

# PERSPECTIVES

Retired  
Member  
Edition

## Supplementary payments: frequently asked questions

Senate Bill 861, from the 2013 special legislative session, provides an annual supplementary payment of 0.25% on a yearly benefit to all eligible benefit recipients, not to exceed \$150.

Those who have a PERS benefit of less than \$20,000 per year receive a second annual supplemental payment of 0.25% of their yearly benefit.

The supplementary payment for 2014 was paid in November and was sent to you as a paper check or was auto deposited in the same account that your monthly benefit is deposited.

The following are frequently asked questions (and answers) regarding supplementary payments.

### **How many years will the supplementary payments continue?**

The annual supplementary payments will be in effect for six years (2014-2019).

### **What was the latest date to retire and receive a supplementary payment for 2014?**

July 1, 2014 was the last date to retire to receive a supplementary payment for 2014.

### **Was my supplementary payment based on my new benefit amount that includes the COLA paid on August 1, 2014?**

No. Supplementary payments were based on your benefit payment amount before the COLA was applied for 2014.

### **I am a Tier One benefit recipient who has a “tax remedy” included in my benefit amount. Is the “tax remedy” portion of my benefit subject to the supplementary payment?**

No. The amount of your “tax remedy” was not included in the supplementary payment calculation.

### **Were federal or state taxes withheld from my supplementary payment?**

Yes. Taxes were withheld from supplementary payments based on your W-4P elections on file at PERS.

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## Variable adjustment

If you remained in the Variable Annuity Program at retirement, the variable annuity portion of your monthly retirement benefit is adjusted every January and payable with your February 1 benefit payment.

The adjustment is based on earnings or losses to your variable account as of October 31 of the previous year.

The adjustment will begin with your February 1, 2015 benefit payment. You will receive a letter from PERS showing the amount of the adjustment.

## December 1 pay stubs

Your December 1, 2014 pay stub shows your benefit payments for the year, the total gross benefit amount you received for the year, and the total amount deducted for federal and state taxes, PERS Health Insurance Program, and any other deductions in 2014. The pay stub also shows the amount of your 2014 supplementary payment (see accompanying article).

If you had a rollover transaction, payment from the Benefit Equalization Fund, or have an alternate payee, your 2014 total gross payment as stated on your December 1 pay stub will reflect the total of those combined payments. The individual payment details can be viewed online using PERS’ Online Member Services (OMS).

You can create an account and log into OMS from the PERS website (<http://oregon.gov/PERS>).

The “Other Deductions” on your pay stub could include child support, tax liens, union dues, or overpaid benefit repayments. You can view more information regarding “Other Deductions” in OMS.

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## Supplementary payment Q&A *(continued from page 1)*

**Is the amount of my supplementary payment included in my end-of-year pay stub that is sent in early December?**

Yes, the end-of-year pay stub will include the supplementary payment amount as part of the total benefit payment amount you received in 2014.

**Is the supplementary payment rollover eligible?**

No, the payment is not rollover eligible.

**Where does the money for the supplementary payments come from?**

The supplementary payments will be paid from PERS' Contingency Reserve.

**Will the supplementary payments increase employer contribution rates?**

No, employer contribution rates will not be affected by the supplementary payments.

### Annual tax statements: 1099-Rs to be mailed

In January 2015, PERS will mail an Internal Revenue Service Form 1099-R to everyone who received a PERS benefit in calendar year 2014, including an Individual Account Program (IAP) benefit.

You will receive more than one 1099-R if you received monthly benefits *and*

- ♦ beneficiary benefits,
- ♦ turned age 59 1/2 in 2014, or
- ♦ directly rolled over any portion of your benefit (i.e., Roth, IRA, trustee-to-trustee transfer).

PERS will mail 1099-Rs for 2014 to your address on file at PERS. If your address has changed, you need to complete the Change of Address form available on the PERS website at <http://oregon.gov/PERS>. Alternatively, you can contact Customer Service at 888-320-7377 to have the form mailed to you.

You can also use Online Member Services (OMS) to change your address. If your address has changed, please update it by December 15, 2014.

You can also fax the completed, signed Change of Address form to 503-598-0561.

If you do not receive your 1099-R by February 15, 2015, you can request a duplicate via OMS or by calling PERS at 888-320-7377.

**Will the supplementary payments be compounded or added into my yearly benefit amount to calculate future COLAs?**

No, supplementary payments are not included when calculating future COLAs.

**I receive more than one PERS benefit payment. Were the supplementary payments made on each benefit payment that I have?**

The supplementary payment is based on your PERS monthly retirement allowance. Supplementary payments (as well as COLAs) are not paid on distributions from the Individual Account Program or on Police and Fire Unit payments.

**If an alternate payee is receiving a reduction or deduction of a benefit recipient's benefit, does the alternate payee receive a portion of the supplementary payment calculated based on the benefit recipient's July 1 gross benefit?**

Yes. The supplementary payment to the alternate payee includes the proportionate share of the total benefit.

**In a divorce settlement, if the court order specifies that an alternate payee receive a flat dollar benefit amount, is the alternate payee eligible to receive a percentage of the benefit recipient's supplementary payment?**

No. PERS will continue to pay the flat dollar amount as directed by the court.

**Is an alternate payee who is receiving benefits from a separate account eligible for supplementary payments if the associated member is retired?**

Yes, if the associated member is retired on or before July 1 of the payment year.

**Is an alternate payee who is receiving benefits from a separate account eligible for supplementary payments if the associated member is not retired?**

No. An alternate payee with a separate account is not entitled to any benefit increases (COLA or supplementary payments) until the member retires.

**If a benefit recipient deceases July 1 or after, but before the supplementary payment is made, is the deceased member still entitled to the payment?**

A deceased benefit recipient is not entitled to a supplementary payment. A beneficiary receiving a monthly benefit as of July 1 of any year is eligible to receive the supplementary payments.

# January 2015 benefit checks

Retirement benefit checks for January 2015 will be mailed from Salem, Oregon on December 31, 2014.

If you have automatic deposit, the January check amount may not post to your account until January 2 due to the January 1 holiday.

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

Address all correspondence to **PERS, P.O. Box 23700, Tigard, OR 97281-3700**. PERS headquarters is located at **11410 SW 68th Parkway, Tigard, Oregon**.

**Phone 503-598-PERS** or toll free **888-320-7377; TTY: 503-603-7766**. Telephone hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, except holidays. PERS' Internet address is <http://oregon.gov/PERS>.

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# Long-term care meetings schedule

Long-term care helps those who need assistance with daily living activities, either at home or in a facility. This can be due to an accident, an illness, or advancing age.

The need for long-term care is not limited to the elderly.

These meetings explain the options available to PERS retirees and do not require pre-registration.

If you have questions, please call UNUM Customer Service for more information 800-227-4165.

Date	Location	Meeting Time
Jan. 15	Holiday Inn - Airport 8439 NE Columbia Blvd., Portland	10:30 a.m. - noon & 1:30 - 3 p.m.
Feb. 10	Roth's, Oregon Room 1130 Wallace Rd. NW, Salem	10:30 a.m. - noon & 1:30 - 3 p.m.
Mar. 18	Holiday Inn - On The River 781 NW 2nd St., Corvallis	10:30 a.m. - noon
Mar. 18	Embarcadero (tentative*) 1000 SE Bay Blvd., Newport	2:00 - 3:30 p.m.
Apr. 15	Medford Senior Center 510 E. Main St., Medford	9:00 - 10:30 a.m.
Apr. 15	Holiday Inn Express 375 W. Harvard Blvd., Roseburg	1:00 - 2:30 p.m.

\* This location will be confirmed at a later date. You can view the final schedule at: <https://www.pershealth.com/benefits> or call 800-227-4165.



# 2015 schedule for benefit check mailings and direct deposits

2015 pay date	Checks mail from Salem	Direct deposit effective date
January 1	December 31, 2014 (Wednesday)	January 2, 2015 (Friday)
February 1	January 29 (Thursday)	January 30 (Friday)
March 1	February 26 (Thursday)	February 27 (Friday)
April 1	March 31 (Tuesday)	April 1 (Wednesday)
May 1	April 30 (Thursday)	May 1 (Friday)
June 1	May 29 (Friday)	June 1 (Monday)
July 1	June 30 (Tuesday)	July 1 (Wednesday)
August 1	July 30 (Thursday)	July 31 (Friday)
September 1	August 31 (Monday)	September 1 (Tuesday)
October 1	September 30 (Wednesday)	October 1 (Thursday)
November 1	October 29 (Thursday)	October 30 (Friday)
December 1	November 30 (Monday)	December 1 (Tuesday)

# Customer service survey results and strategies

PERS conducted its 2014 customer service satisfaction survey during August. Our thanks to the approximately 1,450 people who responded online and via hard copy. PERS has conducted annual surveys since 2006.

Participants rated PERS in eight areas: timeliness of services; ability to provide services correctly the first time; helpfulness; knowledge and expertise of PERS' employees; availability of information; the overall quality of service PERS provides; the PERS website; and how our service in the past year compared to previous years.

We also asked three questions regarding the PERS website:

- Was the PERS website easy to navigate?
- Did you find the information you wanted?
- Are there any changes you would make to the PERS website?

Approximately 84% of respondents said the website was easy to navigate and approximately 84% found the information they were seeking. In many cases where information was not found, respondents were looking for the potential impacts of PERS-related legislation.

Another question asked: "Are PERS forms easy to understand and use?" Approximately 75% of respondents answered "yes," with approximately 5% answering "no." The remainder had "not used" PERS forms.

The following are key issues and suggestions from the comments we received, along with PERS' strategies to resolve these concerns:

## Ratings for the eight survey questions

How do you rate...	Excellent	Good	Fair	Poor	Don't Know
The overall quality of service?	59%	28%	4%	4%	5%
The timeliness of services PERS provides?	59%	28%	4%	4%	5%
PERS' ability to provide services correctly the first time?	58%	25%	5%	5%	7%
PERS' helpfulness?	59%	26%	4%	4%	7%
The knowledge and expertise of PERS employees?	54%	26%	4%	4%	12%
The availability of information at PERS?	55%	27%	4%	4%	9%
The PERS website?	23%	23%	5%	3%	46%
Our service in the past year compared to previous years?	45%	26%	3%	4%	22%

## 1. Members and retirees noted long wait times when telephoning PERS Customer Service.

More than 50% of respondents noted that their last interaction with PERS was "within the last year" or "more than a year." From August 2013 and continuing into February of 2014, our call volume increased, as did our telephone call abandonment percentage and wait times.

**Resolution:** Improvements have been made that address this issue. In February 2014, nine new call center agents joined PERS (five replaced retiring staff or those who took promotions in the agency, and four were new limited-duration positions).

The average wait time was reduced to 0:47 seconds from 6:53 minutes and the percent of telephone calls answered in two minutes or less went from 22 percent to 83 percent.

## 2. Respondents noted the length of time to receive a Data Verification from PERS.

Members feel that Data Verifications take too long for PERS to produce. Members can request a Data Verification before retiring. Verifications include the member's accrued creditable service or retirement credit and the member's "final average salary."

**Resolution:** PERS has proposed to expand the Data Verification Unit staffing from the current five staff with an additional seven permanent staff and eight limited-duration staff. The permanent staff would allow us to keep up with new Data Verification requests as they are received, and the limited-duration staff would clear the accumulated backlog. This "policy option package" is part of the agency's 2015-17 budget request, and is subject to further modification and approval through the budget process.