OREGON
PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

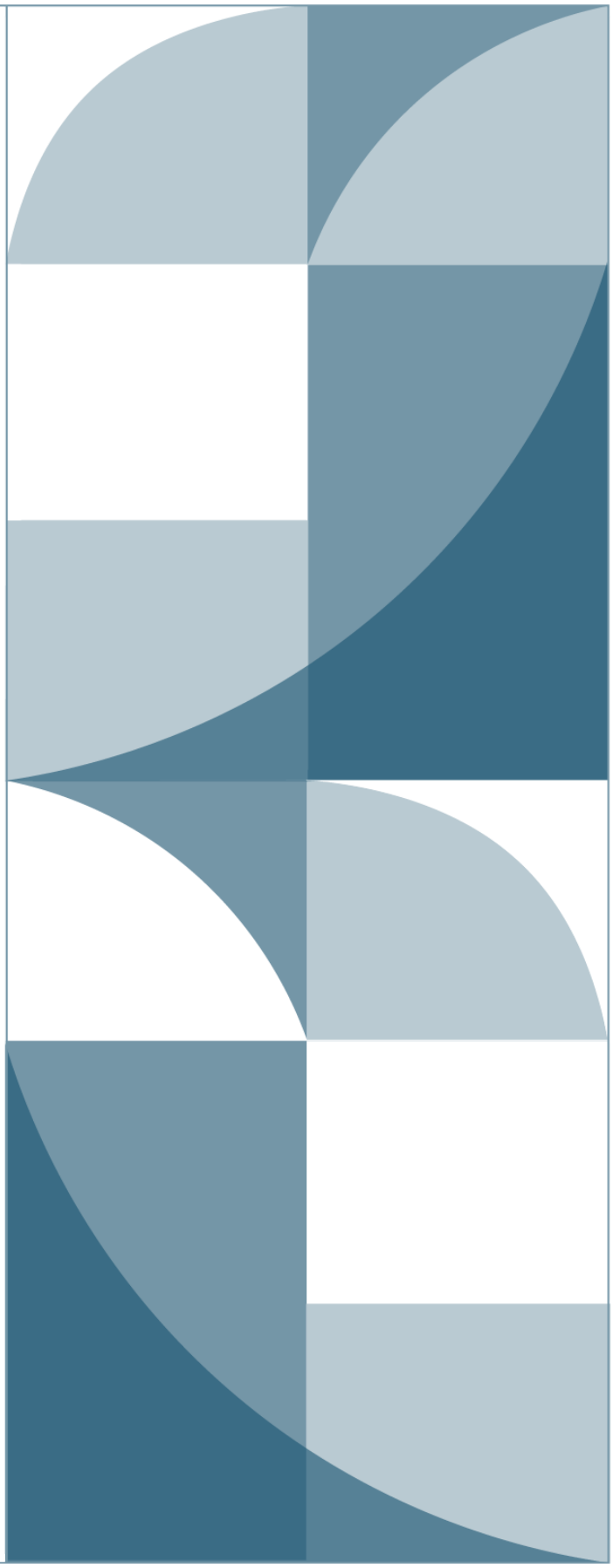
1

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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Revised September 2026

Introduction

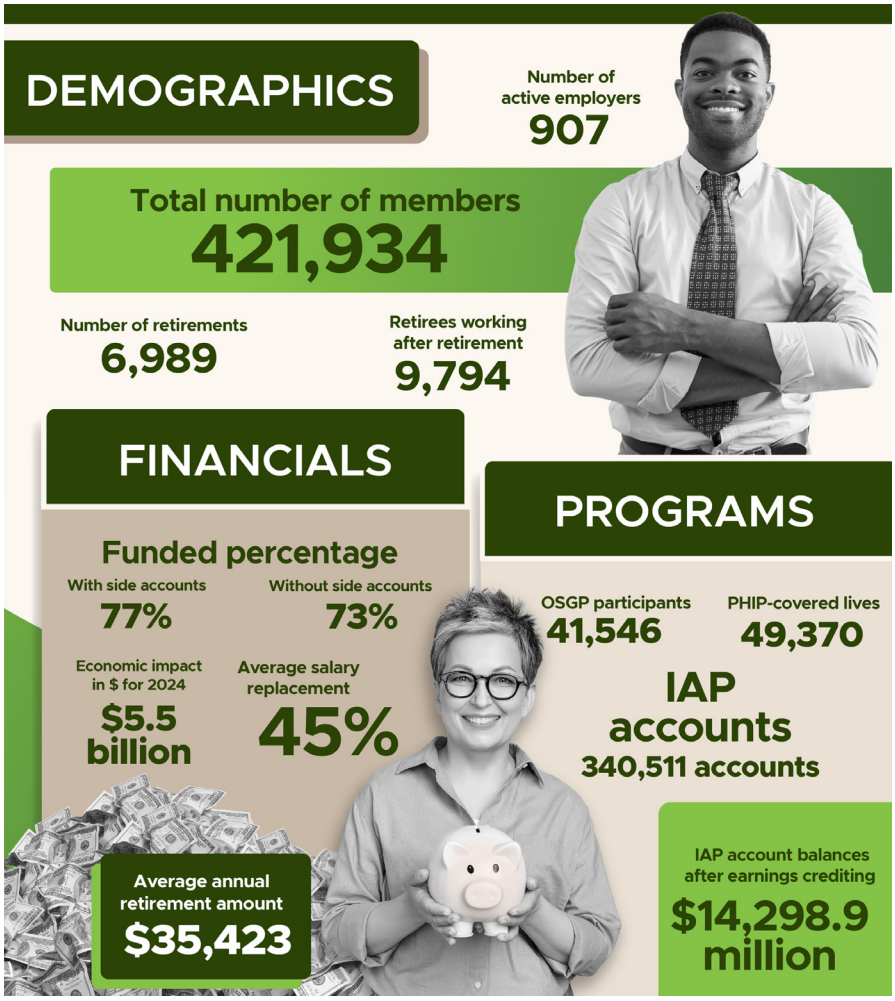
This guide explains the PERS retirement system and the benefits it provides to qualifying Oregon public employees. It describes how PERS membership is gained and maintained, the PERS benefits package, the programs and job classifications within the plan, and the responsibilities of PERS-participating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

For the full story, read The Oregon PERS History, 1934–2026.



The Year at a Glance, excerpted 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. Retiring members have options for how to receive their benefits, but in general:

The pension provides monthly payments for life.

The IAP provides disbursements until it is spent.

The Oregon Savings Growth Plan (OSGP) provides a deferred-compensation, invested account if the PERS member and their employer participate.

Learn about vesting in the "Vesting" section of this guide.

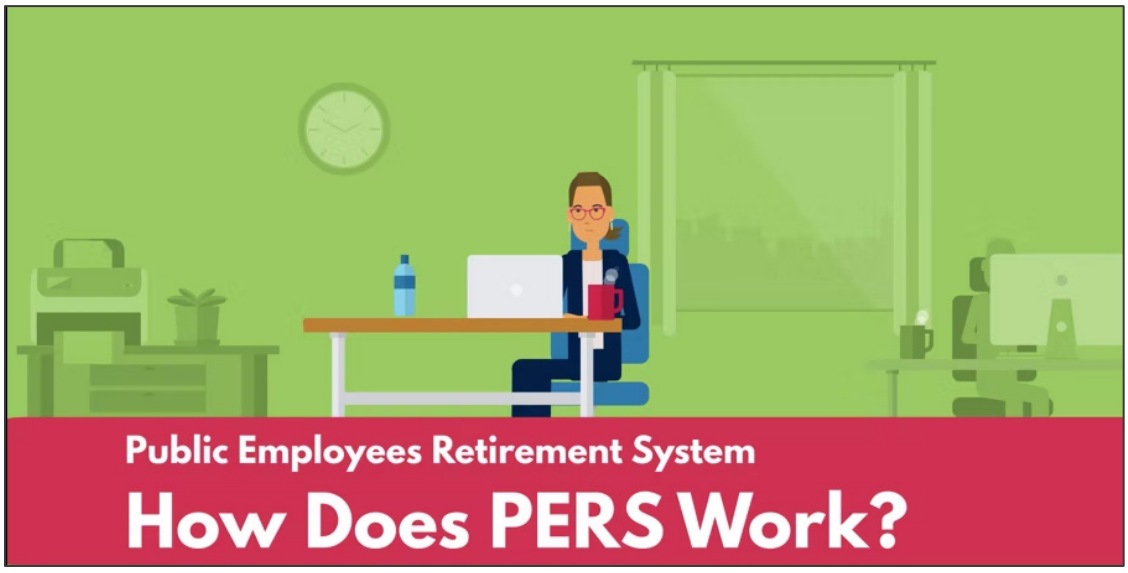
How PERS works

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

- ☑ Collected by PERS, the agency.
- ☑ Invested by the Oregon State Treasury.
- ☑ Overseen by the Oregon Investment Council.

Watch the video "How Does PERS Work?" to understand how these entities work together to manage PERS.

*All funds are deposited into the PERS Trust. Oregon Treasury Invested for Oregon webpage.



"How Does PERS Work?" video
(click image to play or enter youtube.com/watch?v=VUcLKqKVDGs into browser)

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 live education opportunities to help PERS members learn about their membership and benefits. There are also sessions about the retirement process.

Sessions are offered virtually and in person. To help your employees sign up for an offering, 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, panel discussions, 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 the expo registration link 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.

Expo early career checklist

Every year, the PERS Expo provides a checklist of steps new members (i.e., those within their first five years of membership) should follow. The steps help new members understand their PERS benefits, name beneficiaries, explore additional retirement saving options, and more. Early Career Checklist webpage.

PERS website

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

- Welcome to PERS website for new members.
- The Nonretired Members website for members who have not yet retired. It provides information on the PERS benefits package; preretirement beneficiaries; special memberships (e.g., police officers, firefighters, school employees)'; and instructions for what to do in case of marriage, divorce, illness or injury that renders the member unable to work (called disability), and death.
- The Retirees website for members who are approaching retirement, ready to retire, and have retired. It includes instructions on working while retired.

- PERS Employers website. It includes the login page for the employer reporting tool Employer Data Exchange (EDX) plus a wealth of resources about employer reporting.
- PERS Health Insurance Program webpage, for retirees to sign up for health insurance.
- Oregon Savings Growth Plan (OSGP) website, an optional deferred-compensation savings plan.
- Forms and Publications webpage.
- Contact Us webpage.

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:

- PERS and Retirement Benefits section of the Employers homepage (for new employers, check out the What Is PERS? webpage).
- Employer reporting guides and quick references.
- Using the EDX Reporting System webpage.
- Toolkit for New Employer Reporters.

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.

From the Employers home page on the PERS website

Benefits of providing a PERS retirement to your employees

Including PERS benefits as part of your compensation package for your qualifying employees is a powerful **recruitment tool**.

According to national employment statistics, the PERS benefit package — which includes a pension plus the Individual Account Program (IAP) plus, for some employers, the Oregon Savings Growth Plan — places your organization above not only other local employers but nationally as a highly desirable place to work.

See how offering an Oregon PERS retirement gives you a leg up over most private sector employers in employer guide 28, *How to (Potentially) Reduce Your Bill*, "Introduction."

PERS pension

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

The amount of a member's pension is not known until it is calculated at retirement. It depends on how long the member worked, how much they earned, the type of job or jobs they did, and their PERS program.

Three pension programs

Oregon PERS administers three pension programs. A member's program is determined by the date they were hired into a qualifying position by a PERS-participating employer or earned an active position status by working 600 hours in a calendar year.

The way PERS determines this is when the person started their six-month wait time, not when they finished it. If a member was hired into a qualifying position and/or achieved active position status and began serving their six-month wait-time:

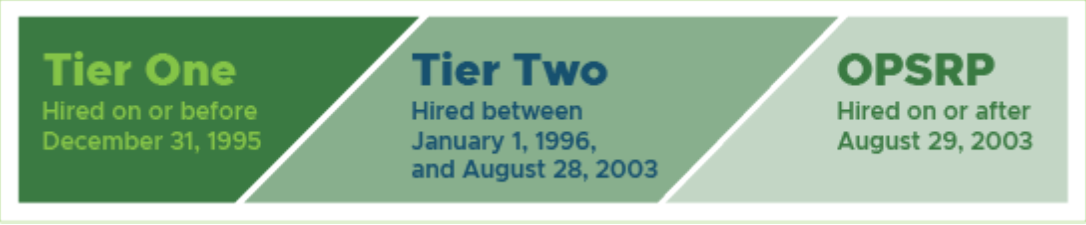
Before December 31, 1995 — **Tier One**. Even if they finished wait time in 1996.

Between January 1, 1996, and August 28, 2003 — **Tier Two**. Even if they finished wait time in September 2003 or later.

After August 29, 2003 — **Oregon Public Service Retirement Plan (OPSRP)**.

Tier One and Tier Two are both closed to new members. Everyone who becomes a member of PERS today is a member of OPSRP (pronounced AWP-serp).

Learn more on the What Plan am I in? webpage. Tier One, Tier Two are both detailed in Oregon Revised Statute (ORS) Chapter 238, and Oregon Public Service Retirement Plan (OPSRP) is detailed in ORS Chapter 238A.



PERS pension program depends on being hired into a qualifying position and/or starting wait time before each date.

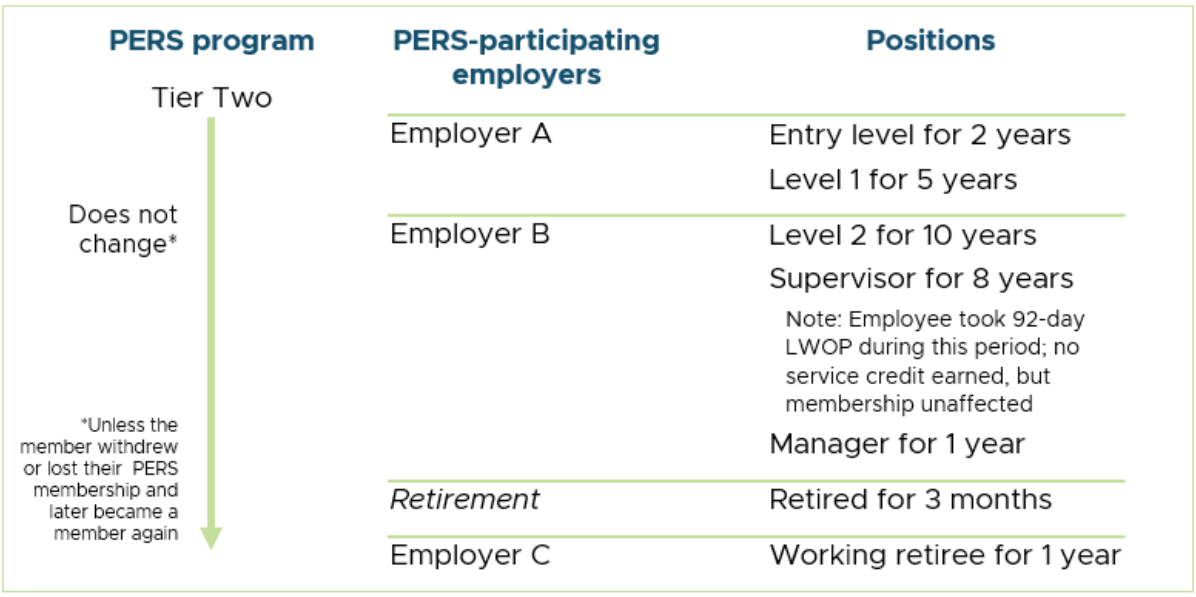
A member's program does not change

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. (However, working retirees do not earn benefits; they would have to cancel their retirement and become an active member again to earn benefits).

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

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



An example of a PERS member in Tier Two. Through three employers and six positions, they remain in Tier Two.

Retirement benefits for Tier One, Tier Two, and OPSRP programs

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 high pension benefits, particularly as compared to an employee's final average salary; therefore, these options 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, regular account, and variable account.* Police and Fire job classification members may also have a P&F Unit Account (read about this account in "Police and Fire Units Program" in this guide).

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 did not 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, regular account, and variable account.[1] Police and Fire job classification members may also have a P&F Unit Account (go to "Police and Fire Units Program").

OPSRP

In 2003, the Oregon Legislature created a third PERS tier to make the program more affordable for employers while still providing generous retirement benefits: the Oregon Public Service Retirement Plan (OPSRP). 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.

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.

Currently, to vest in their PERS pension, an employee must work for five years in a PERS-qualifying position (i.e., one that requires at least 600 hours of service per year[2]). 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.

[1] Read the "Other Accounts" section in this guide for information on regular and variable accounts.

[2] For employees who established PERS membership before August 29, 2003, the vesting standard may different.

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 account as soon as they establish IAP membership (i.e., after their six-month membership wait time) and make their first deposit.

Vesting in optional employer accounts may have different rules.

Employee Pension Stability Account (EPSA)

Introduced in 2020 as part of a program called Member Redirect, the EPSA is a way to help reduce employers' rising contribution rates and enable employees to contribute to their pensions.

Employees who earn over a certain amount per month (called the member redirect monthly threshold) have a percentage of their 6% IAP contribution redirected into their EPSA. When they retire, PERS applies that money to their pension.

For PERS members who earn over the monthly member redirect threshold, the percentage of the IAP contribution that is redirected into their EPSA is:

Tier One and Tier Two — 2.5% of subject salary. The remaining 3.5% is deposited into their IAP.

OPSRP — 0.75% of subject salary. The remaining 5.25% is deposited into their IAP.

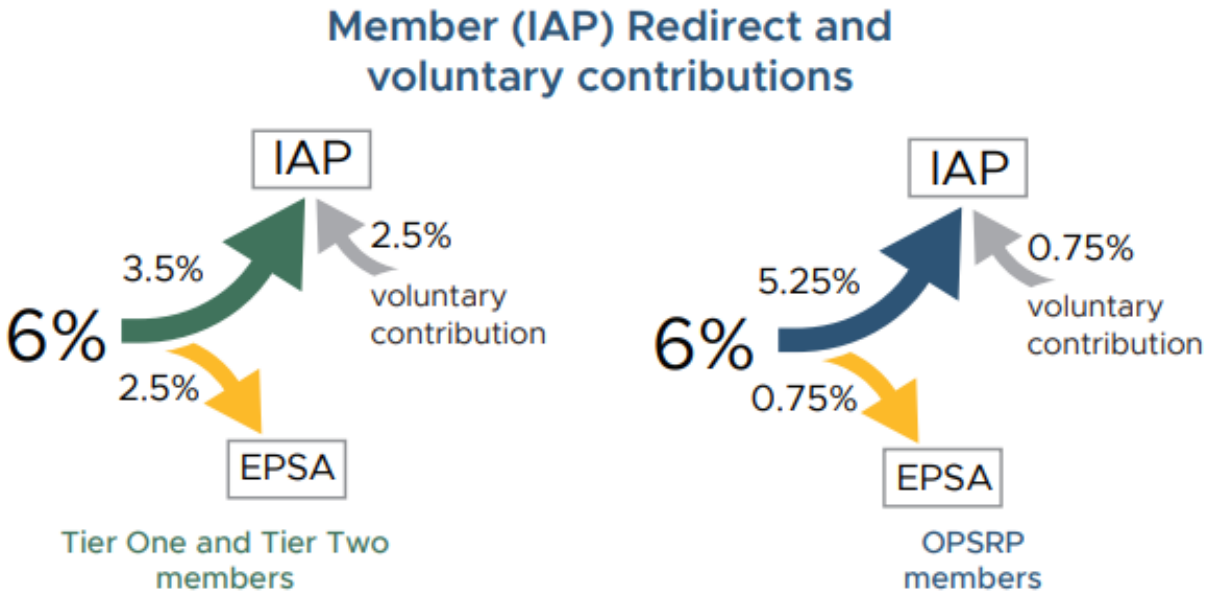
Employees may choose to make up the redirected amount by making "voluntary contributions," explained below.

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. This voluntary contribution option allows members to continue contributing a full 6% of salary into their IAP account. Eligible employees can opt in by choosing the option in the Online Member Services (OMS) tool. Learn more on the What Is OMS? webpage.

Once an employee chooses to make voluntary contributions, their employer deducts the amount of the contributions from their pay and submits the contributions to PERS on the employee's behalf. Learn how it works on the How to Manage an Employee's Voluntary Contribution webpage and in employer 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); there is no employer reporting involved.

Employees of organizations that participate in the plan can learn more on the OSGP website.

Local government entities that participate in OSGP or are interested in adopting the plan for their agencies can find information on OSGP's Employers Welcome webpage.

Other accounts

Tier One/Tier Two regular account

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.

Tier One/Tier Two variable account

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 variable 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.

The only other PERS members who receive a variable account as part of their retirement package are Tier One and Tier Two members who had variable accounts and chose to keep them when the program ended.

Note: On a member annual statement, the sum of these two accounts is called the member's **Tier Balance.**

PERS membership

All new public employees who complete PERS membership requirements join the current Oregon Public Service Retirement Plan (OPSRP) program, which has been in place since August 29, 2003.

The "Two Steps to Establishing Membership" rules below apply to OPSRP members. The membership qualification rules for Tier One and Tier Two (the earlier PERS programs) are in the next section "Membership Rules for Tier One, Tier Two, and Years Before 2006."

Two steps to establishing membership

Your direct employee must complete two steps to establish membership in PERS: work in a "qualifying position" with a PERS employer, and complete a six-month "wait time," with the same PERS employer.

Step 1: Work in a qualifying position

To work in a qualifying position, an employee must first (1) work for an employer who provides PERS and (2) be eligible for PERS membership (i.e., not working as a retiree, and not a contract employee, student employee, incarcerated, in the United States on a visa, or living outside of the United States).

Two ways to work in a qualifying position

a) Be **hired into a position** with a Qualifying hire intent.

When the employer reporter reports a new employee by submitting a Detail 1 record with a 01 Qualifying New Hire job status (also called "hire intent"), this designates the position as qualifying.

or -

b) **Achieve qualifying status** by working 600 or more hours in a calendar year for one or more PERS-participating employers.

If the employee was hired into a non-qualifying position (i.e., your employer reporter reported them to PERS with a 15 Non-Qualifying Hire job status), they can meet the qualifying-position requirement by working at least 600 hours in the calendar year.

Once the employee reaches 600 hours in the calendar year, their position type is updated by either Employer Service Center staff or the employer reporter, depending on the circumstances. If they reach 600 hours working for more than one employer, all employers must change the employee's status. See employer guide 10, *Reporting Wages for a Non-Qualifying Employee*, section "Changing From Non-Qualifying to Active Service Status."

Step 2: Complete six-month wait time

Employees who are in a qualifying position (by being hired into one or by working 600 hours) must complete a six-month "wait time" or "waiting time" of employment before membership begins. Wait time must satisfy these three requirements before the employee can become a PERS member and begin earning benefits.

a) Employee must work in a qualifying position for the same employer for six consecutive months.

b) Employee must work their entire wait time without an "interruption of service" of 31 or more consecutive working days. (See next subsection for a definition.)

c) Employee must still be working for that same employer on their first day of membership, called their contribution start date (CSD), which is the first day of the next calendar month after their six-month wait time (i.e., the first day of the seventh month). (Look up CSDs on the "Contribution Start Date (CSD) Chart" provided on the Employer Manuals and Guides webpage.)

If the wait time does not meet all three requirements, it must restart.

What is an "interruption of service" during wait time?

An interruption of service is usually caused by a termination and rehire during wait time.

Whether the interruption restarts the employee's wait time or extends it depends on two factors: the length of the interruption and whether the employee is rehired by the same employer.

- **Rehired by the same employer within 30 working days:** Wait time is extended.
- **Rehired by the same employer after 31+ working days:** Wait time restarts.
- **Hired by a different employer after a break of any duration:** Wait time always restarts.

Examples of not fulfilling requirements of wait time:

a) **Changing employers:** Employee changes jobs to move to a different employer before they establish membership. During their wait time, before their CSD, or even on their CSD are all before membership is established.

b) **Interruption of service:** Employer does not report wages and hours for an employee for two months or more during wait time. ESC contacts employer to determine if there has been an interruption of service**.**

In both scenarios, wait time starts over.

What is not an interruption of service during wait time?

A **leave without pay (LWOP)** during wait time is not an interruption of service. The wait time is extended by the length of the LWOP. When the employee returns from leave, wait time picks up where it left off, no matter how long the employee was gone.

When the employee returns, the employer reporter requests a new CSD by submitting a Demographic Correction Request (DCR) to ESC. Instructions for submitting a DCR are in employer guide 20, *Creating a DCR*.

Membership rules for Tier One, Tier Two, and years prior to 2006

Rules for membership established on and before August 28, 2003, for Tier One and Tier Two are in Chapter 459 Division 10 "Membership." Here is a summary of the major differences.

Work in a qualifying position: Qualifying hire intent

Today, employees must work 600 or more hours in a calendar year to qualify for PERS membership.

Before 2006, the standard was not as strict. (See box at right.)

Complete six-month wait time: concurrent employment

When establishing membership by reaching 600 hours in one calendar year working for more than one employer, called "concurrent employment," the wait time rule was different from today. The employee had to **work for the same employers steadily and simultaneously** for the whole six months until their CSD.

Meaning that if the employee had overlapping employment, they had to overlap with those same employers for a continuous six-month period. They could not mix and match months working for different employers at different times to add up to 600 hours.

The table below shows an employee's two non-qualifying positions. The position for Employer 1 starts before the position for Employer 2. The six months when the employee works for both employers at the same time qualifies as a successful wait time. If the positions had only overlapped for, say, five months, that would not have qualified as a successful wait time before 2006.

Pre-2006 qualification rules

Before 2006, a **qualifying position** was defined as one that *normally requires 600 hours* in a calendar year, as determined by the employer — regardless of the actual number of hours worked. If an employee in a position that was reported as qualifying hire intent did not reach exactly 600 hours, the position was still qualifying.

An employee in a **non-qualifying position** could achieve membership by working *at least 600 hours* in a calendar year with one or more PERS-participating employers. This rule is the same today.

NQ positions	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Employer 1			1	2	3	4	5	6	7	8	9	
Employer 2					1	2	3	4	5	6	7	
Wait time					1	2	3	4	5	6		
CSD										600 h	7*	

*First day of seventh month.

Maintaining membership

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

Only unvested PERS members can lose their membership. Once a PERS member becomes vested, they will not lose their membership unless they withdraw it.

If a vested member stops working for a PERS-participating employer, they enter "inactive" status. They do not earn benefits, but they maintain their membership. Learn more about loss of membership and withdrawal on the members' If You Lose, Change, or Quit Your Job webpage.

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

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

It is unlikely that a Tier One or Tier Two would lose their membership at this point in time; most Tier One/Tier Two members have already vested or entered LOM.

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 in a row, they enter LOM status and 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. Meaning that if a member withdraws from the Individual Account Program (IAP), they must also withdraw from the pension program.

When a member withdraws, they **forfeit the retirement credit** they have earned and their pension benefit. If the person is a member of Tier One or Tier Two, withdraws, and returns to membership in the future, they join as an OPSRP member, not the program they were in before.

For these reasons, members should carefully consider this decision.

To be allowed to withdraw, the member:

- Cannot be employed by a PERS-covered employer when PERS receives their withdrawal application. They must be an inactive member.
- Must remain separated from all PERS-qualifying employment for a full calendar month after the month when 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 on employer

If a member forfeits their pension program membership by losing or withdrawing it, 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 vary 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 varies by PERS program. 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 that are 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 receiving 45% of their former salary in retirement have an average of 28 years of service time. The percentage does not include IAP payments.*

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 can track 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. Each member's annual statement shows the current status of the data that will be used to calculate their **pension benefit** at retirement, such as:

- First hire date into a PERS qualifying position.
- Years and months of service credit (aka retirement credit).

  Service credit is relevant for vesting (members vest at five years of qualifying service or by age), retirement eligibility, and formula pension benefit calculation.
- Job classification (e.g., General Service, Police and Fire).

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.

Learn more: The Member Annual Statements Frequently Asked Questions (FAQ) webpage provides links to interactive examples of statements for Tier One, Tier Two, and OPSRP (links on next page).

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 (PDF).

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, the estimate includes 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

Service credit, also called creditable service or retirement credit, is an important factor of a PERS member's retirement benefit. PERS members working in qualifying positions earn service credit in calendar months and years.

EDX applies service credit automatically based on the employment data you report; nevertheless, you should understand how it works to help your employees avoid situations that can jeopardize their service credit.

How a calendar month earns service credit

An employee earns service credit for every calendar month in which they are or do all of the following:

1. Employed in a qualifying position.
2. Receive some employer pay.
3. Employed for more than half of the calendar days in a calendar month.
   - For a month with 30 or 31 days, that is 16 days or more.
   - For a month with 28 or 29 days, that is 15 days or more.

There are exceptions to this rule, explained in employer guide 11, *Reporting a Leave*, section "Effect of Leave on PERS Benefits," "Service Credit," subsection "Exceptions."

Circumstances that impact service credit

An employee *does not* earn service credit for a calendar month when they do one of the following:

1. Are reported as on **leave without pay (LWOP)**.

   Only *bona fide* LWOPs are reported to PERS. To be bona fide, the LWOP must last more than half the calendar month, be completely without pay from the employer, and be granted by the employer.

2. Have **no hours nor salary** reported. (Hours and salary include any hours and salary made under paid-leave requirements.)

3. Are **not employed in a qualifying position**.

   That is, they are: working in one or more non-qualifying positions, not working for a PERS-participating employer at that time (i.e., inactive), or retired (including working retirees).

4. Are employed for **half or less of the month**.

   They must be employed for more than half the days in the calendar month to get credit for that month.

IMPORTANT FOR SCHOOL EMPLOYERS	If a PERS member in the 09 School Employee job class takes a bona fide LWOP in one calendar month of the school year, it can affect their service credit for one of the summer months as well. School employees earn service credit for their summer months off by working in a qualifying position for these periods of the school year. **September 15* through December 16:** Earn credit for July and August. **January 7 through May 26:** Earn credit for June. LWOP taken during a summer month off does not need to be reported and does not affect service credit. For more information about how school employees earn service credit, direct employees to the School Employees webpage. *September 23 for higher education.

Impacted service credit examples

Check this table to help you understand what can cause a PERS member to not earn service credit. These are examples and do not encompass all possible reasons.

Period of service credit not earned	Possible reason
Did not earn service credit for a whole calendar month	Were you **employed** for half or less of one calendar month? For example: • You were hired halfway through the month or later (i.e., hired on or after the 15th of the month). • You were terminated halfway through the month or earlier (i.e., terminated on or before the 15th of the month). You must be employed for more than half the calendar days in a month to receive service credit.
	Did you receive pay from a third party but **no pay** from your PERS-participating employer one month?
Did not earn service credit for a few calendar months	Did you take a **leave without pay (LWOP)?** An official LWOP causes a loss of service credit for that calendar month. To be official, it must last more than half a month (days do not have to be consecutive), be unpaid by your employer, and be granted by your employer.
	School employees: Did you not earn service credit for one of the working months of the school year? This could cause you to also lose credit for one or more summer months. See "Ensuring School Employees Earn a Full School Year of Service Credit" in this guide.
Did not earn service credit for a whole calendar year	Were you in a **non-qualifying position** that year (i.e., one that requires less than 600 hours/year)?
	Was your position type changed from qualifying **to non-qualifying** service because you worked fewer than 600 hours that year?

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, say police officer Nicole reaches retirement age, does not retire, and instead becomes a substitute teacher. Her new position will have a 09 – School Employee job class, not a 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 a list of the type of jobs that fit into each job class, read the *Job Classification Codes* quick-reference guide.

The job classifications

The six most commonly used job classifications are listed below. Their benefits, rules, and exceptions are covered in the appendix in this guide. (Click a link in the list below to jump to it).

The General Service job class encompasses all employees who are not in one of the other five job classes listed below. The General Service job class benefits and rules are considered standard, so that job class does not have its own section in the appendix.

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."

Ensuring all roles at your organization can earn PERS benefits

For a role at your organization to earn PERS benefits, its PERS job classification (e.g., General Service) must be included in your employer agreement when your organization joins PERS. For example, if a small fire department only included Police and Fire job classification employees in its employer agreement, its administrative staff who are in the General Service job classification would not be able to receive PERS benefits.

*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.

Types of PERS retirements

PERS members must reach a particular age for their program 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. This is considered a bona fide retirement. A member qualifies for normal retirement based on reaching normal retirement age or achieving sufficient service time for their PERS program and job classification.

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 member must have 60 months of retirement credit 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 member must have 60 months of retirement credit 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. 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: one for retirees who are eligible for Medicare and one for those who are not. It also offers dental plans. For the latest information on PHIP, go to the PHIP section of the PERS website.

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 or call PERS Health at 800-768-7377.

Working after retirement

Employing a PERS retiree

PERS-participating employers can hire PERS retirees for temporary positions. Working retirees do not earn PERS benefits; nonetheless, you do need to report to PERS when you hire them and terminate them, and you need to report their hours and wages.

You are charged your PERS employer contribution rate on their wages, but you do not pay IAP contributions. Because working retirees do not earn any additional PERS benefits, the contributions you pay directly reduce your employer pool's unfunded actuarial liability (UAL). Full instructions for employing a PERS retiree are in employer reporting guide 8, *Hiring a PERS Retiree*. Learn about employer pooling in the *Guide to Understanding Pooling* for your employer pool.

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" (i.e., retired at or after normal retirement age) 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 (i.e., early 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 more.

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

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.

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.*

Active service position *is one that qualifies to earn PERS benefits by serving at least 600 hours a year. It operates the same as a qualifying hire intent.*

Non-qualifying service position *is one that does not qualify to earn PERS benefits because it requires fewer than 600 hours/year. It operates the same as a non-qualifying hire intent. Holding two or more non-qualifying jobs that total 600 hours a year can earn an employee with a non-qualifying hire intent an active service position, which earns benefits.*

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

Paying for PERS

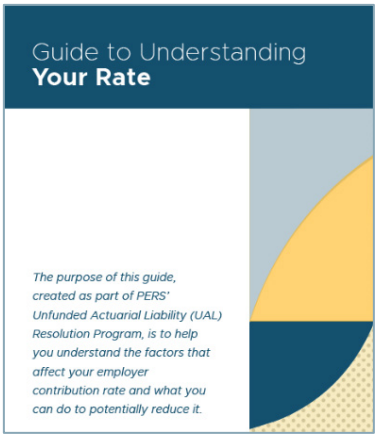
PERS contributions

To cover the cost of your employees' future retirement benefits, you pay contributions to PERS. Contributions are your employer contribution rate multiplied by your qualifying employees' subject salaries. You only pay contributions for employees who are past their six-month wait time and who are actively earning service credit (i.e., they are currently working for you in a qualifying or active-service position).

You also pay your contribution rate on your working retirees' salaries. The money goes toward your employer pool's unfunded actuarial liability, which is explained below.

Your contributions (employee's subject salary *x* your contribution rate) are calculated by EDX and billed on your remittance statement.

Your employer contribution rate



The PERS actuaries calculate your contribution rate every other year. They use sophisticated financial modeling techniques to ensure that all PERS employers pay 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 to affect it, read Guide to Understanding Your Rate and guide 28, *How to (Potentially) Reduce Your Bill*.

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 imbalance in the system or insufficient payment to the system caused by surprise liabilities. UAL is a normal part of a pension system but must be kept to a minimum.

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.

How to reduce your PERS costs

The contributions that you pay PERS to fund your employees' future retirement benefits comprise the largest portion of your PERS costs. However, that is not the whole story. Your invoices may include other fees and charges — some of which you may not realize you are paying.

Read about ways to avoid and reduce certain PERS costs in employer guide 28, *How to (Potentially) Reduce Your Bill*.

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 and displays the 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 about paying your invoice in employer guide 27, *Paying Your Invoice*.

PERS privacy practices

ORS 192.502 lists criteria that someone must meet before PERS releases 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: Special benefits and rules for 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.

Police and Fire 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 (PDF) (for single or married member).
- Tier One/Tier Two Benefit Estimate Form (PDF) (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 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 (PDF) 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 (other than *de minimis* payments) and, thus, not eligible for PERS membership.

However, some employees labeled "volunteer firefighters" **are paid** (in excess of *de minimis* payments). 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

A standard schedule is Monday through Friday, eight paid hours a day. Many members of the Police and Fire job class do not work a standard schedule. However, PERS rules and policies still work the same. When PERS refers to "weekend days," these are whatever days of the week your employees' weekends happen to be. No matter what schedule or shift they work, the rules of establishing membership still apply.

The same applies to reporting leave without pay (LWOP). Whether an employee's workday is six hours or 24 hours, it is still considered one day of work. A half-hour of paid leave in an otherwise unpaid 6-hour day or 24-hour day still makes that day a paid day.

Learn more about LWOP in employer guide 11, *Reporting a Leave*.

Police and Fire forms

- Police Officer and Firefighter (P&F) Unit Purchase (PDF) form #459-093 (monthly deductions).
- Police Officer and Firefighter Unit Purchase Election at Retirement (PDF) form #459-073 (lump sum payment).
- Certification of Out-of-State Police Officer (PDF) form #459-550.
- OPSRP Certification of 911 Operator Service (PDF) form #459-561.
- Certification of Non-Participating Oregon PERS Employer for Police or Firefighter (PDF) 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 do not receive an Individual Account Program (IAP) account unless they are 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 (PDF).

Judge Member Annual Statement FAQs webpage.

Verification of Age (PDF): 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 law stipulates the retirement plan options available to Oregon state legislators during their legislative service. The options depend on the legislator's PERS membership status as of the date they are elected into office.

After a legislator chooses one of the options (listed below), they receive enrollment assistance from the PERS Employer Service Center (ESC) or the Oregon State Legislature (OSL) or both.

PERS retirement plan options for newly elected legislative members

Below is a quick-reference table of the options available to PERS members, retired members, and non-members. These are explained in more detail later in this section.

PERS membership status and benefit options	Continue or reactivate PERS membership*	Pause PERS member-ship	Join Legislature OSGP	Continue PERS retirement benefits**	Cancel PERS retirement
Non-PERS member			✓		
Current PERS member, active or inactive — option 1 (Active PERS)	✓		✓		
Current PERS member, active or inactive — option 2 (OSGP only)		✓	✓		
Retired PERS member — option 1 (PERS + retirement)* **	✓			✓	
Retired PERS member — option 2 (PERS only)	✓				✓
Retired PERS member — option 3 (OSGP + retirement)			✓	✓	

*This legislative member is earning PERS benefits for their legislative position.

**This legislative member is receiving PERS retirement benefits from their previous position.

***This option enables the legislative member to receive PERS retirement benefits from their previous position and earn PERS benefits for their legislative position.

About the Oregon State Legislature (OSL) Oregon Savings Growth Plan (OSGP)

OSGP is a deferred-compensation plan administered by Oregon PERS. Plan members have a portion of each paycheck automatically deposited into an invested account, where it grows in value until the plan member ends their employment.

In the **legislative OSGP plan**, the Legislature makes contributions to the legislator's OSGP account. The legislator may make additional contributions to OSGP if they choose, but this is not required.

The legislator must enroll with OSGP directly by emailing osgpcustsvc.pers@pers.oregon.gov or contacting the OSGP Outreach Coordinator, whose information is listed at the bottom of the OSGP Employers Welcome webpage.

Benefits for current PERS member, active or inactive status

PERS members have two options for earning retirement benefits during their term(s):

1. **Active PERS membership + Oregon State Legislature (OSL) Oregon Savings Growth Plan (OSGP).** The active PERS member continues their membership in the pension program and IAP and enrolls in the OSGP program.

   An inactive PERS member would return to active membership. (An inactive PERS member is one who is vested but is not currently working for a PERS-participating employer nor earning benefits.)

2. **OSL OSGP only.** The active PERS member stops their membership and enrolls in the Legislature OSGP program as their only retirement plan. This is not a withdrawal from PERS; it is a change to inactive status.

   An inactive PERS member is already inactive, so the only change is to enroll in the OSL OSGP program.

What the legislator needs to do:

1. When they receive a letter from the Employer Service Center explaining their options, they then fill out and submit PERS form 459-430b (provided by ESC). On the form, they will mark their choice between:

   A. Being active PERS members for their legislative service.

   B. Being inactive PERS members for their legislative service while having the OSL make contributions to their OSGP account.

   C. Not participating in any legislative retirement plan for their legislative service during that term.

   They have 30 days from the date they enter office to submit this form. If they miss the deadline, they will be active PERS members for their legislative service. If the legislator chooses to be an inactive PERS member and join OSGP, they must enroll with OSGP directly by emailing osgpcustsvc.pers@pers.oregon.gov or reaching out to the OSGP Outreach Coordinator (contact information listed at the bottom of the OSGP Employers Welcome webpage).

Retired PERS member

A retired PERS member has four options for their term:

1. **Be an active member + a retiree.** The PERS retiree becomes an active PERS member for their legislative service and earns new benefits while continuing to receive their retirement benefits. They become an active member of their previous program (Tier One, Tier Two, or OSPRP) and do not need to serve a six-month wait time.

   After they finish serving in the Legislature, they should apply for retirement from their legislative service position.

2. **Be an active member only.** The PERS retiree may choose to discontinue receiving retirement benefits and become an active PERS member again. They become an active member of their previous program (Tier One, Tier Two, or OSPRP) and begin earning new benefits. They do not need to serve a six-month wait time.

   Their non-legislative service retirement benefits resume either (1) after they separate from legislative service or (2) at the beginning of a subsequent legislative term by appropriate written notice. After they are finished serving in the Legislature, they may apply for additional PERS retirement benefits for their legislative service.

3. **Be a retiree + an OSGP member.** The retiree does not become an active PERS member. They participate in the Legislative OSGP program while receiving retirement benefits.

4. **Be a retiree and participate in no retirement plan.** The retiree continues to receive retirement benefits, does not become an active PERS member or participate in the Legislative OSGP program for their legislative service during that term.

What the legislator needs to do:

1. When they receive a letter from the Employer Service Center explaining their options, they fill out and submit PERS form 459-430b (provided by ESC). On the form, they mark their choice among:

   A. Becoming an active PERS member while receiving retirement benefits.

   B. Becoming an active PERS member only and stopping retirement benefits.

   C. Remaining retired and joining the Legislature OSGP program.

   D. Remaining retired and not participating in a legislative retirement plan for their legislative service during that term.

   They have 30 days from the date they enter office to submit this form. If they miss the deadline, their retirement will continue as-is and they will not participate in a legislative retirement plan during that term.

2. If they choose to remain retired and would like to join OSGP, the legislator must enroll with OSGP directly by emailing osgpcustsvc.pers@pers.oregon.gov or reaching out to the OSGP Outreach Coordinator (contact information listed at the bottom of the OSGP Employers Welcome webpage).

Non-member

New legislators who are not members of PERS have one option for earning benefits during their term:

1. Become a member of the Legislature OSGP program.

What the legislator needs to do:

Non-PERS legislators do not receive a letter from the Employer Service Center. To join OSGP, the legislator must enroll with OSGP directly by emailing osgpcustsvc.pers@pers.oregon.gov or reaching out to the OSGP Outreach Coordinator (contact information listed at the bottom of the OSGP Employers Welcome webpage).

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."

Reporting for retiree legislative members

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

If the legislator chooses active PERS membership, the Employer Service Center will notify the person in the Legislature's role of 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 should 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 PERS Members (PDF).

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 (PDF) 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 (PDF) 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 Retirement" 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 (PDF).)

School Employee job class

To understand which school employees you should hire as job class 09 School Employee, check the definition in the *Job Classifications* quick reference guide. The 09 job classification receives the same benefits as the 01 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 — contract number of months

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 the 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 works from September to June, which is 10 months. However, she is paid over 12 months. Her contract number of months is 10 because that is the number of months she actually works.

Reporting during breaks

When school employees stop working for summer, winter, or spring break, do not terminate them or put them on leave unless they are truly terminating the employer-employee relationship. Simply stop reporting hours and wages for them (unless they are paid year-round).

When a school employee — whether a regular employee or a working retiree — ends employment with you, submit a termination record as explained in employer guide 15, *Reporting a Termination or Death*.

If your regular employee is paid year-round and does not work in the summer, report their summer wages and contributions with wage code 08 – Contributions/No Service.

Need help? If you have questions about reporting for a school, college, charter school, or university, contact a member of the Employer Service Center (ESC) Schools, Oregon University System, and Community Colleges team. Contact information is on the ESC webpage.

Ensuring school employees earn a full school year of service credit

Because school employees take winter and summer breaks, they have **special rules** for earning service credit. These rules ensure that school employees can earn a full year of service credit even if they do not work in the summer.

To determine school employees' service credit, PERS separates the school year into two six-month segments: January through June, and July through December. To earn service credit for a whole six-month segment (including the summer months off), your employee must earn service credit for all the working months in that segment. Here's how it works.

Earning service credit for six months

When a school employee earns service credit for the working months noted below, they earn service credit for the summer months off too. See "How a Calendar Month Earns Service Credit" section for rules for earning service credit.

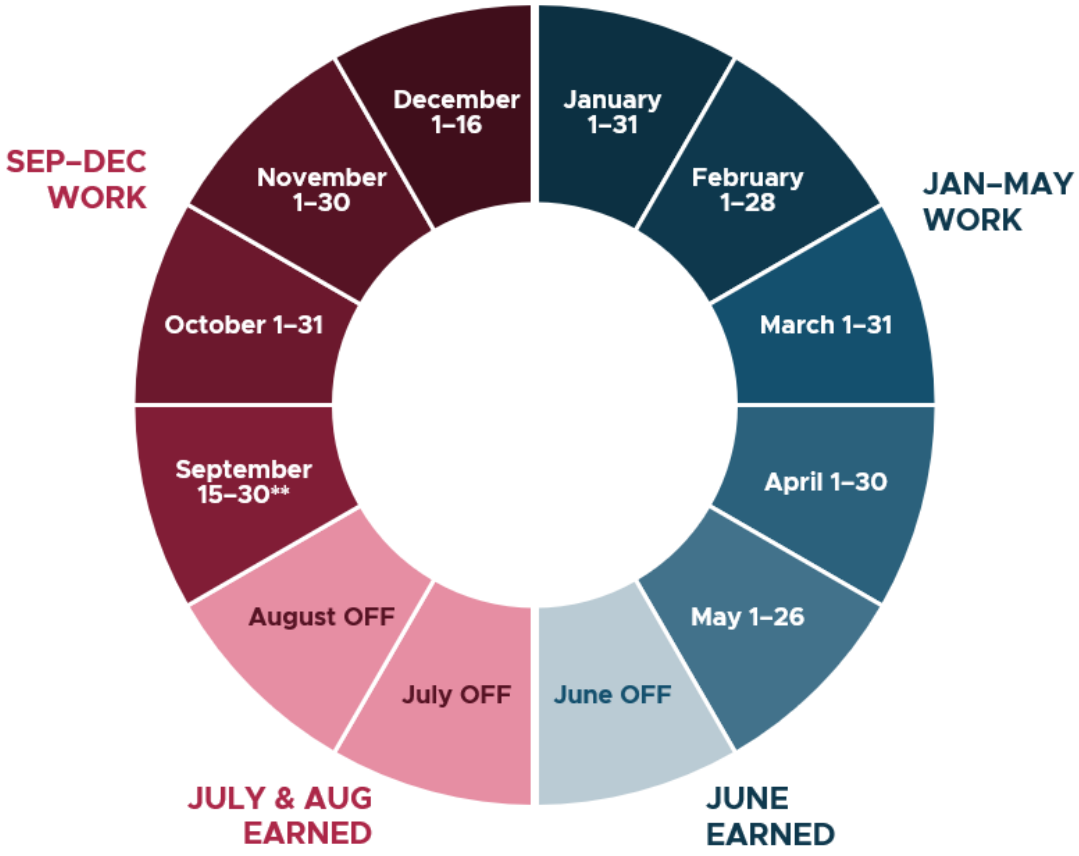
If they do not earn service credit for one or more of the working months, they will not earn service credit for the corresponding summer month or months off. (Exceptions may apply; consult with your ESC representative for specific situations.)

Six months of service credit for January through June

Your school employees must work (or receive paid leave from you) from **January 7 through May 26**. If they terminate, retire, or go on a leave without pay (LWOP)* between January 7–May 26, they will not earn service credit for June (nor the month in which they worked equal to or fewer than half the days).

Six months of service credit for July through December

School employees must work (or receive paid leave from you) from **September 15** through December 16.*** If they terminate, retire, or go on LWOP* between those dates, they will not earn service credit for July or August (nor the month in which they worked equal to or fewer than half the days).



*A school employee must earn service credit for each month when school is in session to earn service credit for their summer months off.

**September 26–30 for higher education employees.

***If your employee is terminating at the start of winter break and your school's winter break begins before December 16, notify ESC. Your employee may still be eligible to earn service credit for December.

Learn more

- For more information about LWOP, read employer reporting guide 11, *Reporting a Leave*.
- If employees need more details about earning service credit, direct them to the members' School Employees webpage.

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 (2023) (PDF).

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, and 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 job class 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 an education employees' service credit

Wait time is the six months an employee must work in a qualifying position before becoming a PERS member.

- Oregon Public Service Retirement Plan (OPSRP) members automatically receive service credit for their wait time.
- Tier One and Tier Two members do not receive service credit for wait time at retirement, but they can purchase it.

  A Tier One/Tier Two education employee who purchases their wait time can receive service credit for their first school year. Here's how.

  For example, Teacher Jill was hired in September 2001, successfully served her six-month wait time, and became a member of Tier Two on April 1, 2002.

  To earn service credit for the first half of the school year, she would have to be a member by September 15. So, she does not earn service credit.

  To earn service credit for the second half of the school year, she would have to be a member by January 7. So, she does not earn service credit.

  At retirement, she learns that she can purchase service time back to July before her hire date: eight months of service time. Purchasing back to July earns her the whole first half of the school year.

  Her purchase of January through April makes her eligible to also earn May and June (as long as she worked through May 26).

  Thus, Jill would purchase 8 months and earn 12.

Notes about wait times: If a school employee's wait time includes any unpaid breaks (like winter or spring break), it may be extended.

Other educational employees can have different wait-time periods based on their hire date.

Cost of Tier One/Tier Two school employee wait-time purchase

The cost of a wait-time purchase is calculated as follows. Here is an example of how it worked for Water District Employee Jo.

Employee Contributions that would have been made to Jo's regular account.

On a Tier One or Tier Two member annual statement, this is called a Tier Balance. It is used to help fund the member's pension. The member contribution is usually 6%, so let's multiply 6% (0.06) x salary Jo made per month during wait time ($4,000) x six months of wait time.

0.06
x
($4,000 x 6)
$24,000
=
$1,400

+

Employer contributions that would have been made to fund Jo's pension.

That is, contributions the employer would have paid on Jo's salary for those six months if Jo had already been a member. The calculation is whatever your organization's contribution rate was that year multiplied by the amount Jo earned in those six months. In this example, Joe's employer had a 20% contribution rate and Jo earned $4,000/month.

Note: Employer pension contributions are not deposited into an individual employee's account; they are funds the employer pays to support estimated future benefits. If an employee does not vest, these contributions remain with the employer.

0.20
x
$24,000
=
$4,800

=

Jo's total wait-time purchase price **$6,240**

OPSRP members

Members of OPSRP cannot purchase service time.

Forms

138 Certification of Out-of-State Teaching Service (PDF).

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.