

POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



OREGON
PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



OREGON PUBLIC EMPLOYEES
RETIREMENT SYSTEM

.....
A COMPONENT UNIT OF THE
STATE OF OREGON





Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

Oregon Public Employees Retirement System

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

A handwritten signature in black ink that reads "Christopher P. Morrell".

Executive Director/CEO

Oregon Public Employees Retirement System Annual Comprehensive Financial Report for the year ended June 30, 2024, from which the information on all pages has been drawn, was awarded the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such an Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.

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DIRECTOR'S MESSAGE

I am pleased to present the 2025 Popular Annual Financial Report (PAFR) for Oregon PERS, covering the fiscal year ended June 30, 2025. This report provides an accessible summary of key financial and demographic information from our *2025 PERS Annual Comprehensive Financial Report (ACFR)*.

While the PERS 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 2025, PERS membership continued to rise to approximately 422,000 members. This growth reflects the need for public service employees across Oregon, and the appeal, to employees, of a defined benefit pension plan and the Individual Account Program, a defined contribution plan. In addition, members have the option to enroll in 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 December 31, 2024, our funded status, excluding side accounts, was 73%, with an unfunded actuarial liability (UAL) of \$29.2 billion. When side accounts are included, the funded status improves to 77%, with a \$24.8 billion UAL.

Though the system can be complex, this PAFR tries to make PERS' financial overview more transparent and understandable for all Oregonians.

We are proud to serve our members by managing the retirement they have earned in their careers. For more detailed information, the full ACFR and our annual *PERS by the Numbers* are available on our website.

Kevin Olineck
PERS Director

FINANCIAL SUMMARY

The financial data below covers various funds related to retirement and healthcare, including the pension plan, Individual Account Program (IAP), state employees' deferred compensation plan, and health insurance accounts Retiree Health Insurance Account (RHIA) and Retiree Health Insurance Premium Account (RHIPA). If you want more detailed information, you can find it in the *2025 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, 2025, June 30, 2024, and June 30, 2023.
- The **Changes in Fiduciary Net Position** table summarizes the growth or losses of the funds during the 2025, 2024, and 2023 fiscal years. For more information on year-over-year variances, please read the Management's Discussion and Analysis starting on page 29 of the PERS 2025 ACFR.

FIDUCIARY NET POSITION

	2025	2024	2023
Assets			
Cash, Receivables, and Other Assets	\$5,030,883,650	\$4,747,859,960	\$7,105,686,996
Investment Assets	105,322,199,075	100,026,871,675	98,826,761,319
Securities Lending Collateral	610,866,064	608,479,757	607,923,172
Total Assets	110,963,948,789	105,383,211,392	106,540,371,487
Liabilities			
Payables and Other Liabilities	2,004,054,285	1,665,927,179	5,841,118,110
Securities Lending	610,811,168	608,372,787	607,904,335
Total Liabilities	2,614,865,453	2,274,299,966	6,449,022,445
Net Assets - Restated (*)	\$108,349,083,336	\$103,108,911,426	\$100,091,349,042

* Net position as of June 30, 2024 was restated. See note 13 on page 101 of the ACFR.

CHANGES IN FIDUCIARY NET POSITION

	2025	2024	2023
Additions			
Employer	\$2,928,893,651	\$2,525,502,455	\$2,403,884,136
Member	1,224,735,475	1,108,367,075	1,046,094,979
Investment Income	8,319,087,987	6,293,247,904	3,722,383,354
Other Income	5,761,700	6,817,191	8,234,957
Total Additions	12,478,478,813	9,933,934,625	7,180,597,426
Deductions			
Benefits and Healthcare Premiums	7,128,030,261	6,817,077,446	6,527,835,785
Refunds	14,140,595	10,831,099	10,172,498
Administrative Expenses	92,099,585	88,463,696	86,194,419
Total Deductions	7,234,270,441	6,916,372,241	6,624,202,702
Net Income	\$5,244,208,372	\$3,017,562,384	\$556,394,724

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, 2025) with the amount needed to cover all expected future payments.

- **Pension:** This includes all pension plans: Tier One, Tier Two, and Oregon Public Service Retirement Plan (OPSRP). As of June 30, 2025, these plans had more actuarial liabilities (what's owed) than assets (what's available, including side account balances), meaning they were underfunded. Funded status as of fiscal year end is calculated differently than funded status presented in the actuarial valuations because of changes in asset values from December to June, and differences in financial reporting requirements.
- **RHIA:** The Retiree Health Insurance Account had more money than needed and was fully funded as of June 30, 2025.
- **RHIPA:** The Retiree Health Insurance Premium Account was also fully funded as of June 30, 2025.

FUNDED STATUS – FISCAL YEAR END

As of June 30,	Defined Benefit Pension Plan*	OPEB - RHIA	OPEB - RHIPA
2025	79.9%	239.9%	233.7%
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%	n/a**	n/a**

*The December 31, 2023, system-wide actuarial valuation was used to develop the Governmental Accounting Standards Board (GASB) 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2025, using standard roll-forward procedures.

**Data for 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 asset classes (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, 2025, 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

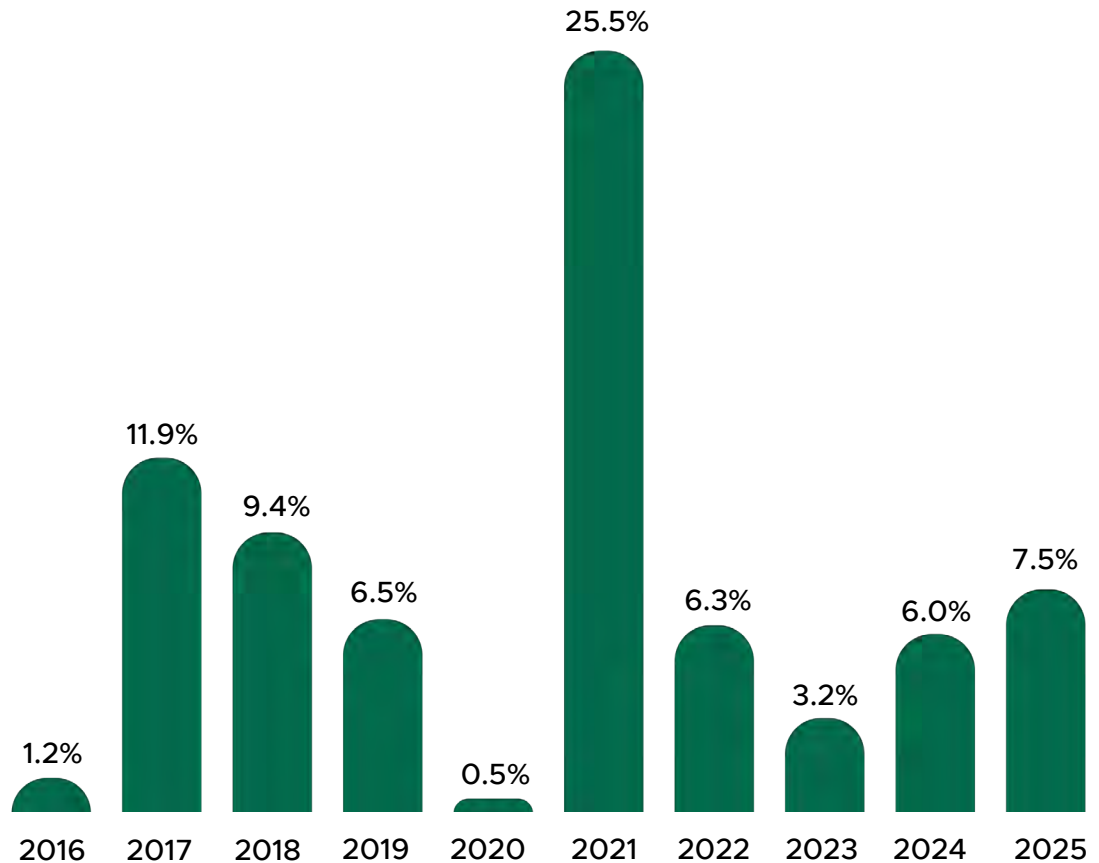
Asset Class/ Strategy	Actual 2025 Allocation	Actual 2024 Allocation	Actual 2023 Allocation
Debt Securities	19.0%	19.1%	20.0%
Public Equity	25.2	23.0	23.3
Real Estate	13.3	13.2	13.6
Private Equity	24.9	26.9	26.5
Real Assets	10.2	10.1	9.1
Diversifying Strategies	4.8	5.0	5.0
Opportunity Portfolio	2.6	2.7	2.5
Total	100.0 %	100.0%	100.0%

INVESTMENT RESULTS

	Periods Ended June 30, 2025		
	Annualized		
	1 -Year	3 -Year	5 -Year
Total Portfolio, Excluding Variable Account	7.51 %	5.53 %	9.43 %
OPERF Policy Benchmark	9.10	7.97	9.67
Variable Account	16.20	17.11	13.72
Benchmark: Morgan Stanley Capital International All Country World Investable Market Index Net	15.89	16.80	13.39

INVESTMENT SUMMARY

TOTAL FUND PERFORMANCE 10-YEAR REVIEW, ONE-YEAR RETURNS FOR THE FISCAL YEARS ENDED JUNE 30



MEMBER DATA

Membership by Category		State Govt.	Local Govt.	School Districts	Total
Tier One	Active	2,295	1,873	2,328	6,496
	Inactive	1,817	2,056	2,231	6,104
Tier Two	Active	5,795	6,820	9,182	21,797
	Inactive	2,672	4,136	4,918	11,726
OPSRP	Active	49,098	54,123	66,744	169,965
	Inactive	9,463	12,346	15,385	37,194
Subtotal	Active	57,188	62,816	78,254	198,258
	Inactive	13,952	18,538	22,534	55,024
Retired*		48,642	50,944	69,066	168,652
TOTAL AS OF JUNE 30, 2025					421,934

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

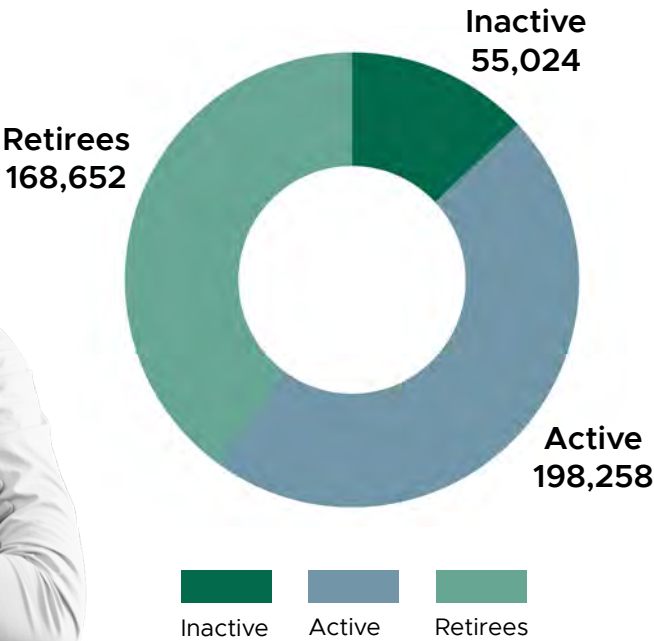
DEMOGRAPHICS

Total number of members
421,934

Retirees working
after retirement
9,794

Number of retirements
6,989

For 2025 retirees, the final average
salary at retirement was
\$85,692
and the annual average
benefit paid was
\$32,280



EMPLOYER DATA

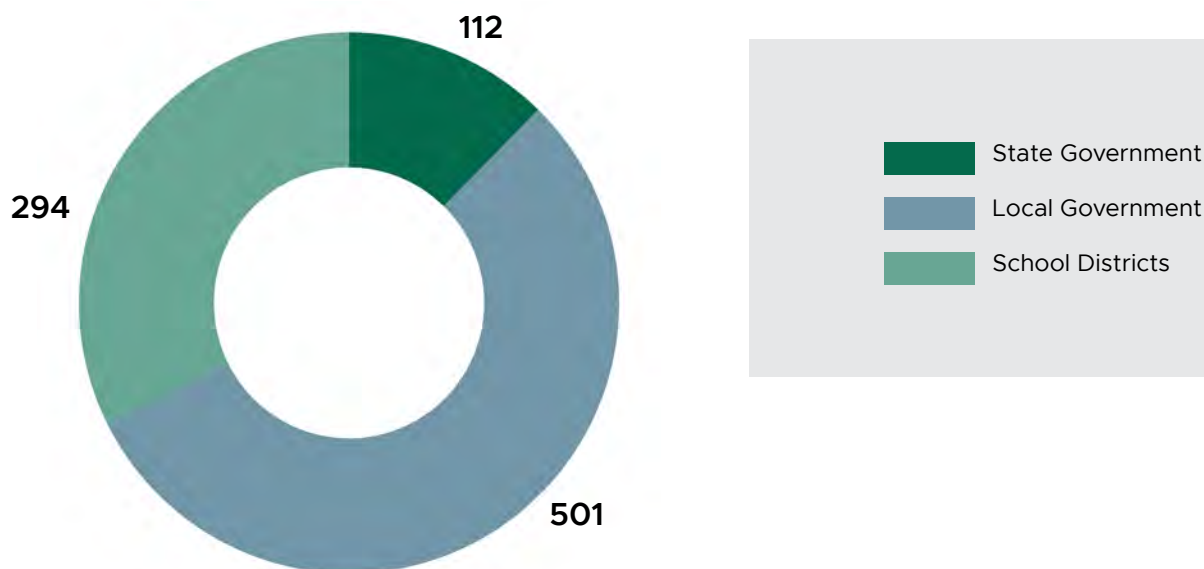
2027 - 29 EMPLOYER CONTRIBUTION RATE PROJECTIONS (2024 VALUATION DATA)

(\$ millions)	Projected 2025 - 27 Payroll*	(A) Projected 2025 - 27 Contribution	Projected 2027 - 29 Payroll*	(B) Projected 2027 - 29 Total Contribution	(B) - (A) Projected Contribution Increase
State Agencies	\$10,820	\$2,610	\$11,570	\$3,200	\$600
School Districts	\$10,980	\$2,330	\$11,740	\$3,020	\$690
All Others	\$12,680	\$3,150	\$13,550	\$3,450	\$290
Total	\$34,480	\$8,090	\$36,860	\$9,670	\$1,580

*Assumes total payroll grows at 3.40% annually based on 12/31/2024 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, replacing retiring Tier One/Tier Two members.

PERS-PARTICIPATING EMPLOYERS AS OF JUNE 30, 2025

Currently 907, including state agencies, universities, community colleges, school districts, cities, counties, and other local government units.

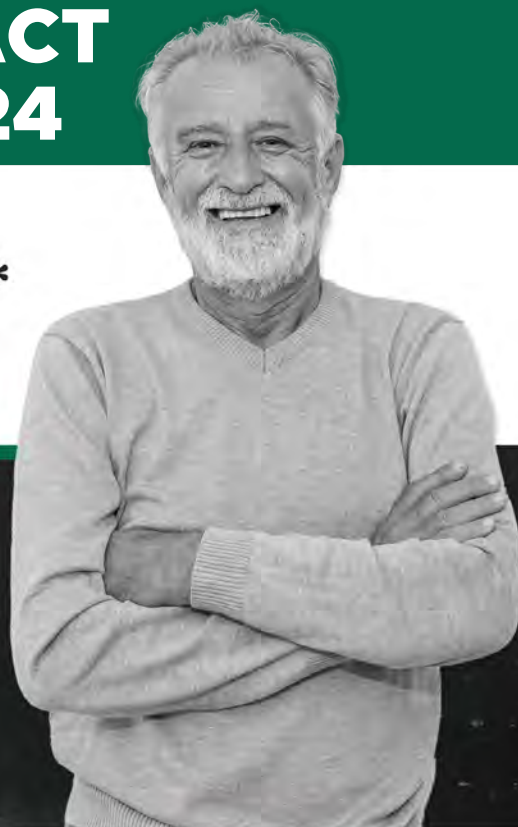


ECONOMIC IMPACT OF PERS IN 2024



\$4.88 billion*

PERS benefits paid
to Oregonians



**\$5.55
billion****

Total increase
in Oregon
economic output

\$1.60 billion**

Wages of
Oregon jobs supported



32,126 **
Oregon
jobs supported

**\$302
million *****

Taxes paid by
PERS retirees
in Oregon

* From PERS internal systems.

** Data derived from calculations based on factors provided by the US
Department of Commerce's Bureau of Economic Analysis.

*** Data provided by the Department of Revenue.

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 2025 represent the additions (revenues received) minus the deductions (expenses incurred) between July 1, 2024 and June 30, 2025.

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

RHIPA – Retirement 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.

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



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