



Oregon

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Public Employees Retirement System

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May 30, 2025

TO: Members of the PERS Board

FROM: Melanie Chandler, Research Policy Coordinator, Policy Analysis and Compliance Section
Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Notice of Rulemaking for Death and Survivor Benefits:
OAR 459-014-0030 *Pre-Retirement Designation of Beneficiary*

OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Clarify treatment of *Standard Designation of Beneficiary* forms which have become redundant after Legislature codified intestate standard.
- Policy Issue: None identified.

BACKGROUND

PERS members are able to designate beneficiaries for certain pre-retirement and post-retirement death benefits. PERS has traditionally accepted the “standard designation” as a beneficiary designation for these purposes; however, while outlined in instructions and forms, the term standard designation has never been defined in PERS’ statutes or rules. The amendment to the rule defines the term as it has been used and applied by PERS for many years. The definition derives from the probate statutes in ORS, which are not directly applicable to PERS, and awards death benefits in the follow order:

- to the spouse, if married at the time of death;
- if not married then to the child/children, in equal shares;
- if no children, to the parents in equal shares;
- if parents both predeceased, to the member’s siblings; and
- if no siblings alive; then, finally,
- payment would be made the decedent’s estate.

As of January 1, 2024, PERS’ statutory default beneficiary (i.e. who is entitled to a death benefit in the event the member fails to designate a beneficiary) was updated by the Oregon Legislature to be consistent across all programs. The statutory defaults award the benefits first to a surviving spouse, then to any children of the member, then to the member’s estate. Generally, this statutory default is a simplified version of the standard beneficiary designations on prior forms.

Given the similarity between the standard designation and the now consistent statutory default beneficiaries, as of January 1, 2026, staff will no longer be accepting the standard designation. Therefore, it is important to memorialize the definition in rule. Standard designations received before January 1, 2026, will be honored regardless of when the member passes away, unless revoked by the member.

When filling out beneficiary designation forms, members will be required to name specific individuals or entities as beneficiaries. This will make processing death benefits more efficient, as it was sometimes difficult to identify beneficiaries and determine individual death benefits. This can still be an issue with the statutory defaults, but to a lesser extent than with the standard designation.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely on June 24, 2025, at 2:00 p.m. The public comment period ends June 27, 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: Clarification of current practice.

Cost: There are no discrete costs attributable to these rules.

RULEMAKING TIMELINE

May 28, 2025:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
June 2, 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.
May 30, 2025:	PERS Board notified that staff began the rulemaking process.
June 24, 2025:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
June 27, 2025:	Public comment period ends at 5:00 p.m.
July 25, 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 June 24, 2025. The rule is scheduled to be brought before the PERS Board for adoption at the July 25, 2025, board meeting.

B.2. Attachment 1 – *OAR 459-014-0030 Pre-Retirement Designation of Beneficiary*