

# **PERS: By The Numbers**

May 2010

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**Public Employees Retirement System**  
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<http://oregon.gov/PERS>

# 1. System Demographics (from December 31, 2008 System Valuation)

**PERS employers:** 872, including all state agencies, universities, and community colleges; all school districts; and almost all cities, counties, and other local government units.

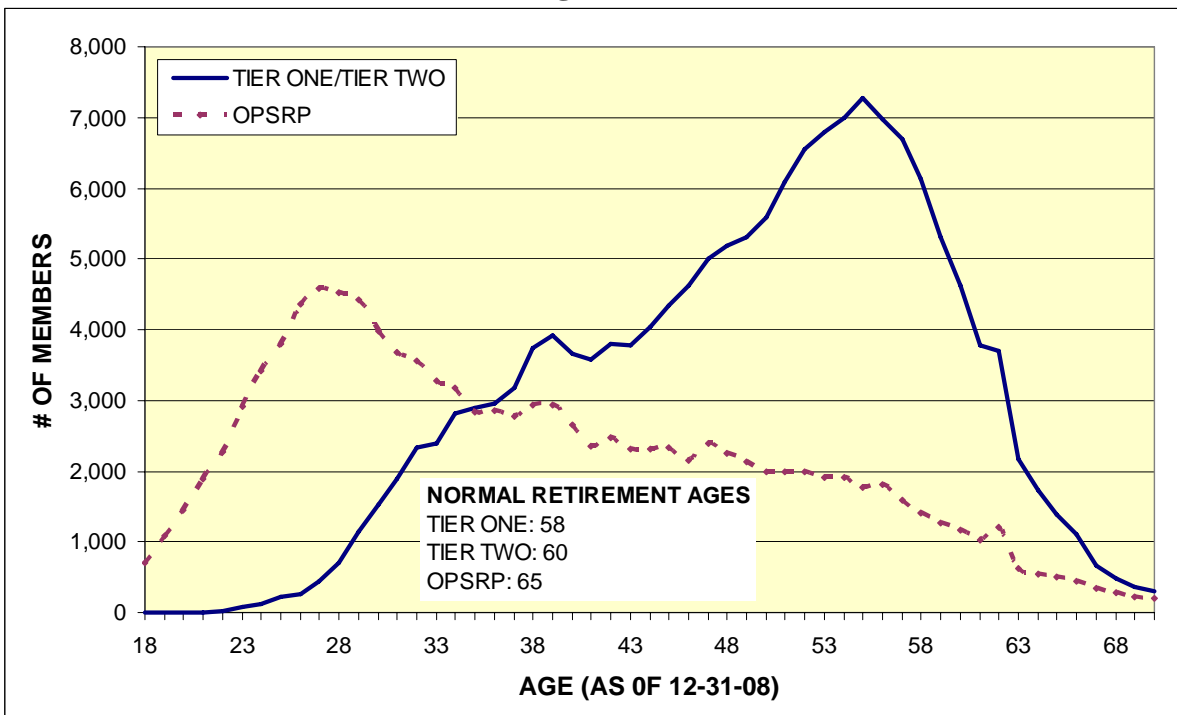
**PERS members:** approximately 95% of all public employees in Oregon.

## Membership by category

		State Agencies	Local Govt.	School Districts	Total
<b>Tier One</b>	Active	16,263	19,764	24,575	60,602
	Inactive	8,069	6,652	7,989	22,710
<b>Tier Two</b>	Active	14,352	19,122	22,639	56,113
	Inactive	4,848	7,339	7,051	19,238
<b>OPSRP</b>	Active	13,643	17,413	22,798	53,854
	Inactive	173	195	161	529
<b>Sub-total</b>	Active	44,258	56,299	70,012	<b>170,569</b>
	Inactive	13,090	14,186	15,201	<b>42,477</b>
<b>Retirees*</b>					<b>107,647</b>
<b>TOTAL</b>					<b>320,693</b>

\* Includes beneficiaries but not members who received lump-sum retirement or account withdrawal payouts.

## PERS/OPSRP active and inactive member age distribution



## Tier One, Tier Two, and OPSRP Pension Program retirements by calendar year\*

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3,286	4,881	6,809	12,488	5,960	4,559	5,067	5,910	5,778	6,112

\* OPSRP Pension Program retirements began in 2007.

## 2. System Benefits

### PERS benefit component comparisons

The primary components and differences among the PERS Tier One and Tier Two programs, the Oregon Public Service Retirement Plan (OPSRP) Pension Program, and the Individual Account Program (IAP) are shown below. Tier One covers members employed before January 1, 1996; Tier Two covers members employed between January 1, 1996 and August 28, 2003; and OPSRP covers members employed on or after August 29, 2003. The IAP contains all member contributions (6% of covered salary) made on and after January 1, 2004.

	<b>Tier One</b>	<b>Tier Two</b>	<b>OPSRP Pension</b>	<b>IAP</b>
Normal retirement age	58 (or 30 yrs); P&F = age 55 or 50 w/25 yrs service	60 (or 30 yrs); P&F = age 55 or 50 w/25 yrs service	65 (58 w/30 yrs); P&F = age 60 or 53 w/25 yrs service	55
Early retirement	55 (50 for P&F)	55 (50 for P&F)	55, if vested	55
Regular account earnings	Guaranteed assumed rate annually (currently 8%)	No guarantee; market returns	N/A; no member account	No guarantee; market returns
Variable account earnings	Market returns on 100% global equity portfolio	Market returns on 100% global equity portfolio	N/A; no member account	N/A
Retirement calculation methods	Money Match, Full Formula, or Formula + Annuity	Money Match or Full Formula	Formula	N/A
Full Formula benefit factor	1.67% general; 2.00% P&F	1.67% general; 2.00% P&F	1.50% general; 1.80% P&F	N/A
Formula + Annuity benefit factor	1.00% general; 1.35% P&F	N/A	N/A	N/A
Lump-sum vacation payout				
Included in covered salary (6%)	Yes	Yes	No	Yes for Tier One and Tier Two; no for OPSRP
Included in FAS	Yes	No	No	N/A
Unused sick leave included in FAS	Yes	Yes	No	N/A
Vesting	Contributions in each of 5 yrs or active member at age 50	Contributions in each of 5 yrs or active member at age 50	5 yrs qualifying service or normal retirement age	Immediate
2% maximum annual cost-of-living adjustments after retirement	Can retire through July 1 and receive maximum COLA for the year	Can retire through July 1 and receive maximum COLA for the year	COLA prorated in year of retirement based on retirement date	N/A

P&F = police and firefighters; FAS = final average salary; COLA = cost-of-living adjustment; N/A = not applicable

Note: PERS uses three methods to calculate Tier One and Tier Two retirement benefits: Full Formula, Formula + Annuity (for members who made contributions before August 21, 1981), and Money Match. PERS uses the method (for which a member is eligible) that produces the highest benefit amount. OPSRP Pension benefits are based only on a formula method.

## **2. System Benefits (continued)**

### **Summary of findings from PERS' June 2009 Replacement Ratio Study**

The Replacement Ratio Study population of 63,298 retirements was drawn from 89,038 retirements from January 1990 through December 2008, and covers retired members who selected comparable monthly benefit options. The techniques used in the 2009 PERS Replacement Ratio Study are consistent with the techniques used in previous studies.

The calculations do not include any federal Social Security benefits a retiree may be eligible for based on the retiree's work history, nor do they include any Individual Account Program (IAP) distributions. The calculations also do not include the effects of the *Strunk/Eugene* benefit adjustments, which generally impacted retirements occurring in 2000-2004 and would reduce the reported replacement ratios for those periods by several percentage points.

**Average age at retirement:** 59 years old

**Average years of service at retirement:** 22 years of service

#### **Average monthly retirement benefit**

- For all retirees from 1990-2008, the average monthly retirement benefit at the time of retirement was \$2,091 per month, or about \$25,088 annually
- For those retirees in the most recent year (2008), the average monthly retirement benefit was \$2,561 per month, or about \$30,731 annually

#### **Average public employee salaries at retirement**

- For all retirees from 1990-2008, the final average salary at retirement was \$43,035 annually
- For 2008 retirees, the final average salary at retirement was \$57,556 annually

#### **Average salary replacement ratio (see chart on following page)**

- For all retirees from 1990-2008, the average annual retirement benefit equaled 55% of final average salary at the time of retirement
- For 2008 retirees, the average annual retirement benefit equaled 52% of final average salary
- For all retirees from 1990-2008, there were 8.0% who received annual benefits more than 100% of final average salary. The average years of service for this group was 31 years
- For 2008 retirees, 5.0% received annual benefits more than 100% of final average salary. The average years of service for this group was 31 years

#### **For members who retire with 30 years of service (see chart on following page)**

- From 1990-2008, the average retirement benefit for 30-year members equaled 80% of final average salary and the average monthly benefit was \$3,385 per month
- The average retirement benefit for 30-year members peaked at 100% of final average salary in 2000 and their average monthly benefit was \$4,200 per month
- For 2008 only, the average retirement benefit for 30-year members equaled 80% of final average salary and the average monthly benefit was \$4,018 per month
- 11.58% of retirees from 1990-2008 had 30 years of service
- 11.98% of retirees in 2008 had 30 years of service

## 2. System Benefits (continued)

### Summary of findings from PERS' June 2009 Replacement Ratio Study (continued)

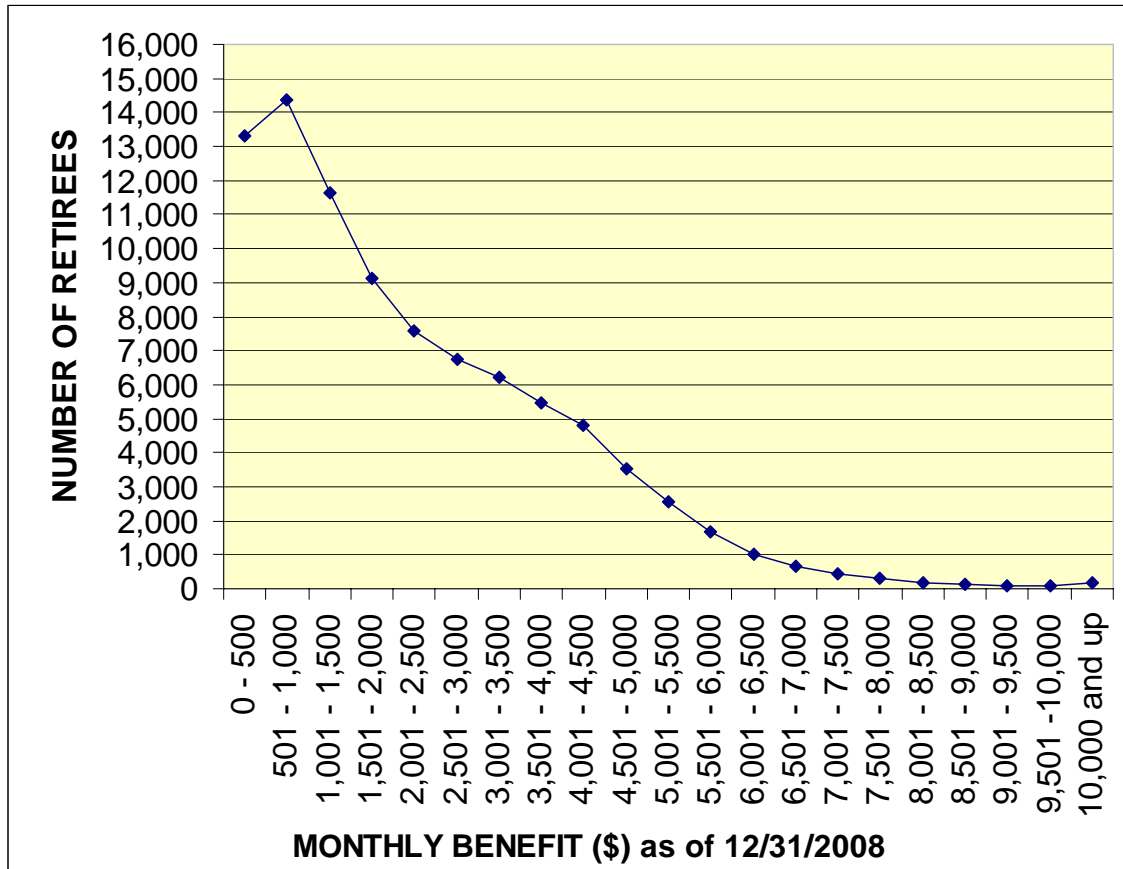
Average salary replacement ratio based on final average salary (FAS)

Calendar Year	Retirees with 30 Years of Service		All Retirees in Study		
	# of Retirees in Study	Average Replacement Ratio Based on FAS	# of Retirees in Study	Average Replacement Ratio Based on FAS	% of Retirees Receiving >100% of FAS
1990	146	61%	1,866	44%	.0%
1991	217	61%	2,377	45%	.1%
1992	205	67%	2,432	48%	.5%
1993	289	66%	2,744	48%	.5%
1994	302	67%	3,298	49%	.3%
1995	304	66%	2,827	47%	1.0%
1996	281	70%	2,477	49%	1.4%
1997	295	83%	3,107	57%	7.5%
1998	465	89%	4,567	65%	12.0%
1999	548	93%	4,644	65%	14.0%
2000	273	100%	2,112	63%	15.8%
2001	391	99%	3,146	66%	16.5%
2002	670	96%	4,605	68%	17.4%
2003	942	93%	7,631	66%	14.4%
2004	471	84%	3,259	55%	5.5%
2005	393	84%	2,548	51%	4.4%
2006	347	83%	2,952	50%	4.3%
2007	372	84%	3,226	51%	4.9%
2008	417	80%	3,480	52%	5.0%
<b>Total/Avg</b>	<b>7,328</b>	<b>80%</b>	<b>63,298</b>	<b>55%</b>	<b>6.6%</b>

## 2. System Benefits (continued)

### Monthly benefit payment amounts as of December 31, 2008

Recipients: 90,107 Tier One/Tier Two retirees receiving monthly benefit payments (excludes lump-sum retirement options and does not include the IAP). This includes all living retirees and beneficiaries receiving monthly payments.



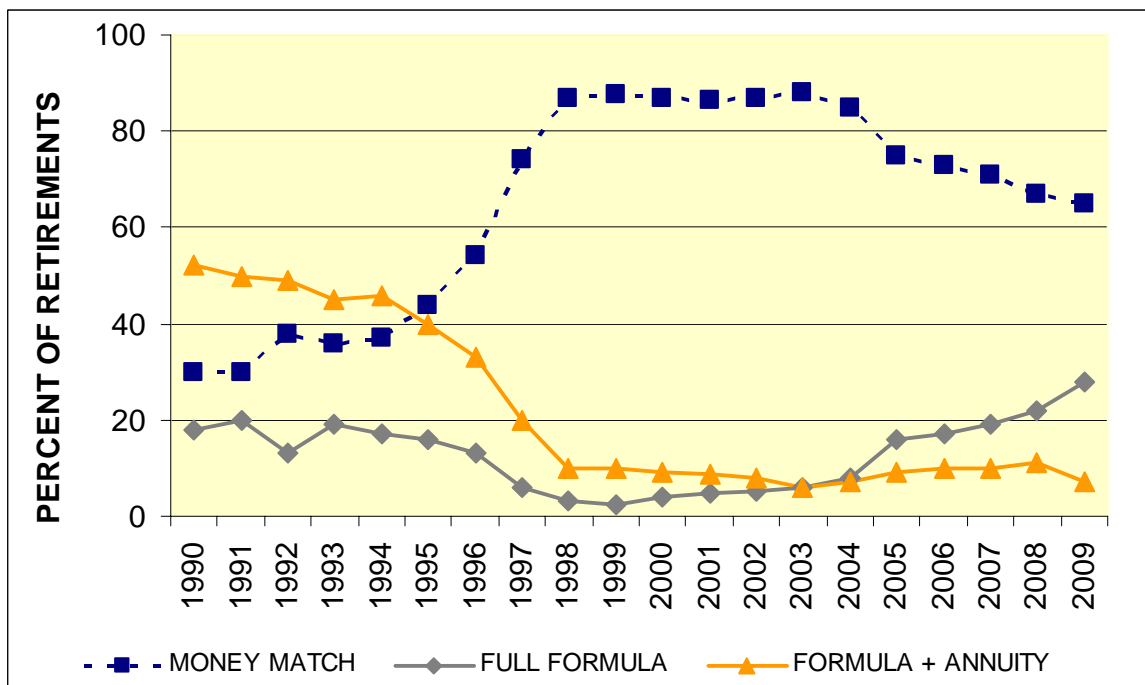
Monthly Benefit (\$)	Number of Retirees	Monthly Benefit (\$)	Number of Retirees	Monthly Benefit (\$)	Number of Retirees
0 - 500	13,290	3,501 - 4,000	5,479	7,001 - 7,500	435
501 - 1,000	14,364	4,001 - 4,500	4,821	7,501 - 8,000	309
1,001 - 1,500	11,647	4,501 - 5,000	3,519	8,001 - 8,500	175
1,501 - 2,000	9,121	5,001 - 5,500	2,563	8,501 - 9,000	136
2,001 - 2,500	7,591	5,501 - 6,000	1,669	9,001 - 9,500	105
2,501 - 3,000	6,735	6,001 - 6,500	1,034	9,501 - 10,000	68
3,001 - 3,500	6,203	6,501 - 7,000	663	10,000 and up	180
<b>Subtotal</b>	<b>68,951</b>	<b>Subtotal</b>	<b>19,748</b>	<b>Subtotal</b>	<b>1,408</b>
<b>% of total</b>	<b>76.5%</b>	<b>% of total</b>	<b>21.9%</b>	<b>% of total</b>	<b>1.6%</b>

## 2. System Benefits (continued)

### Full career (30 year) retirement benefits based on final average salary (FAS) replacement

	Money Match	Full Formula	OPSRP	IAP
<b>Percent of FAS replaced</b>	<b>Average replacement ratio in 2008 was ~ 80%</b> (replacement ratios have declined since 2003 PERS Reform and will continue to decline to the Full Formula level)	<b>~ 50%</b> (will become the predominate retirement method for almost all Tier Two members and a growing percentage of Tier One members)	<b>45%</b> (for new employees hired on or after August 29, 2003)	<b>~ 15-20%</b> (earns market rate; member assumes all investment risk)
NOTE: The vast majority of PERS members would be eligible for Social Security if they worked at least 10 years in a Social Security-covered position. The average monthly Social Security benefit for all retired workers in the United States in January 2009 was approximately \$1,164 per month. Full retirement age for Social Security depends on a participant's year of birth.				

### Trend in retirement calculation methods



### Average IAP account balances and distributions to retirees, withdrawals, and deceased

Year	Total IAP Account Balance After Earnings Crediting (\$M)	# of Members	Average IAP Account Balance (\$)	# of Distributions to Retirees, Withdrawals, and Deceased
2004	423.4	162,119	2,611	2
2005	928.9	181,055	5,130	4,131
2006	1,396.8	197,491	7,072	6,557
2007	2,120.5	210,133	10,091	6,705
2008	1,851.2	218,192	8,484	8,624
2009	2,742.8	231,256	11,847	7,727

## 2. System Benefits (continued)

### Tier One/Tier Two benefit payment options selected in calendar year 2009

Option (definitions below)	Quantity	Percent
1	1,327	22.7
Refund Annuity	404	6.9
15-Year Certain	305	5.2
2	1,058	18.1
2A	1,040	17.8
3	214	3.7
3A	378	6.5
Lump Sum 1	102	1.7
Lump Sum 2	63	1.1
Lump Sum 2A	62	1.1
Lump Sum 3	14	0.2
Lump Sum 3A	27	0.5
Total Lump Sum	450	7.7
AS refund*	414	7.1
<b>Total</b>	<b>5,858</b>	<b>100%</b>

**Option 1 (non-refund):** This option is paid for the member's lifetime. No benefit of any kind is paid to anyone after the member dies.

**Refund Annuity Option:** This option is paid for the member's lifetime. When the member dies, the designated beneficiary receives a lump-sum refund of any amount remaining in the member's account, if any.

**15-Year Certain Option:** This option is paid for the member's lifetime. If the member dies before receiving 180 monthly payments (15 years), the beneficiary is entitled to receive the remainder of the 180 monthly payments. Once the member has received at least 180 payments, no benefit is payable to the beneficiary.

**Survivorship Options (Option 2, Option 2A, Option 3, and Option 3A):** Under any of the survivorship options, the member may name only one beneficiary who must be a living person. The monthly benefit payment is paid to the member until his/her death, and then paid to the beneficiary if then living (under Options 2 and 2A, at the same base amount as the member; under Option 3 and 3A, at ½ the base amount of the member).

**Lump-Sum Options (Lump-Sum Option 1, Lump-Sum Option 2, Lump-Sum Option 2A, Lump-Sum Option 3, and Lump-Sum Option 3A):** These options provide a lump-sum payment of the member's account balance plus a lifetime monthly pension from the employer's contributions. The lifetime monthly pension options are the same as those for the non-refund and survivorship options described above.

**Total Lump-Sum:** The balance of the member's account and a matching amount funded by employers' contributions are paid out in total; there is no ongoing monthly benefit.

\* AS refund is a one-time payment based on an actuarial calculation if the Option 1 benefit is less than \$200 per month.

## 2. System Benefits (continued)

### PERS Retiree Health Insurance Program information

The Oregon PERS Health Insurance Program offers optional medical, dental, and long-term care insurance plans to eligible retirees, their spouses, and dependents. Upon retirement, these insurance options become a choice available to all PERS retirees. While primarily serving our Medicare-eligible (age 65 and over) population, the PERS Health Insurance Program also offers insurance coverage options for those not yet Medicare eligible.

Active members, their spouses, and dependents are not eligible for the PERS Health Insurance Program. Oregon Revised Statute 243.303 requires Oregon public employers to make their active employee group insurance programs available to their retirees and dependents that are not yet Medicare eligible (the rate must be no more than the blended rate for the entire group). Public employers may charge retirees the entire monthly premium (as state government does) or may choose to subsidize the insurance premium for eligible retirees (as provided in varying degrees by individual school districts and local governments).

There are two statutory trust funds administered by PERS as part of the health insurance program that provide premium subsidies for eligible retirees or surviving spouses. These trusts are known as the Retirement Health Insurance Account (RHIA), serving all qualifying PERS retirees, and the Retiree Health Insurance Premium Account (RHIPA), serving qualifying state government retirees. Both trusts are funded on an actuarial basis.

#### Program Enrollment (as of April 2010)

<b>Medical Plans (four plans offered)</b>	<b>Totals</b>	<b>Medicare</b>	<b>Non-Medicare</b>
Covered lives	52,625	50,676	1,949
Retirees (or surviving spouses)	42,421	41,265	1,156
Spouses/Dependents	10,204	9,411	793
Average age of enrolled retirees	77	77	61
<b>Dental Plans total (two plans)</b>	28,346		
<b>Long Term Care Plan - total</b>	1,871		

#### Statutory Health Insurance Premium Subsidies

Retirees receiving RHIA (trust fund held by PERS*)	39,535
Retirees receiving RHIPA (trust fund held by PERS**)	820
RHIA monthly payment total	\$2,372,100.00
RHIPA monthly payment total	\$ 213,611.91

Employer rates (as of July 1, 2009)

RHIA: 0.29%

RHIPA (state only): 0.08%

Unfunded actuarial liability (as of December 31, 2008): \$325.8 million

\* The RHIA subsidy is \$60 per month for Medicare-eligible retirees.

\*\* The RHIPA subsidy is for state of Oregon pre-Medicare retirees only. It varies depending on the employee's years of service, from \$145.85 (8 years) to \$291.70 (30+ years) per month.

### 3. System Funding Level and Status

#### Funded status as of December 31, 2008 and December 31, 2009 (estimated)

The Oregon Public Employees Retirement Fund (OPERF) is invested under oversight and direction of the Oregon Investment Council with staff support from the Oregon State Treasury.

As of the most recent system valuation (December 31, 2008), the PERS Tier One/Tier Two program was 80.2% funded (including advance deposits from employers held in side accounts, but excluding PERS Retiree Insurance Programs). Side accounts are deposits of pension obligation bond proceeds and other advance lump-sum payments. The OPSRP funded status was 80.3%.

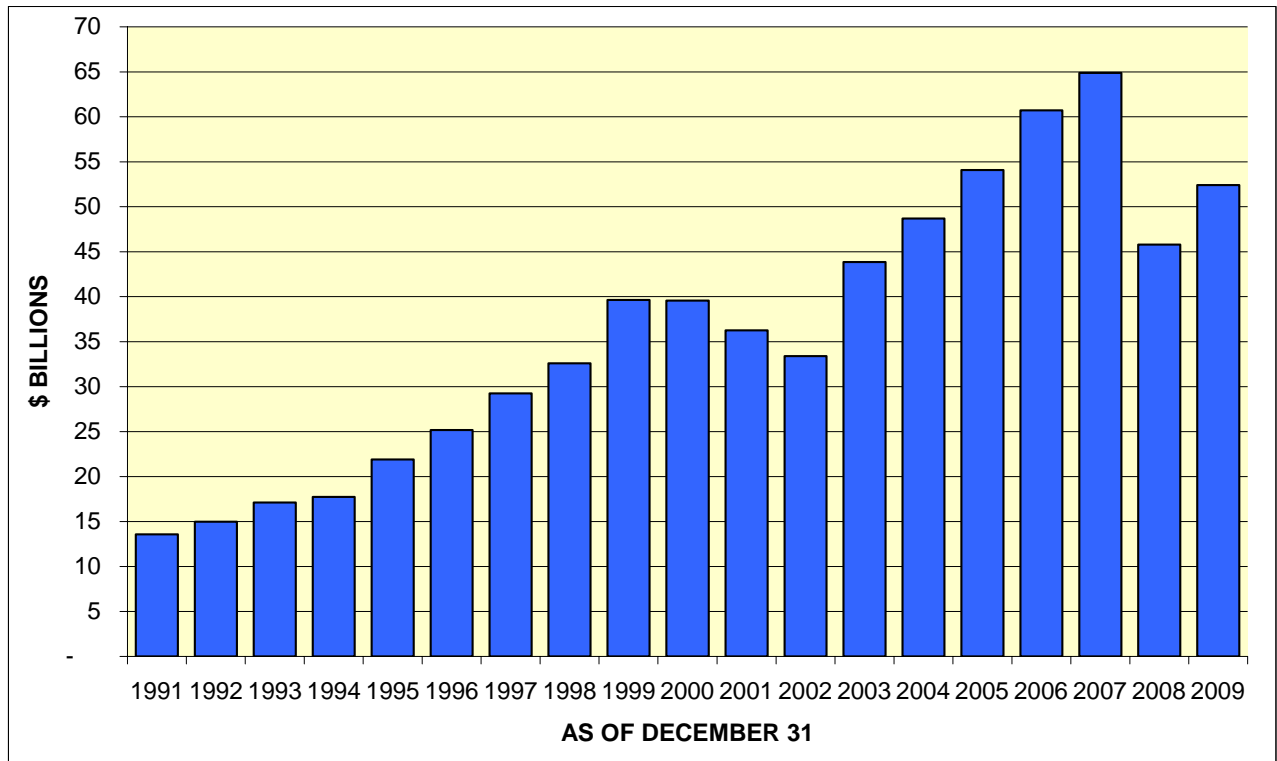
As of December 31, 2009, the PERS system was estimated to be 87% funded, including side accounts.

As of December 31, 2008, the Tier One/Tier Two unfunded actuarial liability (UAL) (when including side accounts) was \$10.67 billion. The UAL fluctuates based on various factors including investment returns, Board reserving policies, legislative changes, and litigation outcomes.

As of December 31, 2009, the Tier One/Tier Two UAL (when including side accounts) was estimated to be \$7.4 billion.

The OPSRP UAL was \$66.3 million as of December 31, 2008.

#### PERS fund value (calendar year ending December 31, 2009)



### 3. System Funding Level and Status (continued)

#### Unfunded actuarial liability history and funded ratio for Tier One/Tier Two\*

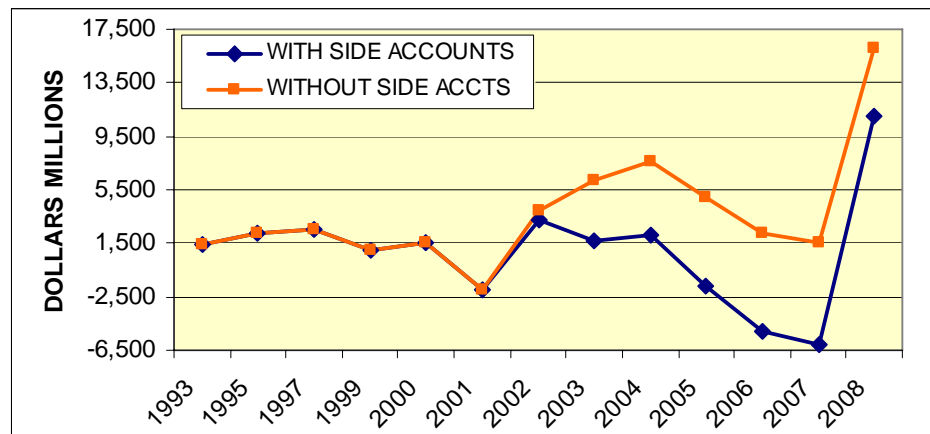
Valuation** Date	With Side Accounts*** (starting in 2002)		Without Side Accounts	
	UAL (\$M)	Funded Ratio (%)	UAL (\$M)	Funded Ratio (%)
1993	1,449	92.4	1,449	92.4
1995	2,291	90.2	2,291	90.2
1997	2,556	91.9	2,556	91.9
1999	943	97.7	943	97.7
2000	1,545	96.4	1,545	96.4
2001	-2,031	105.4	-2,031	105.4
2002	3,204	92.0	3,983	89.9
2003	1,751	96.1	6,227	86.0
2004	2,122	95.6	7,678	84.0
2005	-1,751	104.0	4,919	91.0
2006	-5,019	109.7	2,229	95.7
2007	-6,120	111.5	1,538	97.1
2008	10,998	80.0	16,133	70.4

\* Includes RHIA/RHIPA.

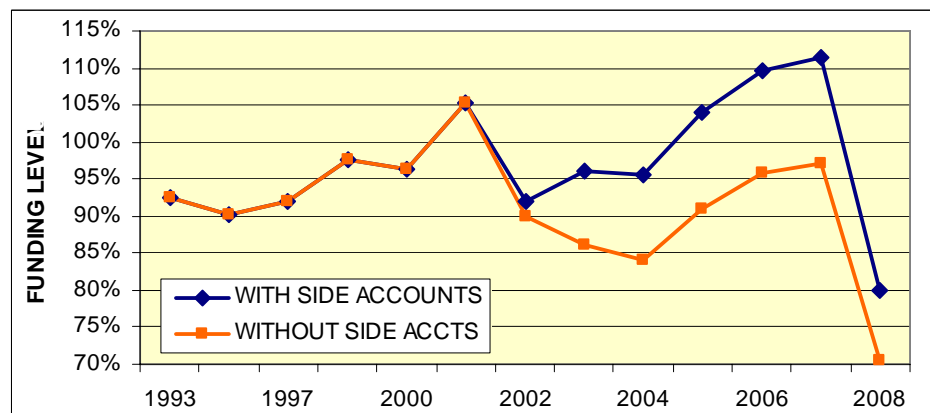
\*\* 2000-2003 UALs were calculated using actuarial value of assets (AVA) based on year-to-year changes in asset values smoothed over four-year periods. All other UALs since 1997 were calculated using an AVA based on fair market value.

\*\*\* The official PERS valuation UAL and funded ratio are based on accepted actuarial standards and methodologies. These methodologies are subject to review and revision every two years.

**Tier One/Tier Two  
UAL history (negatives  
are surplus)**



**Tier One/Tier Two  
Funded ratio**



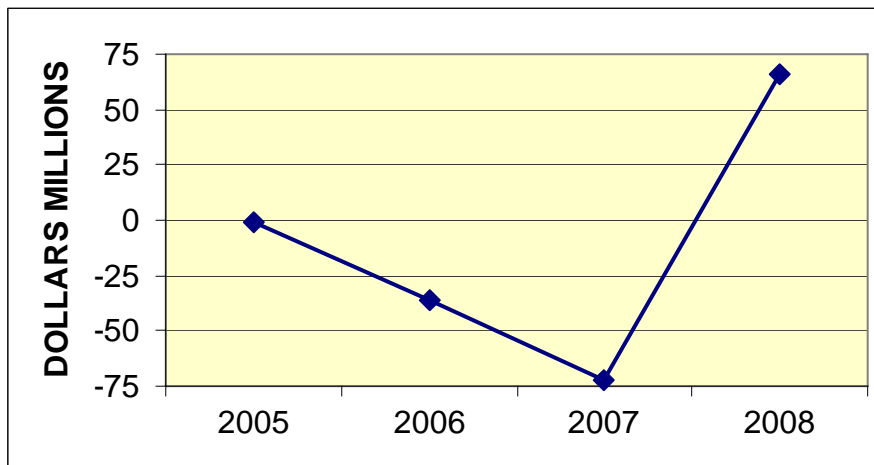
### 3. System Funding Level and Status (continued)

#### Unfunded actuarial liability history and funded ratio for the OPSRP Pension Program

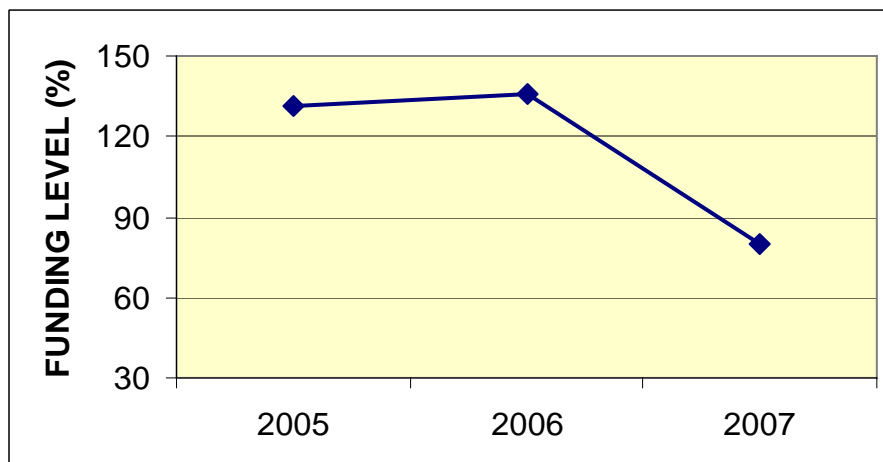
Valuation Date	UAL (\$M)	Funded Ratio (%)
2005	-1.2	102.3
2006	-36.0	131.3
2007	-72.1	135.5
2008	66.3	80.3

\* The official PERS valuation UAL and funded ratio are based on accepted actuarial standards and methodologies. These methodologies are subject to review and revision every two years.

#### OPSRP UAL history (negatives are surplus)



#### OPSRP funded ratio



## 4. System Revenue

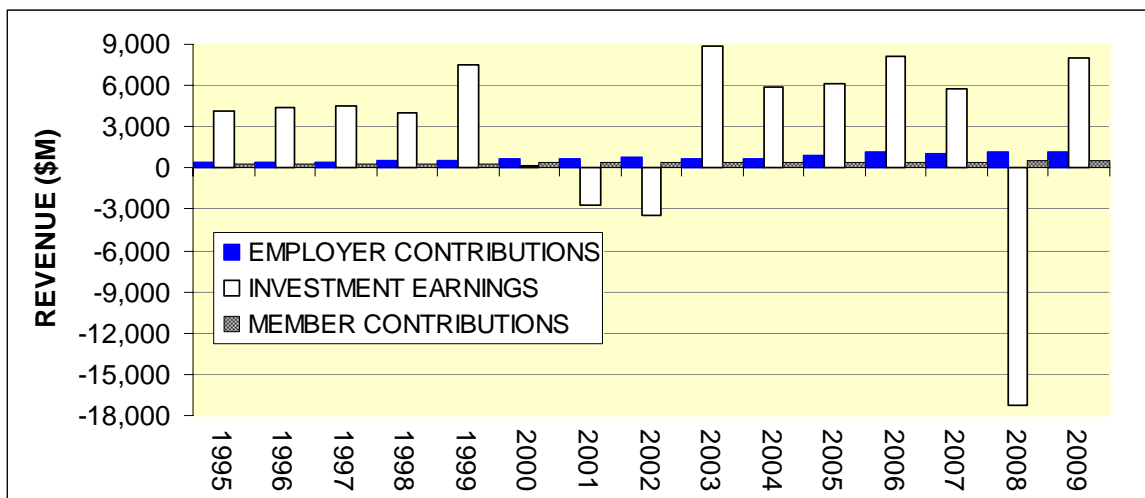
### Member and employer contributions and investment income for calendar years

Year	Member Contributions (\$M)	Employer Contributions (\$M)	Amortization of Employer Side Accounts (\$M)*	Total Employer (\$M)	Net Investment & Other Income (\$M)
1995	287	427	N/A	427	4,110
1996	296	463	N/A	463	4,358
1997	291	473	N/A	473	4,582
1998	318	488	N/A	488	3,978
1999	347	577	N/A	577	7,463
2000	359	654	N/A	654	143
2001	385	689	N/A	689	-2,708
2002	398	725	8	733	-3,460
2003	405	582	97	679	8,866
2004	371**	408	278	686	5,933
2005	434**	504	357	861	6,179
2006	456**	637	474	1,111	8,163
2007	468**	633	466	1,099	5,808
2008	484**	669	541	1,210	-17,235
2009	516**	561	626	1,187	8,010 (est)

\* PERS' methodology to track amortization of side accounts began in 2002. Side accounts are deposits of pension obligation bond proceeds and other lump-sum payments.

\*\* Beginning with 2004, member contributions are placed in the Individual Account Program, not Tier One/Tier Two accounts.

- Member contributions equal 6% of covered salary.
- PERS Reform legislation led to a reduction in employer rates beginning in 2003. Also, starting in 2002, employers were given the option to deposit lump-sum payments into side accounts, reducing subsequent annual contributions for the employers that make such payments.
- Employer contribution amounts are from the calendar year-end records. Data for calendar year 2004 and beyond includes employer contributions for OPSRP Pension Program, Tier One/Tier Two, and post-retirement health care (RHIA, RHIPA).



#### 4. System Revenue (continued)

##### Regular account earnings available for crediting and actual distributions to Tier One and Tier Two member regular, variable, and Individual Account Program (IAP) accounts

Year	Earnings	Distributions (%)			
	Regular Account (%)	Tier One	Tier Two	Variable Account	IAP
1970	5.09	5.09		7.47	
1971	6.27	6.27		9.47	
1972	7.46	7.46		13.87	
1973	0.00	0.00		-16.39	
1974	0.00	5.50		-18.16	
1975	9.19	7.50		18.94	
1976	10.38	7.75		18.58	
1977	4.79	7.00		-2.62	
1978	7.37	7.00		7.03	
1979	12.32	11.09		20.40	
1980	16.92	13.00		29.94	
1981	4.37	7.50		-2.25	
1982	15.31	11.50		22.39	
1983	18.37	13.00		23.12	
1984	7.33	7.50		4.00	
1985	21.38	15.00		27.99	
1986	22.70	18.37		18.98	
1987	9.00	7.50		4.54	
1988	16.86	13.50		18.62	
1989	19.74	14.50		26.84	
1990	-1.53	8.00		-7.84	
1991	22.45	15.00		35.05	
1992	6.94	8.00		10.54	
1993	15.04	12.00		12.65	
1994	2.16	8.00		-1.76	
1995	20.78	12.50		29.92	
1996	24.42	21.00	24.42	21.06	
1997	20.42	18.70	20.42	28.87	
1998	15.43	14.10	13.63	21.45	
1999	24.89	11.33*	21.97	28.83	
2000	0.63	8.00	0.54	-3.24	
2001	-7.17	8.00	-6.66	-11.19	
2002	-8.93	8.00	-8.93	-21.51	
2003	23.79	8.00	22.00	34.68	
2004	13.80	8.00	13.27	13.00	12.77
2005	13.04	8.00	18.31**	8.29	12.80
2006	15.57	8.00	15.45	15.61	14.98
2007	10.22	7.97***	9.47	1.75	9.46
2008	-27.18	8.00	-27.18	-43.71	-26.75
2009	19.12	8.00	19.12	35.57	18.47

\* The PERS Board originally credited these accounts at 20%. That allocation was reduced to 11.33% to comply with subsequent court decisions and legislative findings.

\*\* Tier Two regular account crediting, based solely on earnings, was 13.74%. However, the PERS Board deployed \$9 million from the Capital Preservation Reserve and \$17 million from the Contingency Reserve that was added to Tier Two earnings. As a result, Tier Two was credited with a total of 18.31%. The dollars allocated from the reserves were originally withheld from Tier Two regular account earnings.

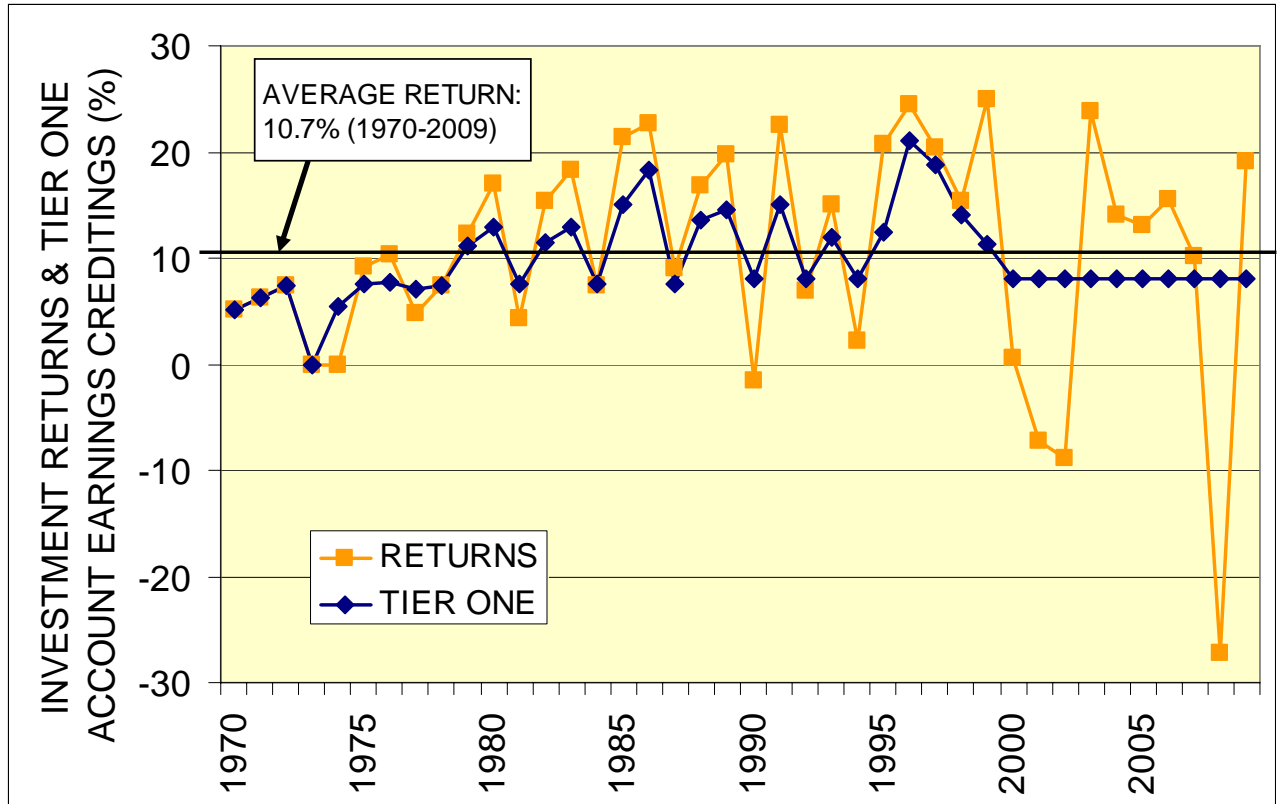
\*\*\* After crediting Tier One accounts with the assumed rate of 8%, member attorney fees in the *Strunk* case were deducted by order of the Oregon Supreme Court resulting in an effective crediting rate of 7.97%.

Note: Tier Two was created by statute in 1995 and covers employees hired between January 1, 1996 and August 28, 2003.

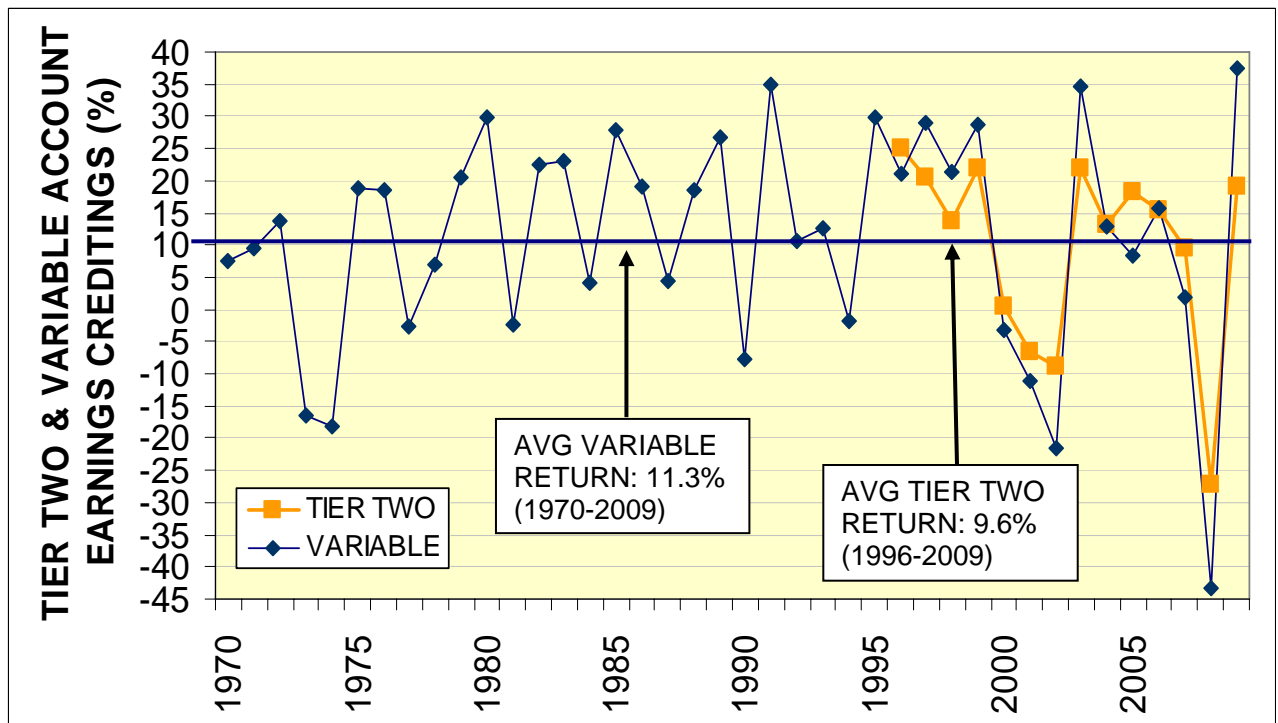
- The 39-year average regular account earnings available for crediting equals 10.73%.
- The 39-year average earnings credited to Tier One regular accounts equals 9.6%.
- The 39-year average earnings credited to variable accounts equals 11.3%.
- The average earnings credited to Tier Two accounts since 1996 equals 9.7%.
- The average earnings credited to IAP accounts since 2004 equals 6.96%.
- In determining plan costs, the actuary must project future earnings of the PERS Fund. This is called the “assumed earnings rate.” Historical assumed earnings rates are:
  - 5.0% for 1971 - 1974
  - 7.0% for 1975 - 1978
  - 7.5% for 1979 – 1988
  - 8.0% for 1989 – current.

#### 4. System Revenue (continued)

Regular account earnings available for crediting and actual distributions to Tier One member regular accounts



Actual distributions to Tier Two member regular accounts and to Tier One and Tier Two member variable accounts (market returns from an all public-equity portfolio)



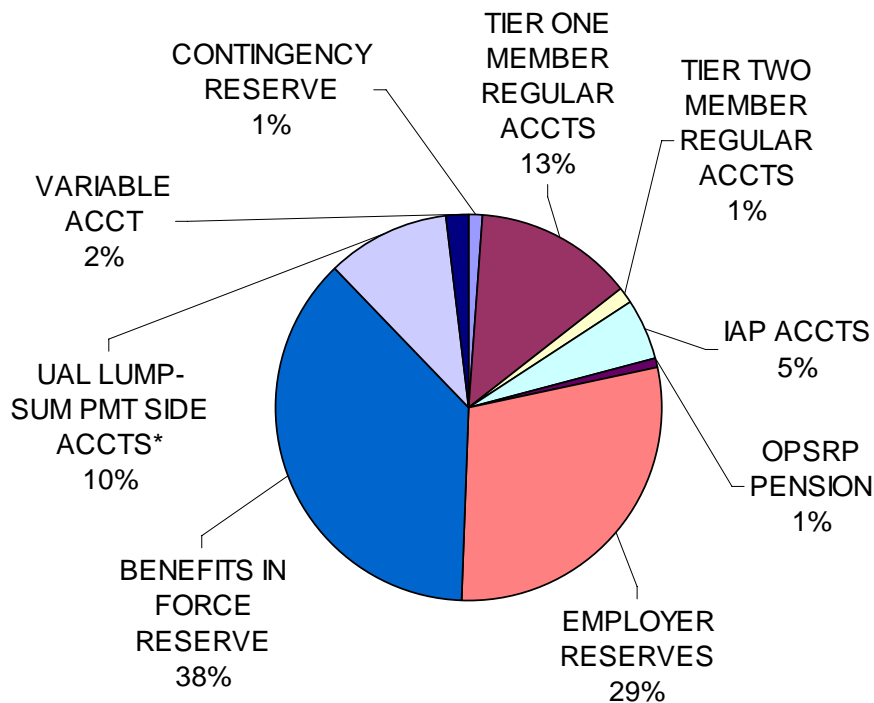
#### 4. System Revenue (continued)

##### 2009 final earnings crediting (\$ millions)

Reserve/Account	Balance Before Crediting	2009 Earnings	Balance After Crediting	2009 Rates
Contingency Reserve	\$653.2	\$0.0	\$653.2	N/A
Tier One Member Regular Accts	6,507.5	520.6	7,028.0	8.00%
Tier One Rate Guarantee Reserve	-978.5	536.7	-441.8	N/A
Benefits In Force (BIF)	16,532.0	3,161.4	19,693.4	19.12%
Tier Two Member Regular Accts	540.5	103.4	643.9	19.12%
Employer Reserves	12,687.1	2,426.1	15,113.2	19.12%
OPSRP Pension Program	377.1	64.9	442.0	17.21%
UAL Lump-Sum Payment Side Accts*	4,594.9	895.5	5,490.4	Various
IAP Accounts	2,297.1	427.9	2,725.0	18.47%
<b>Regular Account Total</b>	<b>\$43,210.8</b>	<b>\$8,136.5</b>	<b>\$51,347.3</b>	
Variable Account Total	697.2	261.9	959.1	37.57%
<b>TOTAL PERS FUND</b>	<b>\$43,908.00</b>	<b>\$8,398.40</b>	<b>\$52,306.40</b>	

\* Side account crediting rate for lump sums on deposit for entire calendar year.

##### Percent of total fund after 2009 final earnings crediting



#### 4. System Revenue (continued)

##### Systemwide average employer contribution rate history (by valuation date)

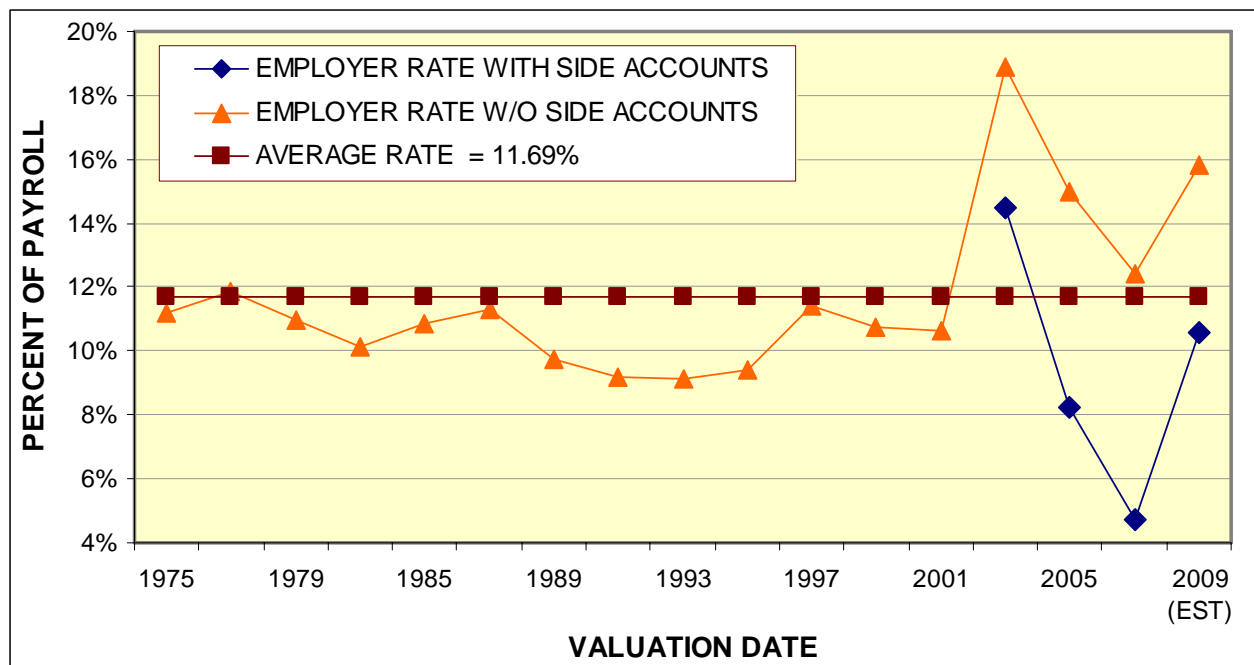
Valuation Year	Rate Effective Dates	Average Rate With Side Accounts (%)	Average Rate Without Side Accounts (%)	Annualized Salary (\$M)
1975	Various	11.21	11.21	1,014.5
1977	Various	11.87	11.87	1,226.8
1979	Various	10.97	10.97	1,488.0
1982	Various	10.13	10.13	2,062.1
1985	Various	10.87	10.87	2,428.3
1987	Various	11.30	11.30	2,764.7
1989	Various	9.74	9.74	3,199.4
1991	Various	9.19	9.19	3,887.5
1993	Various	9.15	9.15	4,466.8
1995	Various	9.42	9.42	4,848.1
1997	Various	11.40	11.40	5,161.6
1999	7/1/01 – 6/30/03	10.74	10.74	5,676.6
2001	7/1/03 – 6/30/05	10.64	10.64	6,256.5
2003*	7/1/05 – 6/30/07	14.47*	18.89*	6,248.5
2005**	7/1/07 – 6/30/09	8.22	15.01	6,792.0
2007	7/1/09 – 6/30/11	4.73	12.42	7,721.8
2009***	7/1/11 – 6/30/13	10.60	15.80	8,912.9

\* December 31, 2003 rates were phased-in. Actual rate paid averaged 15.10% without employer side accounts and 10.58% with employer side accounts.

\*\* Includes weighted average rate for Tier One/Tier Two and OPSRP beginning in 2005.

\*\*\* 2009 is estimated; valuation data is not available until July 2010.

##### Systemwide average employer contribution rates as a percent of covered salary as of valuation date (includes side account rate offsets in 2003, 2005, 2007, and 2009; 2009 is estimated)



## ***5. Economic Benefit of PERS***

### **PERS benefits contribute to Oregon's economy**

Oregon PERS paid nearly \$2.5 billion in benefits to PERS retirees living in Oregon in 2008. Funding of these benefits came primarily from investment earnings on contributions previously paid by members and public employers. These retirees spent a significant portion of this money on goods and services in Oregon, which helped support local businesses. These businesses then purchased goods, in part, from other local vendors, further supporting Oregon's workforce and economy.

### **Annual PERS benefits generate \$3.3 billion in total economic value to Oregon**

PERS benefits paid to Oregon retirees have a significant impact on Oregon's economy. The \$2.5 billion in annual benefit payments multiply to \$3.3 billion in total economic value to Oregon when the full financial impact of these dollars spent in local communities is considered (based upon economic multipliers provided by the U.S. Department of Commerce's Bureau of Economic Analysis).

The economic activity generated by PERS benefit payments sustain an estimated 30,678 Oregon jobs, and add approximately \$900 million in wages to Oregon's economy.

Additionally, the state of Oregon collected an estimated \$110 million in income taxes on PERS retiree benefits during 2008.

Investment income provided 69% of total PERS' revenues from 1970-2009, with member contributions providing 8% and employer contributions providing 23%.



## 5. Economic Benefit of PERS (continued)

### PERS benefit payments by state (2009 calendar year)

