

# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



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## Hiring a PERS Retiree

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# Agenda

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- How to hire a PERS retiree
- Retiree vs. regular employee
- Resources
- Question and answer

# How to hire a PERS retiree

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- Take steps in order
- Step 1: Request ESC status check
- Step 2: Submit new-hire record
- Step 3: Report retiree wages
- What to do if record suspends

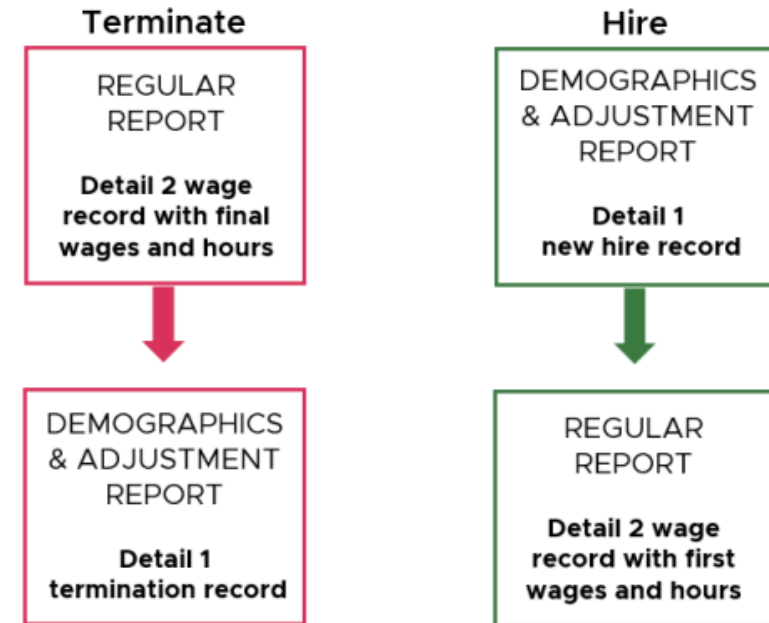
# How to hire a PERS retiree

## Take steps in order

### Hiring back an employee after retirement

If your organization is hiring back an employee **immediately after retirement**, make sure to follow these steps to reduce suspended records:

1. Submit their **final wages**. Wait for them to post.
2. Submit the employee's **termination record**. Wait for it to post.
3. Submit the retiree **new-hire record** (most likely status code 11). It will suspend because the employee's account is on hold during retirement processing.
4. Submit retiree's **first wages** (most likely wage code 17). Wage records will suspend for the three months or so that it takes for the retirement to process.



Steps covered in more detail in next few slides.

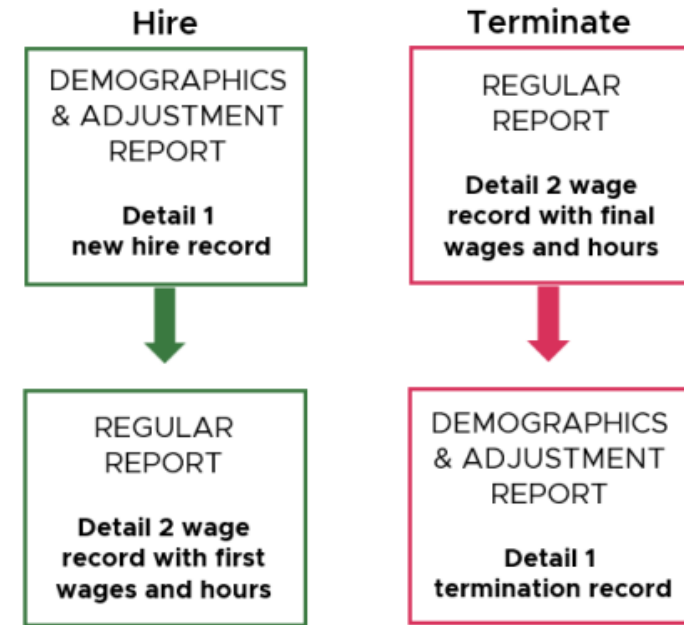
# How to hire a PERS retiree

## Take steps in order

### Hiring a new working retiree

If your organization is hiring a **new retiree employee**, follow these steps in order:

1. Contact ESC for a **status check** (as for any new employee).
2. Submit the retiree **new-hire record** (most likely status code 11). If they are a new retiree, record may suspend.
3. Submit retiree's **first wages** (most likely wage code 17). If they are a new retiree, records may suspend.
4. When retiree is finished working for you (or will not be working for you for at least three months), you need to submit a **termination record**.



Steps covered in more detail in next few slides.

# How to hire a PERS retiree

## Step 1: Request ESC status check


Before you report a new hire to PERS, whether qualifying, non-qualifying, or working retiree, always contact ESC for a status check. **The EDX status check does not show the whole picture.**

### Why PERS retiree?

To find out:

1. If they have an annual hour limit.
2. If they are working for other employers.
3. If their retirement is still processing.

### How to request a status check

Contact Employer Service Center (ESC) or your representative by email or phone. 

Include employee's full name, birthdate, and last four digits of Social Security number. **Do not include entire SSN in emails.**

#### Call Center

##### Hours

8:30 a.m. – 12 p.m., Monday to Friday (excluding holidays)

##### Phone

888-320-7377; select option 4 to reach ESC

#### Representatives

##### Hours

8:00 a.m. – 5 p.m., Monday to Friday (excluding holidays)

##### Phone numbers and emails

Listed on [ESC webpage](#)

# How to hire a PERS retiree

## Step 2: Submit new-hire record

**Status Code:** 11 - Retiree New Hire with Hr Limit (most common).

Other possible wage codes:

- Only use 12 when hiring a retiree who qualifies for a pre-Senate Bill 1049 (2019) exception. [Link to complete list of exceptions on the PERS website and who is eligible.](#)
- Only use 13 (voluntary re-employment) when hiring a retiree who is **canceling their PERS retirement** and returning to employment as an active member.

After submitting this record to cancel their retirement, you must submit another Detail 1 record to hire them.

**Status Date:** Their first day on this post-retirement job. Can be on or after the retiree's first-of-the month retirement date, but never before.

DETAIL 1 - MEMBER DEMOGRAPHICS:	
SSN	*****
Status Code	11 - Retiree New Hire with Hr Limit
Status Date	11/10/2022 (MM/DD/YYYY)
Last Day Service	 (MM/DD/YYYY)
Old SSN	
First Name	JANE
Last Name	DOE
Middle Name	
Name Change Indicator	N
Address - 1	123 4 STREET
Address - 2	
Address - 3	
City	CITY
State	OREGON
Zip - 1	97212
Zip - 2	
Province	
Country Code	USA
Postal Code	

# How to hire a PERS retiree

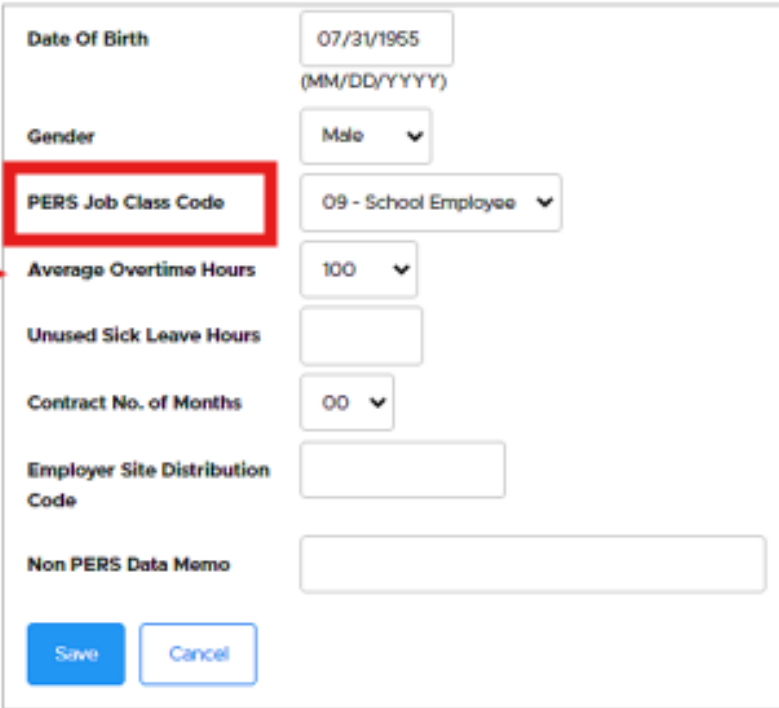
## Step 2: Submit new-hire record

**PERS Job Class Code:** This is the job class for which they are currently being hired, which may or may not be the same job class that they were in when they retired.

Most positions are 01 - General Service, 02 - Police and Fire, or 09 - School Employee.

**Average Overtime Hours:** This field is required, but it does not affect the retiree because they do not earn benefits.

- For a Tier One or Tier Two retiree, enter 0.
- For an OPSRP retiree, you might consider entering the actual average overtime hours expected for this position or employee class. If the retiree returns to active membership, this value will be applied to place a cap on the number of overtime hours included in the final average salary.



The screenshot shows a form for submitting a new-hire record. The fields and their values are:

Date Of Birth	07/31/1955 (MM/DD/YYYY)
Gender	Male
<b>PERS Job Class Code</b>	09 - School Employee
Average Overtime Hours	100
Unused Sick Leave Hours	
Contract No. of Months	00
Employer Site Distribution Code	
Non PERS Data Memo	

At the bottom of the form are two buttons: "Save" and "Cancel". A red box highlights the "PERS Job Class Code" field, and a red arrow points to it from the text on the left.

# How to hire a PERS retiree

## Step 2: Submit new-hire record

**Unused Sick Leave Hours:** Remember this field is not filled out on a new-hire record and not needed for a working retiree.

**Contract No. of Months (for school employees):** How many months in a year a school employee (job class 09) is expected to work for their education employer. It does not mean the employee is under contract.

The options are 09, 10, 11, and 12.

If you leave it as the default of 00, the system will assume 12.

Date Of Birth	<input type="text" value="07/31/1955"/> <small>(MM/DD/YYYY)</small>
Gender	<input type="text" value="Male"/>
PERS Job Class Code	<input type="text" value="09 - School Employee"/>
Average Overtime Hours	<input type="text" value="100"/>
Unused Sick Leave Hours	<input type="text"/>
Contract No. of Months	<input type="text" value="00"/>
Employer Site Distribution Code	<input type="text"/>
Non PERS Data Memo	<input type="text"/>
<input type="button" value="Save"/> <input type="button" value="Cancel"/>	

# How to hire a PERS retiree

## Step 3: Report retiree wages

**Wage Code:** Most likely use retiree wage code 17.

Report wages the same way you report wages for a regular employee on a Detail 2 wage record (except no IAP contribution).

Other possible wage codes:

- 07 Retired/No Contributions. Use only to report wages for working-retiree salary paid before January 1, 2020, and for members on disability retirement who have not been medically released and are working in a non-qualifying position. This wage code is rarely used.
- 18 Negative Adjustment Retiree Wage – ER Rate. Use only to negatively adjust (i.e., subtract) posted Retiree Wage - ER Rate wages for a service retiree with a pay date of January 1, 2020, or later. This code is used occasionally to back out overpaid wages. For instructions on negatively adjusting posted wages, read [employer guide 23, Submitting an Adjustment Record](#).

# How to hire a PERS retiree

## Step 3: Report retiree wages

**Subject Salary:** All retiree wages are reported as subject salary.

Even though the retiree is not earning benefits, enter their wages in the Subject Salary regular or overtime field of a Detail 2 record.

Reporting the wages as non-subject salary will necessitate manual correction to ensure proper invoicing.

For more information on reporting retiree wages, read quick-reference guide: [Correct Usage of Subject and Non-Subject Salary Fields](#).

Report retiree wages as subject salary

Subject Salary (Regular)	<input type="text"/>
Subject Salary (Overtime)	<input type="text"/>
Non-Subject Salary	<input type="text"/>

# How to hire a PERS retiree

## What do to if record suspends

### Detail 1 new-hire record

If the **new-hire record** suspends, you may see this error message.

#### Error Messages For Member

- S - The Status Code is '11', '12', or '13', New Retiree Hire and the member is not retired as of the given date.

**Reason:** The retirement is still processing.

It can take up to about 90 days for a PERS member's retirement to process.

You can hire a retiree immediately after retirement; however, until their retirement processes, any records you submit for them will suspend and remain suspended until the retirement fully processes.

**Solution:** Once the retirement process is complete, you will need to resave the suspended records so that they can successfully post. After about three months, if you are still having trouble getting records to post, contact your ESC account representative.

# How to hire a PERS retiree

## What do to if record suspends

### Detail 2 wage record

If a **wage records** suspends, you might see this error message:

#### Error Messages For Member

- S - The SSN entered is not found to have a record of open employment with this employer.

**Reason:** The retirement is still processing, so the new-hire record cannot post yet.

**Solution:** Create wage records for your recent retiree in their own reports to avoid delaying other records while this report waits up to three months to post. For more instructions on reporting wages, go to the section “Reporting Retiree Wages” in [guide 8](#).

Wait 2–3 months and try to resave the record. If it posts, the retirement has processed. If it does not, reach out to your account representative.

# How to hire a PERS retiree

## What do to if record suspends

If a wage record suspends, you may also see this error message or “wages were reported as 01 Regular Wages.”

### Error Messages for Member

- S – Dates reported correspond to a Retiree with Hour Limit segment on file: only wage codes of 07, 14, 17 or 18 can be reported for Retiree with Hour Limit segments.

**Reasons:** This could be because of one of the following:

- The retiree employee is not set up in your system as a retiree.
- Your system is connected to an incorrect EDX status code or wage code.
- You used 01 Regular Wages to report wages instead of a retiree wage code (e.g., 17).

**Solutions:** Depending on the situation, do one of the following:

- Correct the status code in the EDX record and save.
- Correct the status or wage code in your system.
- [Contact your ESC rep](#) for help.

# Retiree vs. regular employee

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- Differences for reporter
- Differences for working retiree
- Reporting time off

# Hiring a PERS retiree

## Differences for reporter

For the employer reporter, there are seven main differences between reporting for a regular employee and a retiree employee.

Go to [employer guide 8, Hiring a PERS Retiree](#), for full table and links.

<b>Status code</b> INSTRUCTIONS	Report the hire with <b>retiree-hire status code 11</b> (most common), 12 (for certain exceptions), or 13 (for retirees returning to active membership).
<b>Wage code</b> INSTRUCTIONS	Report wages with <b>retiree wage code 17</b> - Retiree Wage - ER Rate. Enter wages in the Subject Salary (Regular) or (Overtime) field.
<b>No IAP</b>	<b>Do not report Individual Account Program (IAP) contributions.</b> Leave the EPPT (employer paid pre-tax), MPPT (member-paid pre-tax), and MPAT (member-paid after-tax) fields blank. Working retirees do not make IAP contributions.
<b>Annual hour limit</b> INSTRUCTIONS	Members who retire at normal retirement age can work as much as you need. <b>Members who retire early must take a six-month break</b> from working for all PERS employers or else they are limited in the number of hours they are allowed to work per year.
<b>No LWOP status</b> INSTRUCTIONS	<b>Do not report a leave without pay.</b> Instead, inform ESC via a Demographic Correction Request (DCR). If they take a leave of three months or longer, you may want to terminate them and rehire them later.
<b>Records may suspend</b> INFORMATION	If you hire a retiree immediately after their retirement, their <b>new-hire record and wage records will suspend</b> and remain suspended for the three months or so that it takes for the individual's retirement to fully process. After that time, save the records again and they will post.
<b>Termination</b>	When the employee is finished working for you, you must report the termination to PERS. Before submitting the Detail 1 termination record, submit a Detail 2 record with final wages only. Because the employee does not earn benefits, do not report their leftover paid time off to PERS (i.e., enter unused sick leave of 0 and no lump sum vacation payoff).

# Hiring a PERS retiree

## Differences for working retiree

For working retirees, there are two main differences between being active vs. retired employee:

1. **Retirees do not earn retirement benefits.**

They (and you) do not contribute to an Individual Account Program (IAP) account.

Your organization does pay employer-rate contributions on their wages, however. (See next slide for rate information.)

The contributions are applied to your employer pool liabilities, not to a pension for the employee.

2. **Retirees might have an annual-hour limit.** For example, if they retired early and did not yet take a six-month break from working for any PERS-participating employers, they cannot work more than these hours (based on PERS program before they retired):

- **Tier One/Tier Two:** not to exceed 1,039.99.
- **OPSRP:** not to exceed 599.99.

If hour limit is met (1,040/600), retirement will be canceled, and member will return to active membership.

See current rules and restrictions for working retirees (2020–2034), limits on annual hours, and consequences for exceeding hour limit in [employer guide 8, Hiring a PERS Retiree \(PDF\)](#).

# Hiring a PERS retiree

## Differences for working retiree

Employers are charged their employer contribution rate on PERS retirees' salaries as if they were active members.

The rate is based on the retiree's:

1. Previous PERS program.
2. Current job classification.

Retirees do not earn benefits, so the contributions are applied to your organization's liabilities.\*

\*Liabilities include the employer's total pension benefit costs and retiree medical benefit costs; they are not tied to any specific employee. If the employer is a member of a pool (e.g., School Districts Pool, State and Local Government Rate Pool), the payment is also applied to the rate pool's liabilities.

Rate Category	Normal Cost Rate Percentage	Combined UAL Rate Percentage	Net Rate Percentage
PERS General Service	70.10%	1.69%	71.79%
PERS Police & Fire	70.10%		71.79%
OPSRP General Service	9.24%		10.93%
OPSRP Police & Fire	14.03%		15.72%

To see your rates per PERS program and job class, go to the View Your Statement function in EDX, Current Contribution Rates tab. You will see a table like this fictional one.

# Hiring a PERS retiree

## Reporting time off

**Do report leave with pay** (vacation or sick leave) as regular wages and hours.

If your working retiree receives and takes sick leave, vacation, holiday pay, or other paid leave, report those hours as regular hours.

### **Note about unused sick leave and vacation time**

Remember that working retirees do not earn PERS benefits. When they finish working for you, you will enter a 0 in the Unused Sick Leave Hours field (because the field is required on a Detail 1 termination record) even if they have sick leave left over.

If you pay them for leftover vacation time, you do not need to report that on their termination record. Leave the Lump Sum Vacation Payout field blank.

# Hiring a PERS retiree

## Reporting time off

**Do not report leave without pay (LWOP).**

Do not change the employee's status to On Family Leave or On Leave of Absence if they take unpaid leave.

**Instead, inform PERS of the leave by submitting a Demographic Correction Request (DCR).** Explain in the comments that the employee is taking LWOP; include the dates.

This puts a note in their account explaining why they were not receiving pay during a certain period. Then just do not submit wage records during that time.

[Guide 20, Creating a Demographic Correction Request \(DCR\)](#)

**DEMOGRAPHIC CORRECTION REQUEST**

Job Segment	Hire Intent	Start Date	Term/End Date	Last Day Service	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months
1	N/A	07/01/2018							
<input checked="" type="radio"/>		07/01/2018			General Service	Retiree with Hour Limit	PERS -Tier 1		0
2	Q	08/23/1994	06/20/2018	06/20/2018					
<input type="radio"/>		07/01/2003	06/20/2018		School Employee	Active Service	PERS -Tier 1	0	9
<input type="radio"/>		08/23/1994	06/30/2003		School Employee	Active Service	PERS -Tier 1	0	9

Start Date From 07/01/2018 To

Term/End Date From To   Remove Term/End Date

Last Day Service From To

Job Class From General Service To  Start Date  End Date

New Position Type  Start Date  End Date

Average OT Hours

Contract No. of Months

Hire Intent

Unused Sick Leave

Review Contribution Start Date

Delete Position

Comments Jones taking LWOP 5/1/2025 to 10/1 2025

# Resources

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- [Employer reporting guide 8, \*Hiring a PERS Retiree\*](#)
- [\*Job Classification Codes\*](#)
- [Guide 20, \*Creating a Demographic Correction Request \(DCR\)\*](#)
- [Employer Service Center contact information](#)

# Questions and answers

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# Questions and answers

Raise your hand to speak (preferred) or ask in the chat.

An ESC representative will answer your question, if possible.  
More complicated questions may need a follow-up.

Do not use employee names or any personal information.



# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## THANK YOU

