



# Oregon

Tina Kotek, Governor

## Public Employees Retirement System

Headquarters

11410 S.W. 68<sup>th</sup> Parkway, Tigard, OR

Mailing Address:

P.O. Box 23700

Tigard, OR 97281-3700

888-320-7377

TTY (503) 603-7766

[www.oregon.gov/pers](http://www.oregon.gov/pers)

September 26, 2025

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 implement portions of the federal SECURE 2.0 ACT for the Oregon Savings Growth Plan:

OAR 459-050-0040 *Unforeseeable Emergency Withdrawal Appeals Committee*

OAR 459-050-0150 *Unforeseeable Emergency Withdrawal*

OAR 459-050-0070 *Catch-Up Programs*

### OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: implementing a mandatory and an optional provision of the federal SECURE 2.0 Act for the Oregon Savings Growth Plan.
- Policy Issue: None identified.

### BACKGROUND

The SECURE 2.0 Act, formally known as the Setting Every Community Up for Retirement Enhancement 2.0 Act of 2022, was signed into law on December 29, 2022, building upon the earlier SECURE Act of 2019. It introduced a range of enhancements designed to make retirement savings easier and more flexible for workers and employers alike. Staff are proposing the following rule amendments to implement one mandatory and one optional provision of the SECURE 2.0 Act within the Oregon Savings Growth Plan (OSGP).

#### *Optional Provision (Self-Certification for Emergency or Hardship Withdrawals in Section 312 of SECURE 2.0 Act)*

Amendments clarify that it is up to the plan participant requesting an emergency withdrawal to self-certify that the withdrawal is not being used for one of the enumerated impermissible purposes. Instead of submitting an emergency withdrawal application and financial information and related documentation, a plan participant requesting an emergency withdrawal only needs to submit a completed unforeseeable emergency withdrawal self-certification form authorized by OSGP. The form may be obtained either from OSGP or the OSGP third-party administrator, Voya. Plan participants now have the right to continue with deferred contributions in the event of an emergency withdrawal. The deferred compensation manager is no longer involved or required to approve the release of funds. As the third-party administrator, Voya will release the funds to the plan

participant once a completed self-certification for emergency withdrawal has been received.

Repeal of 459-050-0040. There is no longer a need for the Unforeseeable Emergency Withdrawal Appeals Committee to handle appeals from denial of withdrawal requests when plan participants can self-certify for the withdrawal without having to submit any financial information or related documentation. The unforeseeable emergency withdrawal request will be approved without any additional staff determination that could require the service of the Unforeseeable Emergency Withdrawal Appeals Committee.

*Mandatory Provision (Requirement for Roth Treatment of Elective Deferral Catch-Up Contributions under Section 603 of SECURE 2.0 Act)*

Amendments align with recent federal law changes under the SECURE 2.0 Act. Beginning in 2026, higher-earning employees (those with more than about \$145,000 in FICA wages from the prior year, adjusted annually for inflation) will no longer be able to make pre-tax age 50 plus catch-up contributions. For plan participants aged 50 and older, all catch-up contributions will now go into a Roth account, which means they are taxed in the year they are contributed but can be withdrawn tax-free in retirement. If plan participants do not elect Roth for their catch-up contributions, the contributions will be returned. For plan participants in the last three years before retirement who qualify for the special 457(b) "last-three-year" catch-up, most contributions can still be made pre-tax, but a portion may be required to go into a Roth account, depending on how the federal rules apply.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely and in person on October 28, 2025, at 2:00 p.m. The public comment period ends October 31, 2025, at 5:00 p.m.

LEGAL REVIEW

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

IMPACT

Mandatory: No

Benefit: Keeping our plan in compliance with federal law and aligning PERS administrative rule with federal requirements.

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

RULEMAKING TIMELINE

September 23, 2025:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
October 1, 2025:	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.

September 26, 2025:	PERS Board notified that staff began the rulemaking process.
October 28, 2025:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
October 31, 2025:	Public comment period ends at 5:00 p.m.
December 5, 2025:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

#### NEXT STEPS

A rulemaking hearing will be held remotely on October 28, 2025. The rule is scheduled to be brought before the PERS Board for adoption at the December 5, 2025 board meeting.

B.1. Attachment 1 – OAR 459-050-0040 *Unforeseeable Emergency Withdrawal Appeals Committee*

B.1. Attachment 2 – OAR 459-050-0070 *Catch-Up Programs*

B.1. Attachment 3 – OAR 459-050-0150 *Unforeseeable Emergency Withdrawal*