

PERSPECTIVES

For retired members

April 2021 edition



Make sure you know the rules for working after retirement

If you plan to work for a PERS-participating employer after retirement, check out the applicable rules on our [Senate Bill \(SB\) 1049 webpage](#).

SB 1049 simplified some previous work-after-retirement rules as of January 1, 2020.

Those changes will continue through December 31, 2024.

PERS is not involved in hiring decisions between retirees and employers. Whether a PERS-participating employer hires you, or places any limits on you as a PERS retiree, is between you and your employer.

Cost-of-living increases coming in August

As a PERS member receiving a monthly pension benefit, you will see an increase in your benefit payments in August due to the annual cost-of-living adjustment (COLA).

This year’s COLA will go into effect July 1, 2021, and be included in members’ August 1 benefit payments.

These adjustments are based on a regional Consumer Price Index (CPI) set by the U.S. Bureau of Labor Statistics for the prior year. The adjustments are limited to a maximum of 2% each year. PERS uses the West Region CPI, which was 1.74% for 2020.

For service prior to October 1, 2013, the COLA increase is capped at 2%. However, in years that the CPI exceeded 2%, the excess was banked in what is called a CPI carryover. In years when CPI is less than 2%, your CPI carryover is used to provide you with the maximum 2% COLA on benefits earned before October 1, 2013.

If you retired after July 1, 2020, you do not yet have a CPI carryover. Therefore, the COLA on your benefit earned prior to October 1, 2013, will be the actual CPI of 1.74%.

The COLA applied to the portion of your benefit earned

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Keep updated with the latest PERS info

[Sign up for GovDelivery email or text updates](#). You can get alerts on topics that include:

- Member news and Perspectives
- Tax remedy notifications
- Variable account Information
- PERS Health Insurance Program
- Senate Bill 1049
- PERS Board meetings
- PERS administrative rulemaking

Take PERS’ 2021 online member survey

Share your feedback and help PERS improve our member services by completing our annual member satisfaction survey.

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. A link to the survey will also be posted on the PERS website.

You will have until May 31 to complete the survey, and it will not be available in print form.

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When will my benefit be paid in 2021?

2021 pay date	Checks mailed from Salem	Direct deposit date
May 1	April 29 (Thursday)	April 30 (Friday)
June 1	May 28 (Friday)	June 1 (Tuesday)
July 1	June 30 (Wednesday)	July 1 (Thursday)
August 1	July 29 (Thursday)	July 30 (Friday)
September 1	August 31 (Tuesday)	September 1 (Wednesday)
October 1	September 30 (Thursday)	October 1 (Friday)
November 1	October 29 (Friday)	November 1 (Monday)
December 1	November 30 (Tuesday)	December 1 (Wednesday)

Equation helps PERS measure its financial health

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

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

PERS' "funded status" compares how much money the PERS system has versus how much it is projected to pay out in retirement benefits.

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.

The last **official** actuarial valuation results available show PERS' funded status is 72% as of December 31, 2019. That percentage jumps to 79% when we

include employer side accounts. Side accounts occur when employers deposit proceeds from pension obligation bonds and other advance lump-sum payments that gradually offset the cost of their PERS contributions.

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 **about 74%** of PERS pension benefit payments.

For calendar year 2020, OPERF received an estimated 7.7% in investment returns (*learn more about investment returns from the Oregon State Treasury on page 3*).

Health insurance options

If you are about to become Medicare-eligible and are seeking health care options, the PERS Health Insurance Program (PHIP) can help.

Eligibility, enrollment, and plan information for 2021 is available in a **series of videos**. In-person presentations were suspended until further notice in 2020 due to the COVID-19 pandemic.

More information about PHIP and the full schedule can be found online at www.pershealth.com.

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after October 1, 2013, is 1.25%. And if your annual benefit is more than \$60,000, you will receive 0.15% COLA on benefits exceeding that amount.

Note that if you are an OPSRP member (hired after August 28, 2003) and your effective retirement date was on or after August 1, 2020, your COLA will be prorated based on the number of months for which you received a benefit before July 1, 2021.

Explore self-service tools in OMS

Want to check your pension benefit amount, view tax information, or update your address?

PERS offers retirees several self-service tools via the [Online Member Services](#) (OMS) portal. PERS staff have improved the design of OMS to make it easier for you to use, such as streamlining links and navigation.

You can use OMS to:

- Change your address.
- Update your residency status (important for Tier One members receiving tax remedy).
- View and print your payment history.
- View tax information.
- View upcoming benefit payments.
- Print benefit confirmation letters.
- Request a duplicate 1099-R.

For more information on how to use OMS, go to the [Retirees](#) section of the PERS website. Follow the “How Do I ...” links under the Tier One/ Tier Two and OPSRP areas.

If you need to set up an OMS account, you should use an email address that only you have access to, which will help keep your information secure.

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

Treasurer Read 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, 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 secure, reliable computing infrastructure, we were fully operational right after sending our team home to minimize exposure to and spread of COVID-19.

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.

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

**Based on gross returns*

Important information for caregivers

If you are caring for a PERS benefit recipient, you will need to contact PERS — and the PERS Health Insurance Program (PHIP), if applicable — if you need to manage the member’s account and/or make health insurance or financial decisions on their behalf. You may need to submit the following forms or information:

- [Authorization to Release Account Information](#) — This form will allow you to access a PERS member’s account information.
- [Special Power of Attorney for PERS](#) — This form will allow you to handle the affairs of a

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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.

Moving? Life changes?

Don't be a stranger! Keep your information with PERS up to date, and be sure to mail or fax (503-598-0561) your **forms** to us in a timely manner. You can find the forms you need online by clicking [Most Requested Forms](#) at the top of PERS' homepage. Look for the "Retired Members" section on the forms webpage.

MAIL INFORMATION TO:

PERS, PO Box 23700
 Tigard, OR 97281-3700

ADDRESS CHANGES: PERS Member Services cannot update addresses over the phone or via email for security reasons. You can update information in the [Online Member Services](#) portal or send in an [Information Change Request](#) form.

DIRECT DEPOSIT: [Direct deposit](#) forms received by the 15th of any month will typically be processed and effective for the following month's benefit payment.

TAX WITHHOLDING: Updating your address or providing residency status certification **does not** automatically change your withholdings. You must submit a new [W-4P form](#) for

each account. You may have withholdings on both your PERS pension and IAP payments. Submit W-4Ps by the beginning of the third week of any month.

ACCOUNT ACCESS: The [Authorization to Release Account Information](#) form allows you to authorize a third party to obtain information regarding your PERS account or benefits. The [Special Power of Attorney](#) form gives the person(s) you designate the power to make decisions for PERS-related matters on your behalf.

DIVORCE: [Contact](#) Member Services about [divorce](#) and PERS benefits.

DEATH NOTICES: After a PERS member dies, a representative should contact Member Services as soon as possible. Failure to [report a death](#) in a timely manner may result in having to pay back retirement payments. PERS will require the date of death, city and state where the death occurred, a photocopy of the death certificate, and a spouse's or personal representative's contact information.

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PERS member if they are unable to act on their own behalf.

- **Letters of conservatorship or guardianship** — A "conservatorship or guardianship of estate" is a person or organization (such as a nursing home) appointed by a court to be legally responsible for another person and their property. Note that PHIP may have different rules and forms for caregivers and guardians. Contact PHIP at 800-768-7377 or www.pershealth.com.
- **Notification of a member's death** — A family member, beneficiary, or caregiver must immediately [notify PERS](#) (and [PHIP](#), if applicable) of the death of a retired member to stop benefit payments and prevent overpayment of benefits. Beneficiaries may be responsible for repaying PERS for any overpayments that occur. Read more on PERS' [Get Help](#) webpage.