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- Reminder: Member (IAP) Redirect voluntary contributions
- 2019 actuarial valuation and 2021-23 contribution rates
- EDX tip of the month: Discovering an incorrect Social Security number

Please share this information with your staff.

## IAP Target-Date Fund Member Choice window opens September 1

Between **September 1** and **September 30**, 2020, nonretired members can elect, via PERS Online Member Services (OMS), to invest their Individual Account Program (IAP) balance in an IAP Target-Date Fund (TDF) that better reflects their retirement savings goals. If a member makes an election this September, the change will go into effect at the beginning of 2021.

Members can find information on PERS' [IAP Target-Date Funds](#) webpage, which will be updated later this month with step-by-step instructions on how to make the election. To receive an email or text alert when the election period begins, sign up for the [IAP Target-Date Fund/Member Choice Updates](#) topic in GovDelivery.

To learn more, read the latest issue of our *Perspectives* newsletter, which we sent to nonretired members on August 3. The issue includes the latest information about Member Choice, Member (IAP) Redirect (which began July 1), the upcoming PERS Expo, and other topics. There are two versions:

[Tier One/Tier Two members](#) (hired before August 29, 2003)

[OPSRP members](#) (hired after August 28, 2003)

## Stay up to date!

### COVID-19

- [PERS updates on novel coronavirus \(COVID-19\)](#)
- [Frequently asked questions about paid leave during the COVID-19 pandemic](#)
- [Loss of work during the COVID-19 pandemic \(FAQs for members\)](#)

### Senate Bill 1049

- [Information for PERS employers](#)
- [Information for members](#)
- [SB 1049 GovDelivery emails signup](#)

### Employer rate relief programs

- [Employer Rate Relief Programs webpage](#)

### Other topics

- [Choose what GovDelivery emails you'd like to receive](#)

## Employer Incentive Fund update

As you may be aware, the Oregon Legislature is meeting in a special session starting Monday, August 10, to discuss plans to rebalance the state budget. The future of the Employer Incentive Fund (EIF), among other programs, is being considered.

Stay informed about the status of the EIF by checking the [PERS EIF webpage](#) and the [Oregon Legislature Joint Ways and Means website](#) (see "2020 Co-Chair Rebalance Plan").

If you have questions, please contact the Actuarial Services team at [Side.Account.Legislation@pers.state.or.us](mailto:Side.Account.Legislation@pers.state.or.us). Keep in mind that this is an evolving matter and details are limited.

## Reminder: Member (IAP) Redirect voluntary contributions

As of July 1, active PERS members who earn more than \$2,500 per month now have a percentage of their 6% IAP contribution going into their Employer Pension Stability Account (EPSA). Employer reporting has not changed.

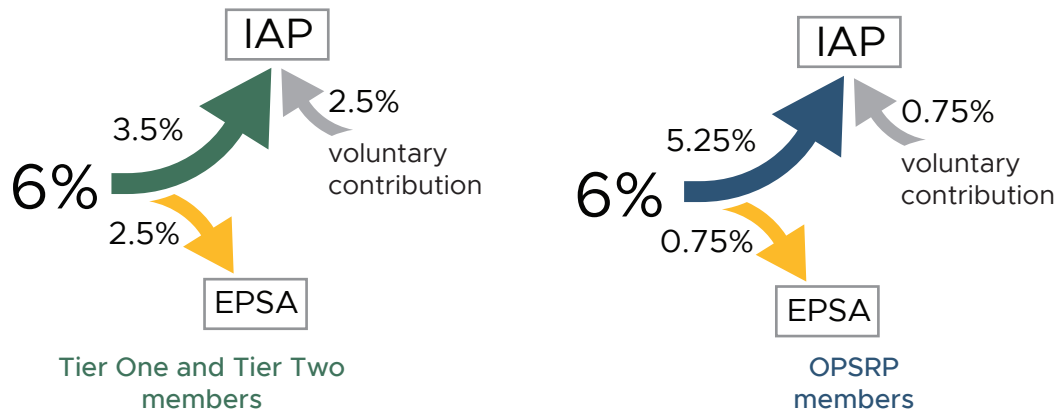
This fall, once additional “voluntary contribution” functionality is ready in the PERS system, active PERS members will have an option to elect to make up the difference by choosing to contribute a percentage of their salary to their IAP on an after-tax basis.

Once the new functionality is available (tentatively in late September/early October), employers will be alerted through Work Items in EDX for all employees who have elected to make voluntary contributions. Employers will be responsible for deducting the amount from your employees’ paychecks. The Work Item will include an effective date.

In the meantime, employers can choose to begin making the deduction now. Whether you begin now or wait until the functionality is available this fall, make sure that your employees go into OMS this fall to elect the contribution. There will be a short time period for those members who elect to make retroactive contributions back to July 1. Members **must** make the election through OMS by **October 31, 2020**. Otherwise, members will only be able to elect voluntary contributions going forward. Read Oregon Administrative Rule [459-080-0410](#) for more details.

To learn more about voluntary contributions, review our [SB 1049 Member \(IAP\) Redirect FAQs for employers](#). For general information about Member Redirect, go to the [Member Redirect section of our SB 1049 employer webpage](#). If you have other questions or concerns, contact your [Employer Service Center representative](#).

### Member (IAP) Redirect and voluntary contributions



*The Member Redirect remains in effect when the PERS system is less than 90% funded.*

*The Redirect only occurs when an employee has earned more than \$2,500 in a month.*

*The voluntary contribution is a percentage of gross monthly salary; it is deducted from net pay after taxes.*

## 2019 actuarial valuation and 2021–23 contribution rates

PERS’ consulting actuary Milliman presented the system-wide results of the 2019 actuarial valuation at the July 31 PERS Board meeting. The valuation will be used to set new employer contribution rates for the 2021–23 biennium. Employer-specific contribution rates will be presented to the PERS Board in October. Individual valuations will also be available in the fall.

Actuarial valuations are conducted annually. They alternate between “rate-setting” and “advisory” valuations. 2019 is a rate-setting year. Calculating the new contribution rates is a complex process that begins after year-end data is available, as shown below:

Date	Actuarial valuation step
As of May 2020	Milliman begins rate-setting valuation using calendar year 2019 data after it has been compiled and tested by PERS staff.
July 2020	Milliman presents system-wide December 31, 2019, actuarial valuation results to PERS Board.
October 2020	PERS Board discloses and adopts employer-specific 2021–23 contribution rates.
July 2021	New rates effective July 1, 2021, through June 30, 2023.

Contact the Actuarial Services team with questions about employer rates, the Unfunded Actuarial Liability (UAL), or the system-wide valuation at [Actuarial.Services@pers.state.or.us](mailto:Actuarial.Services@pers.state.or.us).

### Changes since the last rate-setting valuation in 2017

Senate Bill 1049 (2019) was passed by the Oregon Legislature to slow the increase in employer contribution rates.

The **most significant change** to actuarial assumptions from SB 1049 is the [one time re-amortization](#) of the Tier One/ Tier Two UAL from a 20-year amortization to a 22-year amortization.

The 2018 advisory valuation reflected most changes outlined in SB 1049; however, it did not explicitly include the determination of liabilities for Work After Retirement, which is included in the upcoming rate-setting valuation.

View the [system-wide results presentation](#) submitted to the PERS Board.

## EDX tip of the month: Discovering an incorrect Social Security number

When working on a report, viewing employee info, or doing a status check, keep an eye out for “red flags” that may indicate an incorrect Social Security number (SSN) has been entered.

If you notice an issue, contact your [Employer Service Center representative](#) to determine if you have an incorrect SSN and, if so, how to correct it.

Examples of errors that can occur when an SSN has been entered incorrectly:

- You search for an employee by name and in the list of results, you see two names that have almost identical SSNs or you get two results for the same person.

**Continued**

# PERS EMPLOYER NEWSLETTER August 2020

- In creating a record for a new hire, you enter the SSN and find a different name associated with that SSN.
- You enter an SSN to find an employee for whom you have already entered a DTL1 demographic record, and you get no result.

## Status Check Member Search

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**Information Message**

- This person does not exist in the system.

Search for a member to display their member contribution status.

**Search for a Member**

Enter Last Name:  or SSN No:

Page#

SSN	Last Name	First Name	Plan	Contribution Status
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