Oregon

Tina Kotek, Governor

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September 25, 2026

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 for Rules Regarding OSGP Switch to Bi-weekly Pay

OAR 459-050-0050 *Eligibility and Enrollment*

OVERVIEW

- Action: None. This is notice that staff have begun rulemaking.
- Reason: Update the rule to accommodate the anticipated pay-period payroll administration change at Department of Administrative Services and any other future changes.
- Policy Issue: None identified.

BACKGROUND

OAR 459-050-0050 establishes the eligibility and enrollment requirements for the Oregon Savings and Growth Plan (OSGP). Portions of the rule were written around monthly payroll administration and fixed-dollar deferral elections. Participating employers, however, may use different payroll schedules, including biweekly and semimonthly schedules, and OSGP administration permits participants to elect deferrals as either a dollar amount or a percentage of compensation.

The existing rule also ties the effective date of an enrollment election to receipt of a complete application by the twenty-fifth of a calendar month, with salary reduction beginning in the following calendar months. That monthly standard does not align well with employer-specific payroll process deadlines and may delay implementation even when an election can be processed for an earlier pay period.

In addition, when an employer changes payroll frequency, continuing the same fixed-dollar deduction for each pay period can materially increase or decrease the participant's total contribution for the calendar year. The rule does not currently state how OSGP should convert the deduction to account for that change.

The proposed amendments address these administrative issues as follows:

- Replace monthly terminology with pay-period terminology and expressly recognize both dollar-amount and percentage elections;
- Provide that an enrollment election becomes effective with the first pay period that can be administratively processed after OSGP determines that the application is complete and acceptable under the employer's applicable payroll deadline;

- Describe the minimum deferral as a minimum contribution amount established under the plan, rather than as a monthly minimum; and
- Authorize OSGP, when an employer changes payroll frequency, to adjust a participant's payroll deduction to maintain substantially equivalent contributions over the calendar year unless the participant elects a different amount or percentage.

The payroll-frequency adjustment preserves the participant's existing annual contribution intent; it does not create a new participant election. Participants remain free to change their deferral amount or percentage in accordance with plan procedures.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely, and in person, on October 20, 2026, at 2:00 p.m. The public comment period ends October 23, 2026, at 5:00 p.m.

IMPACT

Mandatory: No

Benefit: Align the rule with varied employer payroll schedules and current plan administration; allows participant elections to be implemented at the first administratively available pay period; and prevents an employer payroll-frequency change from unintentionally altering a participant's intended annual contribution level.

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

RULEMAKING TIMELINE

September 22, 2026:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
September 25, 2026:	PERS Board notified that staff began the rulemaking process.
October 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.
October 20, 2026:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
October 23, 2026:	Public comment period ends at 5:00 p.m.
December 4, 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 and at PERS building on October 20, 2026. The rule is scheduled to be brought before the PERS Board for adoption at the December 4, 2026, board meeting.

B.2. Attachment 1 – OAR 459-050-0050 *Eligibility and Enrollment*