



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

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TO: Members of the PERS Board  
FROM: Yvette Elledge-Rhodes, Chief Operations Officer  
SUBJECT: *Moro* Implementation Project Update

### UPCOMING PROJECT ACTIVITIES

In February 2016, an additional 16,138 *Moro* adjustments will be completed. This population consists of more complex accounts and scenarios, for example:

- Retired members with service time before and after the 2013 law, meaning that they will have a blended COLA rate; and
- Most of the population that required (AEF) recalculations because their original benefits used survivorship factors from the old 2014 AEF tables that were based on 1.25% COLAs, instead of the 2% or blended COLA required under the *Moro* decision.

Approximately 3,100 of these recipients will receive invoices of \$50 or more (invoices under \$50 were waived in accordance with PERS policy as allowed by ORS 238.715). Causes for these invoices include the AEF recalculations, as well as offsetting the supplementary payment and reinstating pro-rated COLA in the first year for OPSRP retired members. The balance of the population will receive lump-sum payments. All of these recipients' benefit payments will be adjusted for March 1, 2016, with the restored COLA.

As a result, we have 13 customized letters specific to the recipients' situation that will be mailed in mid-February to inform members of this activity. Attachment 1 has more specific information regarding the population and invoice amounts.

### NEXT STEPS

The final populations impacted by the *Moro* decision include recipients who died before these restoration efforts were completed. These accounts that are on hold until after system programming to calculate and apply the blended COLA is complete (targeted for the July 1, 2016 COLA cycle). These 7,400 recipients will be due either a retro payment or an invoice; this population will continue to increase as there are approximately 300 deaths per month.

There may also be a small population (about 200) of the more complex accounts, as well as approximately 175 recipients whose benefits have stopped that may be pulled from the February population. These accounts would also have to be resolved after we re-program our system sometime after June 2016. We are currently on schedule to be ready for the 2016 COLA update next July that will be paid to benefit recipients August 1, 2016.

Our project end date to resolve all *Moro* impacted accounts is still the end of 2017.

C.2. Attachment 1—*Moro* Decision Implementation Project: February 2016 Estimated Adjustments