



# Overview of **PERS**

## Employer Reporting Guide

*This guide explains the Oregon PERS retirement system: the retirement benefits it provides, how members earn those benefits, when members are eligible to retire, and the responsibilities of participating employers.*

**Employer  
Service  
Center**



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## Introduction

This guide explains the PERS retirement system and the benefits it provides to qualifying Oregon public employees. It describes how PERS membership is gained and maintained, the PERS benefits package, the programs and job classifications within the plan, and the responsibilities of PERS-participating employers.

To read definitions of terms in this guide, refer to the [Glossary quick-reference guide](#).

## Overview of the PERS plan

The Oregon Public Employees Retirement System (PERS) was established in 1946 to provide retirement income for Oregon's public employees.\* About 900 state agencies, public schools, community colleges, and local governments (cities, counties, and special districts) participate in PERS, which covers about 95% of public employees in Oregon — more than 405,000 people.

For the full story, read [The Oregon PERS History, 1934–2021](#).



Excerpt from [PERS by the Numbers](#)

### Overview of PERS retirement benefits

PERS provides a pension and an investment account called an Individual Account Program (IAP) account to qualifying, vested PERS members when they retire. ([Vesting](#) is explained on page 32 of this guide.)

1. **The pension** provides monthly payments for life.
2. **The IAP** provides disbursements until it is spent.
3. **The Oregon Savings Growth Plan (OSGP)** provides a deferred-compensation, invested account if the PERS member and their employer participate.

### How PERS works

The Oregon Legislature determines PERS retirement benefits and the laws that govern them. The system is primarily funded by employers, interest earned on the invested funds, and small contributions from members who earn over a certain amount. The funds, which are deposited into the PERS Trust, are —

- ✓ Collected by PERS, the agency.
- ✓ Managed by the Oregon State Treasury.
- ✓ Invested by the Oregon Investment Council.

Watch the video “[How Does PERS Work?](#)” to understand how these entities work together to manage PERS.



“How Does PERS Work?” video (click image to play)

### Legislative changes to PERS

Nearly every legislative session, the Oregon Legislature is presented with bills requesting changes to PERS. Most sessions result in a few adjustments to PERS.

To read about legislative changes by year, go to the [Legislation Impacting PERS webpage](#). Click on a year to read about the PERS-related legislation enacted that year.

### How new members learn about PERS

#### Education presentations

PERS offers education sessions for members who are new to PERS and those who are within three years of retirement. Sessions are offered virtually and in person. To help your employees sign up for a class, direct them to the appropriate webpage below.

- [Tier One/Tier Two Education Presentations](#).
- [OPSRP Education Presentations](#).

#### Annual PERS Expo

Every fall, PERS holds a virtual educational event for all PERS members. PERS Expo features live presentations, downloadable materials, and on-demand videos that help members understand their PERS retirement benefits, how and when to apply for retirement, options for receiving retirement funds, and more.

Before the event, PERS shares information about the expo in the member and employer newsletters. PERS members can view the schedule ahead of time and choose which sessions to attend. Sessions last between 30 and 60 minutes. Recordings are available online after the expo.

#### Early career checklist

As part of PERS Expo, PERS provides a checklist of steps new members (those within their first five years of membership) should follow. The steps enable new members to understand, access, and protect their PERS accounts. [Early career checklist \(PDF\)](#).

#### PERS website

The PERS website is the main source of PERS information, resources, and forms for active, inactive, and retired members; beneficiaries and alternate payees; PERS-participating employers; and third-party administrators. The website comprises:

- [Welcome to PERS website](#) for new members.
- [Webpages for new members and midcareer members](#).
- [Webpages for members who are getting ready to retire, have retired, and are working after retirement](#).
- [PERS Employers website](#).
- [All About Beneficiaries webpage](#).
- Information for alternate payees — go to the [Divorce webpage](#)>Oregon Law and PERS Rules: What They Mean for Divorce Awards.

### How new employers learn about PERS

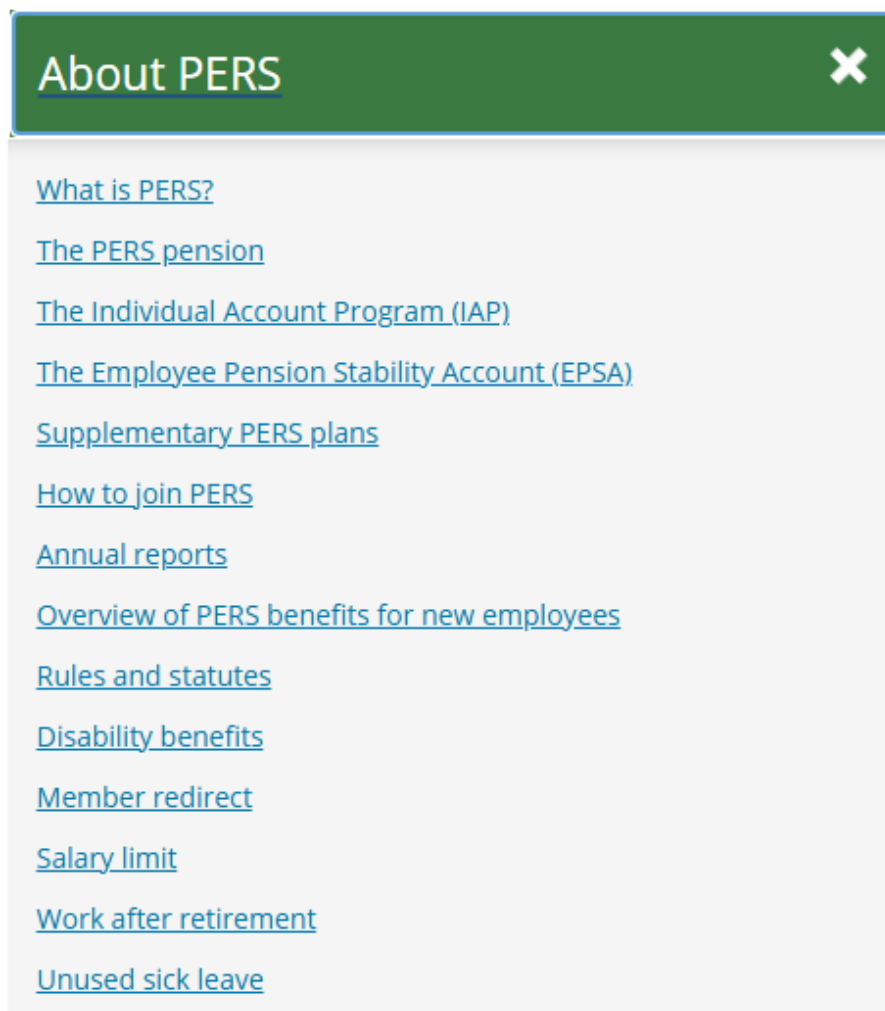
#### Employer Service Center training and support

- [Training and webinars.](#)
- [Employer Service Center Call Center and representatives.](#)

#### Online resources

[PERS Employers website](#), particularly these webpages:

- [Employers home page](#), “About PERS” section (image below).
- Employers [What Is PERS? webpage](#).
- [Employer reporting guides and quick references.](#)
- [Using the EDX Reporting System webpage.](#)



## PERS pension

A PERS pension provides regular payments for the rest of a retiree's life in exchange for their years of work (unless they choose a different payout option).

The size of a retiree's payments, calculated at retirement, depends on how long they worked, how much they earned, their PERS program, and the type of job or jobs they did.

Oregon PERS has three pension programs that have different rules and benefits. The program an employee is in depends on when they began working for a PERS-participating employer. Each program provides slightly different benefits based on an employee's job classification.

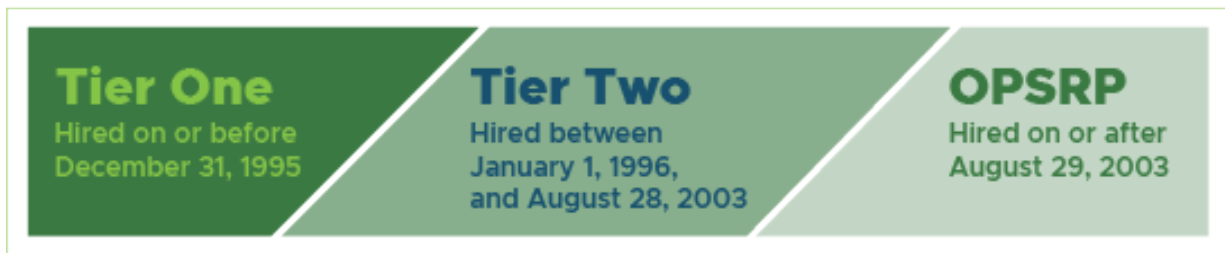
### Three pension programs

PERS administers three pension programs: Tier One, Tier Two (both detailed in [Oregon Revised Statute \(ORS\) Chapter 238](#)), and Oregon Public Service Retirement Plan (OPSRP) (detailed in [ORS Chapter 238A](#)).

The program a member is in is determined by their original hire date with a PERS-participating employer (if membership was established and retained). Learn more on the [What Plan am I in? webpage](#).

Tier One and Tier Two are both closed to new members.

Everyone who became a member of PERS on August 30, 2003, or later is a member of OPSRP (pronounced AWP-serp).



### A member's program does not change

Whichever program a member is in, they remain in that program unless they lose or withdraw their membership.

If they retire and then return to work for a PERS-participating employer, they stay in their original program (although they don't earn more benefits unless they cancel their retirement and become an active member again).

If an employee moves to a different PERS-participating employer, they remain in their program and continue to build their benefits.

However, if a member loses or withdraws their membership and later in their career works for a PERS-participating employer and earns membership, that membership would be in OPSRP — no matter what program they were in before.



### Pension benefit per program

Each pension program offers slightly different benefits. Read the [Benefit Component Comparisons Chart](#) for specific details.

#### Tier One

Tier One is the oldest and most generous PERS program. Tier One retirees have more options for how to receive their money when they retire than any other program. Some of these options have resulted in generous pension benefits; therefore, they were not carried forward into the Tier Two or OPSRP programs.

Retirement benefits for current Tier One retirees may include the following: a pension, IAP account, member account, and variable account.\*

#### Tier Two

In 1996, the Oregon Legislature created Tier Two to be less costly for employers than the Tier One program. However, over time, it didn't reduce costs enough. The high cost of Tier One and Tier Two benefits means employers pay a higher contribution rate for their Tier One and Tier Two employees than their OPSRP employees.

Retirement benefits for current Tier Two retirees may include the following: a pension, IAP account, member account, and variable account.\*

#### OPSRP

In 2003, the Oregon Legislature gave PERS a major overhaul and created a third tier: the Oregon Public Service Retirement Plan. Over time, as more people retire under OPSRP and fewer retire under Tier One/Tier Two, employers' PERS costs will go down.

Retirement benefits for OPSRP retirees include: a pension and an IAP account.

*\* Read the "[Other Accounts](#)" section in this guide for information on member and variable accounts. Only Tier One/Tier Two employees who kept their variable account when the program ended receive it at retirement.*

### Vesting in the pension program

Once a PERS member is vested, they become eligible to receive a pension at retirement even if they stop working for a PERS-participating employer. The only way they can lose their pension is if they withdraw from PERS.

To vest in PERS, an employee must work for five years in a PERS-qualifying position that requires at least 600 hours of service per year. The years do not need to be consecutive, but the employee cannot have a gap in qualifying employment of more than five consecutive years.

A member becomes vested when one of the following occurs:

- They complete at least 600 hours of service in each of **five calendar years**. They reach vested status in their fifth year as soon as they complete 600 hours of service.
- They reach **normal retirement age**. For a list of normal retirement ages for each job class, see the "[Types of PERS Retirements](#)" section in this guide.

## Individual Account Program (IAP)

The IAP is another source of retirement income for PERS retirees. After an employee in a qualifying position completes their first six months of work and establishes membership in the IAP, 6%\* of their monthly salary starts being deposited into their IAP employee account. Some employers pay, or “pick up,” that 6% for their employees, and others just deduct it from their employees’ paychecks.

Like with a 401(k) defined-contribution plan, the money in the IAP is invested and earns gains or losses over time. Retirees can choose how they would like to receive their IAP account balance when they retire.

**Learn more:** [What is the IAP? webpage.](#)

*\*Minus the amount redirected into their Employee Pension Stability Account, if applicable.*

## Vesting in the IAP

New employees become vested in their IAP employee account as soon as they establish IAP membership (i.e., after their six-month membership wait time). Vesting in optional employer accounts may have different rules.

## Employee Pension Stability Account (EPSA)

Introduced in 2020, the EPSA is a way to help reduce employers’ rising contribution rates and enable employees to contribute to their pension costs. Employees who earn over a certain amount per month have a percentage of their 6% IAP contribution redirected into their EPSA. When they retire, that money is used to help fund their pension.

The amount redirected into the EPSA is 2.5% for Tier One and Tier Two, 0.75% for OPSRP. The remaining 3.5% or 5.25% is deposited into their IAP.

**Learn more:** [EPSA Overview webpage.](#)

## Voluntary contributions

Members who make EPSA contributions can choose to make an additional, after-tax contribution into their IAP that is equal to the exact amount being redirected into their EPSA: 2.5% for Tier One and Tier Two, 0.75% for OPSRP. This option is called a “voluntary contribution” and allows members to continue contributing a full 6% of salary into their IAP employee account. Eligible employees can begin making voluntary contributions by choosing the option in the [Online Member Services \(OMS\) tool](#).

PERS charges employers for employees’ voluntary contributions. It appears on your statement as IAP Voluntary Contributions.

**Learn more:** [How to Manage an Employee’s Voluntary Contribution webpage.](#)

[Employer reporting guide 26, Understanding Your Statement.](#)

## Oregon Savings Growth Plan (OSGP)

OSGP is an optional program that enables PERS members to defer some of their pay until retirement. Through OSGP, members choose how much salary they want to save (either a percentage or a dollar amount), whether the money is deducted pre- or post-tax, and how they want their 457(b) account invested.

PERS offers the program through a third party (Voya), and there is no employer reporting involved.

Learn more on the [OSGP website](#).

## Other accounts

### Tier One/Tier Two regular accounts

Before the IAP began in 2004, members contributed to individual member accounts that were used to fund pension benefits. When PERS was reformed in 2003, the member accounts program was replaced with the Individual Account Program (IAP), which was designed to be more affordable for employers.

Members retained their regular accounts but stopped contributing to them in 2004. PERS continues to credit earnings and losses to a member's account until the member withdraws, elects a one-time transfer, or retires. For Tier One members, these regular member accounts earn a guaranteed rate of interest set by the PERS Board (currently 6.9%). Tier Two members, on the other hand, do not receive a guaranteed earnings rate but instead receive [actual investment returns](#) on their member accounts.

A regular account is sometimes referred to as a "tier account."

### Variable Annuity Program

Before the IAP began, PERS offered the Variable Annuity Program for Tier One and Tier Two members. The last date members could contribute to the Variable Annuity Program was December 31, 2003. PERS continues to credit earnings and losses to previously existing accounts until the member withdraws, elects a one-time transfer, or retires.

PERS-participating judges who were sitting on the bench June 30, 2003, were allowed to continue participating in the Variable Annuity Program.

On a member annual statement, a Variable Annuity Program account is called a "variable account."

## PERS membership

### Qualifying for membership

To become a PERS member, an employee must first complete a “wait time” of employment that satisfies these rules:

- The employee must work for one employer for six months with no break in service lasting 30 or more consecutive working days.
- The employee must still be working for the same employer at the end of the six months.
- The employee must still be working for the same employer on the day after the six-month period ends.

### Maintaining membership

To maintain membership in PERS, an employee needs to work in a “qualifying” position (i.e., more than 600 hours/year) and not lose nor withdraw their membership.

Membership in PERS is portable, meaning a member who leaves one PERS-participating employer to work for another PERS-participating employer retains their membership.

### Losing membership

An unvested PERS member can lose their membership (called “loss of membership (LOM) status”) if they work fewer than 600 hours a year for five consecutive years.

If a former PERS member who lost their membership returns to PERS-covered employment later, they can establish new membership in the OPSRP Pension Program by working in a qualifying position and serving a new six-month wait time.

#### Tier One/Tier Two loss of membership

A Tier One or Tier Two member losing their membership is unlikely to occur because most Tier One and Tier Two members have already vested or experienced LOM by this point.

**Note:** If a Tier One/Tier Two member becomes inactive within five years of their earliest retirement age, they will vest by age and not go into LOM status.

#### OPSRP loss of membership

If an unvested OPSRP member works fewer than 600 hours/calendar year for five years, they will go into LOM status. This means they will not receive a pension when they retire.

Because PERS members immediately vest in the IAP upon establishing IAP membership, that account is unaffected by their LOM status. They can leave their IAP until they reach retirement age, or they can choose to withdraw it. To learn more, your employee should go to the [Withdrawal Information webpage](#) and read the “Important Information” section, starting with the second paragraph.

### Withdrawing membership

A nonretired member who is no longer working for a PERS-participating employer can choose to withdraw their PERS funds. However, withdrawing any of their PERS accounts means also withdrawing their membership. That is, if a member withdraws from the Individual Account Program (IAP), they must also withdraw from the pension program.

To be allowed to withdraw, the member:

- Cannot be employed by a PERS employer when PERS receives their withdrawal application.
- Must remain separated from all PERS employment for a full calendar month after the month they stopped working for their last PERS-covered employer.
- Must submit a complete and correct withdrawal application.

### Tier One and Tier Two withdrawal

A Tier One or Tier Two employee who withdraws would receive a payout of the current value of their invested accounts (IAP, EPSA, Tier One or Tier Two member account, and variable account, if they have one), and terminate their PERS membership. They would not be entitled to a future pension benefit.

If they returned to PERS employment and wished to reestablish membership, the former Tier One/Tier Two member could pay back the withdrawn amount plus interest. If they did not choose to pay back the withdrawn amount plus interest, they would start over as a new member of OPSRP.

**Learn more:** For more information about withdrawal and a link to the withdrawal application, direct employees to the [Withdrawal Information webpage](#). For information about reestablishing membership by paying back the withdrawn amount, go to the [Tier One/Tier Two Purchases webpage](#)>General Service Time Purchases>Forfeited Service Due to Prior Withdrawal.

### OPSRP withdrawal

An OPSRP member who withdraws would receive the member contributions and earnings that have accumulated in their IAP and EPSA, if they met certain conditions. This would terminate their membership in OPSRP/PERS, and they would not receive a pension when they retire.

**Learn more:** For more information about withdrawal and a link to the withdrawal application, direct employees to the [Withdrawal Information webpage](#).

### Financial impact to employers

If a member forfeits their pension program membership by losing or withdrawing their membership, the contributions the employer has paid to PERS on that employee's payroll will remain in the employer's pension (i.e., reserve) account. Those funds would be used to fund retirement benefits for the employer's other remaining employees.

### Effect of divorce on benefits

When a member gets divorced, their spouse may be entitled to a portion of the member's future PERS retirement benefits as an alternate payee. The amounts and types of funds to which the spouse is entitled depend on the divorce decree and the laws in effect at the time of the divorce.

For complete information about divorce, go to the PERS members' [Divorce webpage](#).

Depending on the nature of the divorce settlement, the member and ex-spouse may owe administrative fees to PERS.

### Reporting an employee death

When a member dies, a portion of their PERS benefits may be available to their beneficiary. How much can be left and to whom it can be left varies based on PERS program, whether someone passes before or after retirement, and the beneficiary choices they made at retirement.

#### How to report an employee death

When an employee dies before retirement, the employee's family, friend, or representative and the employee's employer must follow a few important steps to report the death to PERS. This ensures that the employee's account is updated, and the beneficiary's benefits can begin as soon as possible, if applicable.

For instructions on reporting an employee death, read the article "How to Report an Employee Death" in the [November 2023 Employer News](#).

Learn more

["How do I report an employee's death?" FAQ.](#)

[Employer reporting guide 15, \*Reporting a Termination or Death\*.](#)

[When a PERS Member Dies webpage.](#)

### Designating a preretirement beneficiary

#### Tier One/Tier Two

These members can choose a preretirement beneficiary for their pension and for their IAP. For details on whom they can designate and links to forms, go to the employers' [Designating a Preretirement Beneficiary webpage](#).

#### OPSRP

These members can designate an IAP beneficiary. Their pension can only be paid to their spouse or someone assigned by court order. For details and a link to the IAP form, go to the employers' [Designating a Preretirement Beneficiary webpage](#).

## How members earn retirement benefits

On average, for a PERS member with 30 years of PERS service credit, a PERS pension can provide income of up to about 45%\* of what the member was earning while working.

The precise amount of monthly pension vested members receive when they retire depends on the following factors.



**How long they worked** in a qualifying position or were otherwise eligible to receive service credit (also called years of service, retirement credit, or service time). This excludes months for which they did not receive service credit. Learn more in the [“Service Credit”](#) section.



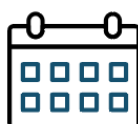
**Their pension program.** Tier One, Tier Two, or Oregon Public Service Retirement Plan (OPSRP).

- ☐ General Service
- ☐ Police and Fire
- ☐ School Employee

**Their job classification.** Police and Fire, General Service, and School Employee classifications receive slightly different benefits. There are also special considerations for the temporary or part-time roles in the Legislator and Elected Official job classes, explained in the [“Job Classification”](#) section.



**Their final average salary.** What they were paid in their last 36 months or three highest-paying years is called final average salary (FAS). FAS calculation varies by tier. Learn more about FAS in [employer guide 16, Reporting a Retirement](#), Part 1, section “How PERS Calculates Pensions.”



Whether they **retire at early or normal retirement age**. Go to the [“Normal Retirement”](#) and [“Early Retirement”](#) sections in this guide for details.



If their employer participates in the **Unused Sick Leave Program**, which entitles Tier One and Tier Two employees to include a portion of their unused sick leave in their FAS. Unused sick leave calculation is covered in [employer reporting guide 17, Calculating Unused Sick Leave Hours at Termination or Retirement](#).



**The laws in effect** during their periods of qualifying employment, and when they retire.

*\*This number is based on the results of the annual salary replacement ratio study, published in [PERS by the Numbers](#). The study reports the percentage of former salaries that PERS retirees are receiving in their monthly pension payments. Retirees need to spend about 30 years in PERS-covered employment to receive 45% of their former salary in retirement.*

### How PERS calculates pensions

PERS calculates each prospective retiree's pension based on the laws and calculation methods that are required by law for their pension program and job classification (or *classifications* if they had different job types in their career). For specifics, you can send employees to:

- The [Tier One Tier Two Overview and Benefit Calculation webpage](#), “How Is My Tier One/Tier Two Pension Calculated?” section.
- The [OPSRP Overview and Benefit Calculation webpage](#), “How Does PERS Determine How Much Pension I Get Paid?” section.

**Employers** can read more in [employer reporting guide 16, Reporting a Retirement](#), Part 1, section “How PERS Calculates Pensions.” That section also elaborates on the other factors that affect PERS retirement pay, which are overviewed in this section.

### How members keep track of benefit growth

#### Member annual statements

Every spring, PERS mails annual statements to all active PERS members and inactive members who still have a PERS account. Annual statements include the member's employment data that will be used to calculate their future **pension benefit** such as:

- First hire date into a PERS qualifying position.
- Years and months of service credit.  
Service credit is relevant for vesting (members vest at five years of qualifying service or by age) and to calculate a formula pension benefit.
- Job classification.

No actual pension benefit amount is listed because that calculation is completed at retirement when all of the member's employment data are comprehensively reviewed and evaluated.

The statements also show **IAP** account balance and **EPSA** account balance (if applicable).

For Tier One and Tier Two members, other **pre-IAP accounts** or **job-class specific accounts** may be listed. The example below is a Tier Two Police and Fire member with nearly 23 years of service credit and a P&F Unit account.

**Learn more:** The [Member Annual Statements Frequently Asked Questions \(FAQ\) webpage](#) provides links to interactive examples of different types of statements.



### 2023 TIER TWO PENSION INFORMATION

This is the first part of your retirement benefit. You can produce a pension benefit estimate for a future retirement date on Online Member Services (OMS), located on the PERS website.

#### REGULAR ACCOUNT

Account balance December 31, 2022:	\$79, 218.10
2023 earnings rate:	5.52%
Earnings for 2023:	\$4,372.84
Account balance December 31, 2023:	\$83,590.94

#### VARIABLE ACCOUNT

*You did not participate in the Variable Account as of December 31, 2023.*

**Your 2023 Tier Balance: \$83,590.94**

#### YEARS OF SERVICE

2023 service credit: 1 year  
Total service credit: 22 years, 10 months

#### POLICE OFFICER & FIREFIGHTER UNIT ACCOUNT

Account balance December 31, 2022:	\$741.33
Unit contributions in 2023:	\$102.24
2023 earnings rate:	5.52%
Earnings for 2023:	\$46.57
Account balance December 31, 2023:	\$890.14

**Excerpt from sample member annual statement**

[Tier One example member annual statement \(PDF\).](#)

[Tier Two example member annual statement \(PDF\).](#)

[OPSRP example member annual statement \(PDF\).](#)

### Online Member Services (OMS) tool

PERS members can create an OMS account to view their account information and create a rough estimate of their future pension.

You can direct members to the [What Is OMS?](#) webpage to read what active, inactive, and retired members can do in OMS. [Instructions for creating an OMS account and login.](#)

### Benefit estimate from PERS

Two years before an employee becomes eligible to retire, they can request a **written benefit estimate** from PERS. This estimate is based on the information in the employee's PERS employment history and is more accurate than an OMS-generated estimate.

For Tier One and Tier Two members, it comes with a list of the **purchases** for which the member is qualified and the estimated cost of those purchases.

Tier One/Tier Two employees can learn about purchases on the [Purchases webpage](#).

Employees can find instructions for requesting a written benefit estimate on the [Benefit Estimates webpage](#).

### Service credit

Members earn service credit by working in a qualifying position. Service credit is counted in years and months.

- To earn service credit for a year, a member must have 12 months of service credit.
- To earn service credit for a month, a member must work (this includes paid time off) for the major fraction of the month; that is, at least half the working days of that month or 50 hours.

#### Exceptions:

- Unpaid leaves of absence and non-qualifying positions do not earn service credit.
- Because school employees have summer and winter breaks, they have special rules for earning service credit. See “[School Employee Job Class](#)” in this guide.
- To determine service credit and qualification status for an employee’s first year or last year if it is less than a full calendar year, read quick-reference guide [Determining Qualification for a Partial Year](#).
- Eligible Tier One/Tier Two members can purchase periods of service credit. Learn more on the [Tier One/Tier Two Purchases webpage](#).

### Effect of service credit on benefits

Service credit is credit employees get for time spent actively working in a PERS-qualifying position. For PERS purposes, “actively working” requires hours of service and pay, whether those hours are based upon hours of actual work or on paid-leave benefits from the employer.

Service credit is an important factor in the employee’s benefit growth and is used as part of the formula to calculate their retirement benefit. It affects an employee’s wait time, vesting, pension benefit, and retirement eligibility.

Actively working **does not include** unpaid leave such as leave without pay (LWOP) or leave for which the benefits are not paid by the employer (e.g., third-party-paid Paid Leave Oregon program benefits).

Therefore, it is important for PERS members to understand the effect that unpaid leave will have on their service time before they take leave.

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

### Job classification

When you hire an employee and create a new-hire record for them in EDX, you assign them one of eight job classifications based on the type of work they will be doing. Most employees fall into the General Service, School Employee, or Police and Fire job class.\*

Unlike an employee's membership program (e.g., Tier One, OPSRP), which does not change, an employee's job class changes based on the job they are doing.

For example, if a police officer reaches retirement age, does not retire, and instead becomes a substitute teacher, her new position will have a 09 – School Employee job class instead of 02 – Police and Fire job class.

When she retires, she will retire under the rules of the School Employee job class. However, the benefits she earned while she was a Police and Fire employee will be calculated at the Police and Fire pension-calculation rate,\*\* while the benefits she earned while she was a School Employee will be calculated at the General Service rate (because School Employee has the same pension-calculation rate as General Service).

For definitions of job classes, read the [Job Classification Codes quick-reference guide](#).

\*There are additional employee class distinctions that are different than the eight job classifications that may apply to certain OPSRP members who receive overtime compensation.

\*\*If an employee reaches retirement age as a Police and Fire employee and *then* switches jobs, they retain the right to retire under the rules and benefits of the Police and Fire job class. Meaning, in this example, the employee could retire before she reaches General Service normal retirement age because she was already eligible to retire under Police and Fire rules.

### The job classifications

The current eight job classifications are defined in the [Job Classifications quick reference guide](#). The six most commonly used job classifications are listed below.

The General Service job class encompasses all employees who are not in one of the other five job classes listed below. The benefits, rules, and exceptions for those job classes are covered in the appendix in this guide (click a section name to jump to it).

**01 General Service.**

**02 Police and Fire.** See “[Police and Fire Job Class](#).”

**05 Judge Member.** See “[Judge Job Class](#).”

**06 Legislator.** See “[Legislator Job Class](#).”

**08 Elected Official.** See “[Elected Official Job Class](#).”

**09 School Employee.** See “[School Employee Job Class](#).”

## Types of PERS retirements

PERS members must reach a particular age for their tier and job class (or work a certain number of years) to be eligible to retire and start receiving their PERS benefits. PERS offers three types of retirements.

### Normal retirement

Retiring at “normal” retirement age provides the full benefits to which a member is entitled. A member qualifies for normal retirement based on reaching normal retirement age or achieving sufficient service time for their PERS program and job classification. A normal retirement is a bona fide retirement.

#### General Service and School Employee normal retirement eligibility

PERS program	Service time	Normal retirement age
Tier One	30 years	any
	Less than 30 years	58
Tier Two	30 years	any
	Less than 30 years	60
OPSRP	30 years	58
	Less than 30 years	65

#### Police and Fire normal retirement eligibility

PERS program	Service time	Normal retirement age
Tier One	30 years	any
	25–29 years	50
	Less than 25 years	55
Tier Two	30 years	any
	25–29 years	50
	Less than 25 years	55
OPSRP	25 years	53*
	Less than 25 years	55*

*\*An OPSRP employee's last 60 months of retirement credit before retirement must be in the Police and Fire job classification to qualify for normal retirement at this age.*

## Early retirement

Retiring early provides reduced benefits compared to retiring at normal retirement age. It also adds restrictions on retirees who return to work for a PERS employer.

An early retirement is a non-bona fide retirement — unless the retiree takes a six-month break from working for any PERS-participating employers after retirement. That break makes an early retirement a bona fide retirement.

### General Service (and 911 operator)/School Employee early retirement eligibility

PERS program	Service time	Early retirement age
Tier One	Less than 30 years*	55–57
Tier Two	Less than 30 years*	55–59
OPSRP	Less than 30 years*	55–64
911 operator, any PERS program**	25 years of 911 operator service	Any age once they achieve 25 years
	Less than 25 years of 911 operator service	Same as early retirement ages above

\*30 or more years of service qualifies for normal retirement.

\*\*911 operators are classified as General Service but have a special provision that allows them to retire early once they achieve 25 years of service as a 911 operator.

### Police and Fire early retirement eligibility

PERS program	Service time	Early retirement age
Tier One	Less than 25 years*	50–54
Tier Two	Less than 25 years*	50–54
OPSRP	Less than 25 years*	50–54**

\*25 or more years of service qualifies for normal retirement.

\*\*An OPSRP employee's last 60 months of retirement credit before retirement must be in the Police and Fire job classification to qualify for early retirement at this age.

## Disability retirement (Tier One and Tier Two only)

Tier One and Tier Two employees who become too sick or injured to work may be eligible for disability retirement.

OPSRP employees who become too sick or injured to work may be eligible to receive disability benefits while off work. This is not a retirement. These benefits continue until the member no longer qualifies for benefits or reaches normal retirement age. At normal retirement age, they need to apply for retirement.

See [employer reporting guide 14, Disability Benefits](#), for complete information.

## After retirement

### PERS Health Insurance Program (PHIP)

As your employees near retirement, they may wonder how they will cover their healthcare expenses after they retire. One option is the PERS Health Insurance Program (PHIP).

PHIP is available to PERS retirees plus their spouses and dependents who meet eligibility requirements. It offers two kinds of plans: Medicare and non-Medicare. It also offers dental plans.

#### Benefits

PHIP's Medicare plans include:

- A choice of five medical plans.
- A Part D prescription drug plan. (Part D prescription drug plan is included in all Medicare plans.)
- Hearing benefit.
- Vision benefit.
- Free basic gym membership.

PHIP's non-Medicare plans offer:

- A choice of four medical plans.
- Option to choose a high-deductible plan.
- Alternative care (i.e., chiropractic and acupuncture).
- One plan with vision benefits.
- The option for a health savings account (HSA) that rolls over from one year to the next. (Retirees must be enrolled in a PHIP high-deductible health plan to have this option.)

PHIP also offers a choice of two dental plans.

#### Subsidies

Oregon legislation established two separate trust funds that contribute a monthly premium subsidy toward the cost of PHIP-sponsored medical coverage *only for eligible Tier One and Tier Two retirees*: the Retiree Health Insurance Account (RHIA) and Retiree Health Insurance Premium Account (RHIPA) for non-Medicare plans.

**RHIA subsidy:** A \$60 subsidy toward the premium for retirees enrolled in a PHIP Medicare plan.

**RHIPA subsidy:** For state retirees who are not yet eligible for Medicare, a subsidy may be available based on state of Oregon qualifying service time. For longer-term employees, this RHIPA subsidy can be worth several hundred dollars a month. For more information on benefits, eligibility, enrollment, subsidies toward the premium, and plan rates, visit [pershealth.com](https://pershealth.com) or call PERS Health at 800-768-7377.

### Working after retirement

#### Employing a PERS retiree

Hiring a PERS retiree must be done correctly to avoid accidentally canceling their retirement. Working retirees do not earn further PERS benefits; nonetheless, you do need to report to PERS that you hired them, and you need to report their hours and wages.

You will be charged your PERS employer contribution rate on their wages. Because working retirees do not earn any additional PERS benefits, the contributions you pay directly reduce your organization's unfunded actuarial liability (UAL). Full instructions for employing a PERS retiree are in [employer reporting guide 8, Hiring a PERS Retiree](#).

#### Annual-hour restrictions on working retirees

PERS retirees can work for a non-PERS employer with no effect on their retirement benefits (except for a possible Social Security limitation\*).

PERS retirees who had a bona fide retirement can return to work for a PERS-participating employer while continuing to receive their PERS retirement benefits. Retirees who did not have a bona fide retirement are limited in the number of hours they can work per year, explained below.

##### **Working retirees who took a non-bona fide retirement**

Tier One, Tier Two, or OPSRP members who retired at early retirement age and did not take a six-month break from working for all PERS-participating employers after retirement are limited to the following annual hour totals. Surpassing the limit cancels their retirement and returns them to active membership.

- Tier One/Tier Two early retirees — no more than 1,039.9 hours/calendar year.
- OPSRP early retirees — no more than 599.9 hours/calendar year.

##### **Tier One/Tier Two disability retirees**

Tier One/Tier Two disability retirees who have not reached normal retirement age may not work (unless they are doing a “90-day trial service” to see if they are ready to return to work).

Disability retirees who have reached normal retirement age for their job class may work for a PERS-participating employer only up to 599.9 hours/calendar year. Surpassing the limit cancels their disability retirement and returns them to active membership.

##### **OPSRP disability-benefit recipient retirees**

OPSRP employees who stop working, receive disability benefits, and then retire at normal retirement age may work for a PERS-participating employer with no annual hour limit, like any retiree who retires at normal retirement age. If they retire at early retirement age, they have a 599.9-hour limit until they take a six-month break from PERS-covered employment.

*\*Social Security may have an income limit on those who are younger than Social Security full retirement age and working while receiving Social Security. Learn more on the [Social Security Receiving Benefits While Working webpage](#).*

## Responsibilities of a PERS-participating employer

### Reporting employee data to PERS

The PERS pension administration system contains records of all past and present PERS members' accounts: their membership start date (aka contribution start date (CSD)), salary earned, hours worked, service credit, leaves of absence, job changes, and so much more.

Employers have the vital job of reporting all these data into the pension administration system through Employer Data Exchange (EDX) on a regular basis.

At retirement, PERS retirement-calculation specialists use the information that your organization has submitted over an employee's career to calculate their pension amount.

This means that **your employees' retirements are built on the information that you report**. That information must be:

- Accurate (and if not, corrected quickly).
- Timely (reported as soon as it happens).
- Submitted correctly (in chronological order, with the correct codes, and so on).

The work of employer reporters, web administrators, finance officers, and human resources professionals is not easy, but the Employer Service Center provides a wealth of resources to help you:

- For an overview of all the learning materials provided by ESC, read the [All-Access Training Forum Webinar presentation](#) from March 2025.
- For an introduction to using EDX, read the [Using the EDX Reporting System webpage](#).
- To sign up for employer reporter training, go to the [Training webpage](#).
- To read detailed instructions on reporting, reference the [employer reporting guides](#).
- For questions and help, contact the [Employer Service Center](#).

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#### EMPLOYER-REPORTING TERMS TO UNDERSTAND

**Subject salary** is salary or payments on which your employees earn benefits.

**Non-subject salary** is salary or payments on which your employees do not earn benefits.

**A qualifying position** is one that qualifies to earn PERS benefits. A position that requires at least 600 hours a year is qualifying.

**A non-qualifying position** is one that does not qualify to earn PERS benefits because it requires fewer than 600 hours/year. However, an employee who works two or more non-qualifying jobs that, combined, total 600 hours a year can qualify for benefits that year.

**TIP:** Learn about the difference between qualifying and non-qualifying positions and subject and non-subject salary in quick reference guide [Correct Usage of Subject and Non-Subject Salary Fields](#).

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### Paying for PERS

#### Your employer contribution rate

To cover the cost of your employees' future retirement benefits, you pay your "employer contribution rate" multiplied by your qualifying employees' salaries. You only pay your rate for employees who are past their six-month wait time and who are actively earning service credit (i.e., they are not on unpaid leave and are currently working for you in a qualifying or active-service position).

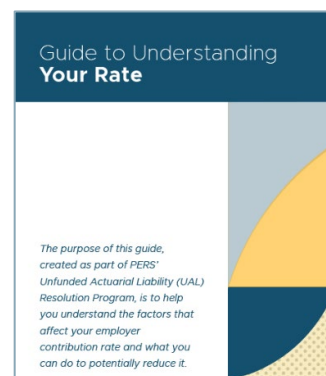
You also pay your contribution rate on your working retirees' salaries, although the money does not go toward benefits; it goes toward your organization's unfunded actuarial liability, explained below.

The total (salary x rates) is calculated by EDX and billed on your remittance statement.

There are a number of factors that go into building your rate. Your contribution rate is recalculated every other year by PERS actuaries. The actuaries use sophisticated financial modeling techniques to ensure that all PERS employers are paying the right amount to cover employee retirement benefits and keep the system sufficiently funded without overpaying.

To understand how your contribution rate is calculated and how you can try to affect it, read [Guide to Understanding Your Rate](#).

**Learn more:** Find your contribution rate on the [PERS Contribution Rates webpage](#).



#### Unfunded actuarial liability and other factors that increase rates

Unfunded actuarial liability (UAL) rate is a percentage added to your rate to cover past debt to the system or insufficient payment to the system caused by surprise liabilities. UAL is a normal part of a pension system.

In addition, employers pay a higher rate for Police and Fire employees than for General Service employees. This is because police officers and firefighters earn more generous retirement benefits and are eligible to retire at an earlier age than other employees.

The [PERS Payment Categories Chart](#) lists different types of payments (e.g., lump sums, bonuses, back pay, payment from a settlement) and whether each type is considered subject salary or non-subject salary. You only pay your contribution rate on subject salary.

### Your employer invoice

On the 5th and 20th of each month (or prior business day if either date falls on a weekend or holiday), EDX creates your agency's bill, called a "remittance statement."

EDX calculates the total using each qualifying employee's wages, PERS plan, job class, and contribution rate. It then bills you that sum on your remittance statement. Invoice links in each section of your statement enable you to drill down into greater detail.

**The timeliness and accuracy of the information you enter into EDX is crucial.**

Reporting late or incorrectly (and not fixing mistakes promptly) costs your organization money and time. Learn about your statement in [employer reporting guide 26, Understanding Your Statement](#).

### Paying your invoice

Your payment is due within **five business days** of your statement date. Learn all about paying your invoice in employer guide [27, Paying Your Invoice](#).

## Helping new employees understand PERS

To help your new employees understand PERS retirement benefits, how to become a member, how to earn benefits, and more, you can:

- Share the information in this guide.
- Direct them to the [Welcome to PERS website](#).
- Share the information on the employers' [Overview of PERS Benefits for Your Employees webpage](#).

## PERS privacy practices

[ORS 192.502](#) lists criteria that someone must meet before PERS will release public records to them. PERS cannot release personal information if doing so will constitute an unreasonable invasion of privacy unless the public interest, by clear and convincing evidence, requires disclosure in a particular instance.

Policies for releasing the most frequently requested records are as follows:

**Beneficiary information** — Information cannot be released over the telephone. PERS requires a written inquiry.

**List of employees approaching retirement eligibility** — For confidentiality reasons, PERS does not provide such lists of employees.

**Benefit estimate request** — PERS will not prepare a retirement benefit estimate except at the member's request, nor will PERS provide anyone else with a member's benefit estimate without a written release from that member.

**Mailing list** — PERS does not provide mailing lists.

**Retiree's pension amount** — This information is public record. PERS will release the information if the requestor makes a public records request. For instructions and charges, read the [Request for Public Records Held by PERS webpage](#).

## Appendix: Benefits and variations for five job classifications

### Police and Fire job class

The main differences between Police and Fire (P&F) retirement benefits and other job classes' retirement benefits are lower retirement age, higher pension calculation rate, and the option for Tier One/Tier Two Police and Fire members to purchase "units" and service time.

#### Retirement eligibility

To see retirement eligibility for members of the Police and Fire job classification, go to the Police and Fire tables in the "[Normal Retirement](#)" section and "[Early Retirement](#)" section of this guide.

#### P&F Units Program

The opportunity to purchase Police and Fire units is a benefit available only to Tier One/Tier Two members who are under age 65 and working in a Police and Fire position. Eligible employees can purchase up to eight units of additional benefits for \$4,000.

After retirement, a Police and Fire unit account will provide a monthly stream of income usually for five years, which is partially paid by the employer as long as payments are received by age 65.

For complete information about Police and Fire units, refer employees to the [Police and Firefighter Unit Benefits webpage](#).

#### Tier One/Tier Two service-time purchases

Tier One and Tier Two PERS members who qualify can purchase service time (aka retirement credit) to retire early or possibly increase the amount of their monthly retirement benefit.

Tier One and Tier Two Police and Fire members who qualify may be able to buy a limited amount of time spent:

- Doing police work in another state.
- Being off work on a Tier One/Tier Two disability retirement.
- Serving in the military prior to Tier One/Tier Two membership.
- Serving as a wildland firefighter with State Forestry.

**Learn more** about purchases on the [Tier One/Tier Two Purchases webpage](#) and in the [Full-Cost Purchases Q&A](#).

To find out the cost of the purchase, members need to submit a written benefit estimate request form:

- [Tier One/Tier Two Benefit Estimate Form \(for single or married member\)](#).
- [Tier One/Tier Two Benefit Estimate Form \(for a member who's been divorced\)](#).

### 911 operators

The role of 911 operator or telecommunicator includes:

- A person whose official duties are receiving information through a 911 emergency reporting system and relaying that information to public or private safety agencies or dispatching emergency equipment or personnel in response to such information.
- A public safety dispatcher whose primary duties are receiving, processing, and transmitting public safety information received through a 911 emergency reporting system.

### Benefits

911 operators are classified as General Service and receive General Service retirement benefits, except for the early retirement option described below.

### Retirement

A special provision allows 911 operators to retire early, at any age, once they achieve 25 years of service as a 911 telecommunicator or operator.

### General Service retirement eligibility (less than 30 years of service time)

Tier + 911	Normal retirement age	Earliest retirement age
Tier One	58	55
Tier Two	60	55
OPSRP	65	55
911 operator	Based on tier	Any age once they achieve 25 years of 911 operator service

This is an early retirement option that provides reduced benefits because it is based on fewer years of service than a normal retirement, among other factors. The employee is not eligible for full retirement benefits (i.e., the most for which they can qualify) until they reach normal retirement age for their tier. Also, if the early retiree retires before age 55, they are not eligible to receive any cost-of-living-adjustments until they reach age 55.

To ensure the operator meets the 25-year requirement, PERS needs an [OPSRP Certification of 911 Operator Service form](#) filled and signed by both the 911 operator and their employer. PERS needs a separate form for each PERS-covered employer for whom the employee worked in a 911 operator position.

Advise your 911 operators to request a retirement estimate when they reach at least 23 years of retirement credit as a 911 operator if they are considering retiring early (learn more on the [Benefit Estimates webpage for members](#)).

### Volunteer firefighters

A true volunteer firefighter is not paid and, thus, not eligible for PERS membership.

However, some employees labeled “volunteer firefighters” are paid. Like any employee of a PERS-participating employer, paid volunteer firefighters who work fewer than 600 hours/year do not qualify for PERS. However, employers should still report their employment to PERS, as you do for other employees in non-qualifying positions, because if they reach 600 hours working for one or more employers, they can become PERS members in the Police and Fire job class.

If you employ an unpaid Tier One/Tier Two volunteer firefighter who is receiving PERS benefits based on a **petition to the PERS Board**, this employee can ask PERS Member Services about their membership by calling 888-320-7377 or [submitting a question online](#).

### Employees on nonstandard schedules

#### Reporting leave without pay (LWOP)

When an employee is away from work without employer pay for half the month or more (defined by PERS as 11 business days or more in a calendar month), they must be reported as on a leave to PERS. This is explained in detail in [employer reporting guide 11, Reporting a Leave](#).

A business day is any day PERS is open for business (PERS’s schedule is listed on the [PERS Office Closures webpage](#)). However, many police officers and firefighters do not work a standard Monday through Friday daytime schedule. So, determining when to report LWOP based on PERS business days doesn’t work for you.

Therefore, police and fire employers count “working days” instead.

#### Determining working days

For departments whose employees work on weekends, nights, or over 24-hour shifts, provide PERS with your actual working-days records or an official statement that clarifies your working days. PERS can use those records or statement to determine your organization’s schedule based on your working days instead of PERS business days.

You can email your organization’s work schedule to your [ESC representative](#).

To determine the length of an employee’s unpaid leave, include all the employee’s unpaid working days (including weekend days) to determine if the employee’s LWOP lasts at least 11 days in a month.

For example, firefighter Kevin works a 24-hour shift Monday through Wednesday every week. For his unpaid leave to add up to 11 days, he would need to be away from work for nearly four weeks.

### Forms

- [Police Officer and Firefighter \(P&F\) Unit Purchase](#) form #459-093 (monthly deductions).
- [Police Officer and Firefighter Unit Purchase Election at Retirement](#) form #459-073 (lump sum payment).
- [Certification of Out-of-State Police Officer](#) form #459-550.
- [OPSRP Certification of 911 Operator Service](#) form #459-561.
- [Certification of Non-Participating Oregon PERS Employer for Police or Firefighter](#) form #459-621.

### Judge job class

Judges of the Oregon Supreme Court, Court of Appeals, Oregon Tax Court, and Circuit Courts are automatically members of the PERS Judge Member Program on the date they take office.

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.

### Job classification

Judges are hired as 05 - Judge Member.

### Retirement eligibility

Mandatory retirement age for judges is 75.

### Vesting

To vest, a judge must work, and make contributions toward their pension, for five calendar years before reaching age 75. The years do not have to be consecutive, but there cannot be a break longer than five years. If a judge member is unable to vest before they reach 75 years of age (the mandatory retirement age for judges), they will not receive a pension. For example, if someone becomes a judge at an age (e.g., 71) that doesn't allow them to make five years of contributions before age 75, they won't be a member of the program.

### Retirement benefits

Judge members who are vested receive one of two pension plans: Judge Plan A or Judge Plan B. Judge members will not receive an Individual Account Program (IAP) account unless they were already a PERS member. Judge plans are defined in [employer reporting guide 16, \*Reporting a Retirement\*](#), section "How PERS Calculates Pensions."

### Learn more

[Judge Member's Handbook.](#)

[Judge Member Annual Statement FAQs.](#)

[Verification of Age:](#) list of acceptable documents for verification of age.

### Forms

Judge member forms are listed in the sidebar on the [Judge Members webpage](#).

### Legislator job class

Oregon state legislators have retirement plan options available to them during their legislative service under Oregon law. The options vary depending on the legislator's PERS membership status at the beginning of each legislative term when the person is sworn into office (i.e., their status as a non-member, member, or retired member).

Legislators must generally submit one of the membership election forms listed under "Forms" on the next page within 30 days of taking office to opt into the legislative retirement plan.

### Taking a leave to serve in the Legislature

Some members of the Oregon Legislative Assembly work another job when the assembly is not in session. According to Oregon law ([ORS 171.122](#)), employers must allow these employees to take a leave of absence to attend regular or special sessions of the Legislative Assembly or to perform official duties as a member of the Legislative Assembly.

Learn more about legislative leave, placing an employee on legislative leave, and reporting legislative pay in [employer reporting guide 11, \*Reporting a Leave\*](#), section "Types of Leave," subsection "Legislator Leave."

### New legislators who are not PERS members

New legislators who are not PERS members can join the Oregon Savings Growth Plan (OSGP) legislative retirement plan.

OSGP is a deferred-compensation plan administered by Oregon PERS that enables PERS members to deposit a portion of each paycheck into an invested account. In the OSGP legislative plan, the Legislature makes contributions to the legislator's OSGP account. The legislator may make contributions if they choose, but this is not required.

To join OSGP, the legislator must submit the [Legislator Retirement Plan Election for Non-PERS Members](#) form. If they do not submit the election form within 30 days of the day their term begins, they will not be able to participate in the OSGP legislative retirement plan during their legislative term.

#### Learn more

- Specific details about the legislative retirement plan are in [Oregon Revised Statute \(ORS\) 237.655](#).
- Learn more about OSGP on the [OSGP webpage](#).

### New legislators who are nonretired PERS members

PERS members who have not yet retired have three options for PERS participation during their legislative term:

- 1** Continue their PERS membership as is.
- 2** Decline their PERS membership during their legislative service and only participate in the OSGP legislative plan. Their existing PERS membership is not canceled; it is merely put on hold; they will not earn PERS benefits during their term in office.
- 3** Decline participation in both their existing PERS plan and the OSGP plan during their legislative service.

To indicate their choice, the legislator must submit the [Legislator Retirement Plan Election for PERS Members](#) form within 30 days of taking office. If they miss that deadline, they will maintain their existing PERS membership status during that legislative session.

### New legislators who are retired PERS members

Retired PERS members have three options for PERS participation during their legislative term, explained below. They have 30 days from the day their term begins to submit the [Legislator Retirement Plan Election for PERS Members](#) form to PERS to indicate which benefit option they choose for their legislative term.

If they do not submit the form within 30 days, they will remain retired and will not be able to participate either as an active PERS member or in the Oregon Savings Growth Plan (OSGP) legislative retirement plan.

#### **PERS retiree legislative member three benefit options**

- 1** **Become an active PERS member** for their legislative term. While an active member for their legislative service, they can choose whether or not to continue receiving their non-legislative service retirement benefits.
  - 1a** While working as an active PERS member and earning additional PERS benefits, the legislative member can choose to also continue to receive their retirement benefits for their non-legislative service.

This means the retiree legislative member could choose to be a retiree and an active member at the same time. They would remain retired from their old job and receive their retirement benefits while simultaneously earning income and additional retirement benefits from their active-service legislative job.

For their legislative position, they would be a member of their preretirement PERS program (i.e., if they were Tier Two before, they would be Tier Two for their legislative term).

They do not need to serve a wait time — they begin earning benefits immediately.



- 1b** While working as an active PERS member and earning additional PERS benefits, the legislative member can choose to discontinue receiving their retirement benefits. Their retirement is not canceled, it is put on hold.

After they are finished serving in the Legislature, they can resume their retirement benefits by retiring from both their legislative and their non-legislative service.

- 2 Remain a retired member**, continue to receive retirement benefits, and participate in the Oregon Savings Growth Plan (OSGP) legislative plan.
- 3 Remain a retired member**, continue to receive retirement benefits, and decline participation in the OSGP legislative plan.

### Reporting for retiree legislative members

Based on the legislator's choices, the Employer Service Center will handle the membership activation, OSGP signup, and retirement pause.

If the legislator chooses active PERS membership, the ESC will notify the Legislature's Employer Reporting 1. Starting with the next pay period, begin reporting hours, wages, and contributions for the legislator. Use wage code 01 – Regular Wages, enter the salary in the Subject Salary (Regular) field, and enter 6% IAP contributions in the appropriate field (MPAT, MPPT, EPPT).

When the legislator's term is or terms are over, they will need to apply for retirement from their active membership position. You will submit a termination record for them with a last day of service that is the last calendar day of a month.

### Forms

[Legislator Retirement Plan Election for ERS Members.](#)

[Legislator Retirement Plan Election for Non-PERS Members.](#)

### Elected Official job class

Elected and appointed officials include those who are elected or appointed to an office with a fixed term or appointed by the Governor to an office as head of a department. This job classification does not include judges nor members of the Legislative Assembly.

#### Elected officials who are PERS members

##### **Tier One/Tier Two members**

To participate in PERS for their office term, Tier One and Tier Two members must elect to participate by submitting the [Elective and Appointive Membership Election form for Tier One/Tier Two](#) within 30 days of taking office. If they do not submit the form within 30 days, then their PERS membership will pause for their term in office, and they will not earn benefits during their term.

In addition, PERS will assume they have elected PERS participation if member and employer contributions are paid to PERS for more than one pay period after their term or appointment starts.

##### **OPSRP members**

Elected officials who are OPSRP members automatically participate in PERS during their elected or appointed terms of office. They do not have the option not to participate in PERS if their service is qualifying.

#### Elected officials who are not PERS members

Elected officials who are not PERS members are automatically eligible to become members of the OPSRP program during their term unless they opt out by giving the PERS Board written notice within 30 days of taking office.

To facilitate this process, PERS provides the [Elective and Appointive Membership Election form](#) for new elected officials to fill out and give to their employer to submit to ESC. If they do not submit an election to opt out of PERS, they are eligible for PERS during their office term.

Like any new employee in a qualifying position, the elected official must serve a six-month waiting period before they become a member and begin earning pension benefits. To vest (i.e., to be guaranteed to receive a pension at retirement), they must serve as an official (or be employed by another PERS-participating employer) for five years or reach OPSRP General Service normal retirement age (listed in the [Normal Retirements section](#)).

### Elected officials who are PERS retirees

PERS retirees who become elected or appointed officials can choose to cancel their retirement and become an active PERS member again, or they can remain retired and follow PERS's work-after-retirement rules.

#### **Cancel their retirement, return to active service**

If the official chooses to cancel their retirement and return to active PERS membership for the term of their office, the employer reporter needs to submit two Detail 1 Member Demographic records:

- One with a 13 - New Hire - Retiree Return to Service status code to stop their retirement.
- Another one with a 01 – Qualifying New Hire to return the retiree to active PERS membership.

The official will need to reapply for retirement after they are finished serving as an official.

Learn more about employing working retirees in [employer guide 8, Hiring a PERS Retiree](#).

#### **Remain retired**

- Retirees with a bona fide retirement  
As explained in [employer guide 8](#), a PERS retiree who had a bona fide retirement may work full time as an official and maintain their retired-member status.
- Retirees with an early, not bona fide retirement  
Retirees who did not have a bona fide retirement can work limited hours. If they exceed the limit then their retirement will be canceled, and they will return to active service.

### Canceling their membership election

Once they take office, elected or fixed-term appointed officials cannot change their PERS membership election during their term. They may cancel it at the end of their term or after their resignation.

Their membership election automatically extends from one term to another consecutive term unless they cancel in between terms and notify the PERS Board within 30 days of the term end. (Reference [ORS 238.015](#) and [238A.100](#), and [Oregon Administrative Rule \(OAR\) 459-010-0180](#).)

### School Employee job class

To understand which school employees are classified as 09 School Employee, check the definition in the [Job Classifications quick reference guide](#). The 09 job classification receives the same benefits as the General Service job class. However, this job class has special considerations for earning service credit that account for schools' winter and summer breaks.

#### Hiring school employees

For the most part, follow the instructions for reporting a new employee in [employer reporting guide 7, Reporting a New Hire](#).

The exception is the **Contract No. of Months** field on a Detail 1 record, which is *only used by schools*. Everyone else leaves the 00 default.

To choose the right number of months, understand that the employee does not have to be under contract. The number equals the number of months the school is open for business and/or the number of months an employee is expected to work during the school year. Contract No. of Months is not the number of months over which the employee is paid.

For example, Teacher Marie is expected to work from September to June, so the number of contract months that you report for her is 10 months. She chooses to be paid for her 10 months of service over a period of 12 months. This does not make her a 12-month employee.

#### Reporting for school employees

School employees can receive a full year of service credit if they work the major fraction of every month that school is normally in session — even if they take the summer off. To learn how, read the [School Employees webpage](#) and the article “December Reporting: How to Ensure Service Credit for Summer Months” in the [December 2024 Employer News](#).

#### Reporting for academic employees of community colleges and public universities

Lecture and classroom time are reported to PERS differently than time spent doing other work. For instructions on how to report college and university staff time, read [Employer Announcement 103, Reporting Hours for Community College and University Academic Staff](#).

### Hiring campus police-department employees

Police officers\* who are employed by a school district, college, or university board that has established its own police department or law enforcement agency, who have been commissioned as police officers, may be classified as members of PERS Police Officer and Firefighter (Police and Fire) job class.

Due to system limitations, school employer reporters must hire them as a school employee and then ask PERS to change their job class to Police and Fire:

1. Submit a new-hire record with a job classification of 09 - School Employee.
2. After the record posts, submit a Demographic Correction Request (DCR) requesting that ESC change the employee's job class to 02 - Police and Fire.

For instructions on hiring an employee, read [employer guide 7, Hiring a New Employee](#). For instructions on creating a DCR, read [guide 20, Creating a DCR](#).

\*As defined by [Oregon Revised Statute 238.005\(19\)](#).

### Hiring campus security officers or specialists

Campus security officers or specialists who are hired by a school and are not commissioned as police officers by the school's police department do not qualify as police officers under PERS. Hire these employees as 09 - School Employee.

### School resource officers

School resource officers are police officers who are employed by the local police department and assigned to schools. They are hired by the police department as job class 02 Police and Fire.

### Returning to work after retirement

Retired education employees may return to work for an employer that participates in PERS and continue receiving their retirement benefits if they follow the guidelines explained in [employer reporting guide 8, Hiring a PERS Retiree](#).

### Tier One/Tier Two education service-time purchases

Tier One and Tier Two members who qualify can buy certain types of service time (aka retirement credit). The purchase gives them additional service time that can increase their pension and even allow them to retire earlier.

Tier One and Tier Two School Employee members can purchase the following types of service time (if they qualify):

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

For more information about these purchases, go to the [Purchases webpage](#) and scroll to the General Service Time Purchases>Waiting Time Purchase section and the Education Purchases section.

#### **Effect of wait-time purchase on educational service credit**

Read the [July 2024 issue of Employer News](#) for an explanation of how purchasing wait time can affect service credit.

### OPSRP members

Members of OPSRP cannot purchase service time.

### Forms

[138 Certification of Out-of-State Teaching Service.](#)

[Instructions for filling out a Certification of Individual Contract \(CIC\) form.](#)

**About the CIC form:** If an employee at your school who is working under a personal contract applies for retirement, PERS may need more information about the employee's contract to process their retirement benefits. In this case, PERS will email you a Certification of Individual Contract (CIC) form from [PERS.CIC@pers.oregon.gov](mailto:PERS.CIC@pers.oregon.gov).