



OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD MEETING AGENDA

**Friday
May 29, 2026
9:00 a.m.**

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

ITEM	PRESENTER
A. Administration	
1. April 3, 2026 PERS Board Meeting Minutes	JARAMILLO
2. Director's Report	OLINECK
a. Forward-Looking Calendar	
b. Oregon Public Employees Retirement Fund (OPERF)	
i. OPERF Investment Report	
ii. OPERF annual rates of return	
c. Budget execution report	
3. Review Board Education Policy and Board Member Training	OLINECK, FUNSTON
4. Board Governance Best Practice Survey	OLINECK
5. Board Scorecard Report on Agency Performance Measures	RICKARD
6. Board Governance assignments	OLINECK
B. Administrative rulemaking	
1. Notice of Rulemaking Acceptable Electronic Signatures update	CHANDLER
2. Notice of Rulemaking LWOP and Creditable Service updates	VU
3. Notice of Rulemaking OSGP Loan Program updates	YANG
4. Notice of Rulemaking PHIP updates	YANG
C. Action and discussion items	
1. Modernization update	IVERS
2. PERS Health Insurance Plan (PHIP) annual update and plan year 2027 rate approval	DIMELING-PERRIS
3. 2027-29 agency budget development update	HORSFORD
4. Funding of School District Rate Pool (Senate Bill 849)	MILLIMAN



OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD MEETING AGENDA

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

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

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OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD MEETING MINUTES

April 3, 2026

Board members present:

Jardon Jaramillo, John Scanlan, Kristen Connor, Bob Hestand, and Robert Tintle attended in the PERS Boardroom.

Staff present:

Kevin Olineck, Kai Turner, Chloe Harris, Lisa Egly, Sam Paris, Shane Perry, Kristi Ivers, Stephanie Vaughn, Richard Horsford, Jordan Masanga, Jack Schafroth, Matt Graves, and Jake Winship attended in the PERS Boardroom.

Joli Whitney, Yong Yang, El Rossman Weber, Melissa Piezonka, Joel Mellor, Troy Phillips, Janice Richards, Erin Stutesman, Natalie Newgard, Theresa Bechtol, Jonathon Yost, Silvestre Trujillo, Michiru Farney, Barb Dimeling-Perris, Tammy Nguyen, Shawn Harper, Sofia Lalev, Chris Long, Daniel Rivas, Tina Swenson, Chris Carrera, Melissa Amador, Katie Davis, Akiko Yoshida, Melanie Chandler, Mohamed Naser, William Guzman, Karen Herrold, and Neil Jones attended virtually.

Others present:

Scott Preppernau, Matt Larrabee, Rex Kim, Max Bach, Nina Schoenheit, and Jeff Gudman attended in the PERS Boardroom.

Stacy Michaelson, Nate Carter, David Randall, Anthony Mingus, Carol Samuels, Dee-dra Kleve, Gay Lynn Bath, Stephanie King, Audrey Roberson, Chris Baxley, Cindy Huie, Tamie Swain, Anne Willis, Brendan Watkins, John Borden, Maurizio Valerio, Morgan Allen, Sara Collins, Ian Peterson, Jennifer Jones, Justin Low, Kali Leinenbach, Kim Young, and Jamie McCreary attended virtually.

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

ADMINISTRATION

A.1. JANUARY 30, 2026 PERS BOARD MEETING MINUTES

Vice Chair Scanlan moved to approve the minutes from the January 30, 2026 PERS Board meeting as presented. Board Member Tintle seconded the approval of the minutes.

Chair Jaramillo voted in favor of 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.

The motion passed unanimously.

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.

The Oregon Public Employees Retirement Fund (OFERF) returns, for the period ending February 28, 2026, were positive 2.46%.

Operating expenditures for January, February, and preliminary expenditures for March are \$6,145,078, \$5,951,737, and \$6,811,518, respectively.

As of March 15, 2026, the agency has expended a total of \$53,141,522, or 32.5% of PERS' legislatively approved operations budget of \$163,320,165. At this time, the agency's projected variance is \$1,717,946 or 1.05%

Olineck presented the proposed 2027 PERS Board Meeting dates.

Olineck reviewed the meeting agenda.

No board action was required.

A.3. OREGON PUBLIC EMPLOYEES RETIREMENT FUND (OPERF) PERFORMANCE REVIEW

Rex Kim, Oregon State Treasury Chief Investment Officer, presented the Oregon Investment Council (OIC) Investment Report of the Oregon Public Employees Retirement Fund (OPERF) for the period ending December 31, 2025. He presented on the market environment over the next decade, 2025 performance, OPERF 20-year net asset value history, and current asset allocation.

No board action was required.

A.4. OREGON SAVINGS GROWTH PLAN ANNUAL REPORT

Lisa Egly, Deferred Compensation Program Manager, presented the Oregon Savings Growth Plan (OSGP) Annual Report. The presentation reflected information for the 2025 calendar year and included information regarding governance, administrative support, and plan and participant demographics. The report summarized assets, cash flow and investment composition, as well as investment performance, options, and fees.

No board action was required.

A.5. OREGON SAVINGS GROWTH PLAN ADVISORY COUNCIL APPOINTMENT

Lisa Egly, Deferred Compensation Program Manager, presented the Oregon Savings Growth Plan (OSGP) advisory council appointment, and highlighted the governance structure of the advisory committee, which includes members from local government, state agencies, and the Oregon State Treasury. Egly also emphasized the committee's role in overseeing the plan's administration and advising on relevant policies.

Egly reported that Jeff Gibbs, Chair and local government representative, resigned in December 2025, creating a vacancy on the committee. She outlined the committee's statutory basis under Oregon Revised Statute (ORS) 243.505, which mandates members possess knowledge of deferred compensation plans and provide advisory support to the PERS Board as requested.

The committee recommends the PERS Board appoint Wayne Yeatman to their first term; with an effective date of July 1, 2026, and term expiration date of June 30, 2029.

Board Member Tintle moved to appoint Wayne Yeatman to their first term; with an effective date of July 1, 2026, and term expiration date of June 30, 2029. Board Member Connor seconded the motion.

Chair Jaramillo voted in favor of 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.

The motion passed unanimously.

ADMINISTRATIVE RULEMAKING

B.1. NOTICE OF RULEMAKING FOR ANNUAL PLAN UPDATES

Stephanie Vaughn, PACS Manager, presented an adoption of rulemaking in order to reflect the 2026 Internal Revenue Code (IRC) salary limit, and monthly salary threshold for the Employee Pension Stability Account (EPSA).

Rules impacted include 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 459-080-0400 Employee Pension Stability Account, and OAR 459-080-0500 Limitation on Contributions.

A rulemaking hearing was held remotely on February 24, 2026, at 2:00 p.m. The public comment period ended February 27, 2026, at 5:00 p.m. No public comment was received.

Board Member Hestand moved to adopt modifications to the Plan Limit rules, as presented. Board Member Tintle seconded the motion.

Chair Jaramillo voted in favor of 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.

The motion passed unanimously.

ACTION AND DISCUSSION ITEMS

C.1. PERS MODERNIZATION PROGRAM UPDATE

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

Ivers explained that the program is a multi-biennial effort to 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.

Ivers reviewed key projects including the Pension Administration System (PAS) modernization, the Telephony Modernization Project, and the jClarey UI/UX Modernization Project (JUMP).

Development of the 2027-29 policy option package (POP) for the PERS Modernization Program is due on April 17, 2026. During the week of March 9, PERS completed its initial cut and intends to collaborate with the Legislative Fiscal Office (LFO), the Department of Administrative Services (DAS), and EIS to finalize the POP. No board action was required

The Specialized Consultant Request for Proposal (RFP) was posted for vendor submissions and closed on March 10, 2026. The proposals will be reviewed and scored by an evaluation team, and are due on March 30, 2026. This consultant is expected to assist PERS in writing its commercial-off-the-shelf (COTS) Pension Administration System (PAS) RFP.

No board action was required.

C.2. LEGISLATIVE SESSION REVIEW

Heather Case, Senior Policy Advisor, presented a legislative update and preview of legislative concepts.

The 2026 legislative session adjourned on Friday, March 6. During the session, PERS made required reports related to Preliminary Earnings Crediting, and Senate Bill (SB) 1566 (2018) Employer Programs. The agency also followed the progress of bills that would have an impact on PERS, the agency, or PERS, the system, if passed.

PERS was tracking a few bills that would have had an impact on the system, however, no bills passed that will impact the PERS program.

No board action was required.

C.3. BOARD APPROVAL TO FILE 2027 LEGISLATIVE CONCEPTS

Heather Case, Senior Policy Advisor, presented the proposed PERS Legislative Concepts for the 2027 legislative session.

There are five possible bills the board was asked to consider:

1. OSGP Auto Enrollment
2. Tax Remedy Residency Certification Changes
3. Changes to Beneficiary Designations after Divorce
4. Create Uniform Employer Reporting – Eliminate “earned when earned” reporting
5. Clarification Within the Definition of Firefighter

Board Member Tintle moved to recommend approval to submit requests to DAS for drafting legislative concepts for the 2027 legislative session. Board Member Connor seconded the motion.

Chair Jaramillo voted in favor of 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.

The motion passed unanimously.

C.4. 2027-29 AGENCY BUDGET DEVELOPMENT UPDATE

Richard Horsford, Chief Financial Officer, presented the 2027-29 budget update.

Horsford provided an update on the latest activities in development of the agency’s next budget request. An updated budget package will be presented to the PERS Board at the May meeting. Final board approval of the 2027-29 Agency Request Budget will occur during the PERS Board meeting on July 24, 2026.

The PERS Board acknowledged receipt of the update. No board action was required

C.5. FINAL EARNINGS CREDITING AND RESERVING

Richard Horsford, Chief Financial Officer, and Matthew Graves, Financial Reporting Manager, presented the final report of 2025 earnings crediting and reserving.

Tier One Regular Accounts/Judge Member Accounts had an earnings rate of 6.90%, Tier Two Regular Accounts at 9.19%, Benefits-in-Force and Employer Reserves at 9.19%, OPSRP Member accounts at 9.29% and Individual Account Program (IAP) at 10.48%

Board Member Connor moved to adopt the final crediting earnings for calendar year 2025, allocating the previously noted amount of 2025 earnings to fully fund the contingency reserve. Vice Chair Scanlan seconded the motion.

Chair Jaramillo voted in favor of 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.

The motion passed unanimously.

C.6. FUNDING OF SCHOOL DISTRICT RATE POOL (SENATE BILL 849)

Actuaries Matt Larrabee and Scott Preppernau of Milliman presented the discussion on funding of the School District Rate Pool under Senate Bill (SB) 849. Milliman reported that SB 849 allocated \$168 million from the School District Unfunded Liability Fund (SDULF) to offset the employer contribution rate, effectively reducing the 2025-27 collared base unfunded actuarial liability rate (UALR) by 1.68% of payroll. The board will be asked to consider where the “floor” for calculating employer contribution rates should be at the May board meeting.

No board action was required.

Chair Jaramillo adjourned the PERS Board meeting at 10:58 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kevin Olineck". The signature is written in a cursive style with a large initial "K".

Kevin Olineck, Director

A.

A. Administration

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Director's Report

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Kevin Olineck, Director

OREGON
PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

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.

Governor's Food Drive In partnership with the Oregon Food Bank, state employees have helped provide food assistance to individuals and families throughout Oregon

and southwest Washington since 1982. This year, the annual drive kicked off on March 1 and ran through the end of the month.

For the 2026 drive, the Governor challenged state employees to donate at least \$180 annually to the food bank. As an agency, we raised \$9,726, which equates to 29,178 meals, with 70% of PERS' donors meeting the Governor's challenge. Our Governor's Food Drive team was led by Melissa Crawford, Jordan Perkins, Brandon Bontrager, and Cory Meisch.

2025 Superhero Gold Star reporters Congratulations to 483 employers for submitting 100% of their regular reports on time in 2025. In addition to the financial benefits of submitting on time, their hard work earned them a PERS Superhero Gold Star Award. The 2025 total is 23 more employers than last year. This means more employers are taking advantage of the training and materials we offer, including the [beginner trainings](#), [webinars](#), and [employer guides](#).



Accomplishments

Public Service Recognition Week (May 3–9) Every year, the state celebrates Public Service Recognition Week, taking the opportunity to thank public employees for their service, make visible their important work, and deepen connections between state agencies and the communities they serve.

This year's theme was "leading with purpose," and the agency nominated three staff for bringing clarity, intention, and commitment to their work, and aligning their daily actions with the state of Oregon's mission to serve people effectively and equitably.

The PERS Ambassadors of Public Service were Lisa Cebula, Elizabeth Embree, and Lydia Uribe. The state notified our ambassadors about their award and sent them a certificate honoring this achievement. Additionally, the Department of Administrative Services (DAS) Chief Human Resources Office coordinated statewide recognition of nominees by highlighting them on the employee recognition website.

The ambassadors were also invited to an open-house reception on May 21 with Governor Kotek at Mahonia Hall, the Governor's residence in Salem, to celebrate their outstanding contributions to PERS and the citizens of Oregon.

Internally, Deputy Director Kai Turner led a workgroup to develop virtual engagement opportunities for staff throughout Public Service Recognition Week, including trivia, word puzzles, and custom Teams backgrounds designed by the Multimedia Team. In addition to Kai, the workgroup included Chloe Harris, Jordan Perkins, Seth Yohnka, Rebecca Acosta-Castro, Diane Hernandez, Erin Stutesman, Natalie Newgard, Johnna Bergman, Tamie Johnson, and Leisl Stientjes.

NAGC Blue Pencil and Gold Screen Award The National Association of Government Communicators (NAGC) notified PERS that the Communications Section was awarded first place for their contributions to the 2025 edition of *PERS by the Numbers*. The NAGC Blue Pencil and Gold Screen Awards is a national and international awards program held each year to recognize excellence in the field of government communications.

OREGON PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

ELIZABETH EMBREE, INTAKE AND REVIEW

LISA CEBULA, CALCULATIONS

LYDIA URIBE, RELEASE MANAGEMENT

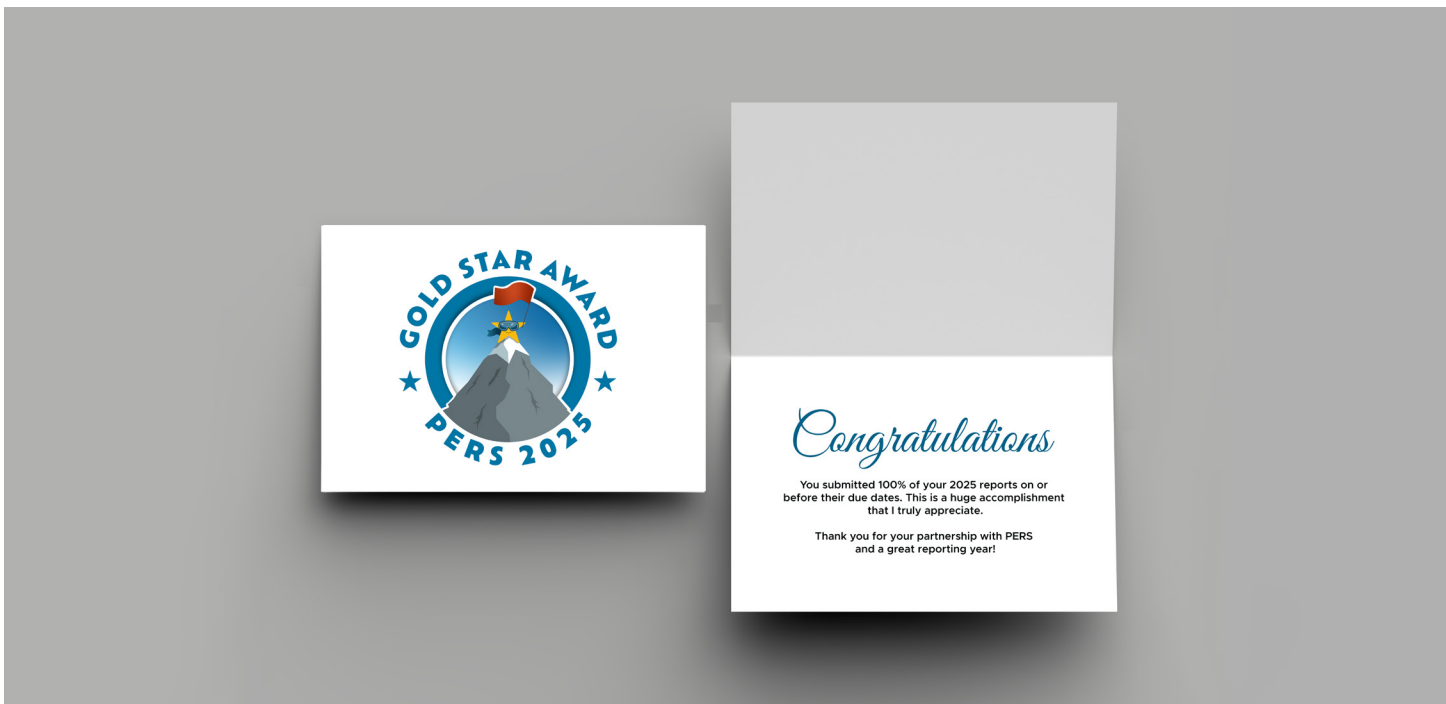
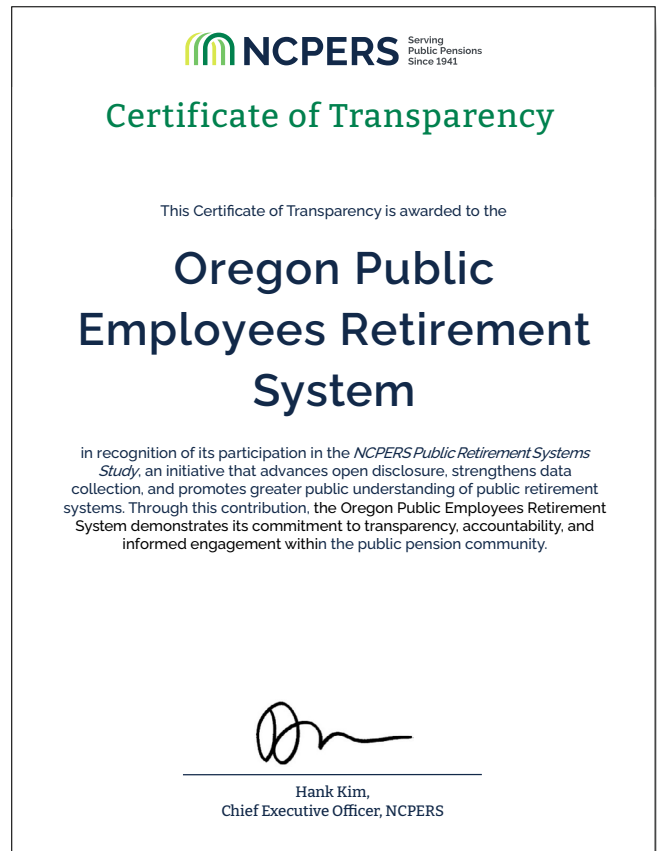
2026 PUBLIC SERVICE AMBASSADORS

Multimedia Manager Pamela Foust accepted the award on the agency's behalf at the award ceremony on May 12.

NCPERS Certificate of Transparency PERS participated in the 2026 NCPERS Public Retirement Systems Study. In this 15th year of the study, public retirement plans across North America participated by providing the latest information on plan design, investment allocation and returns, actuarial assumptions, and plan governance practices.

As one of over 200 plans who participated, PERS was recognized for furthering open disclosure, increasing the range of data from which to learn from, and contributing to the public's understanding of public retirement systems.

Chief Financial Office Gold Star Certificate The PERS Financial Service Division received the Gold Star Certificate from the DAS Chief Financial Office for fiscal year 2025. This is awarded to state agencies that provide accurate and complete fiscal year-end information in a timely manner. This award is the state's equivalent to the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. The Gold Star Certificate was presented to Matt Graves, Pat Donegan, and Michiru Farney.



Congratulations were sent to 483 PERS-participating employers for submitting 100% of their regular reports on time in 2025.

PERS BOARD MEETING FORWARD-LOOKING CALENDAR

Friday, May 29, 2026

Board Education Policy and Board Member Training
Board Governance Best Practice survey
Board Scorecard Report on Agency Performance Measures
Board governance assignments
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

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, 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

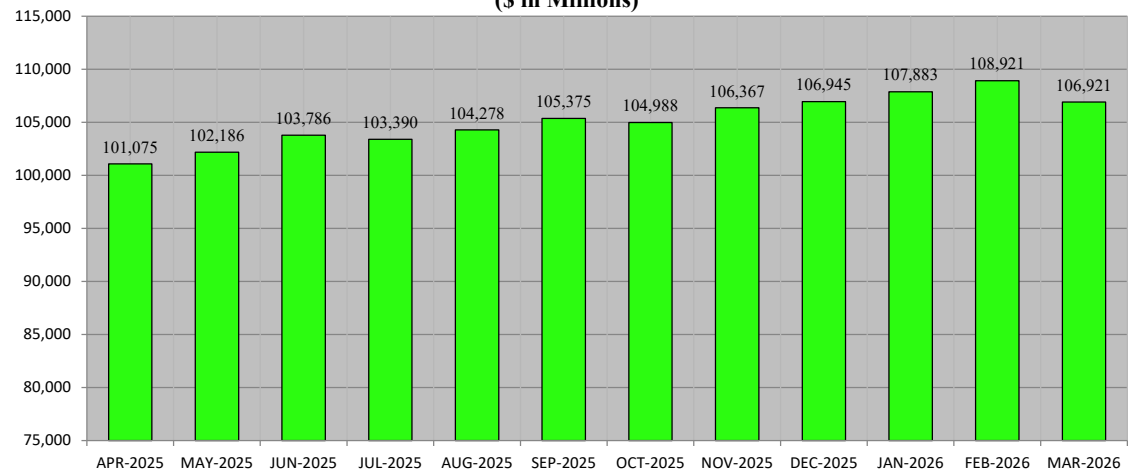
Proposed 2027 PERS Board Meeting dates:

- January 29, 2027
- April 2, 2027*
- June 4, 2027
- July 23, 2027*
- October 1, 2027
- December 3, 2027*

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

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			\$ 101,420,449		0.61	8.40	6.78	6.69	4.73	6.76	7.95	8.18
<i>OPERF Policy Benchmark</i>					0.91	13.10	10.84	11.04	6.77	7.59	9.42	9.16
Value Added					(0.30)	(4.70)	(4.05)	(4.36)	(2.04)	(0.83)	(1.47)	(0.98)
<i>OPERF Reference Portfolio</i>					(1.69)	14.40	10.03	11.46	6.64	5.94	8.14	8.12
Public Equity	22.5-32.5%	27.5%	\$ 19,386,733	19.1%	(1.68)	20.60	13.52	16.82	10.77	9.83	11.75	11.49
<i>MSCI ACWI IMI Net</i>					(2.75)	20.64	13.25	16.24	9.73	9.03	11.33	11.10
Private Equity	15-27.5%	20.0%	\$ 25,005,594	24.7%	1.27	5.41	5.80	6.45	3.41	9.46	11.98	12.32
<i>Russell 3000+300 Bps Qtr Lag</i>					6.42	24.43	25.60	26.94	14.24	17.11	20.54	17.98
Total Equity	42.5-52.5%	47.5%	\$ 44,392,327	43.8%								
Fixed Income	20-30%	25.0%	\$ 24,336,343	24.0%	(0.17)	4.38	4.84	4.42	2.43	1.26	2.33	2.48
<i>Oregon Custom Fixed Income Benchmark</i>					(0.05)	4.35	4.61	3.63	1.46	0.34	1.56	1.81
Real Estate	7.5-17.5%	12.5%	\$ 13,547,220	13.4%	1.58	2.61	0.87	(2.89)	(0.30)	4.73	4.73	5.65
<i>Oregon Custom Real Estate Benchmark</i>					0.70	2.92	0.29	(4.25)	(1.66)	2.51	2.46	3.88
Real Assets	2.5-10.0%	7.5%	\$ 10,687,385	10.5%	1.32	13.19	10.51	9.15	10.79	12.35	9.21	8.92
<i>CPI +4%</i>					2.90	7.65	7.06	7.24	7.72	8.73	7.99	7.47
Diversifying Strategies	2.5-10.0%	7.5%	\$ 5,616,882	5.5%	3.05	9.79	7.18	7.60	8.73	8.92	4.82	3.04
<i>HFRI FOF: Conservative Index</i>					0.79	8.08	6.24	6.57	5.11	4.90	5.39	4.81
Opportunity Portfolio	0-5%	0%	\$ 2,803,042	2.8%	2.00	10.59	10.10	11.76	9.32	10.77	10.95	10.13
<i>Opportunity Custom Benchmark</i>					0.91	13.10	10.84	11.04	10.84	11.45	10.21	9.33
Cash w/Overlay	0-3%	0%	\$ 37,250	0.0%	0.93	4.51	4.95	5.17	4.46	3.44	3.00	2.62
<i>91 Day Treasury Bill</i>					0.85	4.00	4.48	4.74	4.17	3.34	2.72	2.26
Target Date Funds			\$ 5,250,338									
TOTAL OPERF Variable Account			\$ 249,914		(2.58)	21.05	13.64	16.57	10.07	9.36	11.66	11.45

Total OPERF NAV
(includes Variable Fund assets)
One year ending MAR-2026
(\$ 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.

Oregon Public Employees Retirement Fund (OPERF) annual rates of return

Year	OPERF Earnings (%)	Tier One	Tier Two	Variable Account	IAP
2012	14.29	8.00	14.68	18.43	14.09
2013	15.59	8.00	15.62	25.74	15.59
2014	7.29	7.75	7.24	4.29	7.05
2015	2.11	7.75	1.87	-1.61	1.85
2016	6.88	7.50	7.15	8.76	7.13
2017	15.39	7.50	15.23	26.48	14.72
2018	0.48	7.20	0.23	-10.03	--
2019	13.56	7.20	13.27	28.80	--
2020	7.66	7.20	7.18	11.77	--
2021	20.05	7.20	20.14	18.88	--
2022	-1.55	6.90	-1.91	-21.52	--
2023	5.98	6.90	5.52	21.37	--
2024	5.71	6.90	5.29	14.60	--
2025	9.68	6.90	9.19	22.32	--

OPERF earnings for calendar years 2012-21 have been clarified to reflect performance and holdings data as published by Oregon State Treasury.



Oregon

Tina Kotek, Governor

Public Employees Retirement System

Headquarters

11410 S.W. 68th Parkway, Tigard, OR

Mailing Address:

P.O. Box 23700

Tigard, OR 97281-3700

888-320-7377

TTY (503) 603-7766

www.oregon.gov/pers

May 29, 2026

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

2025-27 OPERATING BUDGET

Operating expenditures for March, April, and preliminary expenditures for May are \$6,582,977, \$5,958,648, and \$6,401,377, respectively. Final expenditures for May will close in the Statewide Financial Management System on June 12 and will be included in the July 2026 report to the board.

- Through May 10, 2026, the agency has expended a total of \$65,516,079 or 40.1% of PERS' legislatively approved operations budget of \$163,320,165.
- At this time, the agency's projected variance is \$310,579 or 0.19%.
- Core Retirement Systems Applications (CRSA) expenditures for March, April, and preliminary expenditures for May are \$843,223, \$1,853,927, and \$926,306, respectively. As of May 10, the agency has expended \$6,002,211 or 24.4% of the legislatively approved budget of \$24,629,254.
- At this time, the CRSA projected variance is \$3,107,271 or 12.6%.

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 and the Individual Account Program.

- Non-Limited expenditures through May 10, 2026 are \$6,083,989,474.

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

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

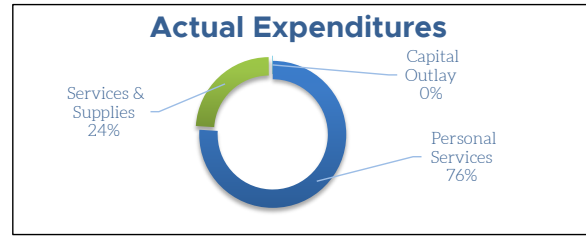
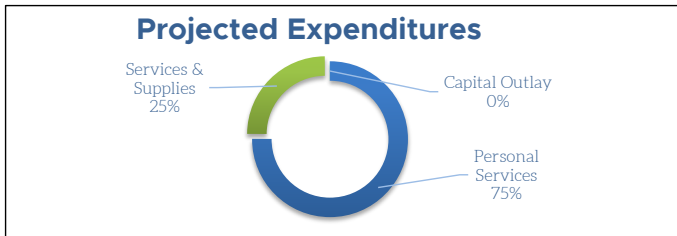
PERS Monthly Budget Report

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

Limited - Operating Budget

2025-27 Biennial Summary

Category	Actual Exp. To Date	Projected Expenditures	Total Est. Expenditures	2025-27 LAB	Variance
Personal Services	49,795,075	73,193,569	122,988,644	119,966,080	(3,022,564)
Services & Supplies	15,642,099	24,238,430	39,880,529	42,769,871	2,889,342
Capital Outlay	78,905	61,508	140,413	584,214	443,801
Total	65,516,079	97,493,507	163,009,586	163,320,165	310,579



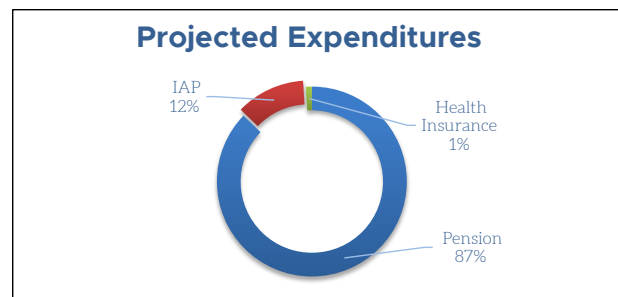
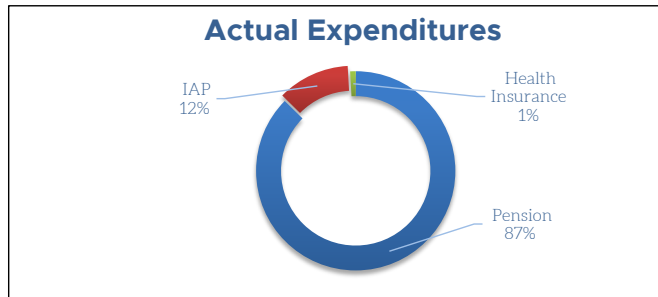
Monthly Summary

Category	Actual Exp.	Projections	Variance	Avg. Monthly Actual Exp.	Avg. Monthly Projected Exp.
Personal Services	4,894,162	5,071,671	177,508	5,124,527	5,630,275
Services & Supplies	1,447,860	1,500,373	52,513	1,661,689	1,864,495
Capital Outlay	59,355	61,508	2,153	7,173	4,731
Total	6,401,377	6,633,552	232,174	6,793,389	7,499,501

Non-Limited Budget

2025-27 Biennial Summary

Programs	Actual Exp To Date	Projected Expenditures	Total Est. Expenditures	Non-Limited LAB	Variance
Pension	5,316,071,873	7,571,460,515	12,887,532,388	13,506,890,512	619,358,124
IAP	713,302,136	1,027,994,336	1,741,296,472	1,604,842,886	(136,453,586)
Health Insurance	54,615,465	95,172,956	149,788,421	131,858,285	(17,930,137)
Total	6,083,989,474	8,694,627,807	14,778,617,281	15,243,591,683	464,974,401



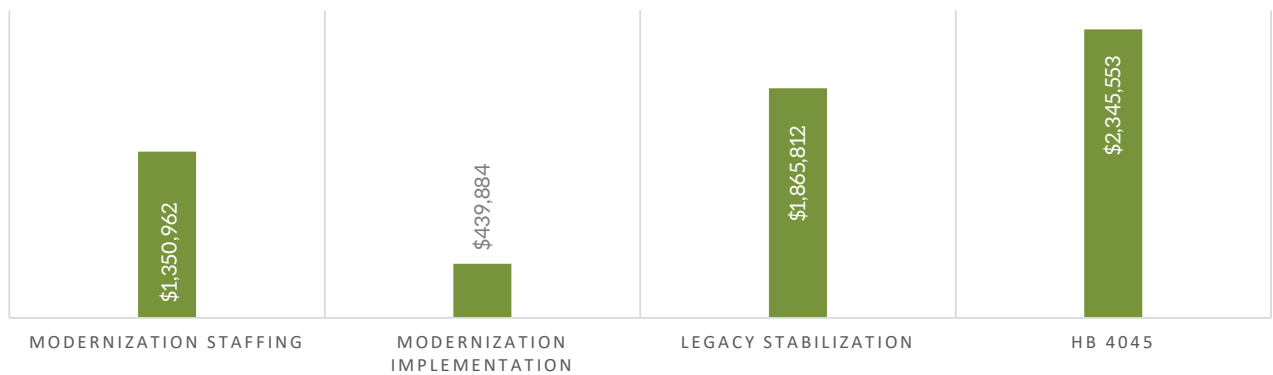
Core Retirement Systems Application

Summary Budget Analysis
Preliminary for the Month of May 2026

Biennial Summary

Category	Actual Exp. To Date	Projected Expenditures	Total Est. Expend.	2023-25 LAB	Variance
Personal Services	1,468,522	4,375,372	5,843,894	5,377,974	(465,920)
Services & Supplies	4,415,354	11,144,400	15,559,754	19,251,280	3,691,526
Capital Outlay	118,335		118,335		(118,335)
Total	6,002,211	15,519,772	21,521,983	24,629,254	3,107,271

EXPENDITURES BY PACKAGE



EXPENDITURES BY PROJECT



A.

A. Administration

1. April 3, 2026 PERS Board Meeting Minutes
2. Director's Report
- 3. Review board education policy and board member training**
4. Board Governance Best Practice Survey
5. Board Scorecard Report on Agency Performance Measures
6. Board Governance assignments

B. Administrative rulemaking

1. Notice of Rulemaking Acceptable Electronic Signatures update
2. Notice of Rulemaking LWOP and Creditable Service updates
3. Notice of Rulemaking OSGP Loan Program updates
4. Notice of Rulemaking PHIP updates

C. Action and discussion items

1. Modernization update
2. PERS Health Insurance Plan (PHIP) annual update
3. 2027-29 agency budget development update
4. Funding of School District Rate Pool (Senate Bill 849)



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Tina Kotek, Governor

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May 29, 2026

TO: Members of the PERS Board
 FROM: Kevin Olineck, Director
 SUBJECT: Annual Report of Board Member Training Activities

At the May 2020 PERS Board meeting, the board adopted the Board Education Policy (Attachment 1). The policy proposes that each board member be subject to a \$5,000 per annum education limit.

The policy states the director will prepare a yearly report on the training activities of the PERS Board members. The report will include the seminar/conference name, sponsor, location, dates, and cost of the training.

Over the course of the May 1, 2025, through April 30, 2026, reporting period, Board Member Hestand attended the National Conference on Public Employee Retirement Systems (NCPERS) May 16, 2025 through May 20, 2025, as well as the pre-conference training on May 16, 2025. Conference registration was \$2,000.00 and related expenses were \$1,921.35 for a total of \$3,921.35

Over the course of the May 1, 2025, through April 30, 2026, reporting period, Board Member Scanlan attended the National Conference on Public Employee Retirement Systems (NCPERS) May 16, 2025 through May 20, 2025. Conference registration was \$1,100.00 and related expenses were \$2,228.39 for a total of \$3,338.39.

PERS subscribes to an online board education tool, BoardSmart. BoardSmart representatives will provide the board with a demonstration of their latest platform at this meeting (Attachment 2) as well as their new "Just-In-Time" courses (Attachment 3). BoardSmart has updated the onboarding and continuing education matrix within the portal to show which courses are recommended. This will continue to be refined as the BoardSmart curriculum is updated.

PERS' Director's Office maintains a repository of board-related documents that can be accessed by board members using the current board portal, Boardvantage. For example, our Board Orientation Manual, Funding Policy, Audit and Risk Committee Terms of Reference, links to Oregon Revised Statutes, as well as the Governance Manual, are housed on the board portal.


Staff believe that BoardSmart should remain the primary educational medium used by PERS Board members to have consistency in board education while maximizing our subscription.

No board action is required.

A.3 Attachment 1 – *Board Education Policy*

A.3 Attachment 2 – *Board Smart Overview*

A.3 Attachment 3 – *Board Smart "Just-In-Time" Matrix*

Oregon Public Employees Retirement System	Posted date 4/16/2026	Number 1.03.02.01.001.POL
Signature 	Approval date 4/14/2026	Page 1 of 3
Policy:	PERS Board Education	
Objective:	Requires each board member to have adequate education to perform the duties and obligations of the position.	
References:	State of Oregon's Statewide Travel Policy , DAS - CHRO - Preventing Discrimination, Harassment, and Sexual Harassment in the Workplace required training , and DAS – EIS – Information Security Training: Foundations Content	

Policy

As fiduciaries, PERS board members are expected to be capable of performing their duties and responsibilities. To that end, each board member should avail themselves of sufficient education to discharge the obligations of the position.

The PERS board has established this Board Education policy, which is applicable to all board members.

A. Board Orientation Manual

As soon as is practicable, the board member should be provided with an up-to-date version of the *Board Orientation Manual* and meet with the director to review its contents. Contents of the *Board Orientation Manual* should include:

- Objective, overview, and PERS programs.
- Overview of the PERS board's role:
 - PERS board member information.
 - Appointment of director and consultants.
- PERS system overview:
 - Statutory authority and requirements.
 - PERS stakeholders.
 - Legislative process.
 - Actuarial information.

Origination date: June 5, 2020
Last revision date: August 10, 2023
Last review date: April 14, 2026

SL2

- Oregon Investment Council (OIC)

PERS agency overview:

- Mission statement.
- PERS executive and organizational structure.
- PERS Strategic Plan:
 - PERS Outcome-Based Management System (POBMS).
- Financial information:
 - Budget information.
 - Annual Comprehensive Financial Report (ACFR).
 - Popular Annual Financial Report (PAFR).
- Other PERS programs:
 - Oregon Savings Growth Plan (OSGP).
 - PERS Health Insurance Plan (PHIP).

B. Education policy

Board members will evaluate their own educational needs to obtain knowledge in specific subject matters. Board members are encouraged to attend educational sessions related to:

- Pension benefit design.
- Fiduciary responsibilities.
- Actuarial issues and trends.
- Investment issues and trends.
- Other subjects related to the administration, management, and operation of PERS.

The director will periodically provide the board with information on available conferences and seminars. Examples of conferences and seminars that would be seen to be applicable include the following:

- Conferences and programs (including trustee certifications) sponsored by the International Foundation of Employee Benefit Plans (IFEBP).
- Conferences and programs (including trustee certifications) sponsored by the National Conference of Public Employees Retirement Systems (NCPERS).

Origination date: June 5, 2020

Last revision date: August 10, 2023

Last review date: April 14, 2026

SL2

- Conferences sponsored by the National Association of State Retirement Administrators (NASRA).
- Conferences sponsored by Pension & Investments.
- Conferences sponsored by the National Institute on Retirement Security.
- Conferences sponsored by Callan.

Each board member will be provided a yearly educational budget of \$5,000. This is intended to cover not only the registration for educational activities, but also travel-related expenses. Payment and reimbursement of travel-related expenses for training will be in accordance with the state of Oregon's Statewide Travel Policy: (<https://www.oregon.gov/das/Financial/Acctng/Documents/40.10.00.pdf>)

The director will prepare a yearly report on the training activities of the PERS board members. The report will include the seminar/conference name, sponsor, location, dates, and cost of the training.

C. State-mandated education

On a yearly basis, each board member must also complete the following state-mandated education sessions via the state learning system:

DAS - CHRO - Preventing Discrimination, Harassment, and Sexual Harassment in the Workplace required training. This training is found in Workday.

DAS – EIS – Information Security Training: Foundations Content. This training is found in Workday

D. Policy review and history

1. This policy shall be reviewed by the PERS board no less frequently than every two years for continued relevance and appropriateness.
2. The PERS board adopted this policy on May 29, 2020.

Origination date: June 5, 2020

Last revision date: August 10, 2023

Last review date: April 14, 2026

SL2

PERS



BOARD SMART · FIDUCIARY EDUCATION

A Decision-Based Approach to Trustee Education

Just-in-time intelligence engineered to the Oregon PERS decision calendar.

Prepared for Oregon PERS · May 12, 2026

Funston Advisory Services

WHAT'S NEW

Learning, mapped to the moment of decision.

A complete curriculum rebuild — designed around 12 board decisions, delivered when trustees need it.



Mapped to your Calendar

12 modules tied to 12 recurring board decisions — surfaced in the weeks leading up to each decision.



5-Minute Modules

Concise, decision-focused lessons. Designed for trustees with limited prep time and busy meeting cycles.



Standards Based Intelligence

What authoritative standards require, paired with what FAS has learned from peer systems.



Lessons Learned

What it looks like when governance is working — and what failure modes look like before they escalate.

THE CURRICULUM

Twelve decisions. Twelve modules.

Each module is anchored to a recurring fiduciary decision the OPERS Board makes.

 Governance of Retirement Systems	 Strategic Governance	 Managing Policy Intersections	 Agency Performance & Operational Risk
 Public Pension Investment Governance	 Pension Economics & Earnings Crediting	 Actuarial Fundamentals	 Pension Funding Risk
 Employer Contribution Policy	 Long-Term Pension Sustainability	 Fiduciary Duty & Standards	 Stakeholder Reporting

Inside every module.

Six sections — built to take a trustee from context to ‘what is prudent’ in under five minutes.

01

Why It Matters

The fiduciary stakes. Why this decision moves the needle on funding, risk, or trust.

02

The Fundamentals

Plain-language grounding in the topic — concepts, mechanics, and key terms trustees need.

03

Where It Breaks Down

Common governance failure modes — what's gone wrong at peer systems and why.

04

What Good Looks Like

The signals of a healthy decision: process discipline, evidence base, role clarity.

05

Questions to Ask

Prudent questions trustees can ask of staff and advisors to have a constructive dialogue.

06

The Bottom Line

The takeaway. What a prudent fiduciary should walk away knowing — and watching for.



Same structure, every module — so trustees always know what they're getting.

WHAT ELSE IS NEW

More from Board Smart.

Recent upgrades, a look at what's coming, and an invitation to help shape what's next.

RECENT UPGRADE

Role-Based Learning

Standardized 'Day One' onboarding for new trustees, plus curated curricula for board chairs, committee members and executives.



ON THE HORIZON

InGov Intelligence

An annual fiduciary profile — scored against our standard of comparison, with peer benchmarking to surface where your board leads and lags.

COMING SOON

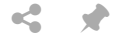


Help us shape what's next.

Board feedback drives what we build — new modules, new features, new intelligence.

OR PERS "Just-In-Time" Insights Briefings

Curriculum



★ ★ ★ ★ ★ Rate This Course

Course Content

Course Content



January

Please complete 2 of the following course(s).

0 of 2
Course(s)



104 - Pension Econ...

Online course

★ ★ ★ ★ ★ (0)

0.5 Credits



OR PERS Legislativ...

Online course



February

Please complete 1 of the following course(s).

0 of 1
Course(s)



OR PERS Public Pe...

Online course



March & April

Please complete 1 of the following course(s).

0 of 1
Course(s)



OR PERS Managing...

Online course



May & June

Please complete 2 of the following course(s).

0 of 2
Course(s)



OR PERS Agency P...

Online course



OR PERS Governan...

Online course



July & August

Please complete 2 of the following course(s).

0 of 2
Course(s)

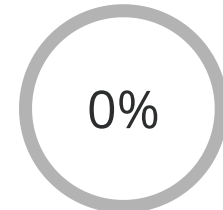


OR PERS Actuarial ...

Online course

In progress

0/12 Courses



Resume



Resources

Self - Enroll



Self - Enroll



Self - Enroll



Self - Enroll

















Self - Enroll



Self - Enroll



 OR PERS Defined B... Online course	Self - Enroll 
 September & October Please complete 2 of the following course(s).	0 of 2 Course(s) 
 OR PERS Employer... Online course	Self - Enroll 
 OR PERS Pension F... Online course	Self - Enroll 
 December Please complete 2 of the following course(s).	0 of 2 Course(s) 
 OR PERS Strategic ... Online course	Self - Enroll 
 OR PERS Long-Ter... Online course	Self - Enroll 

A.

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May 29, 2026

TO: Members of the PERS Board
FROM: Kevin Olineck, Director
SUBJECT: Board Governance Best Practices Survey

BACKGROUND

PERS has eight legislatively-approved key performance measures (KPM), with a requirement to report on these KPMs annually. One of the KPMs includes the results of a Board Best Practices Governance Survey, which is conducted on a biennial basis. This biennium's survey has been exported and is attached.

BOARD OPTIONS

Following the board meeting, the agency will send the survey out to board members via a SurveyMonkey link. The results will be reported to the Legislature as part of our agency report in the fall.

No board action is required, other than to participate in the survey once sent.

A.4. Attachment 1 – *PERS Best Practices Governance Survey*

Please rate each of the 18 board best practices by clicking on the appropriate button. The first 15 best practices are standard for all governing boards and commissions. The last three are additional practices identified by the PERS Board.

The text following each bolded best-practice measure describes the associated current PERS Board practice.

Best Practice: Director Performance

Meets Meets but needs improvement Does not meet

1. The PERS Board establishes clear performance expectations for the Director not less than biennially.

The PERS Board, through the Chair and Vice Chair, establishes clear performance expectations for the Director not less than biennially. This includes overall expectations in the Director's position description, as well as any specific expectations contained in the board's policy agenda and other meeting-specific directives. The Director apprises the board of divisional appointments and organizational changes and provides open access to executive team members. Regular interactions by the executive team with the PERS Board are encouraged.

2. Director's performance is evaluated each biennium.

Director's performance is evaluated with a 360 degree assessment occurring in odd numbered years. In addition, regular informal feedback is provided to the Director as needed.

Best Practice: Strategic Management

Fully meets Meets but needs improvement Does not meet

3. The agency’s mission and high-level goals are current and applicable.

The agency’s mission and high-level goals are current and applicable. The PERS Board reviews and approves the agency mission statement, core values, and operating principles as part of the PERS Strategic Plan reviews and updates. The board reviews agency progress on key strategic initiatives and objectives using the semi-annual Board Scorecard Report on agency performance measures and the biennial budget development process.

4. The PERS Board reviews the Annual Performance Progress Report.

The board reviews the Strategic Plan Performance Progress Report annually. The board has the opportunity to review the annual report and provide comments to the Director.

Best Practice: Strategic Policy Development

Fully meets Meets but needs improvement Does not meet

5. The PERS Board is appropriately involved in review of the Agency’s key communications.

The board is appropriately involved in review of the Agency’s key communications. The board, both directly and through participation on committees (Audit and Risk, PERS Health Insurance Program (PHIP)), is involved in the agency’s public process and key communications. The Director coordinates regularly with the Governor’s Office and reports to the board on communications. The board approves the agency mission statement, core values, and operating principles.

6. The PERS Board is appropriately involved in policy-making activities.

The board is appropriately involved in policy-making activities. The board reviews and approves all agency rulemaking proposals and legislative concepts and participates in key legislative discussions and hearings as appropriate. The board is regularly updated on legislative bills that may impact the agency during the legislative session, legislative implementation, and other agency projects with policy implications (e.g., legislative mandate implementation). The Board Chair confers with the Director to plan board meetings and ensure the agenda and supporting materials cover all key policy issues.

7. The agency’s policy option packages are aligned with its mission and goals.

The agency’s policy option packages are aligned with its mission and goals. The PERS Board has early involvement and regular updates on proposed budget policy option packages and legislative concepts. The board reviews the Agency Request Budget and supporting materials (including the strategic outlook and key performance measures) in public meetings.

Best Practice: Fiscal Oversight

	Fully meets	Meets but needs improvement	Does not meet
<p>8. The PERS Board reviews all proposed budgets and supplemental requests.</p> <p>The board reviews all proposed budgets and supplemental requests. The board reviews and approves proposed biennial budget requests and supplementary budget requests.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>9. The PERS Board periodically reviews key financial information and audit findings.</p> <p>The board periodically reviews key financial information and audit findings. The board receives agency operating budget reports and PERS fund investment updates at each regularly scheduled board meeting and receives regular presentations from its actuaries. The Audit and Risk Committee convenes three times each year to meet with internal and external auditors (contract or Audits Division) to review internal and external audit reports (including the Annual Comprehensive Financial Report (ACFR)), management letters and internal control reports, as well as management responses and corrective measures implemented to improve internal controls and operations. The board regularly reviews experience studies, system valuations, and financial modeling reports with its actuary.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>10. The PERS Board appropriately accounts for resources. The board appropriately accounts for resources. The board and Audit and Risk Committee regularly review budgetary and other key financial and audit reports to ensure that the agency is appropriately accounting for resources. The Chief Compliance, Audit, and Risk Officer has direct access to the PERS Board and Audit and Risk Committee members.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>11. The agency adheres to accounting rules and other relevant financial controls.</p> <p>The agency adheres to accounting rules and other relevant financial controls. The Audit and Risk Committee and the PERS Board review budgetary and financial updates (Oregon Investment Council (OIC), actuary, auditor, etc.) at each regularly scheduled meeting and special financial reports or updates as warranted. Annual risk assessments and periodic updates are reviewed with the Audit and Risk Committee. Agency staff prepare all financial transactions in accordance with Oregon Revised Statutes, Oregon Administrative Rules, Oregon Accounting Manual requirements, and generally accepted accounting principles. Annually, the Audit and Risk Committee and PERS Board review the summary of the Director's financial transactions and document said review in the minutes.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Best Practice: Board Management

Fully meets Meets but needs improvement Does not meet

12. Board members act in accordance with their roles as fiduciaries and public representatives.
 Board members act in accordance with their roles as fiduciaries and public representatives. The board uses best practices that support effective meetings. The board works with executive management to obtain information necessary to make well-informed and principled decisions (including opportunities for public comment at each PERS Board meeting). The board follows public meetings and public records laws and requirements, acts in compliance with State of Oregon ethics laws and conflict-of-interest requirements, and seeks advice from its Department of Justice general counsel on fiduciary and board governance issues. The PERS Board adheres to its guiding principles by working in a transparent, direct, and open manner.

13. The PERS Board coordinates with others where responsibilities and interests overlap.
 The board coordinates with others where responsibilities and interests overlap. The board reviews the monthly performance reports of the OIC at regularly scheduled meetings, and several board members regularly attend OIC meetings. Board members coordinate with and may participate in stakeholder meetings. The board meets jointly with the OIC to be informed on the results of asset and liability studies. The board and its subcommittees coordinate with its stakeholders. Examples include: Audit and Risk Committee meetings with Audits Division staff regarding financial, performance, and information technology engagements; and PHIP Advisory Committee meetings with insurance carriers and plan administrators.

14. Board members identify and attend appropriate training sessions.
 Board members identify and attend appropriate training sessions. The board receives notice of training supporting its governance and fiduciary efforts. Examples: New board member training and agency orientation, ethics training, and OIC workshops. If desired, board members are provided support to attend conferences and other networking opportunities in accordance with the Board Education Policy. Board members receive electronic copies of National Association of State Retirement Administrators (NASRA) publications to keep abreast of the nations' public retirement system's issues and concerns.

15. The PERS Board reviews its management practices to ensure best practices are utilized.
 The board reviews its management practices to ensure best practices are utilized. The PERS Board reviews its best practices on at least a biennial basis and provides regular feedback to PERS staff on successes and opportunities for improvement.

Best Practice: Other Practices Identified by the PERS Board

Meets but
needs
improvement

Fully meets Does not meet

16. The PERS Board has identified all key stakeholders and continues to strengthen relationships in those areas as appropriate.

The board has identified all key stakeholders and continues to strengthen relationships in those areas as appropriate. The board utilizes key stakeholders on all its advisory committees (e.g., Oregon Savings Growth Plan (OSGP), PHIP, legislative, rulemaking). Stakeholder input is actively solicited and facilitated through board rulemaking and policy adoption processes.

17. The PERS Board works with the management team to identify the highest priority initiatives and allocates resources accordingly.

The board works with the executive team to identify the highest priority initiatives and allocates resources accordingly. The board receives regular status reports on major agency projects (e.g., IT system modernization, legislative implementation(s)). The board reviews and approves biennial and supplementary budget requests, and reviews agency operating budget, workload progress reports, and key performance measures.

18. The PERS Board has processes in place to ensure ethical behavior by management and compliance with laws and regulations.

The board has processes in place to ensure ethical behavior by management and compliance with laws and regulations. Internal audit staff report directly to the Audit and Risk Committee and are charged with investigating and reporting any instances of waste, fraud, abuse, or other unethical behavior by PERS management or staff. PERS management receives training in Oregon’s laws and regulations regarding ethical behavior and conflict-of-interest standards.

Thank you for your input. We will compile and report on the results.

A.

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May 29, 2026

TO: Members of the PERS Board
 FROM: Matt Rickard, PERS Outcome-Based Management System Council
 SUBJECT: Board Scorecard Report on Agency Performance Measures

A key part of the 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.

The attached Board Scorecard Report for the first quarter 2026 focuses on several measures we currently track based on essential business operations. A targeted performance range is created for each measure:

- Green – performance is at or above targeted goals.
- Amber – performance is marginally below targeted goals.
- Red – performance is significantly below; corrective action should be directed.

The POBMS Council is continuing its effort to review and update our enterprise measures. Since our last report, we have sunset and removed a few measures that were not adding value. We will continue to keep the board informed of our progress towards updating measures and ensuring they are relevant.

Highlights of this report include:

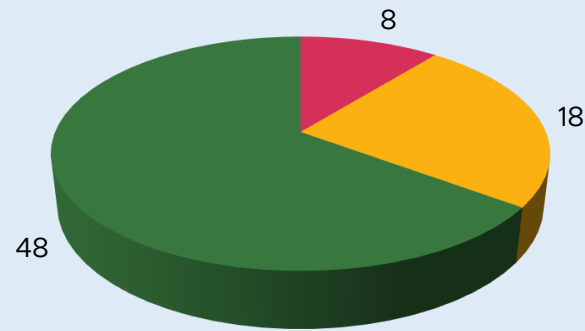
- Four of the eight measures are performing in the green ranges.
- Twenty-four consecutive quarters in the green range for both Benefit Estimates Completed and Eligibility Reviews Completed.
- Timely Benefit Calculations has been in the green range four consecutive quarters.
- Accuracy of Calculations has been in the green range nineteen of the twenty-one previous quarters.

The next report will be presented at the December 2026 meeting, showing the scorecard results for the third quarter 2026.

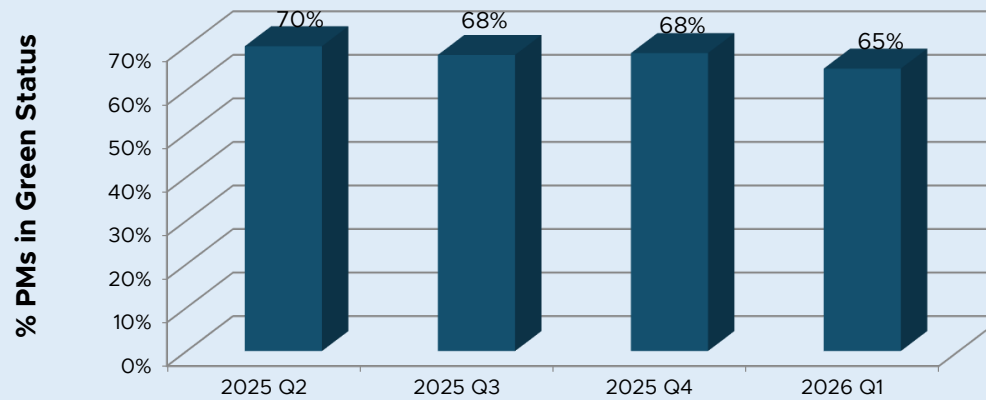
A.5 Attachment 1 – *Board Scorecard Report for First Quarter 2026*

2026-Q1 Overall Performance (Quarter ending March 2026)

Outcome & Process Measure Performance

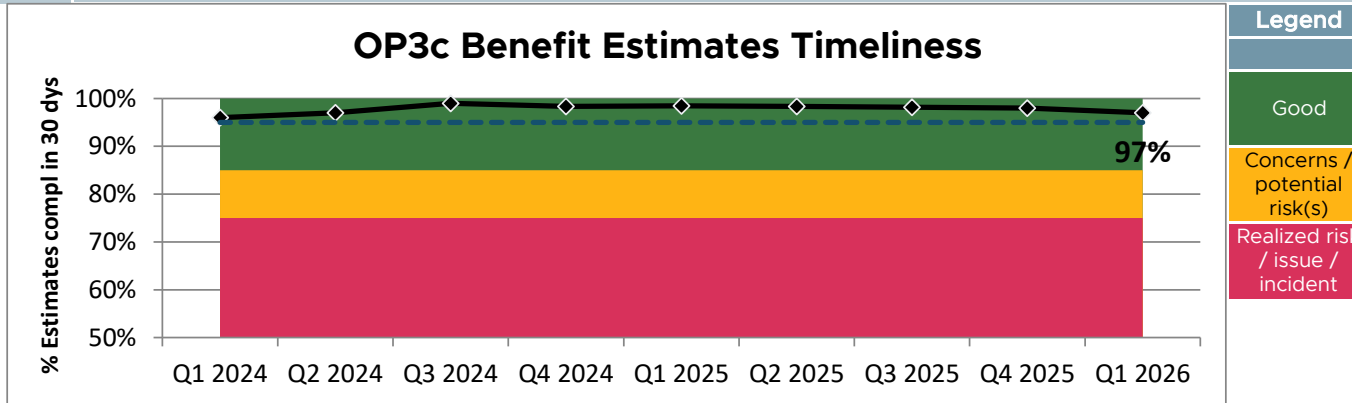


Quarterly Green Performance

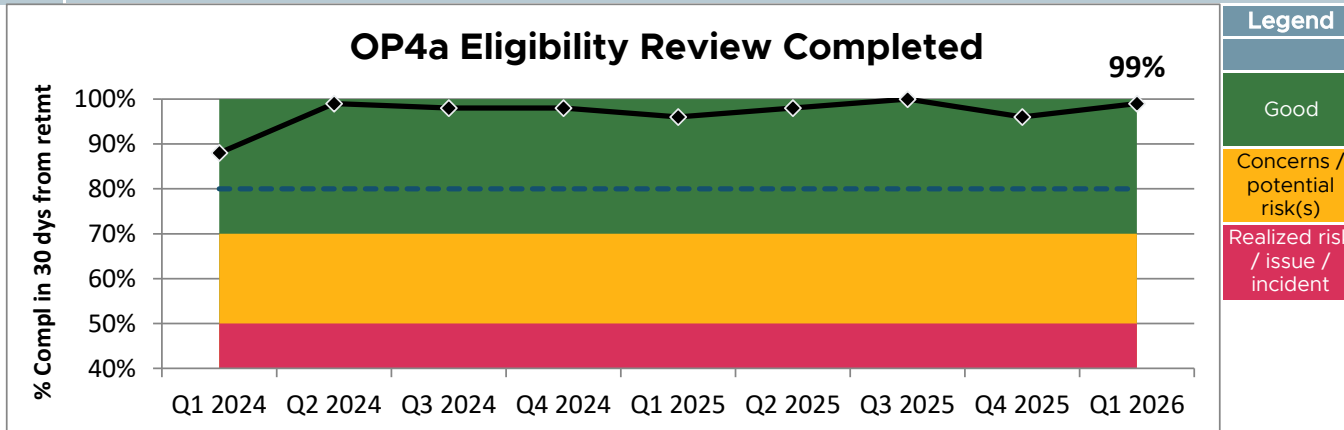


PERS Board Scorecard Report: 2025-Q3 and historic performance

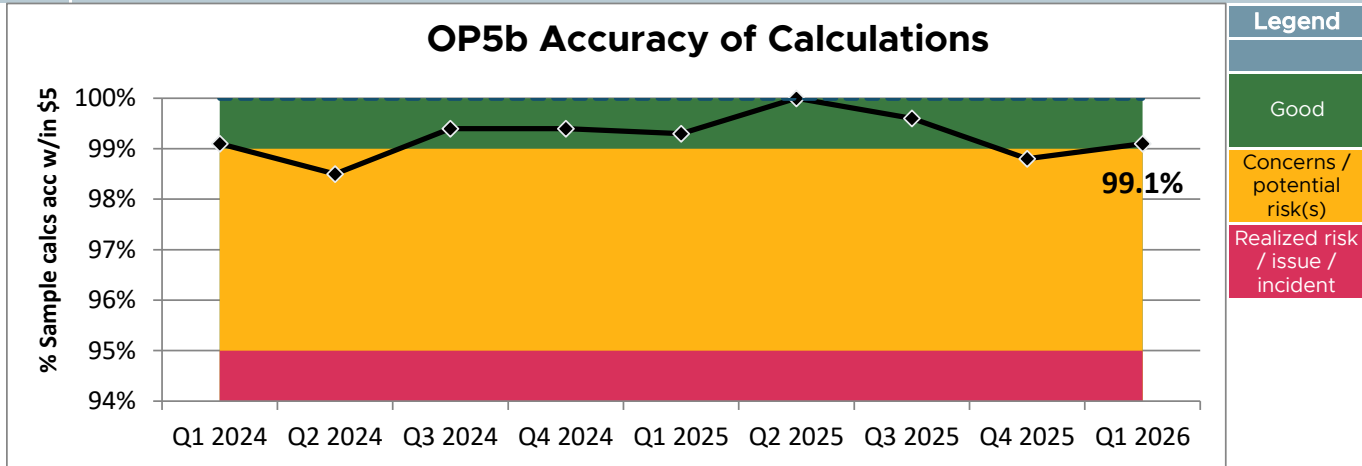
	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
OP3c	Estimate KPM	% of estimate requests completed within 30 days of receipt.	95%	98.4%	98.5%	98.4%	98.2%	98.0%	97.0%
Comment / Corrective Action:									



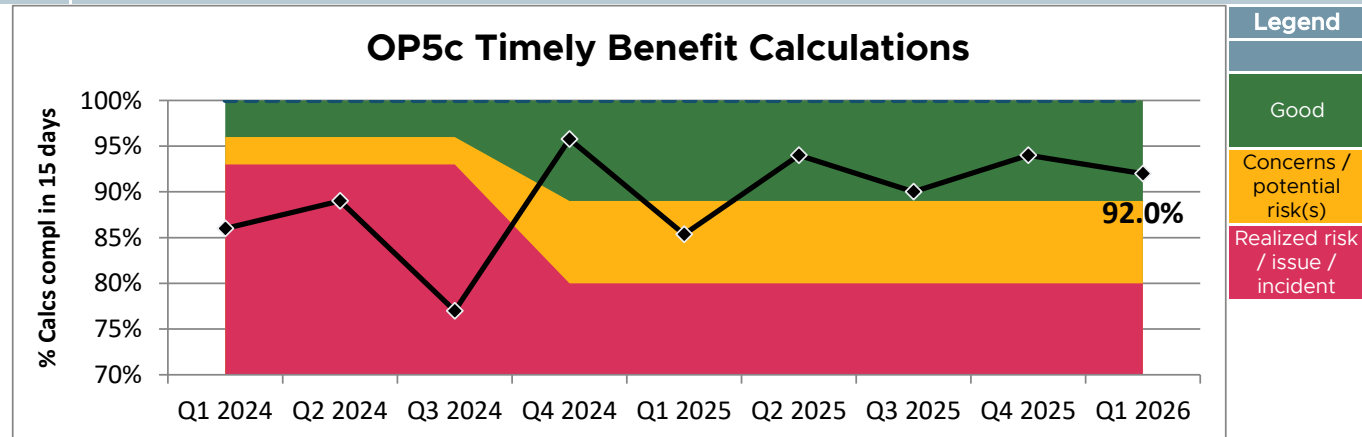
	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
OP4a	Eligibility review completed	% of eligibility analysis completed within 30 days of the effective retirement date.	80%	98.0%	96.0%	98.0%	100.0%	96.0%	99.0%
Comment / Corrective Action:									



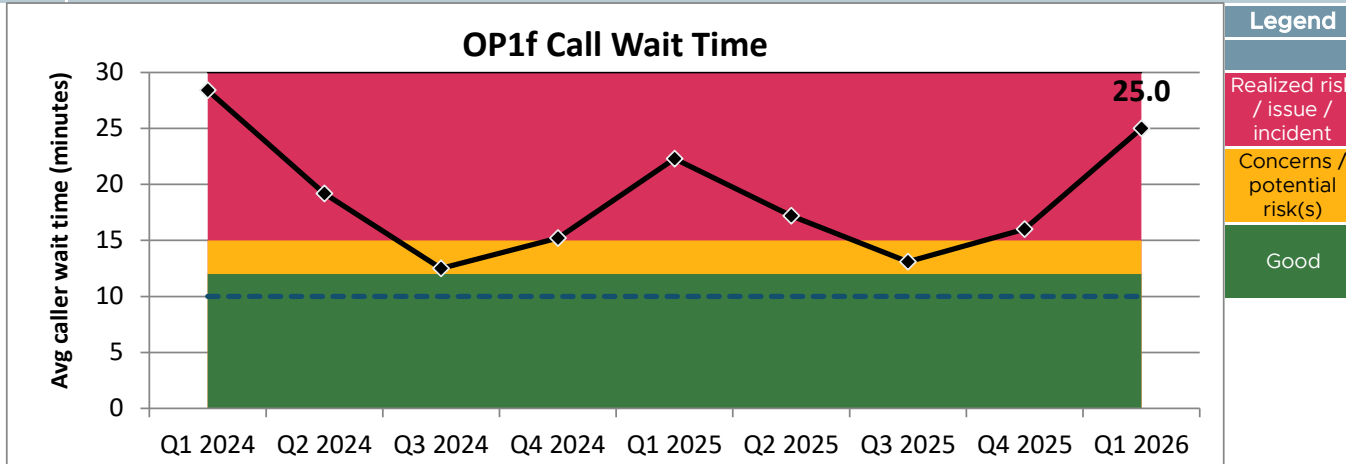
	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
OP5b	Accuracy of calculations	% of sample calculations that are accurate within plus or minus \$5	100%	99.4%	99.3%	100.0%	99.6%	98.8%	99.1%
Comment / Corrective Action:									



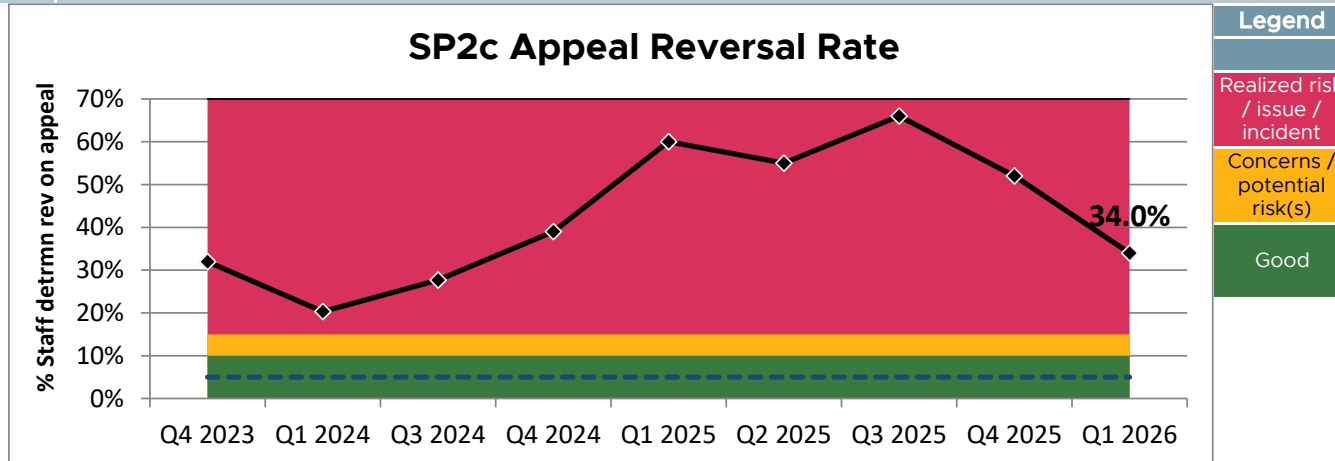
	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
OP5c	Timely benefit calculations	% of calculations completed within 15 calendar days from completed application date	100%	95.8%	85.4%	94.0%	90.0%	94.0%	92.0%
Comment / Corrective Action:									



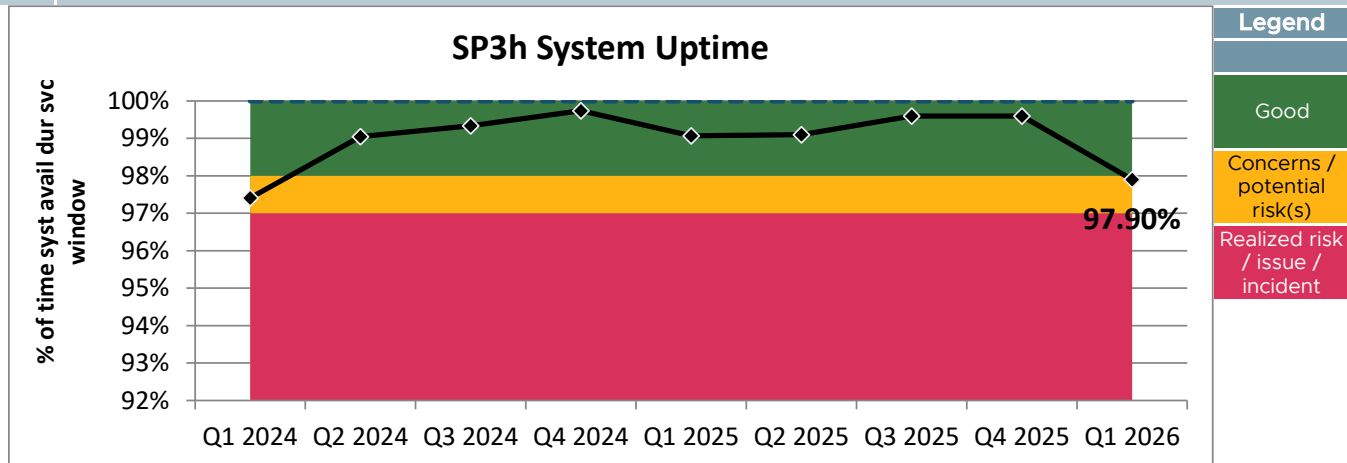
	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
OP1f	Call wait time	Average length of wait before caller reaches live person	10 minutes	15.2	22.3	17.2	13.1	16.0	25.0
Comment / Corrective Action:									



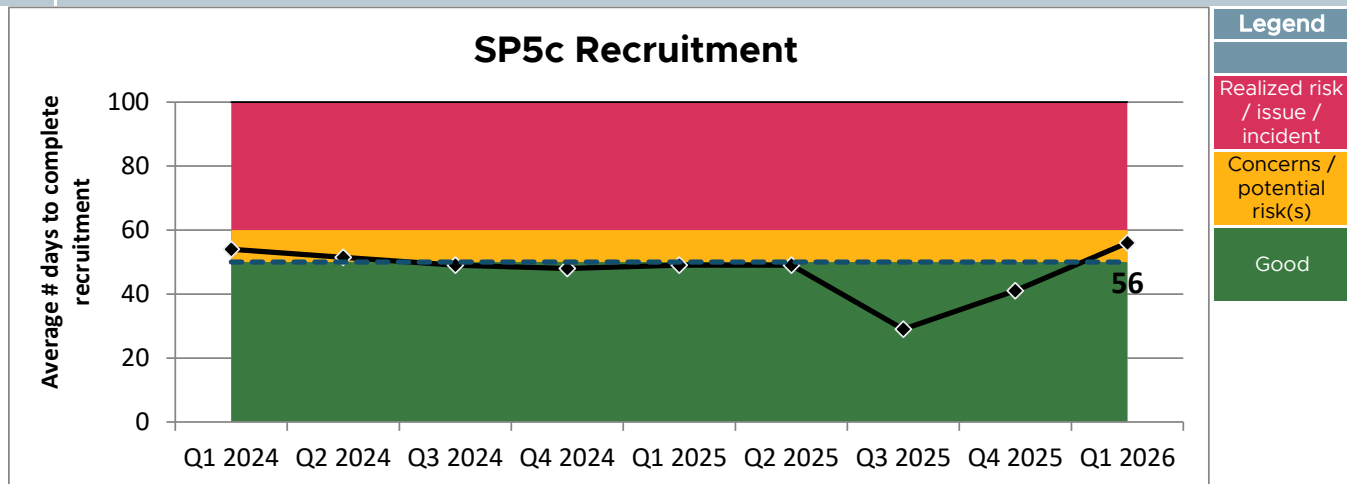
	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
SP2c	Appeal reversal rate	% of staff determinations that are reversed on appeal	5%	39.0%	60.0%	55.0%	66.0%	52.0%	34.0%
Comment / Corrective Action:		40 determinations; 13.5 reversals, 5 disability cases, 5 tax remedy, 1.5 eligibility cases, and 2 invoice cases							



	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
SP3h	System uptime	% of time systems are available during the service window	100%	99.7%	99.1%	99.1%	99.6%	99.6%	97.9%
Comment / Corrective Action:		94.75% of the downtime was related to long batch runs (jClarety was down two Saturdays while batch ran).							



	Measure name	Measure calculation	Target	CY 2024	CY 2025				CY 2026
				Q4	Q1	Q2	Q3	Q4	Q1
SP5c	Recruitment	Average number of days for recruitment (from requisition to offer)	50	48	49	49	29	41	56
Comment / Corrective Action:		Multiple recruitments over 50 day mark. Working with managers to improve turnaround times during recruitment phases.							



A.

A. Administration

1. April 3, 2026 PERS Board Meeting Minutes
2. Director's Report
3. Review board education policy and board member training
4. Board Governance Best Practice Survey
5. Board Scorecard Report on Agency Performance Measures

6. Board Governance assignments

B. Administrative rulemaking

1. Notice of Rulemaking Acceptable Electronic Signatures update
2. Notice of Rulemaking LWOP and Creditable Service updates
3. Notice of Rulemaking OSGP Loan Program updates
4. Notice of Rulemaking PHIP updates

C. Action and discussion items

1. Modernization update
2. PERS Health Insurance Plan (PHIP) annual update
3. 2027-29 agency budget development update
4. Funding of School District Rate Pool (Senate Bill 849)



Oregon

Tina Kotek, Governor

Public Employees Retirement System

Headquarters

11410 S.W. 68th Parkway, Tigard, OR

Mailing Address:

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Tigard, OR 97281-3700

888-320-7377

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www.oregon.gov/pers

May 26, 2026

TO: Members of the PERS Board
 FROM: Kevin Olineck, Director
 SUBJECT: Board Governance Assignments

OVERVIEW

PERS Director, Kevin Olineck, in consultation with PERS Board Chair Jaramillo, has made suggestions for changes in board governance assignments due to a new board member joining. PERS recommends that Jardon Jaramillo step down from the Audit and Risk Committee and Robert Tintle join the Audit and Risk Committee.

Proposed PERS Board governance assignments as of May 29, 2026:

Bob Hestand	Audit and Risk Committee Chair
Kristen Connor	Audit and Risk Committee
Robert Tintle	Audit and Risk Committee, Employer Advisory Group
John Scanlan	Board Vice Chair Retiree Health Insurance (PHIP) Liaison
Jardon Jaramillo	Board Chair

BOARD OPTIONS

1. Pass a motion to adopt the proposed PERS Board governance assignments.
2. Direct staff to make other changes to the proposed assignments.

B.

A. Administration

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May 29, 2026

TO: Members of the PERS Board

FROM: Melanie Chandler, Research Policy Coordinator, Policy Analysis and Compliance Section
Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Notice of Rulemaking for Acceptable Signature Standard

OAR 459-005-0210 *Transmission of Information, Reports, and Documents*

OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Clarify acceptable signatory documentation for PERS documents.
- Policy Issue: None identified.

BACKGROUND

In 2020, employers adapting to evolving pandemic realities asked PERS to assess acceptability of forms submitted using electronic and digital signatures where the established requirement had been forms signed using a “wet signature,” *i.e.*, written by hand, in ink. The other common types of signatures staff encountered include electronic signatures and digital signatures.

Electronic signatures replicate a person’s signature on a document using any symbol or series of symbols executed by an individual to be the binding equivalent of the individual’s handwritten signature. *Digital signatures* are based on cryptographic methods of originator authentication using certificates embedded in an electronic document that attest to the document’s authenticity.

Given the inherent risk of fraud when paying out benefits, be it through identity theft or actions taken to trigger unauthorized distribution of benefits, staff evaluated the standard for appropriate signature based on the source of the document (*i.e.* PERS forms) rather than the type of signature being used.

Forms received from members, beneficiaries, or alternate payees (including Power of Attorney forms) involve the most risk as they indicate where and how benefits are paid. Recognizing this risk, the rule amendments clarify current practice of accepting only handwritten signatures of members, beneficiaries, or alternate payees, as wet signatures are unique for each individual and represent a verifiable record of a person’s consent and understanding of the actions being taken. The rule provides an exception for documents that are notarized via remote online notarization.

Most of the information received from employers is received electronically via Employer Data Exchange (EDX); however, PERS does receive some documents and communications outside

EDX. Documents submitted to PERS by employers do not raise the same fraud and risk concerns as documents submitted by members, beneficiaries, and alternate payees. Thus, for PERS forms received from employers, PERS accepts any signature format, including digital or electronic signatures.

Finally, in the course of business, staff may also encounter digital and electronic signatures on other documents. For example, judges typically sign court orders in divorce cases using a digital/electronic signature, doctors may use digital/electronic signatures on disability forms, and financial institutions may sign trustee-to-trustee transfer forms with digital/electronic signatures. PERS staff can generally accept these signatures and do not need to distinguish based on the signature's format.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely, and in person, on June 23, 2026, at 2:00 p.m. The public comment period ends June 26, 2026, at 5:00 p.m.

IMPACT

Mandatory: No

Benefit: Updates the rules to reflect current agency practice and provides clarification for members, employers, and the general public.

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

RULEMAKING TIMELINE

May 25, 2026:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
May 29, 2026:	PERS Board notified that staff began the rulemaking process.
June 1, 2026:	Secretary of State publishes the Notice in the Oregon Administrative Rules Database. Notice is sent to employers, legislators, and interested parties. The public comment period begins.
June 23, 2026:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
June 26, 2026:	Public comment period ends at 5:00 p.m.
July 24, 2026:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff.

NEXT STEPS

A rulemaking hearing will be held remotely on June 23, 2026. The rule is scheduled to be brought before the PERS Board for adoption at the July 24, 2026, board meeting.

B.1. Attachment 1 – OAR 459-005-0210 *Transmission of Information, Reports, and Documents*

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

1 459-005-0210

2 Transmission of Information, Reports, and Documents

3 (1) As used in this rule:

4 (a) “Deferred Compensation Program” means the Oregon Savings Growth Plan (OSGP),
5 the PERS Board as Trustee of the OSGP, the PERS Director as Administrator of the
6 OSGP, and any OSGP staff member.

7 (b) “Digital signature” means the signature includes a certificate embedded in an
8 electronic document that attests to the document’s authenticity.

9 (b) (c) “Document” means any document that is not specifically excluded under sections
10 (3) and (8) of this rule, including, but not limited to, any petition, written request, or other
11 document related to the appeal of a staff or Board action under OAR 459-001-0030, 459-
12 001-0032, or 459-001-0035.

13 (d) “Electronic signature” means signatures that replicate a person’s signature on
14 the document (such as DocuSign).

15 (c) (e) “PERS” means the PERS Board, the PERS Director, the PERS Health Insurance
16 Program which is administered by PERS under ORS Chapter 238, and any PERS staff
17 member.

18 (f) “PERS forms” means forms created and published by PERS or the Deferred
19 Compensation Program for the purpose of administering benefits.

20 (2) Unless otherwise provided for in this rule, information, reports, or documents may be
21 transmitted to PERS or the Deferred Compensation Program by personal delivery or by
22 use of:

- 23 (a) The United States Postal Service (USPS);
- 24 (b) A private express carrier as defined in ORS 293.660(2);
- 25 (c) Telephonic facsimile communication (fax);
- 26 (d) Electronic mail through the Internet (email); or
- 27 (e) PERS’ Online Member Services (OMS);
- 28 (f) Other sources approved by the Director for the transmission of reports or
29 documents.

1 (3) The following original documents shall be accepted by PERS or the Deferred
2 Compensation Program only if transmitted in person, or by use of USPS or by private
3 express carrier:

4 (a) Contracts and Agreements pertaining to the merger or integration of other
5 retirement systems into PERS.

6 (b) Any request by a member for confidential information under provisions of ORS
7 192.355(12).

8 (c) Subpoenas, garnishments, summons, and other legal documents that require
9 service on PERS. These documents will not be accepted unless they are served in
10 accordance with applicable law.

11 (4) The following standards shall be observed when transmitting any information, report,
12 or document to PERS or the Deferred Compensation Program by fax or email. Failure to
13 comply with these standards shall result in the PERS or the Deferred Compensation
14 Program not accepting the information, report, or document:

15 (a) The quality of the original hard copy shall be clear and dark enough to transmit
16 legibly.

17 (b) Any information, report, or document requiring signature shall be signed prior to
18 being transmitted.

19 (c) If PERS or the Deferred Compensation Program requests the transmission of a
20 specific form, the transmission shall be on forms furnished by PERS or the
21 Deferred Compensation Program or substitute forms previously approved by
22 PERS or the Deferred Compensation Program, respectively.

23 (d) Any PERS or Deferred Compensation Program report or form shall be completed
24 as required in PERS instructions.

25 (e) If PERS or the Deferred Compensation Program requests the transmission of a
26 report or document that is part of a longer report or document, or contains
27 multiple pages, then the entire text of the report or document must be transmitted.
28 Both sides of any two-sided PERS or Deferred Compensation Program form are
29 to be transmitted.

30 (f) For a report or document that requires accompanying documentation, all
31 components shall be transmitted together as one transmission.

1 (g) The first sheet of the transmission shall indicate the number of pages being
2 transmitted, and shall contain a telephone number to call if there are problems
3 with the transmission.

4 (h) Neither the original nor any additional copies of the facsimile filings should be
5 filed with PERS.

6 (i) The sender shall maintain the original of the document with the original
7 notarization or signature affixed, as well as proof of fax transmission.

8 (5) PERS or the Deferred Compensation Program may require the original, or a certified
9 copy of the original, where a question of authenticity arises.

10 (6) State regulations require encrypted messaging systems for communicating
11 confidential information such as date of birth, Social Security number, or personal
12 medical information. Because email communications for PERS and the Deferred
13 Compensation Program are not encrypted, it is PERS' policy to not use email for sharing
14 confidential information. Only information, reports, or documents not otherwise
15 protected under the provisions of ORS 192.355, which do not contain confidential
16 information, may be transmitted by email. If confidential information is transmitted by
17 email to PERS or the Deferred Compensation Program, PERS cannot guarantee that such
18 information may not be intercepted and read by other parties besides the person to whom
19 it is addressed.

20 (7) Information, reports, or documents submitted to PERS or the Deferred Compensation
21 Program may become a public record. Public records may be subject to public inspection
22 and copying, if not otherwise protected by federal or state law.

23 **(8) PERS staff shall use the following standard for acceptance of signatures**
24 **submitted to PERS:**

25 **(a) PERS forms received from, or on behalf of, members, beneficiaries, or alternate**
26 **payees must include a handwritten signature unless the form has also been**
27 **electronically notarized. If the form contains a digital or electronic signature that**
28 **has been notarized electronically, staff may accept all uses of the same signature**
29 **that appear within the notarized document.**

1 **(b) Unless otherwise specified, PERS staff can generally accept digital and electronic**
2 **signatures on other documents, including documents from employers, and not need**
3 **to distinguish based on the signature's format**

4 **(9) (8)** This rule does not address the transmission of a remittance, a payment, a
5 remittance advice or a payment advice, which is addressed in OAR 459-005-0215.

6
7
8 Statutory/Other Authority: ORS 238.650

9 Statutes/Other Implemented: ORS 238.005–238.750, 192.355, 243.435 & 243.470

10
11 History:

12 [PERS 5-2022, amend filed 03/28/2022, effective 03/28/2022](#)

13 [PERS 10-2020, minor correction filed 06/24/2020, effective 06/24/2020](#)

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

15 PERS 20-2004, f. 9-22-04 cert. ef. 10-14-04

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

B.

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May 29, 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: Notice of Rulemaking for Rules Addressing Creditable Service and Leave of Absence Without Pay

OAR 459-005-0015 *Leave of Absence without pay*

OAR 459-010-0014 *Creditable Service in PERS Chapter 238 Program*

OAR 459-075-0150 *Retirement Credit*

OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Clarify the minimum salary or hours required for creditable service or retirement credit, and when leave of absence without pay (LWOP) must be reported to PERS.
- Policy Issue: None identified.

BACKGROUND

During implementation of the creditable service and leave of absence without pay (LWOP) rule amendments that were adopted in December 2025 to implement the new major fraction of a month standard established in Senate Bill (SB) 581 (2025), staff requested additional clarification concerning how much salary must be paid or hours must be worked in a month for a member to receive creditable service/retirement credit, and when LWOP must be reported to PERS.

Under Oregon Revised Statutes (ORS) 238.005(15) and ORS 238A.140, “major fraction of a month”/“major fraction of each month,” is defined as a month in which an active member: (1) is employed for more than half of the calendar days in that month, and (2) is paid salary by a participating public employer for hours worked (or paid leave hours used) in that calendar month. The statutes do not require a minimum salary amount or minimum number of hours worked; however, as written, the placement of the term “major fraction of the month” in subsection (2) of Oregon Administrative Rules (OAR) 459-010-0014 and OAR 459-075-0150 seemed to imply that the member had to be paid salary for the major fraction of the month, when that condition only applies to the employment requirement (not salary or hours).

LWOP must be reported to PERS if it “constitutes the major fraction of a month.” Although subsection (4) of OAR 459-005-0015 appears to require reporting only when a single period of

LWOP meets that threshold, the proposed amendments clarify that the requirement also applies when multiple LWOP periods combined make up the major fraction of the month.

The proposed rule amendments address these concerns and provide clarification. Other edits in OAR 459-010-0014 and OAR 459-075-0150 replaced the term “service” with “employment” to align with the statutes and minor changes were made to subsection (5) to clarify references to “half of the school year.”

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely, and in person, on June 23, 2026, at 2:00 p.m. The public comment period ends June 26, 2026, at 5:00 p.m.

IMPACT

Mandatory: No

Benefit: Provides clarification for staff, members, and employers regarding the standards for creditable service and retirement credit.

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

RULEMAKING TIMELINE

May 25, 2026:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
May 29, 2026:	PERS Board notified that staff began the rulemaking process.
June 1, 2026:	Secretary of State publishes the Notice in the Oregon Administrative Rules Database. Notice is sent to employers, legislators, and interested parties. The public comment period begins.
June 23, 2026:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
June 26, 2026:	Public comment period ends at 5:00 p.m.
July 24, 2026:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff.

NEXT STEPS

A rulemaking hearing will be held remotely on June 23, 2026. The rule is scheduled to be brought before the PERS Board for adoption at the July 24, 2026, board meeting.

B.2. Attachment 1 - OAR 459-005-0015 *Leave of Absence without pay*

B.2. Attachment 2 - OAR 459-010-0014 *Creditable Service in PERS Chapter 238 Program*

B.2. Attachment 3 - OAR 459-075-0150 *Retirement Credit*

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

1 **459-005-0015**

2 **Leave of Absence without pay.**

3 (1) For purposes of this rule:

4 (a) “Major fraction of a month” means more than one-half of the total calendar days in a
5 calendar month;

6 (b) “The period of time when school is not normally in session” means the period of time
7 outside the dates that school is presumed to be in session as described in OAR 459-010-
8 0014 and OAR 459-075-0150.

9 (2) Employer/Employee Agreement. An official leave of absence without pay for any
10 purpose must have the following in order to be considered bona fide:

11 (a) An agreement in writing;

12 (b) Accordance with the applicable law, rules and regulations;

13 (c) The duration specifically stated at the time of granting; and

14 (d) Certification to PERS by the employer granting such leave.

15 (3) Creditable Service and Retirement Credit.

16 (a) A leave of absence without pay occurring on or after July 1, 1987, which constitutes the
17 major fraction of a month:

18 (A) May not be used to calculate “years of membership” under ORS 238.300; and

19 (B) May not be used to determine “creditable service” or “retirement credit” under ORS
20 238.005.

21 (b) A leave of absence without pay occurring before July 1, 1987, which constitutes the
22 major fraction of a month:

23 (A) Must be used to calculate “years of membership” under ORS 238.300; and

24 (B) Must be used to determine “creditable service” and “retirement credit” under ORS
25 238.005.

26 (c) A leave of absence without pay occurring on or after January 1, 2004, which constitutes
27 the major fraction of a month may not be used to determine “retirement credit” under ORS
28 238A.140 for any period of employment after the date membership is established under
29 ORS 238A.100.

- 1 (4) Reporting Requirement. Unless otherwise agreed upon by PERS, the employer shall
2 report the following in a format acceptable to PERS:
- 3 (a) Any period, or periods, of leave of absence without pay, which constitute(s) the major
4 fraction of a month, for each member at the time the leave begins. The reported period(s) of
5 leave of absence without pay must include an end date.
- 6 (b) Any amendment or extension to (a) previously reported period(s) of leave of absence
7 without pay.
- 8 (5) A PERS member on an official leave of absence without pay is not considered
9 terminated from service with a participating employer.
- 10 (6) An employee on an official leave of absence without pay on the date the employer
11 begins to participate in PERS, shall be considered to be an employee on such date for the
12 purpose of determining eligibility for participation in PERS.
- 13 (7) A layoff from employment does not constitute a leave of absence without pay.
- 14 (8) Reporting Leave of Absence Without Pay for School Employees.
- 15 (a) Except as provided by subsection (8)(b), a school employee who is on leave of absence
16 without pay during the period of time when school is not normally in session should not be
17 reported to PERS under section (4) of this rule.
- 18 (b) An employee of an institution of higher education, Department of Human Services, the
19 Oregon Youth Authority, the Department of Corrections or the State Board of Education
20 who is on leave of absence without pay during the period of time when school is not
21 normally in session may be reported to PERS if:
- 22 (A) The employee is not engaged in teaching or other school activity at an institution
23 supervised by the authority, board or department, and
- 24 (B) The employee was required to provide service during the period under the terms of
25 their employment agreement.

26

27 **Statutory/Other Authority:** 238.650 & 238A.450
28 **Statutes/Other Implemented:** 238.300 & 238A.140
29 **History:**
30 [PERS 16-2025, amend filed 12/05/2025, effective 12/05/2025](#)
31 [PERS 3-2025, adopt filed 03/31/2025, effective 03/31/2025](#)

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 010 – MEMBERSHIP**

1 **459-010-0014**

2 **Creditable Service in PERS Chapter 238 Program**

3 (1) For purposes of this rule:

4 (a) “Active member” has the same meaning as provided in ORS 238.005.

5 (b) “Creditable service” has the same meaning as provided in ORS 238.005.

6 (c) “Major fraction of a month” means any calendar month in which an active member
7 is employed for more than one-half of the total calendar days in the calendar month, being
8 paid a salary by a participating public employer, and for which benefits under ORS Chapter
9 238 are funded by employer contributions.

10 (2) Except as provided in OAR 459-005-0015~~((3))~~, an active member accrues one month of
11 creditable service for each month in which the member is employed for the major
12 fraction of the month and~~(performs service or)~~ receives salary as described in OAR
13 459-005-0001, or paid leave as described in OAR 459-010-0011~~(for the major fraction of~~
14 ~~the month)~~.

15 (3) An active member is presumed to have been employed ~~(performed service)~~ for a major
16 fraction of a month during each month of employment if:

17 (a) The member performs, or receives paid leave for, at least 600 hours of service in the
18 calendar year, and the member's employer(s) reports salary and hours for a pay period
19 occurring within the calendar month;

20 (b) The member starts employment on or before the 15th day of the calendar month and the
21 employment continues through the end of the month;

22 (c) The member starts employment on or before the first day of the calendar month and
23 ends employment on or after the 16th day of the month; or

24 (d) The member starts employment on or before the first day of the calendar month and
25 ends employment before the 16th day of the month, but is reemployed in a qualifying
26 position before the end of the month.

27 (4) A member or employer may seek to rebut the determination of creditable service based
28 on the presumptions in section (3) by providing to PERS records that establish that the
29 member was or was not employed ~~(did or did not perform service)~~ for a major fraction of a

1 month, and/or did or did not receive salary as described in OAR 459-005-0001, as
2 defined in subsection (1)(c) of this rule.

3 (5) An active member who is a school employee will accrue six months of creditable
4 service for each half of the school year if they are employed for the major fraction of
5 each month during that half of the school year that school is normally in session, and
6 receive salary as described in OAR 459-005-0001, for each of those school months. *(if*
7 *the member performs service for a major fraction of each month a school year when school*
8 *is normally in session that falls between January 1 and June 30, and six months of*
9 *creditable service if the member performs service for a major fraction of each month of a*
10 *school year when school is normally in session that falls between July 1 and December 31.)*

11 (a) The first half of the school year falls between July 1 and December 31; the second
12 half of the school year falls between January 1 through June 30.

13 (b) School is presumed to be in session during the following dates:

14 (A) For non-Higher Education employment, the first half of the school year is presumed to
15 begin on or before September 15 and end on or after December 16.

16 (B) For Higher Education employment, the first half of the school year is presumed to
17 begin on or before September 26 and end on or after December 16.

18 (C) For all school employment, the second half of the school year is presumed to begin on
19 or before January 7 and end on or after May 26.

20 (c) If the school year falls outside the presumed dates described above, PERS must
21 receive acceptable certification from the employer of the actual begin and end dates for
22 each half of the school year.

23 (d) An active member who is a school employee on leave of absence without pay may
24 accrue retirement credit as follows:

25 (A) If the period of leave of absence without pay falls outside the dates when school is
26 presumed to be in session, the active member may accrue six months of retirement credit as
27 described above.

28 (B) If the leave of absence without pay falls within the dates when school is presumed to be
29 in session, the active member may only accrue six months of retirement credit if the leave
30 of absence constitutes less than the major fraction of the month, as provided in OAR 459-

31 005(10)-0015(0(3)).

1 (C) If the leave of absence without pay falls within the dates when the school year is in
2 session, the active member may not accrue six months of retirement credit if the leave of
3 absence constitutes the major fraction of the month, as provided in OAR 459-0(10)05-
4 0015(0(3)). Such member may accrue one month of retirement credit for each month in
5 which the member **is employed for the major fraction of the month and**(*performs*
6 *service or*) receives **salary as described in OAR 459-005-0001, or** paid leave as described
7 in OAR 459-010-0011(*for the major fraction of the month*), as described in section (2) of
8 this rule.

9 (6) A member may not accrue more than one month of creditable service for any calendar
10 month and no more than one year of creditable service for any calendar year.

11

12 **Statutory/Other Authority:** ORS 238.650

13 **Statutes/Other Implemented:** ORS 238.005 & 238.300

14 **History:**

15 [PERS 16-2025, amend filed 12/05/2025, effective 12/05/2025](#)

16 [PERS 3-2025, amend filed 03/31/2025, effective 03/31/2025](#)

17 PERS 3-2010, f. & cert. ef. 5-28-10

18 PERS 9-2008, f. & cert. ef. 5-21-08

19 PERS 1-2008(Temp), f. & cert. ef. 4-2-08 thru 9-26-08

20 PERS 15-2007, f. & cert. ef. 11-23-07

21 PERS 24-2005, f. 12-23-05, cert. ef. 1-1-06

22 PERS 6-2005, f. & cert. ef. 2-22-05

23

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 010 – OPSRP PENSION PROGRAM**

1 **459-075-0150**

2 **Retirement Credit**

3 (1) For purposes of this rule:

4 (a) “Active member” has the same meaning as provided in ORS 238A.005.

5 (b) “Major fraction of a month” means any calendar month in which an active member
6 is employed for more than one-half of the total calendar days in the calendar month, being
7 paid a salary by a participating public employer, and for which benefits under ORS Chapter
8 238A are funded by employer contributions.

9 (2) Except as provided in OAR 459-005-0015((3)), an active member accrues one month of
10 retirement credit for each month in which the member *(performs service or)* is employed
11 for the major fraction of the month and receives salary as described in OAR 459-005-
12 0001, or paid leave as described in OAR 459-010-0011 *(for the major fraction of the*
13 *month)*.

14 (3) An active member is presumed to have been employed *(performed service)* for a major
15 fraction of a month if:

16 (a) The member performs at least 600 hours of service in the calendar year and the
17 member’s employer(s) reports salary and hours for a pay period occurring within the
18 calendar month;

19 (b) The member starts employment on or before the 15th day of the calendar month and the
20 employment continues through the end of the month;

21 (c) The member starts employment on or before the first day of the calendar month and
22 ends employment on or after the 16th day of the month; or

23 (d) The member starts employment on or before the first day of the calendar month and
24 ends employment before the 16th day of the month, but is reemployed in a qualifying
25 position before the end of the month.

26 (4) A member or employer may seek to rebut the determination of creditable service based
27 on the presumptions in section (3) by providing to PERS records that establish that the
28 member *(did or did not perform service for a major fraction of a month)* was or was not

1 employed for the major fraction of the month, and/or did or did not receive salary as
2 described in OAR 459-005-0001 as defined in subsection (1)(**b(c)**) of this rule.

3 (5) An active member who is a school employee will accrue six months of retirement credit
4 for each half of the school year if they are employed for the major fraction of each
5 month during that half of the school year that school is normally in session, and
6 receive salary as described in OAR 459-005-0001, for each of those school months *(if*
7 *the member performs service for a major fraction of each month of a school year when*
8 *school is normally in session that falls between January 1 and June 30, and six months of*
9 *creditable service if the member performs service for a major fraction of each month of a*
10 *school year when school is normally in session that falls between July 1 and December 31.)*

11 (a) The first half of the school year falls between July 1 and December 31; the second
12 half of the school year falls between January 1 through June 30.

13 (**b**) School is presumed to be in session during the following dates:

14 (A) For non-Higher Education employment, the first half of the school year is presumed to
15 begin on or before September 15 and end on or after December 16;

16 (B) For Higher Education employment, the first half of the school year is presumed to
17 begin on or before September 26 for Higher Education employment and end on or after
18 December 16;

19 (C) For all school employment, the second half of the school year is presumed to begin on
20 or before January 7 and end on or after May 26.

21 (**c(b)**) If the school year falls outside the presumed dates described above, PERS must
22 receive acceptable certification from the employer of the actual begin and end dates for
23 each half of the school year.

24 (**d(c)**) An active member who is a school employee on leave of absence without pay may
25 accrue retirement credit as follows:

26 (A) If the period of leave of absence without pay falls outside the dates when school is
27 presumed to be in session, the active member may accrue six months of retirement credit as
28 described above.

29 (B) If the leave of absence without pay falls within the dates when school is presumed to be
30 in session, the active member may only accrue six months of retirement credit if the leave

1 of absence constitutes less than the major fraction of the month, as provided in OAR 459-
2 ~~005(10)~~-001~~5(0(3))~~.

3 (C) If the leave of absence without pay falls within the dates when the school year is in
4 session, the active member may not accrue six months of retirement credit if the leave of
5 absence constitutes the major fraction of the month, as provided in OAR 459-~~005(10)~~-
6 001~~5(0(3))~~. Such member may accrue one month of retirement credit for each month in
7 which the member (*performs service*) is employed for the major fraction of the month,
8 or receives paid leave, as described in section (2) of this rule.

9 (6) A member may not accrue more than one month of retirement credit for any calendar
10 month and no more than one year of retirement credit for any calendar year.

11 (7) Credit for the six-month waiting period required by OAR 459-075-0010(2).

12 (a) Upon establishing membership in the pension program, a member shall receive credit
13 for the waiting period required to establish membership under OAR 459-075-0010(2).

14 (b) If the member’s waiting period before establishment of membership included an
15 interruption of service as described in OAR 459-075-0010(2)(b), no credit shall be awarded
16 for the period of employment before the interruption.

17 (8) For purposes of calculating retirement credit accrued under ORS 238A.155, the period
18 of disability for a member who receives workers’ compensation payments under ORS
19 Chapter 656 and later returns to work with a PERS participating employer shall be deemed
20 to end upon the earlier of:

- 21 (a) The date on which the member’s workers’ compensation payments end;
- 22 (b) The date on which the member returns to work with a PERS participating employer; or
- 23 (c) The date on which the member attains normal retirement age as defined in ORS
24 238A.160

25
26 **Statutory/Other Authority:** ORS 238A.450

27 **Statutes/Other Implemented:** ORS 238A.140

28 **History:**

29 [PERS 18-2025, minor correction filed 12/11/2025, effective 12/11/2025](#)

30 [PERS 16-2025, amend filed 12/05/2025, effective 12/05/2025](#)

31 [PERS 3-2025, amend filed 03/31/2025, effective 03/31/2025](#)

32 [PERS 2-2023, amend filed 02/03/2023, effective 02/03/2023](#)

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- 1 PERS 3-2010, f. & cert. ef. 5-28-10
- 2 PERS 17-2007, f. & cert. ef. 11-23-07
- 3 PERS 6-2004, f. & cert. ef. 2-18-04
- 4

B.

A. Administration

1. April 3, 2026 PERS Board Meeting Minutes
2. Director's Report
3. Review board education policy and board member training
4. Board Governance Best Practice Survey
5. Board Scorecard Report on Agency Performance Measures
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B. Administrative rulemaking

1. Notice of Rulemaking Acceptable Electronic Signatures update
2. Notice of Rulemaking LWOP and Creditable Service updates
- 3. Notice of Rulemaking OSGP Loan Program updates**
4. Notice of Rulemaking PHIP updates

C. Action and discussion items

1. Modernization update
2. PERS Health Insurance Plan (PHIP) annual update
3. 2027-29 agency budget development update
4. Funding of School District Rate Pool (Senate Bill 849)



Oregon

Tina Kotek, Governor

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May 29, 2026

TO: Members of the PERS Board

FROM: Yong Yang, Research Policy Coordinator, Policy Analysis and Compliance Section
Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Notice of Rulemaking to update the Oregon Savings Growth Plan (OSGP) Loan Program

OAR 459-050-0077 *Loan Program*

OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: To allow members to repay their OSGP loans using automated clearing house (ACH) payment method.
- Policy Issue: None identified.

BACKGROUND

The Oregon Savings Growth Plan (OSGP) includes a participant loan program that allows eligible participants to borrow against their vested account balances in accordance with Internal Revenue Code (IRC) 72(p). Under the current rule, loan repayments are required to be made through employer payroll deduction.

Reliance on payroll deduction as the sole repayment mechanism creates several operational and compliance challenges. When a participant separates from employment with the employer responsible for processing payroll deductions, loan repayment ceases, and the loan is treated as in default unless repaid within the applicable cure period. In addition, the payroll-based repayment model requires ongoing coordination between participating employers, their payroll systems, and the plan's third-party administrator (TPA), increasing administrative complexity and the risk of missed or delayed payments.

The proposed amendments to OAR 459-050-0077 introduce automated clearing house (ACH) debits as an additional repayment option. Allowing ACH repayment provides participants with a continuous repayment mechanism that is not dependent on employer payroll system. This change is intended to reduce the likelihood of loan defaults due to employment separation and to streamline administration by reducing reliance on employer payroll processes and data exchange.

The amendments also clarify participant responsibility for timely loan repayment regardless of the repayment method, establish procedures for addressing missed or failed ACH payments, and authorize the program or TPA to reinitiate ACH debits consistent with applicable operating

rules. In addition, the rule clarifies that participants who have an outstanding loan that has been treated as a deemed distribution and not repaid are ineligible for a new loan.

Finally, the amendments modify the current restriction that requires a 12-month waiting period after repayment of a loan before a participant may obtain a new loan. Under the proposed rule amendment, participants who have fully repaid an existing loan may apply for a new loan without a waiting period, aligning the program more closely with participant needs while maintaining appropriate safeguards.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely, and in person, on June 23, 2026, at 2:00 p.m. The public comment period ends June 26, 2026, at 5:00 p.m.

IMPACT

Mandatory: No

Benefit: Providing greater flexibility in loan repayment options for the plan participants and reducing administrative burden for the employers

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

RULEMAKING TIMELINE

May 25, 2026:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
May 29, 2026:	PERS Board notified that staff began the rulemaking process.
June 1, 2026:	Secretary of State publishes the Notice in the Oregon Administrative Rules Database. Notice is sent to employers, legislators, and interested parties. The public comment period begins.
June 23, 2026:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
June 26, 2026:	Public comment period ends at 5:00 p.m.
July 24, 2026:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff.

NEXT STEPS

A rulemaking hearing will be held remotely on June 23, 2026. The rule is scheduled to be brought before the PERS Board for adoption at the July 24, 2026, board meeting.

B.3. Attachment 1 – OAR 459-050-0077 *Loan Program*

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 050 – DEFERRED COMPENSATION**

1 **459-050-0077**

2 **Loan Program**

3 (1) Definitions. For purposes of this rule:

4 **(a) “Automated Clearing House (ACH)” means an electronic funds transfer system**
 5 **that enables the transfer of funds between financial institutions through a centralized**
 6 **network, used for the purpose of processing loan repayments from a participant’s**
 7 **designated financial account.**

8 **(b[a])** “Cure period” is that time from when a default occurs until the end of the quarter
 9 following the quarter in which the default occurred.

10 **(c[b])** “Deferred Compensation Account” means the account described in OAR 459-050-
 11 0001, but does not include any amount in the Self-Directed Brokerage Option.

12 **(d[c])** “Designated Roth Account” means the account described in OAR 459-050-0001, but
 13 does not include any amount in the Self-Directed Brokerage Option.

14 **(e[d])** “Loan balance” means the outstanding principal and accrued interest due on the
 15 loan.

16 **(f[e])** “Participant Loan” means a loan that affects the Deferred Compensation Account,
 17 Designated Roth Account, or a combination of both, of a participant.

18 **(g[ff])** “Promissory note” means the agreement of loan terms between the Program and a
 19 participant. **A promissory note may include authorization for repayment by payroll**
 20 **deduction or by automatic electronic funds transfer through an Automated Clearing**
 21 **House (“ACH”).**

22 **(h[gl])** “Third Party Administrator (TPA)” means the entity providing record keeping and
 23 administrative services to the Program.

24 (2) Eligibility for loan. Participants who are currently employed by a Plan Sponsor that has
 25 agreed to participate in a Participant Loan program are eligible for a Participant Loan.

26 Retired participants, participants separated from employment, designated beneficiaries, and
 27 alternate payees are not eligible.

28 (3) Application for loan: A participant must apply for a loan and meet the requirements set
 29 forth in this rule.

1 (a) Once a loan is approved, a participant must execute a promissory note in the form
2 prescribed by the Program.

3 (b) If a participant is deceased before the disbursement of the proceeds of a loan, the
4 participant's loan application shall be void as of the date of death.

5 (4) Loan Types:

6 (a) General purpose loan — a loan not taken for the purpose of acquiring a principal
7 residence. General purpose loans must be repaid over a non-renewable repayment period of
8 up to five years.

9 (b) Residential loan — a loan made for the purpose of acquiring a principal residence,
10 which is, or within a reasonable time shall be, the principal residence of the participant.
11 Residential loans must be repaid over a non-renewable repayment period of up to 15 years.
12 A refinancing does not qualify as a residential loan. However, a loan from the Program that
13 will be used to repay a loan from a third party will qualify as a residential loan if the loan
14 would qualify as a residential loan without regard to the loan from the third party.

15 (5) Interest Rate: The rate of interest for a loan shall be fixed at one percent (1%) above the
16 prime interest rate as published by the Wall Street Journal on the last business day of the
17 month before the month in which the loan is requested.

18 (6) Loan Fees: A loan fee of \$75.00 shall be assessed when the loan is approved. The fee
19 shall be deducted from a participant's deferred compensation account on a pro-rata basis
20 from existing investments.

21 (7) Loan Limitations:

22 (a) The maximum loan amount is the lesser of:

23 (A) \$50,000; or

24 (B) One-half of the combined value of the participant's Deferred Compensation Account
25 and the Designated Roth Account on the date the loan is made.

26 (b) The minimum loan amount is \$1,000.

27 (c) A participant may only have one outstanding loan.

28 (d) A participant who has received a loan may not apply for another loan until *[12 months*
29 *from the date]* the previous loan was paid in full.

1 **(e) No loan may be issued to a participant if the participant has any Participant Loan**
2 **that has been treated as a deemed distribution under section (11) of this rule and that**
3 **has not been repaid or cancelled.**

4 (8) Source of Loan: The loan amount will be deducted from a participant's Deferred
5 Compensation Account, Designated Roth Account, or a combination of both.

6 (a) Loan amounts will be deducted first from the Deferred Compensation Account.

7 (b) Loan amounts will be deducted pro-rata from existing investments in a participant's
8 account(s).

9 (c) A participant may not transfer a loan to or from another retirement or deferred
10 compensation plan.

11 (9) Repayment Terms: The loan amount will be amortized over the repayment period of the
12 loan with interest compounded daily to calculate a level payment for the duration of the
13 loan.

14 (a) **A participant may elect loan payments by payroll deduction or by automatic**
15 **electronic transfer through ACH authorization.** *[Loan payments must be made by*

16 *payroll deduction.]* To receive a loan from the Program a participant must enter into a
17 payroll deduction agreement **or, if electing ACH repayment, execute an ACH**

18 **authorization agreement.** For the purposes of this rule, a promissory note or other
19 document that includes the payroll deduction amount **or ACH transfer amount** and is

20 signed by a participant as a requirement to obtain a loan may be a payroll deduction
21 agreement **or ACH authorization agreement.** Except as provided in this rule, a

22 participant may not submit a loan payment directly to the Program or the Third Party
23 Administrator.

24 (b) A participant is responsible for loan repayment even if the employer fails to deduct or
25 submit payments as directed under the payroll deduction agreement **or if a scheduled**

26 **payment is not completed under an ACH authorization.** To avoid defaulting on a loan
27 **due to a missed or failed payment, the participant must cure the payment by**

28 **submitting it in a form and manner acceptable to the Program or the Third Party**
29 **Administrator, including but not limited to ACH resubmission, money order, or**

30 **certified check.** *[by reason of the employer's failure to deduct or submit a payment a*

1 *participant may submit a loan payment by sending a money order or certified check to the*
2 *Third Party Administrator.]*

3 **(c) The Program or TPA may reinitiate returned ACH debits in accordance with**
4 **NACHA operating rules and Program procedures.**

5 **(d[c])** A participant may repay the loan balance in a single payment at any time before the
6 date the final loan payment is due.

7 **(e[d])** Partial payment of a scheduled payment and partial prepayment or advance payment
8 of future payments may not be permitted.

9 **(f[e])** Loan payments will be allocated in a participant's account(s) in the same manner as
10 the participant's current contribution allocation. If, for any reason, the allocation is not
11 known, the payment will be allocated to the Stable Value Option.

12 **(g[ff])** Any overpayment will be refunded to the participant.

13 (10) Leave of Absence. Terms of outstanding loans are not subject to revision except as
14 provided in this section.

15 (a) Loan payments may be suspended up to one year during an authorized leave of absence
16 if a participant's pay from the employer does not at least equal the payment amount.

17 (A) Interest on a loan continues to accrue during a leave of absence.

18 (B) A participant must immediately resume payments by payroll deduction **or ACH** upon
19 return to work.

20 (C) The loan balance will be re-amortized upon the participant's return to work to be repaid
21 within the remaining loan repayment period.

22 (D) Loan payments may be revised to extend the remaining loan repayment period to the
23 maximum period allowed in the event the loan originally had a term shorter than the
24 maximum period allowed under section (4) of this rule.

25 (E) If a participant is on a leave of absence that exceeds one year, the loan shall be in
26 default unless repayment begins one year from the participant's last date worked or the date
27 the final payment is due under the promissory note, whichever is earlier.

28 (b) Military Leave. Loan payments for participants on military leave may be suspended for
29 the period of military service.

30 (A) A leave of absence for military service longer than one year will not cause a loan to be
31 in default.

1 (B) Loan payments by payroll deduction or ACH must resume upon the participant's
2 return to work.

3 (C) The original repayment period of a loan will be extended for the period of military
4 service or to the maximum repayment period allowed for that type of loan, whichever is
5 greater.

6 (D) Interest on a loan continues to accrue during a leave of absence for military service. If
7 the interest rate on the loan is greater than 6%, then under the provisions of the
8 Servicemembers Civil Relief Act of 2003, the rate shall be reduced to 6% during the period
9 of military service.

10 (E) The loan balance will be re-amortized upon the participant's return to work to be repaid
11 within the remaining loan repayment period as determined under paragraph (C) of this
12 subsection.

13 (c) A participant on an authorized leave of absence or military leave may submit loan
14 payments in a form and manner acceptable to the Program or the Third Party
15 Administrator, including but not limited to electronic payment, money order, or
16 certified check. *[by sending a money order or certified check to the Third Party*
17 *Administrator.]*

18 (11) Tax Reporting.

19 (a) The loan balance of a general purpose loan will be reported as a taxable distribution to
20 the participant on the earlier of the last day of the loan repayment period, as adjusted under
21 paragraphs (10)(a)(D) or (10)(b)(C) of this rule, if applicable, or if the loan is in default, the
22 last day of the cure period.

23 (b) The loan balance of a residential loan will be reported as a taxable distribution to the
24 participant on the earlier of the last day of the loan repayment period, as adjusted under
25 paragraphs (10)(a)(D) or (10)(b)(C) of this rule, if applicable, or if the loan is in default, the
26 last day of the cure period.

27 (c) If a participant dies before the loan balance being repaid, and the participant's
28 beneficiary does not repay the loan balance in a single payment within 90 days of the
29 participant's death, the loan balance will be reported as a taxable distribution to the estate
30 of the participant.

1 (d) If a participant is eligible to receive a distribution under the Program, the reporting of a
2 loan balance as a taxable distribution under this section will cancel the loan at the time the
3 taxable distribution is reported. A canceled loan is a distribution and is no longer
4 outstanding in a participant's account.

5 (e) If a participant is not eligible to receive a distribution under the Program, a loan balance
6 reported as a taxable distribution under this section will be a deemed distribution for tax
7 reporting purposes. A loan deemed distributed may not be canceled until the loan balance
8 is repaid or the participant becomes eligible to receive a distribution. The loan balance will
9 remain outstanding in the participant's account and will continue to accrue interest until
10 repaid or canceled.

11 (12) Default.

12 (a) A loan is in default if a payment is not paid as scheduled or under any of the provisions
13 set forth in this rule, the promissory note, or any related loan agreement.

14 (b) A loan is in default if the participant separates from employment with the plan sponsor
15 that administers the loan payment payroll deductions **and does not continue repayment**
16 **through ACH.**

17 (c) If a participant with a loan in default resumes loan payments by payroll deduction **or**
18 **ACH** before the end of the cure period, the default will be cured. The participant must pay
19 any missed payments and accrued interest before the end of the loan repayment period.

20 (d) Except as provided in subsection (c) of this section, if the participant does not cure a
21 default *[by repaying the loan balance]* before the end of the cure period, the loan balance
22 will be reported as a taxable distribution to the participant as provided in section (11) of
23 this rule.

24 (13) Notwithstanding any other sections of this rule, a participant who self-certifies through
25 a process provided by the Deferred Compensation Program as a "qualified individual" as
26 that term is defined in the Coronavirus Aid, Relief, and Economic Security Act of 2020,
27 will have any repayment due date between March 27 and December 31, 2020 delayed for
28 one year.

29 (a) A qualified individual means an individual:

30 (A) Who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019
31 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

1 (B) Whose spouse or dependent (as defined in section 152 of the Internal Revenue Code of
2 1986) is diagnosed with such virus or disease by such a test; or

3 (C) Who experiences adverse financial consequences as a result of being quarantined,
4 being furloughed or laid off or having work hours reduced due to such virus or disease,
5 being unable to work due to lack of child care due to such virus or disease, closing or
6 reducing hours of a business owned or operated by the individual due to such virus or
7 disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's
8 delegate).

9 (b) Interest will continue to accrue on the outstanding balance of the loan during the period
10 of repayment delay.

11

12 **Statutory/Other Authority:** ORS 243.470

13 **Statutes/Other Implemented:** ORS 243.401–243.507 & Pub. L. No. 116-136

14 **History:**

15 [PERS 3-2022, amend filed 03/28/2022, effective 03/28/2022](#)

16 [PERS 13-2020, amend filed 07/31/2020, effective 07/31/2020](#)

17 [PERS 7-2020, temporary amend filed 05/29/2020, effective 05/29/2020 through 11/24/2020](#)

18 PERS 11-2014, f. & cert. ef. 7-25-14

19 PERS 10-2012, f. & cert. ef. 5-24-12

20 PERS 6-2011, f. & cert. ef. 8-4-11

21 PERS 8-2007, f. & cert. ef. 7-26-07

22 PERS 4-2007, f. 1-23-07, cert. ef. 5-1-07

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B.

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1. Notice of Rulemaking Acceptable Electronic Signatures update
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3. Notice of Rulemaking OSGP Loan Program updates
- 4. Notice of Rulemaking PHIP updates**

C. Action and discussion items

1. Modernization update
2. PERS Health Insurance Plan (PHIP) annual update
3. 2027-29 agency budget development update
4. Funding of School District Rate Pool (Senate Bill 849)



Oregon

Tina Kotek, Governor

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May 29, 2026

TO: Members of the PERS Board

FROM: Yong Yang, Research Policy Coordinator, Policy Analysis and Compliance Section
Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Notice of Rulemaking to update the PERS Health Insurance Program (PHIP)

OAR 459-035-0070 *Enrollment*

OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Update and clarify the PERS Health Insurance Program's (PHIP) health insurance and dental insurance enrollment timing and requirements.
- Policy Issue: None identified.

BACKGROUND

The PERS Health Insurance Program (PHIP) rules establish eligibility and enrollment requirements for retirees and their eligible family members, including spouses, domestic partners, and dependents. Under the current rule, enrollment in PERS-sponsored health insurance and related coverage options is generally structured around coordinated enrollment timing and plan selection requirements for retirees and their eligible family members.

The existing rule contains several limitations that restrict flexibility for participants and may create unintended barriers to enrollment. These include requirements that eligible family members enroll at the same time as the retiree and restrictions linking dental plan enrollment to enrollment in a PERS-sponsored health insurance plan. In addition, the rule does not clearly address certain enrollment scenarios involving Medicare-eligible spouses or dependents, particularly where the retiree and spouse may have different coverage elections or timing considerations.

The proposed amendments to OAR 459-035-0070 are intended to clarify and expand enrollment pathways while maintaining administrative consistency. The amendments expressly allow certain eligible spouses to enroll in PHIP coverage independent of the retiree in limited circumstances, including when the spouse is enrolled in Medicare Parts A and B. The rule also clarifies that, where both the retiree and spouse are enrolled in Medicare-based coverage through PHIP, they must enroll in the same Medicare Companion Plan offered by the same carrier.

In addition, the amendments revise enrollment timing provisions by extending the period for applying following loss of other group health coverage from 30 days to 60 days, and by

clarifying the applicability of existing enrollment windows tied to Medicare eligibility, Social Security award notices, and board-designated open enrollment periods. These changes are intended to improve access to coverage while preserving clear and administrable enrollment standards.

The amendments further modify the rules governing dental plan enrollment. Specifically, they remove the requirement that an individual must be enrolled in a PERS-sponsored health insurance plan in order to enroll in a PERS-sponsored dental plan, thereby allowing stand-alone dental enrollment. The rule also clarifies that when multiple family members enroll in a dental plan, they must enroll in the same plan.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely, and in person, on June 23, 2026, at 2:00 p.m. The public comment period ends June 26, 2026, at 5:00 p.m.

IMPACT

Mandatory: No

Benefit: The proposed changes are designed to increase flexibility for participants, address gaps and ambiguities in current enrollment provisions, and reduce administrative complexity by providing clearer and more consistent enrollment standards.

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

RULEMAKING TIMELINE

May 25, 2026:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
May 29, 2026:	PERS Board notified that staff began the rulemaking process.
June 1, 2026:	Secretary of State publishes the Notice in the Oregon Administrative Rules Database. Notice is sent to employers, legislators, and interested parties. The public comment period begins.
June 23, 2026:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
June 26, 2026:	Public comment period ends at 5:00 p.m.
July 24, 2026:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff.

NEXT STEPS

A rulemaking hearing will be held remotely on June 23, 2026. The rule is scheduled to be brought before the PERS Board for adoption at the July 24, 2026, board meeting.

B.4. Attachment 1 – OAR 459-035-0070 *Enrollment*

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 050 – HEALTH INSURANCE PROGRAMS**

1 **459-035-0070**

2 **Enrollment**

3 (1) Enrollment requirements of PERS-sponsored health insurance plans for eligible persons
4 are as follows:

5 (a) An eligible person must complete all applicable parts of the PERS Health Insurance
6 Program Enrollment Request Form, and submit the form with all required supporting
7 documents to the Third Party Administrator prior to the requested effective date of
8 enrollment. The PERS Health Insurance Program Enrollment Request Form must:

9 (A) Indicate which plan is desired;

10 (B) List individually all dependents, including the spouse, that are to be enrolled; and

11 (C) Have signatures of all members, dependents over the age of 18, and spouses that are to
12 be enrolled.

13 (b) An eligible person who is a retiree may enroll:

14 (A) Within 90 days of the retiree’s effective date of retirement;

15 (B) Within 90 days of the date of submitting a service retirement application under OAR
16 459-015-0025(4)(c);

17 (C) Within 90 days of the date of the Disability Approval Letter generated under OAR 459-
18 015-0025(5)(a);

19 (D) At any time if covered under another group health insurance plan for 24 consecutive
20 months immediately preceding enrollment, provided that the application for enrollment is
21 filed within ~~60~~³⁰ days of loss of coverage. Health care coverage under workers’
22 compensation, Medicare or any other governmental entitlement program for health care do
23 not qualify as other group health insurance coverage for purposes of this paragraph;

24 (E) Within 90 days of initial Medicare eligibility, if the retiree is enrolled in Parts A and B
25 of Medicare;

26 (F) Within 90 days of the date of the Notice of Award letter issued by the Social Security
27 Administration; or

28 (G) During an open enrollment period designated by the Board.

1 (c) Except as provided in subsections (f) and (g) of this section, an eligible spouse,
2 dependent domestic partner, or dependent must be enrolled at the same time as the eligible
3 retiree. An eligible spouse, dependent domestic partner or dependent enrolling in Parts A
4 and B of Medicare must be enrolled in the same Medicare Companion Plan, *offered*
5 *by*/from the same carrier, that cover[s] the eligible retiree.

6 (d) An eligible surviving spouse or dependent who is enrolled under the deceased retiree's
7 plan at the time of death may continue coverage under that plan.

8 (e) An eligible surviving spouse or dependent who is not covered under the retiree's plan at
9 the time of the retiree's death, may enroll:

10 (A) Within 90 days of the retiree's death;

11 (B) At any time if covered under another group health insurance plan for 24 consecutive
12 months immediately preceding enrollment, provided that the application for enrollment is
13 filed within *30*/60 days of loss of coverage. Health care coverage under workers'

14 compensation, Medicare or any other governmental entitlement program for health care do
15 not qualify as other group health insurance plan coverage for purposes of this paragraph;

16 (C) Within 90 days of initial Medicare eligibility, if he or she is enrolled in Parts A and B
17 of Medicare;

18 (D) Within 90 days of the date of the Notice of Award letter issued by the Social Security
19 Administration; or

20 (E) During an open enrollment period designated by the Board.

21 (f) A new spouse, dependent domestic partner, or dependent may be enrolled:

22 (A) Within 30 days of becoming a spouse, a dependent domestic partner or dependent; and

23 (B) If enrolled in Parts A and B of Medicare, only in the same Medicare Companion Plan,
24 *offered by* from the same carrier that covers the eligible retiree.

25 (g) An eligible retiree's spouse may enroll:

26 (A) Within 90 days of initial Medicare eligibility, if the spouse is enrolled in Parts A
27 and B of Medicare, even though the retiree remains enrolled in a non-PERS health
28 plan. In order for the spouse to remain enrolled, the retiree must join the spouse in
29 the same plan from the same carrier as the spouse at the latest of the applicable
30 enrollment periods described in paragraphs (1)(b)(D) and (E) of this rule;

1 (B) Within 90 days of initial Medicare eligibility, if enrolled and Parts A and B of
2 Medicare, only in the same Medicare Companion Plan, from the same carrier that
3 covers the eligible retiree;

4 (C) At any time if covered under another group health insurance plan for 24
5 consecutive months immediately preceding enrollment, provided that the application
6 for enrollment is filed within 60 days of loss of coverage. Health care coverage under
7 workers' compensation, Medicare or any other governmental entitlement program
8 for health care do not qualify as other group health insurance plan coverage for
9 purposes of this paragraph;

10 (D) Within 90 days of the date of the Notice of Award letter issued by the Social
11 Security Administration; or

12 (E) During an open enrollment period designated by the Board.

13 (2) Special enrollment requirements for dental insurance plans:

14 (a) Dental enrollment for retirees enrolled in PHIP health insurance

15 (A) An eligible person who is enrolled in a PERS-sponsored health insurance plan
16 may enroll in a PERS-sponsored dental insurance plan. Enrollment in a PERS-
17 sponsored dental insurance plan must be made within the applicable enrollment
18 periods described in section (1) of this rule.

19 *[(a) Only persons who are enrolled in a PERS-sponsored health insurance plan may enroll*
20 *in a PERS-sponsored dental insurance plan. Enrollment in a PERS-sponsored dental*
21 *insurance plan must be made under the enrollment conditions for the PERS-sponsored*
22 *health insurance that are described in section (1) of this rule.]*

23 (b)(B) If an eligible retiree and one or more eligible family members (spouse,
24 dependent domestic partner, or dependent) elect to enroll in a PERS-sponsored
25 dental insurance plan, all such enrolled individuals must enroll in the same PERS-
26 sponsored dental insurance plan.

27 (b) Stand-alone dental enrollment

28 (A) An eligible person who is not enrolled in a PERS-sponsored health insurance plan
29 may enroll in a PERS-sponsored dental insurance plan independent of enrollment in
30 a PERS-sponsored health insurance plan. Enrollment must be made within the

1 applicable enrollment periods described in section (1) of this rule, unless otherwise
2 specified by the Board.

3 (B) If an eligible retiree and one or more eligible family members (spouse, dependent
4 domestic partner, or dependent) elect to enroll in a PERS-sponsored dental insurance
5 plan, all such enrolled individuals must enroll in the same PERS-sponsored dental
6 insurance plan.

7
8
9

10 **Statutory/Other Authority:** ORS 238.410 & 238.650
11 **Statutes/Other Implemented:** ORS 238.410, 238.415 & 238.420

12 **History:**
13 [PERS 8-2018, amend filed 08/03/2018, effective 08/03/2018](#)
14 PERS 4-2015, f. & cert. ef. 3-30-15
15 PERS 14-2002, f. & cert. ef. 11-18-02
16 PERS 15-1998, f. & cert. ef. 12-17-98
17 PERS 4-1996, f. & cert. ef. 6-11-96

C.

A. Administration

1. April 3, 2026 PERS Board Meeting Minutes
2. Director's Report
3. Review board education policy and board member training
4. Board Governance Best Practice Survey
5. Board Scorecard Report on Agency Performance Measures
6. Board Governance assignments

B. Administrative rulemaking

1. Notice of Rulemaking Acceptable Electronic Signatures update
2. Notice of Rulemaking LWOP and Creditable Service updates
3. Notice of Rulemaking OSGP Loan Program updates
4. Notice of Rulemaking PHIP updates

C. Action and discussion items

1. Modernization update

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4. Funding of School District Rate Pool (Senate Bill 849)



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May 29, 2026

TO: Members of the PERS Board
 FROM: Kristi Ivers, Modernization Director
 SUBJECT: 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 (2025) and a budget adjustment was approved on April 7, 2026, for \$2,918,801 as part of House Bill 5204 (2026).

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 4/30/2026)
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. • Recruiting status: <ul style="list-style-type: none"> ○ The third senior project manager position and the associate product owner position have been filled. ○ 2 project manager positions (PM2) are in the recruiting process. • Development of the 2027-29 policy option package (POP) for the PERS Modernization Program is due at the end of June 26, 2026. PERS intends to collaborate with Legislative Fiscal Office, Department of Administrative Services (DAS), and Enterprise Information Services (EIS) to finalize the POP.

		<ul style="list-style-type: none"> During the February 2026 short session, it was recommended that PERS submit its DevOps budget request of \$1.8M to an upcoming emergency board (eBoard) meeting. The request has since been developed and submitted to DAS. This funding supports technology readiness activities essential to modernization.
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: Initiation. Stage Gate 1 endorsement received from EIS on April 21, 2026. The Specialized Consultant Request for Proposal (RFP): <ul style="list-style-type: none"> The evaluation team completed two rounds of scoring to determine the specialized consultant to assist in writing the Pension Administration System RFP. Issuance of Notice to Award was posted on May 11, 2026 and the Protest Period ended on May 18, 2026. A schedule is currently being developed to gather future state requirements for employers.
Telephony Modernization Project	June 30, 2027 <i>(Original end date December 31, 2024)</i>	<p>Project overall health: Green</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. Analysis and design began on April 6, 2026, for Phase 2b. The focus for this phase is to implement the Scheduled Call Back functionality, which includes an SMS confirmation for our members. Testing is currently planned to begin on May 25, 2026, with an implementation date of June 29, 2026. The project team continues feature-scoping workshops for Phase 3. In general, this phase will focus on 24/7 Interactive Voice Response self-service, streamlined call flows, and improved queue management.
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. • PERS received feedback on the updated Project Business Case from EIS and re-submitted responsive edits the week of May 18, 2026. • The Project Charter was completed and submitted to EIS the week of May 18, 2026.
jClarety UI/UX Modernization Project (JUMP)	November 30, 2026	<p>Project health: Yellow</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. • Phase 1 (WP#1) was implemented successfully and met the ADA Compliance due date of April 24, 2026, that was originally posted. The ADA Compliance due date has been extended for state and local government entities to April 26, 2027. • Phase 2 (WP#2) is in progress. The project team is testing the configuration and plans to handoff the work to the Member Identity Access Management Project team on May 29, 2026. • Phase 3 (WP#3) has completed its detailed analysis phase and has identified that all employee portal screens will need to be modified and implemented at the same time. The project team is currently developing a change request to request a schedule extension for approval to the Modernization Executive Steering Committee.
Member Identity Access Management (MIAM)	April 23, 2027 <i>(Original end date June 30, 2026)</i>	<p>Project 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. • Project change request approved by Modernization Executive Steering Committee on April 6, 2026, to extend the schedule to April 23, 2027. • MIAM contracts: <ul style="list-style-type: none"> ○ Identity Protection (IdP) <ul style="list-style-type: none"> ▪ The Work Order contract proceeded in April as planned. The contractor is now assisting PERS with Identity Protection integration. ○ Identity Verification (IdV)

		<ul style="list-style-type: none"> ▪ PERS continues to work with Department of Justice and negotiate the contract with the vendor.
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HIGHLIGHTED iQMS ACTIVITIES

- PERS received its first *draft* of the Quarterly Quality Assurance (QA) Status and Improvement Report April 23, 2026, from our independent quality management services (iQMS) vendor, Gartner. Based on the latest draft, which covers January 1, 2026, through March 31, 2026, three new top key observations were identified, and one previously identified observation remains.

The following outlines the four observations along with their respective mitigation strategies:

- Gartner Observation #1 – Resource Constraints: The program continues to experience a shortage of internal staff with modernization expertise, resulting in increased workload for current employees—many of whom are new to their positions—and overreliance on the modernization director for both strategic and operational responsibilities. This creates bottlenecks and reduces the program’s ability to complete activities with the appropriate quality and within reasonable timeframes. Ongoing vacancies, such as the finance associate product owner (APO), further limit the program’s ability to complete critical requirements gathering for the new Pension Administration System (PAS).

Program update: The program is developing policy option packages (POP) for 2027-2029. The modernization director has worked closely with other PERS executives to identify resourcing needs and the required activities for the future. The first iteration of the 2027-2029 POP was completed and shared with the Modernization Executive Steering Committee (MESC) on March 11, 2026. In addition, the finance APO position was filled on May 13, 2026.

- Gartner Observation #2 – Alignment of Future State Vision for PAS/PAS RFP: Currently, the program and PERS exhibit a lack of alignment on whether PERS current architecture vision will dictate what PAS ERP solutions are considered, or whether the PAS RFP evaluation will inform the architecture. We feel that the RFP should be developed to include information to make potential vendors aware of the priorities of PERS that are broader than the current architecture.

Program update: The Enterprise Architecture Team (PEAT) is planning to bring their analysis about the pros and cons of Platform-as-a-Service (PaaS) vs Software-as-a-Service (SaaS) to a future Modernization Manager Meeting (M3) and MESC for further

discussion amongst PERS leadership. The timeline, delivery date, and cost will be important factors for making a decision.

- Gartner Observation #3 – Prioritize data cleaning, migration planning and related activities: ...PERS lacks data maturity and has problematic data which poses a significant risk to the future PAS data migration and future business processes. The appropriate time to understand the extent and causes of problematic data is prior to releasing the RFP to select the future PAS solution.

Program update: PERS has a nascent Data Governance Committee which is working with the PERS Modernization Program to prioritize data cleaning. The program is developing a statement of work for a vendor to assist with data conversion and data migration planning.

- Gartner Observation #4 - Increasing awareness of culture change resulting from Customized to COTS: Transitioning from a highly customized legacy system to a "Configure Over Customize" COTS solution requires significant business process re-engineering and represents a significant cultural shift for the agency. Currently, this planned shift has led to staff anxieties regarding job security and adapting to new technologies.

Program update: Initiation of a Change Champion Network (CCN) is scheduled to start in June with presentations to the M3 and the MESAC. The CCN will help to support cultural readiness and can act as a PERS community-based support system where peers help each other navigate through change and enable a culture of adaptability, collaboration and continuous improvement.

C.1. Attachment 1 – *April 2026 Monthly Project Status Report*

C.1. Attachment 2 – *Modernization Presentation*

Modernization Program

Status Report

Kevin Olineck, Executive Sponsor

Kristi Ivers, Program Director

Joli Whitney, Program Manager

Status report as of April 30, 2026

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: **GREEN**

Color Key

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

Overview:

Review of Specialized Consultant Proposals

The request for proposals (RFP) to obtain the services of a specialized consultant to help PERS create an RFP for a new Pension Administration System (PAS) closed for proposals on March 10. A total of 10 proposals were received.

The Evaluation Committee finished scoring round 1 and are now reviewing round 2 responses, which were due April 29. Scoring for round 2 is expected to be completed by May 6.

Preparing for 2027-2029 Budget Needs

- The Modernization team prepared draft business case addendums for several projects with 2027-2029 budget requests and an IT Readiness workbook to meet the April 30 delivery timeline for EIS technology prioritization efforts.
- Multiple meetings were held to discuss the program's budget needs for the next biennium. The 2027-2029 policy option package drafts were refined through the inputs of a variety of stakeholders and submitted to DAS CFO on April 16. PERS has started drafting the written 2027-2029 policy option packages that are due in June.






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	6/30/2027

Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

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	4/23/2027




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
YELLOW					

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

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, PERS will not be able to simply implement the Hazardous Position functionality within the new COTS solution. The outcome of the alternatives analysis in the Hazardous Positions Business Case finalized on 12/4/25 was to implement the functionality in our current PAS as a stop gap until the new COTS solution is fully in place. Given this approach, 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.

This concern is also shared by Gartner and reflected in iQMS risk #2 Resource Constraints (next page) highlighting the significant concurrent planning and execution demands on the Modernization Director.

State of Oregon Priorities –

With the identification of the PAS Modernization Project as the critical path for the Modernization Program, and the significant needs for procurement support from DAS and EIS, any process or service delays pose a risk for PERS:

- DAS Procurement Services has limited resources, and with numerous agencies needing cross-collaboration, any one agency might require an emergency procurement, which would lead to unexpected delays.
- EIS-P3 operates under a 10-day Service Level Agreement (SLA) for document review. Meeting requirements for urgent reviews such as procurement activities can present challenges to providing timely responses.

PERS will monitor this risk closely and escalate any issues when needed. Tracked in Program Risk #39 Critical External Resources Allocated to Higher Priority Work.

QA/QC DELIVERABLES

Deliverable	Reporting Period	Final Accepted
D4.1.6 Quarterly QA Status Report	6/25 - 8/25	2/18/26
D3.3.5 Periodic Quality Status Report	9/1 - 10/17/25	2/18/26
D4.1.7 Quarterly QA Status Report	9/25 - 12/25	TBD
D3.3.6 Periodic Quality Status Report	1/1/26 - 2/15/26	TBD
D4.1.8 Quarterly QA Status Report	1/26 - 3/26	TBD

QA OBSERVATIONS & RECOMMENDATIONS

PERS received the initial (draft) D4.1.8 March 2026 independent quality management services (iQMS) Quarterly QA Status and Improvement draft report on April 23, 2026. The report covers activities from January 1, 2026, through March 31, 2026. There were four key risks and recommendations identified in the report and they are actively being addressed:

1. Gartner Observation #1 – Resource Constraints: The Program continues to experience a shortage of internal staff with modernization expertise, resulting in increased workload for current employees—many of whom are new to their positions—and overreliance on the Modernization Director for both strategic and operational responsibilities. This creates bottlenecks and reduces the Program’s ability to complete activities with the appropriate quality and within reasonable timeframes. Ongoing vacancies, such as the Finance Associate Product Owner (APO), further limit the Program’s ability to complete critical requirements gathering for the new Pension Administration System (PAS).

Program Update: The program is developing Policy Option Packages (POP) for 2027-2029. The Modernization Director has worked closely with other PERS executives to identify resourcing needs and the required activities for the future. The first cut of the 2027-2029 POP was completed and shared with the Modernization Executive Steering Committee (MESOC) on March 11, 2026. In addition, the Finance APO position was filled on May 13, 2026.

2. Gartner Observation #2 – Alignment of Future State Vision for PAS/PAS RFP: Currently, the Program and PERS exhibit a lack of alignment on whether PERS current architecture vision will dictate what PAS ERP solutions are considered, or whether the PAS RFP evaluation will inform the architecture. We feel that the RFP should be developed to include information to make potential vendors aware of the priorities of PERS that are broader than the current architecture.

Program Update: The Enterprise Architecture Team (PEAT) is planning to bring their analysis about the pros and cons of Platform as a Service (PaaS) vs Software as a Service (SaaS) solutions to a future Modernization Manager Meeting (M3) and Modernization Executive Steering Committee (MESOC) for further discussion amongst PERS leadership.

3. Gartner Observation #3 – Prioritize data cleaning, migration planning and related activities: ...PERS lacks data maturity and has problematic data which poses a significant risk to the future PAS data migration and future business processes. The appropriate time to understand the extent and causes of problematic data is prior to releasing the RFP to select the future PAS solution.

Program Update: PERS has a nascent Data Governance Committee which is working with the Modernization Program to prioritize data cleaning. The program is developing a statement of work for a vendor to assist with data conversion and data migration planning.

4. Gartner Observation #4 - Increasing awareness of culture change resulting from Customized to COTS: Transitioning from a highly customized legacy system to a "Configure Over Customize" COTS solution requires significant business process re-engineering and represents a significant cultural shift for the agency. Currently, this planned shift has led to staff anxieties regarding job security and adapting to new technologies.

Program Update: Initiation of a Change Champion Network is scheduled to start in June with presentations to the Modernization Manager Meeting and the Modernization Executive Steering Committee. This group will help to support cultural readiness and can act as a PERS community-based support system where peers help each other navigate through change and enable a culture of adaptability, collaboration and continuous improvement.

Modernization Program

2025-27						
Project Title	LAB	Actual to Date	Contracts	Projections	Total	Variance
1 Program Staff	4,875,134	1,209,413	-	3,387,055	4,596,468	278,666
2 IQMS	1,486,500	320,845	1,006,210	-	1,327,055	159,445
2 HIP	500,000		122,366	375,000	497,366	2,634
2 Telephony	1,500,000	118,335	10	1,275,000	1,393,345	106,655
2 TCO Analysis	25,000			-	-	25,000
2 Contingency (Mod)	178,000			-	-	178,000
2 PAS Planning	850,000			637,500	637,500	212,500
2 MIAM	530,000		208,000	132,500	340,500	189,500
3 Foundational Architecture Documentation	1,930,000	433,076	228,215	965,000	1,626,290	303,710
3 JUMP-Jclarety UI/UX	3,705,000	1,636,270	1,562,050	370,500	3,568,820	136,180
3 MIAM (Forgerock-Dues & Sub)	735,280	274,905	339,315		614,220	121,060
3 Data Migration	938,000			703,500	703,500	234,500
3 Contingency (Legacy)	318,500			-	-	318,500
Project Total	17,571,414	3,992,844	3,466,166	7,846,055	15,305,065	2,266,349

2025-27						
Approved Appropriation	LAB	Actual to Date	Contracts	Projections	Total	Variance
1 Program Staff	4,875,134	1,209,413	-	3,387,055	4,596,468	278,666
2 Implementation	5,069,500	439,884	1,335,883	2,420,000	4,195,766	873,734
3 Legacy Stabilization & Technology Readiness	7,626,780	2,343,547	2,130,284	2,039,000	6,512,830	1,113,950
Project Total	17,571,414	3,992,844	3,466,166	7,846,055	15,305,065	2,266,349

Expenses	Actual to Date	Projections	Total
*CSL- Internal Staff	\$406,058	\$452,642	\$858,700

Note: HB5204 (2026) increased Modernization budget as follows:

- 5 Position 2.50 FTE in amount of \$644,301 which is allocated to Program Staff Appropriation
- \$1.3 Million for Modernization Implementation which was allocated to following project budgets:
 - o \$850K to PAS Planning
 - o \$486K to IQMS
- \$938K to Legacy Stabilization and Technology Readiness for Data Migration Planning

Modernization Program

PERS MODERNIZATION PROGRAM BUDGET						
Program Budget						
	Project Title	Project Start Date	LAB	Forecast Spend	Variance Amount	Variance %
1	Program Staff	7/1/2023	16,439,004	12,936,427	(3,502,577)	-21.3%
2	IQMS	7/1/2023	2,386,500	2,138,055	(248,445)	-10.4%
2	HIP	7/1/2023	950,000	497,366	(452,634)	-47.6%
2	Telephony	7/1/2023	2,057,000	1,950,345	(106,655)	-5.2%
2	TCO Analysis	4/11/2025	25,000	-	(25,000)	-100.0%
2	MIAM	7/1/2025	530,000	340,500	(189,500)	-35.8%
2	PAS Planing	3/20/2026	850,000	637,500	(212,500)	-25.0%
2	Contingency	7/1/2025	178,000	-	(178,000)	-100.0%
3	Foundational Architecture Documentation	7/1/2025	2,630,000	2,256,290	(373,710)	-14.2%
3	JUMP-Jclarety UI/UX	7/1/2025	3,705,000	3,568,820	(136,180)	-3.7%
3	MIAM (Forgerock-Dues & Sub)	3/30/2021	1,998,251	1,664,693	(333,558)	-16.7%
3	Data Cleaning	3/20/2026	938,000	703,500	(234,500)	-25.0%
	Contingency	7/1/2025	318,500	-	(318,500)	-100.0%
	Total		33,005,255	26,693,496	(6,311,758)	-19.1%

Program Budget						
	Approved Appropriation	Project Start Date	LAB	Forecast Spend	Variance Amount	Variance %
1	Program Staff	7/1/2021	12,879,004	9,487,196	(3,391,808)	-26.3%
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	5,069,500	4,195,766	(873,734)	-17.2%
2	Independent Quality Management Svcs	7/1/2023	900,000	811,000	(89,000)	-9.9%
2	Hybrid Integration Platform	7/1/2023	450,000	-	(450,000)	-100.0%
2	Telephony	7/1/2023	557,000	557,000	-	0.0%
3	Legacy Stabilization & Technology Readiness	7/1/2023	8,889,751	7,563,303	(1,326,448)	-14.9%
3	Pension Administration System (PAS)	4/11/2025	700,000	630,000	(70,000)	-10.0%
	Total		33,005,255	26,693,496	(6,311,759)	-19.1%

Expenses	Prior Bienna Actuals	2025-27 Actuals	2025-27 Forecast Spend	Total
*CSL- Internal Staff	\$1,085,336	\$406,058	\$46,584	\$1,131,920

PROGRAM ORGANIZATIONAL CHANGE MANAGEMENT

Program OCM Objective: establish a structured, intentional, and scalable approach to preparing the organization for change, supporting staff and leaders through transition, and reinforcing adoption over time.

- Support program communications
- Enable program success
- Increase operational stability
- Support sustained adoption

OCM Program Activity Status:

Deliverable/Activity	Status	Next Steps
OCM Program Strategy Document	Initial draft is completed with revisions being made based on leadership feedback.	Strategy document to be reviewed by Gartner OCM Timeline is being reviewed and revised by Program leadership
OCM Vendor RFP/SOW	Initial RFP and SOW have been drafted by internal OCM Lead.	To be reviewed by program leadership
Change Champion Network (CCN)	CCN is being introduced to M3 and PERS managers June 2026 – To be implemented prior to OCM Vendor onboarding.	Establish CCN governance and selection process
Initial OCM Program Assessments	Initial OCM Assessments of change risks, impacts and identifying areas of potential barriers to change have been completed.	These assessments will be repeated as needed to determine areas needing adjustment and additional support
Program Communication and Engagement	A communication and engagement strategy is completed and is being acted on. Regular communication strategy meetings with OCM, Program Leadership, and Communications are occurring. Agency level communications efforts are happening through email communications, Teams Meetings, and Vested Newsletter articles.	Continue to execute the communication strategy and revise approaches as needed

PROGRAM RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
26	<p>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>	<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>A new OCM section has been added to the monthly report to provide visibility into activities occurring to support the program efforts.</p> <p>A Change Champion Network is planned to start in the coming month.</p>
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>	<p>Oversight bodies and PERS will need to continue to partner and address challenges together as they arise.</p>	<p>Delays may increase the cost of the overall program; therefore, challenges will need to be addressed quickly.</p>
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> <p>Plan to hire contractors when necessary.</p>	
40	<p>Staff Changes: Introduction of new staff into program team may lead to delays in deliverables and disrupt current work while onboarding</p>	<p>PERS has a structured onboarding program for new staff.</p> <p>New to Program staff will be provided core materials to become familiar with and be paired with other program team members for regular check-ins and open communication.</p>	<p>The program continues to build a strong team and is looking at opportunities to provide coaching to less experienced staff. We will continue to review this risk as additional new resources are hired.</p>

PROGRAM ISSUES AND CORRECTIVE ACTION PLANS

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

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: **GREEN**

Overall Status: The project remains in GREEN status. AWS Phase 2b implementation has begun and is progressing on schedule toward the planned June 29, 2026 go-live. Internal PERS and joint PERS/Kyndryl discussions have also begun to shape the solution scope for AWS Phase 3, with a focus on IVR modernization and operational improvements.

Expected Phase 2b Features:

- Members can schedule a callback and the system will automatically call them back when an agent is available. When an agent completes a callback, that status is updated for all agents limiting unnecessary calls.
- Members will have more flexible scheduling options, allowing them to choose from available callback times over the next several business days (up to a 7-day window) and choose more than one available time slot to be called back.
- After a callback is scheduled, the system will send the member a text message confirming their selected callback time.
- Ability to track callback completion statuses.

Activities completed in April

- Completed AWS Phase 2b JAD sessions on April 7–8, 2026.
- Held the Phase 2b Scheduled Callback prototype demos on April 16 and April 22.
- Conducted the initial AWS Phase 3 scoping workshop on April 20 to clarify Phase 3 priorities.
- Draft eFax requirements with feedback from TOS shared with the Product Owner team for refinement.

Current and upcoming activities:

- Engage with USAN, a Kyndryl subcontractor, to understand the AWS Connect feature set relevant for upcoming AWS Phases of call-center enhancements.
- Finalize and document the eFax replacement solution requirements, preparing for RFQ and other procurement activities.
- Continue AWS Phase 3 feature-scoping workshops with emphasis on 24/7 IVR self-service, streamlined call flows, and improved queue management.

Recommended Implementation

Completed May 5, 2025	Completed July 14, 2025	Completed February 23, 2026	Planning before June 2027
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 automated closure messaging, one way text messaging, Screen recording for training, post call customer survey.	Requirements will be determined during the JAD sessions for Phase 2b, 3 and 4. AWS Phase 2b: Scheduled Call back AWS Phase 3: A streamlined IVR experience that simplifies queue choices, enables 24/7 self-service, improves reception handling, and makes staffing across queues easier to manage. AWS Phase 4: Key functionality is currently under review.

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	100%	2/23/26	2/23/26
Phase 2b- AWS Implementation Complete	25%	7/3/26	TBD
Phase 3 – AWS Implementation Complete	0	TBD	TBD
Phase 4 – AWS Implementation Complete	0	TBD	TBD
Project closure	0	6/30/27	TBD

The Telephony Modernization Project schedule was rebaselined on 2/27/26 with a new close date of 6/30/2027

TELEPHONY PROJECT > RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
26	There may be development delays due to misalignment between initial design scope, assumptions, vendor familiarity with the solution and the actual complexity uncovered during elaboration.	Vendor developed prototypes added to schedule to gain alignment on final product.	

TELEPHONY PROJECT > ISSUES AND CORRECTIVE ACTION PLANS

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

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

- EIS feedback received on initial business case. Responsive edits in process.
- Project Charter in development and 50% complete.
- A work order contract is in process to include the architecture diagrams for HIP.

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
Updated HIP Business Case submitted for IT Project Prioritization	95%	4/30/2026	
Draft Project Charter submitted to P3	50%	5/15/2026	

HIP PROJECT > RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
	TBD		

HIP > ISSUES AND CORRECTIVE ACTION PLANS

#	Issue	Resolution/Notes	Est. Resolution Date
	TBD		

MEMBER IDENTITY AND ACCESS MANAGEMENT

Project Objective

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

Project Status: GREEN

Current Activities

- The Identity Verification (IDV) vendor has been selected, and the Statement of Work (SOW) and contract are currently in development; the vendor is reviewing the IDV contract.
- Requirements Traceability Matrix for IDV has been approved by P3.
- The OAuth 2.0 API solution has been approved by the PERS Enterprise Architecture Team (PEAT) and a proof of concept was completed and successfully verified on February 10, 2026, confirming feasibility and expected benefits.
- A work order for contract resources to support the API implementation has been developed and reviewed by P3. While we wait for DOJ approval, weekly meetings are ongoing to accelerate progress on the Socure API integration.
- DEV/BFT regression development and API integration solution validation activities have been completed. We have begun coordinating with Provaliant to validate Identity Proofing (IdP) integration with OAuth 2.0.
- Journey maps illustrating the end-to-end experience for members have been drafted and are pending approval, while journey maps for administrators are still in development.
- A Change Request (CR) was reviewed and approved by the MESC on April 6, 2026. The approved CR supports updates to the project scope and schedule to align with evolving Managed Identity and Access Management (MIAM) and integration requirements. As part of the approved schedule change, completion date was extended from June 30, 2026, to April 22, 2027.

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

Modernization Program

RFQ Released	100	7/22/25	7/22/25
IDV Procurement Complete	50	5/13/26	TBD
UAT Complete	0	3/30/27	TBD
Execution Complete	0	4/9/27	TBD
Project Closure	0	4/22/27	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 DOJ, 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.		

jCLARETY UI/UX MODERNIZATION AND COMPLIANCE PROJECT (JUMP)

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: **YELLOW**

Current Activities

- **jClarety WP#1** (UI/UX Upgrades and ADA 2026 Compliance) –
 - Production deployment was completed on April 9, 2026.
 - Retrospective estimated to complete by May 6, 2026.
- **OAuth 2.0 Ready WP#2** (OAuth 2.0 authentication upgrade) –
 - BFT8 / Ping configuration estimated to complete by May 8, 2026.
 - Configuration testing and handoff to MIAM is estimated to complete by May 29, 2026.
 - Work Package Documentation (WPD) D1.3.1 for OAuth 2.0 authentication technology estimated to submit by July 3, 2026.
- **jClarety WP#3** (Integrate HTML5 and Struts 6.7.4 technology) –
 - Change request in development to extend WP#3 scope and schedule. Additional screen development is needed for WP3 (see issue #1 on page 24 for further details).
 - Elaboration and construction in progress, estimated to complete by TBD.

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.

Modernization Program

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	100	12/5/25	12/5/25
WP1 User Acceptance Testing Completed	100	3/24/26	3/24/26
D1.2.2 WPD #1 (Final) submitted	100	4/3/26	4/2/26
WP1 Production Deployment	100	4/9/26	4/9/26
WP2 Business Functional Testing / Handoff to MIAM Complete	85	5/15/26	TBD
D1.3.1 WPD #2 (Final) submitted	85	5/29/26	TBD
WP3 Construction Complete	10	TBD	TBD
D1.5.1 WPD #3 (Draft) submitted	0	TBD	TBD
WP3 Business Functional Testing Complete	0	TBD	TBD
D1.5.2 WPD #3 (Final) submitted	0	TBD	TBD
WP3 User Acceptance Testing Complete	0	TBD	TBD
WP3 Production Deployment	0	TBD	TBD
D1.6.1 Stabilization & Knowledge Transfer Completed	0	TBD	TBD
Project closure	0	TBD	TBD

JUMP> RISKS AND MITIGATION

#	Risk Description	Mitigation and/or Contingency Plan	Notes
1	<p>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.</p>	<p>If the project team concludes that we will be unable to meet the April 24, 2026 deadline for ADA compliance, then we will attempt to crash the schedule with additional resources.</p>	<p>The last of the external portals ADA compliance work is on track for release on April 9. With a successful release, this risk will be closed.</p> <p>April 13, 2026: Risk has been closed due to successful release of WP#1</p>
2	<p>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.</p>	<p>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.</p>	<p>This risk will also be resolved once the April 9 release completes successfully and will be closed.</p> <p>April 13, 2026: Risk has been closed due to successful release of WP#1</p>
3	<p>Technology Risk: Complexity and fragility of jClarety system. New code changes could require refactoring of primary processes which can greatly increase the scope of work for both development and testing.</p>	<p>Iteratively develop more complex code structure; Regression Test to ensure technical issue does not negatively affect new code; Assign staff that are familiar with the complex general ledger jClarety code structure.</p>	<p>Risk added April 23, 2026</p>
4	<p>Internal Staffing Issues: If there are limited, a loss of, or inexperienced resources, then the project could experience delays.</p>	<p>Carefully coordinate schedule planning and priorities within the Program and all projects; Ensure project staff are setting priorities and/or can work overtime if needed; Assign additional staff to help cover absences or help offset extreme workload periods.</p>	<p>Risk added April 23, 2026</p>

JUMP> ISSUES AND CORRECTIVE ACTION PLANS

#	Issue	Resolution/Notes	Est. Resolution Date
1	Additional screen development is needed for WP3	Project team is developing change request to extend project scope and schedule to accommodate necessary screen conversions. The schedule will be rebaselined with new efforts post-change request approval by Modernization Executive Steering Committee.	June 19, 2026

Modernization Program

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT

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 and project charter were approved by EIS P3 on March 30, 2026.
- P3 State Gate 1 endorsement received April 21, 2026.
- The request for proposals (RFP) to obtain the services of a specialized consultant to help PERS create an RFP for a new Pension Administration System (PAS) closed for proposals on March 10. A total of 10 proposals were received. The Evaluation Committee finished scoring round 1 and are now reviewing round 2 responses, which were due April 29. Scoring for round 2 is expected to be completed by May 6, 2026.
- Current state business and technical requirements are completed. Employer and member requirements planning is underway.
- The build-out of a project schedule is in process.

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
Consultant RFP – Round 1 Close	100%	04/06/26	04/06/26
P3 Stage Gate 1 Endorsement Received	100%	04/30/26	04/21/26
Consultant RFP – Round 2 Evaluation	10%	05/01/26	
Consultant RFP – Round 2 Closes	0%	05/04/26	

PAS> RISKS AND MITIGATION

Modernization Program

#	Risk Description	Mitigation and/or Contingency Plan	Notes
4	<p>Procurement Delays- Extended time for external reviews of RFPs may cause delays of the project schedule or incur unplanned costs.</p>	<p>DAS agreed to partner with PERS to meet procurement deadlines.</p> <p>PERS and DAS have a regular check-in meeting to discuss current procurement activities.</p> <p>PERS will share timelines ahead of time, so that everyone is aware of the upcoming work.</p> <p>Accelerate specialized consultant onboarding by ensuring system access and provisioning are ready early, use calendar placeholders to secure time with key staff, and organizing essential program materials to accelerate familiarity with PERS systems.</p>	<p>This release of the consultant RFP is on the Program’s critical path. Delays may impact timing of future budget requests and overall delivery of the PAS solution in a timely manner. DAS and DOJ are partnering effectively with PERS.</p> <p>PERS is experiencing slower progress on critical-path activities, due to limited responsiveness by EIS-P3 team members, contributing to schedule delays.</p>
8	<p>Unclear Statewide Enterprise Governance Processes- Some decision-making areas of enterprise information services are unclear how they intersect within the overall governance structure. Handoffs between sections, roles/responsibilities, expectations and dependencies may be unclear and cause delays in approvals.</p>	<p>PERS to escalate unclear expectations on a monthly basis in written format.</p>	<p>Unclear requirements for Strategy & Design (ARB) and how these fit into the overall P3 Stage Gating process are not well communicated, documented or understood by agencies and cause delays in approvals which lead to delays. Recent experience with Architecture Observability Tool: Original ITI submitted 9/19/25. Approved by EIS & CSS to move to RFQ on 1/26/26, PERS experienced a 4-month delay.</p>

Modernization Program

9	<p>Critical Resources Allocated to Higher Priority Work- Critical resources are allocated to higher priority projects (i.e. HB4045) or more time sensitive work, impacting availability for PERS Modernization work</p>	<p>Clearly identify shared resources and work closely with leadership to plan around peaks and mitigate impacts.</p> <p>Closely monitor resource allocations and plan to utilize less skilled resources where possible to focus critical resources to specialized work.</p>	<p>Optimized shared resource needs to maximize resource utilization and task delivery.</p>
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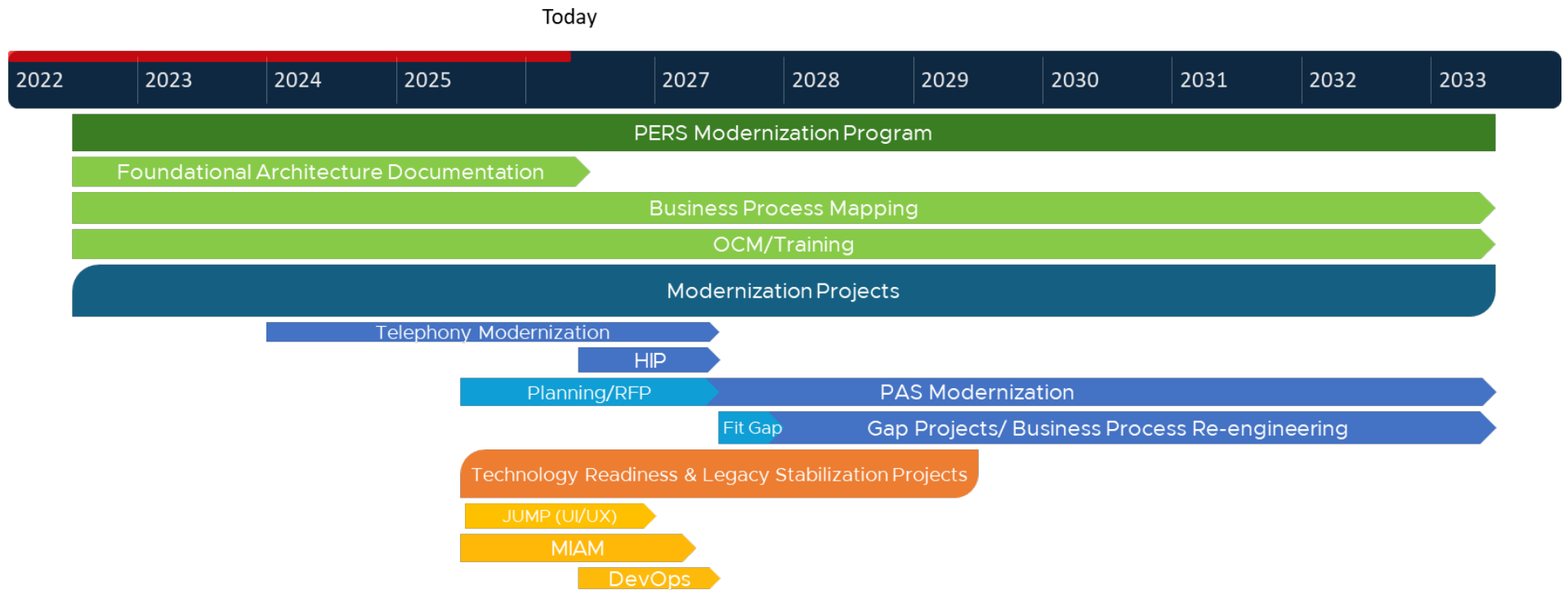
PAS> ISSUES AND CORRECTIVE ACTION PLANS

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

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 once milestone dates are validated with new vendors.

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



PERS Board Modernization update

Kristi Ivers, PERS Modernization Director

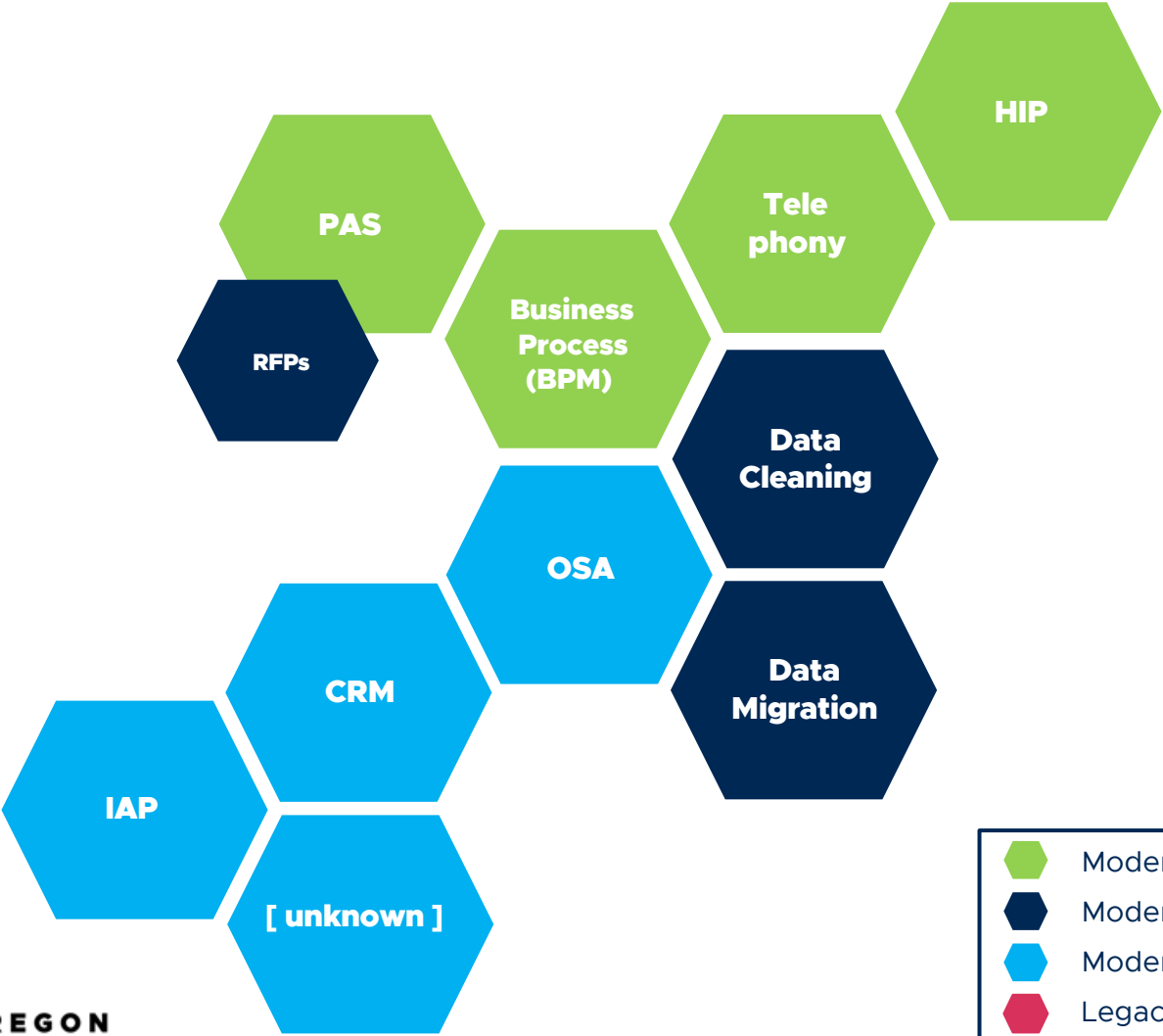
May 29, 2026

Modernization Program



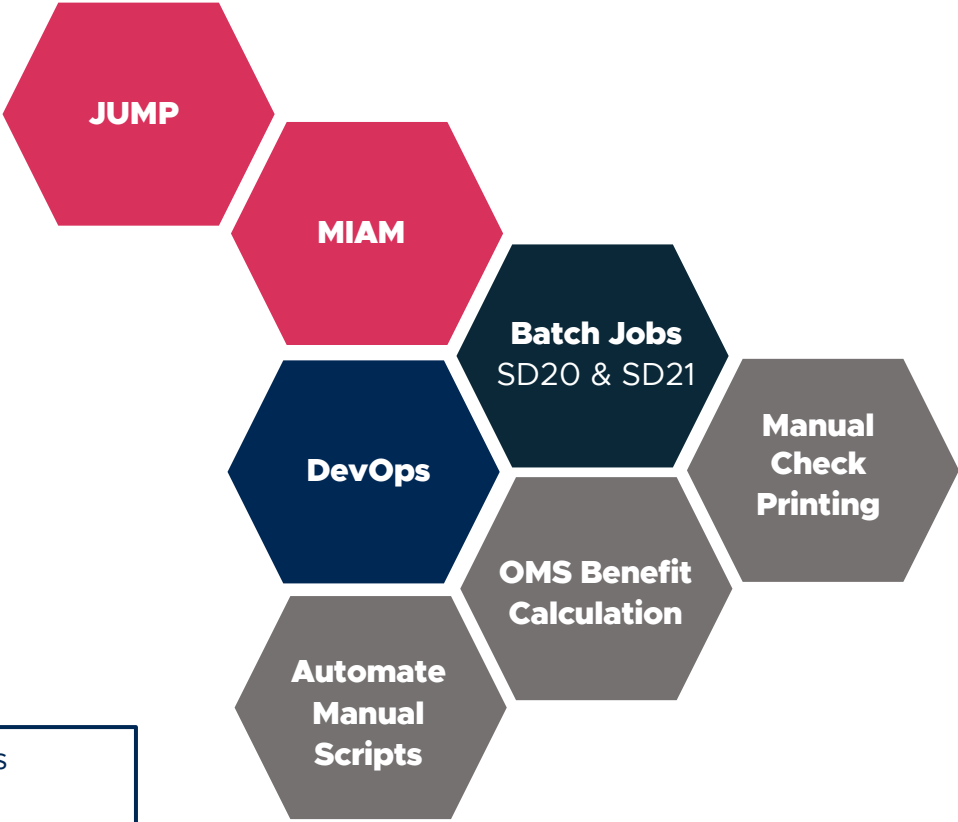
PERS Modernization Program roadmap

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

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

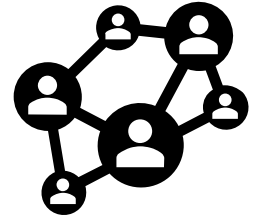
Highlights:

- The program overall is on schedule and on budget.
- Development of the 2027-29 policy option package (POP) for the PERS Modernization Program is due on June 26, 2026. PERS intends to collaborate with Legislative Fiscal Office (LFO), Department of Administrative Services (DAS), and Enterprise Information Services (EIS) to finalize the POP.
- During the short session in January, PERS was advised to submit its \$1.8M DevOps budget request to an upcoming emergency board (eBoard) meeting. The request has since been developed and submitted to DAS. This funding supports essential technology readiness activities for modernization.

Recruiting status:

- The third senior project manager position and the associate product owner position have both been filled.
- 2 project manager positions (PM2) are in the recruiting process.
- Hybrid Integration Platform (HIP) Project: EIS provided feedback on the business case and PERS resubmitted the business case and charter the week of May 18, 2026.
- The Data Governance Committee (DGC) is overseeing 26 queries, and business analysis is underway.

Pension Administration System (PAS) modernization



Project summary: Document current state requirements, architecture and business processes to support the development of a request for proposal (RFP) for a new pension administration solution.

Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY					

Current stage: initiation

Highlights:

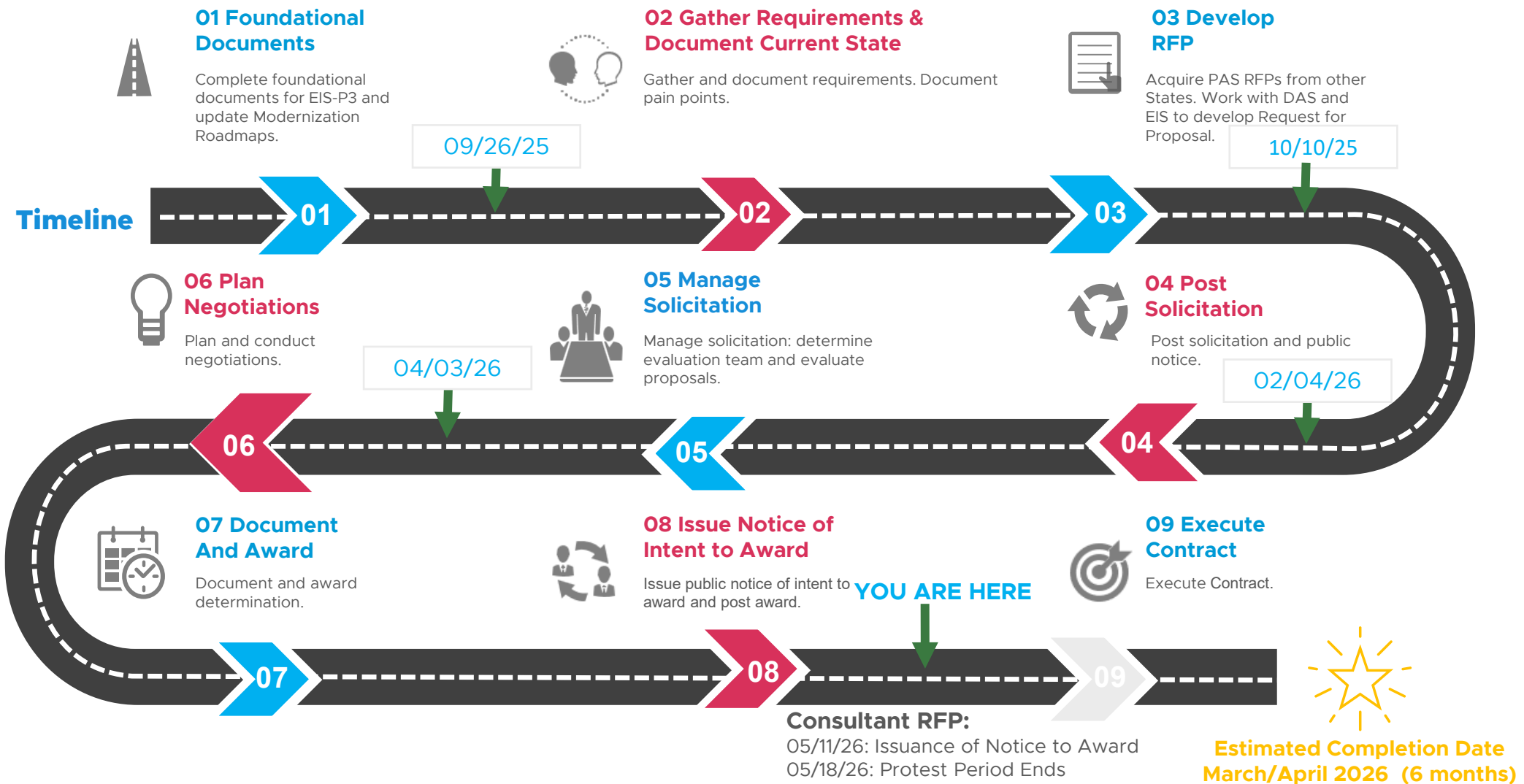
- RFP for a Specialized Consultant status:
 - Evaluations concluded on May 6, 2026.
 - Issuance of Notice to Award was posted on May 11, 2026, and the Protest Period ended on May 18, 2026.
- Stage Gate 1 endorsement received from EIS on April 21, 2026.

Upcoming activities:

- Future state requirements:
 - A schedule is currently being developed to gather future state requirements for employers.

Modernization PAS request for proposal (RFP) lifecycle

Specialized Consultant RFP

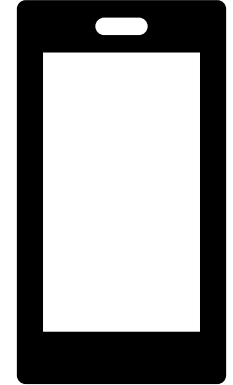


122/167 As of May 11, the duration is 7 months.

Note: PERS will start on the Pension Administration System RFP after the Specialized Consultant Contract has been completed.

Telephony Modernization Project

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



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN	■	■	■	■	■

Current stage: execution

Highlights:

- Analysis and design began on April 6, 2026, for Phase 2b as planned. The focus for this phase is to implement the Scheduled Call Back functionality, which includes an SMS confirmation for our members.

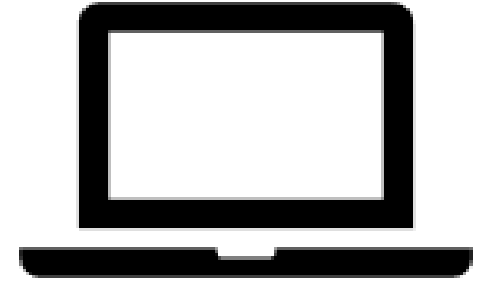
Upcoming activities:

- Phase 2b:
 - Testing will begin on May 26, 2026.
 - Implementation is planned for June 29, 2026.
- Another meeting is being scheduled for Phase 3 to discuss additional features. The focus for Phase 3 is to enhance the Interactive Voice Response (IVR) System. In the meantime, Kyndryl and USAN are currently reviewing our current data to recommend additional improvements, such as:
 - 24/7 IVR self-service
 - Streamlined call flows
 - Improved queue management

JUMP

jClarety User Interface/User Experience (UI/UX) Mod and 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
YELLOW					

Current stage: execution

Highlights:

Phase 1 (Work Package #1 (ADA Portal Compliance))

- Implemented successfully on April 9, 2026 – delivered ahead of schedule, on budget, and within scope to meet the ADA Compliance deadline of April 26, 2026.

Phase 2 (Work Package #2 (OAuth2 Authentication Upgrade))

- The project team is testing the configuration and plans to handoff their work to the Member Identity Access Management (MIAM) Project team on May 29, 2026.

Upcoming activities:

Phase 3 (Work Package #3 (Employee Portal))

- Detailed analysis has completed and has identified that all employee portal screens will need to be modified and implemented at the same time.
- The project team is currently developing a schedule change request for the Modernization Executive Steering Committee to approve. The duration of the extension is under review.

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	■	■	■	■	■

Current stage: execution ▲

Highlights:

- A project change request was approved by Modernization Executive Steering Committee on April 6, 2026, to extend the schedule to April 23, 2027.
- Identity Protection (IdP)
 - The Work Order contract completed in April as planned. The contractor is now assisting PERS with analysis, design, journey maps and configuration.
 - The JUMP project team members plan to complete testing and hand-off their integration work to the MIAM project team.
- Identity Verification (IdV):
 - A vendor has been selected, and a contract is in process with Deloitte/Socure.

Upcoming activities:

- Negotiated contract with chosen Identity Verification (IdV) vendor. Estimating 12 weeks of work.
- IdP and IdV: Journey maps to illustrate the end-to-end user experience for members have been drafted and maps for administrators are in development.

Gartner's observations

Gartner observations

Gartner's latest quarterly report

4.1.8 Quarterly Quality Assurance Status and Improvement Report reporting period: January 1, 2026 – March 31, 2026.

The *draft* report was received on April 23, 2026. Gartner identified three new key observations and continued one.



Gartner observations

Top 4

Gartner observation #1 - Resource constraints: The program continues to experience a shortage of internal staff with modernization expertise, resulting in increased workload for current employees—many of whom are new to their positions—and overreliance on the modernization director for both strategic and operational responsibilities. This creates bottlenecks and reduces the program’s ability to complete activities with the appropriate quality and within reasonable timeframes. Ongoing vacancies, such as the finance associate product owner (APO), further limit the program’s ability to complete critical requirements gathering for the new Pension Administration System (PAS).

Program update:

- The program is developing the policy option packages (POP) for 2027-2029. The modernization director has worked closely with other PERS executives to identify resourcing needs and the required activities for the future. The POP is due at the end of June.
- The first cut of the 2027-2029 POP was completed and shared with the Modernization Executive Steering Committee (MESCC) on March 11, 2026.
- The finance APO position was filled on May 13, 2026.

Gartner observations

Top 4

Gartner Observation #2 - Alignment of future State vision for PAS/PAS RFP: Currently, the program and PERS exhibit a lack of alignment on whether PERS current architecture vision will dictate what PAS Enterprise Resource Planning (ERP) solutions are considered, or whether the PAS RFP evaluation will inform the architecture. We feel that the RFP should be developed to include information to make potential vendors aware of the priorities of PERS that are broader than the current architecture.

Program update:

- The PERS Enterprise Architecture Team (PEAT) is planning to bring their analysis about the pros and cons of Platform-as-a-Service (PaaS) versus Software-as-a-Service (SaaS) to a future Modernization Manager Meeting and Modernization Executive Steering Committee for further discussion amongst PERS leadership.
- The timeline, delivery date, and cost will be important factors for making a decision.

Gartner observations

Top 4

Gartner Observation #3 - Prioritize data cleaning, migration planning and related activities:

PERS lacks data maturity and has problematic data which poses a significant risk to the future PAS data migration and future business processes. The appropriate time to understand the extent and causes of problematic data is prior to releasing the RFP to select the future PAS solution.

Program update:

- PERS has a Data Governance Committee which is working with the PERS Modernization Program to prioritize data cleaning.
- The program is developing a statement of work for a vendor to assist with data conversion and data migration planning.

Gartner observations

Top 4

Gartner Observation #4 - Increasing awareness of culture change resulting from customized to COTS: Transitioning from a highly customized legacy system to a "Configure Over Customize" COTS solution requires significant business process re-engineering and represents a significant cultural shift for the agency. Currently, this planned shift has led to staff anxieties regarding job security and adapting to new technologies.

Program update:

- Initiation of a Change Champion Network (CCN) is scheduled to start in June with presentations to the Modernization Manager Meeting and the Modernization Executive Steering Committee.
- The CCN will help to support cultural readiness and can act as a PERS community-based support system where peers help each other navigate through change and enable a culture of adaptability, collaboration and continuous improvement.

2025-27 Budget

Modernization

Approved 2025-27 budget

2025-27							
Project Title	LAB	Actual to Date	Contracts	Projections	Total	Variance	
1 Program Staff	4,875,134	1,209,413	-	3,387,055	4,596,468	278,666	
2 IQMS	1,486,500	320,845	1,006,210	-	1,327,055	159,445	
2 HIP	500,000		122,366	375,000	497,366	2,634	
2 Telephony	1,500,000	118,335	10	1,275,000	1,393,345	106,655	
2 TCO Analysis	25,000			-	-	25,000	
2 Contingency (Mod)	178,000			-	-	178,000	
2 PAS Planning	850,000			637,500	637,500	212,500	
2 MIAM	530,000		208,000	132,500	340,500	189,500	
3 Foundational Architecture Documentation	1,930,000	433,076	228,215	965,000	1,626,290	303,710	
3 JUMP-Jclarety UI/UX	3,705,000	1,636,270	1,562,050	370,500	3,568,820	136,180	
3 MIAM (Forgerock-Dues & Sub)	735,280	274,905	339,315		614,220	121,060	
3 Data Migration	938,000			703,500	703,500	234,500	
3 Contingency (Legacy)	318,500			-	-	318,500	
Project Total	17,571,414	3,992,844	3,466,166	7,846,055	15,305,065	2,266,349	
2025-27							
Approved Appropriation	LAB	Actual to Date	Contracts	Projections	Total	Variance	
1 Program Staff	4,875,134	1,209,413	-	3,387,055	4,596,468	278,666	
2 Implementation	5,069,500	439,884	1,335,883	2,420,000	4,195,766	873,734	
3 Legacy Stabilization & Technology Readiness	7,626,780	2,343,547	2,130,284	2,039,000	6,512,830	1,113,950	
Project Total	17,571,414	3,992,844	3,466,166	7,846,055	15,305,065	2,266,349	

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 which 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.

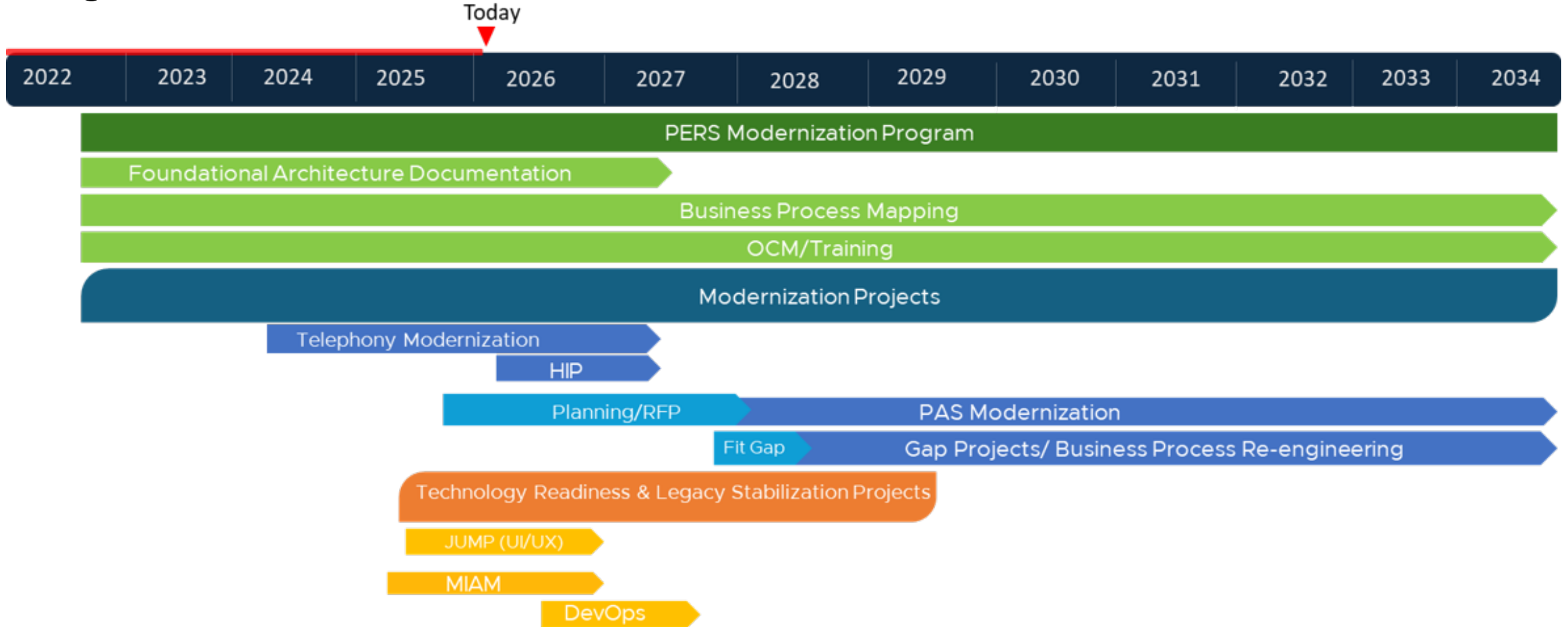
Omni-channel Service Delivery refers to a seamless and integrated approach to customer experience across multiple channels. This means that whether a customer interacts with us in person at one of our offices, calls one of our call centers, website, social media, or any other platform, they receive a 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



C.

A. Administration

1. April 3, 2026 PERS Board Meeting Minutes
2. Director's Report
3. Review board education policy and board member training
4. Board Governance Best Practice Survey
5. Board Scorecard Report on Agency Performance Measures
6. Board Governance assignments

B. Administrative rulemaking

1. Notice of Rulemaking Acceptable Electronic Signatures update
2. Notice of Rulemaking LWOP and Creditable Service updates
3. Notice of Rulemaking OSGP Loan Program updates
4. Notice of Rulemaking PHIP updates

C. Action and discussion items

1. Modernization update
- 2. PERS Health Insurance Plan (PHIP) annual update**
3. 2027-29 agency budget development update
4. Funding of School District Rate Pool (Senate Bill 849)

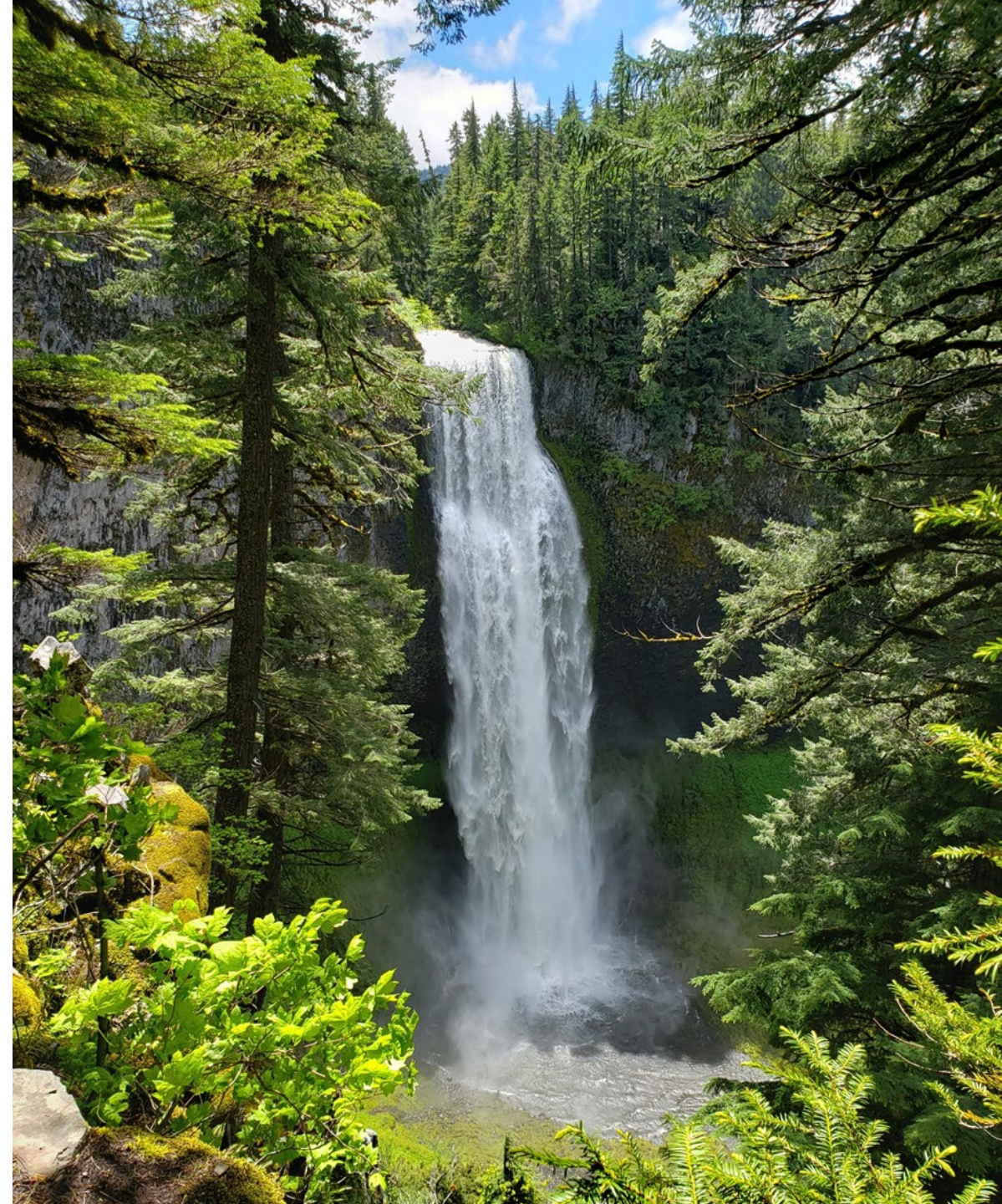
OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



PERS Health Insurance Program (PHIP)

May 29, 2026



PHIP Annual Report

Calendar year 2025

Barbara Dimeling-Perris
PHIP Program Manager

PHIP mission

The PERS Health Insurance Program (PHIP) provides PERS retirees with benefits that offer high quality comprehensive coverage (or benefits) at the most cost-effective rates possible to meet retirees' benefit needs.

Core values

Maintain stability of premiums:

- To avoid significant swings in rates from year to year, premium stabilization approaches to proposed contracted health plan (CHP) rates should be considered.

Maintain stability of coverage:

- Benefits provided by PHIP should be reviewed annually to avoid significant changes in benefits required by either local or national legislation or required to maintain premium rate affordability.

Maintain stability of carriers:

- Promoting stability and long-term relationships with carriers — consistent with responsible procurement practices. Changes in contracted health plans should be driven by protection of current members' benefits and demonstrated long-term beneficial treatment of members.

Governance

- ORS 238.410-420
- OAR 459-035-0000-0150
- Centers for Medicaid and Medicare Services (CMS)
- PERS Board
- PHIP mission and values
- Member input

Administrative team

PHIP staff

- Barbara Dimeling-Perris
 - Program Manager
- Danielle Keyser
 - Program Coordinator
- Brooke Walker
 - Program Analyst
- Liam Contino
 - Membership Service Specialist

Key PERS partners

- PHIP Accountant, ACTS
 - Rosanne Lurie-Canright
- PHIP Procurement Specialist, Procurement, Facilities, and Logistics
 - Abigail Churchill
- Policy Analysis and Compliance Section (PACS)
- Communications Section
- Intake and Review
- Death and Disability
- Member Information Center
- Oregon Savings Growth Plan

Contracted operations and consulting

Third-party administrator: Zenith American Solutions

- PHIP call center/walk-in assistance
- Member Account Services
(enrollment, eligibility)
- Recordkeeping
- Accounting

Health insurance consultant: Segal Consulting

- Health insurance industry specialists
- Benefit plan design
- Strategic planning
- Financial and utilization analysis
- Annual renewal

Contracted health plans

PHIP contracts with four contracted health plans

UnitedHealthcare®

- Medicare Advantage — Medicare Advantage Preferred Provider Organization (PPO) Plan
- Non-Medicare — Deductible Core Value Plan
- Non-Medicare — HSA-qualified High-Deductible Health Plan (HDHP)

Kaiser Permanente NW

- Medicare Advantage — Senior Advantage HMO Plan
- Non-Medicare — Traditional HMO Core Value Plan
- Non-Medicare — HSA-qualified High-Deductible Health Plan (HDHP)

Providence Health Insurance

- Medicare Advantage — Medicare Align Group Health Maintenance Organization (HMO) Plan
- Medicare Advantage — Medicare Flex Group HMO Point-of-Service (POS) Plan

Moda Health Plan

- Medicare Supplement — Moda Health Medicare Supplement Plan

Contracted dental plans

PHIP contracts with two dental plans

Kaiser Permanente NW

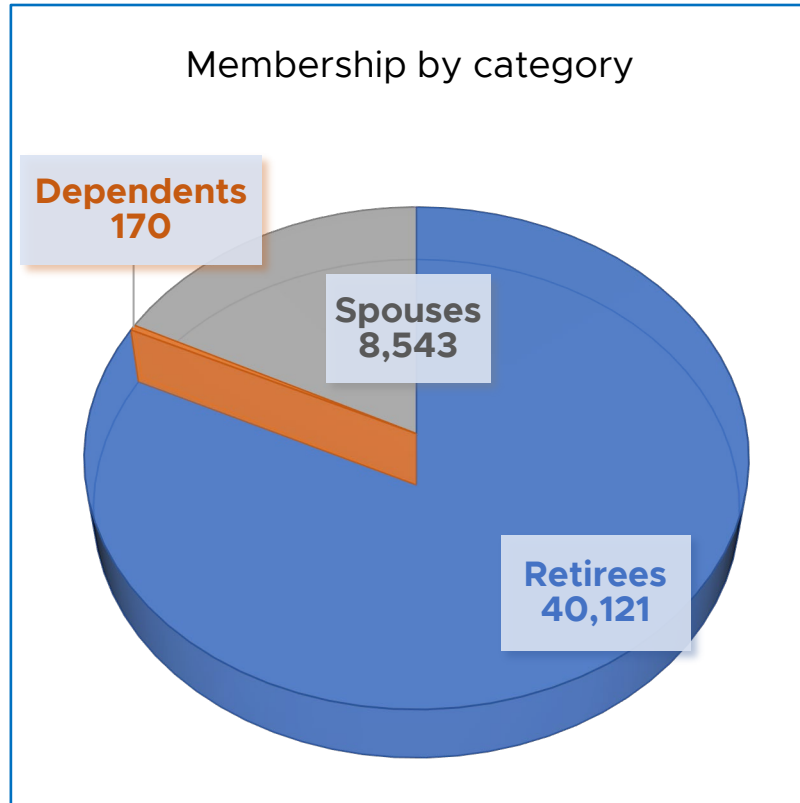
- Dental Maintenance Organization (DMO) Dental Plan

Delta Dental Plan of Oregon

- Indemnity Dental Plan with passive PPO

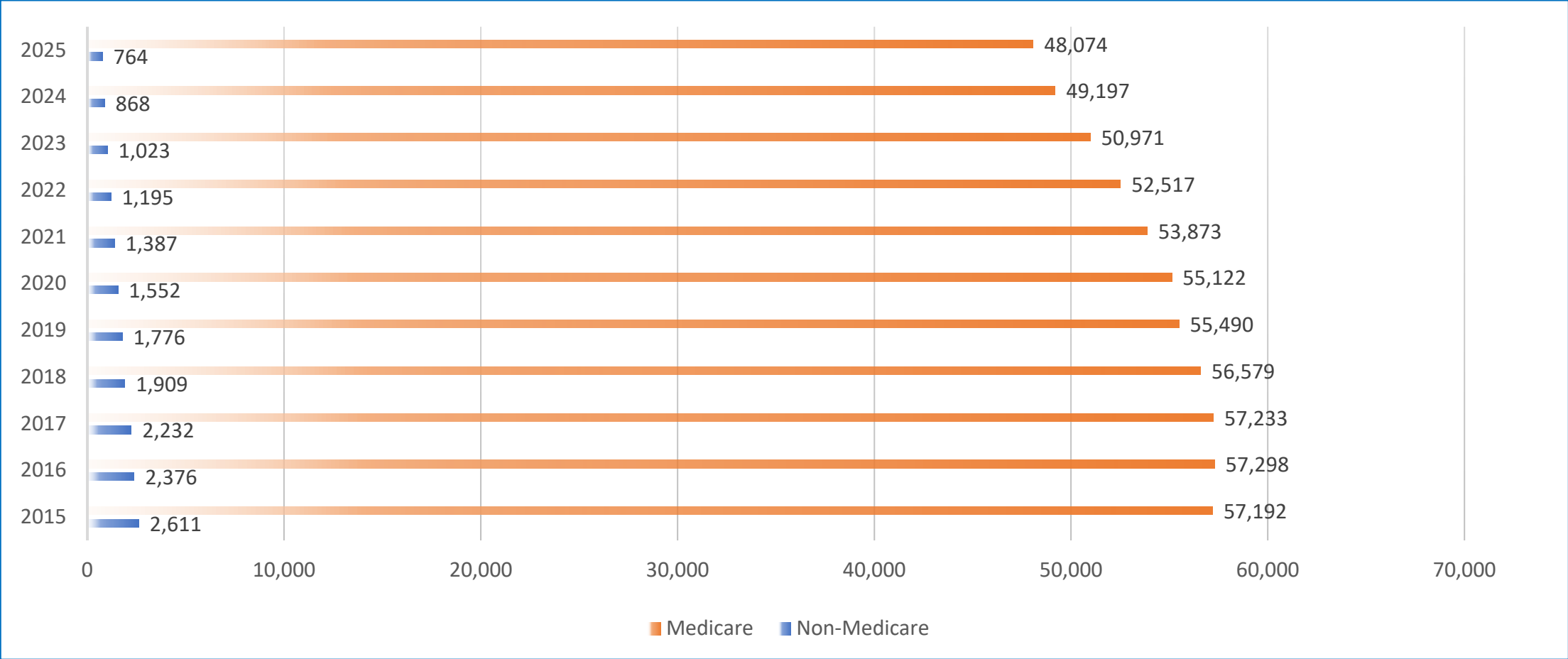
Program membership

PHIP members are PERS retirees, their spouses, and dependents who meet the eligibility criteria outlined in ORS 238.410.



Total PHIP membership
as of year-end 2025:
48,838

10-year membership trend



In 2025, overall membership declined by 1,650

Membership numbers

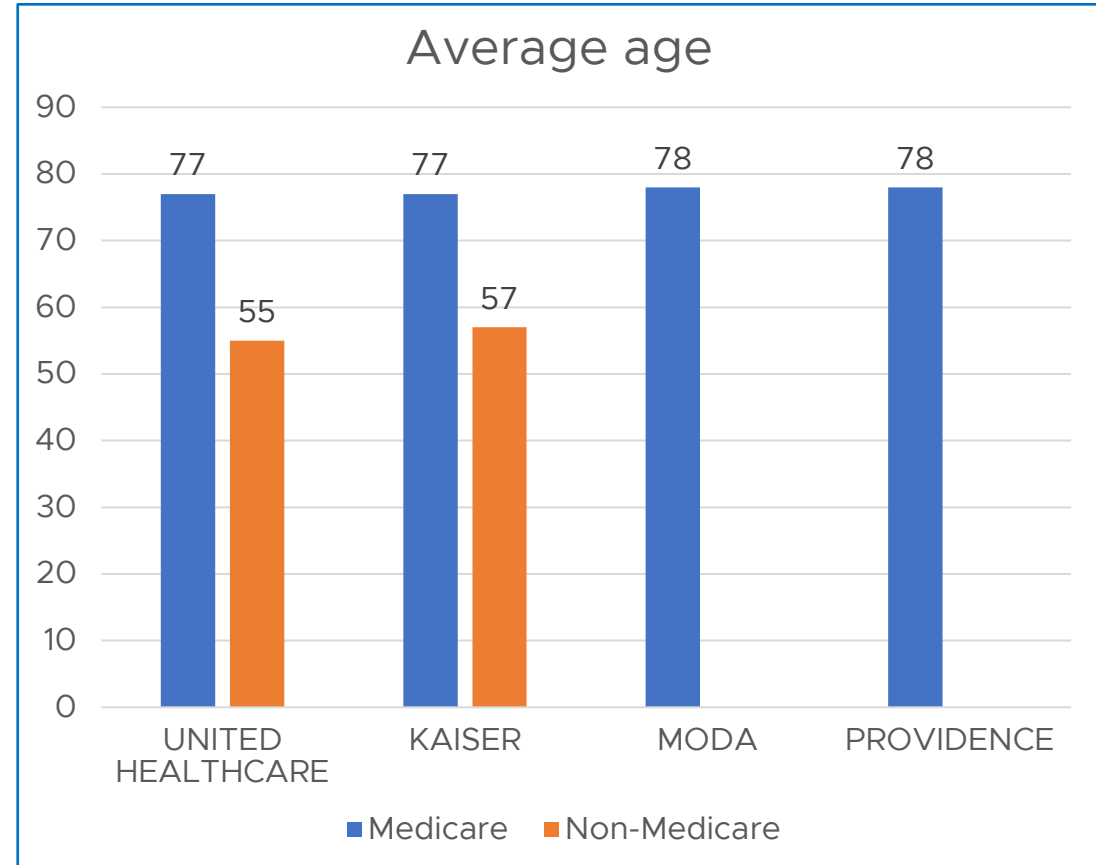
PHIP members by carrier

United	13%
Kaiser	19%
Providence	21%
Moda	47%

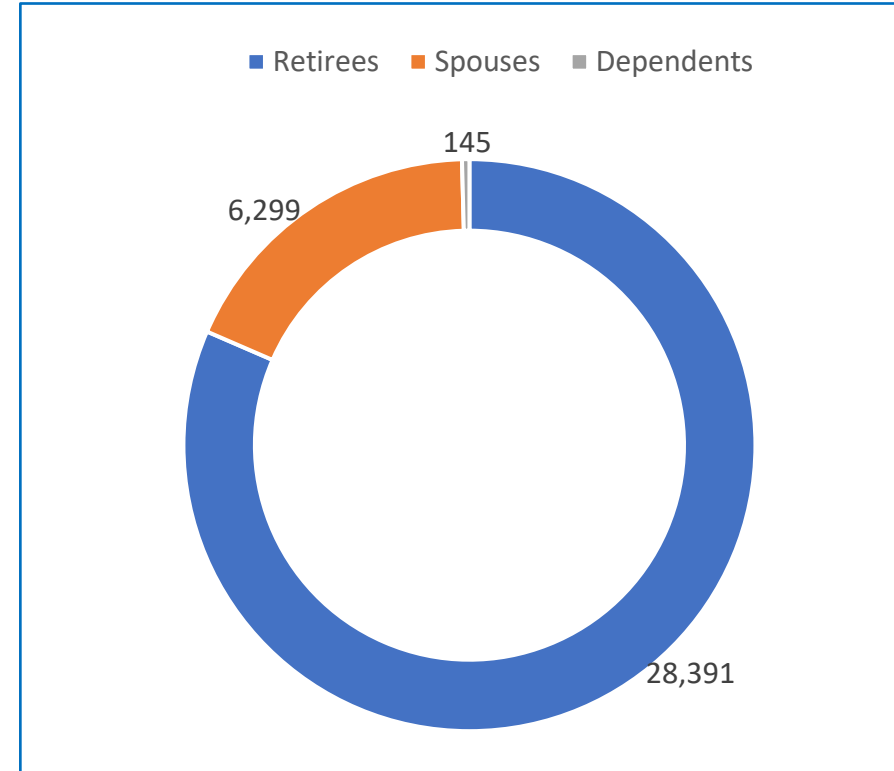
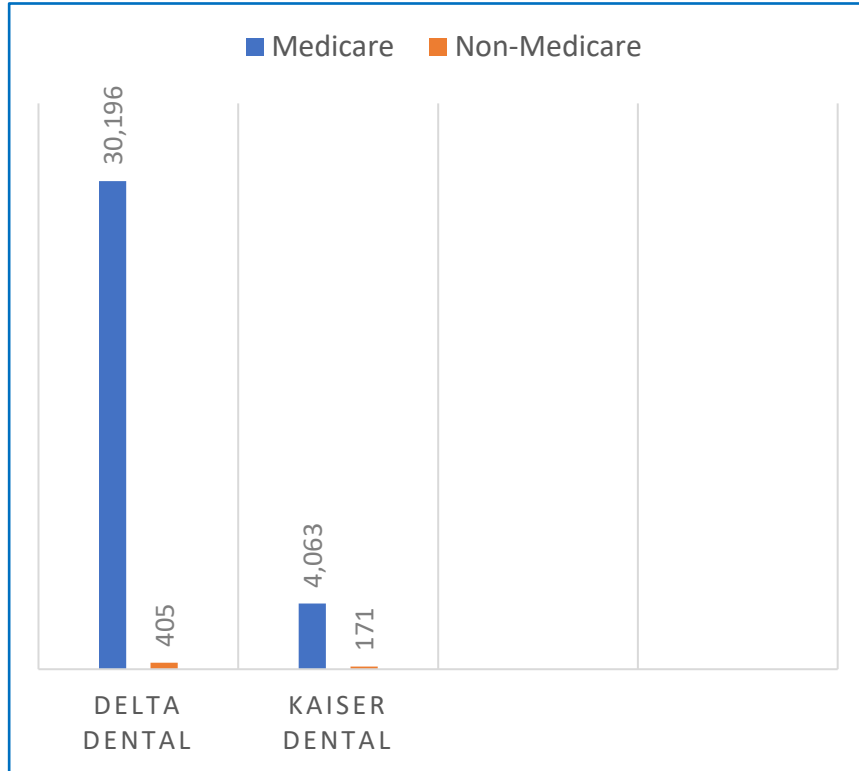
Average age for all PHIP members

Medicare- 78 years old

Non-Medicare – 56 years old



Dental membership: year end 2025



Total dental membership by plan
Delta Dental: 30,601
Kaiser Dental: 4,234

Program funding: year end 2025

▪ Members

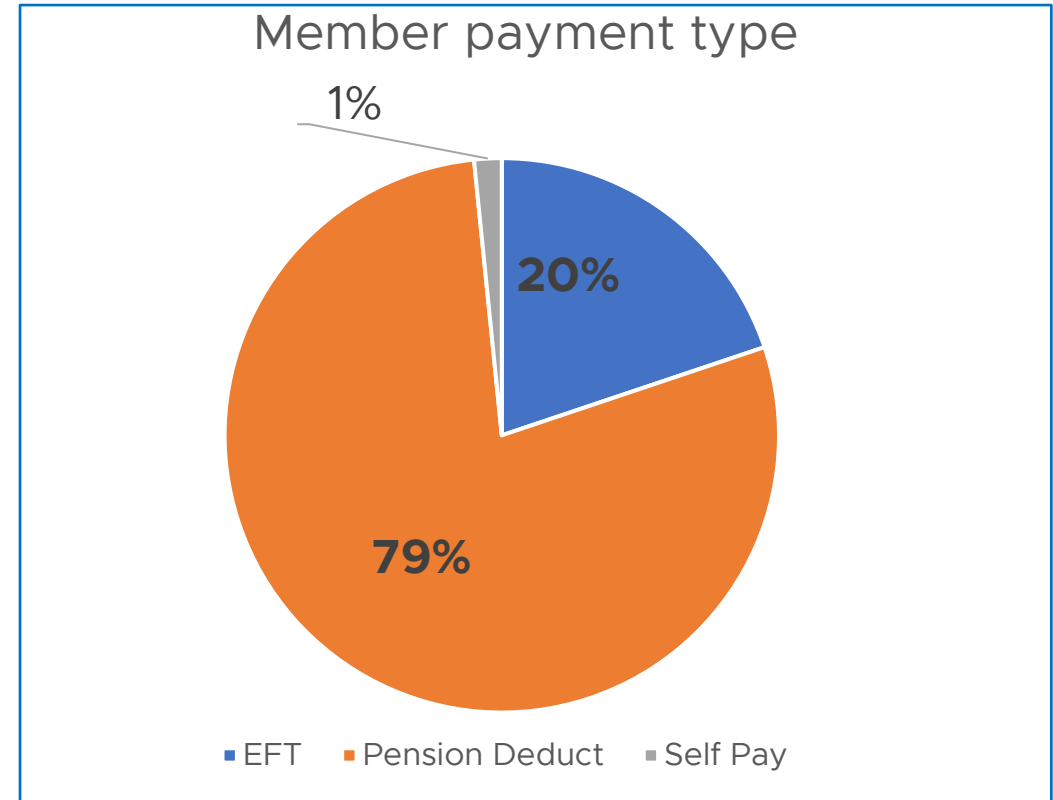
- ORS 238.410 establishes the **Standard Retiree Health Insurance Account (SRHIA)**
- Premiums are paid by the retirees.

▪ Retiree Health Insurance Account (RHIA)

- ORS 238.420 Medicare subsidy for eligible retirees.
- \$60/month.
- 37,632 PHIP members receiving subsidy.

▪ Retiree Health Insurance Premium Account (RHIPA)

- ORS 238.415 Pre-Medicare Insurance subsidy for eligible state employees.
- Average subsidy is \$490.97/month.
- 364 PHIP members receiving subsidy.



Challenges 2025

Federal legislation

- Uncertainty over regulations impacting Medicare and Medicare Advantage Plans.

Increasing cost

- The cost of care continues to increase. New treatments and medications are highly effective, but expensive.

Static Retiree Subsidy

- The current RHIA subsidy has not grown with the rising cost of care, lowering its overall value.

New competition

- There are more options for retirees today, such as, individual marketplace and exchanges.

Closed retiree group

- There is an end date for retirees eligible to receive a RHIA subsidy. As retirees age, we have less “new” members to offset their costs.

Staffing

- PHIP has experienced a significant amount of transformation and change over the past few years. Operating with a small team inevitably places limitations on the scope of achievable objectives.

Accomplishments 2025

Initiated OAR updates

- Language modifications required to reflect proposed changes in contracted health plans for 2027 and to clarify eligibility rules for spouses.

More than 1,200 attendees participated in meetings regarding new enrollment and plan changes

- Sessions available in both in person and via webinar.

Transitioned to a new Third-Party Administrator

- Completed throughout the year.
- Complex undertaking marked the first TPA change for PHIP.

Released request for proposal for contracted health plans

- Effective for the 2027 plan year.

Looking ahead

First half of 2026

- Continue training Third-Party Administrator.
- Complete the RFP process with contracted health plans.
- Continue the process of updating Oregon Administrative Rule (OAR) to align with 2027 plan year.

Second half of 2026

- Continue OAR revisions to remove enrollment barriers.
- Prepare for potential 2027 open enrollment.

Ongoing strategic priorities

- Strengthen and increase member communication.
- Expand employer education.
- Grow membership and enrollment opportunities.

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Thank you!





Oregon

Tina Kotek, Governor

Public Employees Retirement System

Headquarters

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Tigard, OR 97281-3700

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May 29, 2026

TO: Members of the PERS Board
 FROM: Barbara Dimeling-Perris, PERS Health Insurance Program Manager
 SUBJECT: PERS Health Insurance Program 2027 Request for Proposal, Plans, and Rates

OVERVIEW

Action: Approve the PERS Health Insurance Program (PHIP) contract request for proposal (RFP), benefits, and rates for the 2027 plan year.

BACKGROUND

PHIP's plan continues to offer high value benefits compared to the individual marketplace. To maintain the high value benefit offerings, PHIP solicited an RFP to assess the market products.

The factors influencing the 2027 plan year PHIP RFP process include:

- Medical and prescription drug costs.
- Impact of the Inflation Reduction Act (IRA).
- Centers for Medicare and Medicaid Services (CMS) regulations outlining government payment rates and policy updates.
- Consideration of plan design and benefit improvements in response to Member Services interaction with PHIP members.
- Consideration of plan design offerings to balance the benefit plans and premium cost.

CURRENT PHIP PLANS OFFERED

PHIP contracts with five contracted health plans (CHP) for medical, dental, and prescription drug plans (PDP), allowing participants a range of provider choices and plan options while maintaining the overall program. Currently, contracts that are in place are as follows:

1. Kaiser Permanente NW
 - a. Medicare Advantage - Senior Advantage HMO Plan/Part D PDP
 - b. Traditional HMO Core Value Non-Medicare Plan/PDP
 - c. \$3,000 HSA-qualified High-Deductible Health Plan (HDHP) Non-Medicare Plan/PDP
 - d. DMO Dental Plan
2. Moda Health Plan
 - a. Medicare Supplement – Moda Health Medicare Supplement Plan/Part D PDP
3. Delta Dental Plan of Oregon
 - a. Indemnity Dental Plan with passive PPO
4. Providence Health Assurance

- a. Medicare Advantage - Medicare Align Group HMO Plan/Part D PDP
- b. Medicare Advantage - Medicare Flex Group HMO-POS Plan/Part D PDP
5. UnitedHealthcare
 - a. Medicare Advantage - Medicare Advantage PPO plan/Part D PDP
 - b. \$1,000 Deductible Core Value Non-Medicare Plan/PDP Plan
 - c. \$3,000 HSA-qualified High-Deductible Health Plan (HDHP) Non-Medicare Plan/PDP

PHIP is a voluntary insurance plan where eligible members pay most, if not all, of their own premiums for the plan of their choice. Members who are eligible receive subsidies (RHIA and RHIPA) based on years of service to help offset the cost of premiums. In addition to the CHP premium that PHIP subsidizes, program administration is added and included in the total premium determined for each plan. The monthly premium rates that members pay are inclusive of these costs.

Request for Proposal (RFP) Process

The primary benefit focus areas for the 2027 plan year (PY) included:

- Ensuring that PHIP is continuing to offer high value plans to PERS retirees and members
- Improving benefit offerings and additional choices
- Balancing increasing premium costs
- Implementing the changes resulting from federal legislation

PHIP, the consultants, and PERS procurement staff drafted the RFP in September 2025. The RFP included the following market products:

- Non-Medicare medical and pharmacy
- Medicare Supplemental including Part D
- Medicare Advantage (MAPD)
- Dental
- Vision

The RFP was submitted and approved by the Oregon Department of Justice (DOJ) and released to the market on December 9, 2025. Offerors were requested to quote on most of the current plans and bidders were also given the option to propose alternative plans for PHIP's consideration.

PHIP, the consultants and PERS procurement staff met in March 2026 to discuss the initial proposals, plan designs and the legislative impact. Interviews were held with the bidders at the end of March and early April 2026 to ask questions and discuss the marketplace.

PHIP, the consultants, and PERS procurement staff reviewed the bidders best and final offer submissions in April 2026. After review and discussion, PHIP submitted awards on May 1, 2026, subject to the board approval.

The 2027 plan year premium rate changes were finalized and outlined by type of coverage for both Medicare and non-Medicare enrollees. The submissions were reviewed by PHIP with oversight from the chief operating officer and the PHIP board liaison.

2027 PLAN YEAR RFP OVERVIEW

Medical

For the 2027 Plan Year, PHIP evaluated the proposed benefit changes, considering both the impact of the premium rate proposals and bidder pricing for alternative plan designs. After careful review, it was determined that the anticipated value from these changes did not sufficiently outweigh the potential for member disruption or deliver meaningful value to members.

Additionally, the current structure of the plan provided by Providence, the Align and Flex plans, no longer creates a meaningful price or plan value differential for members. To mitigate anti-selection concerns, PHIP will continue offering the current Align plan.

PHIP's existing plans remain highly competitive, offering strong value relative to options available in the individual marketplace. The organization will continue to assess potential enhancements to ensure the plan consistently delivers a high-value benefit package for members.

PHIP will contract with Kaiser Permanente, Moda Health, Providence Health Plan, and UnitedHealthcare.

Pharmacy

Currently members are subject to an annual out-of-pocket maximum of \$2,100 per terms implemented by the Inflation Reduction Act of 2022. In the 2027 Plan Year, the CMS Part D out-of-pocket maximum is increasing to \$2,400, and the PHIP plans will align with this update. PHIP requested and considered bidders' pricing for alternative pharmacy plan designs. However, it was determined that the value proposition for these changes did not outweigh member disruption and additional member costs.

PHIP will contract with Kaiser Permanente, Moda Health, Providence Health Plan, and UnitedHealthcare.

Dental

PHIP requested a fully insured dental plan with an option for a stand-alone benefit for those eligible. Given the volatile medical and prescription drug current marketplace, it is advantageous to offer members the option to enroll in dental only plans. It will remain entirely paid for by the retirees. It is recommended that we move forward with continuing with the current benefits under a fully insured arrangement for the 2027 Plan Year, while including the option for retirees to elect Dental coverage as a stand-alone program.

PHIP will contract with Kaiser Permanente and Moda Health.

Vision

PHIP evaluated a standalone vision benefit. Current plan offerings for the medical benefits do include some vision coverage and will continue to do so going forward. While a stand-alone vision program was considered, due to the additional cost for members and operational complexities, it was not awarded at this time. PHIP will continue to review this option and may reconsider implementing it in the future.

OPEN ENROLLMENT

Following the completion of the recent RFP for medical and dental benefits, it is recommended to hold a one-time, plan-wide open enrollment for eligible members. This open enrollment would provide members with the opportunity to elect coverage under one of the benefit options resulting from the RFP process. Specifically, members would be permitted to enroll in one of the following:

- Stand-alone medical coverage
- Stand-alone dental coverage
- A combined medical and dental option

The proposed one-time open enrollment is intended to ensure members can fully evaluate and take advantage of the benefit designs, carrier offerings, and pricing outcomes established through the RFP. A special enrollment window is recommended to promote informed member choice and equitable access.

Given the volatile medical and prescription drug market, this approach also supports all eligible members, regardless of their current enrollment status, to reassess their coverage needs and make elections that best align with their circumstances. The one-time open enrollment would replace the regularly scheduled annual enrollment process for this year only.

This recommendation aligns with best practices following a comprehensive RFP and is in the best interest of both the membership and the long-term sustainability of the benefit programs.

RATE STABILIZATION RESERVE DRAWDOWN

The PHIP asset balance as of December 31, 2025, is approximately \$84,000,000, which decreased by about \$8.5 million from December 2024. Total annual PHIP premium across all CHPs for calendar year 2027 is expected to be roughly \$279,000,000.

Overall, most of the best-and-final rates increased modestly over the 2026 PY premium rates. To address these slight increases while preserving cost competitiveness for members, PHIP recommends utilizing a rate credit in accordance with the policy. This approach helps offset the incremental uptick in rates while ensuring that bidders remain accountable for submitting responsible proposals that reflect the best possible value and total cost for members.

The recommended 2027 PY rates in Attachment 1 to this memo include rate credits consistent with the agency policy and range between 0% and 10%. Applying a credit helps to mitigate the impact of cost pressures driving premium rate increases with member costs increasing between 0% and 23.5%. The PERS director and chief operating officer have reviewed rates for compliance with this policy.

2027 ADMINISTRATIVE FEE REVIEW

ORS 238.410 authorizes PERS to collect an administrative fee to cover the costs of running a retiree health insurance program. PHIP has historically included a small administrative charge to retiree premiums to cover program costs. A \$6.85 administrative fee is charged to members who are on a medical plan and a separate charge of \$0.65 is included for members on a dental

plan. PHIP and the consultants have reviewed the administrative fee structure and recommend increasing member administrative fees given the increased cost of the third-party administrators (TPA) and additional structure for medical and dental enrollment options. PHIP recommends a per-member per-month increase in administrative fees to cover the costs of running the program. For members who participate in both a medical and dental plan, the increase will be \$0.98 per member per month (PMPM), increasing the combined administrative fee from \$7.50 to \$8.48 PMPM.

SUMMARY OF ACTION REQUIRING BOARD APPROVAL

- PHIP will continue to contract with Kaiser Permanente NW, Providence Health Assurance, Moda Health Plan, Delta Dental Plan of Oregon, and UnitedHealthcare for medical, prescription drugs, and dental (where applicable) insurance coverage for eligible retired Medicare and non-Medicare members, spouses, and eligible dependents.
- PHIP recommends holding a one-time, plan-wide open enrollment for eligible members
- PHIP recommends adopting the premium rates as outlined in item C.1.Attachment 1: PHIP 2027 PY Proposed Rates.
- PHIP recommends adopting an administrative fee increase, to be included in the member premium rates, of \$0.98 PM/PM for members who participate in a dental plan.

BOARD OPTIONS

The PERS Board may:

1. Pass a motion to approve the proposed PHIP RFP contracts, benefits, open enrollment period, administrative fee increase, and rates for the 2027 plan year as presented in Item C.1.Attachment 1: PHIP 2027 Plan Year Proposed Rates.
2. Direct staff to make changes to these terms or explore other options.

STAFF RECOMMENDATIONS

Staff recommends the PERS Board approve the contracts, benefits, open enrollment period, administrative fee increase, and rates for 2027 Plan Year as presented in Attachment 1.

C.2. Attachment 1 – *PHIP Presentation*

C.2. Attachment 2 – *PHIP 2027 PY Proposed Rate*



PHIP 2027 PROPOSED RATES
2026 vs. 2027 Contracted Health Plan Rates

Rates not approved/finalized

Effective January 1, 2027

SUMMARY
Medical/Rx and Dental Rates

	Enrollment as of April 2026	Current 2026 Rates	Proposed 2027 Rates	Percentage Change
Medicare Plans				
Kaiser Foundation Health Plan of the NW Medicare Senior Advantage	8,676	\$ 284.19	\$ 290.48	2.21%
Moda Health Medicare Supplement	23,149	\$ 402.21	\$ 412.32	2.51%
Providence Health Assurance Medicare Advantage Group Align Plan + Rx	5,113	\$ 365.69	\$ 365.69	0.00%
Providence Health Assurance Medicare Advantage Group Flex Plan + Rx (HMO-POS)	4,846	\$ 333.84	N/A	N/A
United Healthcare Group Medicare Advantage (PPO)	5,530	\$ 303.84	\$ 375.14	23.47%
Non-Medicare Plans				
Core Value				
Kaiser Foundation Health Plan of the NW Traditional Core Value Plan	264	\$ 1,181.20	\$ 1,224.94	3.70%
United Healthcare Choice Core Value Plan ¹	176	\$ 1,658.24	N/A	N/A
Moda Choice Core Value Plan ²	N/A	N/A	\$ 1,706.99	2.94%
HDHP				
Kaiser Foundation Health Plan of the NW Qualified HDHP Plan	166	\$ 702.99	\$ 729.02	3.70%
UnitedHealthcare Qualified HDHP Plan ¹	174	\$ 1,194.05	N/A	N/A
Moda Qualified HDHP Plan ²	N/A	N/A	\$ 1,231.13	3.11%
Dental Plans				
Kaiser Foundation Health Plan of the NW Dental HMO Plan	4,192	\$ 70.14	\$ 70.14	0.00%
Delta Dental Plan of Oregon	30,207	\$ 72.36	\$ 72.36	0.00%

Notes to Rate Sheet:

- Rates illustrated are "Adult" only premium (retiree or spouse)
- Child rates are calculated as a percentage of the "Adult" rate as follows:
 - Child with Medicare coverage = 80%
 - Child with non-Medicare Coverage = 30%
 - Child with dental coverage = 40%
- The rates in "Current 2026 Rates" and "Proposed 2027 Rates" columns, include a rate credit applied to CHP best and final offer.
- Medical / Rx Rates do not include RHIPA/RHIA subsidies or PERS Administrative fees

¹ Effective January 1, 2027, the United Healthcare Core Value and HDHP plans will be replaced with comparable Moda plans.

² Percentage Change is from current United Healthcare plan.

C.

A. Administration

1. April 3, 2026 PERS Board Meeting Minutes
2. Director's Report
3. Review board education policy and board member training
4. Board Governance Best Practice Survey
5. Board Scorecard Report on Agency Performance Measures
6. Board Governance assignments

B. Administrative rulemaking

1. Notice of Rulemaking Acceptable Electronic Signatures update
2. Notice of Rulemaking LWOP and Creditable Service updates
3. Notice of Rulemaking OSGP Loan Program updates
4. Notice of Rulemaking PHIP updates

C. Action and discussion items

1. Modernization update
2. PERS Health Insurance Plan (PHIP) annual update
- 3. 2027-29 agency budget development update**
4. Funding of School District Rate Pool (Senate Bill 849)



Oregon

Tina Kotek, Governor

Public Employees Retirement System

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May 29, 2026

TO: Members of the PERS Board
 FROM: Richard Horsford, Chief Financial Officer
 SUBJECT: 2027-29 Budget Development

OVERVIEW

As PERS looks forward to our 80th year as an agency, we recognize that we must reimagine how we evolve and deploy our business capabilities via our people, processes, and technologies. This evolution is necessary to meet our member and employer needs into the future. Members and employers have a desire for more personalized and updated service delivery such that they can be informed, interact, and transact with PERS at the time of their choosing using the channel of their choosing. This reimagining of our service delivery model will be accomplished, in alignment with the PERS Strategic Plan, via an overarching modernization program that, ultimately, ensures that we are meeting those future stakeholder needs in the most effective and efficient means to do so.

BUDGET DEVELOPMENT ACTIVITIES

The Agency Request Budget (ARB), one of three phases of budget development for the 2027-29 biennium, is officially underway. During this first phase, the agency carefully evaluates its operations and puts forth policy package requests in an effort to improve efficiency and increase value to its members. The agency has submitted the following policy package requests for the 27-29 budget cycle, which increases our current operating budget, with a significant focus on the PERS Modernization Program.

<i>Division</i>	<i>Staff</i>	<i>Position Re/class</i>	<i>Total</i>
<i>Information Services</i>	4	2	3,219,926
<i>Operations</i>	2	-	439,604
<i>Compliance, Audit, and Risk</i>	4	-	1,434,322
<i>Core Retirement / House Bill 4045</i>	6	-	17,431,599
<i>Core Retirement / Modernization</i>	60	3	74,527,461
<i>Agency Request Total</i>	76	5	97,052,912

The proposed policy packages are to be considered preliminary as the Department of Administrative Services (DAS) Chief Financial Office is reviewing these to gain a better understanding of our future needs and will use this information to finalize our budget requests.

This includes reviewing which resource requests are full-time versus limited duration, including the timing of their hiring, as well as if there is an opportunity to offset contractor costs for full-time resources.

Final board approval of the 2027-29 ARB will occur during the PERS Board meeting on July 24, 2026.

Information Services Division

Software Renewals: 0 Positions | \$2,093,000

This request is for a permanent increase in funding for annual software subscriptions and dues from cloud resources consumption, and the newly implemented Member Identity and Access Management solution. This is due to significant cost increases by vendors and technologies that are outpacing inflation.

Reclass Package: 2 Position reclassifications | \$34,978

The agency is requesting to reclass two Information Systems Specialist 4 developer positions to align with the enterprise application development needs. The positions are currently in work-out-of-class positions but require permanent funding to support the ongoing work requirements that meet the agency Software Development Life Cycle Policy for application development.

Information Services Staffing: 4 Positions | \$1,091,948

Due to the number of programs, sections, and projects in the Information Services Division, enhanced staffing levels are being requested. A request for an Information Systems Specialist 5 in the Business Systems Analysis Section; a senior application support administrator - Information Systems Specialist 6 position to oversee the support functions for non-development based applications; a permanent Information Systems Specialist 5 - Senior Desktop Support position; and a permanent Information Systems Specialist 6 – Information Technology (IT) Asset Management Analyst to oversee IT asset management.

Operations Division

Benefit Payments: 1 Position | \$219,802

PERS and other pension systems experience a number of unreported deaths of benefit recipients. This puts the system at risk of paying benefits to individuals that are no longer entitled to those benefits. If the death goes unreported for too long, PERS is unable to recover the funds. This request is to add one Operations and Policy Analyst 1 position to focus on mitigating the risk of invalid and fraudulent payments.

Tax Remedy: 1 Position | \$219,802

PERS is proposing a legislative concept for the 2027 session to address issues with tax remedy certification forms. Tax remedy benefits were created after the 1991 Davis v. Michigan decision and are intended to compensate eligible Tier One members whose PERS benefits became subject to Oregon income tax. This request is to add one limited duration Operations and Policy Analyst 1 position to review and verify eligibility until workload stabilizes.

Compliance, Audit and Risk Division

Enterprise Risk Management Program: 2 Positions | \$945,676

This proposal is intended to enhance the capabilities of the agency by implementing an Enterprise Risk Management Program, which ties together strategy and business plans using risk management methodologies as one of the key decision-making criteria. This effort includes one Operations and Policy Analyst 3 to stand up the program plus one Information System Specialist 5 to enhance our Information Security needs.

Policy and Compliance Service Level: 2 Positions | \$488,646

The Policy Analysis and Compliance Section has seen an increase in workload, especially in the area of appeals. Prior to the 2025-2027 biennium this section had not had an increase in requests for staffing for many years, which has caused backlogs resulting in slower customer service. This request is for the continuation of two limited duration Operations and Policy Analyst 1 positions that were approved during the 2025 legislative session in order to complete addressing backlogged items.

Core Retirement Systems Applications

Modernization: 60 Positions | \$74,527,461

This proposal is to achieve funding to support implementation of a Pension Administration Systems vendor and continue work on the implementation of new agency data infrastructure. Current estimates put staffing costs at \$18M and software acquisition and contractor resources at \$57.8M. This funding will be dedicated to core pension system modernization projects in 2027-29.

HB 4045 Implementation: 6 Positions | \$17,431,599

This request continues the agency's efforts to implement HB 4045 – Hazardous Position Classification. The request includes six limited durations positions for various operational duties. Three Retirement Counselor 1 positions; two Operations and Policy Analyst 2 positions; and one Operations and Policy Analyst 3 position to assist with workload backlogs and implementation efforts.

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