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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 459
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

FILED

11/25/2024 4:14 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Clarify how PERS administers the transition from disability benefits to retirement benefits for OPSRP members.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 12/27/2024 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Tigard, OR 97223

Filed By:
Chris Geier
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 12/17/2024

TIME: 2:00 PM - 3:00 PM

OFFICER: Joel Mellor

IN-PERSON HEARING DETAILS

ADDRESS: PERS HQ Board Room, 11410 SW 68th Parkway, Tigard, OR 97223

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 1-971-300-4342

CONFERENCE ID: 77333199

SPECIAL INSTRUCTIONS:

Meeting ID: 237 665 185 654

Passcode: Q9fCgx

NEED FOR THE RULE(S)

Updates the rules to reflect current agency practice and provides clarification for members.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS 238A.450, 238A.155 & 238A.235

These documents are available on the Internet at: https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

Adoption of the rule will not affect racial equity.

FISCAL AND ECONOMIC IMPACT:

There are no discrete costs attributable to the rules.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

None.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The rules do not affect small businesses and therefore small businesses were not involved in the development of the rules.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

A public hearing will be held and the PERS Board solicits input on rules from any interested or affected parties.

AMEND: 459-076-0045

RULE SUMMARY: Clarify how PERS administers the transition from disability benefits to retirement benefits for OPSRP members.

CHANGES TO RULE:

459-076-0045

Cessation of Disability Benefits Upon Reaching Normal Retirement Age ¶¶

(1) If a member who is receiving an OPSRP disability benefit reaches normal retirement age, as defined in ORS 238A.160, their last disability benefits will cease as be paid ofn the first of the following month unless the member reaches normal retirement age on the first of the month, then their last disability benefit will be paid on that day.¶¶

(2) The disability benefit will not automatically convert to a retirement benefit upon the member reaching normal retirement age. The member must apply for service retirement benefits before receiving them. In order to receive a service retirement benefit ~~beginning in the month in which a disability benefit ceases under section (1) above,~~ the member must:¶¶

(a) Complete the applicable Service Retirement application(s); and¶¶

(b) Submit the application(s) to PERS ~~at least 92 days~~ before the first of the month in which the ~~disability benefit member wishes to commence a ses under section (1) rvice~~ retirement benefits. In no case will a service retirement benefit become payable during a month in which a member receives a disability benefit ~~or earlier than the first of the month in which an application was submitted.~~¶¶

(3) The OPSRP retirement pension benefit will be based on:¶¶

(a) The adjusted salary as set forth in section (4) of this rule; and¶¶

(b) The total retirement credit accrued, set forth in section (5) of this rule.¶¶

(4) The salary the member was receiving immediately prior to leaving active employment as a result of disability will be adjusted for the cost-of-living for each year after the member left employment and before the member's effective date of service retirement.¶¶

(a) Cost-of-living adjustments will be based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor and may not exceed a two percent increase or decrease for any year.¶¶

(b) Cost-of-living adjustments will be made only for calendar years in which the member received an OPSRP disability benefit for at least six months during a calendar year.¶¶

(5) Retirement credit. A member receiving OPSRP disability benefits will accrue retirement credit, as well as hours

of service credit toward vesting, for the entire period of disability until:¶

~~(a) The member is no longer disabled; or¶~~

~~(b) The member reaches normal retirement age their benefit ends.¶~~

(6) The retirement credit will accrue under the same employment classification in which the member was immediately employed prior to becoming disabled.¶

(7) A member who is receiving disability benefits who reaches normal retirement age and has not applied for a service retirement will become an inactive member on the first of the month following the month in which they reach normal retirement age.

Statutory/Other Authority: ORS 238A.450

Statutes/Other Implemented: ORS 238A.155, 238A.235