

PERSPECTIVES

For Tier One/Tier Two members (hired before August 29, 2003)

August 2019 Edition



Senate Bill 1049: Member contribution changes in July 2020

The Oregon Legislature and Governor approved Senate Bill 1049 during the 2019 legislative session. Read [PERS Director Kevin Olineck's statement](#) from when the bill passed. [Sign up for GovDelivery updates](#) to receive email or text alerts from PERS to stay informed when we have new information to share.

While there are no **immediate** member impacts (the first changes go into effect January 1, 2020, but **most members will not see any changes until July 1, 2020**), the bill does make future changes to member and employer contributions, as well as some other tweaks to PERS.

Our [SB 1049 Information webpage](#) contains the latest analysis about the bill. **We do not currently have more information outside of what is on that webpage to share.** More details will be added as we continue addressing policy and implementation questions.

Thank you for your patience and understanding as the agency works to implement the bill. The following is a short summary of key changes to keep in mind.

January 1, 2020 – Salary Limitations

A new salary cap will limit annual PERS subject salary to \$195,000 (indexed annually to the Consumer Price Index), beginning with calendar year 2020. This salary cap applies to all PERS *subject salary* paid by your employer—regular pay, vacation payouts, overtime pay, etc. The limit does not apply to the unused sick leave program under ORS 238.350, if your employer participates.

The salary limit will mostly impact the pension benefit calculations for high earners, as well as limit their future IAP contributions. Please note: Online and written pension benefit estimates for future effective retirement dates (January

1, 2020, and forward) **do not currently reflect the changes made by SB 1049.** More details will be added to the PERS website.

January 1, 2020 – Work After Retirement

In 2020-2024, if you are re-hired by a PERS-covered employer, you can continue receiving your pension benefit (without accruing any new benefits) with no hour limitations if you retire on or after [normal retirement age](#). Read more on the PERS website.

July 1, 2020 – IAP Redirect

For all currently employed Tier One/Tier Two members earning \$2,500/month or more, a portion of your 6% [IAP contributions](#) will be redirected to a new “Employee Pension Stability Account.” That account will be used to pay for part of your future pension benefit (Tier One/Tier Two defined benefit pension).

- 2.5% of your salary, currently contributed to the IAP, (whether paid by you or your employer) will start going into an “Employee Pension Stability Account.” The remaining 3.5% of salary will continue to go to your existing IAP account.
- Tier One/Tier Two members can voluntarily choose to make additional, after-tax contributions of 2.5% into the IAP to make a full, 6% contribution to the IAP.

Fall 2020 (in advance of January 1, 2021 IAP Member Choice)

PERS will inform members of an “optional investment choice window,” in which you can choose a different [Target-Date Fund](#) for your IAP investments, starting in 2021, rather than the default fund based on your birth year.

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PERS

EXPO 2019

Your Path to Financial Wellness

Wednesday, October 9, 2019 – Salem Convention Center

REGISTER TODAY!
growyourtomorrow.com/expo

FEATURING



Some afternoon sessions still available!

and many more retirement education and financial planning resources

PERS Expo 2019 will give you direct access to valuable retirement planning activities, resources, and other useful information. Meet with retirement counselors, health insurance experts, and investment professionals. There are workshops and resources tailored for everyone, from the newest public employee to someone ready to retire.

Join us in Salem from 10 a.m. to 7 p.m.



Better TOGETHER.

Can't make it to Salem for the Expo? Sessions full?

Outside of our annual Expo, PERS, the [Oregon Savings Growth Plan \(OSGP\)](#), and the [PERS Health Insurance Program \(PHIP\)](#) offer education sessions throughout the year at various locations.

To view the schedule of upcoming sessions at a location new year, follow the links below:

[PERS Education Sessions](#)

[OSGP Workshops](#)

[PHIP New Enrollment Presentations](#)

Member Satisfaction Survey: Thank you for your feedback

Thank you to the over 5,000 PERS members (2,212 non-retired members) who took our annual member satisfaction survey in May.

This was our first time conducting the survey online-only and in the month of May. We made this change in a strategic effort to receive more feedback from non-retired members. We especially hoped to hear from more school employees, PERS' largest membership group, by moving the survey from August to May.

PERS is especially pleased to get an increase in active member participation in this year's survey. To track our success in reaching different types of PERS members, we added a new question about employment type (see active member results on the right) to analyze this in future years.

Your overall feedback, and especially the communication preferences and ideas you shared, are extremely valuable. Your feedback allows us to make improvements to the services we provide and better serve our members.

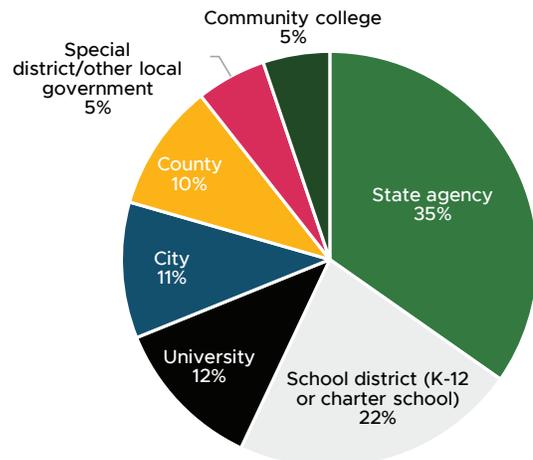
Full results will be presented to the PERS Board in October, and we will share additional analysis in a future issue of *Perspectives*.

Thank you to everyone who participated for taking the time to share your honest feedback.

Top answers: What is your preferred method to get information from PERS?

PERS website	65.4%
Email from PERS/GovDelivery	60.5%
PERS Annual Statements	50.2%
Online Member Services (OMS)	46.2%
<i>Perspectives</i> newsletter	37.2%
Letters from PERS	31.5%
PERS group education sessions	21.2%
PERS call center	14.6%
My employer/HR	14.4%

What type of PERS-covered employer do you work for?



Sign up for GovDelivery email or text updates to stay informed!

Retirement process reminders

Are you planning to retire in the near future? Don't leave planning to the last minute!

Make sure you review PERS' [Steps to Retire](#) page and follow all of the instructions. PERS is here as your retirement education resource if you have any questions or need support.

We offer:

- [Education sessions](#) across the state, including special "Retirement Readiness" presentations with an additional overview on how to complete PERS retirement forms.
- [Retirement Application Assistance Sessions \(RAAS\)](#) – A 45-minute, one-on-one appointment with a PERS staff member to review your Retirement Application.
- PERS Member Services team members are available Monday through Friday from 8:30 a.m. to 5 p.m. to answer your retirement questions via [phone](#) or [email](#).

Please remember, as you are planning for your future retirement, it can take **up to 92 days from your retirement date** (not the date you submit your application) **for your first Tier One/Tier Two pension benefit to be paid**. Once we receive your application, PERS must review all of your account information, including reconciling data as needed from your employer(s).

Filling out your application correctly, reviewing your data in [Online Member Services](#) or on your [Member Annual Statement](#) (and alerting your **employer** if anything is incorrect), and getting [estimates from PERS](#) are some ways to make sure your application is processed quickly and everything goes smoothly.

IAP retirement benefits can typically take from 90 to 120 days to process and complete payment. Once PERS has completed your IAP retirement processing, we must submit your account information to Voya, our third-party administrator, to issue payments or rollovers.

2019 Education Sessions Available!

[Sign up to learn about your PERS benefits at any stage of your career](#)

PERS Contact Information

Address correspondence to: **PERS, PO Box 23700, Tigard, OR, 97281-3700.**

PERS' headquarters is located at: **11410 SW 68th Parkway, Tigard, Oregon, 97223.**

Phone: 888-320-7377, TTY: 503-603-7766. Telephone hours are 8:30 a.m. to 5 p.m., Monday through Friday, except holidays.

Website and Online Member Services: <https://oregon.gov/PERS>.

Email PERS Member Services at: PERS.Member.Services@state.or.us.

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