

# **PERS: By The Numbers**

December 2009

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# 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.

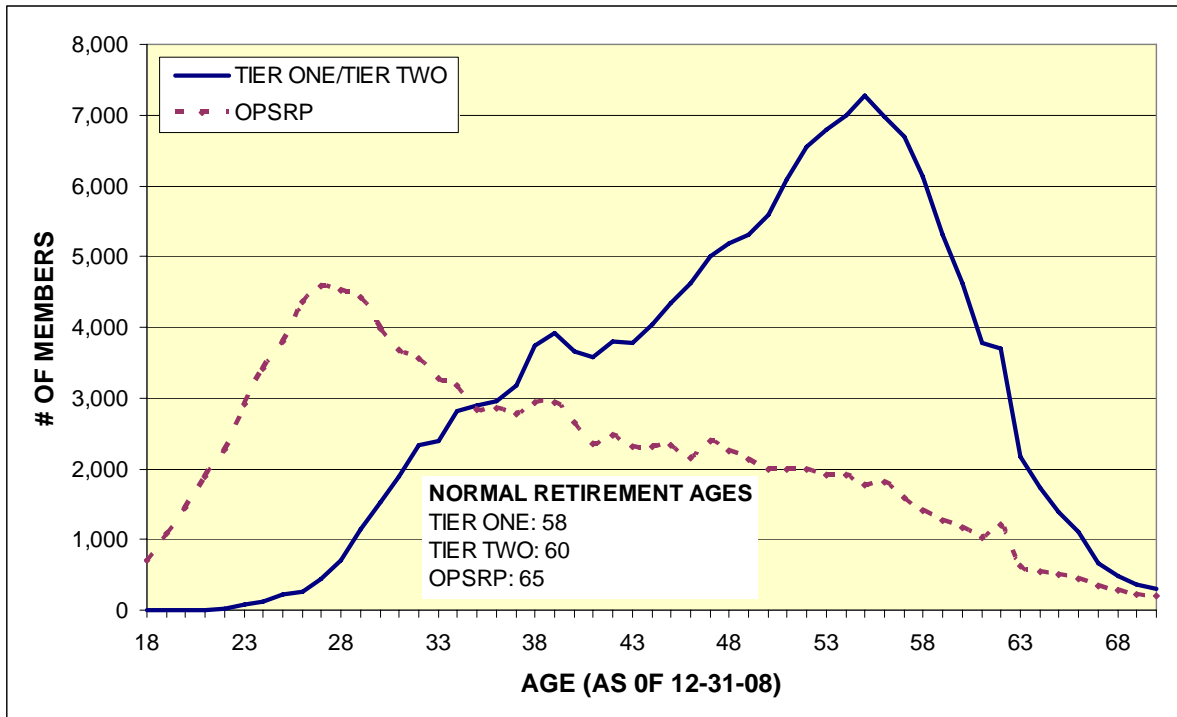
**PERS members:** approximately 95% of all public employees in Oregon.

## 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



## Retirements by calendar year

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
3,695	3,602	4,273	6,651	6,843	3,286	4,881	6,809	12,488	5,960	4,559	5,067	5,967	5,710

## 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.

	Tier One	Tier Two	OPSRP Pension	IAP
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	Not applicable; no member account	No guarantee; market returns
Variable account earnings	Market returns on 100% global equity portfolio	Market returns on 100% global equity portfolio	Not applicable; no member account	Not applicable
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 only
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 that 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 ongoing *Strunk/Eugene* benefit adjustments, which will generally impact retirements occurring in 2000-2004 and 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 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, there were 5.0% who 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)

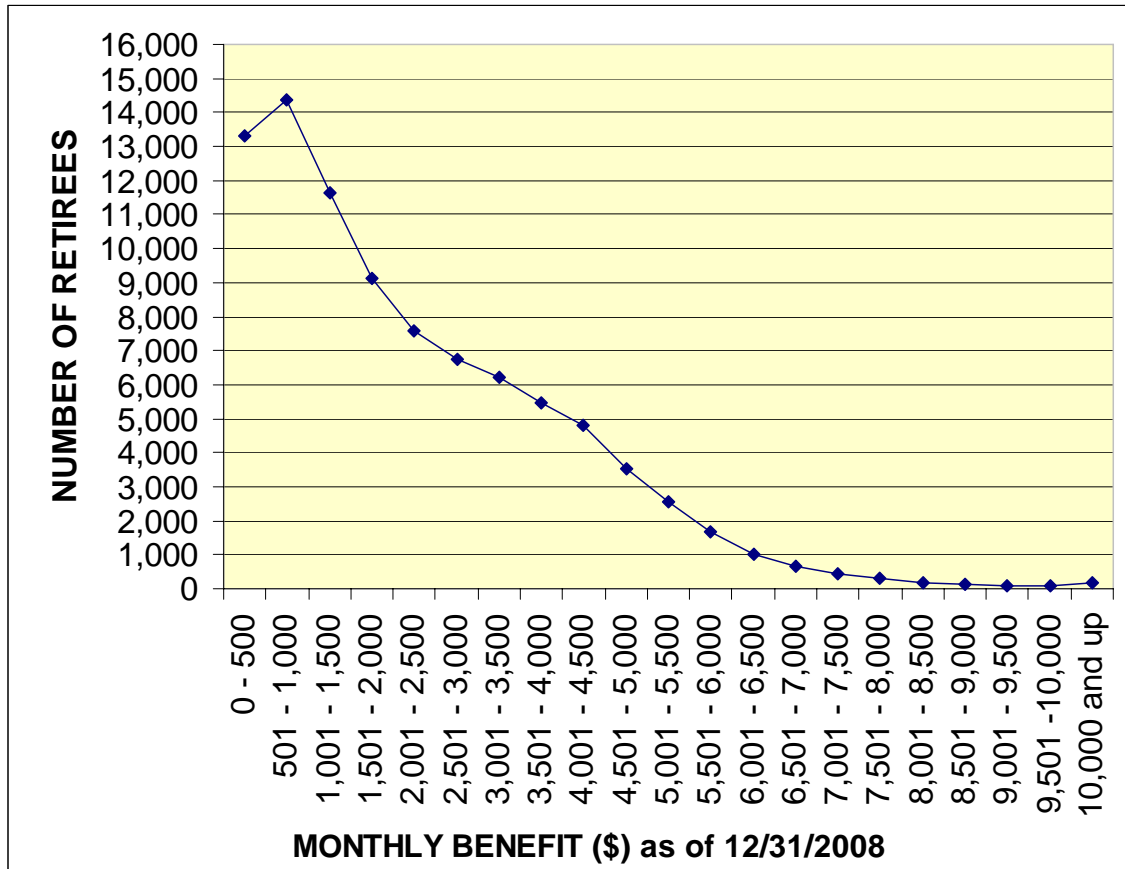
Average salary replacement ratio based on final average salary (FAS)

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). Includes all living retirees and beneficiaries receiving monthly payments.



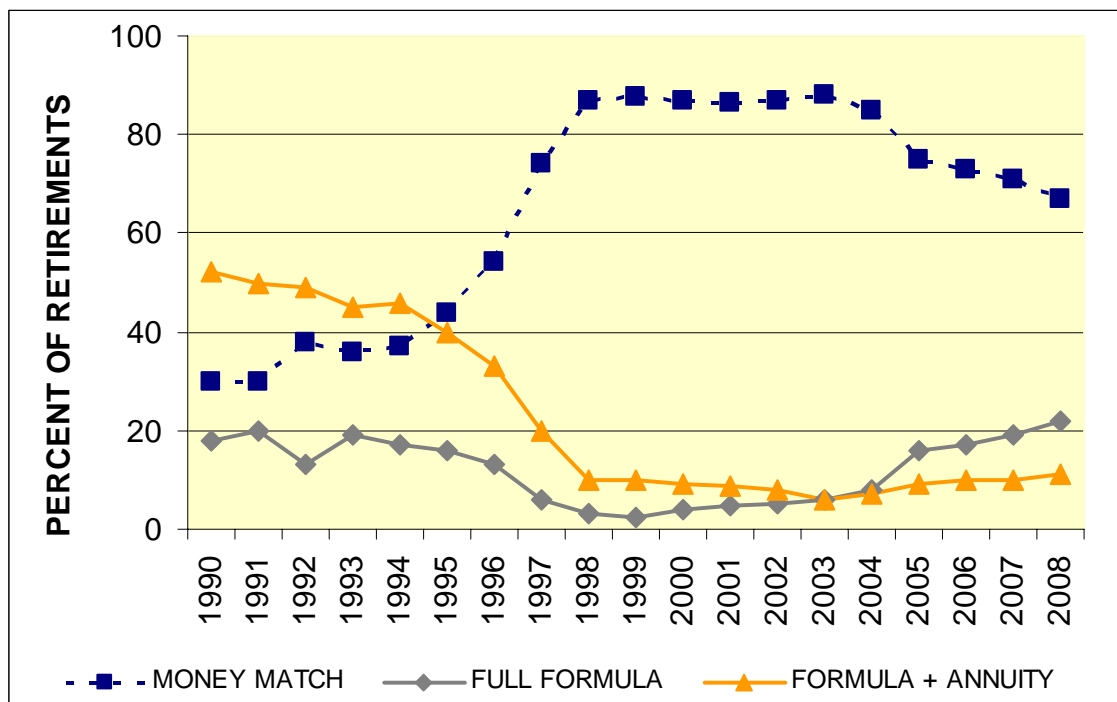
Monthly Benefit (\$)	Number of Retirees	Monthly Benefit (\$)	Number of Retirees	Monthly Benefit (\$)	Number of Retirees
0 - 500	13,290	3,501 - 4,000	5,479	7,001 - 7,500	435
501 - 1,000	14,364	4,001 - 4,500	4,821	7,501 - 8,000	309
1,001 - 1,500	11,647	4,501 - 5,000	3,519	8,001 - 8,500	175
1,501 - 2,000	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>	The average replacement ratio in 2008 was ~80% (replacement ratios have declined since 2003 PERS Reform and will continue to decline to the Full Formula level)	~ 50% (will become the predominate retirement method for almost all Tier Two members and a growing percentage of Tier One members)	45% (for new employees hired on or after August 29, 2003)	~ 15-20% (earns market rate; member assumes all investment risk)
NOTE: The vast majority of PERS members are 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 2008 was approximately \$1,090 per month. Full retirement age for Social Security is currently 66 years.				

### Trend in retirement calculation methods



### Average IAP account balances by year/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

## 2. System Benefits (continued)

### PERS Retiree Insurance Program information

The Oregon PERS Health Insurance Program makes optional health, dental and long-term care insurance plans available for eligible retirees, spouses, and dependents (Tier One/Tier Two members only). Active members and their dependents are not eligible for the PERS insurance program, nor are Oregon Public Service Retirement Plan (OPSRP) retirees. The PERS Health Insurance Program primarily serves Medicare-eligible (age 65 and over) public retirees and spouses.

ORS 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 2009)

<b>Medical Plans (four plans offered)</b>	<b>Totals</b>	<b>Medicare</b>	<b>Non-Medicare</b>
Covered lives	51,484	49,739	1,745
Retirees (or surviving spouses)	41,546	40,507	1,039
Spouses/Dependents	9,938	9,232	706
Average age of enrolled retirees	76	76	60
<b>Dental Plans total (two plans)</b>	26,868		
<b>Long Term Care Plan - total</b>	1,848		

#### Statutory Health Insurance Premium Subsidies

Retirees receiving RHIA (trust fund held by PERS*)	38,777
Retirees receiving RHIPA (trust fund held by PERS**)	708
RHIA monthly payment total	\$2,326,620.00
RHIPA monthly payment total	\$ 165,751.77
Unfunded actuarial liability is \$264.3 million (as of December 31, 2007)	
Retirement healthcare employer rate: 0.32% of payroll beginning July 1, 2009	

\* 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 \$132.22 (8 years) to \$264.44 (30+ years) per month.

### 3. System Funding Level and Status

#### Funded status as of December 31, 2008

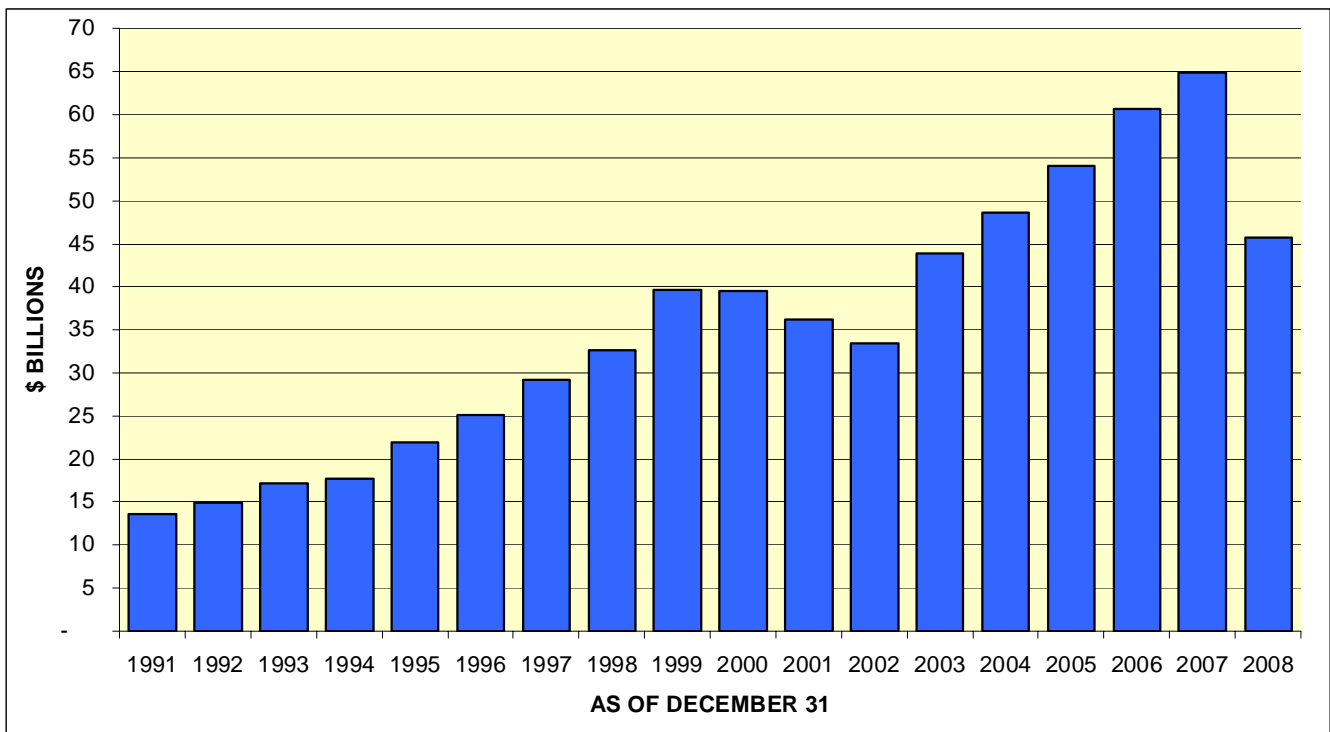
The Oregon Public Employees Retirement Fund (OPERF) is invested under oversight and direction of the Oregon Investment Council with staff support from the Oregon State Treasury.

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) and 70.7% funded if side accounts were not included. 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, 2008, the Tier One/Tier Two unfunded actuarial liability (UAL) (when including side accounts) was \$10.67 billion. The Unfunded Actuarial Liability (UAL) fluctuates based on various factors including investment returns, Board reserving policies, legislative changes, and litigation outcomes.

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

#### OPERF net asset value (calendar year ending December 31)



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

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

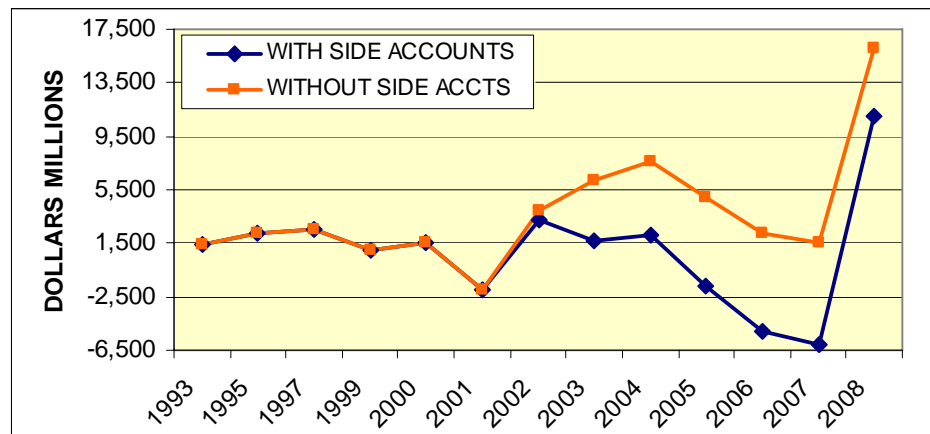
Valuation** Date	With Side Accounts*** (starting in 2002)		Without Side Accounts	
	UAL (\$M)	Funded Ratio (%)	UAL (\$M)	Funded Ratio (%)
1993	1,449	92.4	1,449	92.4
1995	2,291	90.2	2,291	90.2
1997	2,556	91.9	2,556	91.9
1999	943	97.7	943	97.7
2000	1,545	96.4	1,545	96.4
2001	-2,031	105.4	-2,031	105.4
2002	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.

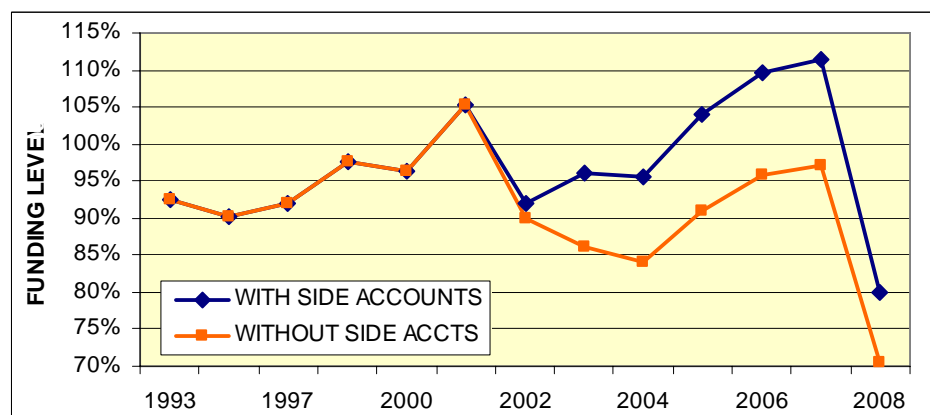
\*\* 2000-2003 UALs were calculated using actuarial value of assets (AVA) based on year-to-year changes in asset values smoothed over four-year periods. All other UALs since 1997 were calculated using an AVA based on fair market value.

\*\*\* 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**



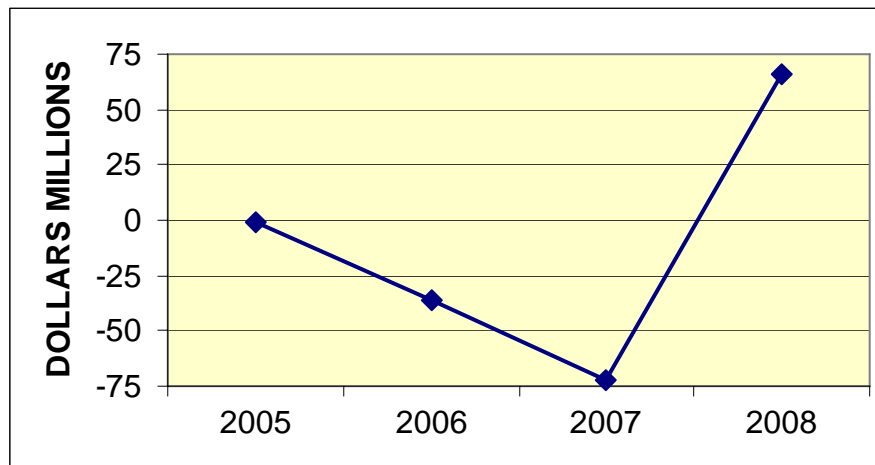
### 3. System Funding Level and Status (continued)

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

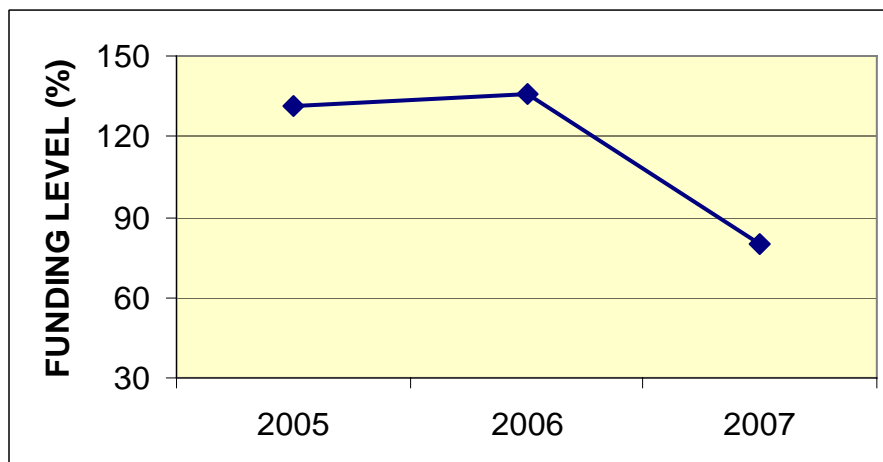
Valuation Date	UAL (\$M)	Funded Ratio (%)
2005	-1.2	102.3
2006	-36	131.3
2007	-72.1	135.5
2008	66.3	80.3

\* 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

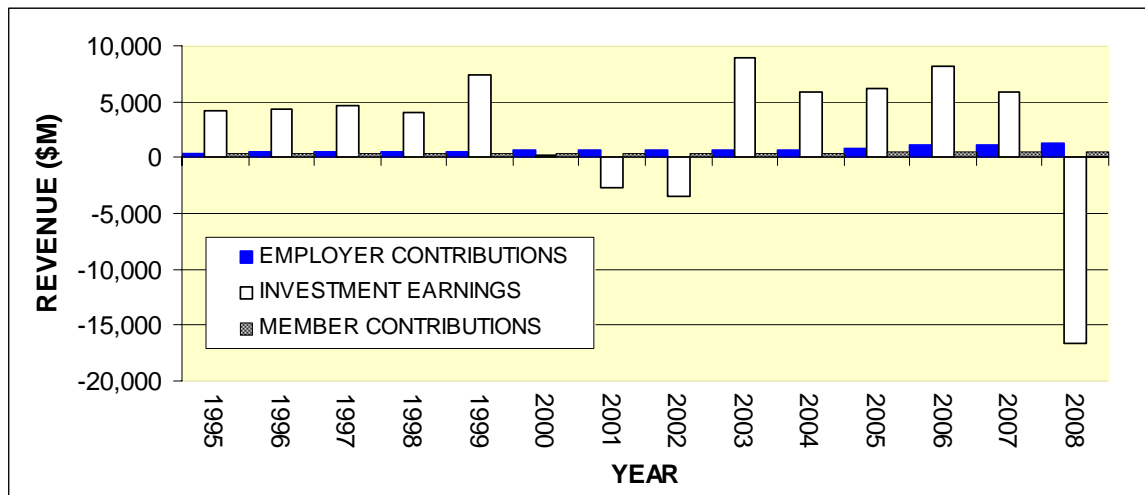
### Member and employer contributions and investment income for calendar years:

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

\* 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, 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	Regular Account Earnings (%)	Distributions (%)				IAP
		Tier One	Tier Two	Variable Account		
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	

\* 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.

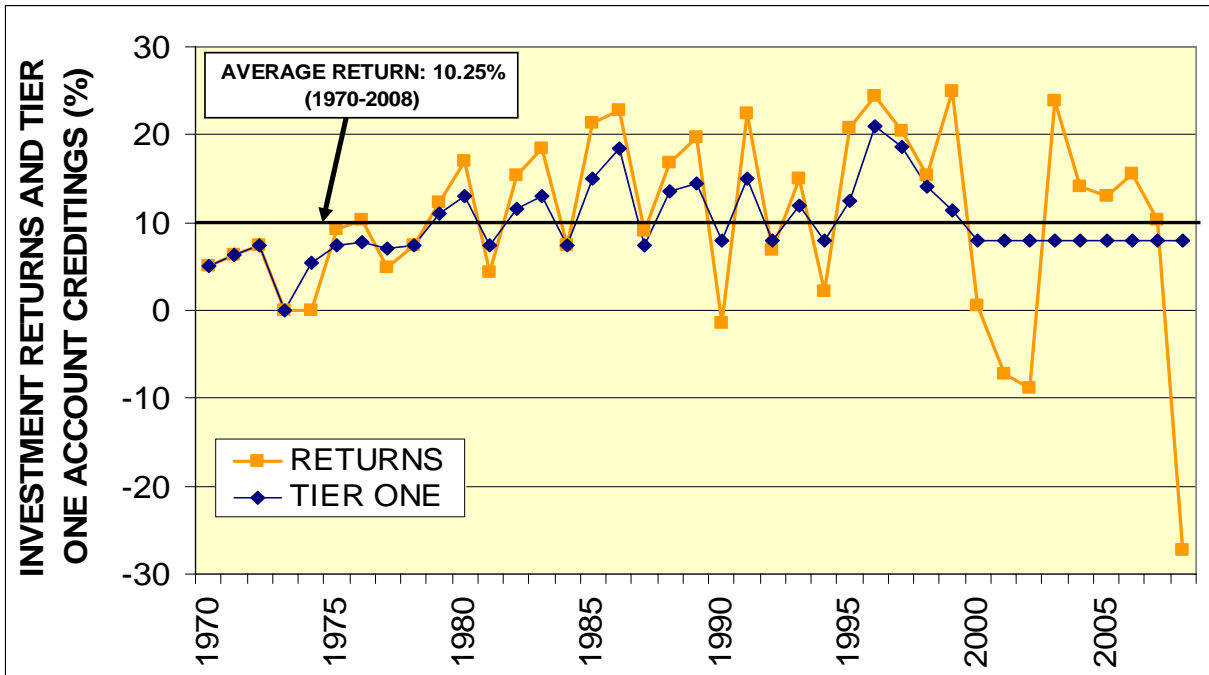
\*\*\* After crediting Tier One accounts with the assumed rate of 8%, member attorney fees in the *Strunk* case were deducted by order of the Oregon Supreme Court resulting in an effective crediting rate of 7.97%.

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

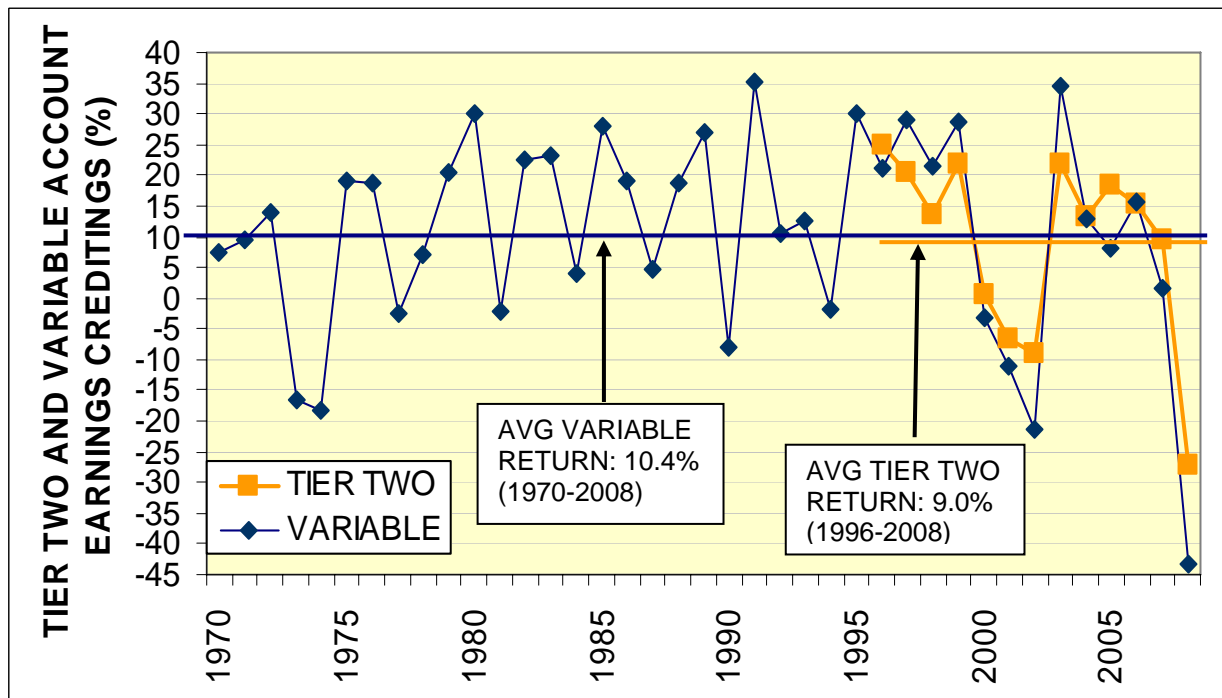
- The 39-year average regular account earnings available for crediting equaled 10.25%.
- The 39-year average earnings credited to Tier One regular accounts equaled 8.28%.
- The 39-year average earnings credited to variable accounts equaled 10.39%.
- In determining plan costs, the actuary must project future earnings of the PERS Fund. This is called the “assumed earnings rate.” Historical assumed earnings rates are shown below:
  - 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)

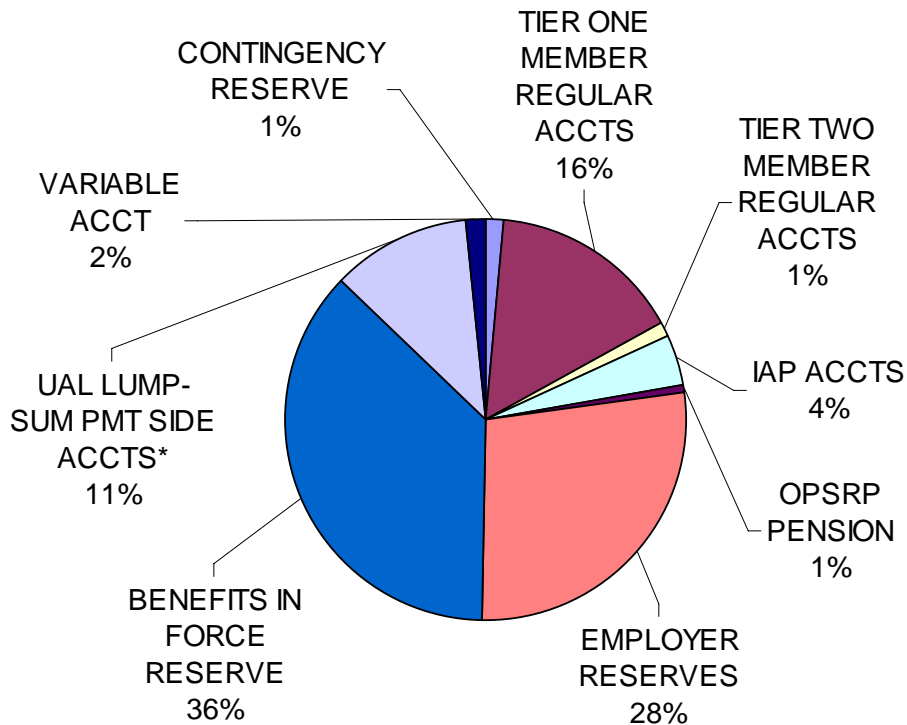


#### 4. System Revenue (continued)

##### 2008 final earnings crediting (\$ millions)

Reserve/Account	Reserve Before Crediting	2008 Earnings	Reserve After Crediting	2008 Rates
Contingency Reserve	\$653.2	\$0.0	\$653.2	N/A
Tier One Member Regular Accts	6,720.5	537.6	7,258.2	8.0%
Tier One Rate Guarantee Reserve	1,889.2	-2,877.6	-988.5	N/A
Benefits In Force (BIF)	23,755.7	-6,456.4	17,299.2	-27.18%
Tier Two Member Regular Accts	766.7	-208.4	558.3	-27.18%
Employer Reserves	17,676.6	-4,825.4	12,851.2	-27.30%
OPSRP Pension	376.3	-107.8	268.7	-28.63%
UAL Lump-Sum Payment Side Accts*	7,108.5	-1,973.8	5,134.8	Various
IAP Accounts	2,537.3	-678.8	1,858.5	-26.75%
<b>Regular Account Total</b>	<b>\$61,484.2</b>	<b>-\$16,590.5</b>	<b>\$44,893.7</b>	
Variable Account Total	1,415.1	-618.6	796.5	-43.71%
<b>TOTAL PERS FUND</b>	<b>\$62,899.3</b>	<b>\$-17,209.1</b>	<b>\$45,690.2</b>	

##### Percent of total fund after 2008 final earnings crediting



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

#### 4. System Revenue (continued)

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

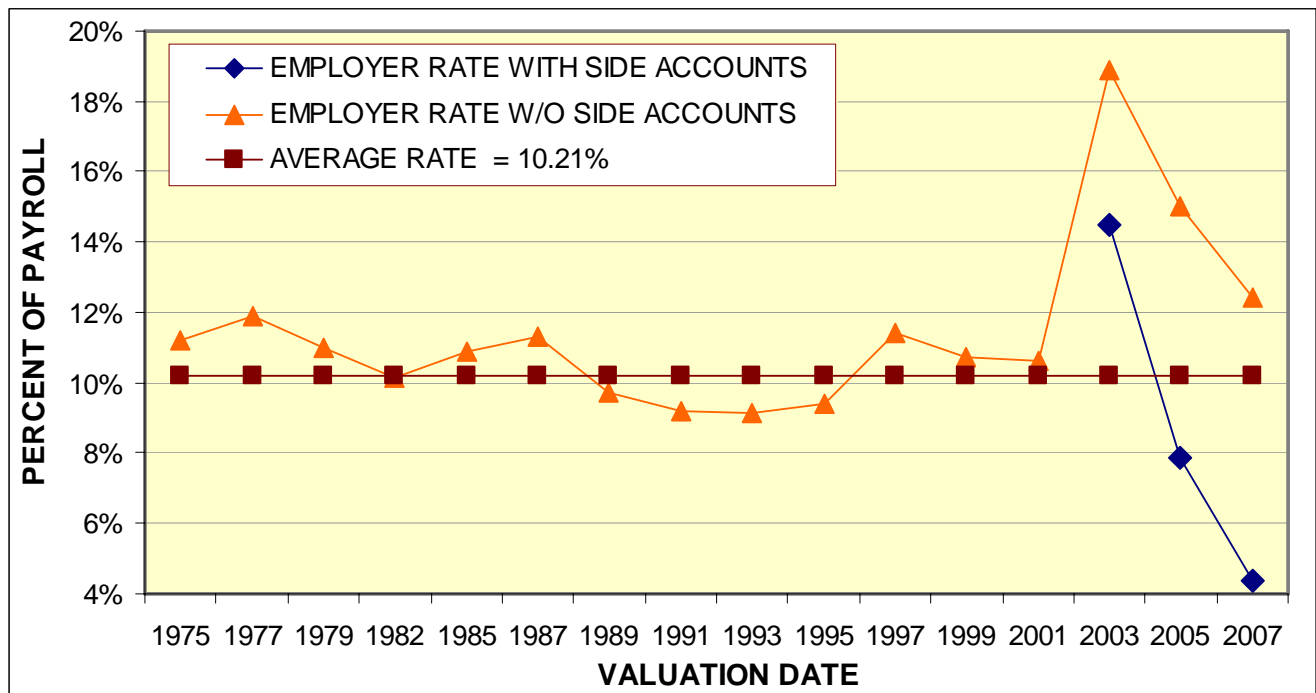
Valuation Year	Average Rate With Side Accounts (%)	Average Rate Without Side Accounts (%)	Annualized Salary (\$M)
1975	11.21	11.21	1,014.5
1977	11.87	11.87	1,226.8
1979	10.97	10.97	1,488.0
1982	10.13	10.13	2,062.1
1985	10.87	10.87	2,428.3
1987	11.30	11.30	2,764.7
1989	9.74	9.74	3,199.4
1991	9.19	9.19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

\* December 31, 2003 rates were phased-in. Actual rate paid averaged 15.10% not including employer side accounts and 10.58% with side accounts.

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

\*\*\* Rates effective July 1, 2009 - June 30, 2011.

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



## ***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 spend a significant portion of this money on goods and services in Oregon which helped support local businesses. These businesses then purchase goods, in part, from other local vendors further supporting Oregon 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.

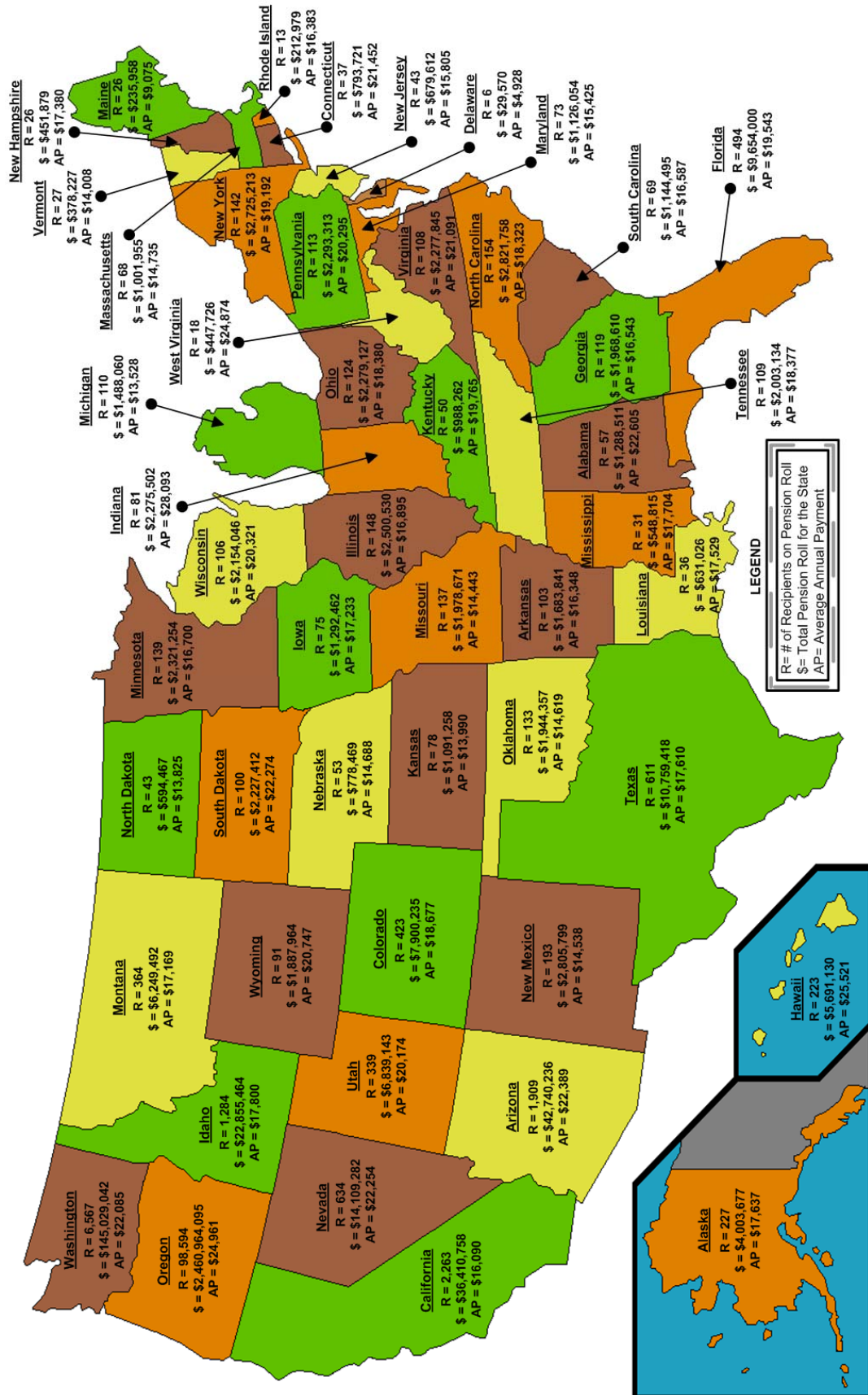
Additionally, the state of Oregon collected an estimated \$110 million in income taxes on PERS retiree benefits during 2008.

Investment income has provided 67% of total PERS' revenues since 1970. Member contributions equaled 8%, with employer contributions providing 25% of PERS' revenues over the past 25 years.



## 5. Economic Benefit of PERS (continued)

### PERS benefit payments by state (2008 calendar year)



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