

PERS: By The Numbers

September 2010

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<http://oregon.gov/PERS>

1. System Demographics (from December 31, 2009 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.

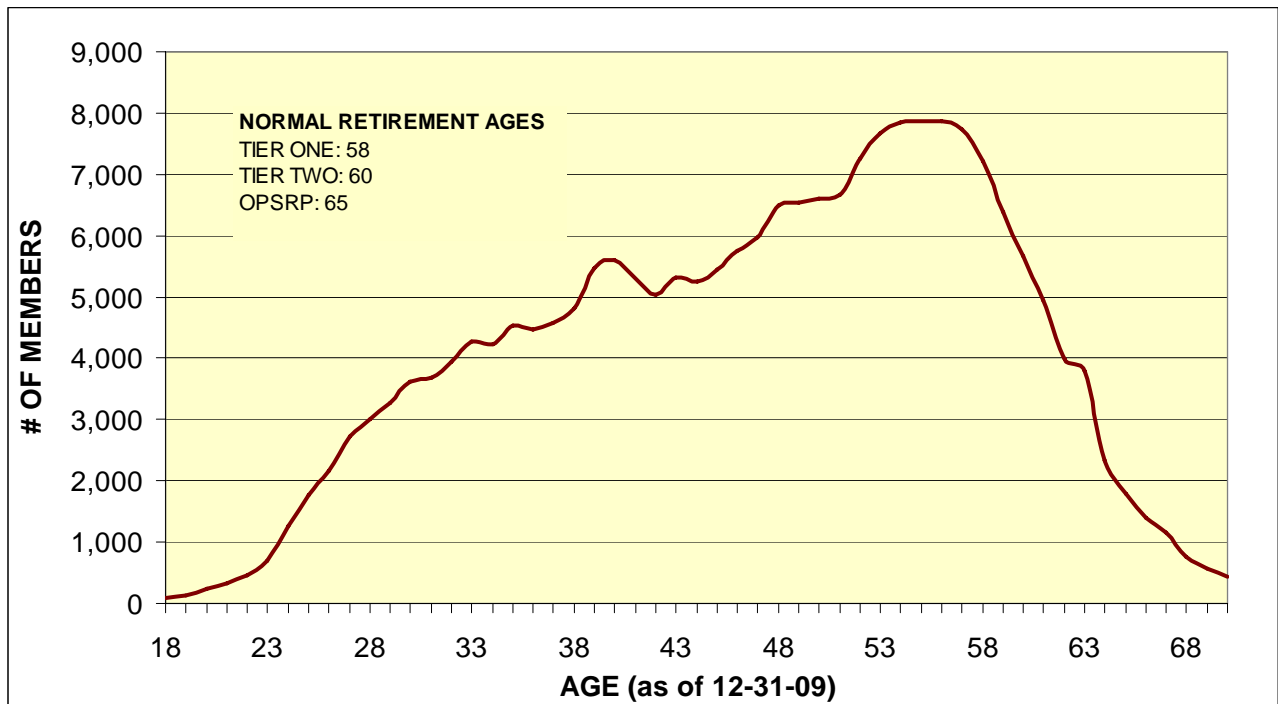
PERS members: approximately 95% of all public employees in Oregon.

Membership by category

		State Agencies	Local Govt.	School Districts	Total
Tier One	Active	15,290	18,522	23,122	56,934
	Inactive	5,842	7,495	8,408	21,745
Tier Two	Active	13,864	18,604	22,028	54,496
	Inactive	3,702	6,185	6,269	16,156
OPSRP	Active	16,689	21,709	28,778	67,176
	Inactive	385	481	550	1,416
Sub-total	Active	45,843	58,835	73,928	178,606
	Inactive	9,929	14,161	15,227	39,317
Retirees*		26,949	28,281	55,494	110,724
TOTAL					328,647

* Includes beneficiaries but not members who received total 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.

	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	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 2010 Replacement Ratio Study

The Replacement Ratio Study population of 67,179 retirements was drawn from 93,131 retirements from January 1990 through December 2009, and covers retired members who selected comparable monthly benefit options. The techniques used in the 2010 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 in 2009: 60 years old

Average years of service for 2009 retirements: 23 years of service

Average monthly retirement benefit

- For all retirees from 1990-2009, the average monthly retirement benefit at time of retirement was \$2,120 per month, or about \$25,436 annually
- For those retirees in the most recent year (2009), the average monthly retirement benefit was \$2,671 per month, or about \$32,052 annually

Average public employee salaries at retirement

- For all retirees from 1990-2009, the final average salary at retirement was \$43,859 annually
- For 2009 retirees, the final average salary at retirement was \$59,522 annually

Average salary replacement ratio (see chart on following page)

- For all retirees from 1990-2009, the average annual retirement benefit equaled 55% of final average salary at the time of retirement
- For 2009 retirees, the average annual retirement benefit equaled 53% of final average salary
- For all retirees from 1990-2009, there were 7.9% who received annual benefits more than 100% of final average salary. The average years of service for this group was 31 years
- For 2009 retirees, there were 6.2% who received annual benefits more than 100% of final average salary. The average years of service for this group was 32 years

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

- From 1990-2009, the average retirement benefit for 30-year members equaled 80% of final average salary and the average monthly benefit was \$3,420 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 2009 only, the average retirement benefit for 30-year members equaled 77% of final average salary and the average monthly benefit was \$4,085 per month
- 11.55% of retirees from 1990-2009 had 30 years of service
- 11.13% of retirees in 2009 had 30 years of service

2. System Benefits (continued)

Summary of findings from PERS' June 2010 Replacement Ratio Study (continued)

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

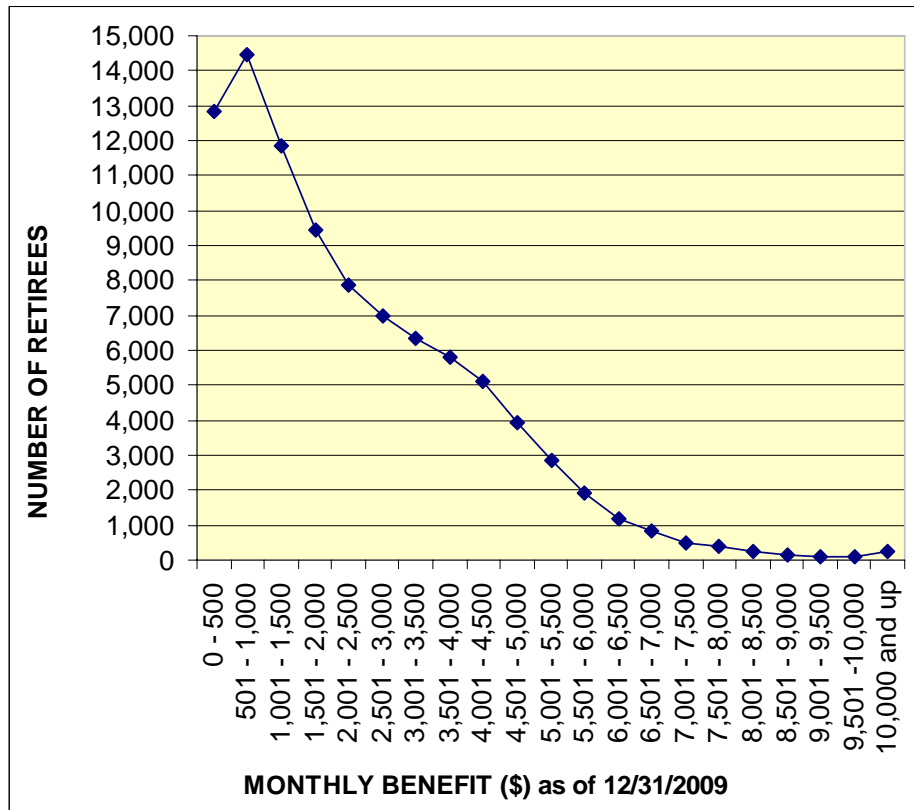
Calendar Year	Retirees with 30 Years of Service		All Retirees in Study		
	# of Retirees in Study*	Average Replacement Ratio Based on FAS	# of Retirees in Study*	Average Replacement Ratio Based on FAS	% of Retirees Receiving >100% of FAS
1990	146	61%	1,866	44%	.0%
1991	217	61%	2,377	45%	.1%
1992	205	67%	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%
2009	432	77%	3,881	53%	6.2%
Total/Avg	7,760	80%	67,179	55%	7.9%

* Includes monthly benefit payments for members retiring from active service within the preceding 12 months. Benefits related to inactive, lump sum, judge, and legislator retirements are excluded.

2. System Benefits (continued)

Monthly benefit payment amounts as of December 31, 2009

Recipients: 93,119 Tier One/Tier Two retirees receiving monthly benefit payments (excludes all lump-sum retirement options, including those with a partial monthly benefit, 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	12,837	3,501 - 4,000	5,783	7,001 - 7,500	501
501 - 1,000	14,466	4,001 - 4,500	5,128	7,501 - 8,000	382
1,001 - 1,500	11,876	4,501 - 5,000	3,920	8,001 - 8,500	232
1,501 - 2,000	9,431	5,001 - 5,500	2,831	8,501 - 9,000	144
2,001 - 2,500	7,893	5,501 - 6,000	1,938	9,001 - 9,500	116
2,501 - 3,000	6,969	6,001 - 6,500	1,184	9,501 - 10,000	90
3,001 - 3,500	6,339	6,501 - 7,000	824	10,000 and up	235
Subtotal	69,811	Subtotal	21,607	Subtotal	1,700
% of total	75.0%	% of total	23.2%	% of total	1.8%

Retirees with Hours Reported Working in a PERS-Covered Position in 2009

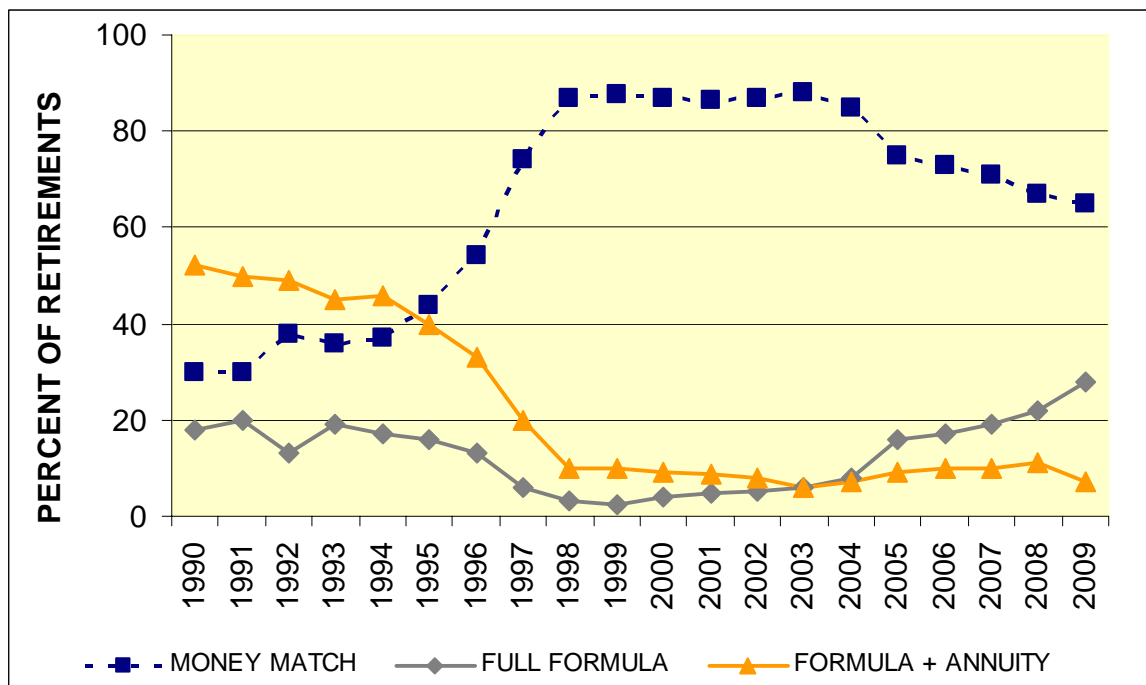
Hours	Employer Group			Total
	State	Local Govt	K-12	
< 200	456	1,047	3,030	4,533
201 - 400	259	475	1,269	2,003
401 - 600	234	378	958	1,570
601 - 800	211	280	573	1,064
801 - 1039	350	436	629	1,415
> 1039	146	176	216	538
Total	1,656	2,792	6,675	11,123

2. System Benefits (continued)

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

	Money Match	Full Formula	OPSRP	IAP
Percent of FAS replaced with 30 years service	Average replacement ratio in 2009 was ~ 77% (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 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
Total	5,858	100%

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 July 2010)

Medical Plans (four plans offered)	Totals	Medicare	Non-Medicare
Covered lives	52,944	50,947	1,997
Retirees (or surviving spouses)	42,702	41,521	1,181
Spouses/Dependents	10,242	9,426	816
Average age of enrolled retirees	77	77	61
Dental Plans total (two plans)	28,856		
Long Term Care Plan - total	1,871		

Statutory Health Insurance Premium Subsidies

Retirees receiving RHIA (trust fund held by PERS*)	39,765
Retirees receiving RHIPA (trust fund held by PERS**)	849
RHIA monthly payment total	\$2,432,220.00
RHIPA monthly payment total	\$ 228,448.52

Employer rates (beginning July 1, 2011)

RHIA: 0.59%

RHIPA (state only): 0.16%

Unfunded actuarial liability (as of December 31, 2009): \$315 million

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

** The RHIPA subsidy is for state government pre-Medicare retirees only and 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, 2009

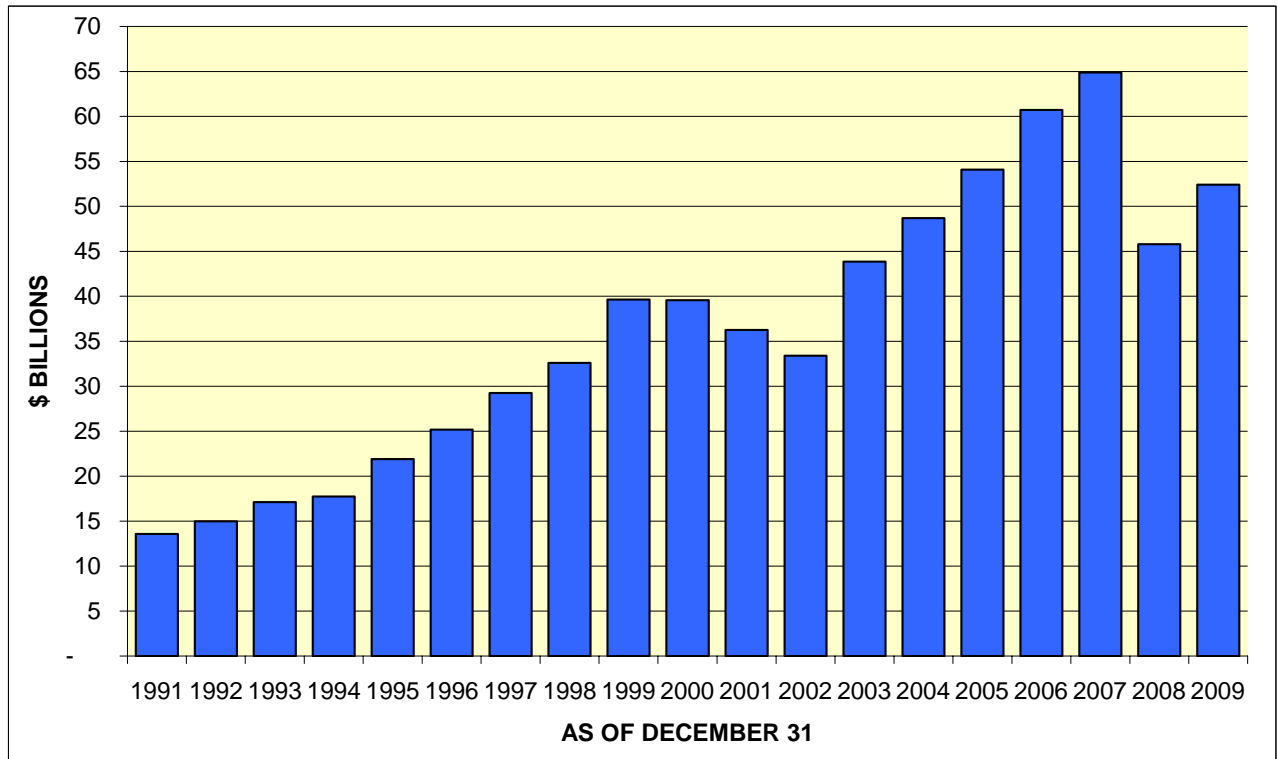
The Oregon Public Employees Retirement Fund (OPERF) is invested under oversight and direction of the Oregon Investment Council with staff support from the Oregon State Treasury.

As of the most recent system valuation (December 31, 2009), the PERS Tier One/Tier Two program was 86% 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 83.0%.

As of December 31, 2009, the PERS system (Tier One, Tier Two, and OPSRP) was also 86% funded, including side accounts, because the OPSRP UAL (\$90 million) is relatively small in relation to Tier One/Tier Two.

As of December 31, 2009, the Tier One/Tier Two unfunded actuarial liability (UAL) (when including side accounts) was \$8.1 billion. The UAL fluctuates based on various factors including investment returns, Board reserving policies, legislative changes, and litigation outcomes.

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
2009	8,108	86.0	13,598	76.0

* 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. A negative UAL amount represents a surplus.

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
2009	90.0	83.0

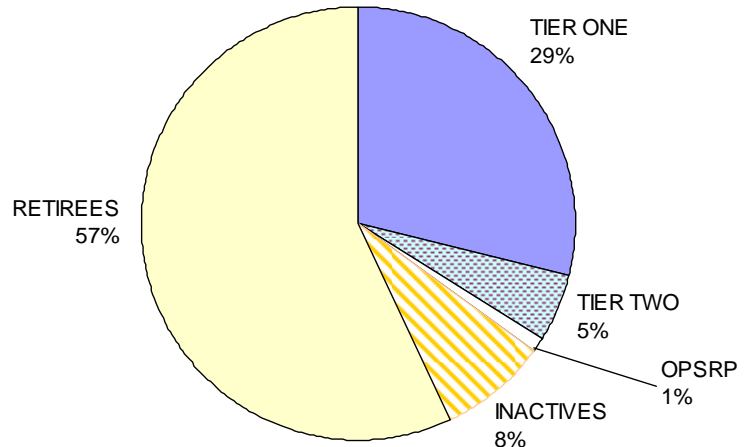
* The official PERS valuation UAL and funded ratio are based on accepted actuarial standards and methodologies. These methodologies are subject to review and revision every two years. A negative UAL amount represents a surplus.

3. System Funding Level and Status (continued)

Actuarial accrued liabilities

Before PERS reform in 2003, PERS' liabilities were growing by about 12% annually. Reform reduced liability growth to an expected average of 3% annually over the long-term, which is close to the system's annual inflation rate assumption of 2.75%. However, liabilities grew 4.7% in calendar year 2009 because fewer members retired than anticipated. By staying in the system, these members continue to accrue retirement benefits.

Approximately 65% of PERS' total accrued liability is for members who are no longer working in PERS-covered employment (retirees and inactives). As a result, approximately 40% of an employer's contribution rate is associated with this group.

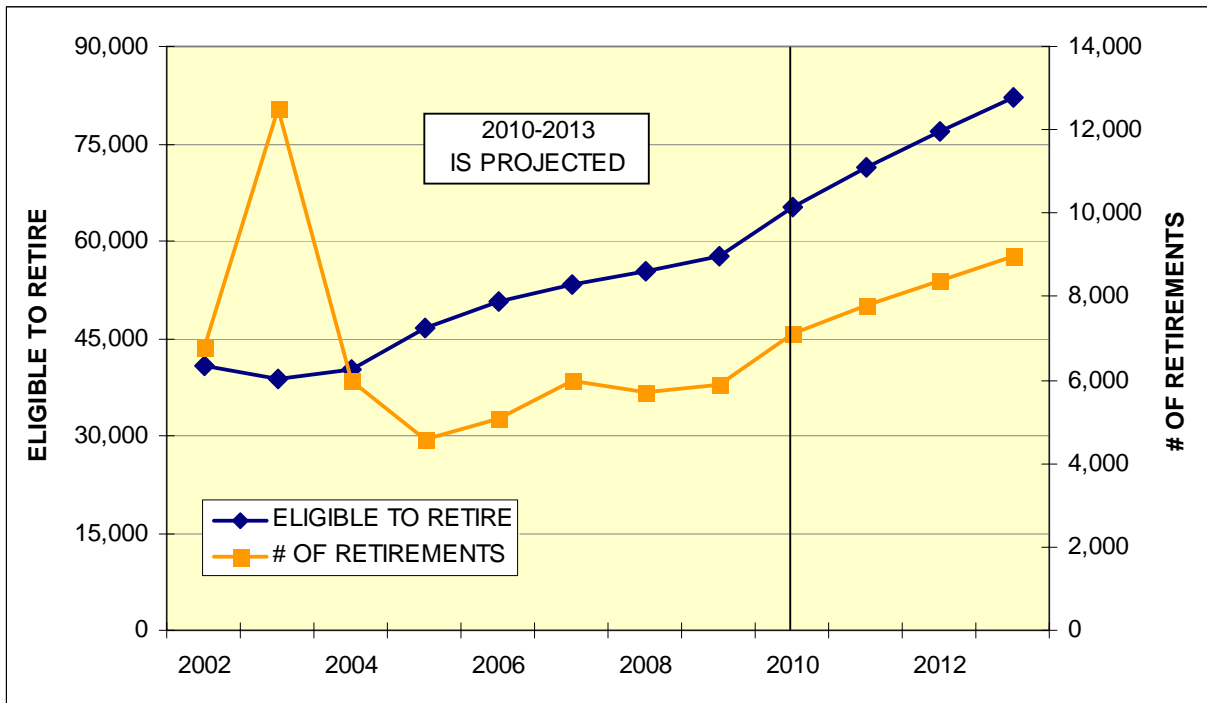


Tier One members represent 29% of the accrued liabilities. More than 44% of Tier One active member liability is for members over age 55, and approximately 75% of the Tier

One active member liability is for members over age 50. Because the average retirement age is 60, a large shift in liabilities between active and retired is anticipated in the near future.

More than 60,000 PERS members are currently eligible to retire based on age or service.

Members eligible to retire versus number of retirements



4. System Revenue

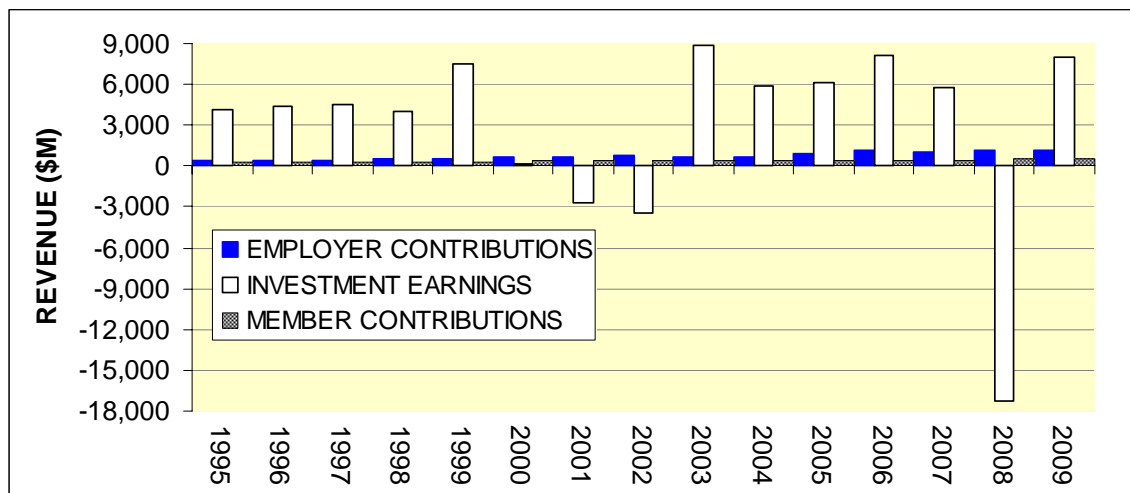
Member and employer contributions and investment income for calendar years

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	515**	561	540	1,101	8,053

* 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, instead of the legacy Tier One/Tier Two member accounts.

- Member contributions equal 6% of covered salary. The Individual Account Program contribution is paid or “picked up” by 53% of all employers for more than 50% of their employees. This totals approximately 70% of all employees.
- 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.

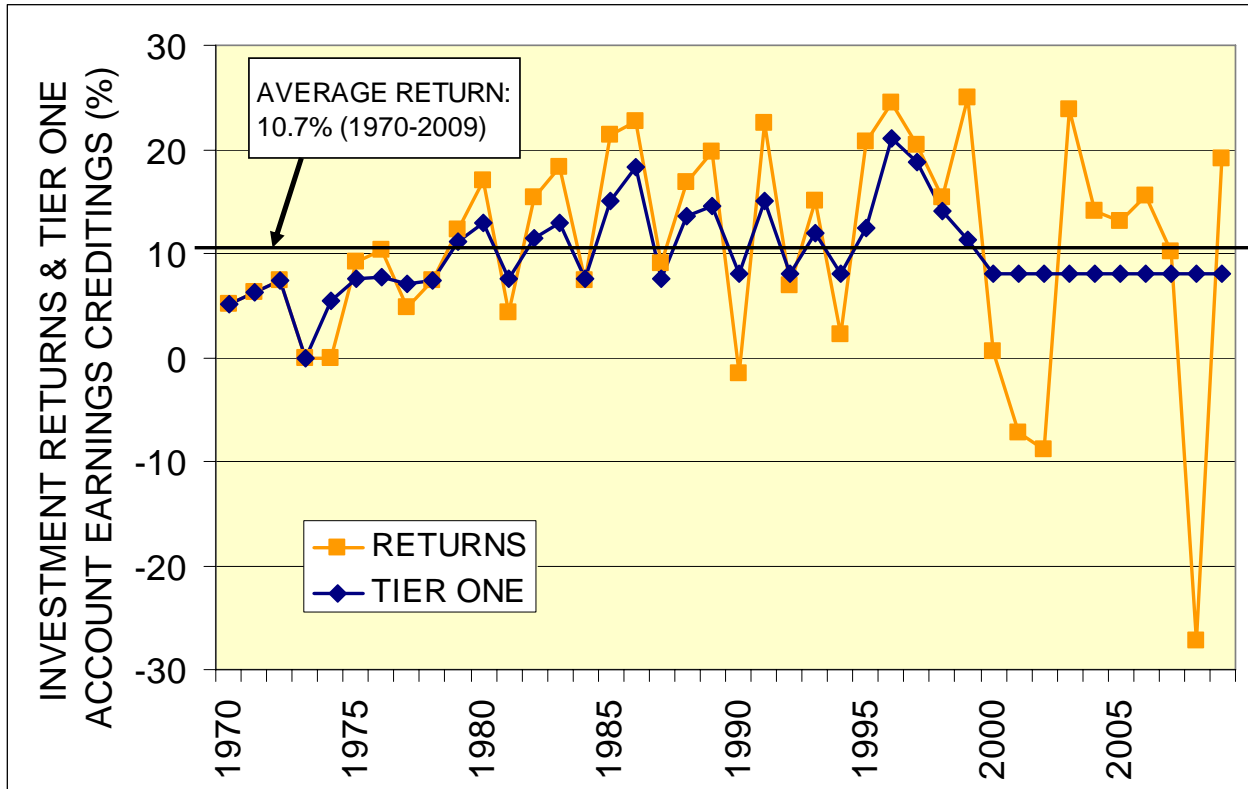
*** After crediting Tier One accounts with the assumed rate of 8%, member attorney fees in the *Strunk* case were deducted by order of the Oregon Supreme Court resulting in an effective crediting rate of 7.97%.

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

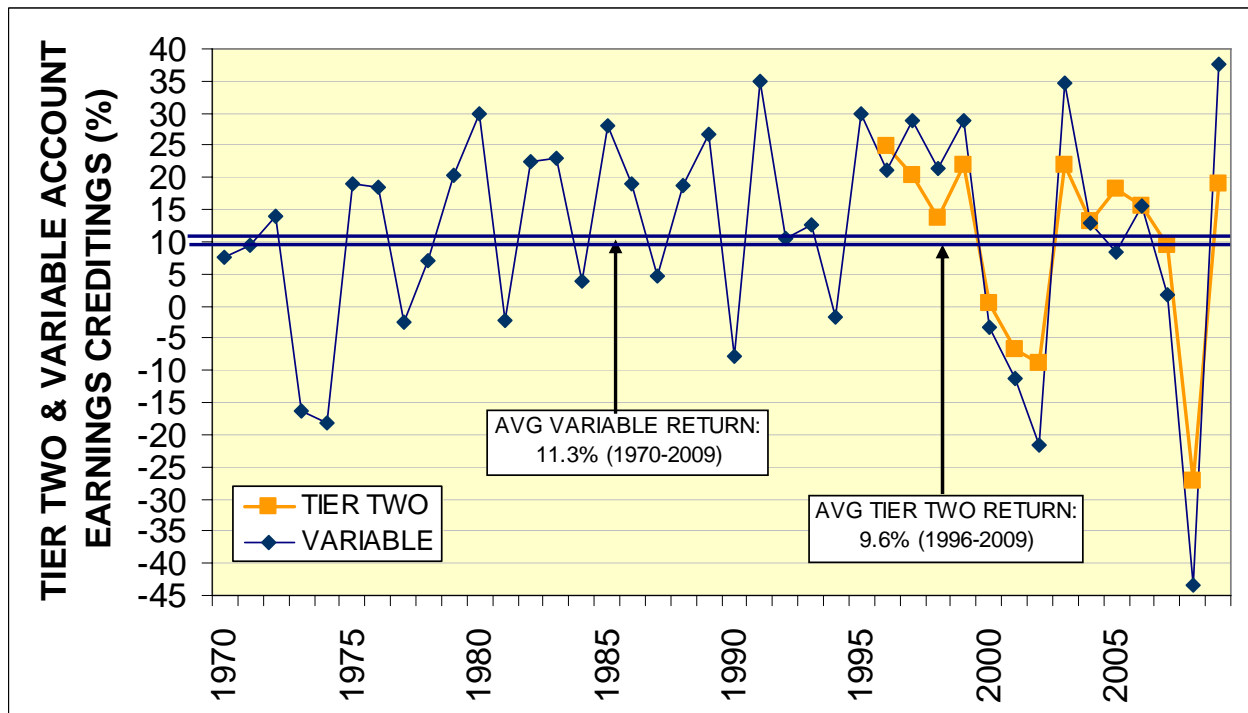
- The 39-year average regular account earnings available for crediting equals 10.73%.
- The 39-year average earnings credited to Tier One regular accounts equals 9.6%.
- The 39-year average earnings credited to variable accounts equals 11.3%.
- The average earnings credited to Tier Two accounts since 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)



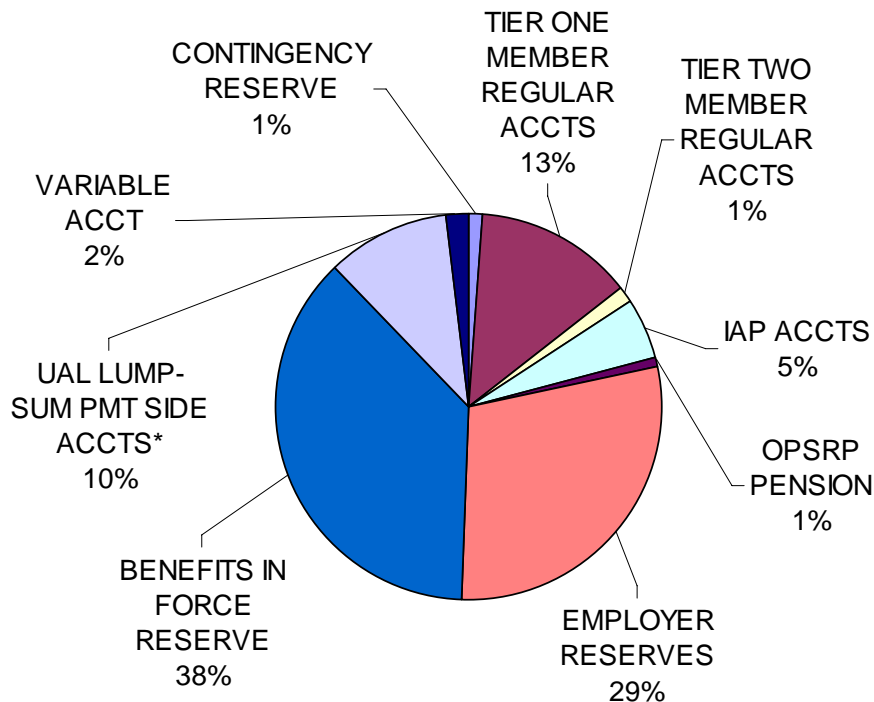
4. System Revenue (continued)

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%
Regular Account Total	\$43,210.8	\$8,136.5	\$51,347.3	
Variable Account Total	697.2	261.9	959.1	37.57%
TOTAL PERS FUND	\$43,908.00	\$8,398.40	\$52,306.40	

* 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)

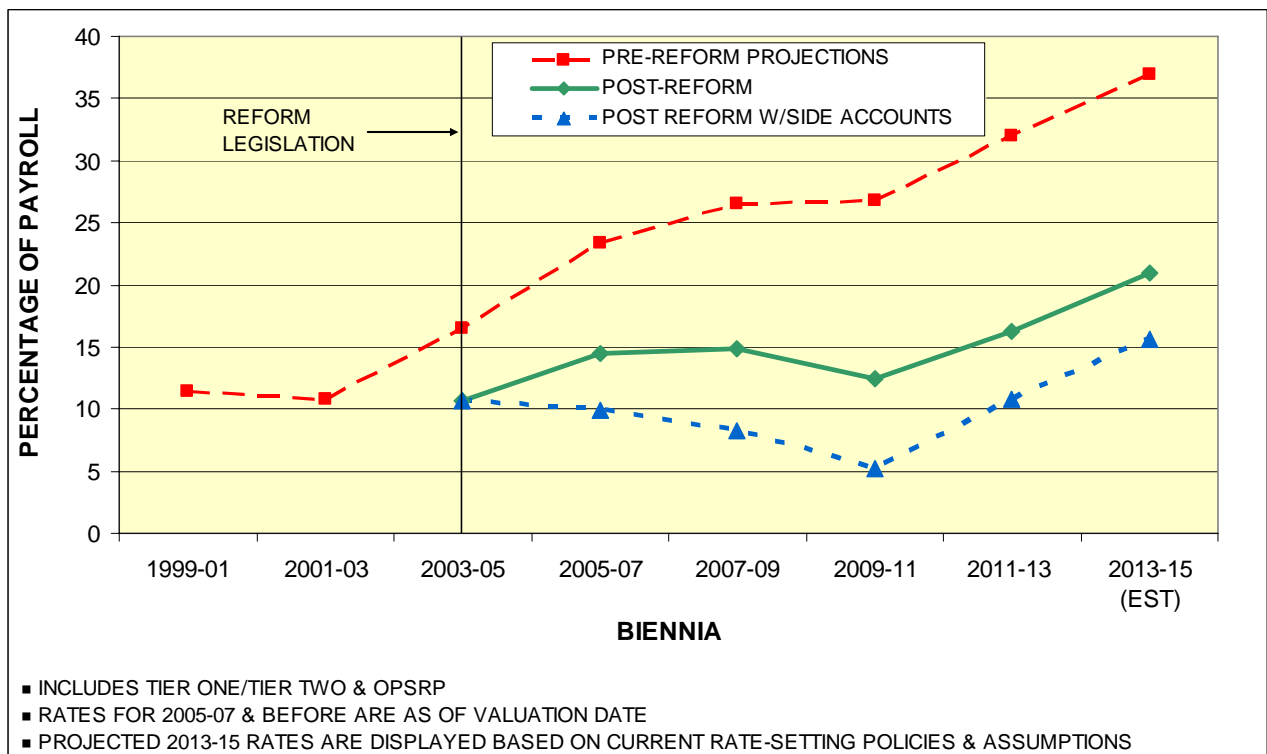
Systemwide average employer contribution rate history (by valuation date) not including RHIA/RHIPA; the average rate, including side accounts, from 1975-2011 is 11.2%

Valuation Year	Rate Effective Dates	Average Rate With Side Accounts (%)	Average Rate Without Side Accounts (%)	Pre-Reform Rate Projections	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	10.74	5,676.6
2001	7/1/03 – 6/30/05	10.64	10.64	16.5	6,256.5
2003*	7/1/05 – 6/30/07	14.47*	18.89*	23.4	6,248.5
2005**	7/1/07 – 6/30/09	8.22	15.01	26.5	6,792.0
2007	7/1/09 – 6/30/11	4.73	12.42	26.8	7,721.8
2009	7/1/11 – 6/30/13	10.8	16.3	32	8,512.0
2011 (EST)	7/1/13 – 6/30/15	15.6	20.9	36.9	TBD

* 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.

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



5. Economic Impact of PERS Benefit Payments

PERS benefits contribute to Oregon's economy

Oregon PERS paid approximately \$2.5 billion in benefits to PERS retirees living in Oregon in 2009. 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 31,189 Oregon jobs, and add approximately \$915 million in wages to Oregon's economy.

Additionally, the state of Oregon collected an estimated \$117 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)

