



Oregon

Tina Kotek, Governor

Public Employees Retirement System

Headquarters

11410 S.W. 68th Parkway, Tigard, OR

Mailing Address:

P.O. Box 23700

Tigard, OR 97281-3700

888-320-7377

TTY (503) 603-7766

www.oregon.gov/pers

July 25, 2025

TO: Members of the PERS Board
FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section
SUBJECT: Notice of Rulemaking for Assumed Rate Rule:
OAR 459-007-0007, *Assumed Rate*

OVERVIEW

- Action: None. This is notice that staff will begin rulemaking.
- Reason: Review and establish the assumed rate beginning January 1, 2026.

BACKGROUND

The PERS Board reviews the assumed rate in odd-numbered years as part of the Board's adoption of actuarial methods and assumptions. The rate is then adopted in an administrative rule. The rate the Board determines today after Milliman's presentation will be the preliminary assumed rate; the actual assumed rate will not be adopted until the September Board meeting. For now, these rule modifications include a blank space; the assumed rate will be filled in for public notice once the Board decides on a preliminary rate in this meeting.

The rule specifies that the new assumed rate will be effective for PERS transactions with an effective date of January 1, 2026, consistent with this Board's policy decision from 2013 that changes to the assumed rate will be effective January 1 following the Board's adoption of the new rate, giving staff ample time to perform the necessary preparations and communicate with members and employers. A January 1 effective date also provides equitable treatment to all members who retire in a year that a change is adopted, no matter which month they retire. The new assumed rate will be aligned with the new actuarial equivalency factors (AEFs), which will allow for a clear effective date for all transactions that involve calculations using both the latest year-to-date rate and AEF components.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held remotely on August 26, 2025, at 2:00 p.m. The public comment period ends August 29, 2023, at 5:00 p.m.

LEGAL REVIEW

The attached draft rule was submitted to the Department of Justice for legal review and any comments or changes will be incorporated before the rule is presented for adoption.

IMPACT

Mandatory: Yes, the assumed rate determined by the Board must be adopted by rule and clearly describe the effective date of the assumed rate change on PERS transactions.

Benefit: The proposed rule benefits members, employers, and staff by setting forth the assumed rate and a clear effective date for implementing a change in the rate.

Cost: There are no discrete costs directly attributable to specifying the assumed rate in rule.

RULEMAKING TIMELINE

July 21, 2025:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
August 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.
July 25, 2025:	PERS Board notified that staff began the rulemaking process.
August 26, 2025:	Rulemaking hearing to be held remotely and at the PERS headquarters at 2:00 p.m.
August 29, 2025:	Public comment period ends at 5:00 p.m.
September 26, 2025:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

NEXT STEPS

The rule is scheduled to be brought before the PERS Board for adoption at the September 26, 2025, Board meeting.

C.6. Attachment 1 – 459-007-0007, *Assumed Rate*