This fee is allocated between the member and the alternate payee based on the fraction of the benefit received by the member or the alternate payee.

(3) The fee to be assessed by the board shall be determined by the estimated administrative cost of implementing the court order based on a percentage of the fee threshold (rounded to the nearest dollar), as set forth below:

(a) Low Administrative Cost Tier: Set at 50% of the maximum allowable administrative fee and is ~~[\$666]~~ \$685 for calendar year ~~[2025]~~ 2026.

(b) Moderate Administrative Cost Tier: Set at 75% of the maximum allowable administrative fee and is ~~[\$998]~~ \$1,028 for calendar year ~~[2025]~~ 2026.

(c) High Administrative Cost Tier: Set at 100% of the maximum allowable administrative fee and is ~~[\$1,331]~~ \$1,371 for calendar year ~~[2025]~~ 2026.

(4) On January 1 of each year, the board shall update the administrative cost fees tiers as the dollar limit threshold provided by ORS 238.465(9) is updated.

Stat. Auth.: ORS 238.465, ORS 238.650 & ORS 238A.450

- 1 Stats. Implemented: [ORS 238.465](#)
- 2 Hist.: PERS 5-1996, f. & cert. ef. 6-11-96; f. & cert. ef. 5-28-2010; f. & cert. ef. 2-2-24
- 3

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 080 – OPSRP INDIVIDUAL ACCOUNT PROGRAM**

459-080-0400

Employee Pension Stability Account (EPSA)

(1) The Employee Pension Stability Account (EPSA) is a member account under the IAP as established in ORS 238A.353. A portion of the member contributions is credited to the member's EPSA when the member's monthly salary exceeds the threshold amount and the system funded status is below 90%.

(2) The monthly salary threshold amount:

(a) Is ~~[\$3,777 for calendar year 2025]~~ \$3,890 for calendar year 2026;

(b) Includes salary from all PERS covered employment during the calendar month; and

(c) Is determined based on the date the salary is paid except for retroactive salary payments, which are allocated to the period when the salary was earned or would have been earned.

(3) Though part of the IAP, EPSA funds are not invested in target date funds. EPSA funds are held in a separate member account that will be credited annually with earnings or losses in accordance with OAR 459-007-0005. There is no guaranteed rate of return on a member's EPSA.

(4) Unless withdrawn prior to earliest retirement age, a member's EPSA will be applied to the cost of the member's retirement or other pension benefit attributable to service on and after July 1, 2020. The portion of the member's benefit attributable to service on and after July 1, 2020 will be determined by dividing the number of months of service after July 1, 2020 by the total months of service.

(5) If the amount in the EPSA exceeds the cost of the pension or other retirement benefits that are payable to the member or the member's beneficiary determined

1 according to section (4) of this rule, the board shall pay the excess amounts in a lump
2 sum to the member or the member's IAP beneficiary.

3 Stat. Auth.: ORS 238A.450

4 Stats. Implemented: ORS 238A.050, 238A.330, OL 2021, Ch. 298, OL 2019, Ch.
5 355, Sec. 2, & OL 2018, Ch. 118

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 080 – OPSRP INDIVIDUAL ACCOUNT PROGRAM**

459-080-0500

Limitation on Contributions

(1) For purposes of this rule, “annual addition” has the same meaning given the term in 26 U.S.C. 415(c)(2).

(2) Except as otherwise provided in this rule, the annual addition to a member account for any calendar year may not exceed ~~[\$70,000]~~ \$72,000 effective January 1, ~~[2025]~~ 2026.

(3) If a payment of employee contributions for a period of military service is made under OAR 459-080-0100:

(a) The payment shall be allocated as an annual addition to the calendar year(s) of military service to which it relates; and

(b) For the purpose of determining the amount of the payment under this section, the member’s compensation shall be determined under OAR 459-080-0100(3)(d).

Stat. Auth.: ORS 238A.450

Stats. Implemented: ORS 238A.370

B.

A. Administration

1. December 5, 2025 PERS Board Meeting Minutes
2. Director's Report

B. Administrative rulemaking

1. Notice of rulemaking for plan limits rules
- 2. Adoption of rulemaking for Lost in Transmission**

C. Action and discussion items

1. Modernization Program update
2. Legislative update and legislative concept preview
3. Senate Bill 1566 reporting requirements
4. Preliminary 2025 earnings crediting and reserving
5. Verbal update reflecting on earnings through December 31, 2025



Oregon

Tina Kotek, Governor

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January 30, 2026

TO: Members of the PERS Board

FROM: Anne Marie Vu, Research Policy Coordinator, Policy Analysis and Compliance Section
Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Adoption of Rulemaking for Receipt Date Rule

OAR 459-005-0220 *Receipt Date for Reports, Documents, Remittances, Payments, Data, and Requests*

OVERVIEW

- Action: Staff recommends adoption of the amended Receipt Date Rule
- Reason: (1) Extend the 30-day deadline to file a lost or delayed transmission claim to align with longer deadlines that apply to an appeal, contested case hearing, or dispute if the submission is relevant to an appeal, hearing, or dispute; and (2) Clarify how PERS determines receipt dates for fax transmissions.

BACKGROUND

Receipt dates play an important role in determining the timeliness of filings and the validity of documents, including in appeals, contested case hearings and disputes. Oregon Administrative Rule (OAR) 459-005-0220 explains how PERS determines when various types of submissions (i.e., a report, document, remittances, payments, data submissions, and other requests) are received by PERS.

Under the current rule, once PERS staff notify members and employers that a required submission was not timely received, the member or employer has 30 days to submit a claim that the submission was deposited for delivery or transmission on or before the date due for filing, and was correctly addressed to PERS, and request that it be considered timely received.

Some members who file an appeal, contested case hearing, or dispute miss this 30-day deadline because they mistakenly believe that the appeal, hearing, or dispute deadlines also apply to lost or delayed transmission claims as part of the appeal, hearing, or dispute process.

The proposed rule extends the deadline to submit a lost or delayed transmission claim to align with potentially conflicting deadlines that apply to an appeal, contested case hearing, or dispute. This ensures that the member or employer is not time-barred from submitting evidence that could be relevant to their underlying appeal, hearing, or dispute.

The second proposed amendment addresses some technical aspects of what information is shown on a fax transmission. It defines "transmission data," and clarifies that the receipt date for a document received via fax transmission shall be deemed the date reflected by the

transmission data that is automatically generated by the fax machine or fax server and embedded on the fax transmission (file or document) or the imaged date of the fax. It also clarifies that metadata from the sender's fax machine/electronic device, or fax/email server showing the date and time that the fax or email was transmitted by the sender, may be submitted to support a lost or delayed transmission claim.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held remotely, and in person, on January 20, 2026, at 2:00 p.m. The public comment period ended January 21, 2026, at 5:00 p.m.

LEGAL REVIEW

The attached rules were submitted to the Department of Justice for legal review and any comments or changes have been incorporated into the rules are presented for adoption.

IMPACT

Mandatory: No

Benefit: Extends deadline for lost/delayed submission claims to match deadlines for appeals, hearings, or disputes, and clarifies how PERS evaluates fax transmissions.

Cost: There are no discrete costs attributable to the rule.

RULEMAKING TIMELINE

November 24, 2025:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
December 5, 2025:	PERS Board notified that staff began the rulemaking process. Notice is sent to employers, legislators, and interested parties. The public comment period begins.
January 2, 2026:	Secretary of State publishes the Notice in the Oregon Administrative Rules Database.
January 20, 2026:	Rulemaking hearing is held remotely and at the PERS headquarters at 2:00 p.m.
January 21, 2026:	Public comment period ends at 5:00 p.m.
January 30, 2026:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

BOARD OPTIONS

The PERS Board may:

1. Pass a motion to adopt receipt date rule edits.
2. Direct staff to make other changes to the rules or explore other options.

STAFF RECOMMENDATION

Staff recommend the PERS Board choose Option #1.

B.1. Attachment 1 – OAR 459-005-0220 *Receipt Date for Reports, Documents, Remittances of Payments, Data, and Requests*

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 005 – ADMINISTRATION**

459-005-0220

Receipt Date for Reports, Documents, Remittances, Payments, Data, and Requests

(1) As used in this rule:

(a) “Imaged date” means the date on which a report, document, remittance, or payment is imaged and stored electronically to a dedicated network server.

(b) “OMS” means PERS’ Online Member Services.

(c) “Online submission date” means the date on which data or a request successfully submitted through OMS is saved to PERS’ system.

(d) “Private express carrier” has the same meaning as in ORS 293.660(2).

(e) “Settlement date” means the date on which the participating Depository Financial Institution (DFI) or its correspondent is scheduled to be debited or credited by the Federal Reserve.

(f) “Transmission data” means details such as the sender and receiver’s fax numbers or email addresses, the time and date of transmission, the duration of transmission, the number of pages sent, and whether the transmission was successful.

(2) If the due date of a report, document, remittance, or payment falls on a weekend or legal holiday, the due date is deemed to be the next business day.

(3) Except as otherwise provided in this rule, any report, document, or remittance required by PERS shall be deemed filed and received on the date of the receipt **recorded, stamped** **or [stamp]** affixed to the report, document, or remittance when received by PERS.

(a) In the case of a check or cash submission, the payment shall be deemed filed and received on the date recorded in PERS’ daily cash receipts log or check log.

(b) In the case of a fax transmission, the document shall be deemed filed and received on the receipt date as reflected by the transmission data that is automatically generated by the fax machine or fax server and embedded on the fax transmission or the imaged date of the fax, unless the sender submits evidence that meets the requirements of subsection (5) that the fax transmission was sent earlier.

(4) Except as otherwise provided in this rule, any report, document, remittance, or payment that does not display a PERS receipt **record**, stamp, or **affixation, or** has not been recorded

1 in PERS' daily cash receipts log or check log, shall be deemed filed and received on the
2 imaged date. If the imaged date, cash receipts, log date, or check log date is later than the
3 due date, the report, document, remittance, or payment shall be deemed filed and received
4 one business day before the imaged date, cash receipts log date, or check log date.

5 (5) Any report, document, remittance, payment, data, or request required by PERS which is
6 lost or delayed in transmission, shall be deemed filed and received on the date it was
7 mailed or deposited for transmittal to USPS or a private express carrier, or the date it was
8 transmitted by fax, email, or OMS if the sender:

9
10 (a) Can establish by evidence satisfactory to PERS that the report, document, remittance,
11 payment, data, or request was deposited for delivery or transmission on or before the date
12 due for filing, and was correctly addressed to PERS.

13
14 (A) Evidence satisfactory to PERS for USPS or a private express carrier may include, but is
15 not limited to, documentation provided by USPS or the private express carrier, such as a
16 receipt or delivery confirmation.

17
18 (B) Evidence satisfactory to PERS for a fax *[communication]* or email transmission *[that is*
19 *lost in transmission]* may include, but is not limited to, an affidavit by the sender verifying
20 that the fax or email was correctly addressed and sent to PERS, together with a copy of any
21 transmission data, activity report, or metadata from the sender's fax machine, electronic
22 device, or fax/email server showing the date and time that the fax or email was
23 transmitted by the sender, and a duplicate of the original report or document.

24
25 (C) Evidence satisfactory to PERS for an OMS submission *[that is lost in transmission]*
26 may include, but is not limited to, an affidavit by the member verifying that the member
27 submitted the data through OMS, together with a printout of the confirmation message
28 displayed on the member's screen that the online submission was successful.

(b) Files with PERS a duplicate of the lost or delayed report, document, remittance, payment, data, or request in accordance with the transmittal requirements of OAR 459-005-0210 or 459-005-0215; and

(c) Satisfies the requirements of subsections (a) and (b) of this section:
(1) within 30 days after PERS notifies the sender in writing of failure to receive the report, document, remittance, or payment; or
(2) the due date for filing a request for review under OAR 459-001-0030, OAR 459-001-0032, OAR 459-001-0035, or dispute under ORS 238.285 or ORS 238.450, whichever is later.

(6) An electronic funds transfer (EFT) shall be deemed received on the settlement date of the transfer. A settlement date specified by an employer for an EFT shall be no later than the due date specified by PERS for a remittance or a payment.

(7) Any report or document that PERS accepts by e-mail transmission as specified in OAR 459-005-0210(5), which is transmitted by e-mail to any office of PERS shall be deemed received as of the system-generated date and time stamp that is displayed on the email header line of the email that is received by PERS.

(8) An electronic submission of data made through OMS shall be deemed received on the online submission date.(9) A report, document, or data transmitted by fax, e-mail, or OMS must be transmitted in accordance with the provisions of this rule and OAR 459-005-0215, and must be received by PERS before midnight on the due date.

(10) When transmitting a report, document, or data by fax, e-mail, or OMS, the sender bears the risk of failure of the transmission.

Statutory/Other Authority: ORS 238.650 & ORS 238A.450

Statutes/Other Implemented: ORS 238 & ORS 238A

History:

PERS 5-2019, amend filed 07/26/2019, effective 07/26/2019

PERS 4-2016, f. & cert. ef. 7-29-16

PERS 7-2014, f. & cert. ef. 3-31-14

PERS 10-2007, f. & cert. ef. 7-26-07

PERS 21-2005, f. & cert. ef. 11-1-05

1 PERS 6-1999, f. & cert. ef. 11-22-99

2



A. Administration

1. December 5, 2025 PERS Board Meeting Minutes
2. Director's Report

B. Administrative rulemaking

1. Notice of rulemaking for plan limits rules
2. Adoption of rulemaking for Lost in Transmission

C. Action and discussion items

- 1. Modernization Program update**
2. Legislative update and legislative concept preview
3. Senate Bill 1566 reporting requirements
4. Preliminary 2025 earnings crediting and reserving
5. Verbal update reflecting on earnings through December 31, 2025



Oregon

Tina Kotek, Governor

Public Employees Retirement System

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January 30, 2026

TO: Members of the PERS Board
FROM: Kristi Ivers, Modernization Program Director
SUBJECT: PERS Modernization Program update

BACKGROUND

The PERS Modernization Program is a multi-biennial effort to reimagine and evolve the deployment of our business capabilities via our people, processes, and technologies to meet our member and PERS-participating employer needs into the future. The program's \$14,521,851 budget for the 2025-27 biennium was approved by the Legislature as part of the PERS budget bill, Senate Bill 5534.

PROGRAM AND PROJECT STATUS

The PERS Modernization Program is managed as one comprehensive program with many individual projects expected to initiate and complete over the upcoming four biennia. All projects will be submitted for review to Enterprise Information Services (EIS) and, as appropriate, go through the EIS stage-gate process; the PERS Modernization Program itself is not subject to EIS stage-gate oversight.

Initiative	Expected Completion	Health and Status (as of 12/31/2025)
PERS Modernization Program	December 31, 2034	<p><u>Key Activities:</u></p> <ul style="list-style-type: none"> The program overall is on-scope, on-schedule and on-budget. Two out of the three senior project manager positions have been filled. The third position will be reposted within the next 30 days. Submitted an Agency Budget Request on December 8, 2025, to Department of Administrative Services Chief Financial Office (DAS CFO) and Legislative Fiscal Office (LFO) for the 2026 Interim Joint Committee on Ways and Means to request funding and positions for the remainder of the 2025-27 biennium. Program Business Case and Charter updates have been completed and accepted by Enterprise Information Service (EIS). The formal acceptance letter was received on January 8, 2026.

		<ul style="list-style-type: none"> • PERS continues documenting its pension life-cycle processes (e.g., pre-retirement, divorce, etc.). 15 journey maps have been completed. • Planning and analysis are in process to initiate the next round of data cleaning efforts.
Modernization of Pension Administration System (PAS)	December 31, 2034	<p>Project overall health: Grey</p> <p><u>Key Activities:</u></p> <ul style="list-style-type: none"> • Project status: pre-initiation. • Initial review of the PAS business case and charter were completed by EIS on December 30, 2025. Responses to the comments from EIS are in progress. • Department of Justice (DOJ) received the Specialized Consultant Request for Proposal (RFP) on December 19, 2025 and it is currently being reviewed for legal sufficiency. This consultant is expected to assist PERS in writing its commercial-off-the-shelf (COTS) Pension Administration System (PAS) RFP. PERS anticipates posting the Specialized Consultant RFP in January 2026. • Current state requirements gathering with staff continue. This is the initial phase of multiple requirements gathering sessions.
Telephony Modernization Project	March 12, 2026 <i>(Original end date December 31, 2024)</i>	<p>Project overall health: Yellow</p> <p><u>Key Activities:</u></p> <ul style="list-style-type: none"> • Project initiated on January 9, 2024 and is in the construction stage. • Phase 2 Status: Development is nearly complete and has been at risk due to tight deadlines. • User acceptance testing (UAT) will start on January 19, 2025, for Phase 2. The current testing schedule is as follows: <ul style="list-style-type: none"> • Tester training: January 12 through 16. • User acceptance testing (UAT): January 19 through 30. • Go-live will be scheduled in February. • High-level requirements for Phase 3 are in process.

Hybrid Integration Platform (HIP) Implementation Project	TBD	<p>Project overall health: Grey</p> <p><u>Key Activities:</u></p> <ul style="list-style-type: none"> • Project initiated on September 10, 2024 and is in the analysis and design stage. • The Business Case and Charter are under revision for submission to EIS. • Two foundational current state architecture documents are in the recently completed work order contract (#0005413). The documents are expected to be completed in April 2026.
jClarety UI/UX Modernization Project (JUMP)	November 30, 2026	<p>Project overall health: Green</p> <p><u>Key Activities:</u></p> <ul style="list-style-type: none"> • Project initiated on July 01, 2025 and is in the construction stage. • On track to meet the ADA compliance due date of April 2026. • Phase 1 successfully completed Business Functional Testing and will begin User Acceptance Testing on January 13, 2026. • Phase 2: Project team is currently having analysis and design discussions.
Member Identity Access Management (MIAM)	June 30, 2026	<p>Project overall health: Green</p> <p><u>Key Activities:</u></p> <ul style="list-style-type: none"> • Project initiated on June 1, 2022 and is in the construction stage. • Identity Protection (IdP) <ul style="list-style-type: none"> ○ Statement of Work for a vendor is in process to assist with Identity Protection integration. • Identity Verification (IdV) <ul style="list-style-type: none"> ○ RFQ posted on July 22, 2025, for a three-week response period. ○ A vendor has been selected, and a Statement of Work is in development.

HIGHLIGHTED ACTIVITIES

- After PERS completed its strategic reset and the additional planning, new activities were identified that need to be funded and resourced. PERS submitted an agency budget request on December 8, 2025 and presented at the Interim Joint Committee on Ways and Means – General Government Subcommittee on January 15, 2026 to request additional funds to cover the new activities and resources. Upon approval from the Legislature, the requested funding will support the following activities:
 - RFP to hire a specialized consultant to write a Pension Administration System (PAS) Request for Proposal (RFP)
 - Data cleaning
 - Data migration planning
 - Development Operations (DevOps) implementation
 - Additional contractors and personnel to support modernization activities
- PERS expects to receive another Quarterly QA Status and Improvement Report on January 9, 2026, from our independent quality management services (iQMS) vendor. Based on the last report dated August 31, 2025, the five risks that were identified have been mitigated or resolved. The five risks are the same from the last board memo, but the program updates have been adjusted to reflect new information. The risks are outlined below:
 - Gartner Risk #1: Shifting and Evolving Modernization Strategy is impacting clarity of funding requests.

Program Update: In August of 2025, PERS was shifting its Modernization Strategy from modernizing jClarety to purchasing a COTS PAS, which included new projects and work efforts. PERS developed a Modernization Program and Pension Administration roadmap and communicated it out to the Modernization Executive Steering Committee (MESCC) members to address the shifting and evolving Modernization strategy. The 4.1.6 Quarterly QA report states, “the process and outcomes of the Alternative Analysis addressed questions previously asked by stakeholder groups (including EIS and LFO). Stakeholder perception has improved with the greater understanding associated with the adjusted plan.”

Given that the following foundational artifacts have been completed, PERS believes that this risk has been mitigated:

- The program strategy reset has been completed.
- Agency Budget Request and Agency Budget Note for 2026 have been submitted to the Interim Joint Committee on Ways and Means.
- A plan has been defined and documented to determine the full scope, schedule and budget.
- The Program Business Case has been approved by EIS-P3.
- Multiple modernization roadmaps have been completed.

- Gartner Risk #2: The program is focused on planning for the Pension Administration System (PAS) activities which comprises only a portion of the necessary planning that needs to be done for the biennial roadmap.

Program Update: Other planning activities have been in process for development of the budget request for the Ways and Means Interim Committee in January. The PERS Modernization Program continues to address the planning activities for the PAS, because it is the critical path within the Modernization Program Roadmap. The legacy ancillary applications are included in the PAS roadmap and will be reviewed during the fit-gap workshops. Additional planning will occur for the legacy ancillary applications after the PAS vendor has been chosen and the fit-gap workshops have been completed. The iterative roadmap/timeline for the PAS has been completed through 2027 and has addressed a large part of this risk.

- Gartner Risk #3: Execution of program projects and workstreams is limited by availability of skilled project managers (PM) with technical project experience.

Program Update: PERS continues to evolve its project management practices, incorporating program resource management using enterprise project management tools. Two senior project managers have been hired early January. A new recruitment for the final position will be initiated within the next 30 days.

With the two additional resources we consider this risk resolved.

- Gartner Risk #4: The program will require DAS and DOJ cooperation to meet planned procurement timelines.

Program Update: The Modernization Director met with DAS Procurement Services. DAS agreed to partner with PERS to meet procurement deadlines but cautioned that they have limited resources and can't dedicate a resource. We believe this risk should remain open. In addition, a new State Chief Procurement Officer has been hired in December 2025 at DAS, which may cause delays due to onboarding and new processes.

PERS is not experiencing any delays from DOJ at this time. If an issue surfaces, PERS will escalate with DOJ.

- Gartner Risk #5: The program is preparing to request additional funds without documenting foundational Program elements.

Program Update: PERS Modernization Program submitted a final draft of the Program Business Case and Charter to EIS P3 on 12/19/25. EIS-P3 has approved and is preparing a formal memo to acknowledge that these artifacts have been accepted. PERS and EIS-P3 agree that the business case and charter will require updates following selection of a PAS vendor and fit gap analysis.

C.1. Attachment 1 – *December Monthly Project Status Report*

C.1. Attachment 2 – *Modernization Program Update Presentation*

Modernization Program

Status Report

Kevin Olineck, Executive Sponsor

Kristi Ivers, Program Director

Joli Whitney, Program Manager

Status report as of November 28, 2025

PROGRAM INFORMATION

The PERS Modernization Program is a comprehensive, multi-year initiative aimed at transforming how the Oregon Public Employees Retirement System manages pension administration. This enterprise-wide business initiative will focus on people, processes, and technology to enhance operational efficiency and modernize service delivery. By upgrading communication channels, streamlining core business processes, and increasing data-driven decision-making capabilities, the program will empower PERS to better meet its mission of paying the right person the right benefit at the right time. Ultimately, this modernization effort will position PERS to deliver more effective, responsive, and sustainable services to its members and interested parties. It is currently scheduled to run from July 1, 2022, through December 31, 2034.

Overall program status: GREY

Color Key

GREEN	On Track
AMBER	Caution
RED	Needs Significant Adjustment
GREY	Not Yet Started or Not Enough Info

Overview:

Foundational Program Documents Submitted

The updated program charter and business case were submitted on 11/21/25 to EIS P3 for acceptance. The Modernization Program has also been working with the Modernization Executive Steering Committee (MESC) to finalize a Pension Administration System (PAS) roadmap, which is the critical path for the Modernization Program. Once these artifacts are finalized, we will consider the program re-set complete.

Two decisions made at the 11/5/25 MESC were key to finalizing the foundational program documents: The Program Guiding Principles were updated in consultation with EIS and an internal agency workgroup. In addition, the projected Program end date was updated to incorporate Gartner’s estimation for the timeline needed to implement the PAS. The new forecasted end date is 12/31/34. This new date and updated Guiding Principles were incorporated into the updated Program Business Case and Charter.

A decision was also made at the 11/5/25 MESC to include a DevOps Project in the Modernization 2026 budget request. This project is necessary at this time to provide new tools and skills to the DevOps team with enough time to ramp up for a new PAS solution

With the decision to pursue a commercial-off-the-shelf PAS solution for modernizing the core PERS business functions, previously unplanned activities have been added to the Program and result in new budget needs. Funding for these activities are included in a budget request for the 2026 legislative session.

- An RFP to onboard a consultant to help write the Pension Administration System RFP.
- An RFP to engage a strategic partner to initiate data cleaning and data migration planning in preparation for system integration.






MODERNIZATION PROJECTS STATUS DASHBOARD

Color Key

GREEN	On Track
AMBER	Caution
RED	Needs Significant Adjustment
GREY	Not Yet Started or Not Enough Info

Telephony Modernization Project

Start Date	Close Date
1/9/2024	3/12/2026



Overall Health	Scope	Schedule	Resources	Budget	Quality
AMBER					

Objective: Replace current PERS telephony system with modern telephony solution that includes cloud-based telephony offering and provides capabilities to support future PERS Modernization Program efforts.

Intended Benefits: B1 - Reduction of Manual Processes, B2 - Increased Satisfaction with PERS Services, B8 - Increased Data Utilization

Hybrid Integration Platform Implementation

Start Date	Close Date
TBD	TBD





Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY					

Objective: Modernization of system integration capabilities by implementing a Hybrid Integration Platform (HIP) that enables secure connectivity between on-premises and cloud-based applications, systems and data sources.

Intended Benefits: B5- Reduced System Complexity, B8- Increased Data Utilization, B10- Increased Technical Skills of PERS Staff

Member Identity and Access Management

Start Date	Close Date
6/1/2022	6/30/2026




Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

Objective: Procure and implement a solution that provides additional security to OMS.

Intended Benefits: B4 – Prevention of Data and Identity Fraud, B6 - Increased Confidence in PERS Tools and Technologies

jClarety UI/UX Modernization and Compliance Project (JUMP)

Start Date	Close Date
7/1/2025	11/30/2026






Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

Objective: Ensure PERS' external web portals are in compliance with American Disability Act (ADA) Web Content Accessibility Guidelines (WCAG) 2.1 level AA by the federal compliance deadline of April 24, 2026. Additional security enhancements will be made, and the current framework and codebase will be modernized.

Intended Benefits: B4 – Prevention of Data and Identity Fraud, B6 - Increased Confidence in PERS Tools and Technologies

Pension Administration System (PAS) Modernization

Start Date	Close Date
7/1/2025	12/31/2034

Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY					

Objective: Obtain a new, commercial off-the-shelf Pension Administration System (PAS) to enable PERS to excel in the delivery of pension administration services for the benefit of members, employers and plan sponsors.

Intended Benefits: B1- Reduced Manual Processes, B2- Increased Satisfaction with PERS Services, B3- Increased Member Engagement Capabilities, B4 – Prevention of Data and Identity Fraud, B5- reduced System Complexity, B6 - Increased Confidence in PERS Tools and Technologies, B8- Increased Data Utilization, B9- Reduction of Costs for Technology & Maintenance Enhancements, B11- Reduction of Risk Ratings by Internal and External Auditors, B12- Reduction of System Downtime

EMERGING AND CONTINUED PROGRAM CONCERNS

Skilled Resources –

Execution of Program projects and workstreams is limited by availability of skilled Project Managers (PMs) with technical project experience. (See iQMS risk #3)

PERS continues to evolve its project management practices incorporating program resource management using enterprise project management tools as resource management remains as the highest overall program/project risk. These efforts include providing project managers with enhanced training so they can understand and incorporate enterprise and program level activities and the use of new project management tools into their projects. This ensures an integrated program and project plan is developed and maintained. PERS continues to review, refine, and adjust resources to ensure successful project implementation. Tracked in Program Risk #3 Internal Staffing- Limited, Loss Of or Inexperienced Resources; Program Issue #15 HR Hiring Delays.

Limited Resources –

In 2024, when PERS agreed to the January 1, 2030 implementation date for HB 4045, this date was set based on PERS initial path of modernizing the agency's current pension administration system (PAS). Since that time, PERS has gone through a full PAS solutions analysis and determined, in June of 2025 that instead of modernizing our current PAS, it is preferable to implement a new Commercial Off the Shelf (COTS) PAS solution. Given the timeframe to both procure and implement a new COTS solution, it is not clear whether PERS can simply implement the Hazardous Position functionality within the new COTS solution or if we will have to implement the functionality in our current PAS as a stop gap until the new COTS solution is fully in place. If PERS does have to implement functionality in the current PAS, PERS will likely have resource contention for the short-term and may need to slow down certain Modernization activities. HB 4045 is the number one priority of the agency and will take precedence over Modernization activities. PERS will monitor risk on a monthly basis and assess the resource capacity assessment reports weekly. Tracked in Program Risk #3 Internal Staffing- Limited, Loss Of or Inexperienced Resources

State of Oregon Priorities –

RFP delays are a risk for PERS. DAS Procurement Services has limited resources and given the number of agencies for cross collaboration, any one agency could need an emergency procurement, which would cause an unexpected delay. PERS will monitor risk closely and escalate any issues when needed. Tracked in Program Risk #39 Critical External Resources Allocated to Higher Priority Work. (See iQMS risk #4)

QA/QC DELIVERABLES

Deliverable	Start	Completed
D4.1.5 Quarterly QA Status Report	6/15/25	9/30/25
D3.3.4 Periodic Quality Status Report	7/1/25	10/23/25
D4.1.6 Quarterly QA Status Report	9/17/25	Target: 12/30/25
D3.3.5 Periodic Quality Status Report	10/27/25	Target: 1/15/26
D4.1.7 Quarterly QA Status Report	12/15/25	Target: 2/12/26

QA RISKS & ISSUES

PERS received the initial D4.1.6 August 2025 independent quality management services (iQMS) Quarterly QA Status and Improvement draft report on September 17, 2025. The report covers activities from June 1, 2025, through August 31, 2025. There were five key risks and recommendations identified in the report and they are actively being addressed:

1. Gartner Risk #1: Shifting and evolving Modernization strategy is impacting clarity of funding requests
Program Update: In August of 2025, PERS was shifting its Modernization Strategy from modernizing jClarety to purchasing a COTS PAS, which included new projects and work efforts. PERS developed a Modernization Program and Pension Administration roadmap and communicated it out to the MESC members to address the shifting and evolving Modernization strategy. The latest monthly Gartner QA report states, “the process and outcomes of the Alternative Analysis addressed questions previously asked by stakeholder groups (including EIS and LFO). Stakeholder perception has improved with the greater understanding associated with the adjusted plan.”

2. Gartner Risk #2: The Program has focused on planning for the Pension Administration System (PAS) activities which comprises only a portion of the necessary planning that needs to be done for the biennial roadmap.

Program Update: The Program continues to address the planning activities for the PAS, because it is the critical path within the Modernization Program roadmap. The legacy ancillary applications are included in the PAS roadmap and will be reviewed during the fit-gap workshops. Additional planning will occur for the legacy ancillary applications after the PAS vendor has been chosen and the fit-gap workshops have been completed. The iterative roadmap/timeline for the PAS has been completed through 2027 and has addressed a large part of this risk.

3. Gartner Risk #3: Execution of Program projects and workstreams is limited by availability of skilled Project Managers (PMs) with technical project experience.

Program Update: PERS continues to evolve its project management practices incorporating program resource management using enterprise project management tools. The Program is currently in the process of recruiting 3 senior project managers with technical experience and anticipates to resolve this risk during QTR 1 of 2026.

4. Gartner Risk #4: The Program will require DAS and DOJ cooperation to meet planned procurement timelines.

Program Update: The Modernization Director has met with DAS Procurement Services and a future meeting is scheduled to discuss the support model and timeframes.

5. Gartner Risk #5: The Program is preparing to request additional funds without documenting foundational Program elements.

Program Update: Modernization Program has re-submitted its Program business case and charter to EIS. The information has been documented, and the Program addresses feedback when applicable. In addition, the PAS business case has been submitted to EIS.

Modernization Program

PERS MODERNIZATION PROGRAM BUDGET 2025 - 2027

	2025-27					
	Project Title	LAB	Actual to Date	Projections	Total	Variance
1	Program Staff	4,100,071	486,240	4,110,227	4,596,468	(496,397)
2	IQMS	1,000,000	845	1,193,710	1,194,555	(194,555)
2	HIP	500,000		122,366	122,366	377,634
2	Telephony	1,500,000	-	11,410	11,410	1,488,590
2	TCO Analysis	25,000			-	25,000
2	Contingency (Mod)	178,000			-	178,000
2	MIAM	530,000			-	530,000
3	Foundational Architecture Documentation	1,930,000	-	661,290	661,290	1,268,710
3	JUMP-Jclarety UI/UX	3,705,000	392,790	2,805,530	3,198,320	506,680
3	MIAM (Forgerock-Dues & Sub)	735,280	271,138	12,082	283,220	452,060
3	Contingency (Legacy)	318,500			-	318,500
	Project Total	\$14,521,851	1,151,014	\$8,916,615	\$10,067,630	\$4,454,221

2025-27						
Approved Appropriation		LAB	Actual to Date	Projections	Total	Variance
1	Program Staff	4,100,071	486,240	4,110,228	4,596,468	(496,397)
2	Implementation	3,733,000	845	1,327,486	1,328,331	2,404,669
3	Legacy Stabilization & Technology Readiness	6,688,780	663,929	3,478,902	4,142,830	2,545,950
Project Total		14,521,851	1,151,014	8,916,615	10,067,630	4,454,221

Expenses	Actual to Date	Projections	Total
*CSL- Internal Staff	\$108,714	\$452,642	\$561,356

PERS MODERNIZATION PROGRAM BUDGET

Program Budget						
	Project Title	Project Start Date	LAB	Forecast Spend	Variance Amount	Variance %
1	Program Staff	7/1/2023	16,470,941	12,936,427	(3,534,514)	-21.5%
2	IQMS	7/1/2023	1,900,000	2,005,555	105,555	5.6%
2	HIP	7/1/2023	950,000	122,366	(827,634)	-87.1%
2	Telephony	7/1/2023	2,057,000	568,410	(1,488,590)	-72.4%
2	TCO Analysis	4/11/2025	25,000	-	(25,000)	-100.0%
2	MIAM	7/1/2025	530,000	-	(530,000)	-100.0%
3	Foundational Architecture Documentation	7/1/2025	2,630,000	1,291,290	(1,338,710)	-50.9%
3	JUMP-Jclarety UI/UX	7/1/2025	3,705,000	3,198,320	(506,680)	-13.7%
3	MIAM (Forgerock-Dues & Sub)	3/30/2021	1,998,251	1,333,693	(664,558)	-33.3%
	Contingency	7/1/2025	496,500		(496,500)	
	Total		30,762,692	21,456,062	(9,306,630)	-30.3%

Program Budget						
	Approved Appropriation	Project Start Date	LAB	Forecast Spend	Variance Amount	Variance %
1	Program Staff	7/1/2021	10,203,941	9,487,196	(716,745)	-7.0%
1	Data and Analytics	7/1/2023	1,000,000	993,126	(6,874)	-0.7%
1	Development and Operations	7/1/2023	560,000	479,270	(80,730)	-14.4%
1	Architecture	7/1/2023	2,000,000	1,976,835	(23,165)	-1.2%
2	Implementation	7/1/2025	3,240,000		(3,240,000)	-100.0%
2	Independent Quality Management Svcs	7/1/2023	1,900,000	2,005,555	105,555	5.6%
2	Hybrid Integration Platform	7/1/2023	450,000	122,366	(327,634)	-72.8%
2	Telephony	7/1/2023	2,057,000	568,410	(1,488,590)	-72.4%
3	Legacy Stabilization & Technology Readiness	7/1/2023	8,651,751	5,193,303	(3,458,448)	-40.0%
3	Pension Administration System (PAS)	4/11/2025	700,000	630,000	(70,000)	-10.0%
Total			30,762,692	21,456,062	(9,306,630)	-30.3%

Expenses	Prior Bienna Actuals	2025-27 Actuals	2025-27 Forecast Spend	Total
*CSL- Internal Staff	\$787,992	\$108,714	\$343,928	\$1,131,920

PROGRAM RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
26	Culture Change- Modernizing PERS- including a new Pension Administration System-will introduce new ways of working which may cause disruption and adoption challenges for staff.	<p>Increased messaging from leadership across multiple channels to reinforce why the change is being made and providing two-way channels of communication for staff and key decision makers to allow opportunity to voice concerns</p> <p>Continued monitoring and measurement of change readiness by OCM team</p>	<p>-Held an informational Lunch & Learn for all staff in October.</p> <p>- Communications sent to staff to create awareness regarding Pension Administration System requirements gathering and importance of participation in future state visioning.</p> <p>-Updates on progress to be shared in December 2025 All Staff meeting.</p>
37	Extended RFP Reviews- External agency reviews of RFPs may cause delays and extend the program schedule.	We are in constant communication and collaboration with EIS and DAS Procurement to adhere to oversight requirements and ensure we receive a timely response.	
38	<p>Lack of Support From Oversight Bodies- Challenges in navigating budget or stage gating processes can lead to delays in decisions or funding requests. Funding requests may be denied or reduced, potentially affecting the program. If this risk is realized, the issue will cause significant schedule delays and impact the program's ability to achieve its objectives.</p> <p><i>(Gartner Identified this risk in Deliverable D4.1.4 - Risk #2)</i></p>	Oversight bodies and PERS will need to continue to partner and address challenges together as they arise.	Delays may increase the cost of the overall program, so challenges will need to be addressed quickly.
39	<p>Critical External Resources Allocated to Higher Priority Work: Critical resources are allocated to higher priority work, impacting availability or responses for PERS Modernization work</p> <p><i>(Gartner identified this risk in deliverable D4.1.6- Risk #4)</i></p>	<p>Evaluate opportunities to obtain Modernization dedicated resources from external groups.</p> <p>Regular meetings and communication to discuss upcoming activities, timelines and priorities.</p>	

PROGRAM ISSUES AND CORRECTIVE ACTION PLANS

#	Issue	Resolution Plan/Notes	Est. Resolution Date
12	#21 Detailed Program Scope is not defined- Scope Statement in development leading to confusion about what work will be included in Modernization and what will be managed through other efforts.	<p>Now that a solution has been determined on PAS modernization we are able to make progress in this area. This will be included in the updated program business case and charter.</p> <p><u>Update 11/28/25:</u> Updated Program Business Case and Charter with detailed scope were submitted to P3 for final acceptance. This issue will remain open until these artifacts are accepted.</p>	12/31/25
15	<p>#36 HR Hiring Delays- New positions are not filled when needed. This leads to additional workload on existing staff causing delays to overall program schedule. HR processes are not well documented or understood. Timelines and service level agreements are unclear to allow for planning of onboarding new resources.</p> <p><i>(Gartner identified this risk in deliverable D4.1.6- Risk #3)</i></p>	<p>Approval to post the Senior Project Manager 3 (PM3) job announcements took nearly three months, due to the excessive administrative processes. The 3 positions were approved in the 25/27 program budget and the program urgently requires skilled support for managing complex technical projects.</p> <p>IQMS has identified this delay as an issue. These delays lead to additional workload on existing staff, which causes delays to the overall program schedule.</p> <p><u>Update 11/28/25:</u> Interviews for these positions are in progress, and we expect to onboard new PMs in January. This issue will remain open until new PM3 resources are hired.</p>	12/31/25

TELEPHONY MODERNIZATION PROJECT

Project Objective

Replace current PERS telephony system with modern telephony solution that includes cloud-based telephony offering and provides capabilities to support future PERS Modernization Program efforts.

Project Status: **AMBER**

Overall Status:

The project health remains in **Amber** status this month and will be formally updated upon approval of the Schedule Change Request by the Modernization Executive Steering Committee. The final implementation design and Requirements Traceability Matrix (RTM) documents were agreed upon and signed off by both PERS and Kyndryl. Implementation of AWS Phase 2 began with the below outlined schedule (high level):

Current Activities

JAD Sessions: Oct 23 – 31 (Completed)

Development: Nov 3 – Dec 5 (In Progress)

UAT: Dec 8 – 19 (On Schedule)

Cutover/Go-Live: Jan 6

Discussions on eFax solutions started with a demo from a Vendor.
Discussions on the detailed scope of AWS Phase 3 & 4 started and will continue with Vendor consultations.
PERS continues to meet with EIS P3 for project status briefings and Stage Gate 4 requirements.

Recommended Implementation

Completed May 5, 2025	Completed July 14, 2025	Planned January 06, 2026	TBD
OpenScape Voice: Replace current EOL/EOS telephony system with modern Vendor managed telephony solution.	AWS Phase 1: Deliver reduced scope (Minimal Viable Product). The call center will receive benefits that will reduce their manual work (e.g., call transcripts and chat enablement, etc.)	AWS Phase 2: Deliver functionality enhancements for AWS queue management and IVR for Call Center and Help Desk queues.	<p>Requirements will be determined during the JAD sessions for Phase 3 and 4.</p> <p>AWS Phase 3: Key functionality to be considered is to implement a chatbot to assist members in a timely manner.</p> <p>AWS Phase 4: Implement functionality for secure bi-directional data transmission. This phase is dependent upon the implementation of the Hybrid Integration Platform - HIP (target TBD).</p>

Program Benefits

This project will contribute to the following planned Modernization Program benefits

- B1 - Reduction of Manual Processes
 - New automated reports will replace manually prepared information
- B2 - Increased Satisfaction with PERS Services
 - Enhanced service menu and call routing capabilities will improve call wait times
- B8 - Increased Data Utilization
 - Automated reports will provide data not currently available to allow improved management of call center needs

Milestone	% complete	Forecast	Actual
Business Case Approved	100	10/29/24	10/29/24
Project Charter Approved	100	11/19/24	11/19/24
P3 Stage Gate 1 Endorsement Received	100	3/12/24	3/12/24
Solution Analysis Complete	100	6/30/24	6/30/24
P3 Stage Gate 2/3 Endorsement Received	100	1/30/25	1/30/25
Change Request Approved	100	2/4/25	2/4/25
OSV - Implementation Complete	100	5/5/25	5/5/25
Phase 1 – AWS Implementation Complete	100	6/30/25	7/14/25
Phase 2 – AWS Implementation Complete	50%	01/06/2026	TBD
Phase 3 – AWS Implementation Complete	0	TBD	TBD
Phase 4 – AWS Implementation Complete	0	TBD	TBD
Project closure	0	3/12/26	TBD

The Telephony Modernization Project schedule was rebaselined 6/10/2025

TELEPHONY PROJECT > RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
6	Change in telephony technology provider(s) may result in lack of user acceptance/adoption.	Plan for proper and thorough testing of newly added features prior to deployment; training of new system users must also be provided prior to deployment.	This risk is being kept open as other features are being added to the system in AWS Phase 2.
27	Vendor deadlines may be at risk due to the aggressive timeline they have established for Phase 2.	Establish weekly check-ins with the vendor to monitor progress, identify blockers early, and assess feasibility of timeline adjustments.	

TELEPHONY PROJECT > ISSUES AND CORRECTIVE ACTION PLANS

#	Issue	Resolution/Notes	Est. Resolution Date
10	R25 Schedule Delays Due to Extended Elaboration- Time to review and approve requirements exceeds the planned timeline to initiate development	10/30 - New project timeline agreed upon and project schedule updated. Schedule Change Request will be submitted to MESC. When the schedule is rebaselined to accommodate the new plan this issue will be resolved.	01/30/25

HYBRID INTEGRATION PLATFORM (HIP) PROJECT

Project Objective

Modernize PERS system integration capabilities by implementing a Hybrid Integration Platform (HIP) solution which enables connectivity between on-premises and cloud-based applications, systems and data sources.

Project Status: **GREY**

Current Activities

- Updated business case and project charter in development.

Program Benefits

This project will contribute to the following planned Modernization Program benefits:

- B5 - Reduced System Complexity
 - HIP will provide a new integration capability for on-premises and cloud-based applications and data which is missing in our current architecture. This new capability will allow for connection between systems which are currently disparate.
- B8 - Increased Data Utilization
 - HIP will support enablement of the right tools and policies and reduce needs for offline tools.
- B10 - Increased Technical Skills of Staff
 - IT staff will be trained to work with and support cloud-based technologies through the HIP Implementation Project.

Milestone	% complete	Forecast	Actual
HIP Initiation	0	1/31/2026	

HIP PROJECT> RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
	TBD		

#	Issue	Resolution/Notes	Est. Resolution Date
	TBD		

Project Objective

Procure and implement a solution that provides additional security to Online Member Services (OMS).

Project Status: GREEN

Current Activities

The team is currently developing evaluating vendors through the RFQ (request for quote) process for the identity verification (IDV) solution.

IDV vendor has been selected, and we are currently developing the SOW and Contract.

Program Benefits

This project will contribute to the following planned Modernization Program benefits:

- B4 – Prevention of Data and Identity Fraud
 - Improved security in the Online Member Services portal helps better protect member data.
- B6 - Increased Confidence in PERS Tools and Technologies:
 - Members expect a financial institution such as PERS to provide secure access to their member account information.

Milestone	% complete	Forecast	Actual
Business Case Approved	100	6/1/22	6/1/22
Project Charter Approved	100	6/15/22	6/15/22
IdP Procurement Complete	100	06/17/23	06/17/23
Stage Gate 3 Endorsement Received	100	7/18/23	7/18/23
RFQ Released	100	7/22/25	7/22/25
IDV Procurement Complete	50	1/17/26	TBD
UAT Complete	0	5/26/26	TBD
Execution Complete	0	6/12/26	TBD
Project Closure	0	6/30/26	TBD

MEMBER IDENTITY ACCESS MANAGEMENT> RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
35	External agency review of documentation may cause delays and extend project schedule.	We are in constant communication and collaboration with P3 and DAS Procurement to adhere to oversight requirements.	
40	Limited Resources	Constantly monitoring resource allocation and soft book resources ahead of time to make sure the needed resources are available to us when needed. Working to amend a current contract to hire contractors.	

MEMBER IDENTITY AND ACCESS MANAGEMENT> ISSUES AND CORRECTIVE ACTION PLANS

#	Issue	Resolution/Notes	Est. Resolution Date
	No current issues.		

Project Objective

Ensure PERS' external web portals are in compliance with American Disability Act (ADA) Web Content Accessibility Guidelines (WCAG) 2.1 level AA by the federal compliance deadline of April 24, 2026. Additional security enhancements will be made, and the current framework and codebase will be modernized.

Project Status: GREEN

Current Activities

- Project Milestone: Business Functional Testing (BFT) has concluded for all three portals with 100% pass rate on all test cases.
- Project Deliverable: Work Package Documentation (D1.2.1 WPD #1) Initial Draft (External Portals – Struts + ADA) has been submitted to the project team for review. Due 12/5/2025.
- Release schedules for Work Package #1 have been incorporated into the project schedule.

Program Benefits

This project will contribute to the following planned Modernization Program benefits:

- B4 – Prevention of Data and Identity Fraud
 - Improved security in the Online Member Services portal helps better protect member data
- B6 - Increased Confidence in PERS Tools and Technologies
 - Members expect a financial institution such as PERS to provide secure access to their member account information.

Milestone	% complete	Forecast	Actual
Business Case Approved	100	8/8/25	8/6/25
Project Charter Approved	100	8/8/25	8/6/25
Stage-Gate 1 Endorsement	100	8/8/25	8/6/25
D1.1.1 System Design Specification (SDS) submitted	100	8/29/25	8/29/25
Stage-Gate 2 & 3 Endorsement	100	10/14/25	10/10/25
WP1 Detailed Elaboration/Construction	100	10/31/25	10/31/25
WP1 Business Functional Testing Completed	100	11/26/25	11/26/25
D1.2.1 Work Package Development (WPD)#1 draft documentation submitted	75	12/5/25	TBD
WP1 User Acceptance Testing Completed	0	3/24/26	TBD
D1.2.2 WPD #1 (Final) submitted	0	4/3/26	TBD
WP1 Production Deployment	0	4/9/26	TBD
WP2 Construction Complete	0	2/3/26	TBD
WP2 Business Functional Testing Complete	0	4/1/26	TBD
WP2 User Acceptance Testing Complete	0	6/10/26	TBD
D1.3.1 WPD #2 (Final) submitted	0	7/3/26	TBD
WP2 Production Deployment	0	7/9/26	TBD
WP3 Construction Complete	0	5/26/26	TBD
D1.5.1 WPD #3 (Draft) submitted	0	5/29/26	TBD
WP3 Business Functional Testing Complete	0	7/7/26	TBD
WP3 User Acceptance Testing Complete	0	9/30/26	TBD
D1.5.2 WPD #3 (Final) submitted	0	9/18/26	TBD
WP3 Production Deployment	0	10/15/26	TBD
D1.6.1 Stabilization & Knowledge Transfer Completed	0	10/30/26	TBD
Project closure	0	11/30/26	TBD

JUMP> RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
1	Mandated ADA Compliance Timeline: If the ADA compliance scope of work is not completed by April 24, 2026, then PERS external UI portals will be out of compliance.	If the project team concludes that we will be unable to meet the 4/24/2026 deadline for ADA compliance, then we will attempt to crash the schedule with additional resources.	
2	Skilled Contracted Resources: If current staff/contractors skilled in jClarety become unavailable, then the work may take longer than we have planned, and we may not meet the ADA compliance deadline of 4/24/26.	If we discover that one or more of the specified contracted jClarety experts are unavailable to work when we need them, then we will reallocate internal skilled resources from other efforts or attempt to hire additional skilled contracted resources.	

JUMP> ISSUES AND CORRECTIVE ACTION PLANS

#	Issue	Resolution/Notes	Est. Resolution Date
	TBD		

Project Objective

Obtain a new, commercial off-the-shelf Pension Administration System (PAS) to enable PERS to excel in the delivery of pension administration services for the benefit of members, employers and plan sponsors.

Project Status: GREY

Current Activities

- Project Business Case was submitted 11/21/25 to EIS P3 for review and feedback.
- A drafted PAS roadmap and timeline have been completed and shared with the MESC in September of 2025. Budget requests are now being formed. Due to the current State of Oregon’s budget cuts, there is a risk of not getting funding during the 2026 Interim Joint Committee on Ways and Means; thus, the PAS roadmap is iterative.
- DAS Procurement has submitted draft RFP for consultant services to create PAS Modernization RFP to PERS and it is under review.

Program Benefits

This project will contribute to the following planned Modernization Program benefits:

B1- Reduced Manual Processes	B6- Increased Confidence in PERS Tools and Technologies
B2- Increased Satisfaction with PERS Services	B8- Increased Data Utilization
B3- Increased Member Engagement Capabilities	B9- Reduction of Costs for Technology & Maintenance Enhancements,
B4 – Prevention of Data and Identity Fraud	B11- Reduction of Risk Ratings by Internal and External Auditors,
B5- Reduced System Complexity	B12- Reduction of System Downtime

Milestone	% complete	Forecast	Actual
TBD			

PAS> RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
	TBD		

PAS> ISSUES AND CORRECTIVE ACTION PLANS

#	Issue	Resolution/Notes	Est. Resolution Date
	TBD		

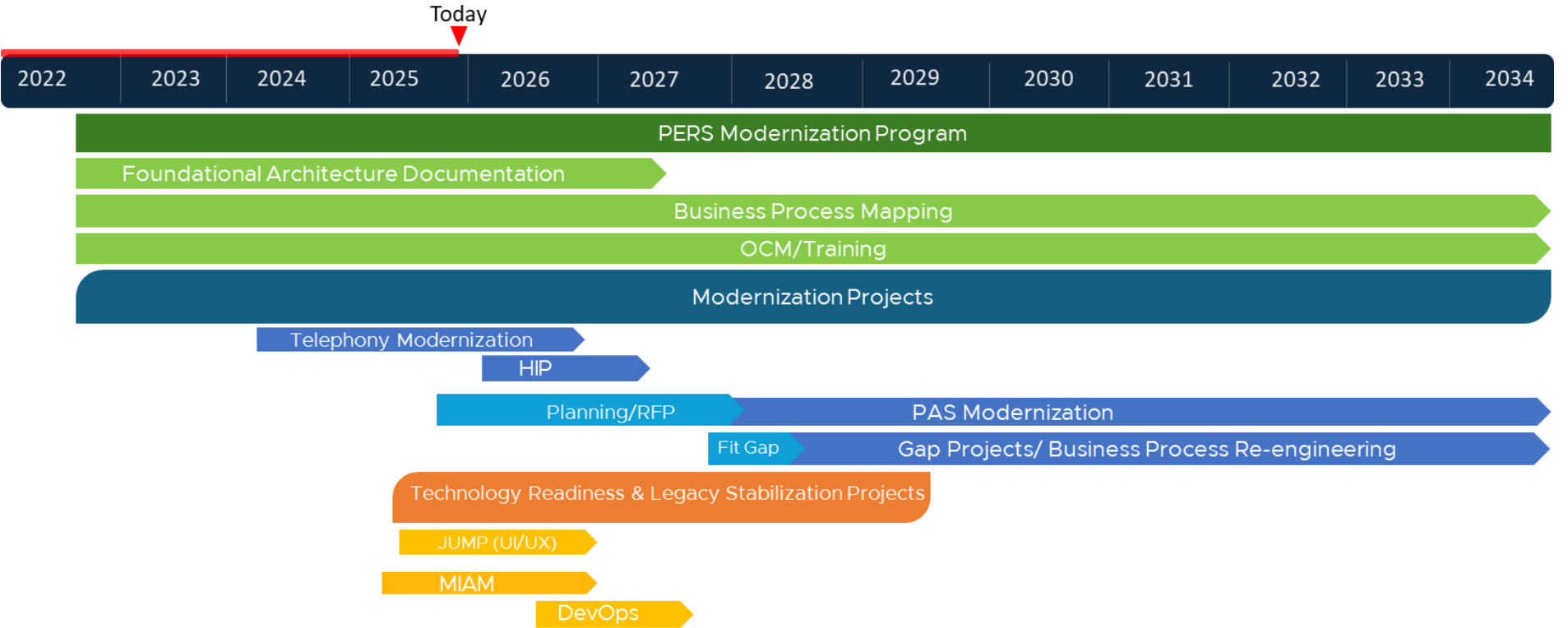
CLOSED PROJECT: DATA CLEANING PROCESS IMPLEMENTATION

Project Start	5/21/24
Project End	8/27/25
Project Status	Completed
Project Objective	Evaluate jClarety data issues, conduct clean-up activities and deliver strategy and process for regular data maintenance.
Planned Program Benefits	<p>B1 - <i>Reduction of Manual Processes</i> Introduction of routine data cleaning processes reduces the need for staff to address data issues in an ad hoc manner</p> <p>B8 - <i>Increased Data Utilization</i> Addressing data management gaps is the first step to becoming a data driven organization</p>
Benefit Owner(s)	PERS Data Governance Committee

ROADMAP

The current program roadmap focuses on program-level activities and projects. The roadmap below depicts the entire expanse of the PERS Modernization Program.

PERS Modernization Program Roadmap



* MIAM is an active PERS project added to the Modernization Program as of July 1, 2025. MIAM timeline will be updated after vendor selection through the RFQ process

OREGON PERS

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PERS Board Modernization Update

Kristi Ivers, PERS Modernization Director

January 30, 2026

Modernization Program



PERS Modernization Program



Program objective: The PERS Modernization Program is a multi-biennial effort to reimagine and evolve the deployment of our business capabilities via our people, processes, and technologies to meet our member and PERS-participating employer needs into the future.

FY 2025-2034

Highlights:

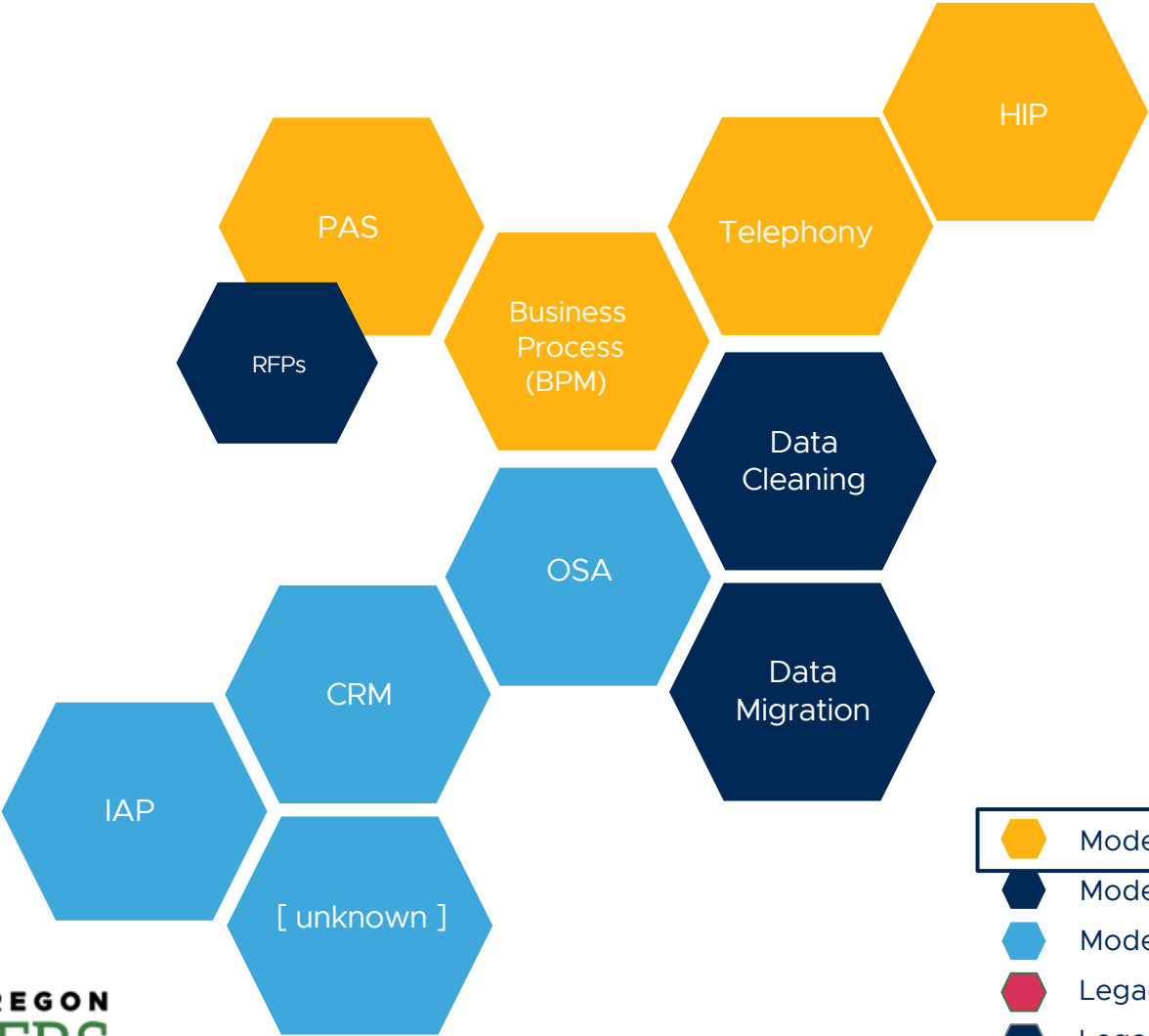
- Updated Program Business Case and Charter accepted by Enterprise Information Services.
- On January 13, PERS and EIS provided the Interim Joint Committee on Ways and Means with an update on the PERS Modernization Program's progress and presented our budget request for additional funding and personnel for the 2025-27 biennium:
 - Request for Proposal (RFP) to hire a specialized consultant to write a Pension Administration System (PAS) RFP
 - Data cleaning and data migration planning
 - Development Operations (DevOps) Implementation
 - Additional contractors and personnel to support modernization activities

Upcoming activities:

- Development of the 2027-29 Policy Option Package (POP) for the PERS Modernization Program.
 - This modernization budget request will be our primary focus, which is due in April 2026.
- Onboarding two new project managers and plan to repost the third project manager position.

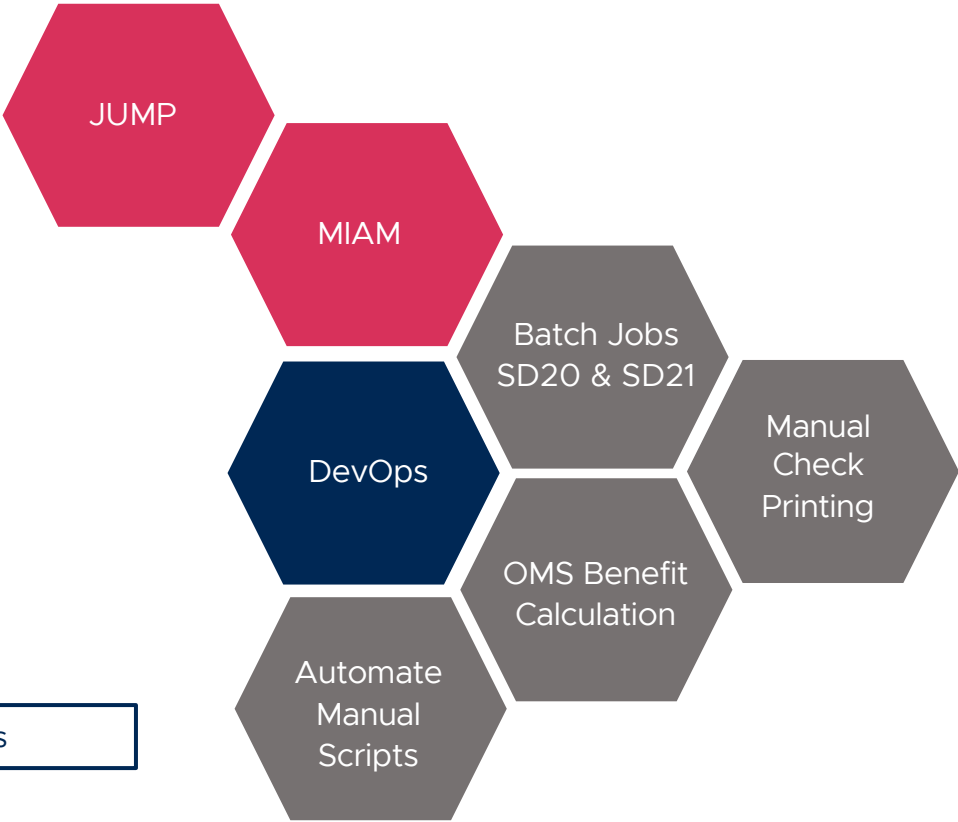
PERS Modernization Program Roadmap

Modernization | Core Pension Administration System (PAS) Projects



Tech Readiness & Legacy Stabilization

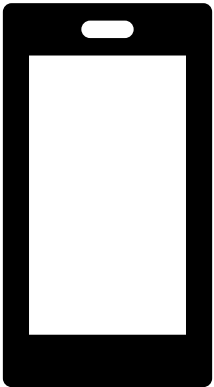
Stabilizes the system for an extended modernization timeline, which includes new features that are required for jClarety to continue to run, while also addressing security gaps and compliance issues.








- Legend
- Modernization - In Progress
 - Modernization - Initiating
 - Modernization - Future
 - Legacy Stabilization - In Progress
 - Legacy Stabilization - Initiating
 - Legacy Stabilization - Future

Telephony Modernization Project

Project summary: Implement a modern telephony system that can be integrated with future capabilities.



Overall Health	Scope	Schedule	Resources	Budget	Quality
AMBER					

Current stage: execution

Highlights:

- Phase 2 development scheduled for completion January 9, 2026.
- User acceptance testing scheduled for completion January 30, 2026.
- Phase 2 Go live planned for February 2026.

Upcoming activities:

- Project change request to rebaseline the schedule will be prepared for the Modernization Executive Steering Committee (MESC) approval in February. If this change is approved by the MESC, the overall health indicator will improve.
- Analysis and high-level requirements gathering for Phase 3.

Project supports the following PERS Modernization Program benefits:

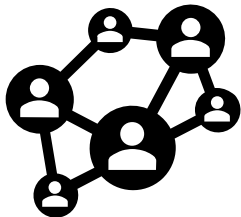
Increased satisfaction with PERS services

Reduction of manual processes

Increased data utilization

Pension Administration System (PAS) Modernization

Project summary: Document current state architecture and business processes to support the development of business requirements and plan for a new pension administration solution.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY					

Current stage: pre-initiation

Highlights:

- RFP for a specialized consultant to write the PAS RFP was submitted to Department of Justice on December 19, 2025, for legal sufficiency review. It will be posted in OregonBuys once determined to be legally sufficient.
- Requirements gathering sessions started on November 3, 2025. Expected to complete in January 2026. Formal documentation will begin once the sessions have completed.
- Project business case under review with EIS.

Upcoming activities:

- Request for Proposal (RFP) Timeline:

Activity	Timeframe
Post Specialized Contractor RFP	Projection: January 2026
Award contract to Specialized Contractor	Projection: March/April 2026
Begin Development of PAS RFP	Projection: April 2026
Post PAS RFP	Projection: January 2027
Decision on PAS Vendor	Projection: April/May 2027
Signed Contract	Projection: June 2027

Modernization

Approved 2025-2027 budget

	2025-27						
	Project Title	LAB	Actual to Date	Contracts	Projections	Total	Variance
1	Program Staff	4,100,071	722,895	-	3,873,573	4,596,468	(496,397)
2	IQMS	1,000,000	73,345	1,121,210	291,945	1,486,500	(486,500)
2	HIP	500,000		122,366	375,000	497,366	2,634
2	Telephony	1,500,000	-	35,142	1,275,000	1,310,142	189,858
2	TCO Analysis	25,000			18,750	18,750	6,250
2	Contingency (Mod)	178,000			-	-	178,000
2	MIAM	530,000			397,500	397,500	132,500
3	Foundational Architecture Documentation	1,930,000	8,704	652,586	965,000	1,626,290	303,710
3	JUMP-Jclarety UI/UX	3,705,000	400,790	2,797,530	370,500	3,568,820	136,180
3	MIAM (Forgerock-Dues & Sub)	735,280	271,138	12,082	441,168	724,388	10,892
3	Contingency (Legacy)	318,500			-	-	318,500
4	Project Total	14,521,851	1,476,872	4,740,916	8,008,436	14,226,225	295,626

	2025-27						
	Approved Appropriation	LAB	Actual to Date	Contracts	Projections	Total	Variance
1	Program Staff	4,100,071	722,895	-	3,873,573	4,596,468	(496,397)
2	Implementation	3,733,000	82,049	1,270,014	2,358,195	3,710,258	22,742
3	Legacy Stabilization & Technology Readiness	6,688,780	671,929	3,470,902	1,776,668	5,919,498	769,282
4	Project Total	14,521,851	1,476,872	4,740,916	8,008,436	14,226,225	295,626

Questions



OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Thank you!



Appendix

Modernization

Program Terms and Acronyms

PERS Modernization Program is an agency transformation that will transform people, processes, and modernize technology.

Oregon Retirement Information Online Network (ORION) Modernization is the complex collection of systems, databases and applications that allow PERS to accomplish its mission. Basically, ORION represents all of the technology PERS uses to operate. ORION Modernization only represents technology and doesn't include people or processes.

Omni-Channel Service Delivery refers to a seamless and integrated approach to customer experience across multiple channels. This means that whether a customer interacts with us in person at one of our offices, calls one of our call centers, uses website, social media, or any other platform, they receive a consistent and unified experience. The goal of omni-channel services is to ensure that customers can transition smoothly between different channels without any disruption or loss of information, enhancing their overall satisfaction and engagement with PERS.

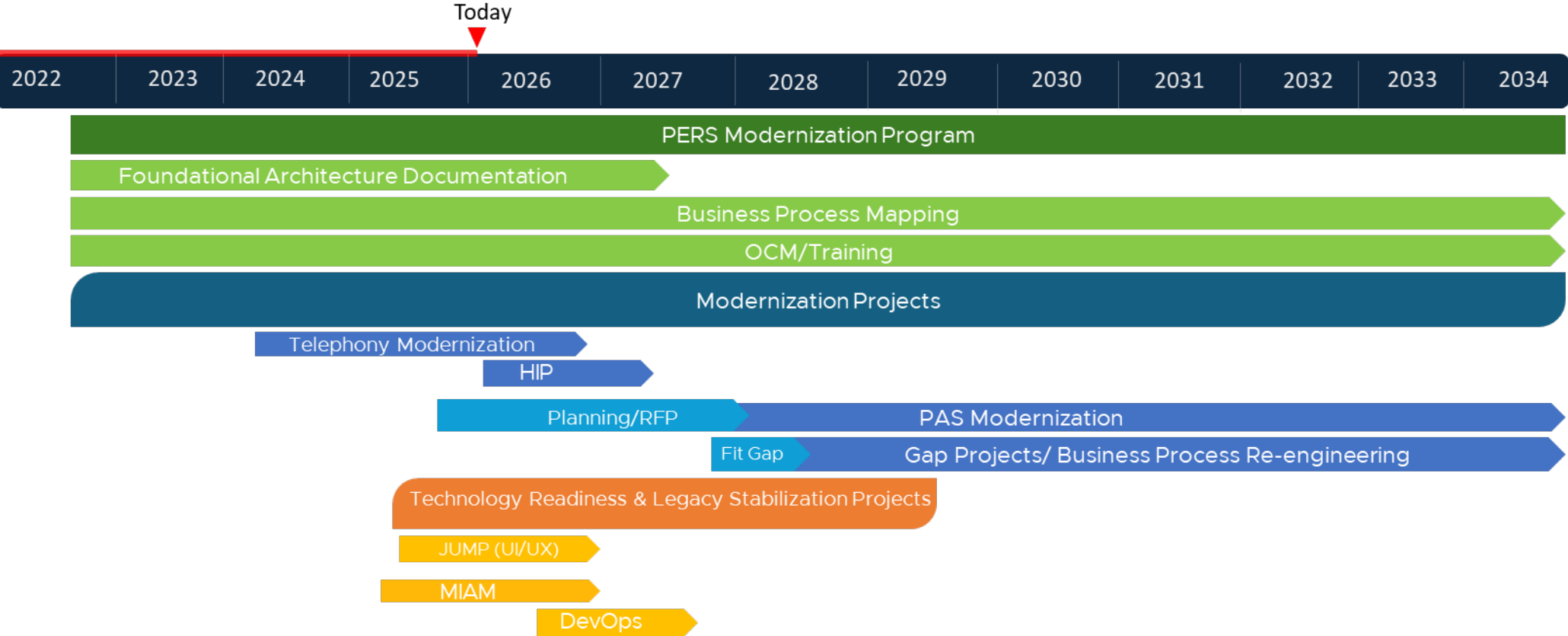
DevOps serves as both a tool and methodology that will equip the Information Services Division (ISD) at PERS for its Modernization journey and matures App/Dev processes. This tooling and methodology will enable ISD to build and integrate applications across both cloud and on-premise environments.

- ADA:** Americans with Disabilities Act
- BFT:** Business Functional Testing
- COTS:** Commercial-off-the-shelf
- DAS:** Department of Administrative Services
- EIS:** Enterprise Information Services
- LFO:** Legislative Fiscal Office
- OSGP:** Oregon Savings Growth Plan
- PAS:** Pension Administration System
- RFI:** Request for Information
- RFP:** Request for Proposal
- SOW:** Statement of Work
- UAT:** User Acceptance Testing
- WOC:** Work Order Contract

Modernization

Program roadmap

High-level iterative timeline

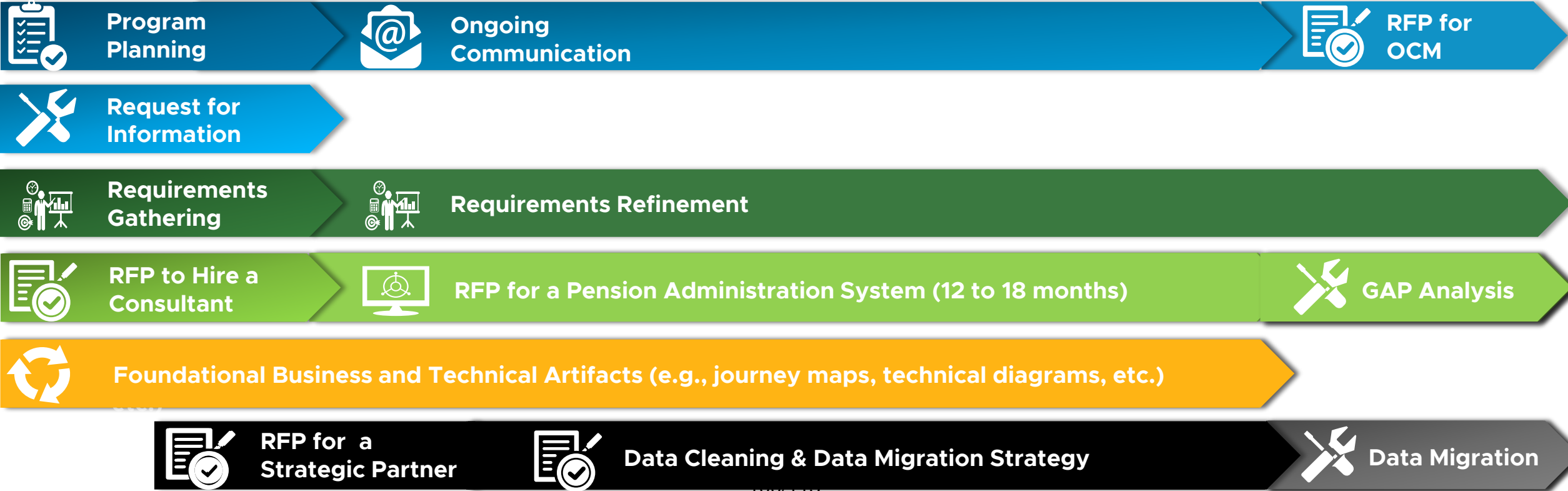


Modernization

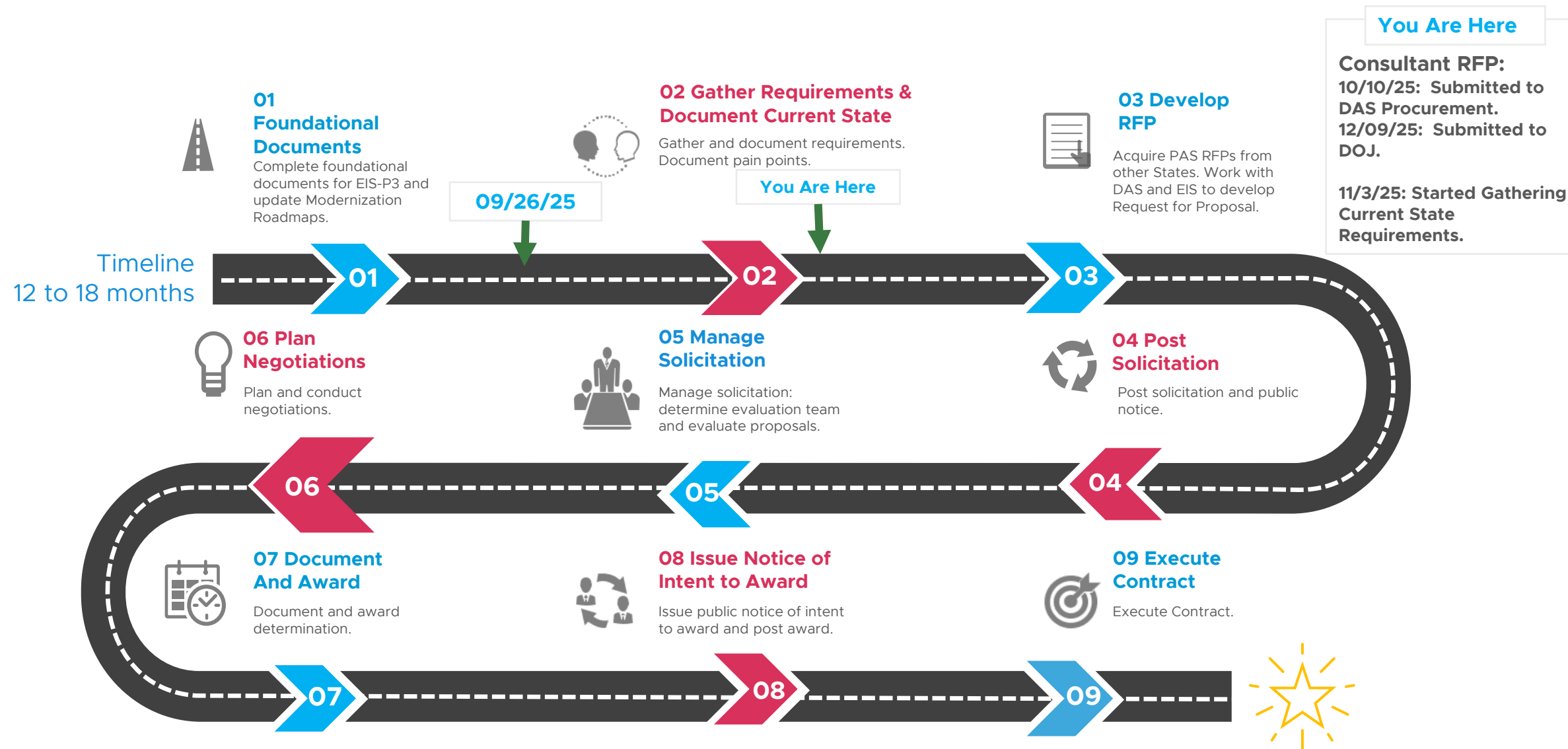
Pension Administration System

Modernization Pension Administration System Timeline

Jul, Aug, Sept	Oct, Nov, Dec	Jan, Feb, Mar	Apr, May, June	Jul, Aug, Sept	Oct, Nov, Dec	Jan, Feb, Mar	Apr, May, June	Jul, Aug, Sept	Oct, Nov, Dec
QTR 3 2025	QTR 4 2025	QTR 1 2026	QTR 2 2026	QTR 3 2026	QTR 4 2026	QTR 1 2027	QTR 2 2027	QTR 3 2027	QTR 4 2027

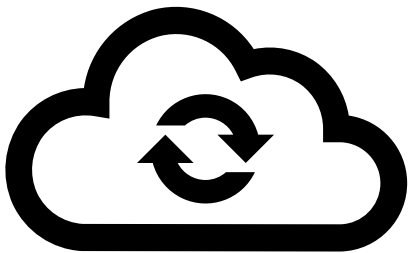


Modernization PAS request for proposal (RFP) lifecycle



Hybrid Integration Platform (HIP) Project

Project summary: Acquire and implement a cloud-based HIP solution. HIP will enable organizations to connect applications, automate workflows, and synchronize data across systems without needing to build custom integrations.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

Current stage: pre-initiation

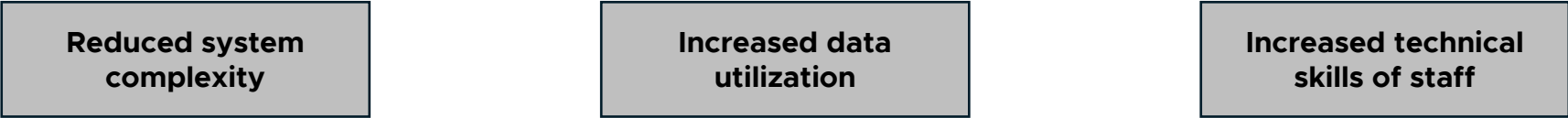
Highlights:

- Two foundational current state architecture documents are in the recently completed work order contract (#0005413). The documents are expected to be completed in April 2026.
- Project charter and business case are in development.

Upcoming activities:

- Submit project charter and business case to Enterprise Information Services (EIS).
- Engage with EIS on oversight requirements.

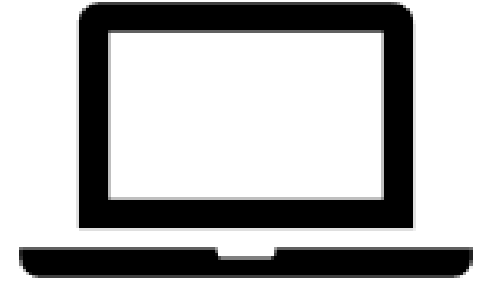
Project supports the following PERS Modernization Program benefits:








JUMP

jClarety User Interface/User Experience (UI/UX) Mod & Compliance Project

Project summary: Improve user experience by updating the member, employer, and third-party self-service portals to meet Americans with Disabilities Act (ADA) compliance and security requirements.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

Current stage: execution

Highlights:

- User acceptance testing is set to begin on January 13, 2026.
- On track to meet the ADA compliance deadline date of April 2026.

Upcoming activities:

- User acceptance testing scheduled for completion on March 24, 2026.
- Deployment is scheduled for April 9, 2026
- Phase 2: Analysis and design discussions have started.

Project supports the following PERS Modernization Program benefits:

Increased satisfaction
with PERS services

Increased confidence
in PERS tools and
technologies

Prevention of data
and identity fraud

Member Identity Access Management (MIAM) Project

Project summary: Upgrade the current member identity access management system to continue to protect our members data.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

Current stage: execution

Highlights:

- Identity Protection (IdP)
 - Resetting strategy, which is dependent upon the technology that is being implemented in the JUMP project (OAUTH 2.0). This strategy change reduces work and future project phases.
- Identity Verification (IdV):
 - Contract with selected vendor is nearing completion.

Upcoming activities:

- Personal Services Contract to support the MIAM implementation in development.

Project supports the following PERS Modernization Program benefits:



A. Administration

1. December 5, 2025 PERS Board Meeting Minutes
2. Director's Report

B. Administrative rulemaking

1. Notice of rulemaking for plan limits rules
2. Adoption of rulemaking for Lost in Transmission

C. Action and discussion items

1. Modernization Program update
- 2. Legislative update and legislative concept preview**
3. Senate Bill 1566 reporting requirements
4. Preliminary 2025 earnings crediting and reserving
5. Verbal update reflecting on earnings through December 31, 2025



Oregon

Tina Kotek, Governor

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January 30, 2026

TO: Members of the PERS Board
FROM: Heather Case, Senior Policy Advisor
SUBJECT: Legislative Update/Legislative Concept Preview

JANUARY LEGISLATIVE DAYS

January legislative days took place January 13-15, 2026. Legislative days are times when the Legislature comes together during interim periods between legislative sessions to conduct business. No policy bills are heard, and there are no floor sessions for the House or the Senate during this time. Typically, the Legislature uses this time to conduct informational hearings, hear reports from state agencies, and change or allocate budgets for specific projects through the Joint Interim Committee on Ways and Means that are outside typical budget timelines.

PERS' latest budget bill, Senate Bill (SB) 5534 (2025), included direction to submit two different reports to the Legislature. These reports were presented to the Legislature during January legislative days, and are as follows:

The first note directs PERS (and Department of Administrative Services- Enterprise Information Services) to report to the Interim Joint Committee on Ways and Means in January 2026 on the status of the agency's implementation of House Bill (HB) 4045 (2024).

- This reporting is in addition to a report PERS makes as a requirement of HB 4045 (2024) on every odd numbered year ("to the relevant legislative committee") also regarding implementation of the bill. Next report: 2027.

The second note directs PERS (and Department of Administrative Services- Enterprise Information Services) to report to the Interim Joint Committee on Ways and Means in January 2026 on the progress being on the PERS Modernization Program.

Along with these reports, the agency also requested additional budget allocation for the PERS Modernization Program as a result of additional planning and design work completed by PERS that clarified supplemental investments needed for the remainder of the 2025-27 biennium.

2026 LEGISLATIVE SESSION

The 2026 Legislative Session (a "short session") will last 35 days. It begins on February 2, and must end by Sunday, March 9, unless there is a vote to extend the session. During a short session, state agencies are not permitted to introduce bills through the Governor's Office. Additionally, while budget adjustments can be made, budget bills for continued operation of state agencies are only passed during odd-numbered year "long" legislative sessions. Due to the state's ongoing budget constraints, we do anticipate that the Legislature will make adjustments to agency budgets. At the time of writing, it is unknown what, if any, budget adjustments will be made to PERS' 2025-27 operating budget.

PERS will be available to provide needed information to legislators and committees, and answer questions. Additionally, the agency will be tracking bills that affect PERS, the plan, as well as PERS' operation as a state agency.

We anticipate continuing conversations with the Legislature regarding adding various groups of employees to the definition of "police officer" contained in ORS 238.005(19). Additionally, we have engaged in some informational conversations regarding Oregon National Guard members and their PERS service.

During the 2026 legislative session, PERS will present two of our required reporting items to the Joint Committee on Ways and Means Subcommittee on General Government:

According to SB 1566 (2018), PERS is required to submit a report regarding implementation and status of the Employer Incentive Fund (EIF) and the School District Unfunded Actuarial Liability Fund (SDULF). The board will hear this report today, and that will be substantially similar to the report sent to the Legislature.

Additionally, each year, PERS reports to the Legislature on board action related to Preliminary Earnings Crediting. PERS will submit this report after that action is taken by the board today. Final Earnings Crediting action taken by the PERS Board on March 30 will also be reported to the Legislature.

REPORTING REQUIREMENTS

Because the 2026 short session begins close in time to January legislative days, the agency was asked to spread required reporting across both events. Please see above for the required reporting PERS did complete or will be completing at each event.

2027 LEGISLATIVE CONCEPTS

State agencies are in the early stages of developing requests for legislation to be considered during the 2027 legislative session. What follows are ideas that PERS is considering, including those across multiple bills. Over the next few months, the agency will:

- Refine the content and/or packaging of requests.
- Develop preferred statutory language for proposed legislation.
- Determine any preliminary fiscal impact to the agency, members, or employers.
- Meet with the Governor's Office and Department of Administrative Services (DAS).
- Meet with both member and employer partners to obtain feedback.
- Present the PERS Board with the option to move forward with requests to draft legislation.

We will hold a meeting with employer and member partners in February to get their feedback regarding these potential legislative concepts. This feedback will be considered while the agency is refining content and developing preferred statutory language.

Upon PERS Board approval at the March 30 meeting, the Department of Administrative Services and the Governor's Office will give a final review of the agency's request for legislation

and determine which will move forward to Legislative Counsel for drafting. Bill drafts will be developed over the summer and PERS will be able to review these drafts to ensure the bill will achieve the desired intent. Bill drafts will be available for the December board meeting when we will seek approval to ask the Governor for bill introduction.

What follows are PERS' potential legislative concepts, however, the board should anticipate that the content will be refined, and more detail added (or concepts removed and/or grouped together within bills) between now and the March 30 board meeting.

- Oregon Savings and Growth Plan (OSGP) auto-enrollment for eligible members.
- Change requirements for submitting residency certifications for tax remedy.
- Extend Retirement Health Insurance Account (RHIA) and Retiree Health Insurance Premium Account (RHIPA) subsidy eligibility to OPSRP members (currently only Tier One/Tier Two members are eligible for these subsidies). RHIPA is for pre-Medicare eligible retirees.
- Increase Retirement Health Insurance Account (RHIA) subsidy amount from \$60 per month to \$100 per month. RHIA is for Medicare-eligible retirees.
- Align beneficiary designations and changes in beneficiary designations during divorce to bring PERS in line with how other financial institutions address divorce proceedings.
- Clarify definition of firefighter based on audit findings and employer questions.
- Create uniform Final Average Salary (FAS) calculations by crediting salary when it is paid, not when it is earned. Currently, employers are unevenly split across two different reporting timelines when they report salary: local governments report salary as earned during the employees' work period ("earned when earned"), and all other PERS-covered employers report salary as earned upon the employees' pay dates ("earned when paid"). Eliminating "earned when earned" reporting will bring various elements of PERS' retirement calculations into alignment with salary reporting periods. These include: salary limits and final average salary calculation. This will result in easier administration and calculation of benefits.



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January 30, 2026

TO: Members of the PERS Board
FROM: Jake Winship, Actuarial Manager
SUBJECT: Senate Bill 1566 Reporting

OVERVIEW

As required by Senate Bill 1566 (2018), PERS is providing the status of the School Districts Unfunded Liability Fund, the Employer Incentive Fund, the Unfunded Actuarial Liability Resolution Program, and extended amortization options of \$10 million or more as of December 2025.

BOARD OPTIONS

No action is needed from the PERS Board at this time.

C.3. Attachment 1 – *SB 1566 Report Ways and Means 2026*



January 30, 2026

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St NE
H-178 State Capitol
Salem, OR 97301-4048

Nature of the Request

As required by Senate Bill 1566 (2018), PERS is providing the status of the School Districts Unfunded Liability Fund, the Employer Incentive Fund, the Unfunded Actuarial Liability Resolution Program, and extended amortization options of \$10 million or more as of November 2025.

Agency Action

School Districts Unfunded Liability Fund

The School Districts Unfunded Liability Fund (SDULF) is an account intended to provide rate relief to all public school districts, public charter schools, and education service districts. The SDULF has three defined revenue sources: interest on unclaimed property from the Department of State Lands; proceeds from debt collection; proceeds from estate taxes and capital gains taxes.

Proceeds from estate taxes and capital gains taxes as an income source for the SDULF sunset in 2023 and the transfer of proceeds from debt collection as an income source for the SDULF sunset in 2024. The transfer of interest on unclaimed property as an income source for the SDULF will sunset in January 2027.

As of December 31, 2025, the SDULF has a balance of \$2,413,330.54. In December, PERS was informed that the Department of State Lands intends to transfer \$148,923,414 into the School District Unfunded Liability Fund. This transfer is anticipated to occur during January 2026 but had not occurred as of January 16, 2026.

Senate Bill 849 (2025) provided a single biennium reduction to school district unfunded actuarial liability (UAL) contribution rates of 1.68% for 2025-2027. The bill stipulates that any SDULF balance remaining (or accumulated) in 2027, after the expiration of all funding sources into the SDULF, will be used to reduce contribution rates for the School District Pool for 2027-29 rates.

Employer Incentive Fund

The Employer Incentive Fund (EIF) provides a 25% match to employers making a lump sum payment from non-borrowed funds of at least \$25,000. This lump sum payment may be used to establish a new side account or as a payment into an existing side account and is subject to the limitations stated in the statute. The first 90 days of the application period are dedicated to employers with a UAL as a percentage of payroll that exceeds 200%, after which the application period is open to all employers.

A total match amount of \$96,421,899 was distributed to 110 participating employers located in 26 counties between 2019 and 2023. Subsequent transfers from Lottery Funds reflecting proceeds from sports betting permitted a new cycle of EIF match application in 2025. A total of \$35,780,335.58 was available for match.

This cycle began on April 1, 2025, and was open to PERS' employers whose UAL exceeds 200% of combined valuation payroll.

Beginning July 1, 2025, EIF match opened to all employers. The first phase saw eight employers apply for matching funds. The total amount matched was \$5,715,393.75. A further 34 employers applied for matching funds in the second phase open to all employers. 26 of these employers were approved for match, consuming all available funds.

As of December 31, 2025, the EIF balance was \$3,813,287.73. This remaining amount has been promised to employers as matching funds and will be distributed upon receiving the qualifying deposits.

Unfunded Actuarial Liability Resolution Program

Senate Bill 1049 modified the UAL Resolution Program (UALRP) to include the development of funding plans to improve the employers' funded status and to manage contribution rates. The bill also requires all PERS-participating employers to participate in the UALRP whereas previously this was a requirement for only employers participating in EIF.

In 2021, PERS launched the new Employer Rate Projection Tool hosted using Microsoft Azure's "platform as a service" environment. This tool provides greater security as well as the capability to incrementally add employer requested features. Currently employers can modify payroll or contribution rates and determine how these changes will affect their contributions over time. In the future, the top requested modifications from employers are the ability to model additional scenarios of earnings and payroll growth rates.

PERS has created a series of guides to help employers understand the fundamentals of the system and provide context to the resources they receive when forecasting and budgeting.

Those guides are:

- *Guide To Understanding Your Rate*
- *Guide to Understanding Your Valuation*
- *Guide to Understanding Unfunded Actuarial Liability*
- *Guide to Understanding Pooling*
- *Guide to Financial Modeling*
- *Guide to Understanding Pension Obligation Bonds*

Extended Amortization Options

Senate Bill 1566 (2018) introduced additional amortization options for side accounts of at least \$10 million. These include the ability to select a shortened amortization period of six, 10, or 16 years. Employers could also select a deferred rate offset date.

Summary

Employer Programs have been well received by PERS-participating employers despite budgetary uncertainty. Employers appreciate incentives to proactively manage their contribution rates and appreciate the engaged role PERS has had in addressing knowledge gaps.

The most recent EIF match cycle has been highly successful.

Action Requested

PERS requests the Committee acknowledge receipt of the report.

Legislation Affected

No legislation is affected by this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Olineck", written in a cursive style.

Kevin Olineck, Director

Oregon Public Employees Retirement System