

OREGON ADMINISTRATIVE RULE

PUBLIC EMPLOYEES RETIREMENT BOARD

CHAPTER 459

DIVISION 013 – RETIREMENT BENEFITS

OAR 459-013-0280 is adopted as follows:

459-013-0280

Calculation of Variable Match

1 This rule will be used to determine the member’s retirement allowance under the
2 Money Match method provided for in ORS 238.300(2)(b)(A) for members that are subject
3 to the variable annuity adjustment provided under ORS 238.260(12). To calculate these
4 members’ retirement allowance, the following process will be used:

5 (1) Annuity Calculation. The balance in the member’s regular account will be
6 combined with a projected balance based on what the member’s variable account balance
7 would have been had the member’s contributions to the variable account been made to the
8 regular account instead. If the member chooses a retirement allowance that includes an
9 annuity, this combined balance will be converted to an annuity using the appropriate
10 actuarial equivalency factor to determine that annuity.

11 (2) Pension Calculation. The pension provided for in ORS 238.300(2)(b)(A) will be
12 determined by applying an actuarial equivalency factor to the combined balance
13 determined in accordance with section (1).

14 (3) Variable Adjustment. The retirement allowance calculated under sections (1) and
15 (2), as applicable, will be increased or decreased by applying an actuarial equivalency
16 factor to the difference between the actual balance in the member’s variable account on

1 their effective retirement date and the projected balance determined under section (1)
2 above.

3 (4) The provisions of this rule only apply to members who participated in the variable
4 account program by making contributions to their variable account on or after January 1,
5 1982. The adjustment provided for by ORS 238.260(12) and this rule will apply only to
6 those contributions and associated earnings after that date.

7 (5) In determining “the portion of the annuity payable from the Variable Annuity
8 Account” as required by ORS 238.260(10) and (11), all of the member’s variable account
9 will be included, including the portion that is included in calculating the variable
10 adjustment at retirement specified in ORS 238.260(12).

11 (6) The method described in this rule to calculate a member’s allowance will also be
12 followed to calculate the “look-back” benefit as described in section 4 of chapter 68,
13 Oregon Laws 2003 (HB 2004). The difference in value between the member’s variable and
14 what those contributions would have earned in the regular account as of June 30, 2003 will
15 be used as the basis for the “look-back” comparison.

16 (7) If a member who has a variable account elects to transfer that account balance to
17 the regular account under ORS 238.260(14), the difference between the amount in the
18 variable account (subject to the limitations in section (4) of this rule) and what that portion
19 of the variable account would have been had the member instead invested solely in the
20 regular account shall be determined as of the date of the transfer. That difference will be
21 applied to the member’s regular account as described in section (1) of this rule and also
22 pursuant to ORS 238.260(12)(b) or (c) to increase or decrease the member’s retirement
23 allowance.

24 (8) The provisions of this rule are effective July 1, 2004.

