

PERSPECTIVES

For OPSRP members (hired after August 28, 2003)

December 2020 edition



SB 1049 reminders

As 2020 winds down, all aspects of [Senate Bill 1049](#) (SB 1049) that affect member benefits have been implemented. Here are a few key points about the bill's impact to remember as you begin 2021.

Member Choice

In September 2020, you gained the option to invest your Individual Account Program (IAP) balance in an IAP Target-Date Fund (TDF) that better reflected your retirement savings goals.

IAP accounts are automatically invested in a TDF based on a member's birth year. However, SB 1049's Member Choice provision gave you the ability to choose whether to leave your account in that original fund or move it to a different TDF, based on your personal risk tolerance.

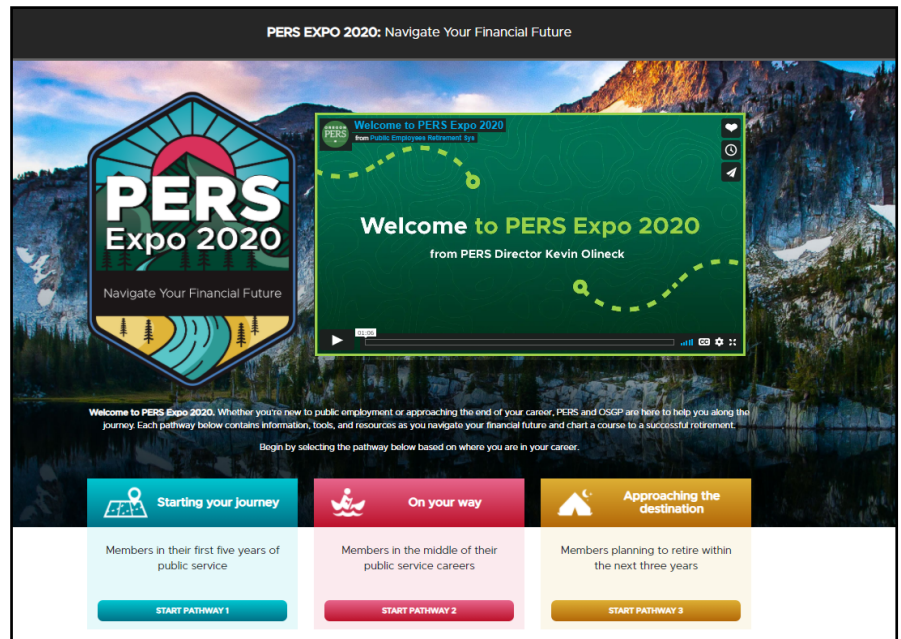
Key to remember: Any changes you made to your TDF between September 1-30, will not take effect until January 1, 2021, and you cannot make any new changes in Online Member Services until the next Member Choice window in September

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The Expo 2020 website was designed to provide much of the same educational content that would have been presented at an in-person event.

Virtual Expo helps members navigate their financial future

Throughout 2020, the COVID-19 pandemic changed the way PERS delivered many of its services to members, and our annual PERS Expo was no different.

To keep members and staff safe, PERS created a virtual Expo experience so members could access information and resources about their retirement benefits without having to gather in person.

PERS created a [website](#) with its Oregon Savings Growth Plan (OSGP) and PERS Health Insurance Program (PHIP) partners to provide much of the same educational content that would have been presented at

an in-person event.

Typically, PERS Expo is a one-day event held in October at the Salem Convention Center. This year, the Expo website went live on October 19, to coincide with National Retirement Security Week.

The goals of this year's virtual Expo remained the same as always: to help members better understand their benefits no matter where they are at in their career journey and to stress the importance of saving for a secure financial future.

This year's Expo website

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2020 member annual statements coming in spring

As the end of the year approaches, you may wonder when you will receive an update about the state of your PERS pension and Individual Account Program (IAP) account.

Your 2020 member annual statement will be mailed by the end of May 2021. Your statement will reflect data submitted by your employer(s) as of December 31, 2020.

Why does it take so long for PERS to mail statements?

Two reasons:

- Statements cannot be finalized and mailed until the PERS Board adopts [final earnings crediting](#), which typically happens around the beginning of April each year.
- In addition, the process of checking that IAP contributions are accurate and complete **before** allocating earnings is in-depth and involves working with more than 900 employers. The benefit of PERS' careful approach to this process is that it protects you – our members – from being adversely affected by corrections or posting delays.

While you wait, consider exploring resources that can help you read and understand your statement. Check out our [Member Annual Statement FAQs](#) webpage, which includes interactive examples by statement type. These FAQs

and examples will be updated in early May 2021 to reflect 2020 statements.

Also, be sure that PERS has your current mailing address. You can check your address through your [Online Member Services \(OMS\)](#) account. If you need to change it, contact your current PERS-participating employer to have it updated in the PERS reporting system. If you are not currently working for a PERS-participating employer, you can change your address yourself in OMS. All address updates must be received by February 26, 2021.

To be alerted when statements are mailed, consider signing up for [GovDelivery](#) emails from PERS. Be sure to select “OPSRP Nonretired Member News” in GovDelivery to receive the alerts.

When you do receive your statement in spring, here are some tips about reading it:

- Check that all of 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.
- Review your statement to get a sense of how your retirement benefits will be calculated in the future.
- Remember that the statement will include information about

both parts of your [Oregon Public Service Retirement Plan](#) (OPSRP): your pension and your IAP. Watch PERS' animated video, [“The Two Parts to Your PERS Retirement”](#) to learn more.

Note that your 2020 statement may be impacted by changes brought about by the Member Redirect and Member Choice provisions of [Senate Bill 1049](#).

- IAP Member Redirect – If you earn more than \$2,500 a month, your 2020 statement will be the first to include information about your contributions to your [Employee Pension Stability Account](#), or EPSA, which helps pay for your pension.
- IAP Member Choice – If you chose in September to change the [target-date fund \(TDF\)](#) that your IAP is invested in, remember that the change will not go into effect until January 1, 2021. That effective date is after the cutoff for statement data on December 31. Therefore, your 2020 statement will show information about your original TDF, which is based on your year of birth. Changes you made to your TDF in September will not be reflected until your 2021 statement, which will be mailed in spring 2022.

Contact [Member Services](#) if you have questions about annual statements or your membership.

[Sign up for GovDelivery email or text updates](#)

You can get alerts on topics that include:

- Member news and *Perspectives*
- Senate Bill 1049
- Oregon Savings Growth Plan (OSGP)
- Annual Earnings Crediting
- PERS Health Insurance Program
- PERS Board meetings
- PERS administrative rulemaking

Beneficiary designations ease death benefits process

Death may be an uncomfortable topic to contemplate, but, as a PERS member, thinking about and preparing for your death can ease what comes next for your surviving loved ones.

One key preparation you should make is naming your beneficiaries and keeping those designations current. This preparation is especially important if you happen to die before retirement.

If you have not designated a beneficiary prior to your death, PERS will pay your IAP balance to your survivors or estate in this order: surviving spouse or same-sex registered domestic partner, surviving children in equal shares, or your estate.

Watch a [video](#) about the importance of designating a beneficiary.

Locating next of kin can be challenging and substantially delay payment of your benefits to your survivors. To avoid delays, you should complete and submit

beneficiary forms for your [Individual Account Program \(IAP\)](#) account.

For your OPSRP pension, you do not need to designate a beneficiary because this is already set for you by law. If an OPSRP member dies before retirement, the only beneficiary option available is a spouse or a same-sex registered domestic partner. The law does not provide a death benefit to survivors who are not your spouse or registered domestic partner. Therefore, no pension death benefit will be provided to the survivors of single OPSRP members.

If you have a spouse or same-sex registered domestic partner and die before retirement, your spouse or partner will receive a death benefit for his or her lifetime. The death benefit will be worth half the actuarial value of the pension you would have received in retirement.

As for your IAP, your beneficiary options vary depending on whether you are married or single. Read the [IAP Pre-Retirement Designation of Beneficiary Packet](#) instructions for more information.

If you have designated an IAP beneficiary and die before retirement, PERS will pay your IAP balance to the beneficiary – or beneficiaries – you have named.

Whenever a member dies – whether before or after retirement – the member’s survivors or

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Virtual Expo continued from page 1

provided visitors with numerous videos and resources aimed at increasing members’ knowledge and confidence around their PERS benefits and other retirement-related topics, including:

- Checklists of key steps to take to help create a secure retirement.
- Overviews of PERS retirement plans – Tier One, Tier Two and Oregon Public Service Retirement Plan (OPSRP).
- Options for extra retirement savings beyond PERS, including OSGP and its advantages.
- Investment basics and options.
- Importance of naming beneficiaries.
- Educational workshops offered by PERS and OSGP.
- Retirement application assistance from PERS.
- Rollovers at retirement.
- Health insurance options offered to retirees by PHIP.
- A panel of PERS retirees sharing insights from their retirement experiences.

The Expo website and these resources will remain accessible online to members through February 28, 2021, so if you have not yet explored it, there is still time.

As of November 2, more than 9,000 visitors had explored the website and its resources. PERS asked site visitors to complete a short survey about their Expo experience, the website, and its resources.

Among survey respondents, 83% said they felt “confident” or “very confident” about planning for retirement after exploring the Expo website.

Beyond Expo, PERS members seeking more information about their benefits can access various educational sessions and content presented by PERS, OSGP, and PHIP. All of the following are offered virtually during the pandemic:

- [PERS education webinars](#).
- [OSGP virtual workshops](#).
- [PHIP new enrollment videos](#).

As for 2021, PERS continues to monitor and follow the advice of public health officials in planning next year’s Expo. Watch the PERS website for [COVID-19 updates](#).

Senate Bill 1049 reminders continued from page 1

2021. Changes that take effect in January 2021 will not be reflected on your [member annual statement](#) in spring 2021 because the cut-off date for account information that goes into your statement is 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

In July 2020, a portion of your 6% IAP contributions began to be redirected into a new [Employee Pension Stability Account \(EPSA\)](#) if you earn more than the [current monthly salary threshold](#). The redirected amount equals 0.75% of your salary. Meanwhile, 5.25% of your salary continues to go into your IAP. EPSA ultimately will be used to help pay for part of your lifetime, monthly pension benefit when you retire.

You will see contributions and earnings to this account on your 2020 member annual statement sent in spring 2021.

All of this was part of SB 1049's Member Redirect provision. The redirect only impacts how your pension is funded — a combination of investment earnings over time, employer contributions, and now, some member contributions — but does not impact the calculation of your future pension benefit.

In late September 2020, another part of Member Redirect gave you the option of making a 0.75% [voluntary contribution](#) to your IAP to make up for the redirect. The voluntary contribution is made on an after-tax basis.

Key to remember: You can begin or end [voluntary contributions](#) to your IAP to make up the 0.75% by logging into your [Online Member Services \(OMS\)](#) account. Member Redirect to EPSA remains in effect when the PERS system is less than 90% funded*.

Find full information about Member Redirect on the [IAP Redirect webpage](#).

*The latest official actuarial valuation shows that PERS' funded status including side accounts was 78.6% as of December 31, 2019.

Salary limit

In January 2020, SB 1049 put new limits on subject salaries of \$195,000* per year. This figure will be updated in January 2021.

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.

Key to remember: If you plan to retire in the first few months of 2021, be aware that salary limitations also apply to working partial years. Read further about [SB 1049's salary limit](#) and the

[partial year salary limit](#) 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.

As of July 1, 2020, SB 1049 ended the ability to withdraw your IAP balance without forfeiting your OPSRP membership in PERS.

Key to remember: 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.

Background

SB 1049 was passed by the Oregon Legislature and signed into law by the Governor in 2019. The Legislature serves as the Public Employees Retirement System's plan sponsor, which means it is solely responsible for determining the benefit structure for public employees.

Beneficiary designations continued from page 3

executor should [notify PERS](#) as soon as possible. PERS will request the date of death, city and state where the death occurred, a photocopy of the death certificate, and contact information for the spouse or executor.

Processing death benefits typically can take one to two months, but prompt notification can help improve this process. Accounts that are complex or contain inaccurate beneficiary information can take longer. To avoid processing delays,

consider keeping your beneficiary designations current. To update your designations, you can [contact PERS](#) at any time, but you may especially want to do this when major life events occur, such as marriage, [divorce](#), or the death of a beneficiary.

Contact us

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Tigard, OR 97281-3700

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Website and Online Member Services:

<https://oregon.gov/PERS>

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Retirement process reminders

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

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. You also can find resources on this year's [PERS Expo website](#), including a checklist for members nearing retirement; see Expo story on [page 1](#).

PERS Member Services staff are available from 8:30 a.m. to 5 p.m. Monday through Friday to answer your retirement questions via [phone](#) or [email](#).

[Education](#) and [retirement application assistance](#) sessions – normally held in person – are being held online or by phone during the COVID-19 pandemic. Keep an eye on our website for all [COVID-19-related updates](#), including notices about when these sessions will return to being held in person.

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 information in [Online Member Services](#) or on your [Member Annual Statement](#), and getting [estimates from PERS](#) are some ways to make sure your application is processed quickly and everything goes smoothly.

If you find any of your information is incorrect, 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.

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.

Rest assured that PERS remains committed to serving you, fulfilling our [mission](#), and keeping members and staff safe.

Holiday safety during COVID-19

During the holiday season, it's important to remember to follow the general safety guidance that will keep you and your loved ones healthy:

- Stay home when you are sick and avoid others
- Wear a face covering around at-risk family members and anyone who is not part of your household
- Wash or sanitize your hands frequently
- Physically distance from at-risk family members and anyone who is not part of your household

