



NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 459
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

FILED

09/25/2025 12:25 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Implement 2025 Legislative changes.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 10/31/2025 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
Joel Mellor
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 10/28/2025

TIME: 2:00 PM

OFFICER: Joel Mellor

IN-PERSON HEARING DETAILS

ADDRESS: PERS Headquarters Boardroom, 11410 SW 68th Parkway, Tigard, OR 97223

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 971-300-4342

CONFERENCE ID: 58486549

SPECIAL INSTRUCTIONS:

Meeting ID: 212 543 492 927 8

Passcode: vR74Cd6N

NEED FOR THE RULE(S)

The Oregon Legislature passed the following bill during the 2025 legislative session that impact PERS and require rulemaking:

SB 849 – Regarding the School Districts Unfunded Liability Fund (SDULF). This bill amended how SDULF dollars are used. The earlier statutory law contemplated using SDULF dollars as a pooled account with proportional distributions and amortization (side account style). SB 849 removed the pooled account framework and replaced it with a simple, equal per-employer rate offset. Specifically, all money in the SDULF as of February 28, 2025, must be applied in equal amounts against every school-district employer's 2025-27 PERS contribution rate by June 30, 2025, which this Board has already implemented. Any money credited to the SDULF after February 28, 2025, must be applied, again in equal amount, to all school district employers' rate in the next biennium. Due to this legislative change, the existing OAR 459-009-0095 for Pooled School District Employers Side Account is no longer needed and will be repealed.

SB 851 – Section 1 of this bill amends ORS 238.715 by increasing the statutory threshold under which the PERS Board may waive recovery of PERS overpayment amounts from “less than \$50” to “less than \$200”. Staff is updating the increased threshold amount in our recovery of overpayment rule.

SB 852 – Section 1 of this bill amends ORS 238A.400 so that if a retired IAP member elected the installment payment option and died before all amounts are paid, the remaining account balance must be paid in a lump sum to the designated beneficiary(ies). Under prior law, remaining installment payments would continue with an option for the beneficiary to elect a lump sum. This bill amendment simplified the administration of required minimum distribution (RMD) rules for IAP post-retirement death benefit. Staff is updating the IAP RMD rule to account for the simplified distribution method of a mandatory lump sum payment option for the beneficiary.

HB 3968 – Section 5 of this bill amends ORS 238.156(5)(a) definition of “Armed Forces” to include “Space Force” in order to align with the federal statutory definition. Staff is making corresponding updates to the definition of “Armed Forces” in both OAR 459-011-0110 and 459-011-0115. Although not impacted by HB 3968, staff is also updating the definition of “Uniformed services” in our Military Leave Catch-Up rule to include “Space force” to align with federal statutory definition.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Senate Bill 851, Senate Bill 852, and House Bill 3968. (all 2025)

Available online at: <https://olis.oregonlegislature.gov/liz/2025R1/2025-01-13>

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

Adoption of the rule will not affect racial equity.

FISCAL AND ECONOMIC IMPACT:

There are no discrete costs attributable to the rules.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

None.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The rules do not affect small businesses and therefore small businesses were not involved in the development of the rules.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

A public hearing will be held and the PERS Board solicits input on rules from any interested or affected parties.

RULES PROPOSED:

459-005-0570, 459-005-0610, 459-009-0095, 459-011-0110, 459-011-0115, 459-050-0072

AMEND: 459-005-0570

RULE SUMMARY: Required Minimum Distributions under the OPSRP IAP program.

CHANGES TO RULE:

459-005-0570

Required Minimum Distributions, Individual Account Program (IAP)

(1) Definitions. The following definitions apply for the purposes of this rule:¶¶

(a) "Designated Beneficiary" means:¶¶

(A) A natural person designated as a beneficiary by the member and who is not an eligible designated beneficiary; or¶¶

(B) A trust that satisfies the requirements in section (2) of this rule.¶¶

(b) "Eligible Designated Beneficiary" means a natural person designated as a beneficiary by the member and who is determined on the date of the member's death as:¶¶

(A) The surviving spouse;¶¶

(B) A child of the plan participant who has not reached majority;¶¶

(C) Disabled (within the meaning of section IRC 72(m)(7));¶¶

(D) A chronically ill individual within the meaning of section IRC 7702B(c)(2); or¶¶

(E) Any other individual who is not more than 10 years younger than the plan participant.¶¶

(c) "Required Beginning Date" means the same as defined in OAR 459-005-0560(2)(a).¶¶

(2) A trust as beneficiary. If a trust is designated as a beneficiary, the individual beneficiaries of the trust will be treated as designated beneficiaries as defined in paragraph (1)(a)(B) if by December 31 of the calendar year following the death of a person who designated a trust as beneficiary, the trust satisfies the following conditions:¶¶

(a) The trust must be irrevocable, or become irrevocable by its terms at the time of the person's death;¶¶

(b) The trust's beneficiaries must be natural persons who are identifiable from the trust instrument; and¶¶

(c) One of the following must be provided to PERS:¶¶

(A) A list of all beneficiaries of the trust, including contingent beneficiaries, along with a description of the portion to which they are entitled and any conditions on their entitlement, all corrected certifications of trust amendments, and a copy of the trust instrument if requested by PERS; or¶¶

(B) A copy of the trust instrument and copies of any amendments after they are adopted.¶¶

(3) Distributions to Beneficiaries of Retired Members under the IAP. If a retired member dies after the required beginning date, ~~the remaining account balance distributed to:~~¶¶

~~(a) An eligible designated beneficiary must be at least as rapidly as under the distribution method being used at the member's death; and¶¶~~

~~(b) A designated beneficiary must be completed by December 31 of the calendar year containing the tenth anniversary of the member's death. while receiving installment payments on and after January 1, 2026, the remaining account balance shall be distributed to a beneficiary or beneficiaries in a lump sum payment. ¶¶~~

(4) Distributions to designated beneficiaries and eligible designated beneficiaries of Active and Inactive Members under the IAP. If an active or inactive member dies before the required beginning date, any death benefits shall be distributed by no later than December 31 of the calendar year that contains the tenth anniversary of the member's death.¶¶

(5) Distributions under the IAP when there is no eligible designated beneficiary or designated beneficiary are as follows:¶¶

(a) If a member dies before the required beginning date with no eligible designated beneficiary or designated beneficiary as defined in section (1) of this rule, the total account balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the member's death.¶¶

(b) If the member dies after the required beginning date with no eligible designated beneficiary or designated beneficiary as defined in section (1) of this rule, the total account balance must be distributed no longer than the member's life expectancy and the distribution must begin no later than December 31 of the calendar year immediately following the calendar year of the member's death.

Statutory/Other Authority: ORS 238A.410, 238A.450

Statutes/Other Implemented: ORS 238A.005 - 238A.410

RULE SUMMARY: Update the threshold for when overpayments can be waived.

CHANGES TO RULE:

459-005-0610

Recovery of Overpayments ¶¶

(1) Authority and Purpose. In accordance with ORS 238.715, this rule sets forth the criteria and process for the recovery of overpayments and erroneous payments made by PERS. It is the policy of the Board to implement wherever possible, and if cost effective, a full recovery of all overpayments and erroneous payments. Staff shall attempt recovery of overpayments and erroneous payments in the most efficient method available and in the least amount of time possible.¶¶

(2) For the purposes of this rule:¶¶

(a) "Erroneous payment" means any payment that has been made from the Public Employees Retirement Fund in error, including a payment to a payee that is not entitled to receive the payment.¶¶

(b) "Good cause" means a cause beyond the reasonable control of the person. "Good cause" exists when it is established by satisfactory evidence that factors or circumstances are beyond the reasonable control of a rational and prudent person of normal sensitivity, exercising ordinary common sense.¶¶

(c) "Lump-sum payment" means any one-time distribution or payment made under ORS Chapters 238 or 238A, or any other law directing PERS to make a payment, including a retroactive adjustment, that is not scheduled to be paid to or on behalf of a payee on a regular monthly basis.¶¶

(d) "Monthly payment" means any gross pension, annuity, service or disability retirement allowance, death benefit, or other benefit under ORS Chapter 238 or 238A that is paid monthly to or on behalf of a payee.¶¶

(e) "Overpayment" refers to an amount that is in excess of the amount a payee is entitled to under ORS Chapters 238 and 238A.¶¶

(f) "Payee" means:¶¶

(A) A member, a trust established by the member, or the member's estate;¶¶

(B) A member's beneficiary, a trust established by the member's beneficiary, or the estate of the member's beneficiary;¶¶

(C) An alternate payee, as defined in OAR 459-045-0001(2), a trust established by an alternate payee, or the estate of an alternate payee;¶¶

(D) The beneficiary of an alternate payee, a trust established by the beneficiary of an alternate payee, or the estate of the beneficiary of an alternate payee; or¶¶

(E) Any other recipient of a benefit payment by PERS.¶¶

(3) In addition to the notice of an overpayment or erroneous payment to a payee required by ORS 238.715(4), PERS shall also send an explanation of the overpayment or erroneous payment; whether the Board asserts a right to assess interest, penalties and costs of collection; and a description of the manner in which the payee may appeal the determinations reflected in the explanation, if applicable.¶¶

(4) In determining the amounts owed by a payee and setting a repayment schedule under sections (5) or (6) of this rule, PERS shall reduce the amount owed by any lump-sum payment then owed by PERS to that payee. If the payee should subsequently become entitled to any lump sum payment, it shall be applied against the amounts then owed by that payee. PERS, in its discretion, may revise the repayment schedule or continue on the established schedule until the remaining amounts owed are fully repaid.¶¶

(5) The following list includes possible methods for PERS to recover an overpayment under an agreement with the payee. These methods are listed in order of preference. Unless otherwise ordered by the Board, PERS Staff is granted the discretion to select the method deemed most likely to effect a full recovery:¶¶

(a) A repayment of all amounts owed in a single payment.¶¶

(b) A deduction of a percentage or fixed dollar amount, to be agreed upon between the payee and PERS, from future monthly payments for a period not to exceed two years that will fully repay the amounts owed.¶¶

(c) A fixed monthly dollar amount to be agreed upon between the payee and PERS that will fully repay the amounts owed.¶¶

(d) A deduction of a percentage or fixed dollar amount from future monthly payments, to be agreed upon between the payee and PERS, for a specified period greater than two years that will fully repay the amounts owed if PERS deems that a longer repayment period is warranted by the payee's personal financial circumstances.¶¶

(6) If the payee does not agree to one of the recovery methods under section (5) of this rule, PERS shall use one or more of the following methods to effect a full recovery of any overpayment or erroneous payment:¶¶

(a) Deducting not more than 10 percent from current and future monthly payments to a payee until the full amounts owed are recovered.¶¶

- (b) Making an actuarially determined reduction, not to exceed 10 percent, to current and future payments from PERS calculated to repay the full amount of the overpayment or erroneous payment during the period in which monthly payments will be made to the payee.¶¶
- (c) Seeking recovery of the overpayment or erroneous payment by using any remedy available to the Board under applicable law.¶¶
- (d) Engaging the services of outside collection agencies.¶¶
- (7) If a recovery method has to be selected under section (6) and the overpayment is caused solely by the actions of PERS or a participating public employer, PERS will select a method which imposes the least economic hardship on the member while allowing for a reasonably prudent recovery of the overpayment.¶¶
- (8) The base or original benefit payment used to calculate cost-of-living adjustments, ad hoc increases, or other benefit increases shall not be altered by an actuarial reduction provided for in subsection (6)(b) of this rule.¶¶
- (9) In the event that PERS determines that an overpayment or erroneous payment was not caused by PERS or by the actions of a participating public employer, PERS may include within the amounts owed by the payee:¶¶
- (a) All costs incurred by PERS in recovering the overpayment or erroneous payment, including attorney fees, and fees assessed by an outside collection agency; and¶¶
- (b) Interest in an amount equal to one percent per month on the balance of the overpayment or erroneous payment until that payment is fully recovered.¶¶
- (10) The Board authorizes the Director, or the Director's designee, to waive:¶¶
- (a) The interest and costs of collection associated with the recovery of an overpayment or erroneous payment for good cause shown; and¶¶
- (b) The recovery of any overpayment or erroneous payment if the total amount of overpayments or erroneous payments is less than \$5200.¶¶
- (11) Recovery of an overpayment or erroneous payment shall not be effected if PERS has not initiated recovery of those payments within six years after the date the overpayment or erroneous payment was made. PERS initiates recovery on the date it mails the notification required by ORS 238.715(4).
- Statutory/Other Authority: 238.715(9), 238.630, 238.650
- Statutes/Other Implemented: ORS 238.715

REPEAL: 459-009-0095

RULE SUMMARY: This rule is not longer needed. Pooled side accounts for school districts are no longer authorized by statute.

CHANGES TO RULE:

~~459-009-0095~~

~~Pooled School District Employers Side Account~~

~~(1) Definitions as used in this rule:¶¶~~

~~(a) "Amortized amount" means the amount of a side account used to offset pension contributions due from the employer.¶¶~~

~~(b) "Pooled" or "pooling" means the combining or grouping of public employers participating in PERS for the purposes of determining employer liability for retirement or other benefits under ORS Chapter 238.¶¶~~

~~(c) "Pooled school district employers side account" means the side account created and funded under Section 24, Chapter 105, Oregon Laws 2018.¶¶~~

~~(d) "School district" means a common school district, a union high school district, or an education service district, including chartered schools authorized under Oregon law.¶¶~~

~~(e) "Side account" means an account in the Public Employees Retirement Fund into which a UAL lump-sum payment that is not used to satisfy a transition liability is deposited.¶¶~~

~~(2) Except as otherwise provided in this rule, the pooled school district employers side account will be administered in the same manner as an individual employer side account under ORS 238.229 and OAR 459-009-0084 through 459-009-0090.¶¶~~

~~(3) At each valuation, the PERS consulting actuary shall calculate for each school district employer, its share of the amortized amount from the pooled school district employers side account based on each school district's covered salary, as a proportion of the school district rate pool covered salary, as reported in that actuarial valuation.¶¶~~

~~(4) For school district employers with no individual employer side account(s), the amount that is held in the pooled school district employers side account will be used to reduce the pension contributions that would otherwise be required from each of these school district employers. The amortized amount for each payroll reporting period shall be transferred from the pooled school district employers side account to the appropriate employer reserve accounts.¶¶~~

~~(5) For school districts with individual employer side account(s), the amount that is held in the pooled school district employers side account will be used only after all the employer's individual employer side account(s) have been used to reduce any remaining pension contributions that would otherwise be required from each of these school district employers. The amortized amount for each payroll reporting period shall be transferred from the pooled school district employers side account to the appropriate employer reserve accounts.¶¶~~

~~(6) The amortization period for the pooled school district employers side account is 20 years.¶¶~~

~~(7) Lump sum deposits into the pooled school district employers side account will not be eligible for matching funds from the Employer Incentive Fund.~~

~~Statutory/Other Authority: ORS 238.650, OL 2018, Ch. 105~~

~~Statutes/Other Implemented: ORS 238.225 – 238.229~~

AMEND: 459-011-0110

RULE SUMMARY: Update to add Space Force to list of US Armed Forces.

CHANGES TO RULE:

459-011-0110

Credit for Military Service under ORS 238.156(3) ¶

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

(a) "Armed Forces" means the:¶

(A) Army;¶

(B) Navy;¶

(C) Air Force;¶

(D) Marine Corps; and¶

(E) Coast Guard; and¶

(F) Space Force. ¶

(b) "Employee" means an individual employed by a participating public employer in a qualifying position, as defined in ORS 238.005 and who is not excluded from the definition of employee as set forth in ORS 238.005.¶

(c) "Employer" means the legal entity that employed an individual at the time that individual left for military service. For purposes of this rule, the state of Oregon is a single legal entity. Each separate school district is a separate legal entity.¶

(d) "Military service" means the period during which the employee is in active duty service in the Armed Forces.¶

(e) "Salary" means the employee's rate of pay, for contribution and benefit calculation purposes, at the time the employee entered or reentered military service.¶

(2) Retirement credit under ORS 238.156(3).¶

(a) Eligibility. An employee shall be eligible for the benefits of this rule if:¶

(A) The employee leaves employment to perform military service;¶

(B) The employee returns to employment with the same employer after other than dishonorable discharge from military service and within the time limits specified in ORS 238.156(3)(b); and¶

(C) The employee is either not entitled to or would receive a lower benefit under the provisions of OAR 459-011-0100.¶

(b) Credit for military service. An employee who meets the eligibility requirements of subsection (a) of this section shall be credited with the amount of retirement credit the employee would have accrued if he or she had remained in employment with the employer during the period of military service, provided that all required contributions have been made.¶

(3) Contributions for the period of military service. To receive credit for the period of military service, contributions must be made to the Fund in accordance with the following:¶

(a) Contributions must be made in a lump sum payment as specified in ORS 238.156(3)(c);¶

(b) Such lump sum payment must equal six percent of the salary that would have been paid to the employee had the employee remained in employment with the employer during the period of military service based on the employee's salary rate at the time the employee entered or reentered military service;¶

(c) Any individual, agency, or organization may pay the amount specified in this subsection on behalf of the employee; and¶

(d) Any contributions made under this section shall be added to the employee's regular account and in all respects shall be considered as though made by payroll deduction.¶

(e) Contributions made under this rule may not include nor be credited with earnings or losses that would have been credited during the period of military service.¶

(f) The amount of the lump sum payment required under subsection (b) of this section must be reduced by the amount of employee contributions attributable to differential wage payments received by the employee for the period of military service.¶

(A) Employee contributions attributable to differential wage payments received by the employee for the period of military service must be considered employee contributions under subsection (2)(b) of this rule if the employee submits the lump sum payment as reduced under this subsection.¶

(B) Employee contributions attributable to differential wage payments paid to the employee during the period of military service must be credited with earnings and losses that would have been credited during the period of military service.¶

(4) Employer contributions. Any employer contributions associated with credit for military service under this rule must be made as directed by PERS in accordance with ORS 238.225.¶

(5) The effective date of this rule is January 1, 2009.

Statutory/Other Authority: ORS 238.650, 238.156
Statutes/Other Implemented: ORS 238.156

AMEND: 459-011-0115

RULE SUMMARY: Adding Space Force to the list of US Armed Forces.

CHANGES TO RULE:

459-011-0115

Military Full Cost Purchase ¶¶

(1) For the purposes of this rule:¶¶

(a) "Armed Forces" means the Army, Navy, Air Force, Marine Corps ~~and the~~, Coast Guard, and the Space Force and the reserve components thereof.¶¶

(b) "Full cost" means the actual cost to the system of the retirement credit for military service being purchased, including any applicable administrative fee.¶¶

(c) "Military service" means qualifying service as described under section (2) of this rule.¶¶

(d) "Uniformed Services" means:¶¶

(A) The Armed Forces;¶¶

(B) The Army National Guard or the Air National Guard when the employee is on duty as described in ORS 238.156(5)(b)(B);¶¶

(C) The commissioned corps of the United States Public Health Service;¶¶

(D) The commissioned corps of the National Oceanic and Atmospheric Administration; and¶¶

(E) Any other category of persons designated as "Uniformed Services" by the United States President in time of war or national emergency.¶¶

(2) A member who was in active service in the Uniformed Services prior to becoming a member of PERS may purchase up to four years of retirement credit for military service if they:¶¶

(a) Were other than dishonorably discharged from the Uniformed Services; and¶¶

(b) Entered or reentered active service after January 1, 1950, or were in active service on January 1, 1950.¶¶

(3) The member may not purchase retirement credit for any period of service for which the person is receiving, or is eligible to receive, a pension or retirement for service in the Uniformed Services at the time of their effective retirement date.¶¶

(4)(a) If the member has reached earliest retirement age, the purchase may be made within 90 days before or after the member's effective retirement date.¶¶

(b) If the member has not reached earliest retirement age, the purchase may be made only in the 90 day period immediately before the member's effective retirement date.¶¶

(5) A member electing to make a full cost purchase may elect to have the service retirement allowance determined under any calculation for which the member is eligible for under ORS 238.300 even if the calculation does not produce the highest retirement allowance.¶¶

(6) If the cost of the purchase is adjusted and requires an additional payment, PERS will notify the member of the balance due. The member must pay the remainder of the full cost purchase by the later of the date set by PERS or the member's effective retirement date. If the member does not pay the remaining cost, the purchase request will be canceled and PERS will return any payment received to date, subject to the provisions of OAR 459-005-0580.¶¶

(7) To verify military service, a copy of the member's form DD-214 or other acceptable military discharge or service records must be submitted to PERS with the full cost purchase request.

Statutory/Other Authority: ORS 238.650

Statutes/Other Implemented: ORS 238.156, ORS 238.157

RULE SUMMARY: Updated to add Space Force to list of US Armed Forces.

CHANGES TO RULE:

459-050-0072

Military Leave Catch-up ¶¶

The purpose of this rule is to establish the criteria and procedures to comply with the Uniformed Services Employment and Reemployment Rights Act (USERRA) as codified in 38 USC 4301-433, and with 23 USC 414(u) and 457 for an eligible employee who has been absent from employment because of military service and who has elected to catch up contributions to the Deferred Compensation Program that would have been permitted had the eligible employee remained in employment with the participating employer during the qualifying period of military service.¶¶

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

(a) "Military service" means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes:¶¶

(A) Active duty;¶¶

(B) Active duty for training;¶¶

(C) Initial active duty for training;¶¶

(D) Inactive duty training;¶¶

(E) Full-time National Guard duty;¶¶

(F) A period for which an individual is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any of the above types of duty; or¶¶

(G) A period for which an individual is absent from employment for the purpose of performing funeral honors duty as authorized by 10 USC 12503 or 32 USC 115.¶¶

(b) "Uniformed services," means the Army, Navy, Air Force, Marine Corps, Coast Guard, Space Force, Army National Guard, the Air National Guard, Commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or national emergency.¶¶

(2) Eligibility for enrollment: An eligible employee shall be entitled to make Military Catch-Up contributions if:¶¶

(a) The eligible employee leaves employment to perform military service and returns to employment with the same participating employer after other than dishonorable discharge from the uniformed services and within the time limits specified in USERRA.¶¶

(b) The eligible employee's cumulative length of absence from employment with the participating employer for military service does not exceed the limits set forth in USERRA.¶¶

(c) The eligible employee meets all other eligibility requirements under USERRA.¶¶

(d) Submits a timely and complete application.¶¶

(3) Application for enrollment: An eligible employee who meets the eligibility criteria for enrollment may apply to catch-up deferred compensation contributions that would have been permitted had the eligible employee remained in employment with the participating employer during the period of military service as provided by USERRA.¶¶

(a) Upon reemployment following qualifying military service, an eligible employee may enter into a written agreement to participate in the Military Leave Catch-Up Program to defer an amount annually in addition to the eligible employee's maximum deferral amount.¶¶

(b) In order for an eligible employee to be enrolled, a properly completed Military Leave Catch-Up Contributions enrollment form provided by the Deferred Compensation Program must be filed with and accepted by the Deferred Compensation Program.¶¶

(c) If the application for enrollment is incomplete, if documentation is missing or information is not legible, or if the application does not comply with the Military Leave Catch-Up Program eligibility for enrollment in section 2 above, then staff will notify the eligible employee within 30 calendar days from the date the enrollment documents are received with the reasons the Deferred Compensation Plan cannot accept the enrollment.¶¶

(d) After receipt of the properly completed enrollment form and required information, Deferred Compensation Program staff will notify an eligible employee of the amount of maximum additional contributions that may be deferred.¶¶

(4) Military Leave Catch-Up Contributions. The additional military leave catch-up contributions shall not exceed the 26 USC 457 maximum annual allowable contributions that would have been permitted had the eligible employee remained in employment with the participating employer during the period of military service. The military leave catch-up contributions are in addition to the maximum allowable contribution limit.¶¶

(a) The maximum allowable military leave catch-up contribution for any calendar year during military service is

available only to the extent of unused portions of the maximum allowable contribution for the calendar years during which the eligible employee contributed less than the maximum amount allowable.¶¶

(b) Salary for military leave catch-up purposes shall be based on the compensation the eligible employee would have received had the eligible employee remained actively employed during the period of military service, including any increases that would have been awarded the eligible employee based on longevity of employment or seniority of position.¶¶

(c) Military Leave Catch-Up Contributions are to be made through payroll deductions.¶¶

(d) Eligible employees may change the amount of additional contributions deferred not to exceed the maximum amounts allowable.¶¶

(e) Eligible employees may cancel Military Leave Catch-Up Contributions at any time.¶¶

(f) Military Leave Catch-up Contributions may be made for a period that begins on the date of reemployment and whose length is the lesser of:¶¶

(A) Three times the period of qualified military service; or¶¶

(B) Five years.¶¶

(5) IRC limitations. Eligibility for and limitations to the maximum amount of Military Leave Catch-Up contributions shall be made in accordance with the requirements under USERRA, 38 USC 4301-4333 and 26 USC 414(u)(2) and 457.¶¶

[Publications: Publications referenced are available from the agency.]

Statutory/Other Authority: ORS 243.470

Statutes/Other Implemented: ORS 243.401-243.507