

PERSPECTIVES

For OPSRP members (hired after August 28, 2003)

April 2021 edition



SB 1049

SB 1049 reminders for 2021

PERS is now administering those aspects of [Senate Bill 1049](#) (SB 1049) that affect member benefits. Here are a few reminders to help you in 2021.

Member Choice

Any changes you made to your Individual Account Program (IAP) Target-Date Fund (TDF) in September 2020, took effect on January 1, 2021, and you cannot make any new changes in Online Member Services until the next Member Choice window opens in September 2021.

Changes that took effect in January will not be reflected on the [member annual statement](#) you receive this spring because the cut-off date for account information that goes into your statement was December 31, 2020. You will see January 2021 changes on your spring 2022 statement.

Find full information about Member Choice on the [IAP Target-Date Funds](#) webpage.

Member Redirect and IAP

If you earn more than the \$2,535 a month in 2021, a portion of your 6% IAP contributions are now redirected into the [Employee Pension Stability Account](#) (EPSA). Contributions and earnings to the EPSA account from 2020 will be shown on your 2020 member annual statement, which you will receive in spring 2021. The redirect to EPSA remains in effect when the PERS system is less than 90% funded.*

In fall 2020, you gained the option of making a 0.75% [voluntary contribution](#) to your IAP to make up for the redirect. Remember that you can [begin or end voluntary contributions](#) by

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2020 member annual statements on their way in May

The latest information about your PERS retirement benefits will soon arrive in your mailbox. Member annual statements for 2020, reflecting data submitted by your employer as of December 31, 2020, will be mailed by the end of May.

When you receive your statement, check that all your personal information is correct. If not, contact your employer if you are currently employed (this is usually your human resources or payroll department), or submit an [Information Change Request](#) form if you are not currently employed.

Take a moment to review your statement to better understand how your retirement benefits will be calculated in future.

As an [Oregon Public Service Retirement Plan \(OPSRP\)](#) member, your statement will show important details about the two parts to your PERS retirement: your pension and your Individual Account

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Take our 2021 member survey in May

Share your feedback and help the PERS agency improve its member services by taking our annual member satisfaction survey.

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Three things to review on your Member Annual Statement

Your member annual statement is an important document to review as part of career-long retirement planning. Keep in mind that all data is as of December 31, 2020, as reported by your employer(s).

1 Make sure your date of birth is correct. Because your IAP may be invested in an age-based Target-Date Fund, it is important you check that your employer submitted your birthdate correctly to PERS. If you are not working for a PERS-participating employer, you can use PERS' [Date of Birth Change Request](#) form to correct your birthdate. Otherwise, you will need to contact your employer (usually your payroll or human resources department) to make corrections.

2 Verify your retirement credit and run a pension benefit estimate. Your pension will provide a lifetime monthly benefit at retirement once you are [eligible](#) and [vested](#). Your pension does not have an account balance. Use [Online Member Services](#) (OMS) to create a retirement benefit estimate, or use the formula listed on your statement to estimate what your monthly pension could be. Keep in mind you only receive retirement credit for work in a [qualifying position](#).

[FAQs on the PERS website will be updated when statements are mailed.](#)

PREPARED FOR

IMA MEMBER
11410 SW 68TH PKWY
TIGARD OR 97223

2020

Member Annual Statement

PERS ID: [REDACTED] **1** DATE OF BIRTH: October 12, 1988

EMPLOYMENT INFORMATION

FIRST HIRE DATE December 19, 2011	MEMBERSHIP DATE July 1, 2012	JOB CLASSIFICATION General Service
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2020 OPSRP PENSION INFORMATION

Your Oregon Public Service Retirement Plan (OPSRP) pension is the first part of your retirement benefit. The pension provides a lifetime monthly benefit at retirement for eligible, vested members. You can produce a pension benefit estimate for a future retirement date on Online Member Services (OMS), located on the PERS website.

What could my pension benefit be at retirement?

1.5% x years of total retirement credit x monthly final average salary = monthly pension benefit

Vested status:	Yes
2020 retirement credit:	1 year
Total retirement credit:	8 years, 6 months

2020 INDIVIDUAL ACCOUNT PROGRAM (IAP) INFORMATION

The IAP is the second part of your retirement benefit. Your IAP is credited with earnings or losses **annually** based on the investment returns of your IAP Target-Date Fund. The benefit you will receive from your IAP at retirement is based on your account balance and the distribution option you select. To review IAP information, visit [IAP.Voya.com](#).

3 IAP Target-Date Fund: 2055

Account balance December 31, 2019:	\$20,000.00
Employee contributions in 2020:	\$1,200.00
2020 earnings rate:	12.70%
Earnings for 2020:	\$2,692.40
Account balance December 31, 2020:	\$23,892.40
Next Year's IAP Target-Date Fund: 2055	

2020 EMPLOYEE PENSION STABILITY ACCOUNT (EPSA) INFORMATION

Starting July 1, 2020, you contribute a portion of your salary to help pay for your pension benefit. Your new EPSA account is a requirement of Senate Bill 1049, passed by the Oregon Legislature in 2019. This money comes out of your contributions.

Account balance December 31, 2019:	\$0.00
Employee contributions in 2020:	\$171.43
Earnings rate:	8.2%
Earnings for 2020:	\$14.06
Account balance December 31, 2020:	\$185.49

IMPORTANT: This annual statement is based on information available to PERS, as reported by your employer(s), as of December 31, 2020. Please see the reverse side for instructions about correcting personal information. This statement does not entitle you to any benefits. Your benefits are determined in accordance with Oregon Revised Statutes Chapter 238A. PERS is required to correct any errors in account or membership information and to make any

3 Review information about your IAP. Your 2020 statement will show investment returns for your IAP Target-Date Fund. You can learn more about [IAP Target-Date Funds](#) on the PERS website and through the Oregon Investment Council (OIC), which sets all PERS [investment strategies](#). The investment mix for each fund is different, so your investment returns may differ from other members who are invested in different TDFs.

Member Choice reminder: If you changed your TDF in fall 2020 as part of Member Choice, this change did not go into effect until January 1, 2021. Therefore, you will not see your new TDF reflected on a statement until spring 2022.

$$\begin{array}{ccc}
 \mathbf{B} & = & \mathbf{C} & + & \mathbf{E} \\
 \mathbf{BENEFITS} & & \mathbf{CONTRIBUTIONS} & & \mathbf{EARNINGS} \\
 \textit{Present value} & & \textit{Employer and member funds} & & \textit{Future returns on invested funds} \\
 \textit{of earned benefits} & & \textit{to pay pension benefits} & & \textit{(managed by Oregon Investment} \\
 \textit{(set by Oregon Legislature)} & & \textit{(set by PERS Board)} & & \textit{Council and Oregon State Treasury)}
 \end{array}$$

PERS relies on some basic math to keep track of how it is doing financially as a retirement system.

Funding equation helps PERS measure its financial health

As a PERS member, you may wonder how PERS keeps track of how it is doing financially as a retirement system. The short answer is that PERS relies on some basic math:

$$\mathbf{B} = \mathbf{C} + \mathbf{E}$$

BENEFITS **CONTRIBUTIONS** **EARNINGS**

PERS’ “funded status” compares how much money the PERS system has versus how much it is projected to pay out in retirement benefits over the long term. The result is a percentage that indicates to what degree the program is fully funded — or not — at a specific point in time. To be “fully funded” means there’s enough money to cover the payment of future benefits to retirees.

PERS calculates its funded status for each calendar year through a process called an “actuarial valuation.” The official actuarial valuation for the year ending December 31, 2020, will be released in fall 2021.

2019-2020 data

The last official actuarial valuation results available show PERS’ funded status is 72% as of December 31, 2019. That percentage jumps to 79% when another variable is taken into account: employer side accounts. Side accounts are where

PERS-participating employers deposit lump-sum payments that gradually offset the cost of their PERS contributions. As of December 1, 2020, 89 Oregon public employers took advantage of a side account program developed by the Oregon Legislature, called the Employer Incentive Fund (EIF), where \$342.4 million in funding has been dedicated to bolstering the PERS system.

Based on the actuarial valuation and other available data, the PERS Board adjusts contribution rates (**C**) every two years. The board does this to ensure that money coming into the system will be enough to cover benefit payments (**B**), so long as the system also gets assumed invested returns (**E**).

On the earnings side, since 1970, long-term investments of the Oregon Public Employees Retirement Fund (OPERF) have paid for **more than 74%** of PERS pension benefit payments.

For 2020, OPERF ended the calendar year with a 7.7% return on its investments. (*Learn more about investment returns from the Oregon State Treasury on [page 6.](#)*)

For more information about the PERS funding equation, see page 21 of “[PERS by the Numbers.](#)”

Retirement planning: Ask yourself, are you saving enough?

Your retirement future is up to you. How you plan and save for your retirement can determine your retirement security. Understanding your PERS retirement benefits can help you to better plan for your future.

Your OPSRP pension is a defined benefit program. That means you or a beneficiary may receive a monthly benefit for life. Your

Individual Account Program (IAP) is the second part of your PERS retirement benefit, separate from your pension. The benefit you will receive from your IAP at retirement is based on your total account balance and the distribution option you select.

To check whether you’ll have the money you need for a secure retirement, begin by gathering

benefits estimates for your pension, IAP, and Social Security. Estimation tools are available for each as follows:

- OPSRP pension — Log into [Online Member Services](#), and click the “Benefit Estimate” link to get started.
- IAP account payments —

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Explore PERS self-service tools through OMS

Need to check your retirement credit, register for an education session, or update your address or contact information? PERS has you covered with a number of self-service tools.



Online Member Services

[Online Member Services \(OMS\)](#) is where to go if you need to:

- Review your employment history, including your salary and retirement credit.
- Generate online benefit estimates to see how much your pension could be.
- Update your email address and phone number.
- [Begin or end voluntary contributions](#) to your IAP.

PERS recently redesigned some aspects of OMS to make it easier for you to use. Log in to explore all the functions that OMS offers.

For help with creating or using your OMS account, go to PERS' [What Can I Do in OMS?](#) webpage for tips, including a [step-by-step PDF guide](#).

Remember to use an email address you always will have access to, including when you change jobs or retire, when setting up your OMS account.

Also be sure to review your member data, which is

submitted to PERS by your employer. If you find errors in that data, first contact your employer (this is usually your payroll or human resources department) to correct it.

Be aware that not all account types work with OMS. If you receive error messages, [contact Member Services](#) for help.



Individual Account Program

If you want to check on your account in the Individual Account Program (IAP), go to iap.voya.com.

If you've never logged into the IAP portal before, you'll need to [contact Member Services](#) to request an initial login PIN. Further details can be found on PERS' [IAP Account Log-On Information](#) webpage.

After logging in, you can check your IAP balance and ongoing contributions. Note that delays can occur in updates to information on this website because of employer reporting cycles and PERS' third-party partnership with Voya Financial.

Oregon Savings Growth Plan

Do you want to save more for your retirement? Learn how you could supplement your retirement savings through the [Oregon Savings Growth Plan](#) (OSGP).

OSGP is a deferred compensation plan available to eligible public employees. ([Learn more about OSGP on page 3.](#))

Find your forms

Want to designate your beneficiary, request a benefit estimate or "apply" for retirement? There's a form for that.

Find the form you need on PERS' [Most Requested Forms](#) and [OPSRP Member Forms](#) webpages.

When retirement nears

If you're nearing your desired retirement age, be sure to [review all of the steps](#) you need to take preceding your retirement.

PERS recommends you start these preparations early to avoid delays or hiccups in your retirement process. Preparations should include getting [online or written benefit estimates](#) to understand what your pension payments could be and participating in at least one [PERS education session](#), which continue to be available only by webinar due to the pandemic.

Post-retirement health plans

How will your health care needs be covered in retirement? Learn about Medicare plans and options for supplemental medical and dental insurance through [PERS Health Insurance Program](#) (PHIP). ([Read more about PHIP on page 7.](#))

2020 online member survey: continued from page 1

Starting May 1, you can complete the survey online. Members who subscribe to PERS emails or text updates through [GovDelivery](#) will receive a reminder with the [survey link](#) on May 1. Other ways you can access the survey include going to the

PERS website, where announcements will be posted about the survey, including on the homepage, oregon.gov/PERS.

You will have until May 31 to complete the survey.

2020 earnings crediting approved by PERS Board

The Oregon PERS Fund (OPERF) earned 7.7% in investment returns for 2020.

Annual earnings credited to member accounts are different than the amount earned by OPERF investments. This is due to administrative expenses and reserving requirements provided in statutes, administrative rules, and PERS Board actions.

At its March 29, 2021, meeting, the PERS Board approved 2020 annual earnings crediting.

As a reminder, OPSRP members

have two components in their retirement plan: a pension and the Individual Account Program (IAP).

Although you do not have an account balance for your pension, OPERF investment returns, along with employer contributions, help fund your future pension benefit. *(Read the funding equation article on [page 3](#).)*

IAP accounts are invested in age-based IAP Target-Date Funds (TDF). The board-approved earnings for the TDFs are given in the table below.

You can find your IAP account earnings on your upcoming 2020 member annual statement. You should receive this statement by the end of May.

In September 2020, members gained the [option to change their TDF](#) as a result of Senate Bill 1049. You can double-check which TDF you are invested by [logging into your IAP account](#).

OPERF is managed by the Oregon State Treasury under the direction of the Oregon Investment Council (OIC).

2020 Individual Account Program (IAP) Annual TDF Earnings

Birth Year	IAP Target-Date Fund	Board-Approved Earnings*
In 1957 or before	Retirement Allocation Fund	9.17%
Between 1958 and 1962	2025	8.83%
Between 1963 and 1967	2030	9.25%
Between 1968 and 1972	2035	8.14%
Between 1973 and 1977	2040	7.37%
Between 1978 and 1982	2045	9.24%
Between 1983 and 1987	2050	9.67%
Between 1988 and 1992	2055	8.72%
Between 1993 and 1997	2060	7.27%
In 1998 or after	2065	6.02%

OPSRP members have their IAP balance invested in age-based target-date funds. Earnings for your target-date fund can be found on your Member Annual Statement.

*Refer to net returns

2020 member annual statements: continued from page 1

Program (IAP) account-based benefit.

Why send annual statements in May?

PERS cannot finalize calendar year 2020 statements until after the PERS Board adopts 2020 final earnings crediting, which occurred on March 29, 2021, *(read about earnings crediting in the article above)*.

In addition, PERS works with more than 900 employers to ensure that member IAP contributions are accurate and complete before

allocating earnings on a year-end balance basis, which protects members from being adversely affected by posting delays or corrections.

What resources can help me understand my statement?

Sign up for [GovDelivery](#) and select “OPSRP Member News” to be alerted when member annual statements are mailed.

Updated [FAQs and resources](#) also will be available on the PERS website.

Treasurer reports on state of PERS investments

Submitted by [Oregon State Treasurer Tobias Read](#)

“Rollercoaster” is a metaphor you hear a lot in the investment world. In 2020, that was as good a description as any of the financial markets, especially the stomach-churning 30% drop in the stock market we saw early in the pandemic.

Fortunately, our investment team at [Oregon State Treasury](#) was able to meet our responsibilities to PERS beneficiaries despite the volatile market and a historic year. The Oregon Public Employees Retirement Fund ended 2020 up 7.7% for the year — beating the assumed rate of 7.2% used by the PERS Board. For the Individual Account Program, target-date funds were up as well, from 6.99% for the retirement fund to 10.51% for the 2050 Target-Date Fund.*

It’s important to remember that our investment strategy at Treasury isn’t to swing for the

fences, to switch metaphors on you. Instead, our goal is to perform well in good markets and to minimize losses (and outperform our peers) in down markets. Another way to look at it: We’re in this for the long haul, working hard to deliver reliable, consistent returns to the portfolio for retirees now and retirees in the future. And that means we have to be able to do our jobs well no matter how extreme the external forces.

I’m proud that my colleagues at Treasury were up to this task. Most of the team has been working remotely since mid-March 2020. Because of our investments in hardware and software infrastructure and security, we were fully operational right after sending our team home to minimize the spread of COVID-19. Despite the challenges from the pandemic, we’ve been able to manage our portfolios, administer trades, meet with our external managers, and still

maintain our team spirit while working apart.

I’ve talked a lot about the resilience we’ve built into our retirement fund so that we’re able to withstand changing market conditions. That same strategy is mirrored in the resilience we’ve fostered as a team — one where we can continue to provide services and resources under challenging conditions, never losing sight of our mission to support the financial well-being of Oregonians. This is true of our investment staff as well as our teams helping state and local governments with banking and bonds and individual Oregonians to save for their futures.

For more details about our 2020 returns, and to read our blog, where we publish timely information about our investment work, please visit Oregon.gov/treasury.

**Target-date fund rates referenced in this article refer to gross returns, while the chart on page 5 reports net returns.*

SB 1049 reminders for 2021: continued from page 1

logging into your [Online Member Services](#) (OMS) account. Find full information about Member Redirect on the [IAP Redirect webpage](#).

**The last official actuarial valuation shows that PERS’ funded status including side accounts was 78.6% as of December 31, 2019. The next official valuation for the year ending December 31, 2020, will not be available until fall 2021.*

Salary limits

In January 2021, the limit on subject salaries increased to \$197,730** per year. PERS uses subject salaries to determine member IAP contributions, employer contributions to fund the pension program, and the

final average salary for calculating retirement benefits under formula methods. If you plan to retire in the first few months of 2021, be aware that salary limitations also apply to working partial years. Read more about [SB 1049 salary limits](#) and [partial year salary limits](#) online.

***Indexed annually to the Consumer Price Index*

Withdrawals and forfeiture

The following is only relevant if you are no longer employed by a PERS-participating employer or you plan to leave your job and attempt to withdraw your IAP balance in the future.

SB 1049 ended the ability to withdraw your IAP balance

without forfeiting your OPSRP membership in PERS on July 1, 2020. If you now opt to withdraw your IAP balance, you will lose your membership in OPSRP and your rights to all future PERS benefits – including your pension. You will not be paid any pension income in retirement nor the actuarial equivalent of your pension when you withdraw. You will only receive the balance of your IAP (and EPSA, if applicable). You also will lose all of your accrued OPSRP retirement credit, and you will not have the option to restore it at a later date.

Read more about the changes to [OPSRP withdrawals online](#).

How much could health care cost you in retirement?

As you ponder your future retirement and consider your income versus expenses, don't forget about health care.

Many public employees have the majority of their health insurance costs covered by their employers while they are still working. Employees may pay a small remaining portion of their monthly health insurance premiums.

For example, if your employer-provided health coverage comes from a [Public Employees' Benefit Board](#) (PEBB) plan, your employer currently may be covering 95% to 99% of your medical, dental, vision, and basic life insurance premiums. When you cease working, the cost of

Estimating health care costs

Planning for the cost of health care in retirement is important. [One annual industry estimate](#) by Fidelity, a financial services corporation, projects that a 65-year-old couple who retired in 2020 will need \$295,000 to cover health care costs in retirement. For general information purposes, Fidelity has an online [health care cost estimator tool](#) that you can use to explore what your expenses might be.

your insurance coverage will rest fully with you.

And depending on your age and other factors when you retire, you may or may not yet be [eligible for Medicare](#) coverage. Even when you are eligible, Medicare does not cover all health care costs, and you may wish to have [supplemental coverage](#) to bridge the gap.

Once you become a PERS retiree, several health insurance options will become available to you through the PERS Health Insurance Program (PHIP). PHIP offers Medicare and non-Medicare plans, as well as dental options.

For more information about the PHIP plans, visit pershealth.com or call 800-768-7377.

Retirement planning: continued from page 3

Use the [IAP Disbursement Forecaster](#).

- Social Security — Use the federal Social Security Administration's [online benefits calculators](#).

Add up your estimates and compare your total to what financial planners say you'll need when you retire: 80% of your working income.

If your total estimate falls short, you may consider saving additional money in other retirement accounts.

One option for saving more is the Oregon Savings Growth Plan (OSGP), which is a 457(b) deferred compensation plan available to all state employees. It also is available to local government and school employees whose employers have adopted OSGP.

Within OSGP, you can choose

among various investment offerings to save on a pre- and/or post-tax basis through payroll deductions. Saving on a pretax basis can help you lower your taxable income now, while contributing on an after-tax basis today will allow you to receive your money tax-free at retirement. OSGP offers a choice of investment options, including target-date funds. Contributions can be made on a pretax and/or post-tax (Roth IRA) basis.

You can save as little as \$25 a month or as much as [\\$19,500 per year \(\\$26,000 if age 50 or older\)](#) in OSGP.

OSGP presents various free [educational workshops](#) that cover the basics of OSGP and how to prepare for retirement. Workshops currently are offered virtually due to the COVID-19 pandemic. Visit the [OSGP website](#) to learn more.

COVID-19 updates

You can keep up to date about PERS' operations and any changes due to the COVID-19 pandemic via [updates on our website](#) and [GovDelivery emails](#).

You also may want to review the Oregon Health Authority's [COVID-19 updates](#) and Governor Kate Brown's "[Building a Safe and Strong Oregon](#)" websites.

Power of attorney, other preparations

Preparing for retirement requires many steps — from estimating whether you're saving enough to [designating beneficiaries](#). Something you might not have thought about is how to prepare in case you need someone else to act on your benefits on your behalf, such as in the event of severe

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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. Hours are 8:30 a.m. to 5 p.m., Monday through Friday, except holidays.

TTY: 503-603-7766

Website and Online Member Services:

<https://oregon.gov/PERS>

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

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Perspectives is published by the Oregon Public Employees Retirement System for the benefit of members and employers.

Retirement process reminders

Are you planning to retire in the near future? Don't leave your planning until the last minute. June is traditionally PERS' busiest month because of retirements that go into effect on July 1.

Make sure you review PERS' [Steps to Retire](#) page and follow all of the instructions. Consider PERS your retirement education resource, and [contact us](#) with questions as needed.

We offer:

- [Education sessions](#), which are currently available only by webinar due to the COVID-19 pandemic.
- [Retirement Application Assistance Sessions \(RAAS\)](#), which currently are conducted by phone due to the pandemic.
- Written [benefit estimates](#) when you are within 24 months of being eligible to retire. You also can create estimates online earlier through your [Online Member Services](#) (OMS) account.
- PERS Member Services representatives are available Monday through Friday from 8:30 a.m. to 5 p.m. to answer

your retirement questions via [phone](#) or [email](#).

Remember: As you are planning for your future retirement, it can take **up to 92 days from your retirement date** (not the date of your application submission) **for your first OPSRP pension benefit to be paid**.

Once PERS receives your application, we 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 [OMS](#) or on your [member annual statement](#), and getting benefit estimates can help you avoid delays in the processing of your application. If you find errors in your personal/account information, contact your employer for corrections.

[Individual Account Program](#)

(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.

Power of attorney: continued from page 7

illness or death.

Two key resources to note:

- [Special Power of Attorney for PERS](#) – This form will allow you to designate others who can make decisions about your PERS benefits on your behalf. Note that PERS Member Services cannot talk to your spouse about your benefits without a power of attorney designation.

- [Authorization to Release Account Information](#) – This form will allow you to name other parties who can receive information about your PERS benefits, including account balances and benefit estimates.

Also be aware that should you die, a family member, beneficiary, or caregiver must notify PERS. To learn more about [death benefits](#), visit the PERS website.