

# **POPULAR** **ANNUAL** **FINANCIAL** **REPORT**

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2024



OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM  
A COMPONENT UNIT OF THE STATE OF OREGON

**OREGON**  
**PERS**  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM





# TABLE OF CONTENTS

---

Director’s Message ..... 1

Financial Summary ..... 2

Actuarial Information/Funded Status ..... 3

Investment Summary ..... 4

Member Data ..... 6

Employer Data ..... 7

PERS Impact on Economy ..... 8

Glossary ..... 9



## DIRECTOR'S MESSAGE

I am pleased to present the inaugural *PERS Popular Annual Financial Report* (PAFR) for Oregon PERS, covering the fiscal year ended June 30, 2024. This report provides an accessible summary of key financial and demographic information from our *PERS Annual Comprehensive Financial Report* (ACFR). While the ACFR includes the full breadth of financial data and disclosures required under Oregon Revised Statute (ORS) 238.630, the PAFR is designed to give members, employers, and the public an easy-to-understand overview of Oregon PERS' financial health.

In 2024, PERS membership reached new heights, surpassing 415,000 with the addition of 10,000 members. This growth reflects not only the increasing number of public employees but also the attractiveness of public sector work. The Oregon Public Employees Retirement Fund (OPERF), managed by the Oregon Investment Council, exceeded \$100 billion in investments—a key milestone for the system.

In addition to a defined benefit plan and the Individual Account Program (a defined contribution plan), we also offer the Oregon Savings Growth Plan (a 457(b) plan) and the PERS Health Insurance Plan. These programs

are critical to providing long-term financial security for our members.

As of the close of the fiscal year, our funded status, excluding side accounts, is 72%, with an unfunded actuarial liability (UAL) of \$29.4 billion. When side accounts are included, the funded status improves to 77%, with a \$24.0 billion UAL.

Oregon Public Service Retirement Plan (OPSRP) members now represent 84% of active membership and account for 71% of the system's normal cost contributions. OPSRP membership, when including all active, inactive, and retiree members, now accounts for over half of our total PERS membership.

Through this new PAFR, we aim to make PERS' financial overview more transparent and understandable for all Oregonians. We look forward to continuing to serve our members with stable retirement benefits and comprehensive support. For more detailed information, the full ACFR and our annual *PERS by the Numbers* publications are available on our website.



# FINANCIAL SUMMARY

The financial data below covers various funds related to retirement and health care benefits, including the pension plan, Individual Account Program (IAP), state employees' deferred compensation plan, and health insurance accounts (RHIA and RHIPA). If you want more detailed information, you can find it in the 2024 *PERS Annual Comprehensive Financial Report*. All funds presented in the basic financial statements of the ACFR are included in the financial statement summaries below.

- The **Fiduciary Net Position** table is a snapshot of all the PERS funds, showing their balances as of June 30, 2024, and June 30, 2023.
- The **Changes in Fiduciary Net Position** table summarizes the growth or losses of the funds during the 2024 and 2023 fiscal years.

## FIDUCIARY NET POSITION

	2024	2023
<b>Assets</b>		
Cash, Receivables, and Other Assets	\$4,747,859,960	\$7,105,686,996
Investment Assets	100,026,871,675	98,826,761,319
Securities Lending Collateral	608,479,757	607,923,172
<b>Total Assets</b>	<b>105,383,211,392</b>	<b>106,540,371,487</b>
<b>Liabilities</b>		
Payables and Other Liabilities	1,665,927,179	5,841,118,110
Securities Lending	608,372,787	607,904,335
<b>Total Liabilities</b>	<b>2,274,299,966</b>	<b>6,449,022,445</b>
<b>Net Position</b>	<b>\$103,108,911,426</b>	<b>\$100,091,349,042</b>

## CHANGES IN FIDUCIARY NET POSITION

	2024	2023
<b>Additions</b>		
Employer Contributions	\$2,525,502,455	\$2,403,884,136
Member Contributions	1,108,367,075	1,046,094,979
Investment Income	6,293,247,904	3,722,383,354
Other Income	6,817,191	8,234,957
<b>Total Additions</b>	<b>9,933,934,625</b>	<b>7,180,597,426</b>
<b>Deductions</b>		
Benefits and Healthcare Premiums	6,817,077,446	6,527,835,785
Refunds	10,831,099	10,172,498
Administrative Expenses	88,463,696	86,194,419
<b>Total Deductions</b>	<b>6,916,372,241</b>	<b>6,624,202,702</b>
<b>Net Change in Fiduciary Net Position</b>	<b>\$3,017,562,384</b>	<b>\$556,394,724</b>

# ACTUARIAL INFORMATION/ FUNDED STATUS

The health of each plan is determined by comparing how much money is available to pay benefits (as of June 30, 2024) with the amount needed to cover all expected future payments.

- **Pension:** This includes all pension plans (Tier One, Tier Two, and OPSRP). As of June 30, 2024, these plans had more actuarial liabilities (what's owed) than assets (what's available), meaning they were underfunded.
- **RHIA:** The Retirement Health Insurance Account had more money than needed and was fully funded as of June 30, 2024.
- **RHIPA:** The Retiree Health Insurance Premium Account was also fully funded as of June 30, 2024.

## FUNDED STATUS

	Defined Benefit Pension Plan	OPEB - RHIA	OPEB - RHIPA
As of June 30,			
2024	79.3%	220.6%	220.7%
2023	81.7%	201.6%	193.2%
2022	84.5%	194.6%	169.7%
2021	87.6%	183.9%	124.6%
2020	75.8%	150.1%	84.5%
2019	80.2%	144.4%	64.9%
2018	82.1%	124.0%	49.8%
2017	83.1%	108.9%	34.3%
2016	80.5%		
2015	91.9%		
2014	103.6%		

\*Data for 2014-2016 is not available for the other postemployment benefits (OPEB)-RHIA and OPEB-RHIPA plans because governmental accounting standards (GASB 74) for OPEB plans went into effect in fiscal year 2017.

# INVESTMENT SUMMARY

The Oregon Investment Council (OIC) manages PERS trust funds by spreading investments across different markets (e.g., stocks and bonds). This helps reduce risk and improve returns.

- The **OIC Asset Allocation** shows how the funds were invested as of June 30, 2024, and June 30, 2023.
- The **Investment Results** table shows how the investments performed over one, three, and five years.
- The **Total Fund Performance** section (next page) provides a summary of how the investments have done over the last 10 years.

## OIC ASSET ALLOCATION

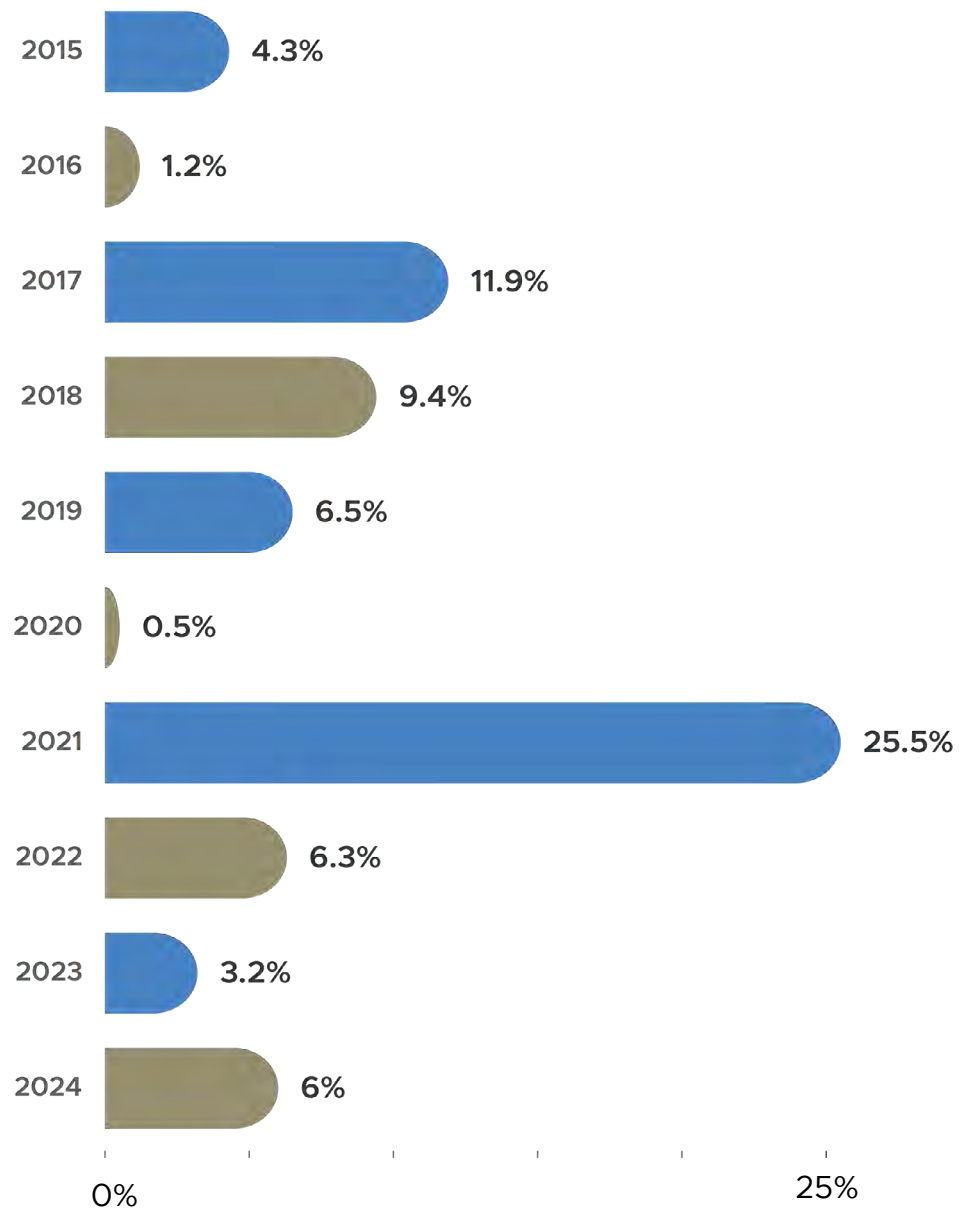
Asset Class/ Strategy	Actual 2024 Allocation	Actual 2023 Allocation
Debt Securities	19.1%	20.0%
Public Equity	23.0	23.3
Real Estate	13.2	13.6
Private Equity	26.9	26.5
Real Assets	10.1	9.1
Diversifying Strategies	5.0	5.0
Opportunity Portfolio	2.7	2.5
Total	100.0 %	100.0%

## INVESTMENT RESULTS

Periods Ended June 30, 2024			
	Annualized		
	1-Year	3-Year	5-Year
Total Portfolio, Excluding Variable Account	5.96%	5.14%	7.96%
OPERF Policy Benchmark	11.22	4.65	8.33
Variable Account	18.72	5.02	10.68
Benchmark: Morgan Stanley Capital International All Country World Investable Market Index Net	18.40	4.70	10.36

# INVESTMENT SUMMARY

## TOTAL FUND PERFORMANCE 10-YEAR REVIEW, ONE-YEAR RETURNS BY FISCAL YEAR





# MEMBER DATA

Membership by Category		State Govt	Local Govt	School Districts	Total
Tier One	Active	2,646	2,333	2,949	7,928
	Inactive	2,077	2,325	2,525	6,927
Tier Two	Active	6,246	7,461	9,842	23,549
	Inactive	2,799	4,418	5,115	12,332
OPSRP	Active	46,733	51,180	65,454	163,367
	Inactive	8,942	11,901	14,411	35,254
Subtotal	Active	55,625	60,974	78,245	194,844
	Inactive	13,818	18,644	22,051	54,513
Retired*		48,132	49,724	68,280	166,136
TOTAL AS OF JUNE 30, 2024					415,493

\*Retirements include beneficiaries, but not members who received total lump-sum retirement or account withdrawal payouts.

# DEMOGRAPHICS

Total number of members

415,493

Retirees working after retirement

9,939

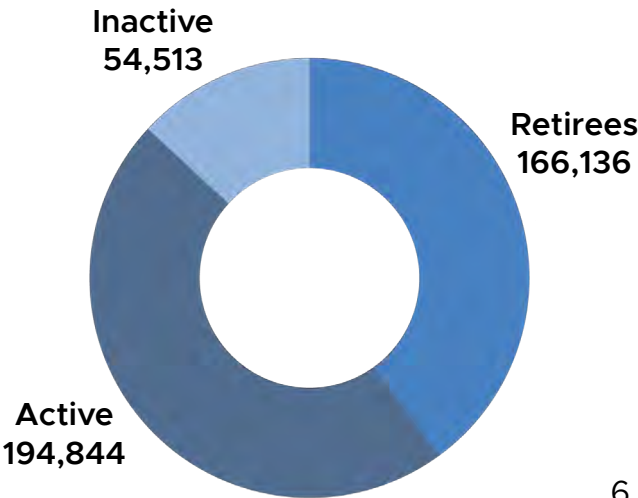
Number of retirements

6,872



## Average public employee salaries at retirement

- For all Tier One/Tier Two retirees from 1990-2023, the final average salary at retirement was **\$59,329 annually**.
- For 2023 Tier One/Tier Two retirees, the final average salary at retirement was **\$99,346 annually**.



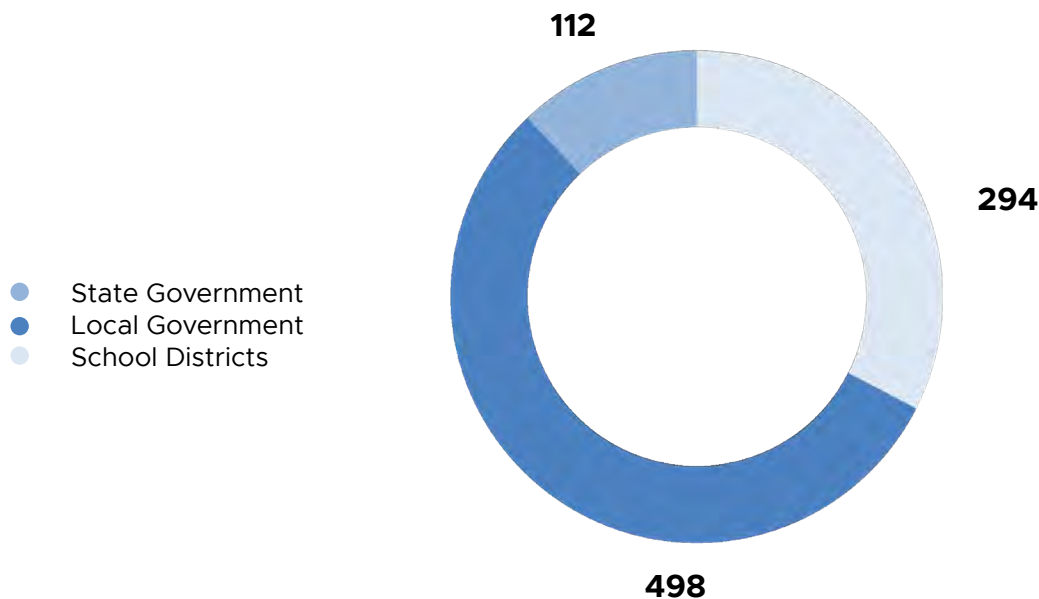
## 2025-27 EMPLOYER CONTRIBUTION RATE INCREASE PROJECTIONS (2023 VALUATION DATA)

(\$ millions)	Projected 2023-25 Payroll*	(A) Projected 2023-25 Contribution	Projected 2025-27 Payroll*	(B) Projected 2025-27 Total Contribution	(B) - (A) Projected Contribution Increase
State Agencies	\$9,460	\$1,960	\$10,120	\$2,440	\$480
School Districts	\$9,970	\$1,600	\$10,660	\$2,270	\$670
All Others	\$11,210	\$2,380	\$11,980	\$2,990	\$610
Total	\$30,640	\$5,940	\$32,760	\$7,700	\$1,760

\*Assumes total payroll grows at 3.40% annually based on 12/31/2023 active member census. The collared net rate applied to this payroll reflects the projected change over time in payroll composition as new OPSRP members are hired to replace retiring Tier One or Tier Two members.

## PERS-PARTICIPATING EMPLOYERS AS OF JUNE 30, 2024

PERS currently has 904 participating employers, including state agencies, universities, community colleges, school districts, cities, counties, and other local government units.



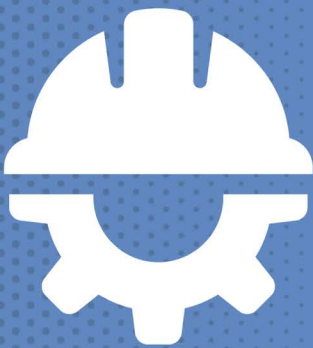
# PERS IMPACT ON ECONOMY



PERS benefits paid  
to Oregonians  
**\$4.74 billion**



Total increase in Oregon  
economic output  
**\$5.44 billion**



Oregon jobs  
supported  
**32,898**



Wages of  
Oregon jobs  
supported  
**\$1.57  
billion**



Taxes paid by  
PERS retirees  
in Oregon  
**\$300  
million**

**Actuarial asset value** – the value of assets used in calculating the required contributions. The actuarial asset value may be equal to the fair market value of assets, or it may spread the recognition of certain investment gains or losses over a period of years in accordance with a smoothing method.

**Additions** – the revenues received during a specified fiscal period.

**Assets** – the money, investments, and resources that are currently owned by the PERS system such as investments and real estate.

**Changes in fiduciary net position** – the difference between the fiduciary net position of a given fund or plan from one date to another, typically showing the activity during a particular fiscal year. For instance, the changes in fiduciary net position for fiscal year 2024 represent the additions (revenues received) minus the deductions (expenses incurred) between July 1, 2023 and June 30, 2024.

**Deductions** – the expenses incurred during a specified fiscal period.

**Defined benefit pension plan** – a type of retirement benefit plan that guarantees a retiree a specific benefit at retirement, based on various criteria such as years of service time and final average salary. For PERS, the defined benefit pension plan includes Tier One, Tier Two, and OPSRP members.

**Fiduciary net position** – total assets minus total liabilities of a given fund or plan as of a specified date.

**Liabilities** – the obligations owed to others outside of the PERS system such as benefit payments and investment fees.

**OIC** – Oregon Investment Council, the agency responsible for the investment of money in the Oregon Public Employees Retirement Fund (OPERF).

**Other postemployment benefit (OPEB) plan** – the two healthcare plans offered by PERS, RHIA and RHIPA, are considered OPEB plans under Governmental Accounting Standards Board (GASB) guidelines.

**RHIA** – Retiree Health Insurance Account, a plan offered to Tier One and Tier Two retirees that provides a stipend for health insurance premiums.

**RHIPA** – Retiree Health Insurance Premium Account, a plan offered to Tier One and Tier Two retirees who worked at a state agency that provides a stipend for health insurance premiums.

**Side Account** – a lump-sum payment to prepay all or part of employers' pension unfunded actuarial liability (UAL). This account is attributed solely to the employer making the payment and is held separate from other employer reserves.

**Total pension liability** – the present value of anticipated future benefit payments, as determined by the actuaries.