

Employer Announcement #92

OPSRP Out-of-State Salary paid from 08/29/2003 to 12/31/2019
(For Salary Paid from 01/01/2020 to present, see Employer Announcement #101)

Salary Not Includable as Taxable Income and OPSRP Benefits

Under PERS statutes, eligible employees of PERS-participating employers may establish membership in OPSRP pension and IAP programs. Once membership is established, the active member may be eligible for retirement benefits based upon the salary paid to them as an active member to the extent the salary can be included in the employee's taxable income under Oregon law.

General Membership Requirements

An eligible employee must establish OPSRP membership to qualify for OPSRP pension benefits and establish an Individual Account Program (IAP) account. OPSRP membership is established by:

- Being an eligible employee (i.e., working 600 hours a year or more in a qualifying position).
- Completing a waiting period of six full months of qualifying service with one employer with no break greater than 30 working days.
- Continuing the employer-employee relationship beyond the end of the waiting time.

General Salary Requirements

The wages paid by the PERS-participating employer must qualify as salary for PERS purposes as defined in ORS 238A.005. From 2003 to 2019, the salary definition provided:

“Salary” means the remuneration paid to an active member in return for services to the participating public employer, including remuneration in the form of living quarters, board, or other items of value, to the extent the remuneration is includable in the employee's taxable income under Oregon law.

Unless specifically included under ORS 238A.005, only compensation that is taxable in the state of Oregon and paid by a PERS employer during a period of qualifying service would be considered as a basis for PERS contributions for the OPSRP pension program or the OPSRP IAP, and as a basis for final average salary used to compute pension program retirement benefits. Salary that was not includable in the employee's taxable income under Oregon law is “non-subject salary” for PERS purposes.

Examples

Maria is a Spanish citizen working in Madrid, Spain, on behalf of a charter school in an academic exchange program. Maria performs all of her work duties in Spain. Maria is not

subject to income tax under Oregon law because she is working outside the United States. Therefore, Maria does not have subject salary for PERS purposes under OPSRP.

David is a full-time resident of Idaho working remotely from Boise on behalf of the Portland Community College as an online instructor. David performs all of his work duties in Idaho. David is not subject to income tax under Oregon law for the wages he received from Portland Community College through December 31, 2019. Therefore, David did not have subject salary for PERS purposes under OPSRP.

Learn more

Employers should direct all questions concerning employee compensation and Oregon tax status to their finance office or to a qualified tax specialist of their choice.

For changes to out-of-state salary requirements made in 2021, including retroactive changes for OHSU and charter schools back to 2003, open [Employer Announcement #101](#).