

**IMPORTANT IAP  
INFORMATION**

**MAKE SURE YOUR DATE OF BIRTH IS CORRECT SO YOU RECEIVE THE RIGHT INVESTMENT RETURNS**

**You may have noticed something different this year...**

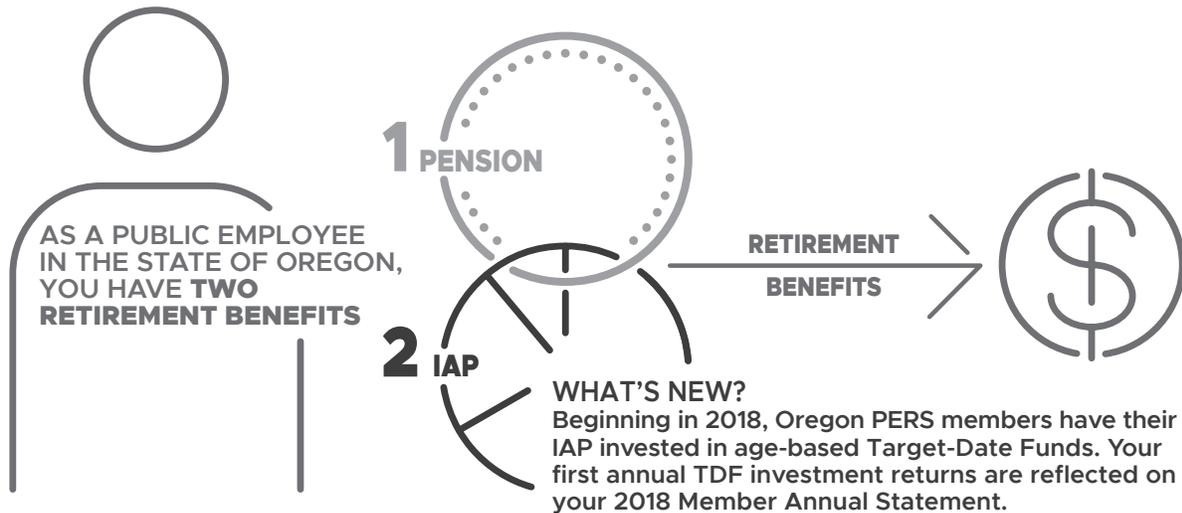
Beginning in 2018, Individual Account Program (IAP) accounts shifted from a one-size-fits-all investment format to customized IAP Target-Date Funds (TDF) designed by the Oregon Investment Council (OIC) specifically for Oregon public employees. This enhanced, age-based approach is intended to reduce investment risk and volatility as members age, while maintaining the IAP objective to achieve the highest returns at an appropriate level of risk.

Prior to this change, the money in every IAP account was invested the same way, for every person, regardless of age. That meant people nearing retirement had the same investment risk profile as younger members.

The IAP TDF investment strategy recognizes that risk levels should vary based on age, gradually becoming more conservative to help protect against market fluctuations.

**You cannot predict the future, but you can plan for it!**

Anticipating the best and worst market days is an impossible feat; that's why **diversification**, **long-term investing**, and **consistent saving** are so important. Financial markets will fluctuate, but over the long term, target-date funds aim to both protect retirement account balances and take advantage of potential growth opportunities. It is time in the market, not timing the market, that counts.



**WHAT TDF AM I IN?**

You are invested in an IAP TDF based on the year you were born and an assumed retirement age of 65.

If you are in a different birth year range than your co-worker, you will have different investment returns.

The "target date" does not dictate when you have to or will be eligible to retire.

This change to your IAP does not impact the pension part of your retirement benefits.

BIRTH YEAR	IAP TDF
In 1952 or before	Retirement Allocation Fund
Between 1953 and 1957	2020
Between 1958 and 1962	2025
Between 1963 and 1967	2030
Between 1968 and 1972	2035
Between 1973 and 1977	2040
Between 1978 and 1982	2045
Between 1983 and 1987	2050
Between 1988 and 1992	2055
In 1993 or after	2060

**WHAT ARE TARGET-DATE FUNDS?**

A target-date fund typically has a date in its name—this is called the fund's "target date." The target date is near when you turn 65, may expect to retire, and begin withdrawing from your account. A TDF adjusts its investments over time. If you are in your early working years, the emphasis of the fund is on growth, in order to build your retirement account balance. As you move toward retirement, the investments of the fund gradually evolve, becoming more conservative to help protect against market fluctuations—and the process happens automatically.

## WHAT IS THE IAP?

The IAP is an account-based benefit separate from your pension. You contribute 6 percent of your salary into the IAP, and your IAP is then credited with earnings or losses annually, based on investment returns. The IAP has no guaranteed investment return.

All Oregon PERS members actively employed since 2004 have an IAP, including those who retired before 2011 but didn't apply for their IAP benefits at retirement.

## HOW DO IAP TARGET-DATE FUNDS BENEFIT ME?

The investment mix of the TDFs considers the various risks you face as your retirement nest egg grows. These risks include shortfall risk (not having enough money at retirement), longevity risk (outliving your money), inflation risk (your savings could lose purchasing power), and market risk (the possibility of experiencing losses due to the overall performance of the financial markets).

Why is this investment mix so important? A TDF balances growing your money against reducing risk exposure as you approach retirement. With a TDF, your money is spread across many different investment types in the fund. This approach gives

you access to diverse asset-class opportunities that include stocks, bonds, and other investments—all in one strategy.

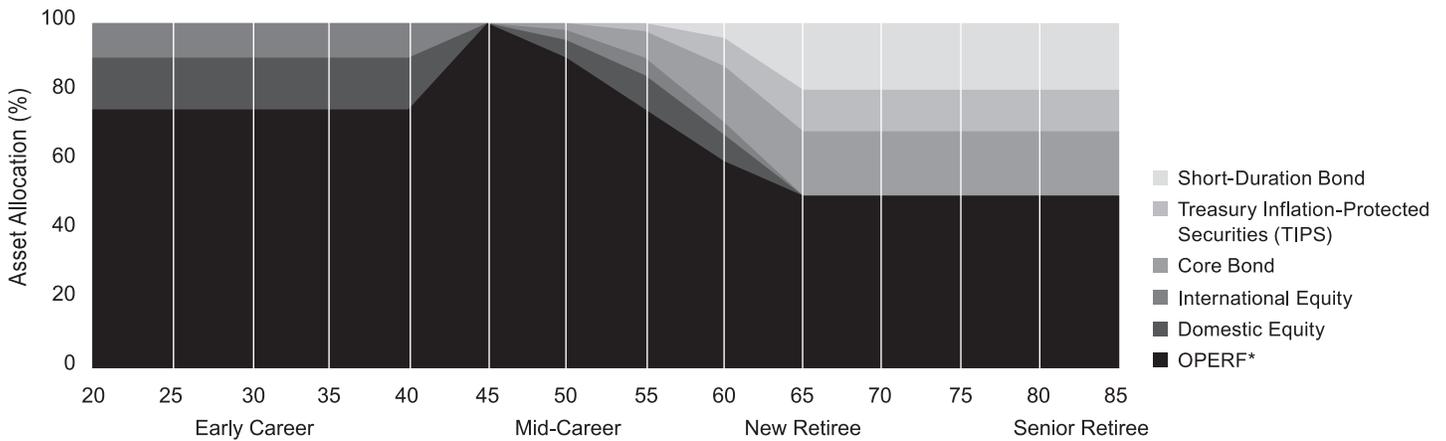
As you can see by the chart below, each of the IAP TDFs will continue to have some money invested in the Oregon Public Employees Retirement Fund (OPERF), which is also managed by the OIC.

Investments in target-date funds are not guaranteed against loss of principal; at any time, your account value can be more or less than the original amount you contributed—including at the time of the fund's target date. Also, investing in target-date funds does not guarantee sufficient income in retirement.

## WHAT SHOULD I DO IF MY BIRTH DATE IS WRONG ON MY ANNUAL STATEMENT?

If you are actively employed, contact your employer (in most cases this is either your human resources or payroll department) to correct personal information. If you are inactive or retired, submit a Date of Birth Change Request form to PERS, which is available at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

Investments Become More Conservative over Time



\*OPERF is managed by the Oregon State Treasury (OST) under the direction of the OIC and contains a mix of the following asset classes: public and private equity, fixed income, alternatives, and real estate. For more information, please refer to the OST website.

Asset Allocation Shifts over Time

	Early Career					Mid-Career					New Retiree					Senior Retiree				
	20	25	30	35	40	45	50	55	60	65	70	75	80	85						
OPERF	75.00	75.00	75.00	75.00	75.00	100.00	90.00	75.00	60.00	50.00	50.00	50.00	50.00	50.00						
Domestic Equity	15.00	15.00	15.00	15.00	15.00	—	5.10	9.85	7.65	—	—	—	—	—						
International Equity	10.00	10.00	10.00	10.00	10.00	—	2.90	5.10	3.60	—	—	—	—	—						
Core Bond	—	—	—	—	—	—	2.00	7.70	16.30	18.65	18.65	18.65	18.65	18.65						
TIPS	—	—	—	—	—	—	—	2.35	8.15	12.05	12.05	12.05	12.05	12.05						
Short-Duration Bond	—	—	—	—	—	—	—	—	4.30	19.30	19.30	19.30	19.30	19.30						

## WHERE CAN I GET MORE INFORMATION?

Investment information, including fund fact sheets, can be found through the Oregon State Treasury at [www.oregon.gov/IAP](http://www.oregon.gov/IAP). This website contains specific information about IAP investments, including OPERF and the IAP Target-Date Funds.

You can also visit [www.oregon.gov/PERS](http://www.oregon.gov/PERS) for information about your overall retirement benefits.