Your Tier One/Tier Two and Individual Account Program (IAP) Pre-Retirement Guide

PERS Oregon Public Employees Retirement System

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Section B: Your IAP Retirement

This *Pre-Retirement Guide* is for general informational purposes only and is not intended to provide legal advice. If there is any conflict between this publication and federal law, Oregon law, or administrative rules, the law and administrative rules shall prevail.

How to contact us

Telephone numbers

Member Services	888-320-7377
PERS headquarters TTY	503-603-7766
PERS Salem Center	888-320-7377
Oregon Savings Growth Plan	800-365-8494
PERS health insurance plans	503-224-7377 (Portland)
PERS health insurance plans toll free	800-768-7377
PERS long term care insurance (UNUM)	800-227-4165

Fax numbers

Tigard headquarters	503-598-0561
Oregon Savings Growth Plan	503-603-7655
PERS Salem Center	503-603-7655

Internet addresses

PERS main page	http://oregon.gov/pers
Oregon Savings Growth Plan	http://osgp.ingplans.com
PERS Health Insurance Plan	http://pershealth.com
Social Security Administration	http://ssa.gov
Oregon Department of Revenue	http://oregon.gov/dor
Internal Revenue Service	http://irs.gov

Mailing addresses

PERS Headquarters
PO Box 23700
Tigard OR 97281-3700

Oregon Savings Growth Plan
800 Summer St. NE, Suite 200
Salem, OR 97301-1248

PERS Health Insurance
PO Box 40187
Portland OR 97240-0187

Office addresses

PERS Headquarters
11410 SW 68th Parkway
Tigard, OR 97223

Salem Center
800 Summer St. NE, Suite 200
Salem, OR 97301

Introduction: Getting Ready To Retire

Congratulations on your upcoming retirement. Before we can pay your benefits, we need some information from you (and your spouse, if applicable). You will also need to make some important benefit decisions. Your Oregon PERS Tier One/Tier Two and Individual Account Program (IAP) Pre-Retirement Guide will help you make those decisions.

The Retirement Application is the main form you must complete to initiate PERS benefits. The application covers both the Tier One/Tier Two and IAP programs. Since it covers two programs, you may have to provide the same information or fill out similar forms for both programs. This is necessary to process your benefit payments. Failure to provide all requested information and forms could delay your benefits.

Based on the choices you make and your individual situation, you may need to complete additional forms.

Some information, such as verification of age, is the same for both plans and can be found in the appendices.

Work after Retirement Information

THESE RULES APPLY TO ALL TIER ONE/TIER TWO RETIREES

REGARDLESS OF BENEFIT PAYMENT OPTION.

If you return to employment with a private employer, your PERS retirement benefits will continue unchanged. PERS does not limit the hours you can be employed or the amount of money you can earn from a private employer.

If you return to employment with a PERS-covered employer in the state of Oregon after retirement, Oregon statutes impose certain limitations on that employment. Your retirement benefits stop if you exceed the number of hours allowed under Oregon statute. If you decide to return to work with a public employer in the state of Oregon after retirement, you can control of the number of hours you work and whether you comply with or violate the limitation.

Compliance with the statutory limitations is your responsibility. PERS recommends that you track the hours you work to avoid exceeding the work-hour limitations for each calendar year. The rules vary according to the position you hold and which PERS-covered employer you work for.

Different rules apply to members who retire due to disability.

Getting started

All retiring members will need to answer the following questions:

- When should I retire?
- What payment option shall I choose?
- Is my beneficiary designation correct?
- Do I want my monthly payments deposited directly to my financial institution?
- How much federal or Oregon state tax shall I have withheld?

Depending on your circumstances, you may also need to answer some additional questions:

- Am I eligible to retire? (See page 9.)
- Do I want to make any purchases?
- Do I need to make a purchase to meet service time requirements?
- Do I want to continue in the Variable Annuity Program after retirement?
- Do I want to roll my member account over to another retirement plan, a deferred comp plan, or an Individual Retirement Account (IRA)?

This guide includes information to help you respond to these questions. You can obtain additional forms and publications, including information sheets, by visiting the PERS website at http://oregon.gov/pers, emailing PERS at Customer-Service.PERS@pers.state.or.us or by calling PERS toll free at 888-320-7377.

Note: If you are a police officer or firefighter, you may have additional forms to complete. These are described in Section A: Part Three of this booklet.

Pre-retirement information

Many informational services are available to help you plan your retirement.

Request a Retirement Benefit Estimate

You will need a benefit estimate to make necessary retirement decisions. You can create a benefit estimate online through Online Member Services on the PERS website. You can download the Estimate Request form from the PERS website (http://oregon.gov/pers), or you can request one by calling Member Services toll free 888-320-7377. You can request a written estimate within 24 months of your retirement date.

We recommend you bring your estimate and purchase letters with you to your Retirement Application Assistance Session (RAAS). See below for more information on RAAS.

Your written estimate provides information on purchases of forfeited credit and waiting time you may want to make, which could increase your benefit or provide extra service time to allow you to retire sooner.

Attend a group retirement education presentation

Group education presentations are designed to maximize PERS' services by answering the most commonly asked questions in a group setting. PERS provides free group education presentations throughout the state; they are available to any member at any career stage. You will find a schedule of the group presentations on our website (http://oregon.gov/pers).

You can register on the PERS website (http://oregon.gov/pers) or by calling Member Services toll free 888-320-7377.

Take Advantage of Financial Planning Workshops

PERS partners with VALIC, a private financial planning company, to provide members with basic financial planning information. This partnership is not an endorsement of VALIC products or services. There are no fees for VALIC presentations. VALIC is not authorized to sell products or services during the presentation. VALIC schedules are posted on the PERS website.

Attend PERS Retirement Application Assistance Sessions (RAAS)

We encourage you to attend a Retirement Application Assistance Session (RAAS) to meet with a starr member before turning in your application. These one-hour appointments with a staff member help ensure you have filled out your application completely. These are designed for members within three months of retirement. You should bring your completed application to the session. We recommend you attend a Retirement Readiness Presentation before your RAAS.

These sessions are valuable information sources, and members who attend can be confident they understand their retirement options and that they have filled out their applications correctly.

You can register for a RAAS on the PERS website (http://oregon.gov/pers) or by calling Member Services toll free at 888-320-7377.

Use our website

Our website contains many useful documents and forms. It is user friendly with a search engine and has a link to e-mail your questions directly to our Member Services staff.

Call Member Services

If you cannot find the answers to your questions in this guide or on our website, call Member Services toll free at 888-320-7377 for additional help.

Registered domestic partners

PERS provides benefits to a registered domestic partner to the same extent that a spouse would be entitled to PERS benefits under the plan unless to do so would conflict with the plan's federal tax qualification.

Registered domestic partners should complete PERS forms as a "spouse" wherever that is indicated and are considered "married" whenever spousal consent is required.

Registered domestic partners will be required to provide the necessary paperwork to establish their status, just as PERS requires of married couples. For example, in the event of a member's death, a registered domestic partner must submit the Certificate of Registered Domestic Partnership to apply for PERS benefits as that member's spouse or, in the event a registered domestic partnership is dissolved, a certified copy of a Judgment of Dissolution of Domestic Partnership must be received by PERS and approved as administrable before an alternate payee award can be established. For further guidance, ORS 106.310 defines a registered domestic partnership as a civil contract, entered into in person, between two individuals of the same sex, who are at least 18 years of age, who are otherwise capable, and at least one of whom is an Oregon resident.

There are several exceptions when tax qualification requirements mean that PERS will provide Tier One/Tier Two benefits to registered domestic partners differently than spouses:

- If you choose Option 2 or Option 2A with a registered domestic partner as your beneficiary and the registered partner is more than 10 years younger, the benefit paid will be adjusted.
- If you choose Option 2A or Option 3A with a registered domestic partner as the beneficiary and later legally dissolve the domestic partnership, the dissolution does not allow you to increase your benefit (i.e., convert from a joint and survivor annuity to a single life annuity) by reason of divorce.
- You can only obtain PERS health insurance for your registered domestic partner if he or she is also your dependent for federal income tax purposes.
- If your death benefit distribution is eligible to be rolled over, your registered domestic partner may be able to roll over only to a particular IRA. Please see information below about consulting a qualified tax professional for more information.

Note: Federal income tax law may apply differently to a registered domestic partner receiving a PERS benefit. Please consult a qualified tax professional if you have questions about federal income tax aspects of a PERS benefit.

Accuracy of information used to calculate your retirement benefit

You have the right to dispute, in writing, the accuracy of the information used to calculate your retirement benefit within 240 days of the date PERS sends your Notice of Entitlement letter or the issued date of your first actual benefit payment, whichever is later. Please review the letter carefully as you will be responsible for repaying any overpaid benefits.

Your retirement planning checklist

More than three years before retiring

• Organize all of your financial statements, and take an inventory of your savings, assets, and liabilities.

• Register for a financial planning workshop, or do individual research to determine what your financial needs will be during retirement.

• Register and attend an Introduction to PERS Retirement Presentation.

One-two years before retiring

• Review your financial holdings and compare them to what your needs will be at retirement. You may wish to register for and attend a financial planning workshop.

• Use Online Member Services (OMS) on the PERS website to estimate your PERS retirement benefit.

• Register and attend a PERS Retirement Readiness Group Presentation.

Nine months before retiring

• Check that all of the current personal information PERS has for you is accurate, including your address, name, birth date, and, if applicable, any court order.

• Make sure you have copies of officially accepted documents for verification of age.

• Make sure you have necessary verification for special purchases, such as out-of-state teaching or military purchases (if applicable).

Six months before retiring

• Complete and submit an estimate request form, or prepare your own estimate by using OMS on the PERS website.

Within 90 days before retiring

• Attend a PERS Retirement Application Assistance Session (RAAS). Register for a RAAS by making an appointment for a date within 90 days of your retirement date. These one-hour appointments with a staff member help ensure you have filled out your application completely. The RAAS must be within three months of retirement. You should bring your completed application to the session. We recommend you attend a PERS Retirement Readiness Presentation before your RAAS.

You can register for a RAAS on the PERS website (http://oregon.gov/pers).

60 days after issue date of your first benefit payment

• This is the last day you can change your option choice or your choice of beneficiaries to joint and survivorship options. You may also change your variable annuity election. Note: If you choose a lump-sum settlement option and want to change that option, you will be required to repay any lump-sum funds distributed to you.

Retirement ages/years of service for Tier One/Tier Two members for full and reduced benefits

Full Benefits		
Class	Age	PERS Service
All members	Any age	30 years
General Service Tier One	58	No minimum
General Service Tier Two	60	No minimum
Police and Fire	50-55	25 years
Police and Fire	55	No minimum

Reduced Benefits		
Class	Age	PERS Service
General Service Tier One	55-58	Less than 30 years
General Service Tier Two	55-60	Less than 30 years
Telecommunications (911 operators)	Any age; no COLAs until age 55	25 years
Police and Fire	50-55	Less than 25 years

Important residency information

You must provide PERS with residency information. Make sure you check one of two boxes in Section D of the Tier One/Tier Two Service Retirement Application to indicate whether or not you reside in Oregon. If your residency changes after your retirement, you must inform PERS of the change.

Background

The 1991 Oregon Legislature made PERS benefits subject to state income tax. The Oregon Supreme Court ruled that benefits could only be taxed if a “remedy” was provided. This resulted in a benefit increase for some Tier One members. No one who began working for a PERS-covered employer after July 14, 1995, is entitled to the “remedy.”

Senate Bill 822 (2013 legislative session) removed the “tax remedy” for Tier One members who do not pay Oregon state income tax because they do not reside in Oregon.

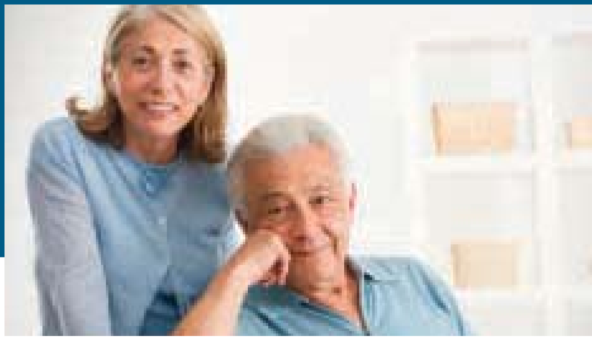
Members must declare if their benefit payment(s) will be subject to Oregon state personal income tax based on Oregon residency.

Important retirement date information

Your effective retirement date can be no sooner than either the first day of the month following the last day you worked (or were on qualifying paid leave) or the first of the month following the month you file your application for benefits, whichever is later. Example: If your last day of work was December 5, 2015, your retirement date could be no earlier than January 1, 2016; if your last day worked was May 5, 2007, but you did not file your application until August 6, 2015, your retirement date could be no earlier than September 1, 2015.

Tier One/Tier Two retirement applications must be received by PERS before the effective retirement date. The effective retirement date is always the first day of a month.

Section A: Your Tier One/Tier Two Retirement
Part One: Your Guide to Retirement Options



You can select from 13 different options to cover a variety of circumstances. In most cases options cannot be changed later than 60 days after you receive your first benefit payment, so we recommend you read this section carefully. You may also want to consult a qualified financial advisor or tax consultant.

One of the most important decisions you will make when you retire is which option best fits your situation. It is also one of the most complicated decisions because there are 13 different choices. You may choose only one of the 13 options. (See Benefits options at a glance, page 13.)

Important note: If you are married, your spouse must consent to your option choice; otherwise, you will automatically receive benefits as described under retirement Option 3. (Registered domestic partners, see page 7 for more information on consent.)

In most cases the payment option you choose cannot be changed after 60 days from the date of your first benefit payment.

All **monthly retirement benefits** are paid to the retiree for life. The option you choose will affect the amount of the monthly benefit payment. An option that includes a beneficiary payment will produce a lower monthly benefit payment.

If your final benefit calculation results in a monthly benefit amount of less than $200 under Option 1, you will receive a one-time payment equal to the actuarial value of that benefit over your lifetime. You retain your right to participate in the PERS Health Program.

Non-survivorship options

Select one of these options if you do not plan to provide a lifetime monthly payment to a beneficiary upon your death. Depending on the length of time you receive benefits before your death, your beneficiary may or may not receive a benefit payment if you elect the Refund Annuity or 15-Year Certain Option.

Option 1 (non-refund). This benefit is paid for your lifetime. It provides you with the highest monthly benefit. No benefit of any kind is paid to anyone after you die.

Refund Annuity Option. This benefit is paid for your lifetime. When you die, your designated beneficiary will receive a lump-sum refund of any amount remaining in your member account. You may change your beneficiary at any time, you may have multiple beneficiaries, and your beneficiary need not be a person, i.e., it may be an estate or the trustee of a trust. Usually after nine to 11 years, there is no remaining account balance to pay to a beneficiary.

15-Year Certain Option. This benefit is paid for your lifetime. If you die before receiving 180 monthly payments (15 years), your beneficiary is entitled to receive the remainder of the 180 monthly payments. Once you have received at least 180 payments, no benefit is payable to your beneficiary. You may change your beneficiary any time, you may have multiple beneficiaries, and your beneficiary need not be a person.

Survivorship options

Select one of these options if you want to provide a lifetime monthly payment to a beneficiary upon your death.

Under any of the survivorship options, you may name only one beneficiary. The beneficiary must be a living person, and you must provide age verification for your beneficiary. Your monthly benefit payment is based upon the age difference between you and your beneficiary. For example, if your beneficiary is a grandchild, your benefit will be substantially lower than if your beneficiary is someone closer to your age.

Option 2. This is a "joint and survivor" benefit and is paid for your lifetime. After you die, your surviving beneficiary will receive, for life, the same monthly benefits you received unless your surviving beneficiary is not your spouse and is more than 10 years younger than you. In this case, due to IRS limits, your beneficiary's payment is pro-rated and decreased.

The adjusted employee/beneficiary age difference is determined by first calculating the excess of the age of the employee over the age of the beneficiary based on their ages on their birthdays in a calendar year. Then, if the employee is younger than age 70, the age difference determined in the previous sentence is reduced by the number of years that the employee is younger than age 70 on the employee's birthday in the calendar year that contains the annuity starting date.

No change of beneficiary is permitted after 60 days from the date of your first benefit payment. If your beneficiary dies before you do, your benefit is not changed, and all benefits stop when you die.

Option 2A: Full survivorship with Option 1 contingency. Also a "joint and survivor" benefit as in Option 2 (see Option 2 for information regarding a non-spouse beneficiary who is more than 10 years younger than you). However, if your beneficiary should die before you, or your beneficiary is your spouse and you are divorced after you retire, you may then elect to receive the Option 1 benefit adjusted by any increases or decreases, which may have occurred since your retirement. Note: A change to the Option 1 benefit amount is not processed until PERS has been notified in writing.

Option 3: Half-survivorship. This is a half "joint and survivor" benefit and is paid for your lifetime. After you die, your surviving beneficiary will receive, for life, monthly benefits of one-half the amount you received. No change of beneficiary is permitted after 60 days from the date of your first benefit payment. If your beneficiary dies before you, your benefit is not changed, and all benefits stop when you die.

Option 3A: Half survivorship with Option 1 contingency. This is a half "joint and survivor" as in Option 3. However, if your beneficiary should die before you, or your beneficiary is your spouse and you are divorced after you retire, you may then elect to receive the Option 1 benefit adjusted by any increases or decreases which may have occurred since your retirement. Note: A change to the Option 1 benefit amount is not processed until PERS has been notified in writing.

Note: Registered domestic partners, see page 7 for more information on survivorship options.

Lump-sum settlement options

These options provide a lump-sum payment of your member account balance plus a lifetime monthly pension from your employer's contributions. The exception is the Total (double) Lump-Sum Option. Lump-sum payments are subject to immediate taxation unless they are rolled over directly to an IRA, Roth IRA, or eligible employer plan. (SIMPLE IRAs and Coverdell Savings Accounts—formerly known as educational IRAs—are not eligible.) We must withhold a mandatory 20 percent federal tax on taxable lump-sum payments paid directly to you. If you participate in the variable account and select a lump-sum option, you will have your variable balance transferred to your regular account.

Lump-Sum Option 1 (non-refund). You will receive a refund of your member account balance and a monthly benefit based on your employer's contributions as in Option 1.

Lump-Sum Option 2. You will receive a refund of your member account balance and a monthly benefit based on your employer's contributions as in Option 2.

Lump-Sum Option 2A. You will receive a refund of your member account balance and a monthly benefit based on your employer's contributions as in Option 2A.

Lump-Sum Option 3. You will receive a refund of your member account balance and a monthly benefit based on your employer's contributions as in Option 3.

Lump-Sum Option 3A. You will receive a refund of your member account balance and a monthly benefit based on your employer's contributions as in Option 3A.

Total (double) Lump-Sum Option. You will receive a refund of your member account balance and a matching amount from your employer's account. **This option does not provide ongoing monthly benefits.** If you elect this option, you will receive no further payments from PERS. You retain your right to participate in the PERS Health Program.

Lump-sum installments

You may choose to have these lump-sum payments paid out in up to five annual installments. If you elect more than one installment, the first payment will be made within 92 days of your retirement date, and additional installments will be paid each anniversary of your first installment payment. If you die before all installments are paid, the unrefunded balance in your account plus interest to the disbursement date is payable to your beneficiary. For each installment, you may choose to receive the payment directly or roll the taxable portion over to an IRA, Roth IRA, or other eligible employer plan. We must withhold a mandatory 20 percent federal tax on taxable lump-sum payments paid directly to you.

Changing your option

You have the right to change your option selection within 60 days after the date of your first benefit payment. The change is retroactive to your effective retirement date, and overpaid benefits must be repaid to PERS. Please note: The PERS Board may deny an election to change a beneficiary or benefit option to maintain PERS as a qualified plan under IRS requirements.

Variable Annuity Program participation

If you participate in the variable account, you may choose to continue participation after retirement. A variable annuity will be included in your monthly benefit and will increase or decrease annually based on gains or losses from investments of the variable account. You may change your variable annuity election any time up to 60 days after the issue date of your first benefit payment. Once this 60 days has elapsed, you cannot change your variable annuity election. If you elect a lump-sum settlement, your variable account will be automatically transferred to your regular account at retirement.

Tier One/Tier Two benefit options at a glance

Option	Do monthly payments continue while I'm alive?	Do monthly payments continue after I die?	What kind of payment is due my beneficiary after I die?	Can my beneficiary be an estate, trustee, or charity?	Can I change my beneficiary more than 60 days after my first benefit payment?
Refund Annuity	Yes	No	The balance (if any) of your account in a single payment	Yes	Yes
Option 1 or Lump-Sum Option 1*	Yes	No*	None*	N/A	Yes*
Option 2 or Lump-Sum Option 2*	Yes	Yes	Monthly* (same amount as member)	No	No
Option 2A or Lump-Sum Option 2A*	Yes	Yes	Monthly* (same amount as member)	No	No, but you can change to Option 1 (see note below)
Option 3 or Lump-Sum Option 3*	Yes	Yes	Monthly* (1/2 of member's amount)	No	No
Option 3A or Lump-Sum Option 3A*	Yes	Yes	Monthly* (1/2 of member's amount)	No	No, but you can change to Option 1 (see note below)
15-Year Certain	Yes	If 180 payments have not been made to member and beneficiary is a person**	Monthly*** (same amount as member for the remainder of the 180 payments)	Yes*	Yes
Total (double) Lump-Sum*	No	No*	One payment of the total lump-sum account balance	Yes	Yes

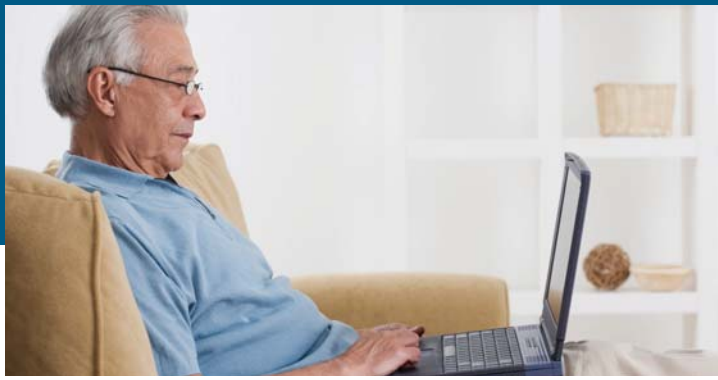
Note: If you select Option 2A or 3A or Lump-Sum Option 2A or 3A, you can change your monthly benefit to Option 1 if your beneficiary dies or you and your beneficiary divorce. Notify PERS in writing to change to Option 1. Registered domestic partners, see page 7 for additional information.

* Remaining lump sum, if any, to be paid to beneficiary of record.

** If beneficiary is a person, any remaining payments will be made on a monthly basis; if beneficiary is an estate, remaining monthly benefits can be paid in a lump sum based on actuarial present value.

*** If beneficiary is a person, that person can designate a beneficiary.

Section A
Part Two: Your Tier One/Tier Two Tax Information



Make sure you understand the tax implications of all your benefit decisions. You may want to consult with a tax expert to ensure you will be prepared for any tax consequences of your decisions.

Important tax information

PERS benefits (both monthly and lump-sum) are subject to federal taxes, regardless of where you live, and to Oregon state income taxes if you are an Oregon resident. State inheritance and federal estate taxes may be owed by a surviving beneficiary.

Federal and Oregon state income taxes will be withheld from monthly benefits at the standard rates unless you complete and submit a Form W-4P. The standard federal rate is married with three exemptions, and the Oregon state standard rate is single with zero exemptions. Oregon non-residents **must** complete a Form W-4P to elect out of Oregon state income tax withholding. By January 31, PERS mails retired members one or more Form 1099Rs for benefits paid the previous year.

Change from an annuity option to a lump-sum option

If you make an option change from an annuity option to a lump-sum distribution within the first 60 days after the date of your first benefit payment, you may then elect an option that is eligible for rollover. If you elected an annuity option and purchased your forfeited time, then change to a lump-sum option, the amount of your purchase of forfeited time will be returned to you.

Change from a lump-sum option to an annuity option

If you make an option change from a lump-sum settlement option to an annuity option within the first 60 days after the date of your lump-sum distribution, you must repay the lump-sum amount, including any taxes withheld. PERS does not accept rollover funds. If you rolled your lump-sum distribution, you will need to work with your financial institution to recover those funds.

Please consult with a qualified tax advisor for more information, since failed or erroneous rollovers can result in significant tax consequences and possible penalties.

General information about rollovers

A rollover is the transfer of your PERS distribution, either by you or by PERS on your behalf, to an IRA, a Roth IRA, or an eligible employer plan. Please note that other employer plans are not legally required to accept a rollover. If your other employer plan does not accept a rollover, you can choose to roll over your distribution to an IRA. Your distribution cannot be rolled over to a SIMPLE IRA or Coverdell Education Savings Account (formerly an education IRA).

Only lump-sum and retro payments can be rolled over, including those paid to a former spouse as part of a divorce settlement under a qualified domestic relations order.

(Registered domestic partners, see page 7 for additional information.)

The distribution you receive will be an eligible rollover distribution unless it is a required minimum distribution or is one of a series of annuity payments (the monthly benefit is paid under all benefit options except total lump sum).

In general, the lump-sum portion of all payment options is eligible for rollover treatment whether you elect one or up to five installments.

If you elect to directly transfer all or part of your benefit that is eligible for rollover to another eligible employer plan or IRA, you need to provide instructions to PERS on the appropriate part of the retirement application. If you elect an annuity option at retirement but decide to change to a lump-sum option within 60 days of your first benefit payment and want to roll over all or part of your benefit (and are under the IRS minimum distribution age—January 1 of the year turning 70½), you will need to complete a PERS: Rollover Eligible Distribution form and the Certification Consent for Retirement Benefits form, which is part of the application. These forms can be obtained from any PERS office or the PERS website.

Mandatory 20 percent withholding

An eligible rollover distribution is subject to mandatory 20 percent federal withholding unless you:

- roll over the distribution,
- instruct PERS to transfer the amount you are rolling over directly to another eligible employer plan or IRA, and
- provide PERS sufficient information to identify the other eligible employer plan or IRA to which the transfer rollover is to be made. (Use Section J in the application for these purposes.)

Treatment of after-tax contributions

If you made after-tax contributions (member cost), these contributions can be rolled into either an IRA or a qualified retirement plan that accepts rollovers of the after-tax contributions. The following rules apply:

a) Rollover into an IRA. You can roll over your after-tax contributions to an IRA either directly or indirectly. If you roll over after-tax contributions to an IRA, it is your responsibility to keep track of and report to the IRS on the applicable IRS forms, the amount of these after-tax contributions.

b) Rollover into an employer plan. You can roll over after-tax contributions from PERS to an employer plan that is qualified under Internal Revenue code section 401(a) or 403(b) using a direct rollover if the other plan agrees to accept and provide separate accounting for the after-tax amounts rolled over, including separate accounting for the after-tax employee contribution and earnings on those contributions. You cannot roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to another qualified plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct PERS to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to an IRA and then roll over that amount into an employer plan.

Capital gains treatment and 10-year averaging

If you were born before January 1, 1936, and elected to have a total lump sum paid directly to you, you may be eligible for special capital gain or averaging tax treatment. Please contact your tax advisor regarding your individual tax situation.

Additional tax on early distributions

Federal law imposes a separate 10 percent tax (in addition to regular income taxes on the distribution) on benefits you receive before age 59½. The additional tax does not apply to payments made to you:

- because of death, disability, or termination of employment after you attain age 55 (age 50 for P&F) or
- as monthly payments paid over your lifetime.

In addition, the 10 percent additional tax does not apply to a distribution to the extent it is rolled over to another qualified plan or an IRA. See IRS Form 5329 for more information on the additional 10 percent tax.

Required minimum distribution

Internal Revenue code 401(a)(9) requires you to begin receiving benefits before April 1 of the year following the calendar year in which you reach age 70½ or leave PERS employment, whichever is later. If you become subject to the required minimum distribution rules, at least a portion of your benefit is your required minimum distribution.

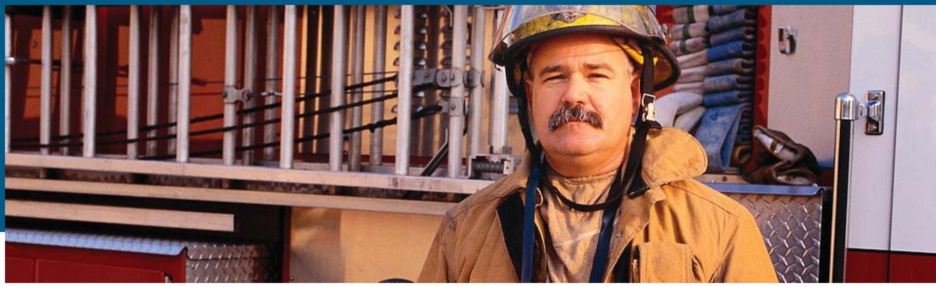
In addition, if you name a non-spouse individual who is more than 10 years younger than you as your beneficiary, your benefit may be adjusted, and the amount your beneficiary will receive may be limited.

PERS will provide you with additional information if these rules are applied to you.

Benefit Equalization Fund

Internal Revenue code section 415(b) limits the benefit amount that can be paid from the qualified retirement plan. The amount allowed to be paid from the qualified retirement plan will depend upon the annual IRS limit and your age at retirement. Benefits in excess of the amount allowed will be paid from the Benefit Equalization Fund. PERS will provide you with additional information if and when these rules are applied to you.

Part Three: Tier One/Tier Two Police Officers and Firefighters



Additional benefit information for police officer and firefighter (P & F) members.

P & F members must complete the same required retirement application as general service members. Additional forms are required if you have purchased or desire to purchase the additional units available to P & F members. If those forms or related documents are not included in this packet, you can obtain them by calling PERS Member Services at 503-598-7377 or toll free at 888-320-7377. You can also find the forms on the PERS website. The forms are briefly described below.

Forms and information for P & F members

P & F Unit Payment Application

If you have already purchased P & F units, you must now choose when you wish to receive your unit payments. Complete Section F of the Retirement Application.

P & F unit purchase at retirement

If you are age 65 or less and want the maximum eight units and have not already purchased them, you may do so only within the 60 days before your effective retirement date. Only active members can make this purchase. You must complete the Police Officer and Firefighter Unit Election at Retirement form.

P & F unit benefits and federal taxes

Unit benefit payments are not normally eligible for rollover distribution. If you have over $4,000 in your unit account, however, the excess may be rollover-eligible. Read the *Police Officer and Firefighter Unit Questions and Answers* brochure for additional information.

An additional 10 percent federal tax may apply to monthly unit benefits paid before age 59½ if you separate from service before age 50.

Retirement Benefit Distribution Election form

If you want PERS to roll over eligible excess unit benefits to your IRA or another qualified employer plan, you must complete the Rollover Eligible Distribution form. The name and address block in Section E should identify where you want PERS to send the payment.

Additional beneficiary benefit information for P & F members

Upon retirement, there is an additional benefit for your surviving spouse or minor children unless you choose the total lump-sum option. This special benefit is in addition to any other benefit paid under any of the plans selected.

At the death of a retired P & F member who received an annuity option, the surviving spouse or minor children will begin receiving a monthly benefit based on 25 percent of the Refund Annuity benefit amount. If this additional monthly benefit computes to less than $30, PERS will pay the actuarial equivalent in a lump sum rather than as a monthly benefit. If the member selects a lump-sum with annuity option, the 25 percent continuation is based on the Lump-Sum Option 1 amount.

Your beneficiary will receive your remaining P & F unit member account balance should you die before receiving all the payments to which you are entitled. Your beneficiary is not eligible for the employer-funded portion of the unit benefit.

You will be faced with a number of important decisions when you retire, including whether or not to make special PERS-related purchases that could enhance your benefit. If you participate in the variable account, you will need to decide if you want to continue to participate. We have included some information here to help you make those decisions.

We also encourage you to meet with a qualified consultant or financial advisor when making important financial decisions.

Forms and information for special Tier One/Tier Two situations

Registered domestic partners, see page 7 for additional information.

Depending on your circumstances, you may need to fill out additional forms.

Retiree Variable Annuity Election

If you have money in the variable account and do not choose a lump-sum payment option, you should complete Section E on the Service Retirement Application. If you have made contributions to the variable account during your PERS employment, you should decide whether to leave money in the variable after your retirement or transfer it to the regular account. If you leave money in the variable account, your retirement benefit will increase or decrease annually depending on the variable's rate of return. The amount of the increase or decrease in the variable portion of a benefit is based on the assumed earnings rate in effect on your retirement date. If the variable account earns more than the assumed earnings rate, the variable portion of your benefit increases. If the variable account earns less than the assumed earnings rate, the variable portion of your benefit decreases. If you transfer your funds to the regular account, your benefit will be fixed and will change only for cost-of-living increases or any *ad hoc* increase passed by the legislature. If your election is not received by PERS, your account will remain in the variable.

You may change your variable annuity election any time between your original election and within 60 days after the issue date of your first benefit payment. Generally, once this 60 days has elapsed, you may make no changes to your variable annuity election.

For detailed information, please request *Questions and Answers about the Variable Annuity Program for Retirees*.

Purchases

You may be able to purchase retirement credit. A purchase may enhance your retirement benefits or help you establish retirement eligibility. You will find information about these purchases included with your benefit estimate.

If you qualify and wish to make the purchase, you must complete an Estimate Request form and request a Purchase Agreement form showing the purchase cost from PERS Customer Service. Send your check and the Purchase Agreement form to PERS, PO Box 23700, Tigard, Oregon 97281-3700.

Most purchases must be made within 90 days before the effective date of your retirement.

If you make a purchase, you must mail in your purchase to: PERS, PO Box 23700, Tigard, OR 97281-3700. Record your PERS number or the last four digits of your Social Security number on the check to ensure your purchase is credited to you.

If you change your retirement date, the cost to purchase refunded time and most other retirement credits will change. (The cost to purchase waiting time does not change.)

Effective September 1, 2011, Tier One and Tier Two members who are eligible to purchase service time can do so using pre-tax dollars from a 457 governmental-deferred compensation plan like the Oregon Savings Growth Plan (OSGP) or a 403(b) tax-sheltered annuity.

Trustee-to-trustee transfers can take months to complete, so it is best to contact your financial institution well in advance of retirement to discuss the time restraints and criteria associated with the type of purchase you wish to make.

To ensure you meet required deadlines, we recommend you send PERS a check for your purchases along with the Purchase Agreement form.

Purchase of forfeited service (refunded time)

ou can restore service credit forfeited as the result of a previous withdrawal if you have at least 10 years of creditable service under Tier One or Tier Two since your reemployment. Service credit under a Loss-of-Membership account (leaving PERS-covered employment without being vested and not returning to PERS-covered employment within five years) is not eligible for purchases. For every three months of creditable service worked after reemployment in a PERS-covered position, you can purchase one month of forfeited service credit.

The purchase can take place only within the 90 days before the effective date of your retirement. The purchase letter you receive with your estimate must accompany payment.

If you take advantage of this provision:

- you cannot elect a lump-sum option,
- the purchase must be made in one payment, and
- the purchase must be the full amount withdrawn plus interest at 7.5 percent compounded annually from the date of withdrawal to your effective retirement date.

If you meet these conditions but are not eligible to purchase the total amount of service you forfeited, the purchase cost will be prorated. You cannot purchase less than the amount you are eligible to purchase. If you are eligible, PERS will automatically include this information in your benefit estimate.

Credit for waiting time

When you retire, you can receive credit for your waiting period(s). Before purchasing this time, the following conditions must be met:

- you must have at least 10 years of combined creditable service and/or prior service under PERS,
- the purchase can take place only within the 90 days before the effective date of your retirement, and
- the payment must equal the employee and employer contributions that would have been made if you had been a member during that period.

The purchase is interest-free. If you are eligible for this purchase, PERS will automatically provide the information with your benefit estimate.

Credit for educational service

Members who are teachers or school administrators may be eligible to acquire up to four years of retirement credit for out-of-state teaching or administrative service at a public school (K-12) in a state other than Oregon. The purchase can be made by any PERS member who meets the following requirements:

- is a licensed teacher* as defined in ORS 342.120;
- is currently employed by a common school district, union high school district, or an education service district (K-12);

- was employed as a teacher* in a state other than Oregon before becoming employed as a teacher in Oregon:
- was employed in a public school system (private schools, military schools, and schools in other countries are excluded); and
- is not entitled to a pension or retirement allowance for the out-of-state service. Participation in a deferred compensation (457) or a 403(b) plan is allowed.

*Generally, "teacher" includes all licensed employees in public schools who have direct responsibility for instruction, coordination of educational programs, or supervision or evaluation of teachers. "Teacher" generally does not include a school nurse.

The full cost of the increased benefit is your responsibility. This purchase must be made within 90 days of your effective retirement date. You must be a licensed teacher working for a PERS employer at the time you make the purchase. For additional information, read *Answers to Your Questions About Purchasing Retirement Credit for Out-of-State School Service.*

Credit for military service following PERS membership

PERS members who served in the U.S. Armed Forces may be eligible for additional service credit. To be eligible, a member must have:

- worked in a PERS-covered position before entering the service,
- been other than dishonorably discharged from active duty, and
- returned to the same public employer within certain time limits.

It is not necessary to wait until retirement to apply for this credit. Other credit may be available under the Federal Veterans Reemployment Rights Act or the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Credit for military service before PERS membership

Members who are veterans are eligible to purchase up to four years of military time served before working for a PERS employer. The purchase can be made by any PERS member who:

- entered or reentered active service after January 1, 1950, or was in active service on January 1, 1950,
- was in active service for other than active duty for training,
- was other than dishonorably discharged,
- was in active service before employment with a PERS-participating employer; and
- is neither receiving nor eligible to receive a military pension or retirement pay at the time of PERS retirement.

You are also eligible if you went into the reserves from active military service, are not receiving a military pension at the time of retirement from PERS, and are not eligible to receive a military pension until age 60.

You must pay the full cost of the purchase and resulting increased benefit. This purchase must be made within 90 days of your effective retirement date. If you cannot retire without purchasing retirement credit, you must make the full cost purchase within 90 days before your effective date of retirement. For more information, request *Answers to Your Questions About Purchasing Retirement Credit for Military Service.*

Credit for seasonal positions

Employees who served for less than six months working full-time in a seasonal position with a PERS-covered employer before becoming a PERS member may purchase additional service credit.

The term "seasonal position" means an apprenticeship, internship, or entry-level position in the employ of a PERS-covered employer that is served by a person before being employed in a technical or professional position with the same employer. This credit can be purchased only during the 90-day period before your effective retirement date.

Credit for police officers and firefighters for non-PERS service in Oregon

A member currently employed as a police officer or firefighter by a PERS-participating employer who was previously employed as a police officer or firefighter by an Oregon public employer not participating in PERS may purchase service credit for that time, not to exceed 10 years. The member can purchase credit any time before his/her effective retirement date.

Credit for out-of-state service as a police officer

A PERS member who is a police officer is entitled to make a full-cost purchase of retirement credit for any period the member was employed as a public safety officer by another state, or political subdivision of another state, before being employed in a position that entitled the member to credit in the system, not to exceed a maximum of four years. If you cannot retire without purchasing retirement credit, you must make the purchase within 90 days before your effective date of retirement.

Purchase of disability time

A member who received a PERS disability retirement allowance after January 1, 1985, may purchase retirement credit for the disability period if the member returned to employment with a PERS-participating employer after the period of disability. If the disability was due to a job-caused injury or illness, the cost of the additional retirement credit is charged to the employer at the time of the injury or illness. If the disability was not job-caused, the member must pay the full cost of the increased benefits.

If you are interested in receiving information about any of these purchases, please contact PERS Member Services toll free at 888-320-7377.

Purchases made after the deadline will be returned to you. This means your monthly benefit from PERS will not be calculated using the purchase(s). Missing the deadline may also mean you will not be eligible to retire when planned.

More information about purchases is posted on the PERS website: http://oregon.gov.PERS.

PERS Health Insurance Program (PHIP)

PHIP is a group health insurance plan specifically designed for Oregon PERS retirees and their eligible family members.

PHIP offers Medicare and non-Medicare health and dental insurance coverage for all retirees, their spouses, and dependents who meet the eligibility requirements. When planning your retirement, review all health coverage options available to you to determine your best option.

If you are not yet Medicare-eligible, the PERS health plans may not be your best option for health insurance coverage. Your employer health plans may have better benefits and premiums for retirees who are not yet Medicate eligible. Make sure you inquire about your employer's health program options for non-Medicare eligible retirees.

You will find telephone numbers and website information for the PERS Health Insurance Program in the front of this guide.

Part One: Your Guide to IAP Eligibility and Options

Retirement eligibility

There are several important factors to consider when you retire from the IAP:

• Your IAP disbursement is based on the account balance on the date of distribution, not the date you select to retire or withdraw from the IAP.

• IAP accounts are credited with investment earnings and losses annually and are subject to loss exposure until you remove the funds.

• IAP accounts have no guaranteed rate of return.

Also, if you retire from or withdraw your IAP account before age 59½, the distribution may be subject to a 10 percent IRS penalty. You can find additional information regarding this in the Federal Tax Information Disclosure document on the PERS website or enclosed in this packet. You may want to contact a qualified tax professional regarding your individual situation. When you retire as a PERS Tier One, Tier Two, or OPSRP member, you must also apply for IAP retirement. Please make sure you fill out all required sections as well as sections that my apply to you based on your selections.

We will return an incomplete retirement application to you, which could delay your payment. Additionally, any changes you want to make to your IAP choices must be made before your effective retirement date. Contact PERS if you have any questions.

Distribution election

You can receive your distribution as a one-time lump-sum payment or installment payments over 5-, 10-, 15-, 20-years or as an Anticipated Life Span option distribution.

5-, 10-, 15-, 20-year options

All installment distributions require you to select a distribution frequency. You may select monthly, quarterly, or annual distributions provided your account balance at the time of your IAP retirement supports the payment minimums. Each distribution must be at least $200. The minimum is based on the number of payments you will receive, determined by your option and frequency. The chart on page 24 shows the minimum account balances required at the time of your IAP retirement for each payment option and frequency.

If your account balance at the time you retire from the IAP does not meet the minimum required for the option and frequency you select, your frequency and option will be reduced until your account balance meets the minimum, up to and including a one-time payment. The new option and/or frequency cannot be changed. However, at any time you can request a one-time, lump-sum payout

Anticipated Life Span option

Payment of the Anticipated Life Span option is based on the current market value of your account and an estimate of your life expectancy based on Internal Revenue Service (IRS) life expectancy tables. This distribution must also meet the $200 per payment minimum standard to qualify, and the payment will vary each year based on the current market value of your account. (See page 25 for a table with minimum account balance needed so each installment is at least $200 based on anticipated life expectancy.) If your account balance at the time of IAP retirement does not

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Rollover elections

Only one-time lump-sum or 5-year distributions are rollover eligible. The other options, the 10-, 15-, 20-year installments and the Anticipated Life Span option, are not eligible for rollover and must be taken as a check sent

[1]Oregon Savings Growth Plan (OSGP) funds are automatically transferred from your IAP account into your OSGP account.

directly to you or as a direct deposit.

If you are rolling to a qualified plan rather than an IRA or Oregon Savings Growth Plan (OSGP), a representative of the plan must complete the enclosed Direct Transfer Roll-over Acceptance form (#459-388). You must establish an OSGP account before retiring or withdrawing to be able to roll over to OSGP.

Contributions on which you have already paid taxes (after-tax contributions) may not be eligible to be rolled over. If not eligible to be rolled over, these funds will be mailed directly to you.

The Tax Withholding Form for IAP Rollover-Eligible Distributions is not necessary for the portion of your distribution that you elect to roll over because rollover distributions are tax-exempt.

If you select a one-time lump-sum or 5-year distribution, you may elect to receive your distribution as a combination payment, which would split your payment in an amount specified by you. In this split/roll situation, two checks will be sent directly to you, one made out to you and the second check (the rollover portion) made out to the financial institution you specify. Your account balance must meet minimum requirements to qualify for combination split/roll payments. That minimum is $500 for the rollover portion.

In the case of 5-year installment payments, you can elect to have all or a portion of the payment rolled over. A combination split/distribution includes an amount rolled over and the remainder in a payment issued directly to you. There are pre-distribution account balance minimums necessary to qualify for a combination split/roll distribution. That minimum is $500 per payment for the rollover portion.

One-time rollover-eligible lump-sum distribution

This option is a one-time lump-sum distribution of your entire IAP account. A one-time lump-sum payment can either be paid directly to you or rolled over into an IRA, eligible employer plan, or deferred compensation plan.

It can also be split as a combination payment, including an amount rolled over and the remainder in a payment

Installment minimum account balances*

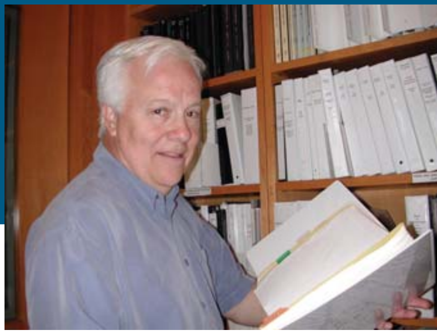
Your account balance at the time you retire from the IAP retirement must be the **minimums** shown below so the first distribution is at least $200.

Installment Option	Monthly Distribution	Quarterly Distribution	Annual Distribution
5-year installments	$12,000 (60 payments)	$4,000 (20 payments)	$1,000 (5 payments)
10-year installments	$24,000 (120 payments)	$8,000 (40 payments)	$2,000 (10 payments)
15-year installments	$36,000 (180 payments)	$12,000 (60 payments)	$3,000 (15 payments)
20-year installments	$48,000 (240 payments)	$16,000 (80 payments)	$4,000 (20 payments)

* The number of payments are not guaranteed. Your account could reach a zero balance before you receive the number of payments specified.

IAP Anticipated Life Span Option			
Age at Retirement	**Minimum account balance needed so each installment is at least $200**		
	Monthly	**Quarterly**	**Annually**
50	82,400	27,400	6,850
51	80,100	26,700	6,670
52	77,900	25,900	6,480
53	75,600	25,200	6,290
54	73,300	24,400	6,120
55	71,300	23,700	5,940
56	68,900	23,000	5,750
57	67,000	22,400	5,600
58	65,000	21,600	5,400
59	62,900	20,900	5,220
60	60,600	20,200	5,040
61	58,600	19,600	4,900
62	56,600	18,800	4,700
63	54,500	18,200	4,560
64	52,400	17,500	4,370
65	50,400	16,800	4,200
66	48,500	16,200	4,060
67	46,600	15,550	3,880
68	44,800	14,900	3,720
69	42,800	14,300	3,560
70	40,850	13,600	3,400
71	39,200	13,100	3,270
72	37,350	12,400	3,100
73	35,600	11,850	2,970
74	33,850	11,300	2,820
75	32,250	10,750	2,690

Section B
Part Two: IAP Tax Information



Required minimum distribution

Internal Revenue Code (IRC) 401(a)(9) requires you to begin receiving distributions on or before April 1 of the year following the calendar year in which you turn age 70½ or leave PERS-covered employment, whichever is later. If you become subject to these required distribution rules, at least a portion of your benefit is your RMD. Your RMD amounts are not rollover eligible. If PERS determines you are subject to the RMD rules, PERS will notify you.

As required by IRC 401, if PERS determines that you meet the RMD guidelines, PERS will calculate and send directly to you the portion of your distribution that cannot be rolled over.

Tax withholding on rollover-eligible distributions

PERS is required by federal law to withhold 20 percent of the taxable amount of any rollover-eligible distributions that are not rolled over. If you want additional taxes withheld, please enter the additional dollar amount in Section B of the Tax Withholding Form for IAP Rollover-Eligible Distributions.

The state of Oregon requires PERS to withhold 8 percent Oregon tax from the taxable amount of any rollover-eligible distributions you do not roll over unless we receive a valid Tax Withholding Form for IAP Rollover-Eligible Distributions.

If you do not want Oregon state income taxes withheld, please check the box in Section C. If you would like additional taxes withheld, please enter the additional dollar amount in Section C on the Tax Withholding Form for IAP Rollover-Eligible Distributions. NOTE: Oregon nonresidents must complete the Tax Withholding Form for IAP Rollover-Eligible Distributions to be exempt from Oregon state income tax withholding.

NOTE: If you are not a U.S. citizen or resident alien, please contact PERS for additional information regarding special withholding rules.

Tax withholding on non-rollover-eligible distributions

Installment distributions for the 10-, 15-, or 20-year and Anticipated Life Span options are not rollover eligible. These installment options are considered periodic distributions and, as such, are not taxed in the same manner as rollover-eligible distributions.

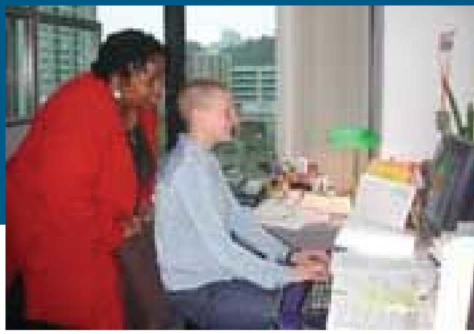
If you elect the 10-, 15-, 20-year, or Anticipated Life Span option, you must complete a W-4P federal tax form. If you do not complete a W-4P, by law federal withholding will be based on a filing status of married with three exemptions, and Oregon withholding will be based on a filing status of single with zero exemptions.

NOTE: Non-Oregon residents must complete a valid W-4P to be exempt from Oregon state income tax withholding.

NOTE: If you are a U.S. citizen living outside the United States, you cannot exempt yourself from federal tax withholding.

NOTE: If you are not a U.S. citizen or resident alien, please contact PERS for additional information regarding special withholding rules

Section B
Part Three: Additional Forms for IAP Retirement



Supplementary forms you may need depending on your personal situation

Depending on the choices you have made, you will have to complete additional forms for your IAP retirement.

The following forms may or may not apply to you, depending on the choices you have made.

- IAP Direct Transfer Rollover Acceptance
  You must fill this out if you are rolling over any portion of your IAP benefit to another eligible employer plan or deferred compensation plan other than the Oregon Savings Growth Plan.
- Authorization Agreement for Automatic Deposits
  You must fill this out if you want us to deposit your benefit directly into a bank account.
- Tax Withholding Form for IAP Rollover-Eligible Distributions

Important notice regarding the W-4P for IAP installments of 10 years or more

If you would like a withholding different from the one you choose for your OPSRP account, you must fill out a separate W-4P for your IAP.

Appendices

Charts, examples, and other information.

Appendix A: Age verification

PERS can accept the following documents as verification of age. Since the documents you submit cannot be returned, please submit photocopies. Be sure to put your PERS ID number on all documents so they are properly recorded. If you cannot furnish the proof required in Group 1 or 2, send PERS a written explanation.

If it is illegal to copy a document, bring it into the PERS headquarters, and PERS will verify the birth information.

Group 1

If one item of this group is furnished showing birth dates, no further evidence of age is needed.

Any ONE of these:

- Oregon driver's license **if issued on or after February 4, 2008**
- Birth verification issued by state, county, or country
- (Documents issued by foreign governments in a language other than English need to include a translation into English certified by a notary public, public
- agency, or other public official.)
- American Indian Reservation Age Verification
- Infant baptism certificate
- Hospital birth certificate (if signed by attending physician or issued by state)
- Passport (current or expired)
- School age record
- Naturalization or citizenship papers
- Family Bible record (If this record is furnished, include the following information certified by a notary public or other public official: copy of all family record entries in the Bible referring to applicant and parents, brothers, and sisters; Bible publication date or apparent age of Bible; when birth date was entered and by whom.)

Group 2

Two items of this group from different sources are sufficient if age or birth date is shown.

Any TWO of these:

Example: One child's birth certificate and one driver's license.

- A notarized affidavit by an older, immediate family member in a position to know the birth date (e.g. father, mother, etc.)
- Certificate of military record
- Marriage record (Record must show your age or date of birth at time of marriage.)
- Copy of Oregon driver's license if issued before February 4, 2008, or any other state's license issued at any time
- County voter registration (Must show your age or date of birth; do not send in your precinct card.)
- Copy of child's birth certificate if it shows age of parents
- Social Security record (Record must be displayed on an estimate of benefits or screen print from the Social Security office. Document must be dated within last 12 months.)
- Military ID (military record DD214)
- Concealed weapons permit

Appendix B: Order of standard beneficiaries

If you elect standard beneficiaries, they will be awarded any benefits due them in the following order:

(a) To my **spouse**; and if he or she does not survive me, then to:

(b) my **child** or **children** in equal shares, and the share of any child who does not survive me to his or her children living at my death in equal shares; but, if none of my children survive me, then to the children of my children living at my death in equal shares; and if neither my children nor any of their children survive me, then to:

(c) my **mother** and **father** in equal shares, or to the survivor; and if neither survives me, then to:

(d) my **brothers** and **sisters** in equal shares, and the share of any brother and sister who does not survive me to his or her children living at my death in equal shares; but, if none of my brothers and sisters survive me, then to the children of my brothers and sisters living at my death in equal shares, then to

(e) my estate.

The terms "child" and "children," as used in this beneficiary designation, shall include both natural born and adopted children, whether born or adopted before or after the date on which I selected this beneficiary.

No payment shall be made to persons included in any of the above groups should there be living at the date of my death persons in any groups preceding it as listed.

Except as designated above, no dependents of any beneficiary who does not survive me will take any interest or benefit in property subject to this designation.

Appendix C: Examples for specific retiree designation of beneficiary

In the event of a divorce, the designation of beneficiary may be subject to court order(s) filed with PERS.

Always show full given names of person(s): for example, Mary R. Doe (not Mrs. Robert Doe).

You must also allocate a percentage of your benefit to each beneficiary.

1. To name **co-beneficiaries**:
   Mary J. Doe Mother 1/30/1901 50 percent
   and
   John R. Doe Father 11/10/1900 50 percent

2. To name a **contingent beneficiary**:
   Mary J. Doe Mother 1/30/1901
   if living, otherwise to
   Betty A. Jones Sister 8/12/1935

3. To designate your **estate as beneficiary**:
   The personal representative, executor, or administrator of my estate. (Do not show anyone's name.)

4. To designate an **organization as beneficiar**y:
   Do not show anyone's name. Include the legal name of the organization and mailing address.
   (Please use legal name for organization.)

5. To designate a **trustee as beneficiary**:
   Name a trustee and a successor trustee rather than the trust itself, e.g., "To John Doe (name) trustee or Jane Doe (name) successor trustee of the (name of trust,) dated, held by (trustee name and address)."

Appendix D: Blank check guide