



Employer Announcement #105

Determining Membership Eligibility Prior to January 1, 2006, for Tier One and Tier Two Members

March 2025

In January 2025, after a comprehensive review of past laws and policies, PERS implemented a new policy for reviewing membership eligibility standards for periods of employment before January 1, 2006, when different membership standards were in place.

Under the 2025 policy change, when an employee's membership status for a period of employment before 2006 comes under review (e.g., during data verification, eligibility study, or other retirement process), PERS will apply the membership eligibility standards that were in place at the time of the employment — not today's standards.

The policy change benefits both members and employers. It benefits members by ensuring they receive the right benefit under the law, and it benefits employers by ensuring that they pay only what they are obligated to pay.

Pre-2006 membership-eligibility standards

Before January 1, 2006, to qualify for PERS benefits under state law, a public employee had to work in a position (or concurrent positions) that “normally required” 600 or more hours of service.¹ This is different than the current “qualifying position” definition, which requires that an employee actually perform 600 or more hours of service in a full calendar year.²

This meant that before January 1, 2006, a Tier One or Tier Two member had to be employed in a position (or concurrent positions) that normally required at least 600 hours of service in the calendar year, regardless of the exact number of hours the employee actually worked.

Under pre-2006 reporting practices, it was up to the employer to determine if the position normally required 600 or more hours of service. If the employer's determination was “yes,” the employer reported the position as qualifying, and PERS accepted the employer's reporting (i.e., the “qualifying” hire intent of the position).

¹Before January 1, 2006, a “qualifying position” was not clearly defined in statute or administrative rule. Oregon Revised Statute (ORS) 238.015(4) (pre-2006 versions, such as [this version from 1953](#)) provided the general requirement:

“... No employee whose position with one public employer or concurrent positions with two or more public employers that normally requires less than 600 hours of service per year may become a member of the system.”

²On January 1, 2006, Senate Bill 108 modified ORS 238 and 238A to clarify the definition of “qualifying position”:

“‘Qualifying position’ means one or more jobs with one or more participating public employers in which an employee performs 600 or more hours of service in a full calendar year. ...”

Why the policy change is necessary

PERS does not review historic data reported on a member's account until a member requests a benefit (e.g., retirement, withdrawal, or divorce) or a data verification.

Member account review before the new policy

Before 2025, when PERS staff would review a Tier One or Tier Two member's account history for employment before 2006, we sometimes applied the current, post-2006 membership standards to the past period, unaware that standards were different in the past.

In most cases, the outcome was the same under both pre-2006 and post-2006 standards because the member had been expected to work 600 hours or more (based upon their qualifying hire intent) and did actually work 600 hours in the calendar year.

However, the outcome was different if the member was expected to work 600 hours (based upon their hire intent) but did not actually work 600 hours.

In this case, when PERS staff found that the member's hours of service in a year prior to 2006 did not add up to at least 600, we would change the position status to non-qualifying. Even though the position was originally reported as "qualifying," and the employer had already paid contributions for that qualifying service prior to 2006, PERS staff would manually override the system to change the position to "non-qualifying" many years after the original reporting.

Because contributions are not required for non-qualifying employment, PERS would then back out and refund the contributions corresponding to that period of employment to the employer. Lastly, PERS would adjust the employee's account to reflect the change in qualification status, often removing years of service and contributions from the employee's account.

During an internal study of the outcomes of membership-qualification reviews, PERS staff discovered inconsistencies. Staff created a cross-divisional team to study the pre-2006 policies for establishing membership, maintaining membership, and accruing creditable service/retirement credit.

Based on their findings, we determined that PERS is obligated to apply the statutes that are contemporaneous with members' employment periods. This ensures that they receive the benefits they are entitled to under the law.

Member account review now

Starting in January 2025, when reviewing employment that occurred before January 1, 2006, PERS staff will apply the "normally requires 600 hours" standard to determine whether a position was qualifying or non-qualifying. Employees that were reported as working in a position that "normally required" 600 hours of service are eligible for PERS benefits, regardless of the number of hours they actually worked.

How this may affect your organization

Applying the “normally requires 600 hours” standard to pre-2006 employment should not require any additional changes to the member’s account. In most cases, because the position was originally reported as qualifying, there should be no financial consequences for the employer because they already paid contributions for the reported qualifying employment.

Indeed, the 2025 policy change should result in less work for you as an employer because we are trusting the data that your organization already reported to PERS. You will not receive as many email requests for information or work list requests to determine the number of hours worked prior to 2006 (i.e., salary breakdown requests).

How to fix a past reporting error

If you think there was a reporting error related to employment occurring before January 1, 2006, (i.e., you believe the information your organization previously reported was incorrect or incomplete) that could change the outcome of a PERS membership eligibility determination under the 2025 policy change, you can contact PERS to request a records review.

Provide supporting documentation

You will need to provide documentation to support your position. PERS will not make retroactive changes to a member’s records based upon unsupported statements that are inconsistent with the employer’s past reporting.

Supporting documentation must include employment records that show how much the employee was required to work (e.g., hours, dates, frequency of work). Specific examples may include, but are not limited to, the following:

- A copy of the employee’s employment contract for the years in question.
- The job or position description.
- The job offer.
- Written, contemporaneous statements and official communications between the employer and the employee regarding the expected number of hours to be worked in the calendar year.

Submit documentation

How you submit the documentation depends on the nature of the eligibility review.

- If the error was identified during a data verification review, provide the documentation to PERS Data Verification Unit by emailing PERS.DataVerification@pers.oregon.gov.
- If the employee has already received a benefit based upon your organization’s past reporting, you may need to seek a formal review to request any changes to the member’s account, as outlined in [Oregon Administrative Rule 459-001-0032](#). To make this request, email PERS.EDX.support@pers.oregon.gov with the subject line “Employer Appeal.”
- If you have a different reason for requesting a hire-intent change, contact your [Employer Service Center representative](#).

Information and instructions

Earning and maintaining membership in PERS pension program — [employer reporting guide 1, *Overview of PERS*](#), section “PERS Membership.”

Determining hire intent — [employer reporting guide 7, *Reporting a New Employee*](#), section “Earning PERS Benefits.”

Changing qualification status from qualifying to non-qualifying going forward — [employer reporting guide 9, *Reporting Wages for a Qualifying Employee*](#), section “Qualification Status Changes.”

Changing qualification status from non-qualifying to active service going forward — [employer reporting guide 10, *Reporting Wages for a Non-Qualifying Employee*](#), section “Changing From Non-Qualifying to Qualifying Status.”

Completing a Data Verification Work List request — [employer reporting guide 19, *Completing Work List Requests*](#), section “Employer Data Verification Request.”