



Oregon

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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: Adoption of Rule Amendments for Employer Incentive Fund Program Rule

OAR 459-009-0092 *Employer Incentive Fund Program*

OVERVIEW

- Action: Adoption of amendments to administrative rule 459-009-0092.
- Reason: Clarify how PERS administers Employer Incentive Fund applications when available matching funds are insufficient to fully match an approved employer UAL lump-sum payment commitment and establish procedures for allocating subsequently available matching funds during the same application period.

BACKGROUND

Under the Employer Incentive Fund Program, approved employers may receive matching funds in connection with qualifying UAL lump-sum payments. Applications are processed in the order received and matching funds are allocated until available EIF funds are exhausted.

The current rule provides that, when available EIF funds are insufficient to fully match an employer's approved UAL lump-sum payment commitment, only available monies will be used in the match. However, the current rule does not establish procedures for administering the unmatched portion of an approved commitment or for allocating subsequently available EIF funds to employers whose approved commitments could not be fully matched at the time of initial application.

The proposed amendments establish a process for administering partially matched applications. When available EIF funds are insufficient to fully match an approved UAL lump-sum payment commitment, the amendments provide that the unmatched portion of the approved commitment will be placed on the EIF waiting list according to the order in which the employer's application was received. This preserves the employer's original application priority for purposes of receiving any additional matching funds that may become available during the application period.

The amendments further clarify that employers are not required to submit the unmatched portion of an approved UAL lump-sum payment commitment while that unmatched portion remains on the waiting list. If additional EIF funds become available, PERS will allocate those

matching funds according to waiting-list priority and notify affected employers to arrange for applicable payment due date.

The amendments are expected to improve administration of the EIF program and provide greater clarity and predictability for participating employers.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held remotely, and in person, on August 18, 2026, at 2:00 p.m. The public comment period ended August 21, 2026, at 5:00 p.m. No comments were received.

IMPACT

Mandatory: No

Benefit: Improve administration of the EIF program and provide greater clarity and predictability to participating employers.

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

RULEMAKING TIMELINE

July 23, 2026:	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
July 24, 2026:	PERS Board notified that staff began the rulemaking process.
August 3, 2026:	Secretary of State published the Notice in the Oregon Administrative Rules Database. Notice is sent to employers, legislators, and interested parties. The public comment period began.
August 18, 2026:	Rulemaking hearing held remotely and at the PERS headquarters at 2:00 p.m.
August 21, 2026:	Public comment period ended at 5:00 p.m.
September 25, 2026:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff.

BOARD OPTIONS

The Board may:

1. Pass a motion to adopt the Employer Incentive Fund Program rule as presented.
2. Direct staff to make other changes to the rules or explore other options.

STAFF RECOMMENDATION

Staff recommends the Board choose Option #1.

B.4. Attachment 1 – OAR 459-009-0092 *Employer Incentive Fund Program*