



NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 459
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

FILED

07/23/2025 1:33 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Update the Oregon Savings Growth Plan's (OSGP) treatment of Standard Designation of Beneficiary.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 08/29/2025 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
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HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 08/26/2025

TIME: 2:00 PM

OFFICER: Joel Mellor

IN-PERSON HEARING DETAILS

ADDRESS: PERS Headquarters Board Room, 11410 SW 68th Pkwy, Portland, OR 97223

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 971-300-4342

CONFERENCE ID: 947610573

SPECIAL INSTRUCTIONS:

Meeting ID: 238 900 468 796 4

Passcode: 9qf64wt9

NEED FOR THE RULE(S)

Update the Oregon Savings Growth Plan's (OSGP) treatment of Standard Designation of Beneficiary to be consistent with the PERS plan. Update the OSGP's process to align with the PERS plan when the participant has no named beneficiary on file.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS 243.470; ORS 243.401 - 243.507

These documents are available on the Internet at: https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

Adoption of the rule will not affect racial equity.

FISCAL AND ECONOMIC IMPACT:

There are no discrete costs attributable to the rules.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

None.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The rules do not affect small businesses and therefore small businesses were not involved in the development of the rules.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

A public hearing will be held and the PERS Board solicits input on rules from any interested or affected parties.

AMEND: 459-050-0060

RULE SUMMARY: Update the Oregon Savings Growth Plan's (OSGP) treatment of Standard Designation of Beneficiary to be consistent with the PERS plan. Update the OSGP's process to align with the PERS plan when the participant has no named beneficiary on file.

CHANGES TO RULE:

459-050-0060

OSGP Designation of Beneficiary ¶¶

The purpose of this rule is to establish the criteria and process that must be used to designate a beneficiary. The provisions in this rule apply to participants, a participant's surviving beneficiaries, alternate payees and an alternate payee's surviving beneficiaries.¶¶

(1) Definitions. The following definitions apply for the purpose of this rule:¶¶

(a) "Administrator" means the person appointed by a probate court to handle the distribution of property of someone who has died without a will, or with a will that fails to name someone to carry out this task.¶¶

(b) "Conservator" means the person who has been appointed by a court to manage the property and financial affairs of an incapacitated person.¶¶

(c) "Executor" means the person named in a will to handle the property of someone who has died. The executor must collect and manage the property, pay debts and taxes, and distribute the remaining assets as specified in the will. In addition, the executor handles any probate court. Executors are also called personal representatives.¶¶

(d) "Personal Representative" means the person named in a will to handle the property of someone who has died. Personal representatives are also called executors.¶¶

(2) Designation of Beneficiary. When a participant in the Deferred Compensation Program dies, the benefit of the participant's account shall be paid to the beneficiaries designated by the participant.-¶¶

(a)For purposes of this rule, a participant may designate any of the following as a primary or contingent beneficiary:¶¶

(aA) Any natural person(s);¶¶

(bB) The personal representative or executor of the estate of the participant;¶¶

(cC) A charity or other non-profit organization; or¶¶

(dD) A trust that is valid under Oregon state law.¶¶

(Ai) If a living trust is designated, the trust must be legally in existence before the participant makes the

designation.¶

(Bii) If a designated trust fails to satisfy the requirements in OAR 459-050-0300(1)(c)(B), payment to the trust shall be made as provided in OAR 459-050-0300(14)0.¶

(b) For forms received prior to January 1, 2026, the "standard designation" option selected shall indicate that PERS will pay benefits in the order listed below:¶

(A) To the spouse. If not married at time of death, then to¶

(B) The child or children, in equal shares. If any child is deceased, their portion is equally divided between that child's children. If all decedent's children are predeceased, benefits will be paid, in equal shares, to decedent's grandchildren. If there is no one in this group, then to¶

(C) The mother and father in equal shares. If one parent is predeceased, their share is paid to the other parent. If both parents are predeceased, then to¶

(D) The siblings in equal shares. If any sibling has predeceased, their share will be paid to that sibling's children equally. If all siblings are predeceased, all of their children will share equally. If there is no one in this group, then¶

(E) Payment will be made to decedent's estate.¶

(c) PERS will honor all standard designations received and accepted prior to January 1, 2026 unless revoked. After January 1, 2026, PERS will no longer accept standard designations.¶

(3) Surviving beneficiary or alternate payee. Any surviving beneficiary designated under section (2) of this rule or an alternate payee may designate a beneficiary in the same manner as a participant.¶

(4) Power of attorney. The agent shall submit a copy of the Power of Attorney document with the filing of the designation of beneficiary form. The Deferred Compensation Program may, but is not required to, accept a beneficiary designation made by an agent or attorney-in-fact appointed under a Power of Attorney document. If the Deferred Compensation Program is satisfied that a Power of Attorney document is valid, has not been revoked, and empowers the agent or attorney-in-fact to designate a beneficiary, the program shall accept a beneficiary designation made by the agent or attorney-in-fact appointed under the Power of Attorney document.¶

(5) Conservator. The Deferred Compensation Program shall accept a beneficiary designation made by a conservator for the participant provided that the conservator submit a certified copy of the letters of conservatorship or other court order appointing a conservator with the designation of beneficiary form.¶

(6) Effective date of designation of beneficiary. A designation of beneficiary is not effective until a properly completed designation on a form supplied by the Deferred Compensation Program is filed with the Deferred Compensation Program. In the event a designation of beneficiary is incomplete staff will provide notification within 30 days explaining why the form is incomplete.¶

(7) Revocation of designation of beneficiary. A participant, alternate payee or surviving beneficiary may revoke any and all previous beneficiary designations by filing a new designation on a properly completed form supplied by the Deferred Compensation Program. This designation must be in accordance with section (2) of this rule.¶

(8) Dissolution of marriage. A participant's designation of beneficiary may be revoked or nullified by a decree of divorce, decree of annulment, or other similar circumstance effective upon the entry of a judgment that revokes the designation of the beneficiary.¶

(9) No Designated Beneficiary.¶

(a) If the designated primary and contingent beneficiaries on file with the Deferred Compensation Program have predeceased the deceased participant, surviving beneficiary, or alternate payee who made the designation, or if the program has no record of a designation or is otherwise unable to administer the designation, the Deferred Compensation Program shall distribute the benefit of the deceased's account to the executor, personal representative, or administrator of the deceased's estate in the following order of priority:¶

(A) The member's surviving spouse or other person who is constitutionally required to be treated in the same manner as a spouse;¶

(B) The member's surviving children, in equal shares; or¶

(C) The member's estate.¶

(b) If a simple estate affidavit has been filed under ORS 114.515, the board shall pay the amount to the person who filed the affidavit if:¶

(A) The member's estate is receiving the payment under paragraph (a) of this subsection; and¶

(B) The estate of the decedent:¶

(i) remains within the limits prescribed by ORS 114.510 (1)(a) after consideration of the amount of money credited at the time of death to the member account; or¶

(ii) The estate of the decedent meets the requirements of ORS 114.510 (1)(b).¶

(ac) If the program is unable to locate the designated beneficiaries or the executor, personal representative, or administrator of the estate by December 31 of the calendar year following the participant's death, the amount in the deceased's account on that date shall be credited to the Deferred Compensation Fund. The amount credited may be used for the payment of administrative expenses of the Deferred Compensation Program.¶

(b) If the designated beneficiaries or the executor, personal representative, or administrator of the estate is later located or other future successful claim is filed, payment will be made in an amount not to exceed the balance in the deceased's account credited to the Deferred Compensation Fund in subsection (a) of this section.

Statutory/Other Authority: ORS 243.470

Statutes/Other Implemented: ORS 243.401-243.507