

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

459-050-0060

OSGP Designation of Beneficiary

The purpose of this rule is to establish the criteria and process that must be used to designate a beneficiary. The provisions in this rule apply to participants, a participant's surviving beneficiaries, alternate payees and an alternate payee's surviving beneficiaries.

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

(a) "Administrator" means the person appointed by a probate court to handle the distribution of property of someone who has died without a will, or with a will that fails to name someone to carry out this task.

(b) "Conservator" means the person who has been appointed by a court to manage the property and financial affairs of an incapacitated person.

(c) "Executor" means the person named in a will to handle the property of someone who has died. The executor must collect and manage the property, pay debts and taxes, and distribute the remaining assets as specified in the will. In addition, the executor handles any probate court. Executors are also called personal representatives.

(d) "Personal Representative" means the person named in a will to handle the property of someone who has died. Personal representatives are also called executors.

(2) Designation of Beneficiary. When a participant in the Deferred Compensation Program dies, the benefit of the participant's account shall be paid to the beneficiaries designated by the participant.

(a) For purposes of this rule, a participant may designate any of the following as a primary or contingent beneficiary:

(A)~~[a]~~ Any natural person(s);

(B)~~[b]~~ The personal representative or executor of the estate of the participant;

(C)~~[c]~~ A charity or other non-profit organization; or

(D)~~[d]~~ A trust that is valid under Oregon state law.

(i)~~[A]~~ If a living trust is designated, the trust must be legally in existence before the participant makes the designation.

(ii)~~[B]~~ If a designated trust fails to satisfy the requirements in OAR 459-050-0300(1)(c)(B), payment to the trust shall be made as provided in OAR 459-050-0300~~[(11)]~~(10).

(b) For forms received prior to January 1, 2026, the "standard designation" option selected shall indicate that PERS will pay benefits in the order listed below:

(A) To the spouse. If not married at time of death, then to

(B) The child or children, in equal shares. If any child is deceased, their portion is equally divided between that child's children. If all

decedent's children are predeceased, benefits will be paid, in equal shares, to decedent's grandchildren. If there is no one in this group, then to

(C) The mother and father in equal shares. If one parent is predeceased, their share is paid to the other parent. If both parents are predeceased, then to

(D) The siblings in equal shares. If any sibling has predeceased, their share will be paid to that sibling's children equally. If all siblings are predeceased, all of their children will share equally. If there is no one in this group, then

(E) Payment will be made to decedent's estate.

(c) PERS will honor all standard designations received and accepted prior to January 1, 2026 unless revoked. After January 1, 2026, PERS will no longer accept standard designations.

(3) Surviving beneficiary or alternate payee. Any surviving beneficiary designated under section (2) of this rule or an alternate payee may designate a beneficiary in the same manner as a participant.

(4) Power of attorney. The agent shall submit a copy of the Power of Attorney document with the filing of the designation of beneficiary form. The Deferred Compensation Program may, but is not required to, accept a beneficiary designation made by an agent or attorney-in-fact appointed under a Power of Attorney document. If the Deferred Compensation Program is satisfied that a

1 Power of Attorney document is valid, has not been revoked, and empowers the
2 agent or attorney-in-fact to designate a beneficiary, the program shall accept a
3 beneficiary designation made by the agent or attorney-in-fact appointed under the
4 Power of Attorney document.

5 (5) Conservator. The Deferred Compensation Program shall accept a beneficiary
6 designation made by a conservator for the participant provided that the
7 conservator submit a certified copy of the letters of conservatorship or other court
8 order appointing a conservator with the designation of beneficiary form.

9 (6) Effective date of designation of beneficiary. A designation of beneficiary is not
10 effective until a properly completed designation on a form supplied by the
11 Deferred Compensation Program is filed with the Deferred Compensation
12 Program. In the event a designation of beneficiary is incomplete staff will provide
13 notification within 30 days explaining why the form is incomplete.

14 (7) Revocation of designation of beneficiary. A participant, alternate payee or
15 surviving beneficiary may revoke any and all previous beneficiary designations
16 by filing a new designation on a properly completed form supplied by the
17 Deferred Compensation Program. This designation must be in accordance with
18 section (2) of this rule.

19 (8) Dissolution of marriage. A participant's designation of beneficiary may be
20 revoked or nullified by a decree of divorce, decree of annulment, or other similar
21 circumstance effective upon the entry of a judgment that revokes the designation
22 of the beneficiary.

1 (9) No Designated Beneficiary.

2 (a) If the designated primary and contingent beneficiaries on file with the
3 Deferred Compensation Program have predeceased the deceased participant,
4 surviving beneficiary, or alternate payee who made the designation, or if the
5 program has no record of a designation or is otherwise unable to administer the
6 designation, the Deferred Compensation Program shall distribute the benefit of
7 the deceased's account *[to the executor, personal representative, or administrator*
8 *of the deceased's estate.]* in the following order of priority:

9 (A) The member's surviving spouse or other person who is
10 constitutionally required to be treated in the same manner as a
11 spouse;

12 (B) The member's surviving children, in equal shares; or

13 (C) The member's estate.

14 (b) If a simple estate affidavit has been filed under ORS 114.515, the board
15 shall pay the amount to the person who filed the affidavit if:

16 (A) The member's estate is receiving the payment under paragraph
17 (a) of this subsection; and

18 (B) The estate of the decedent:

19 (i) remains within the limits prescribed by ORS 114.510 (1)(a)
20 after consideration of the amount of money credited at the time
21 of death to the member account; or

22 (ii) The estate of the decedent meets the requirements of ORS
23 114.510 (1)(b).

1 (c) *[a]* If the program is unable to locate the *[designated]* beneficiaries or the
2 executor, personal representative, or administrator of the estate by December 31
3 of the calendar year following the participant's death, the amount in the
4 deceased's account on that date shall be credited to the Deferred Compensation
5 Fund. The amount credited may be used for the payment of administrative
6 expenses of the Deferred Compensation Program.

7 (d) *[b]* If the *[designated]* beneficiaries or the executor, personal representative,
8 or administrator of the estate is later located or other future successful claim is
9 filed, payment will be made in an amount not to exceed the balance in the
10 deceased's account credited to the Deferred Compensation Fund in subsection (a)
11 of this section.

12 Stat. Auth.: ORS 243.470

13 Stats. Implemented: ORS 243.401 - 243.507

14 Hist.: PERS 6-2002, f. & cert. ef. 5-24-02; PERS 6-2006, f. & cert. ef. 4-5-06; f. & cert.
15 ef. 5-24-12; f. & cert. ef. 3-28-22

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