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Reporting a Retirement

Employer Reporting Guide

This guide explains the retirement process, how to help employees prepare for retirement, and how to report an employee's retirement to PERS.

**Employer
Service
Center**



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Overview

This guide is intended to help employers explain PERS retirement to their employees. It explains the benefits provided by a PERS retirement, how to earn PERS benefits, factors that affect the amount of benefits, when PERS members are eligible to retire, and benefits available after retirement. Lastly, it explains how to report an employee's retirement to PERS and the programs available to retirees.

The guide is separated into four parts.

PART 1 defines PERS retirement benefits, factors that affect the amount of benefits earned, how pensions are calculated, and eligibility for normal, early, and disability retirement.

PART 2 explains what employees need to know about PERS throughout their career, from starting as a new employee, through life changes, and finally to applying for retirement.

PART 3 explains how to report an employee's retirement to PERS.

PART 4 explains options available to PERS members after retirement.

Throughout the guide, you will find links to other resources that provide more detail about the different aspects of PERS retirement.

You can more information about helping employees understand PERS on the [Overview of PERS Benefits for Your Employees webpage](#).

PART 1

Helping employees understand PERS retirement

The PERS retirement package

Tip: Remember that an employee who is employed for a full calendar year must work at least 600 hours to be eligible to earn PERS benefits for that year. When you hire an employee, you may designate whether their position should be PERS eligible if they are employed for less than a full calendar year and do not work at least 600 hours in that year, unless special rules apply (see the “[References](#)” section in this guide).

Learn more about partial-year rules in [employer quick-reference guide *Determining Qualification for a Partial Year*](#).

1 Pension

What it is: A PERS pension is a *defined benefit* that is calculated by PERS at retirement. To help employees understand how much their pension might be, read the next section, “Factors That Affect Retirement Benefits.” To learn more about PERS pensions, read [employer reporting guide 1, *Overview of PERS*](#).

How it’s funded: Benefits = contributions + earnings. The **contributions** you, the employer, have paid on the employee’s salary throughout their career help fund a member’s pension. **Employee contributions** made through a Tier One or Tier Two Member account, or the employee’s Employee Pension Stability Account (EPSA) (if applicable), may also help fund their benefit, along with any **earnings** on these contributions.

How retiree receives it: Retirees may receive monthly payments from PERS for life, or they can choose a one-time lump sum payment instead. The amount of those payments (or lump sum) depends on the factors in the section “[How PERS Calculates Pensions](#)” in this guide.

How to estimate it: Employees can create an estimate in [Online Member Services](#) (unless they’ve been divorced; OMS is not currently able to account for divorce). Two years before retirement, employees can request a customized estimate from PERS.

Learn more: Read [employer reporting guide 1, *Overview of PERS*](#), and the [EPSA Overview webpage](#).

2 Individual Account Program (IAP)

What it is: An investment account, like a 401(k). This is the *defined contribution* component of the PERS plan.

How it's funded: Each pay period, 6% of a qualifying employee's gross salary* is deducted from their pay and deposited into their IAP account (and Employee Pension Stability Account, if applicable; see EPSA below). Their IAP account is invested in a target date fund based on their estimated year of retirement (which is based on what year they were born). Earnings, if any, also help fund the account.

How retiree receives it: At retirement, a PERS member is eligible to receive a distribution of their IAP account. They can also choose to receive their IAP account balance as a lump-sum payment or in equal installments over 5, 10, 15, or 20 years, or over their expected lifetime. If they choose not to receive their distribution, they can roll over their IAP balance into a traditional IRA, an eligible employer plan, a 457 deferred compensation plan (such as the Oregon Savings Growth Plan), or another qualified plan.

How to estimate it: Employees can use the [IAP Balance and Installment Calculator](#) to estimate their IAP distribution at retirement.

Learn more: Direct your employees to the [What Is the IAP? webpage](#).

*Excluding special payments that do not qualify to earn benefits, called "non-subject salary."

Employee Pension Stability Account (EPSA)

Starting in 2020, the Member Redirect program established Employee Pension Stability Accounts for every qualifying member. In every month when a member earns over the [Member Redirect salary threshold](#), a portion of the employee's 6% IAP contribution is deposited into their EPSA. At retirement, the funds in this account help fund the employee's pension.

The portion of the 6% that is redirected from the member's IAP to their EPSA depends on the employee's PERS membership:

Tier One and Tier Two: 2.5% of subject salary is redirected to EPSA; 3.5% is deposited into IAP account.

OPSRP: 0.75% of subject salary is redirected to EPSA; 5.25% is deposited into IAP account.

If the employee is subject to Member Redirect, they have the option to make additional **voluntary contributions** to their IAP account equal to the redirected amount (i.e., 2.5% for Tier One or Tier Two members; 0.75% for OPSRP members) to maintain a 6% contribution to their IAP employee account. This is a member-paid after-tax (MPAT) deduction.

Learn more about employer responsibilities in the voluntary contributions process on the [How to Manage an Employee's Voluntary Contribution webpage](#).

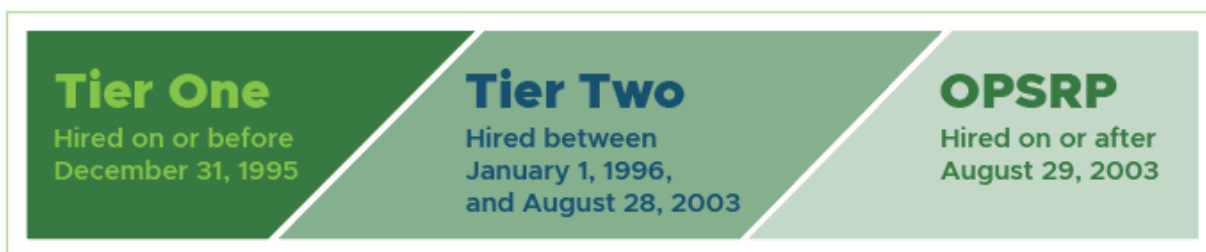
3	Oregon Savings Growth Plan (OSGP)
	<p>What it is: A voluntary 457(b) deferred compensation plan available through the state of Oregon to public employees whose employers participate in OSGP.</p> <p>How it's funded: Deductions from employee's pay. Employee can choose a pre-tax or after-tax deduction and select a percentage or a dollar amount. They also have several choices of investment accounts, explained in the OSGP Investment Options guide (PDF).</p> <p>How retiree receives it: Retirees can begin withdrawing or rolling over their account at any age after leaving their employment. They can also choose to receive lump-sum or periodic payments.</p> <p>Learn more: Refer your employees to the OSGP website.</p> <p>If your organization does not currently offer this plan to employees, learn more about it on the OSGP employer website.</p>

Factors that affect retirement benefits

Employees who work for a PERS-participating employer earn different PERS benefits based on their PERS plan, qualification status, job classification, and vesting status.

PERS pension plan: Tier One, Tier Two, or OPSRP

The Oregon Public Employees Retirement System currently has three pension plans: Tier One, Tier Two, and Oregon Public Service Retirement Plan (OPSRP). The plan a member is in depends on when they were hired by a PERS-participating employer. Learn more about PERS pension plans in [employer reporting guide 1, Overview of PERS](#).



Qualification status

To earn PERS benefits, an employee must be a PERS member who is employed in a qualifying position or positions. Also, to be guaranteed a PERS pension, a member must be vested (defined later in this section).

Qualifying vs. nonqualifying position

An employee generally must work at least 600 hours in a full calendar year to earn benefits. Position(s) that require at least 600 hours are considered qualifying; position(s) that require fewer than 600 hours are considered nonqualifying.

Note: Partial-year rules allow a qualifying member to qualify for benefits when they work less than a full year and don't reach 600 hours. Learn more in quick-reference guide [Determining Qualification for a Partial Year](#).

Change in qualification status: If an employee is hired into a qualifying position, but the position does not end up requiring 600 hours of work/calendar year, the employee will not qualify for benefits that year. Conversely, if an employee is hired into a nonqualifying position and that position ends up requiring 600 hours+/calendar year, they will earn benefits that year (once they complete their wait time, see next page).

An employee who works more than one nonqualifying position for two or more PERS-participating public employers can qualify for benefits if their combined hours for their employers equal at least 600 hours (if they've already completed their wait time and established PERS membership).

This is why it is important to report hours — even for nonqualifying positions.

Learn more about qualifying and nonqualifying positions and how to change qualification status in employer reporting guides [9, Reporting Wages for a Qualifying Employee](#), and [10, Reporting Wages for a Non-Qualifying Employee](#).

Wait time

To establish PERS membership, an employee must first serve a six-month wait time in a qualifying position. The wait time must meet these requirements:

- Work the six months in a year in which the employee qualifies for benefits.
- Work for the same employer for six months with no break longer than 30 consecutive days.
- On the first business day after the wait time ends, still be employed with the same employer.

To understand how wait time applies to a nonqualifying position, read [employer reporting guide 10, *Reporting Wages for a Non-Qualifying Employee*](#), section “Changing From Non-Qualifying to Qualifying Status,” subsection “Serving Wait Time.”

Job classification

Employees of PERS-participating employers are assigned a job classification based on the type of job they have. Until 2030,* there are eight job classifications, defined in [employer quick-reference guide *EDX Job Class Codes*](#).

Most PERS members are in the General Service, Police and Fire, or School Employee job classifications. Below is an overview of the different rules and benefits that apply to the job classes for which most employees qualify. For more detail, read [employer reporting guide 1, *Overview of PERS*](#).

General Service

Employees who are not in a Police and Fire, School Employee, Judge, or other specialty job classification default into the General Service classification. For a definition of the types of jobs in the General Service job class, reference [EDX Job Class Codes](#).

Police and Fire

PERS members in the Police and Fire job classification are eligible to retire at a younger age and their pension is calculated at a higher rate than other job classes (until 2030*).

To read which positions qualify for Police and Fire job class, reference [EDX Job Class Codes](#).

School Employee

Service time for school employees and academic employees is determined in six-month segments during the school year for employees who work all portions of the school year. A school employee is considered to have worked all portions of a school year if they work at least half of each month of the school year, and they do not take a leave without pay of 11 or more business days in a calendar month.

Learn more about how school employees earn creditable service on the [School Employees webpage](#). To read the statutes, see the “[References](#)” section in this guide.

*In 2030, a new job classification will be added, called Hazardous Position. For information about the Hazardous Position job class, go to the [House Bill 4045: All About the ‘Hazardous Position’ Classification for OPSRP webpage](#).

Judges

Judges of the Oregon Supreme Court, Court of Appeals, Oregon Tax Court, and Circuit Courts are members of the PERS Judge Member Program.

Judges contribute 7% of their monthly salary to the Public Employees Retirement Fund to help pay for their future pension. The contributions are covered by the state through a 7% increase to their base salary. The contributions and earnings on the contributions are credited to the regular member account of the judge member.

Mandatory retirement age for judges is 75. To vest in the program, judges must make contributions for five calendar years before reaching 75. If they become a judge at an age that doesn't allow them to make five years of contributions before age 75 (e.g., 71), they won't be a member of the program.

For more information, refer to the [Judge Member's Handbook](#).

Legislators

When someone becomes a member of the Legislative Assembly, they can choose whether to participate in PERS during their term in office.

- Active and retired PERS members need to make their selection by submitting [form 430B \(PDF\)](#) to the [Oregon Legislature Employee Services office](#) within 30 days after taking office.
- Non-PERS members can choose whether to participate in OSGP by submitting [form 430A \(PDF\)](#) to the [Oregon Legislature Employee Services office](#) within 30 days after taking office.

Vesting status

When a pension plan member “vests,” that means they are guaranteed to receive a pension even if they stop working for a PERS-participating employer for the rest of their career. The only way they can lose their pension plan membership is if they withdraw.

It takes five years to vest in PERS. That means a member must work at least 600 hours per year in a PERS-qualifying position for five years. In the fifth year, the member vests once they reach 600 hours of work. The five years do not need to be consecutive, but the employee cannot have a gap in qualifying employment of more than five years. (Only calendar years in which the PERS member works at least 600 hours count as qualifying.)

A PERS member can also vest by reaching normal retirement age. Go to the subsection [“Normal Retirement Based on Age”](#) in this guide to see normal retirement ages for each PERS plan and job classification.

Extra benefits for eligible Tier One/Tier Two members

Police and Fire “units”

The Police Officer and Firefighter (P&F) Units program was created to provide additional retirement income for Police and Fire retirees between PERS retirement age and Social Security full retirement age.

The P&F Units program is open only to Tier One and Tier Two members who are actively employed as a police officer or firefighter as defined in [Oregon Revised Statute 238.005](#). They must have completed their wait time and established active membership.

OPSRP Pension Program Police and Fire members are not eligible to participate in the P&F Units program.

For more information, you can direct your employees to the [Police and Fire Unit Benefits webpage](#).

Unit payment options

An eligible Tier One/Tier Two Police and Fire active member may purchase up to eight P&F units. The total member cost to purchase eight P&F units is \$4,000. P&F units may be purchased by:

- An after-tax payroll deduction while the member is employed in a Police and Fire qualifying position.
- A lump-sum payment to fund the difference between an existing P&F unit account balance and \$4,000, made within 90 days of retirement from a Police and Fire qualifying position.
- If the member is under 60 years of age as of their effective date of retirement and does not have an existing P&F unit account balance (i.e., they have not made any prior payroll deductions to purchase P&F units), they can make a \$4,000 lump-sum payment within 90 days before their retirement from a Police and Fire qualifying position.

How to sign up for units

As explained above, Police and Fire Tier One/Tier Two employees can purchase units as an after-tax payroll deduction or as a lump sum. The form your employee needs to fill out to participate in the program depends on how they are paying.

REPORTING A RETIREMENT

Paying by payroll deduction:

1. Employee completes the [P&F Unit Purchase form](#).
 - If they are new to the program, they fill out sections A and B and skip section C.
 - If they stopped purchasing units (but did not cancel their election) and are signing up to resume, they fill out sections A and C and skip B.
2. Employee turns the form in to their HR or payroll department. The responsible party enters the organization's employer number, signs and dates the form, and then emails it to PERS Employer Service Center at PERS.EDX.Support@pers.oregon.gov.

Police Officer and Firefighter (P&F) Unit Purchase				
This form is strictly for PERS Tier One/Tier Two Police and Fire members. Contact PERS for an estimate of unit purchase cost.				
Section A: Applicant information (Type or print clearly in dark ink. Illegible forms may be returned to applicant. This could delay your request.)				
First name	MI	Last name	Social Security number (SSN)*	
Mailing address (street or PO box)			PERS number (optional)	
City	State	ZIP code	Country	Date of birth (mm-dd-yyyy)
Home phone number	Work phone number		Cell phone number	Email
Fill out either Section B: unit election or Section C: Resumption of unit contributions. Return this form to your payroll office, and instruct the payroll personnel to complete Section D and forward your form to PERS.				
Section B: Unit election				
<input type="checkbox"/> I elect to begin making contributions to purchase P&F units. Only PERS Tier One/Tier Two P&F members may make this election. OPSRP members are not eligible to make P&F unit purchases.				
I confirm that I am an active PERS Tier One/Tier Two P&F member eligible to purchase units. I elect to purchase the number of units indicated below. I understand I cannot adjust the number of units purchased after making this initial election.				
Check the number of units you would like to purchase.				
<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8				
I authorize my employer to withhold and remit to PERS the calculated monthly contribution as a payroll deduction.				
I am employed by _____				
Employee signature (do not print)			Date	
Section C: Resumption of unit contributions				
<input type="checkbox"/> I elect to resume making contributions to purchase P&F units.				
I previously made an election to purchase P&F units and wish to resume making contributions.				
I elect to resume unit contributions with my current employer: _____				
I authorize my employer to withhold and remit to PERS the calculated monthly contribution as a payroll deduction.				
Employee signature (do not print)			Date	
Section D: Employer confirmation				
I confirm this employee is eligible for unit contributions. Employer number _____				
Employer signature (do not print)			Date	


REPORTING A RETIREMENT

Paying by lump sum at retirement:

1. Employee completes the [P&F Unit Purchase Election at Retirement form](#).

Check the box for purchasing all eight units or for paying the remaining balance.

2. Employee includes the form with their retirement application packet.

Police Officer and Firefighter Unit Purchase Election at Retirement			
This form is strictly for the Tier One/Tier Two program. Call PERS or visit our website if this is not the form you need.			
Section A: Applicant information (Type or print clearly in dark ink. Illegible forms may be returned to applicant. This could delay your request.)			
First name	MI	Last name	Social Security number*
			PERS number (optional)
Section B: Important unit purchase information: READ CAREFULLY			
As a police officer and firefighter (P&F) member of the Public Employees Retirement System (PERS), you may elect to make additional contributions to purchase up to eight units of additional benefits.**			
<ul style="list-style-type: none">• Each unit purchased provides a \$20 monthly benefit paid by PERS for up to 60 months—\$10 from your contributions and \$10 from employer contributions.• You may purchase the units in a lump-sum payment within 60 days prior to your service retirement date if you are less than age 60.• You may make a final payment of the total amount required to purchase the maximum eight units.• You must be actively employed in a PERS-covered P&F position to be eligible to make this purchase.			
** Only P&F members of the PERS Chapter 238 Program (Tier One and Tier Two) may make this election for units. No unit election for the Oregon Public Service Retirement Plan (OPSRP) program is available.			
Section C: Unit purchase			
To make the unit purchase, return this signed form with a check payable to PERS. This form should accompany your Service or Disability Retirement Application.			
<input type="checkbox"/> I wish to purchase the maximum eight units of additional benefits. I have enclosed my check in the amount of \$4,000.			
<input type="checkbox"/> I wish to pay the remaining balance for eight units of additional benefits. I have enclosed my check in the amount of \$ _____. The remaining balance was calculated based on continued payroll deduction of unit contributions through _____ I, _____ with a unit benefit effective date of _____ I, _____ (Month) (Year) (Month) (Year)			
Any changes in the date of last payroll deduction or in your anticipated unit benefit effective date may result in a different purchase cost.			
Section D: Applicant signature			
		Date	
Applicant signature (do not print)			
Applicant (print)			

PERS' role in units purchasing

Upon receipt of the unit purchase form, PERS reviews the member's eligibility to purchase P&F units. If the member is eligible, PERS will calculate the after-tax payroll deduction required to purchase the number of units chosen by the member. The monthly P&F unit account deduction/contribution is based on the member's age when beginning P&F Unit program participation so that the amount totals \$4,000 by retirement age.

PERS emails the paycheck deduction amount to the employer.

Employer's role in units purchasing

After you receive the e-mail notification from PERS, set up a payroll deduction to withhold the specified amount from the employee's after-tax pay. You will pay that amount to PERS by including it in the employee's subject salary on their Detail 2 wage records. For more information, contact your [ESC representative](#).

Ways the Legislature works to limit large pensions

The Oregon Legislature has put in place protections to shield employers from having to fund overly generous — and expensive — pensions. Employees who may be potentially affected should be aware.

Salary limit

Every year, a salary limit is put in place to cap the amount of an employee's salary that can be included in their subject salary for that calendar year. This means that the employer does not pay pension contributions on salary earned over the year's salary limit. This protects employers from having to fund large pensions for high earners.

The limit is updated every year to keep pace with inflation. The current year's limit is listed on the employer [Salary Limit webpage](#).

How to know if an employee reaches the salary limit

If you submit a Detail 2 Wage and Service record for an employee that puts them over the salary limit for that calendar year, EDX flags the wage record with an error. To correct the record, subtract the overage from the Subject Salary (Regular) and/or Subject Salary (Overtime) field and enter it in the Non-Subject Salary field and resave the record. If an employee reaches the limit before the end of the year, continue to report all their salary as nonsubject through the end of that calendar year.

Learn more on the employer [Salary Limit webpage](#).

Average overtime hours for OPSRP members

When you report a new employee to PERS, the Detail 1 Member Demographics record requires you to choose a limit on the amount of overtime hours the position will be required to work in a year, called average overtime. Choose a number between 0 and 2,000 based on the type of position, not on the individual employee.

The average overtime number you choose sets a limit on the amount of overtime pay that can be included in the OPSRP employee's final average salary each year. The average overtime cap does not have an impact outside of PERS — it does not limit an employee's actual overtime pay nor their option to work over the average limit. It merely affects how much pay the PERS system will include for an OPSRP member when determining that member's final average salary for retirement benefit calculation purposes.

The cap prevents employees whose overtime hours exceed the average overtime hours for their job classification from having excessive overtime payments included in their final average salary. This ensures that pension benefits remain reasonable, and overtime pay stays within average expectations for their employee classification.

Learn more about average overtime in [employer reporting guide 18, *Reporting or Changing 'Average Overtime.'*](#)

How PERS calculates pensions

The table below shows the multiplier PERS uses to calculate an employee's pension under a formula calculation. Their actual future pension may be affected by other factors (e.g., if they took a leave, if they purchased service time, or if they got divorced) and by the benefit option the employee selects at retirement; however, the equation helps employees get a rough idea of how their future pension will be calculated.

Years of service and final average salary are explained on the next couple of pages.

Tier and job class	Pension equation
Tier One/Tier Two General Service	$1.67\% \times \text{years of service} \times \text{final average salary}$
Tier One/Tier Two Police and Fire	$2\% \times \text{years of service} \times \text{final average salary}$
OPSRP General Service	$1.5\% \times \text{years of service} \times \text{final average salary}$
OPSRP Police and Fire	$1.8\% \times \text{years of service} \times \text{final average salary}$
Judges (Plan B)	<p>$3.75\% \text{ of final average salary} \times \text{years of service as a judge up to 16 years of service} + 2\% \text{ of final average salary} \times \text{years of service exceeding 16 years of service.}$</p> <p>The annual pension amount cannot exceed 75% of their final average salary.</p>
Judges (Plan A)	<p>$2.8125\% \text{ of final average salary} \times \text{years of service as a judge up to 16 years of service} + 1.67\% \text{ of final average salary} \times \text{years of service exceeding 16 years of service.}$</p> <p>The annual pension amount cannot exceed 65% of their final average salary.</p>

Final average salary (FAS)

Generally, FAS is the greater of:

- (1) Employee's average gross salary* earned over the three calendar years** in which they earned the largest total salary.

or

- (2) Employee's total gross salary* earned over the last 36 months.

It may also include other pay, depending on PERS plan:

Tier One FAS Includes lump-sum payments for accrued unused vacation time and compensatory time. May include half of their unused sick leave if their employer participates in the Unused Sick Leave program.***

Tier Two FAS Does not include lump-sum payments for accrued vacation time or compensatory time. May include half of their unused sick leave if their employer participates in the Unused Sick Leave program.***

OSPRP FAS Does not include lump-sum payments for accrued vacation time, compensatory time, or unused sick leave. Includes IAP contributions paid by the employee but does not include IAP contributions paid by the employer.

What counts as a month toward FAS?

A month of salary is included if the qualifying employee had at least one fraction of an hour of service in the month. This is even if the month had a period of leave without pay (LWOP). LWOP excludes a month from earning service credit, but it does not exclude it from being included in FAS.

Unused sick leave

Learn more about the Unused Sick Leave program in [employer reporting guide 17, Calculating Unused Sick Leave at Termination or Retirement](#).

*Annual gross salary included in FAS is capped at the salary limit in effect for each year, listed on the employer [Salary Limit webpage](#).

**For OPSRP members, the three calendar years must be consecutive.

***Learn about the Unused Sick Leave Program and how to calculate the unused sick leave that you will report to PERS on a Tier One or Tier Two employee's termination record in [guide 17, Calculating Unused Sick Leave Hours at Termination or Retirement](#).

Years of service/service credit

Years of service is the number of years and months the employee has been an active member in a qualifying position. Generally, the total years of service sum excludes the following:

- Wait time for Tier One and Tier Two members (may be purchased at retirement).
- Years when an employee did not work in a qualifying position or positions and, thus, did not qualify for benefits.
- Any months during which the employee took a leave without pay (LWOP) of at least 11 working days.

Effect of leave without pay

Normally, a month that includes LWOP does not earn service credit (if LWOP is 11+ days). However, some special types of leave are protected by law and may not affect an employee's service credit. These are:

- Legislative service.
- On loan to the federal government.
- Service in the Armed Forces of the United States.
- Disability.
- Union service.

Learn more in [employer reporting guide 11, *Reporting a Leave*](#), “Effect of Leave on PERS Benefits” section, “Service Credit” subsection.

Purchasing service time

Tier One and Tier Two members who qualify can buy service time (aka retirement credit). The purchase allows them to count additional service time to use in a formula calculation.

General Service time purchases

- Forest Protective Association employees service.
- Forfeited service caused by prior membership withdrawal.
- Full-cost purchase.
- Periods of disability full-cost purchase.
- Redeposit refunded time.
- Seasonal service time.
- Waiting time purchase.

Military service time purchases

- Alternate purchase of military service time.
- Credit of military service under the Uniformed Services Employment and Reemployment Rights Act (USERRA).
- Military service time purchase.

- Military service under USERRA.

Education purchases

- Out-of-state school service time.
- Special Teachers' Retirement Fund Association (TRFA) refund.

Police and Fire purchases

- Non-PERS police and fire service time.
- Out-of-state police service time.
- Wildland firefighter full-cost purchase.
- Unit purchase at retirement.

Trustee-to-trustee transfer to PERS for purchases

Qualifying Tier One/Tier Two PERS members can purchase any of the purchases listed in this section using pre-tax dollars from a 457 governmental deferred-compensation plan like the Oregon Savings Growth Plan (OSGP) or a 403(b) tax-sheltered annuity.

Trustee-to-trustee transfers can take months to complete so your employee should contact their financial institution well in advance of retirement.

For this type of purchase, employees need to fill out [Form 623 Trustee-to-Trustee Transfer to PERS for Purchase \(PDF\)](#) in addition to the estimate request form linked below.

Purchase cost

The employee must pay PERS the cost of the additional retirement credit plus a \$145 fee to cover administrative costs of processing the purchase. The purchase cost can be substantial, particularly if the purchase allows a member to retire before reaching normal retirement age.

Purchase application

If an employee is interested in purchasing service time, they must complete section G of the [Tier One/Tier Two Estimate Request form \(PDF\)](#). Check the "Other purchases/requests" box and enter one of the five service-time types listed above and on the previous page. The date to begin unit benefit payments is the employee's expected retirement date.

Section G: Purchases (Waiting time and refunded time are automatically included if you are eligible.)

<input type="checkbox"/>	Police officer and firefighter unit purchase	Date to begin unit benefit payments: _____
<input checked="" type="checkbox"/>	Other purchases/requests (Please provide the name of the purchase or the type of purchase.)	
	Out-of-state teaching service time purchase	

Note: The final purchase cost is not determined until the employee actually retires. It could change substantially from the estimated cost.

Learn more about purchases on the [Tier One/Tier Two Purchases webpage](#).

Benefit payout options

Tier One and Tier Two members have 13 different options for how to receive their pension benefit. OPSRP employees have five options for receiving their pension benefit. The option your employee chooses affects the amount of their monthly pension payments.

Most options include leaving a portion of your pension to a beneficiary. The age of the beneficiary and the amount of pension that the retiree chooses to leave them will affect the amount of the retiree's monthly benefit payment. For example, a retiree who chooses to have their beneficiary receive the same monthly pension payment that the retiree received will receive smaller pension payments than a retiree who chooses not to leave any of their pension to a beneficiary.

Prospective retirees are encouraged to meet with a financial advisor to choose the option that works best for their situation.

Examples of basic retirement calculations

These examples are simplified and do not include actuarial factors that could significantly affect the results of an actual calculation.

Joe is an accountant for the Department of Transportation. He's a member of Tier Two.

- Joe's final average salary (average of the last three years): \$65,000.
- Retirement credit: 30 years, 4 months (converted to 30.33).
- Convert the retirement multiplier 1.67% for ease of multiplication:
 $1.67\% \div 100\% = 0.0167$.
- $0.0167 \times 30.33 \times \$65,000 = \$32,923.22$ per year.
- $\$32,923.22 \div 12 \text{ months} = \mathbf{\$2,743.60}$ per month in pension income.

Celia is a detective for the Lake Oswego Police Department. She is a member of OPSRP.

- Final average salary (three consecutive highest-paying years): \$120,450.
- Retirement credit: 25 years, 8 months (25.67).
- Convert retirement multiplier 1.8% for ease of multiplication: $1.8\% \div 100\% = 0.018$.
- $0.018 \times 25.67 \times \$120,450 = \$55,655.13$ per year
- $\$55,615.13 \div 12 \text{ months} = \mathbf{\$4,637.93}$ per month in pension income.

For more information about retirement benefits for the different PERS programs, read the [Benefit Component Comparisons webpage](#).

Creating an estimate

Pension

To get an estimate of their future PERS pension, your employee needs to log into Online Member Services.

On the main screen, look under Account Type and click “Member.”

ACCOUNT SELECTION

If you would like to access your IAP account information, please click on the following button:

IAP Account Access

If you would like to access your account information, please select an account below.

Account Plan	Account Type
OPSRP - Pension	Member

On the next screen, select Benefit Estimate from the menu on the left side.

Account Home

Account Summary

Employment Information

Service Credit Information

Salary Information

Profile

Ask PERS a Question

[Benefit Estimate](#)

Payment History

Tax Forms

Data Verification

IAP Voluntary Contribution Election

IAP TDF Information

IAP Login

The member can then click the **Create New Benefit Estimate** button or view the estimate they created previously, if applicable.

The OMS system will generate an estimate based on the information the member provides and the salary information that the employer has provided up to that point.

IAP

Members can use the [IAP Balance and Installment Calculator](#) to estimate their IAP distribution at retirement.

OSGP

The OSGP website allows members to see how much their account will contain based on how much they contribute until their expected retirement date. Members can change their contribution amount at any time. [OSGP login](#).

Estimates of other Tier One/Tier Two accounts

Tier One and Tier Two members who have other accounts can view those amounts on their member annual statement. Learn more on the [Tier One/Tier Two Member Annual Statement FAQ webpage](#).

Retirement eligibility

To be eligible to retire, a PERS member must reach normal or early retirement age or achieve a service-time benchmark. If they retire at normal retirement age, they will receive full benefits. If they retire at early retirement age, they will receive reduced benefits.

The amount of retirement benefits a PERS retiree receives (i.e., the size of their pension payments and IAP distributions) is generally based on how long they worked (i.e., service time), how much they earned over their public service career, and what payout options they choose when they retire (e.g., if they include a beneficiary option).



For an overview, direct employees to watch the [“Retirement Eligibility” video](#).

Normal retirement eligibility

Employees can qualify for normal retirement (full benefits) based service time or age.

Normal retirement based on service time

Service time is the number of years and months in an employee’s career for which they qualified to earn benefits. A month counts if they worked (or took paid leave, such as sick leave or vacation) at least half the business days in a qualifying position.

Employees who have been working in a PERS-qualifying position for at least 25 or 30 years can qualify for normal retirement at a younger age. Once a Tier One or Tier Two employee in the General Service or School Employee job class earns 30 years of service, they can retire with full benefits — no matter how old they are. An OPSRP member in General Service or School Employee job class with 30 years of service can retire with full benefits once they reach age 58.

Tier One/Tier Two Police and Fire employees who have 25 years of service can retire with full benefits at age 50. OPSRP Police and Fire employees with 25 years of service can retire at age 53.

Job class	PERS service time	Retirement age		
		Tier One	Tier Two	OPSRP
General Service and School Employee	30 years	any	any	58
Police and Fire	25 years	50	50	53*

**For OPSRP members, employee’s last 60 months of retirement credit preceding retirement eligibility must be for service as a police officer or firefighter to qualify for normal retirement at this age.*

REPORTING A RETIREMENT

Normal retirement based on age

Employees who have been working in a PERS-qualifying position for less than 25 or 30 years qualify for retirement based on age. The age varies by PERS plan.

Job class	PERS service time	Retirement age		
		Tier One	Tier Two	OPSRP
General Service and School Employee	Less than 30 years	58	60	65
Police and Fire	Less than 25 years	55	55	60*/55**

**For OPSRP members, employee's last 60 months of retirement credit preceding retirement eligibility must be for service as a police officer or firefighter to qualify for normal retirement at this age.*

***OPSRP Police and Fire normal retirement age (with less than 25 years of service) is changing from 60 to 55 on January 1, 2025.*

Early retirement eligibility

PERS members are allowed to retire at the younger ages listed below. However, retiring early means reduced benefit payments. (Reduced because early retirees receive retirement benefits over a longer period than regular retirees and because early retirees generally have less service time.) Early retirement also adds restrictions on those who want to return to work for a PERS employer while continuing to receive their retirement benefits.

Early retirement based on age

An employee can qualify for early retirement once they reach the age in the table below. Remember that if they have at least 25 or 30 years of service time, their retirement is a normal retirement, not early retirement.

Job class	Age			PERS service time
	Tier One	Tier Two	OPSRP	
General Service and School	55	55	55	Less than 30 years
Police and Fire	50	50	50*	Less than 25 years

**For OPSRP members, employee's last 60 months of retirement credit preceding retirement eligibility must be for service as a police officer or firefighter to qualify for early retirement at this age.*

Disability retirement eligibility

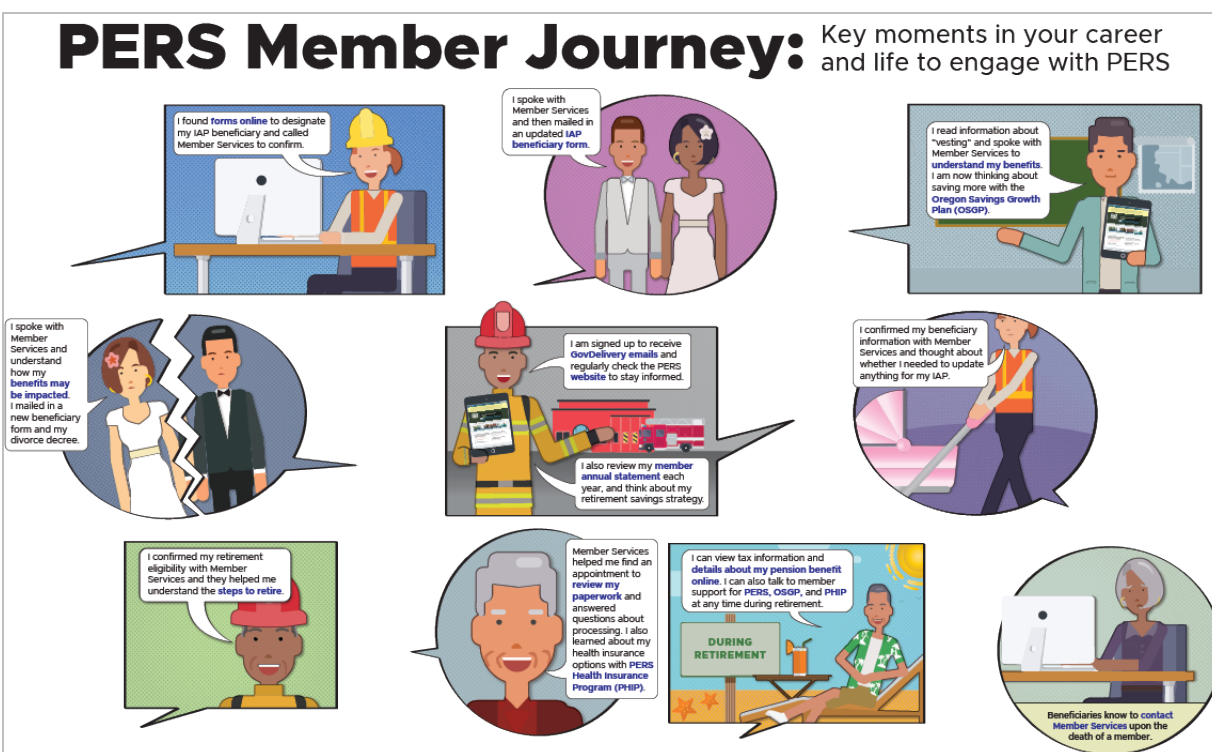
Applying for disability retirement (Tier One and Tier Two) or disability benefits (OPSRP) is different than applying for a regular retirement. For instructions, read [employer reporting guide 14, Disability Benefits](#).

PART 2 Helping employees prepare for retirement throughout their careers

This section maps out the employee journey toward retirement. Although the Oregon Legislature, Oregon Treasury, their employer, and PERS staff are working behind the scenes to secure their future retirement, PERS members also have responsibilities for protecting their PERS account throughout their career.

The PERS member journey

PERS members prepare for retirement throughout their public service career. This section explains how to support them in each stage of their member journey. The image below illustrates that journey and the life changes that necessitate contacting PERS (click the image to open a larger version).

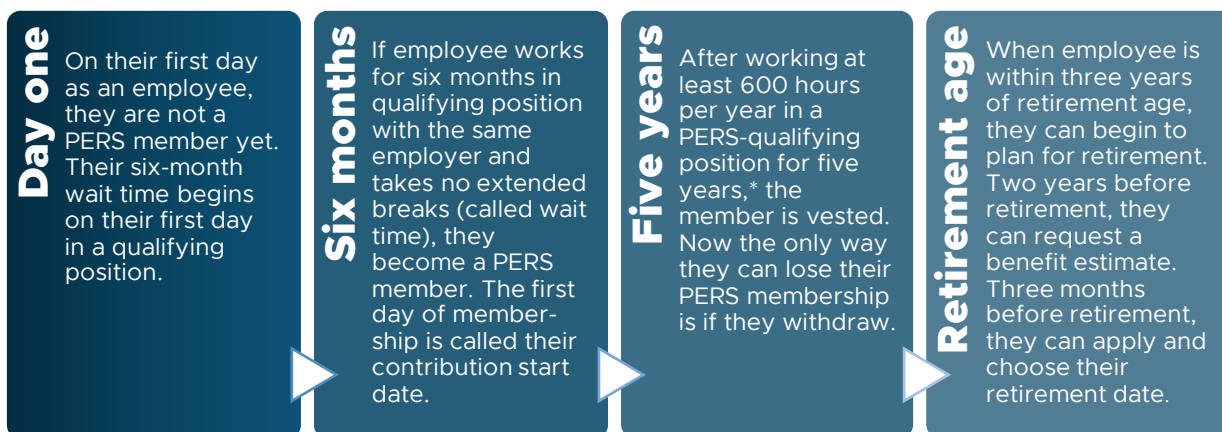


Click the image to open an enlarged view or go to http://www.oregon.gov/pers/MEM/Documents/Member-Journey_optimized.pdf.

Stage 1: New employee

The first task for new employees who are not yet PERS members is to understand the milestones they will pass on their path to earning and keeping their PERS benefits.

PERS career milestones



Wait time

For an employee's wait time to be successful, they must do the following:

- Work the six months in a year in which the employee qualifies for benefits.
- Work for the *same employer* for six months with no break longer than 30 consecutive days.
- On the first business day after the wait time ends, still be employed with the same employer.

PERS benefits

To help your new employee understand their future PERS benefits, refer them to these webpages. (PERS benefits are subject to change by the Oregon Legislature; therefore, the PERS website is your best source for up-to-date information.)

- [OPSRP Overview and Benefit Calculation.](#)
- [Overview of PERS Benefits for Your Employees.](#)
- [Early Career Checklist.](#)

*The years do not need to be consecutive, but the employee cannot have a gap in qualifying employment of more than five years. A PERS member can also vest by reaching normal retirement age for their job class.

Stage 2: New PERS member

After six months + one day of working in a qualifying position for the same employer, your employee becomes a member of the Oregon Public Service Retirement Plan (OPSRP). This milestone sets the following into motion:

- **Your employee** begins earning the benefits they'll receive when they retire (i.e., if they work at least 600 hours/year in a qualifying position for PERS-participating employer(s) long enough to become vested (five years)).
- **You, the employer**, begin reporting Individual Account Program (IAP) contributions of 6% of the employee's salary on their wage records. Your organization will report the contributions as either employer-paid pre-tax (EPPT), member paid pre-tax (MPPT), or member-paid after-tax (MPAT).
- **PERS** begins charging your organization's contribution rate on the employee's subject salary. You can find your contribution rates (per PERS plan and job class) on your EDX Employer Home Page.
- **The Oregon Treasury**, under the direction of the Oregon Investment Council, invests your contributions as part of the Oregon PERS Fund, where it is subject to earnings and losses of the investment market.

Designating a beneficiary

- **Pension:** By law, beneficiary options for OPSRP pensions are limited. If an OPSRP member dies before retirement, PERS will only pay a death benefit to their spouse, former spouse under a court order (such as a divorce decree), or any other person required to be treated like a spouse for the purpose of retirement benefits.
- **IAP:** To explain your employee's IAP preretirement beneficiary options, read the "IAP for all members" section of the employers' [Designating a Preretirement Beneficiary webpage](#). Also, share this link to the [IAP Preretirement Designation of Beneficiary Packet \(PDF\)](#).

Signing up for an Online Member Services account

The Online Member Services (OMS) portal allows PERS members to generate an estimate of their future pension. They can also access employment details, salary history, and personal information. After they retire and begin receiving pension payments, OMS gives them access to their payment history, tax-withholding elections, and other retiree information. [How to Create and Use Your Online Member Services \(OMS\) Account \(PDF\)](#).

Signing up for a Voya account

The IAP is administered by a third party called Voya. To register for an online account to check the status of their IAP, direct employees to [the Voya IAP website](#).

Signing up for the Oregon Savings Growth Plan (OSGP) (participating employers)

The OSGP is a voluntary 457(b) deferred compensation plan available through the state of Oregon to employees whose employers participate in OSGP. Learn more and sign up on the [OSGP website](#).

Signing up for PERS emails and/or text messages

Currently, PERS members are not automatically added to our email list. They must sign up to receive emails and/or text messages from PERS. To instruct your PERS members on how to sign up for emails, share these instructions in the [“Signing Up to Receive News From PERS”](#) section in this guide.

Reviewing their member annual statement

Every spring, qualifying PERS members receive a statement showing the status of their PERS accounts and service time. PERS sends these by mail to the address you have entered in EDX for the employee, so it is important that the address be up to date by the end of February each year.

Member annual statements are not in dollars and cents like a bank statement. They display a member’s earned benefits in terms of retirement credit, earnings rates, final average salary, and other potentially unfamiliar terms. The lists of frequently asked questions linked below and the interactive example statements linked in the [Member Annual Statements FAQ](#) are good resources for understanding the information in a member annual statement.

Learn more about member annual statements

[Member Annual Statements FAQ](#) (general information).

[Tier One/Tier Two FAQ](#).

[Oregon Public Service Retirement Plan \(OPSRP\) FAQ](#).

[Individual Account Program \(IAP\) Only FAQ](#).

[Judge Member Annual Statement FAQ](#).

[Police Officer and Firefighter Unit FAQ](#).

[Alternate Payee FAQ](#).

Getting help from PERS

The PERS Member Information Center is staffed with PERS experts who can answer members’ questions.

By phone: 8:30 a.m. to 5 p.m. Monday-Friday, 888-320-7377 (toll free).

By email: Fill out the form on the [Submit a Question webpage](#).

Stage 3: Public service career

Estimating their future pension

At any point in their career, PERS members can get a rough estimate of how much their future pension payment might be.

To create an estimate, members need to log into their Online Member Services (OMS) account and click “Member.”

Account Plan	Account Type
OPSRP - Pension	Member

In the left-hand menu, choose Benefit Estimate.

Ask PERS a Question
> Benefit Estimate
Payment History

On the Benefit Estimate form, they enter their retirement eligibility date (the first of the month after they reach retirement-eligible age, which they can find on the [Benefit Component Comparisons webpage](#)) and their expected annual salary percentage increase (i.e., what percent do they estimate their salary will increase per year until they retire). The system calculates an estimate of their monthly pension payment.

Employees can update their estimate any time by choosing Benefit Estimate from the menu and clicking the number in the Reference # column. They can view their estimate by clicking View Results. And they can create a new estimate by clicking the **Create New Benefit Estimate** button.

BENEFIT ESTIMATE				
Create New Benefit Estimate				
Reference #	Retirement Date	Creation Date	Status	Estimate Results
1252392	01/01/2032	07/28/2022	Calculated	View Results

Exception: If a member is divorced and their former spouse will be receiving a portion of their pension, they will not be able to estimate their pension in OMS. Instead, when they are two years from retirement, they can request a written estimate by submitting [Form 599 Estimate Request for Member With a Divorce-Related Account \(PDF\)](#).

Estimating their future IAP

To estimate their IAP distribution at retirement, members can use the [IAP Balance and Installment Calculator](#).

To log in, employees can (1) use the link above, (2) choose IAP Login from the OMS main menu, or (3) go to the Nonretired Members section of the PERS website, click to open the green Individual Account Program (IAP) menu, and click [IAP log-in](#).

Making sure they will save enough for a comfortable retirement

PERS provides tools to help members estimate their future retirement benefits, which can provide up to about 45% of what an employee was making when they retired (if they earned PERS benefits throughout their entire career).

PERS staff cannot advise members on how much they will need for a comfortable retirement, however. Advise your employees to seek advice from a **financial adviser** to make sure they are saving enough for retirement through other avenues. To learn more, go to the [Important Information About Selecting a Financial Advisor webpage](#).

Stage 4: Life changes

Marriage

When a member gets married, they should contact PERS Member Information Center to ask about their options for updating their preretirement beneficiaries.

A Tier One/Tier Two member can update their preretirement death benefit beneficiary to their spouse, if they choose; an OPSRP member's preretirement death benefit beneficiary is automatically their spouse. However, all members should submit a preretirement beneficiary form so that PERS has contact information for their spouse, if needed. Employers can learn more on the [Designating a Preretirement Beneficiary webpage](#). Members can learn more on the [Marriage webpage](#).

If the member is changing their name, you can change it in their PERS account by following the instructions in [employer quick reference guide Detail 1 Member Demographics Fields](#).

Divorce

If a member gets divorced, their PERS benefits may be affected. When your employee gets divorced, they need to submit a copy of their divorce decree and other authorized forms to PERS Divorce Unit. In addition, Tier One and Tier Two employees may want to change their beneficiary information if their divorce decree allows. Members can learn more on the [Divorce webpage](#).

New child

If a Tier One or Tier Two member wants to add a new child to their list of preretirement beneficiaries, they can read instructions on the [All About Beneficiaries webpage](#). For employers, preretirement beneficiary options for Tier One/Tier Two and OPSRP are explained on the [Designating a Preretirement Beneficiary webpage](#).

Name change

The employer reporter can change an employee's name by submitting a Detail 1 record. Follow the instructions in [Detail 1 Member Demographics Fields](#).

Gender change

To change an employee's gender to male or female, submit a Detail 1 record. Choose a status code of 00 – No Change in Status and choose the new gender in the Gender field. To change an employee's gender to nonbinary, follow the instructions in [Detail 1 Member Demographics Fields](#), subsection "Changing Gender to Nonbinary/Other."

Disability

- **Tier One and Tier Two** members who are unable to work because of an illness or injury may be eligible for disability retirement.
- **OPSRP** members who are unable to work because of an illness or injury may be eligible for disability benefits.

Learn about disability retirement and benefits in [employer reporting guide 14, Disability Benefits](#).

Withdrawal

Unvested PERS members who no longer work in public service may wish to withdraw their PERS membership; that is, withdraw their IAP account, forfeit their pension, and end their PERS membership. Employees can learn more on the [Withdrawal Information webpage](#).

Death

When an employee dies, a family member, caregiver, or employer must immediately notify PERS.

- Your employee can learn more on the [When a PERS Member Dies webpage](#).
- Employers can learn more in [employer reporting guide 15, *Reporting a Termination or Death*](#).

Stage 5: Leave of absence

Leave without pay

Employees do not earn PERS benefits nor service time during a leave without pay (LWOP) in which they are away at least half the month; that is, 11 or more working days in a calendar month. Employees should consult with their employer or with PERS Member Services to learn if they can avoid losing service credit because of an unpaid leave.

If you have questions about what is considered LWOP and what is not, read the [LWOP Questions and Answers webpage](#). If your organization works a nonstandard schedule, scroll down the webpage to “Nonstandard Schedules (e.g., 24-Hour Days, Weekends).”

Paid Leave Oregon leave

To understand how to report wages earned during a Paid Leave Oregon leave, read [employer reporting guide 13, *Family and Medical Leave*](#), section “Paid Leave Oregon.” You can also find information on the [Paid Leave Oregon and PERS Reporting FAQ webpage](#).

Military leave

PERS members who take a leave for military service can receive service credit and retirement benefits under the federal Uniformed Services Employment and Reemployment Rights Act (USERRA). Learn more in [employer reporting guide 12, *Military Leave*](#), or contact your [ESC representative](#).

Stage 6: Two years before retirement

Requesting a data verification

An employee who is within two years of retirement can request a data verification to ensure that the employment history information PERS has on record for them is accurate. This allows sufficient time before retirement for the employee to contest any information that does not match their records and for their employer to correct errors, if needed.

Your employee can read the process for requesting a data verification on the members' [Data Verification webpage](#).

The employee's employment history is based on the information that has been reported to PERS by their employer(s). The verification includes the employee's service credit and their "final average salary," explained on [page 16](#).

Employer responsibilities

When you receive a Data Verification Work List request, it is imperative that you complete it before the 30-day deadline. If you miss the deadline, you cannot make changes to the employee's employment history, which could affect the accuracy of the retirement benefits your employee has earned.

For employer instructions on participating in a data verification, read [employer reporting guide 19, Completing Work List Requests](#). If you need help, contact your ESC representative.

Requesting a benefit estimate

Two years before an employee becomes eligible to retire, they can request a written benefit estimate from PERS.

- Learn how it works on the [Benefit Estimates webpage](#).
- Tier One/Tier Two employees can request a benefit estimate with the [Tier One/Tier Two written benefit estimate form \(PDF\)](#).
- OPSRP employees can request a benefit estimate with the [OPSRP written benefit estimate form \(PDF\)](#).

Getting ready for retirement

To help prospective retirees prepare for retirement, you can point them to the following resources:

Tier One/Tier Two members

- [Tier One/Tier Two Steps to Retire webpage](#), steps 1 through 4.
- [Tier One and Tier Two Preretirement Guide \(PDF\)](#).

OPSRP members

- [OPSRP Steps to Retire webpage](#), steps 1 through 5.
- [OPSRP Preretirement Guide \(PDF\)](#).

Stage 7: Three months before retirement

Prospective retirees can apply for retirement up to 90 days before their chosen retirement date. Their retirement date must be on the first of a month.

Notify their employer

Before applying, it's important that employees notify their employer or employers that they are applying for PERS retirement. Not only does it help you, the employer, plan and complete the steps you need to take, it also enables you to help guide them in the process.

Choose how to receive payments

One of the most important decisions your employees will make when they retire is which benefit payout option best fits their situation. Tier One and Tier Two employees have 13 choices. They may only choose one of the 13 options and, in most cases, the payment option they choose can't be changed after 60 days from the date of their first benefit payment.

To understand retirement options, direct your employees to watch one of these videos:



"Retirement Options for Tier One/Tier Two Members"



"Retirement Options for OPSRP Members"

Prepare for taxes

PERS benefits are subject to federal taxes, regardless of where the retiree lives, and to Oregon state income taxes if they live in Oregon. A surviving beneficiary may owe state inheritance and federal estate taxes.

To learn how taxes will affect their retirement, your employee should read the [Tax-Related Information webpage](#).

Choose a beneficiary (if applicable)

PERS members can choose to have their pension payments paid to a beneficiary when they die. This option does result in a reduced pension payment for the retiree.

Tier One and Tier Two: Tier One/Tier Two members may designate a specific person, charity, trust, or estate to receive all or part of their pension payments when they die. Some Tier One/Tier Two retirement options allow members to change their beneficiary after retirement. Learn more in the [Tier One/Tier Two and Individual Account Program \(IAP\) Preretirement Guide \(PDF\)](#).

OPSRP: OPSRP members may only leave their pension to their spouse unless their spouse agrees to a different beneficiary. OPSRP members cannot change their beneficiary after their effective retirement date unless the member divorces the spouse they were married to when they retired. Learn more in the [OPSRP Pension Program and Individual Account Program \(IAP\) Preretirement Guide \(PDF\)](#).

Fill out the retirement application

Employees should carefully consider the options they choose in the retirement application. They cannot change the options after they retire. OPSRP members and most Tier One/Tier Two members cannot change their beneficiary after they retire.

If a retiree applicant needs help making decisions about their PERS retirement, they can talk to their financial advisor. PERS Member Services can explain the questions on the form, but they cannot give advice.

Once the applicant has completed the form, they should attend a Retirement Application Assistance Session (RAAS) to ensure they have filled out the form correctly. This will prevent delays in processing their application. Learn more about [RAAS](#).

Retirement application packets

- [Tier One/Tier Two Retirement Application \(PDF\)](#).
- [OPSRP Retirement Application \(PDF\)](#).

Considerations for Tier One and Tier Two members

The Tier One/Tier Two retirement application packet is extensive. The most time-consuming section of the form is the section in which the employee chooses from the 13 options available for receiving their retirement income.

In addition to making decisions about their pension, IAP, and beneficiaries, Tier One and Tier Two members may also have a variable account.

Tier One and Tier Two employees receive some benefits that OPSRP employees do not:

- They can retire earlier.
- They receive partial credit for their unused sick leave hours, which can increase their pension.
- They can purchase service time. Purchases are listed on the [Tier One/Tier Two Purchases webpage](#).
- They have more options for designating a beneficiary for their pension.

About unused sick leave

For employers who participate in the PERS Unused Sick Leave Program, half of the value of a Tier One/Tier Two employee's capped net unused sick leave hours may be included in the calculation of their final average salary. These additional hours increase their retirement benefits under the Full Formula and Formula Plus Annuity benefit calculations. The hours do not impact the Money Match calculation because final average salary is not a factor in this calculation.

For instructions on calculating the amount of unused sick leave that you will report on their termination record, read [employer reporting guide 17, Calculating Unused Sick Leave Hours at Termination or Retirement](#).

Considerations for OPSRP members

The OPSRP retirement application packet is much shorter than the Tier One/Tier Two version. This is mainly because OPSRP employees have simplified pension beneficiary options. If an OPSRP member is married or has a registered domestic partner, their pension benefit may only be left to their spouse or partner unless they submit a notarized application signed by their spouse or partner consenting to a different option or beneficiary.

The most time-consuming section of the packet is the section pertaining to retirement options. Your employee must decide how they want to have their pension payments and IAP disbursements paid to their beneficiary when they die. The higher beneficiary payment they choose, the lower their pension payments will be during their lifetime. All the options are explained in Section A Part 1 of the [OPSRP Preretirement Guide \(PDF\)](#).

Considerations for Police and Fire employees

Police and Fire employees can retire at an earlier age than other job classifications. Also, their pension is calculated using a higher percentage multiplier than other job classifications.*

Tier One/Tier Two Police and Fire employees also have the option to purchase units, which is explained in the [“Extra Benefits for Eligible Tier One/Tier Two Members”](#) section of this guide.

A police officer or firefighter may have additional retirement forms to complete.

Resources

- [Tier One/Tier Two and Individual Account Program \(IAP\) Preretirement Guide \(PDF\)](#).
- [OPSRP Pension Program and Individual Account Program \(IAP\) Preretirement Guide \(PDF\)](#).
- [Retirement Application Assistance Session \(RAAS\) registration webpage](#).
- [Resources for retiring members webpage](#).

*Starting January 1, 2030, employees in the new Hazardous Position job classification will have their pension calculated with a multiplier equal to the Police and Fire class. Learn more on the [House Bill 4045: All About the ‘Hazardous Position’ Classification for OPSRP webpage](#).

REPORTING A RETIREMENT

Turn in the application

When they are finished filling out the retirement application, employees send their packet to PERS by mail, fax, or personal delivery.

Mail	PO Box 23700 Tigard, OR 97281-3700
Fax	503-598-0561
Deliver	11410 SW 68th Parkway Tigard, OR 97223
Questions	Member Information Services Phone: 888-320-7377 (toll free) Fax: 503-598-0561 TTY: 503-603-7766 Phone hours: Monday–Friday, 8:30 a.m.–5 p.m.

Stage 8: At retirement

The retiree's first day of retirement will be on the first of the month. They will receive their first pension check within about three months.

Notice of Entitlement

In addition to enjoying their new retirement, the retiree needs to keep an eye out for a letter from PERS called a Notice of Entitlement. After PERS staff calculate your employee's benefits package, they send the new retiree a Notice of Entitlement. This letter outlines the pension that the retiree will receive and the information PERS used to calculate it.

The retiree needs to examine the Notice of Entitlement carefully. They are responsible for verifying the accuracy of the information, and they have the right to dispute the information if they believe any of it is inaccurate.

To dispute information in the Notice of Entitlement, the retiree needs to do the following:

1. Write a letter to PERS Calculation Team that is marked "Dispute of Notice of Entitlement."
2. In the letter, specify the information that they question or disagree with and the reason(s) why.
3. Include copies of any documents supporting their position.
4. Send the dispute within 240 days of the date that PERS mailed the Notice of Entitlement or by the due date of their first benefit payment, whichever is later.

Go to [part 4, "After Retirement,"](#) in this guide to read the retiree's next steps. Continue to the next section to read how to report a retirement to PERS.

PART 3 Reporting a retirement

When you learn that an employee is retiring, you need to complete three steps to ensure that PERS has the correct information to process the employee's retirement benefits.

Because of confidentiality reasons, PERS cannot help a member resolve issues that result from an employer failing to complete these three steps. If the member contacts us about a delay of benefits and we determine the delay is due to missing or incomplete employer reporting, we will instruct the member to contact their employer.

Step 1: Verify records.

Run a Year-to-Date Wage and Contribution Summary report, as explained in the [employer reporting guide 24, Running Reports](#).

If the report shows any suspended records for the employee, correct those records and resave them.

Step 2: Report final wages.

Make sure to report wages up to the employee's retirement date. There should be no wages reported past that date. Wait for the wage record to post before moving on to step 3.

Exception: If the employee is immediately rehired as a working retiree, report any wages earned on and after their retirement date as wage code 17 Retiree Wages.

Step 3: Submit a Detail 1 record.

Note the following tips for filling out the record correctly.

Status code

Use code 02 – Termination.

Report date

Submit the termination record a day or two after your employee's retirement date. The report date must be later than the employee's termination status date.

Termination status date

Members retire with PERS only on the first of any month, so the status date on the Detail 1 Member Demographics record should be the day before the member's first-of-the-month retirement date with PERS.

REPORTING A RETIREMENT

Example: An employee has chosen a July 1 retirement date. The status date on the termination record can be no later than June 30. The last day of service can be no later than June 30.

If the status date is July 1 or later, the member cannot retire July 1 and their retirement date will be defaulted to the first of the calendar month following their date of separation (i.e., in this example, August 1). See the [“References”](#) section in this guide.

If the employer is a local government employer, the work period end date on the last Detail 2 Wage and Service record for the retiring member must be the same as or earlier than the last day of service.

Unused sick leave

If an employer participates in the PERS Unused Sick Leave Program, about half of the value of a Tier One/Tier Two employee’s unused sick leave hours are reported in the Unused Sick Leave Hours field of the final termination record.

For instructions on calculating a Tier One/Tier Two employee’s unused sick leave, read [employer reporting guide 17, *Calculating Unused Sick Leave at Termination or Retirement*](#).

If reporting for an OPSRP member or an employer who does not participate in the Unused Sick Leave Program, enter “0” in the Unused Sick Leave Hours field of the final termination record.

Detail Filling out the record

SSN: Prefilled.

Status Code: 02 — Terminated

Status Date: Should be no later than the day before the member's first-of-the-month retirement date

Last Day Service: The last day the member worked or was on paid leave. Can be the same as or before the Detail 1 02 — Termination date, but never later than the termination date.

Name: Auto filled.

Address: In all capital letters.

Continued

ADD/EDIT A MEMBER RECORD

The status of this member record is: **Added**

DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN	*****
Status Code	02 - Terminated ▼
Status Date	05/31/2023 (MM/DD/YYYY)
Last Day Service	05/26/2023 (MM/DD/YYYY)
Old SSN	
First Name	JOE
Last Name	EMPLOYEE
Middle Name	
Name Change Indicator	N
Address - 1	1234 FIRST ST.
Address - 2	
Address - 3	
City	OREGON CITY

REPORTING A RETIREMENT

Address (continued)

State	OREGON ▼
Zip - 1	97045
Zip - 2	
Province	
Country Code	USA ▼
Postal Code	

Date of Birth: auto filled

Job Class Code: the job code of their current job

Unused Sick Leave Hours:
See [employer reporting guide 17, Calculating Unused Sick Leave Hours at Termination or Retirement](#).

The **remaining fields** may be left blank.

Date Of Birth	07/01/1958 (MM/DD/YYYY)
Gender	▼
PERS Job Class Code	01 - General Service ▼
Average Overtime Hours	▼
Unused Sick Leave Hours	400
Contract No. of Months	00 ▼
Employer Site Distribution Code	
Non PERS Data Memo	
<div>Save Cancel</div>	

PART 4 After retirement

Adding wages or changing data after retirement

Immediately after retirement

After your employee retires and you submit their final wages and termination record, you may continue to report any additional final wages for **up to 30 days** after the status date on their termination record. Past that 30-day deadline, you can no longer post wages to their account.

If they are working for you as a retiree, you must hire them as a retiree (status code 11) and report their wages as retiree wages, as explained in [employer reporting guide 8, *Hiring a PERS Retiree*](#).

Within 240 days after Notice of Entitlement

Retirees may dispute the accuracy of information used to calculate their retirement benefit within 240 days of the date PERS sends their Notice of Entitlement letter or the issued date of their first actual benefit payment, whichever is later. If PERS discovers an error that resulted in the retiree being overpaid, the retiree will be responsible for paying back the overage. If the retiree was underpaid, PERS will pay them what they were underpaid.

Past 240 days after Notice of Entitlement

Retirees, PERS' staff, and employers are unable to make changes to a retiree's account after 240 days into their retirement. After 240 days, the account is locked and cannot be changed unless specifically required by one of the following:

- To comply with a judgment, administrative order, arbitration award, conciliation agreement, settlement agreement, or other legal agreement entered into after the 240-day deadline.
- To correct information related to military service.

To learn more, read the [February 2024 issue of *Employer News*](#), "Deadline to Make Changes to Retiree's Account" article.

Receiving payments

Direct retirees to the [Benefit Payment Resources webpage](#) to access information about when their payments will arrive, if they will receive a cost-of-living adjustment, how to change their address, or how to switch to automatic deposits.

Working after retirement

PERS retirees can work for a non-PERS-participating employer with no restrictions nor effect on their retirement benefits.

PERS retirees may return to work for a PERS-participating employer while continuing to receive their retirement benefits, with certain restrictions. For information about restrictions, plus instructions and guidelines for hiring a PERS retiree, read [employer reporting guide 8, Hiring a PERS Retiree](#).

If the employee will continue working or start working for a PERS-participating employer immediately after retirement, read the [June 2023 Employer News](#) article “Attention, New Retirees: Do These Two Things Before Returning to Work.”

Important to know when hiring PERS retirees

- **Retirement processing** — It can take up to about 90 days for a retirement to process through the PERS system. During this time, you can submit a retiree new-hire record and release retiree wage records, but they will suspend and remain suspended until the retirement fully processes. Once the retirement process is complete, you will need to resave the suspended records so they can successfully post.
- **Restrictions on hours they can work** — Early retirees who return to work within six months after retirement are allowed to work only a limited number of hours for a PERS-participating employer. Learn more in [Hiring a PERS Retiree](#), “Introduction” section.
- **Status code for hiring them:**
 - **Status code 11** — Most retirees, whether they have an hourly limit or not, are hired with status code 11 – Retiree New Hire with Hour Limit.
 - **Status code 12** — Only retirees who qualify for an exception to annual hour limits are hired with status code 12. [View the list of exceptions](#).
 - **Status code 13** — Use status code 13 only for retirees who are canceling their retirement and returning to active service. After submitting a Detail 1 record with status code 13, submit another Detail 1 record in a separate report with a 01 – Qualifying New Hire status code. Use the same status date on both records, which is the employee’s first day.
- **Reporting wages** — Even though retirees do not earn PERS benefits, report their wages as **subject salary**. Reporting their wages with wage code 17 – Retiree Wage - ER Rate tells EDX to credit the employer contributions to the employer’s account, not to the retiree.

Retiree health insurance

PERS offers subsidized health insurance for retirees through the PERS Health Insurance Program (PHIP). Employees can get complete information on the [PHIP website](#) or start by watching the “Introduction to PERS Health Insurance (PHIP)” video.

<https://vimeo.com/manage/videos/774418571>




Signing up to receive news from PERS


1. Go to the secure PERS GovDelivery link at <https://public.govdelivery.com/accounts/ORPERS/subscriber/new?preferences=true>
2. Choose Email or SMS/Text Message. To receive both, choose either option and log in again later and choose the other option.
3. Enter your work email address and click **Submit**.
4. The **Subscriptions** screen opens. Click the box next to all topics on which you would like to receive communications.
5. At the top of the screen, click the **Preferences** tab. On that screen you can choose how often you receive emails, and you can change your password.
6. Click the **Questions** tab. Answer questions about your employer, PERS membership, and retirement status. Your choices will weed out communications that do not apply to you.
7. Click **Submit**.


Email Updates

To sign up for updates or to access your subscriber preferences, please enter your contact information below.

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Email 

Email Address 



Submit

Cancel

Your contact information is used to deliver requested updates or to access your subscriber preferences.

References

Special rules for partial year: Oregon Administrative Rule (OAR) 459-010-0003(1)(d) or OAR 459-070-0001(17).

School employee service credit: OAR 459-010-0014(5) for Tier One/Tier Two members and 459-075-0150(5) for OPSRP members.

Retirement dates: OAR 459-013-0260(2).