



# Oregon

Tina Kotek, Governor

## Public Employees Retirement System

Headquarters

11410 S.W. 68<sup>th</sup> Parkway, Tigard, OR

Mailing Address:

P.O. Box 23700

Tigard, OR 97281-3700

888-320-7377

TTY (503) 603-7766

[www.oregon.gov/pers](http://www.oregon.gov/pers)

September 26, 2025

TO: Members of the PERS Board

FROM: Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Adoption of Rulemaking for Assumed Rate Rule:  
OAR 459-007-0007, *Assumed Rate*

### OVERVIEW

- Action: Adoption of Assumed Rate Rule.
- 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. At the September PERS Board meeting, the board set the preliminary assumed rate at 6.9%. We are now seeking adoption of the final assumed rate at 6.9%.

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 PERS 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 (AEF), 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 was held remotely on August 26, 2025, at 2:00 p.m. The public comment period ended August 29, 2023, at 5:00 p.m. PERS did not receive any public comment on the rule.

### LEGAL REVIEW

The attached draft rule was submitted to the Department of Justice for legal review and any comments or changes have been incorporated in the rule as presented for adoption.

## IMPACT

Mandatory: Yes, the assumed rate determined by the PERS 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 held remotely at 2:00 p.m.
August 29, 2025:	Public comment period ended at 5:00 p.m.
September 29, 2025:	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

## BOARD OPTIONS

The PERS Board may:

1. Pass a motion to adopt the Assumed Rate Rule, as presented.
2. Direct staff to make other changes to the rules or explore other options.

## STAFF RECOMMENDATION

Staff recommends the PERS Board choose Option #1.

C.5. Attachment 1 – 459-007-0007 *Assumed Rate*