



Oregon

John A. Kitzhaber, M.D., Governor

Public Employees Retirement System

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March 28, 2022

TO: Members of the PERS Board

FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section

SUBJECT: Adoption of Oregon Savings Growth Plan (OSGP) Rules:
 OAR 459-050-0001, *Definitions*
 OAR 459-050-0025, *Deferred Compensation Advisory Committee*
 OAR 459-050-0030, *Deferred Compensation Administrator*
 OAR 459-050-0037, *Trading Restrictions*
 OAR 459-050-0050, *Eligibility and Enrollment*
 OAR 459-050-0060, *OSGP Designation of Beneficiary*
 OAR 459-050-0070, *Catch-Up Programs*
 OAR 459-050-0072, *Military Leave Catch-up*
 OAR 459-050-0075, *Distributions During Employment*
 OAR 459-050-0077, *Loan Program*
 OAR 459-050-0080, *Distribution of Funds After a Severance of Employment*
 OAR 459-050-0150, *Unforeseeable Emergency Withdrawal*
 OAR 459-050-0240, *Deferred Compensation Program Notifications*

OVERVIEW

- Action: Adopt Oregon Savings Growth Plan (OSGP) rules.
- Reason: Revision to rules within the Oregon Savings Growth Plan (OSGP) to provide clarity and better reflect the current administration of the program.
- Policy Issue: None identified.

BACKGROUND

It has been several years since staff performed a comprehensive review of the OSGP administrative rules. Modifications to the administrative rules are being proposed to better reflect existing administrative practices.

Most of the modifications are housekeeping, such as deleting defined terms that are not used in the administrative rules, removing processes that no longer exist, removing a reference to an investment option that no longer exists, updating form submission processes to reflect electronic form and submission options, reflecting that lump sum distributions may be made by direct deposit, and updating requirements for participation in catch up programs.

Other modifications are small alterations to administrative practices, such as increasing the loan fee from \$50 to \$75, removing the prohibition on participation for six months after receipt of an allowable distribution while employed with a participating employer, and increasing the distribution increments from \$5 to \$200.

SUMMARY OF MODIFICATIONS TO RULES SINCE NOTICE

No modifications were made to the rules since notice.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held remotely on February 22, 2022, at 2:00 p.m. No members of the public attended. The public comment period ended March 7, 2022, at 5:00 p.m. No public comment was received.

LEGAL REVIEW

The attached rules were submitted to the Department of Justice for legal review and any comments or changes are incorporated in the rules as presented for adoption.

IMPACT

Mandatory: No.

Impact: Edits to clarify the administration of the OSGP for members and staff.

Cost: There are no discrete costs attributable to the rule changes.

RULEMAKING TIMELINE

January 28, 2022	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
January 31, 2022	PERS Board notified that staff began the rulemaking process.
February 1, 2022	Secretary of State published the Notice in the Oregon Administrative Rules Database. Notice sent to employers, legislators, and interested parties. Public comment period began.
February 22, 2022	Rulemaking hearing held remotely at 2:00 p.m.
March 7, 2022	Public comment period ended at 5:00 p.m.
March 28, 2022	Board may adopt the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

BOARD OPTIONS

The PERS Board may:

1. Pass a motion to “adopt the Oregon Savings Growth Plan (OSGP) rules, as presented.”
2. Direct staff to make other changes to the rules or explore other options.

STAFF RECOMMENDATION

Staff recommends the PERS Board choose Option #1.

Adoption – OSGP Rules

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- B.4. Attachment 3 - 459-050-0030, *Deferred Compensation Administrator*
- B.4. Attachment 4 - 459-050-0037, *Trading Restrictions*
- B.4. Attachment 5 - 459-050-0050, *Eligibility and Enrollment*
- B.4. Attachment 6 - 459-050-0060, *Designation of Beneficiary*
- B.4. Attachment 7 - 459-050-0070, *Catch-Up Programs*
- B.4. Attachment 8 - 459-050-0072, *Military Leave Catch-up*
- B.4. Attachment 9 - 459-050-0075, *Distributions During Employment*
- B.4. Attachment 10 - 459-050-0077, *Loan Program*
- B.4. Attachment 11 - 459-050-0080, *Distribution of Funds After a Severance of Employment*
- B.4. Attachment 12 - 459-050-0150, *Unforeseeable Emergency Withdrawal*
- B.4. Attachment 13 - 459-050-0240, *Deferred Compensation Program Notifications*