

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

459-050-0050

Eligibility and Enrollment

The purpose of this rule is to establish eligibility criteria and the process for an eligible employee to enroll in the Deferred Compensation Plan established in accordance with section 457 of the Internal Revenue Code and ORS Chapter 243.

(1) Eligible employee. Eligible employee shall have the same meaning as in OAR 459-050-0001, and as defined by section 457 of the Internal Revenue Code.

(2) Application for enrollment. Subject to the requirements of subsections (a) through (c) of this section, an eligible employee may enroll to participate in the Deferred Compensation Program by entering into a written agreement as specified herein with the plan sponsor. The written agreement must specify that a portion of the eligible employee's future compensation will be reduced *[each month]* from each applicable pay period, the amount or percentage of the reduction, and that the amount of the reduction will be contributed to account(s) established for the employee in the Deferred Compensation Plan.

(a) An eligible employee may enter into an agreement to participate in the plan on or before the first day of employment or anytime while employed; provided, however, that the requirements of subsection (b) of this section must be satisfied.

(b) In order for an eligible employee to be enrolled, an enrollment form, as defined in OAR 459-050-0001 and provided by the Deferred Compensation Program, must be properly completed and filed with the Deferred Compensation Program.

(c) If the form is incomplete, does not comply with plan provisions in any manner whatsoever, or the Plan is unable to process the application, then staff will notify the eligible employee within 30 calendar days from the date the enrollment form is received with the reasons the Deferred Compensation Program cannot accept the enrollment as submitted.

(3) Deferral effective date. The Deferred Compensation Program must receive an application for enrollment and *[be able to determine that the application is complete and may be processed no later than the 25th day of any calendar month for salary reduction of future earnings to begin from compensation paid for services performed during the calendar month following receipt of enrollment]* determine that the application is complete and acceptable before the payroll processing deadline applicable to the employee's employer. Salary reduction shall begin with the first pay period that can be administratively processed.

(4) Investment option preference(s): Except for account balances invested in the Self-Directed Brokerage Option as provided under OAR 459-050-0120, Plan participants may only invest their account balances by choosing from investment options provided by the plan sponsor.

(5) Disclosure statement. Before the deferral of any part of an eligible employee's salary, the employee shall be provided information about the investment options including, but not limited to, the probable income and safety of the moneys deferred. Statements about the relative risk and returns of investment options do not represent predictions of how the investments will perform in the future, but rather provide only a general description of the current investment and how it has performed in the past. The Deferred Compensation Program does not provide investment advice, fund analysis or research. Investment options are not guaranteed nor FDIC insured.

(6) Deferral amount. A participant's salary shall be reduced each pay period in an amount or percentage specified by the participant for the purpose of contribution to the participant's account(s) in the Deferred Compensation Program. The amount of the salary reduction may not be less than the minimum *[per month]* contribution amount established *[by the]* under the plan *[sponsor]* and may not exceed the maximum applicable allowable contribution to a Deferred Compensation Plan as defined in section 457(b)(2) of the Internal Revenue Code.

1 (a) A new participant who enrolls after the first pay period in a calendar year may elect to
2 defer the maximum allowable contribution for the year from future compensation for the
3 remainder of the year.

4 (b) The participant's maximum deferral limit is determined without regard to amounts
5 rolled over from an eligible retirement plan to the participant's Deferred Compensation
6 account.

7 (c) If an employer changes its payroll frequency, the Deferred Compensation
8 Program shall adjust the participant's payroll deduction amount to maintain
9 substantially equivalent contributions over the course of a calendar year, unless the
10 participant elects a different amount or percentage.

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

12 **Statutes/Other Implemented:** ORS 243.401–243.507

13 **History:**

14 PERS 3-2022, amend filed 03/28/2022, effective 03/28/2022

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

16 PERS 9-2002, f. & cert. ef. 6-13-02