



# Oregon

Tina Kotek, Governor

## Public Employees Retirement System

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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 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*