OREGON PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Hiring a PERS Retiree

Employer Reporting Guide

This guide explains the guidelines, restrictions, and instructions for employing a PERS retiree.

Employer Service Center

Contents

continued

Revised February 2026

Overview

This employer guide explains how to hire and employ a PERS retiree. It outlines the annual-hour limitations that may be imposed on retirees depending on the type of retirement they chose. It shows how to report hours and wages for a retiree while avoiding common errors that lead to suspended (i.e., unposted) records. It also lists normal and early retirement eligibility based on service time and age for each PERS program and job classification.

Employing a PERS retiree

Employing a retired PERS member is mostly the same as employing an active PERS member. You report when you hire them, when you pay them, and when you terminate them. If the employment agreement or contract grants the employee paid time off — like holiday pay, sick leave, personal business, Governor's special day, or other types of paid leave — report that as regular time when they use it.

Seven differences between employing active vs retired employee

For the employer reporter, there are seven main differences between reporting for an active employee vs a retired employee. To jump to instructions, click the "instructions" link.

Status code INSTRUCTIONS	Report the hire with **retiree-hire status code 11** (most common), 12 (for certain exceptions), or 13 (for retirees returning to active membership).
Wage code INSTRUCTIONS	Report wages with **retiree wage code 17** - Retiree Wage - ER Rate. Enter wages in the Subject Salary (Regular) or (Overtime) field.
No IAP	**Do not report Individual Account Program (IAP) contributions**. 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.
Annual hour limit INSTRUCTIONS	Members who retire at normal retirement age can work as much as you need. **Members who retire early must take a six-month break** from working for all PERS employers or else they are limited in the number of hours they are allowed to work per year.
No LWOP status INSTRUCTIONS	**Do not report a leave without pay**. 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.
Records may suspend INFORMATION	If you hire a retiree immediately after their retirement, their **new-hire record and wage records will suspend** 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.
Termination	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).

Two differences between being active vs retired employee

For the employee, working after retirement is essentially the same as working as an active member, particularly for those who retired at normal retirement age (considered a bona fide retirement).

The exception is employees who retired early and did not yet take a six-month break from working for any PERS-participating employers (considered a non–bona fide retirement). These retirees are limited in the number of hours they are allowed to work per calendar year. They must keep track of their annual hours to avoid reaching their limit, which has consequences that are explained in section "Consequences to Employee of Surpassing the Hour Limit."

The other difference for all working retirees is that, unlike active employees, they do not earn retirement benefits from their post-retirement employment. They do not contribute to an Individual Account Program (IAP) employee account. The contributions you pay on their wages are applied to your employer pool's liabilities, not to the employee's pension.

IMPORTANT	Working retirees who have an annual hour limit must keep track of the number of hours they work. The employer may also want to keep track to help the employee prevent negative consequences.

*Early retirees are subject to an annual-hour limit unless they take a six-month break from working for any PERS-participating employers after retirement. The six-month break makes an early retirement into a *bona fide* retirement. After that break, they can work unlimited hours.

Hiring a PERS retiree

When a retired public employee is returning to work for a PERS-participating employer, whether part-time or full-time, they must be:

1. Terminated from their old job, the one (or ones) from which they are retiring.
2. Reported to PERS as a retiree new-hire on a Detail 1 record.

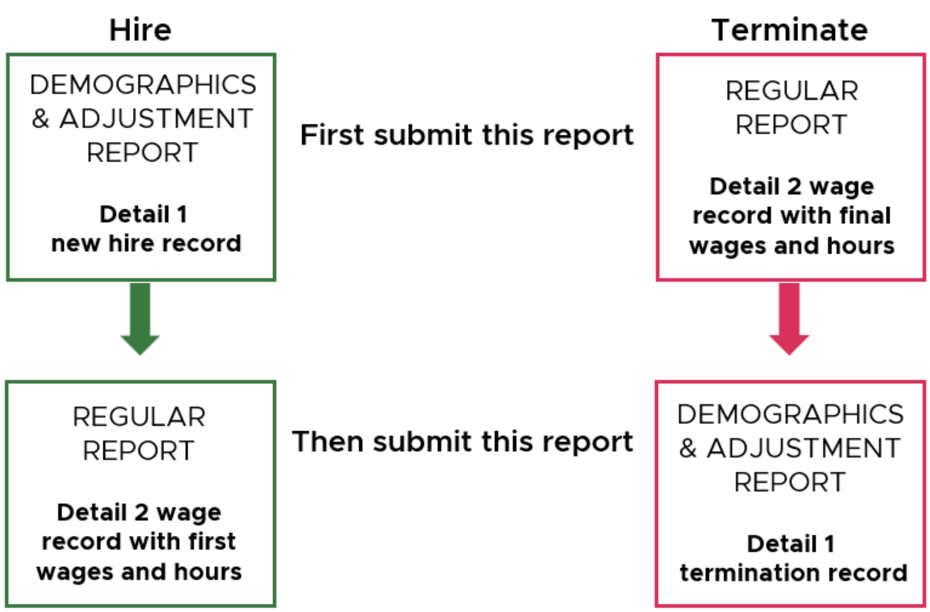
Before filling out the Detail 1 record, read the information below to ensure success. Then fill out the Detail 1 record as shown in the "Filling Out the Detail 1 Record" section.

Records from previous job must post before reporting new hire

If you are hiring a retiree right after their retirement, make sure the following steps take place in order:

1. Retiree final wages are posted.
2. Retiree termination record is posted.
3. Retiree new-hire record is posted (most likely status code 11).
4. Retiree's first wages are posted (wage code 17).

   Before you hire back a PERS retiree immediately after retirement, ensure that their final wages and termination have posted first. Their retirement does not have to be fully processed (this can take up to 92 days), but their termination must be posted. Conversely, when the employee stops working for you, report their final hours and wages before their termination.



For instructions on reporting a retiree new hire, go to the section "Filling Out the Detail 1 New-Hire Record."

For instructions on reporting wages, go to the section "Reporting Retiree Wages."

New-hire status date must be after retirement date

PERS retirement dates are always on the first of a month. Meaning the member's last day of service and termination date as an employee must be prior to the chosen PERS retirement date. The absolute earliest status date on which you can hire a retiree is the first of the month.

Contact ESC for status check, if new employee

If you are not familiar with this employee's work history (e.g., they did not retire from your organization), contact the ESC Call Center and request a status check. The ESC representative will be able to tell you important information about the retiree's work history that will affect how you hire them.

Status code is most likely 11

Choosing the right status code is very important to avoid accidentally returning a retiree to active service and stopping their retirement benefits. There are three retiree-hire status codes, listed in order of how often they are used:

Status code 11 – Retiree New Hire with Hr Limit

Use for most retiree hires, whether they are working full-time, part-time, or temporarily. Even though your retiree hire may not have an annual hour limit, this is still **the correct code** to use. This is because the work after retirement provisions of SB 1049 (explained in section "Current Rules and Restrictions for Working Retirees (2020–2034)" in this guide) are temporary.

Status code 12 - Retiree New Hire without Hour Limit

Use only to hire a PERS retiree who **qualifies for an exception** to the annual hour limits. The exceptions are positions that were allowed to work unlimited hours even before SB 1049 relaxed the annual-hour limits for most retirees. For example, Tier One or Tier Two retirees working in small communities, as nursing instructors, as speech-language pathologists, or for the Oregon Legislature or Oregon State Police during a legislative session. Read the complete list of exceptions on the PERS website and who is eligible.

Status code 13 - New Hire - Retiree Return to Service

Use only when hiring a retiree who chooses to **cancel their retirement** and reestablish active membership. Be sure this is the retiree's intention before using this status code.

Submitting a Detail 1 Member Demographics record with status code 13 serves to cancel the retiree's retirement. After this record posts, submit another Detail 1 record with a 01 - Qualifying New Hire status code and the same start date as the status code 13 record. The retiree will then be an active employee and will earn additional benefits toward their retirement. When they are finished working, they will need to apply for retirement again.

If the retiree is returning to a non-qualifying position (i.e., less than 600 hours/year), hire them with status code 15 – Non-Qualifying Hire. They will not earn benefits unless they reach 600 hours/year.

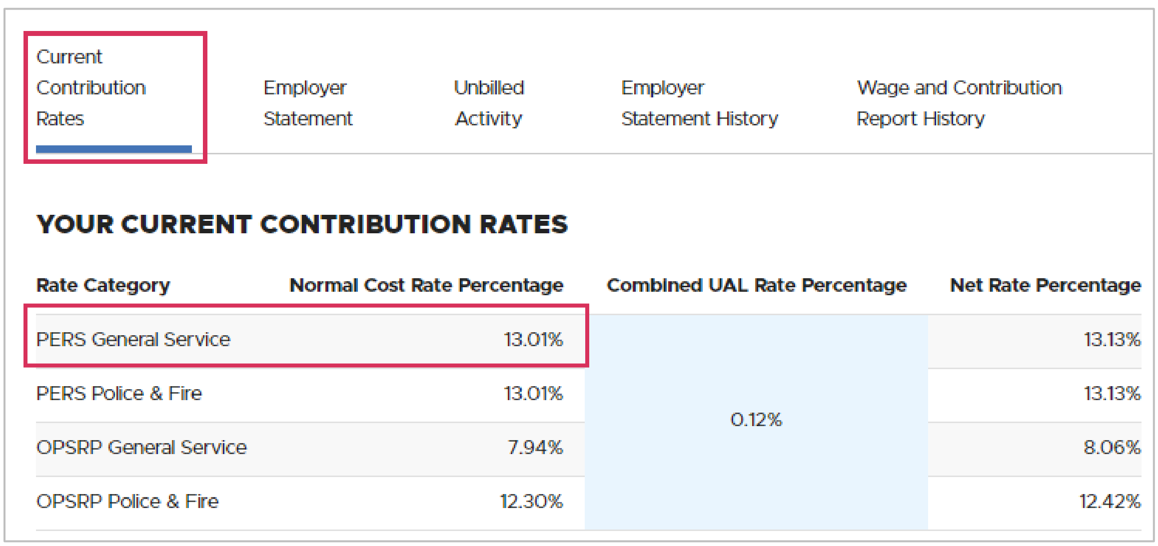
Retiree membership program and job classification

The contribution rate you are charged on the working retiree's wages is based on two factors.

1. **Previous PERS program:** Retirees are considered to be in the program they were in when they retired. Meaning that if you hire a retiree who retired from, for example, the Tier Two program, your organization is charged the Tier One/Tier Two rate (called "PERS" on your statement, shown below.
2. **Current job classification:** Unlike their program, a retiree's previous job *does not* affect the job classification of their retiree job. When completing the Detail 1 retiree-hire record, choose the job classification of the job for which you are hiring them. It does not matter what type of job they did before they retired.

For example, a Tier Two police officer with 25 years of service credit retires. Seven months later, he takes a position as a substitute teacher. His employer reporter hires him as 09 - School Employee. Your organization is charged the School Employee rate on his wages, which is shown as General Service on your statement, shown below, because General Service and School Employee job class employees cost the same rate.

Go to the View Your Statement function in EDX, Current Contribution Rates tab, to see your current rates based on PERS program and job class.



Current Contribution Rates | Employer Statement | Unbilled Activity | Employer Statement History | Wage and Contribution Report History

YOUR CURRENT CONTRIBUTION RATES

Rate Category	Normal Cost Rate Percentage	Combined UAL Rate Percentage	Net Rate Percentage
PERS General Service	13.01%	0.12%	13.13%
PERS Police & Fire	13.01%		13.13%
OPSRP General Service	7.94%		8.06%
OPSRP Police & Fire	12.30%		12.42%

Filling out the Detail 1 new-hire record

***SSN**: Social Security number with no dashes.

***Status Code**: Use the same determination as you would have before Senate Bill 1049, which is usually:

11 – Retiree New Hire with Hr Limit.

Exceptions:

- Only use 12 when hiring a retiree who qualifies for a pre-SB 1049 exception.
- Only use 13 when hiring a retiree who is returning to full-time employment, canceling their retirement, and reestablishing active membership. After submitting this record to cancel their retirement, you must submit another Detail 1 record with a 01 - Qualifying New Hire status code 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.

***Name:** Auto populated.

***Name Change Indicator:** N is default.

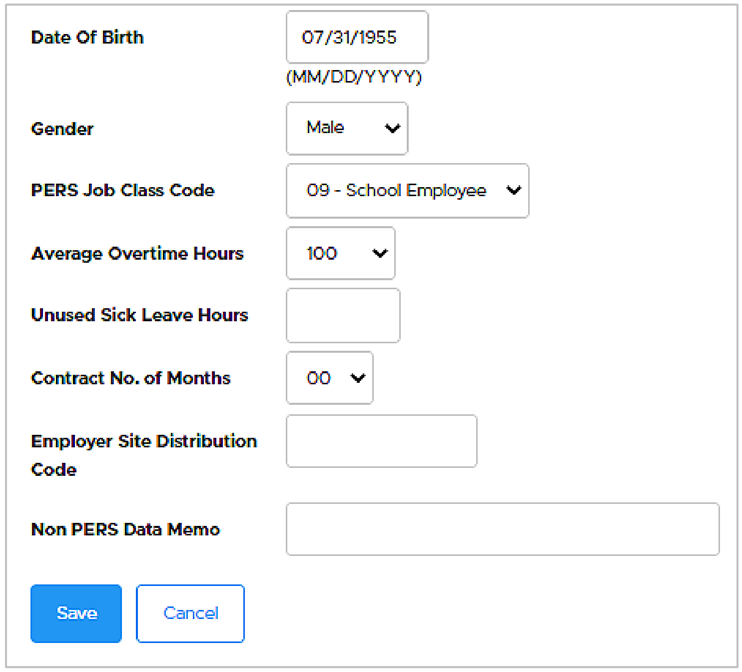
***Address**: Write in all caps. Try to fit the whole street address in the Address - 1 field.

Continued

**Required field*

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	



***Date of birth:** MM/DD/YYYY.

***Gender:** Choices are Male and Female. (See note below.)

***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 employees 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 (i.e., the "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 employee's final average salary.

***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 doesn't mean the employee is under contract; it means the number of months the employee is required work according to the school's operations. The options are 09, 10, 11, and 12. An employee whose job class is other than 09 *always* has the 00 default.

**Required field*

**Required for school employees only; all others leave this field blank*

Note: For employees who do not identify as female or male, follow this process.

1. In the Gender field, select Female or Male. It's a required field, so you must select something to get the record to post.
2. Once the record posts, create a Demographic Correction Request (DCR) for that employee.
3. In the Employer Comments box, ask PERS staff change the gender to Non-Binary/Other.

To see this process demonstrated, watch the video "Reporting a New Employee."

For instructions on creating a DCR, read employer reporting guide 20, *Creating a DCR*.

Detail 1 new-hire record required fields

Field name	If field is required, blank, or optional	Example
SSN	Required.	111223333
Status Code	Required.	11 - Retiree New Hire with Hr Limit
Status Date	Required. Date the status change is effective.	11/01/2024, employee's first day of onboarding
Last Day Service	Leave blank. Only required when reporting a termination or death.	
Old SSN	Leave blank.	
First Name	Required. All caps.	HOWARD
Last Name	Required. All caps.	EMPLOYEE
Middle Name	Optional.	
Name Change Indicator	Required. Default is N for "no."	N
Address – 1	Required. All caps. Use abbreviations to fit entire address in this field.	1234 MAIN ST UNIT A-1
Address – 2	Use *only* for very long addresses.	
Address – 3	Avoid using this field.	
City	Required. All caps.	TIGARD
State	Required for USA addresses.	OR
Zip – 1	Required for USA addresses.	97224
Zip – 2	Optional field for four-digit ZIP code extension.	

Continued

Field name	Required/optional	Example
Province	Leave blank for USA addresses.	
Country Code	Required.	USA
Postal Code	Leave blank for USA addresses.	
Date of Birth	Required.	07/04/1977
Gender	Required.	Male
PERS Job Class Code	Required. This is the job class of the current job, not the job the retiree had before they retired.	09 School Employee
Average Overtime Hours	Required. Average overtime does not apply to working retirees, but you must choose a number to get the record to post.	0
Unused Sick Leave Hours	Leave blank. Only required when reporting a termination or death.	
Contract No. of Months	Required. Leave 00 default for non-school jobs. Choose a number between 09 and 12 when hiring an employee with job class code 09 – School Employee. This is the number of months of the calendar year the employee is contracted to work or that the school is open. Other job classes must leave the 00 default.	10 (for school that takes a two-month summer break)
Employer Site Distribution Code	Optional field for your use.	
Non PERS Data Memo	Optional field for your use.	

If Detail 1 new-hire record suspends

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

This means that the new hire record and the wage records you submit in the first three months or so will suspend. 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.

Reporting retiree wages

When you employ a PERS retiree, you report their wages to PERS with a Detail 2 Wage and Service record, same as with non-retired employees.

Employers are charged their employer contribution rate on PERS retirees' salaries as if they were active members. Retirees do not earn benefits, so the contributions are applied to your organization's liabilities.*

IAP contributions are not due. Do not enter a value in any IAP field.

Reporting for a new retiree: It can take up to 92 days for PERS to fully process a retirement. During that time, any records saved to the retiree's account will suspend.

You can continue to report the retiree's wages even if the records are suspended.

> **Tip:** 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.

How do you know when the retirement has processed? Wait two to three months and try to resave the first retiree record. If the record posts, the retirement has been fully processed and the employee is now in "retired member" status. If it suspends, contact your ESC representative and ask them to check the status.

*Liabilities include the employer's total pension benefit costs and retiree medical benefit costs and 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 employer's rate pool's liabilities.

Retiree wage codes: most likely use 17

There are three wage codes you can use to report retiree wages. You will mostly use 17.

17 Retiree Wage – ER Rate.

Use to report wages earned by a service retiree with a pay date of January 1, 2020, or later. This is the most commonly used retiree wage code.

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.

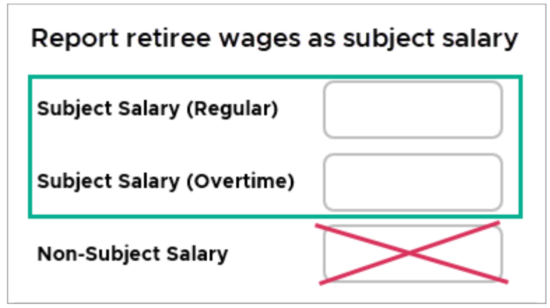
18 Negative Adjustment Retiree Wage – ER Rate.

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*.

All retiree wages are 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. Erroneously reporting the wages as non-subject salary will necessitate manual correction to ensure proper invoicing.

For more information on reporting retiree wages, read *Correct Usage of Subject and Non-Subject Salary Fields* guide.



If wage records suspend

Some employers experience an issue with retiree wage records suspending. The error message states that the wages were reported as 01 Regular Wages.

The cause of this issue is probably how the employee was set up in your payroll system. If the employee was not set up in your system as a retiree or your system is connected to an incorrect EDX status code or wage code, the record will suspend.

For example: Employer A hires Mary Smith. They do not know that Mary is a PERS retiree, so they hire Mary as a status code 01 Qualifying New Hire and report her wages as 01 Regular Wages. The records suspend. When they realize Mary is a retiree, they manually correct her status and wage codes to retiree codes on each suspended record.

Now, they must go back to their system to change Mary from qualifying new hire to retiree new hire. If they do not, every wage record will suspend.

This is why it is important to contact the ESC Call Center for a **status check** before hiring a new employee.

If this issue happens to you, reach out to your ESC representative for help.

Reporting retiree time off

Report leave with pay (vacation or sick leave) as regular wages

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

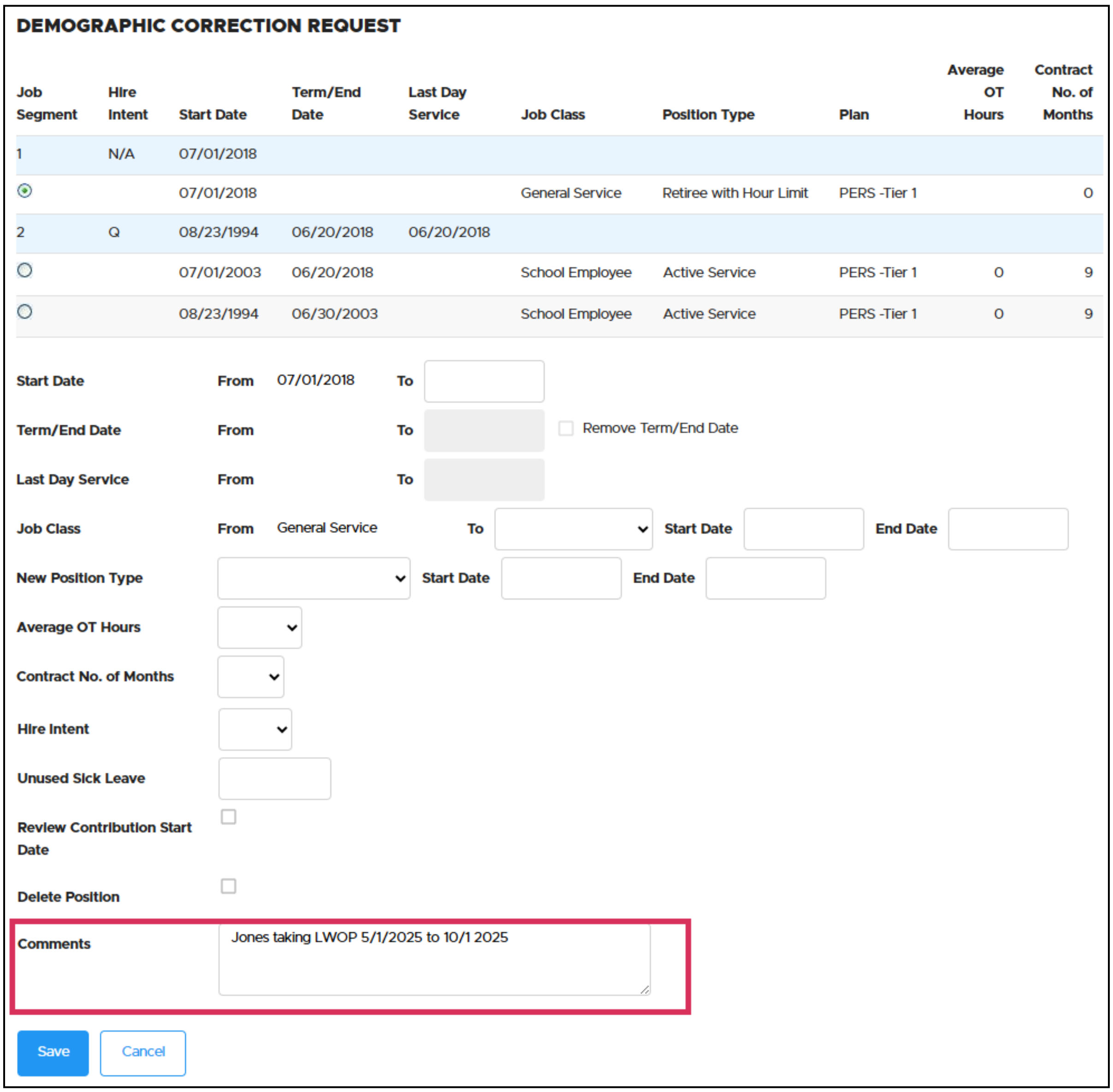
Note about unused sick leave and vacation time: Remember that working retirees do not earn PERS benefits. When they finish working for you, you will enter a 0 in the Unused Sick Leave Hours (because the field is required on a Detail 1 termination record) even if they have sick leave left over. If you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

Do not report leave without pay (LWOP); send DCR

If a working PERS retiree takes LWOP, do not change the employee's status to On Family Leave or On Leave of Absence. EDX does not allow you to report a leave status for a PERS retiree.

Instead, inform PERS of the leave by submitting a Demographic Correction Request (DCR). 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.

See the DCR example below.



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							
◉		07/01/2018			General Service	Retiree with Hour Limit	PERS -Tier 1		0
2	Q	08/23/1994	06/20/2018	06/20/2018					
○		07/01/2003	06/20/2018		School Employee	Active Service	PERS -Tier 1	0	9
○		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

Save Cancel

Employer billing

Charges for your working retirees appear on your invoice as Retiree Wage – ER Rate, as shown in the EDX invoice screen capture below.

Employing PERS retirees has a positive effect on your contribution rate. Because these employees are not accruing benefits, all payments you make on these employees increase your contributions above what was anticipated, thus increasing your assets into the system.

Download Invoice Detail

PERS

Last Name	SSN	Pay Date	Wage Type	Subject Salary
		04/18/2025	Regular wages	$12,808.12
		04/18/2025	Retiree Wage-ER Rate	$838.20
		04/18/2025	Regular wages	$9,284.15
		04/18/2025	Retiree Wage-ER Rate	$2,516.90
		04/18/2025	Regular wages	$8,627.77
		04/18/2025	Regular wages	$9,228.65
		04/18/2025	Retiree Wage-ER Rate	$448.00

Current rules and restrictions for working retirees (2020–2034)

Restrictions on annual hours

As a qualified governmental retirement plan under Internal Revenue Code (IRC) 401(a), PERS must comply with federal tax laws that impose employment restrictions on retirees who return to work for an employer in the same public retirement system from which they are receiving a benefit.

Generally, federal law only allows PERS to pay benefits to these rehired retirees when they have had a “bona fide retirement.”

PERS defines a **bona fide retirement** as either one of the following:

- The PERS member retired on or after the date they reached **normal retirement age** for their job class and PERS membership. (Go to the “PERS Retirements” section in this guide to see normal retirement ages.)
- The PERS member retired on or after the date they reached **early retirement age** for their job class and PERS membership and has been **absent from service** with all PERS-participating employers for at least **six full calendar months** between their effective date of retirement and the date of hire by any PERS-participating employer.

To read the current rules, go to the employers’ Work After Retirement webpage.

*Specifically, the contributions are applied to the employer’s liabilities, including pension benefit costs and retiree medical benefit costs. If the employer is a member of a pool, the additional payment is applied to the employer’s rate pool’s liabilities.

Retirees with bona fide retirements can work unlimited hours

Through 2034, PERS members who have a bona fide retirement (as defined above) can work unlimited annual hours for a PERS-participating employer, retain their retired status, and continue receiving their retirement benefits with no change or reduction.

Retirees without bona fide retirements can only work limited hours

PERS members who retire early and do not take a complete six-month break from all PERS-covered employment are limited in the number of hours they can work for a PERS-participating employer each calendar year. If they surpass their annual limit, their retirement is canceled and they become an active PERS member. The annual-hour limitations (also listed in the Retiree Restrictions Quick-Reference Table):

- **Tier One and Tier Two Pension Plan retirees:** work up to 1,039.9 hours/calendar year.
- **OPSRP Pension Plan retirees:** work up to 599.9 hours/calendar year.

Early retirees who have taken a six-month break from working for all PERS-participating employers are free to work unlimited hours after the six-month break.

See the “PERS Retirements” section of this guide for an explanation of early retirement.

Tier One/Tier Two disability retirees can work limited hours

Before retirement age: Tier One/Tier Two members who take a disability retirement have three options for returning to work before they reach normal retirement age:

1. Return in a non-qualifying position (up to 599.99 hours/year).
2. Do a 90-day trial period of full-time work.
3. Return to full-time work.

Find a complete discussion of this topic in employer reporting guide 14, *Disability Benefits*.

At or after normal retirement age: Once a Tier One/Tier Two disability retiree reaches normal retirement age for their job class, they may return to work for a PERS-participating employer; however, they are still a disability retiree, so they are limited to working 599.99 hours/year. If they surpass that number, they risk losing their disability retirement benefit. Learn more in guide 14, *Disability Benefits*.

OPSRP disability-benefit recipients cannot be employed until after retirement

Working before retirement

OPSRP members who receive disability benefits are not considered “retired.” While they are receiving disability benefits, they cannot receive “earned income” (see definition in OAR 459-076-0001). If they do return to employment with any employer, including self-employment, their disability benefits will end.

There is an exception, however, allowing members to receive occasional income in an irregular and unpredictable manner so long as it equals 10% or less of their former monthly salary. Say if the individual has a garage sale, sells a piece of furniture, or babysits on occasion, they will likely not lose their disability benefits.

Working after retirement

When they reach early or normal retirement age, they need to apply for retirement like any other employee. When they are retired, they are treated like any other retiree:

- If they had bona fide retirement (i.e., at normal retirement age or at early retirement age with a six-month break), they may work unlimited hours.
- If they did not have a bona fide retirement (i.e., they retired early and did not take a six-month break), they are limited to working no more than 599.99 hours per calendar year.

Retiree restrictions quick-reference table

Type of retirement	Annual-hour limit	Restriction
Normal service retirement at full retirement age.	No limit.	None. May work unlimited hours for a PERS-participating employer and still receive their PERS retirement benefits.
Early service retirement + ***six-month complete break*** from PERS-covered employment after effective retirement date or *have reached full Social Security retirement age*.	No limit.	None. May work unlimited hours for a PERS-participating employer and still receive their PERS retirement benefits.
Early service retirement + ***no six-month break*** from PERS-covered employment after effective retirement date **+** *have not reached full Social Security retirement age*.	No more than 600 or 1,040 hours/year, depending on PERS program	Limited in how many hours they can work per year for a PERS-participating employer and still receive their retirement benefits. Tier One/Tier Two retirees: work up to **1,039.9**. OPSRP retirees: work up to **599.9**
Canceled service or disability retirement (voluntary reemployment) and return to work as a nonretired "active" member.	No limit.	None. They no longer receive their PERS retirement benefits, their PERS account is reactivated as of their hire date, and, if working in a qualifying position, they can earn additional benefits.
Tier One or Tier Two Disability retirement + ***have not reached*** normal retirement age.	Depends.	Restriction depends on which option retiree chooses for returning to work. Read guide 14, *Disability Benefits*, section "Tier One/Tier Two Disability Retirement," subsection "Returning to Work."
Tier One or Tier Two Disability retirement + ***have reached*** normal retirement age.	No more than 600 hours/year.	May work for PERS-participating employer but annual hour limit applies.

Hours that count against annual limits

- All hours worked for any PERS-participating employer count against the annual limit for the year in which they were worked.
- Paid leave offered to retirees counts against annual work limits, if taken.
- Compensatory time counts against the annual work limit in the year earned, not in the year taken.

What happens if employee exceeds hour limit

If a working retiree exceeds their annual hour limit, they automatically switch from retiree status to active member status. Their retirement checks cease; they immediately begin earning new benefits and start contributing to their Individual Account Program (IAP) account (they do not serve a six-month wait time). The retiree rejoins the same pension program they were in before (i.e., Tier One, Tier Two, or OPSRP).

When the Employer Service Center (ESC) detects that a working retiree has exceeded their annual hour limit, they follow the process below.

Remember that EDX does not warn you when an employee is approaching their limit; **it is up to employees and employers to keep track of their hours** to ensure they do not reach the limit.

The process runs as follows.

1. On a regular basis, an ESC staff member runs a report listing retirees who have met or exceeded their hour limit.
2. ESC reaches out to each working retiree's employer to confirm that the reported hours are correct.
3. At the same time, ESC sends a 30-day warning letter to the early-retiree employee informing them that they have exceeded the hour limit.
4. The employer has 30 days to inform ESC of any corrections to the reported hours.
5. After the 30-day review period, if the hours reported are accurate, ESC leaves the employee's status as active service.

   If the hours are overstated, ESC can change the employee's status back to retired.

   If the employee does not wish to be an active member, work with your ESC representative to report the termination.
6. If the employee received retirement benefits after their reemployment start date, they will be invoiced for the amount they received.
7. When the active member stops working and is ready to re-retire, they must apply for retirement and go through the retirement process again.

Consequences to employer of retiree surpassing their hour limit

If your working retiree surpasses their annual-hour limit, the ESC will contact your organization to confirm the number of hours the employee has worked that year.

If you find a discrepancy between your record of the employee's hours and ESC's record, inform ESC. If the employee has not surpassed their limit, no further action is required by the employer.

If you confirm that the employee did meet or exceed the limit based on your records, your organization will be invoiced for pension contributions and IAP contributions back to the employee's reemployment start date after the member exceeded the limit.

- **Pension contributions:** Although you were already being charged pension contributions, the paid contributions must now be applied to the employee's benefits instead of to your employer pool assets.
- **IAP contributions:** If the IAP contributions are member-paid, it is up to your organization to collect the money from the employee back to their reemployment start date.

Going forward, report wages for the employee as 01 – Regular Wages instead of 17 – Retiree Wage. Include 6% IAP contributions.

Consequences to employee of surpassing the hour limit

If a retiree who has an annual hour limit surpasses that limit, **their retirement is canceled**; they become an active member and begin accruing retirement benefits.

They must pay back to PERS any retirement money they receive after the date they become an active member (start date depends on PERS program and how soon after retirement they reached the limit, as explained later in this section).

They become a member of their previous pension program; they do not need to serve a wait time. Later, when the employee stops working, they need to apply for retirement again.

IMPORTANT	Working retirees who have an annual hour limit must keep track of the number of hours they work. The employer may also want to keep track to help the employee prevent negative consequences.

PERS (Tier One/Tier Two) retirees

- If working retiree meets or exceeds the 1,040-hour limit **within the first six months** after retirement, their retirement is canceled retroactively. They become an active member as of the **date of hire**. All retirement benefits received by the member must be repaid to PERS in a single payment.
- If working retiree meets or exceeds the 1,040-hour limit **after six months** past retirement, their retirement is canceled prospectively. They become an active member as of the **first of the month** after the month in which they met or exceeded their hour limit. Any retirement benefits paid after the date that active membership is re-established must be paid back to PERS.

Oregon Public Service Retirement Plan (OPSRP) retirees

If the working retiree meets or exceeds the 600-hour limit, their retirement is canceled. They become an active member as of whichever of the following comes later:

- If they were hired as a working retiree before the year in which they work 600 hours or more, they become a member as of January 1 of the year in which they meet or exceed 600 hours.
- If they meet or exceed 600 hours in the same year in which they were hired as a working retiree, they become a member as of the date of hire in that year.

For an OPSRP retiree who is receiving a cash-out of a small benefit:

- If they are hired as a working retiree **after** they receive the payment, they may work unlimited hours as long as they have a bona fide retirement (i.e., retired at normal retirement age, or at early retirement with a complete six-month break from working for any PERS-participating employers).
- If they are hired as a working retiree **before** they receive the payment, they are limited to working 599.9 hours/year (aka a non-qualifying position).
- If they are hired as a working retiree **before** they receive the payment and they are hired into a position that requires 600+ hours a year (aka a qualifying position) or they work 600+ hours, their retirement is canceled; they must repay the payment and return to active membership on the date of hire. They may then work unlimited hours because they are no longer retired.

Working retiree Social Security limitations

Tier One/Tier Two retirees (never OPSRP retirees) who **have reached full Social Security retirement age** (age 65–67, based upon Social Security full retirement age) have no work limit beginning the first of the month after their full retirement age birthday month.

If a retiree is receiving Social Security benefits and **has not reached full retirement age under Social Security**, the Social Security Administration and PERS have additional limitations on their employment. They may need to limit their hours to stay within the income allowed under the annual Social Security income limits.

For more information, go to the Social Security Receiving Benefits While Working webpage and the PERS employers' Work After Retirement webpage.

PERS retirements

PERS offers three types of retirement: normal service retirement (full benefit), early service retirement (reduced benefit), and disability retirement (only available for Tier One and Tier Two members who qualify).

The size of their pension payments depends on the following factors: their age at retirement, if their retirement is normal or early, how long they worked (called service time), how much they earned, and what retirement options they choose (e.g., beneficiary option, payout duration).

Normal retirement age

Retiring at normal retirement age provides the full amount of benefits to which the member is entitled. The tables below list normal retirement ages per job classification based on pension program and service time. Members can also qualify based on years of service time: 30 years for General Service members, and 25 years for Police and Fire members.

General Service and School Employee normal retirement eligibility

Plan/Tier	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

Plan/Tier	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	30 years	any
	25–29 years	53*
	Less than 25 years	55*

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

Early retirement age

Retiring early reduces an employee's potential benefits compared to normal retirement benefits. It also adds restrictions on those who return to work for a PERS employer.

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

Plan/Tier	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
Any tier 911 operator**	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 enables them to qualify for early retirement once they achieve 25 years of service as a 911 operator. If they retire before General Service normal retirement age and return to work for a PERS-participating employer, they are subject to the restrictions listed in the Retiree Restrictions Quick-Reference Table.*

Police and Fire early retirement eligibility

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

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

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

Disability retirement

Tier One and Tier Two employees who become too sick or injured to work may be eligible for a disability retirement at any age. (OPSRP employees who become too sick or injured to work can receive disability benefits, but it's not technically a retirement.)

See employer reporting guide 14, *Disability Benefits*, for complete information.

Special considerations for Police and Fire retirement

- **Retirement age:** Police and Fire members qualify for retirement at earlier ages than other job classes.

- **OPSRP retirement eligibility:** To qualify for the low Police and Fire early retirement ages, OPSRP members must work in the Police and Fire job classification for the last 60 months before retirement.

  If they do not have 60 months of Police and Fire retirement credit, they can continue working until they obtain 60 months of Police and Fire retirement credit, or reach the General Service retirement age, whichever comes first.

- **Police and Fire retirement qualification:** Once a Police and Fire member qualifies for normal or early retirement, they maintain that qualification even if they stop working in the Police and Fire job class.

  For example, a police sergeant who achieves early or normal retirement eligibility could accept a teaching job and change to the School Employee job class. She would not have to work until School Employee normal or early retirement age to retire. She already qualified for retirement by age in the Police and Fire job class.

  If the sergeant were an OPSRP member, she would not only need to qualify by age or years of service but also by having 60 months of retirement credit in the Police and Fire job classification before reaching retirement age.

Special considerations for School Employee retirement

This job class has special considerations for earning service credit that account for schools' winter and summer breaks.

School employees can receive a full year of service credit if they work more than half of every calendar month that school is normally in session — even if they take the summer off. To learn how, read the School Employees webpage and the article "December Reporting: How to Ensure Service Credit for Summer Months" in the December 2025 *Employer News*.

Learn more

Employers

For more information about employing PERS retirees, read the Work After Retirement webpage for employers.

Disability retirement: employer reporting guide 14, *Disability Benefits*.

PERS retirement: employer reporting guide 16, *Reporting a Retirement*.

Members

For more information on retirement eligibility, direct your employees to the following webpages:

- Eligibility to Retire: Tier One/Tier Two webpage.
- Eligibility to Retire: OPSRP webpage.