

PLAN UPDATE



MONEY PERSONALITY TYPES

Which one sounds like you?

Procrastinators – see retirement as too far off in the future to give it any thought.

Strugglers – live from paycheck to paycheck, occasionally finding spare money to put aside.

Impulsives – splurge on unnecessary items on a whim, never saving for retirement.

Conservative Savers – save systematically in low/moderate risk investment vehicles.

Planners – know exactly how much to save on a monthly basis to meet retirement objectives and willing to take the risks involved to achieve their goals.

Retirement Savers – individuals who have worked hard to save for retirement and are intent on keeping their savings in investment vehicles that preserve capital and earn a decent return.

Regardless of which money personality you identify with, the Oregon Savings Growth Plan can work for you!

Workshops are scheduled throughout the year in all regions of the state designed to help prospective and current plan participants of all money personality types understand and make the most of their plan benefits. The OSGP offers nine investment options tailored to meet individual investment styles. To learn more about these workshops, simply visit our PERS/OSGP Internet site at <http://www.pers.state.or.us> or call 888-320-7377 or 503-598-7377 to register.

LOCAL GOVERNMENT UPDATE

The OSGP would like to welcome **Jon Pippert** as our new Local Government Representative. He is responsible for service to local agencies that adopt the OSGP and to provide plan education for employees of local governments.

Since 1999, over 65 local governments have adopted the OSGP 457 deferred compensation plan. This is currently the fastest growing portion of our plan.

OSGP UNDERLYING INVESTMENT AND FUND CHANGES

A change in investment providers has recently occurred in the Short-Term Fixed Option. Investments in this option have been provided by the SSgA Government Short Term Investment Fund (GSTIF) and the State Employees Credit Union. On April 18, 2001, the State Employees Credit Union terminated its agreement with the state of Oregon to provide investments for the Oregon Savings Growth Plan, and all assets that were invested in the Short-Term Fixed Option transferred to the GSTIF.

This change is consistent with the objective of the Short-Term Fixed Option which is preservation of capital with a moderate level of income. The investments in this option are primarily fixed income instruments issued by the U.S. government and its agencies. The risk/return characteristics of this option also remain substantially unchanged.

At its April meeting the Oregon Investment Council (OIC), which provides investment oversight for the plan, authorized the hiring of a manager for the Stable Value Option. PRIMCO Capital Management was selected to review, restructure, and manage investments within the Stable Value Option with the goal of reducing costs and improving performance in that option.

As with other recent changes in the underlying investments authorized by the OIC described in the Spring 2001 Plan Update, the current changes do not require action by participants in the program.

If you wish additional information on any of the OSGP investment options, call our Information Line at 1-800-365-8494 or visit our web page <http://www.pers.state.or.us> under the table of contents "Information about OSGP" to review the Investment Option Fund Managers.

OPEN MEETINGS IN 2001

Mark your calendar to attend our Deferred Compensation Advisory Committee open meetings in 2001:

Date	Location	Time
September 5	Salem	9:30 a.m.
November 14	Tigard	9:30 a.m.

For more information, please call 503-378-3730.

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CONTACT OSGP AT:

Information Line
1-800-365-8494

Online Internet Site
<http://osgp.ssga.com>

PERS/OSGP Internet Site
<http://www.pers.state.or.us>

REDEFINING RETIREMENT

A study by the American Association of Retired Persons (AARP) found that 80 percent of baby boomers expect to work during retirement in a full-or part-time position or as their own boss.

After retirement some people may experience difficulty redefining who they are because their career validated their sense of worth. Here are a few suggestions you may want to consider during and after this transition:

Hit the Books

Going back to school may seem daunting at first, but for men and women who want to pursue traditional and nontraditional academic courses of study but do not want to be confined to a classroom setting, welcome to the Internet.

Already, a third of all colleges and universities, including several in Oregon, offer some form of "distance education," from web-enhanced classroom instruction to entire degree programs online. Since all virtual colleges are not created equal, the Council for Higher Education Accreditation lists valid accrediting bodies at www.chea.org. Distance education counselor Vicky Phillips, publisher of the Virtual University Gazette online newsletter at www.geteducated.com, suggests finding courses with tenured faculty. It's also wise to investigate a school's support services, such as online student registration, electronic payments, online book ordering, and career counseling by e-mail.

However, if a traditional classroom setting is more suitable for you, start by contacting your local college. Also, you may want to consider looking into life/career transition classes to get your feet wet before taking the big plunge. Remember that learning is a lifelong endeavor.

Volunteer Your Time

Staying active is a good way to keep your mind sharp and to maintain a good sense of self worth after retirement. If you have a special interest or hobby you have always wanted to pursue, don't miss out on an opportunity of a lifetime by not sharing your work experience with others or learning something completely new.

Most volunteer organizations seek individuals with a wide range of skills. Retirees are in high demand. Consult your local telephone directory for volunteer opportunities in your area.

Employment Opportunities for Older Adults and Persons with Disabilities

The Oregon Department of Human Services, Senior and Disabled Division, offers the Seniors Community Employment Program, which is funded through the Older Americans Act. Its primary purpose is to provide useful part-time employment opportunities in community service for low-income people 55 years of age and older. Its secondary purpose is promoting full- or part-time employment for those persons who wish to become employed.

The program is available in every county in Oregon. To locate a contact in your area visit <http://www.sdsd.hr.state.or.us>.

ADVISORY CORNER

In this issue of Plan Update we will begin a short series of introductions of members of your Deferred Compensation Advisory Committee. These individuals are volunteers who review and provide valuable input into our educational program and communications as well as advise the PERS Board on issues related to deferred compensation.

The chairman, **Jim Loewen**, is enjoying the ultimate benefit of a career in public service. He is retired from the mental health profession, having been employed at the Oregon Youth Authority MaLaren School and Oregon State Hospital. He is a former District Director and Vice President of the Oregon Public Employees Union. Jim has also served as a member of the PERS Board.

Peter Byeman, vice chair, is one of two Advisory Committee members who represent local governments in the plan. Peter is Chief Accountant of Salem-Keizer School District 24J. He has been with the district since 1978. He also serves on advisory committees of Marion & Polk Schools Credit Union, Chemeketa Accounting Department, and other non-profit organizations.

FIVE YEARS CAN MAKE A DIFFERENCE

Financial experts agree that the earlier you begin planning for retirement the less money you will have to set aside. The following chart is an illustration of the benefit of early retirement planning:

Starting Age	\$100 monthly Contributions
25	\$ 189,152
30	\$ 121,966
35	\$ 76,920
40	\$ 46,665
45	\$ 26,357
50	\$ 12,727
55	\$ 3,578

* Chart assumes \$100 monthly contributions made until age 58 at an assumed 8 percent rate of return.

Editorial Contributions

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The foregoing newsletter is not intended to provide legal, tax or investment advice. For such advice, participants should contact their legal, tax or investment advisor.