

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Employer Advisory Group

January 23, 2026



Agenda

- Director's Office update
- Legislative update
- Modernization update
- Actuarial update
- Employer Service Center update
- Communications update
- Additional items
- Open discussion

Director's Office update

Kevin Olineck, Director

Director's Office update

Introductions

New PERS Board member Robert Tintle



New PERS Deputy Director Kai Turner



Director's Office update

Board meetings

December PERS board meeting recap ([presentation PDF](#))

- Board self-evaluation (slides 24–26)
- Financial modeling (slides 196–243)
(covered in Actuarial Update)
- Actuarial contract (slides 185–187)
- Board scorecard report (slides 188–196)

January 30 board meeting preview

- Senate Bill 1566 reporting requirements
- Preliminary Earnings Crediting and Reserving

Legislative update

Heather Case, Senior Policy Advisor

Legislative update

January legislative days

January 15–17, 2026

- Required reporting — progress reports on:
 - House Bill (HB) 4045 (2024) implementation
 - Modernization program
- Budget request — PERS Modernization Program

Legislative update

February short session

2026 Legislative Session

- Begins February 2, 2026.
- Required reporting:
 - Preliminary earnings crediting.
 - Senate Bill (SB) 1566 reporting — status of Employer Incentive Fund (EIF), School Districts Unfunded Liability Fund (SDULF), and Unfunded Actuarial Liability Resolution Program (UALRP).
- Budget adjustments will very likely impact the above programs.
- Policy bills related to PERS: few.

Legislative update

2027 legislative concepts

Development has begun.

- PERS is planning a government affairs stakeholder meeting for February to discuss concepts.
- Changes to PERS Health Insurance Program (PHIP) subsidies and subsidy eligibility will be proposed again in 2027.*
- **EAG knowledge needed:** Changing salary reporting for local governments from “earned when earned” to “earned when paid” to align all employer reporting.

*Changes were proposed in 2025 with Senate Bill 847. It recommended updates to PHIP to increase the subsidy, including expanding PHIP-related subsidies to cover Oregon Public Service Retirement Plan (OPSRP) members.

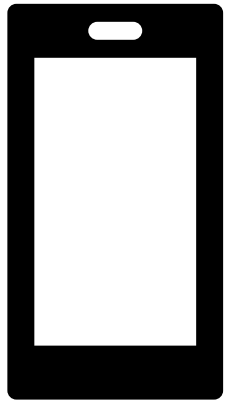
Modernization update

Kristi Ivers, Modernization Program Director

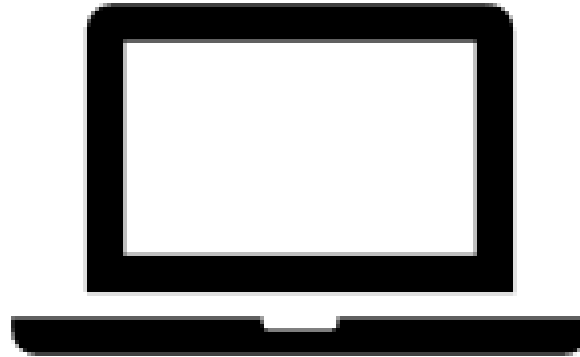
Modernization update

Current stage: execution

Telephony Modernization Project

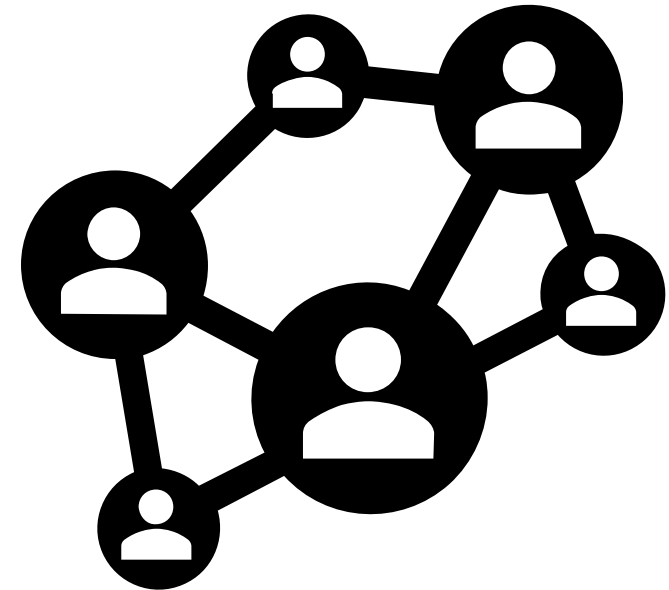


JClarety UX/UI Modernization Project (JUMP)



Pension Administration System (PAS) Modernization Project

- Current state requirement gathering-session updates.
- PAS timeline.



Telephony Modernization Project

Current stage: execution ▲

Project summary: Implement a modern telephony system that can be integrated with future capabilities.

Highlights: Development and user acceptance testing (UAT) are in process for Phase 2.

Status:

Overall Health	Scope	Schedule	Resources	Budget	Quality
AMBER	■	■	■	■	■

Upcoming activities:

- Go-live for Phase 2 planned for February 2, 2026.
- High-level requirements gathering for Phase 3 is in process.

JUMP*

Current stage: execution ▲

Project summary: Improve user experience by updating member, employer, and third-party self-service portals to meet ADA** compliance and security requirements.

Highlights:

- On track to meet ADA compliance deadline in April 2026.
- Business functional testing (BFT) completed on time on November 26, 2025.

Status

Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN	■	■	■	■	■

Upcoming activities:

- Work package #1: UAT start scheduled for January 13, 2026.
- Deployment scheduled for April 9, 2026.

Pension Administration System (PAS) modernization

Current stage: pre-initiation ▲

Project summary: Document current state architecture and business processes to support the development of business requirements and plan for a new pension administration solution. A new PAS is expected to be implemented in 8 to 10 years (2034).

Highlights: Requirements-gathering sessions (baseline) started on November 3, 2025. Themes emerging:

- Lack of automation:
 - No real-time status updates.
 - No access to portal during maintenance hours.
 - Cannot highlight required fields.
 - Inability to show employers when members have a pending benefit.
 - No chat feature.
- Operational complexity.
- Technical debt.

Upcoming activities:

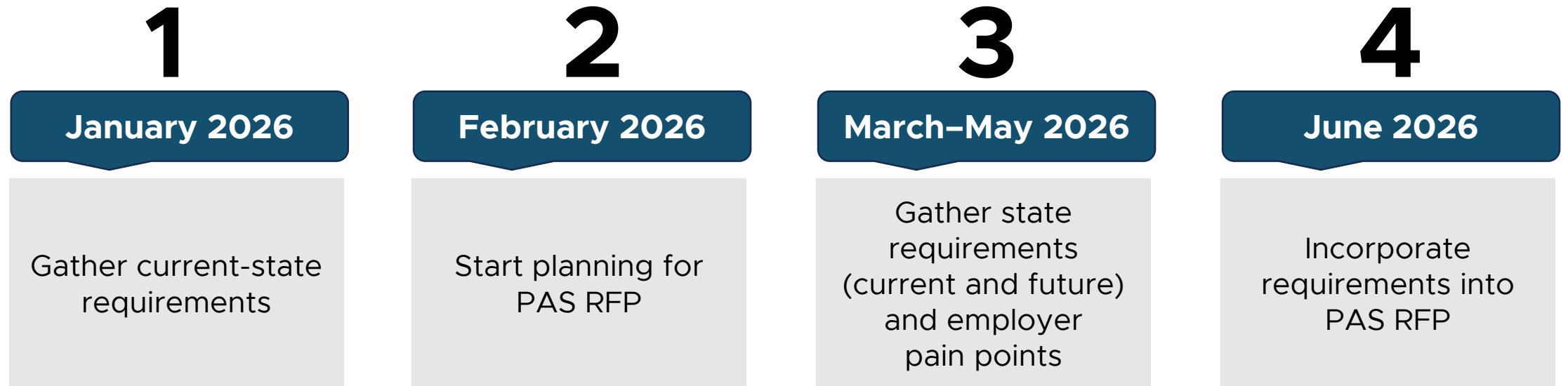
- Request for proposal (RFP) for specialized consultant.
Process:
 1. Department of Justice (DOJ) approval.
 2. Post.
 3. Review proposals.
 4. Award.
 5. Execute contract.
- Prepare for PAS RFP.

Status

Overall Health	Scope	Schedule	Resources	Budget	Quality
GREY	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

Pension Administration System (PAS) modernization

Plan to gather employer requirements

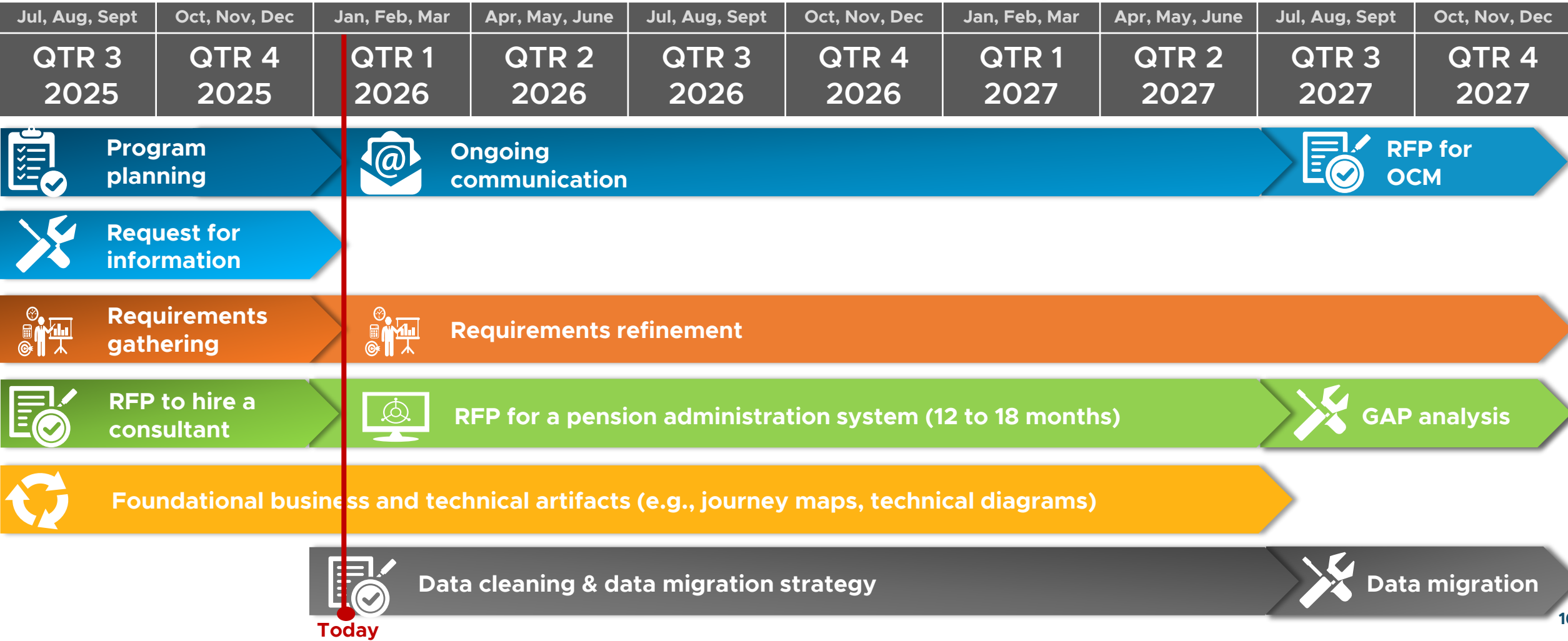


DRAFT

Modernization

PAS high-level iterative timeline

Modernization Pension Administration System Timeline



Actuarial update

Troy Phillips, Actuarial Business Specialist

Actuarial update

- Recap Milliman financial modeling presentation from December
- Expiring side accounts project
- Contribution credits
- Employer Incentive Fund (EIF)
- Update to Employer Rate Projection Tool (ERPT)
- Advisory evaluations
- Earnings

Actuarial update

Financial modeling

Steady return model estimates values using a specific steady rate of return over 20 years.

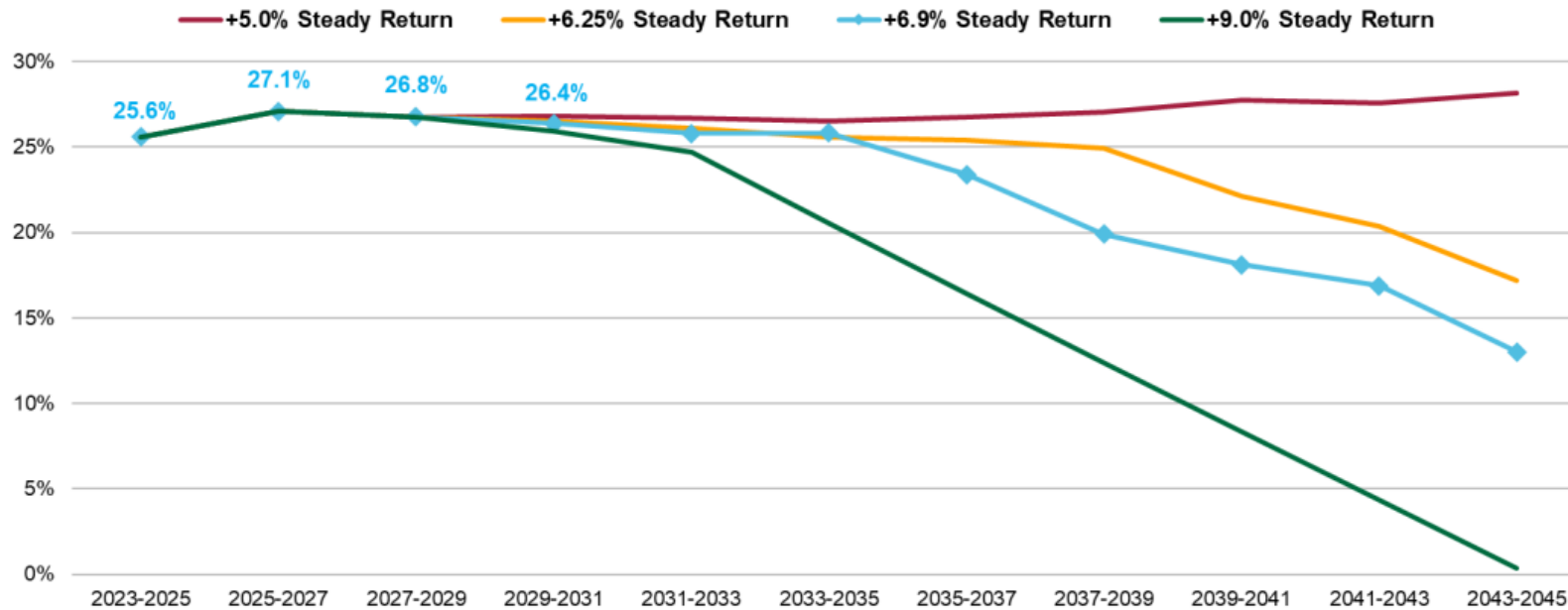
Variable return model develops ranges of values rather than a single value.

The distribution of those ranges is based on a stochastic simulation that uses 10,000 different trials.

Actuarial update

Steady return model

Employer Collared Base Pension Rates (System Average)

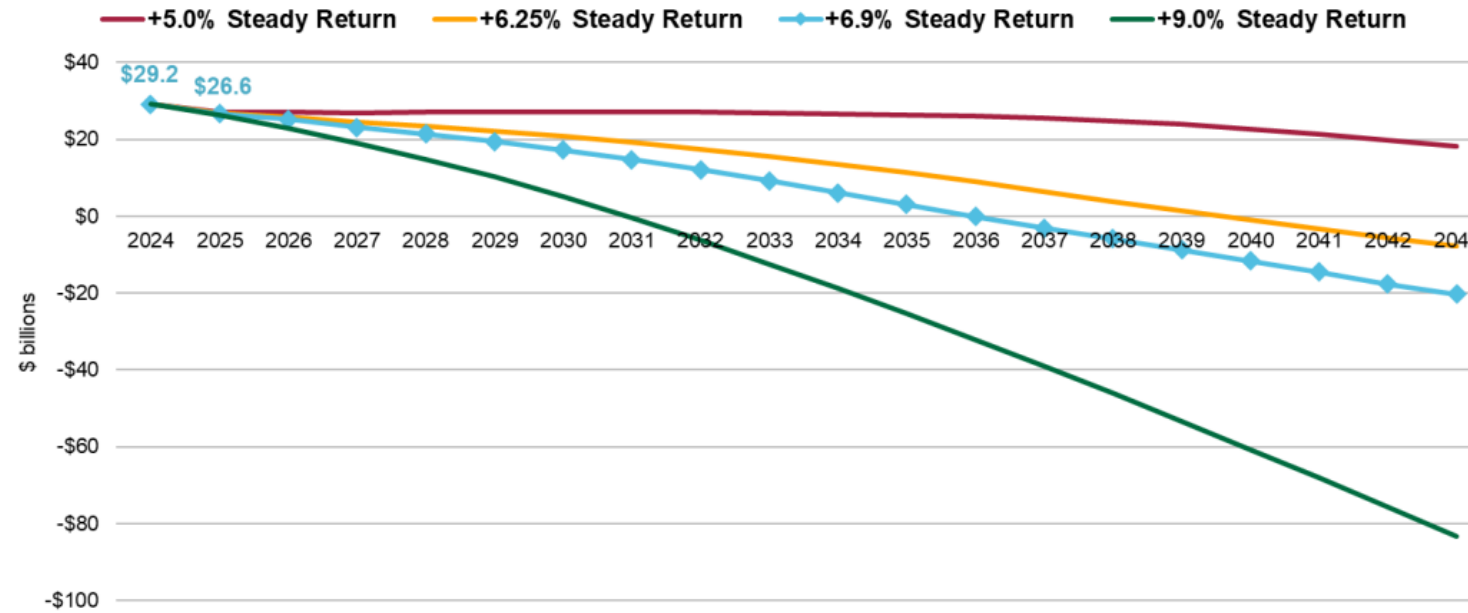


- System average employer collared base pension rates in 2027-29 are projected to be similar to 2025-27 rates
- Blue line: rates decrease as new OPSRP members replace exiting Tier One / Tier Two members
- Final 2027-29 rates will be based on asset returns through December 31, 2025
- Material rate decreases begin when funded status nears 90%

Actuarial update

Steady return model

UAL (Unfunded Actuarial Liability) Excluding Side Accounts



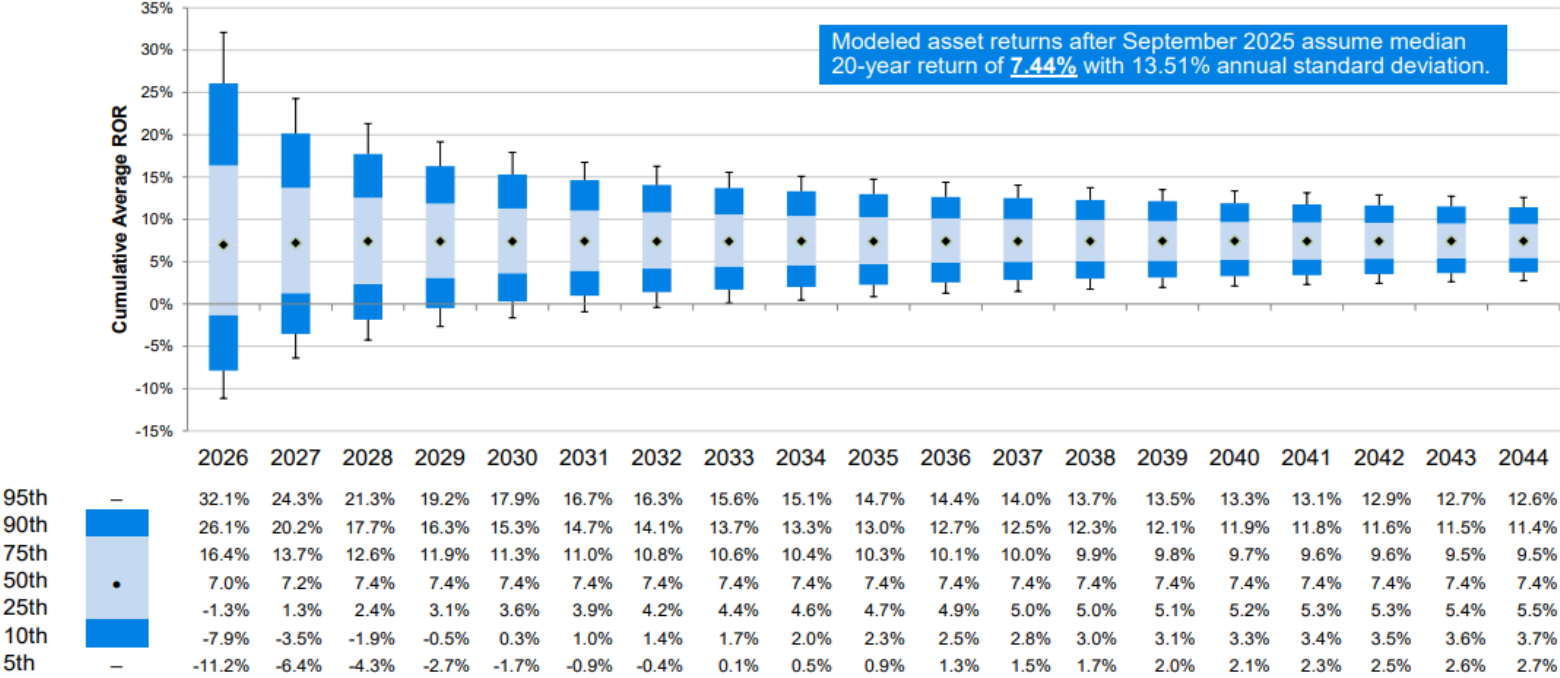
- 2025 UAL decreases due to estimated year-end 2025 investment returns and contributions
- At steady +6.9% return, UAL declines steadily, reaching \$0 at year-end 2036

Actuarial update

Variable return model

Average Annualized Rate of Investment Return

Post-2025 Modeled Returns (Geometric Average)

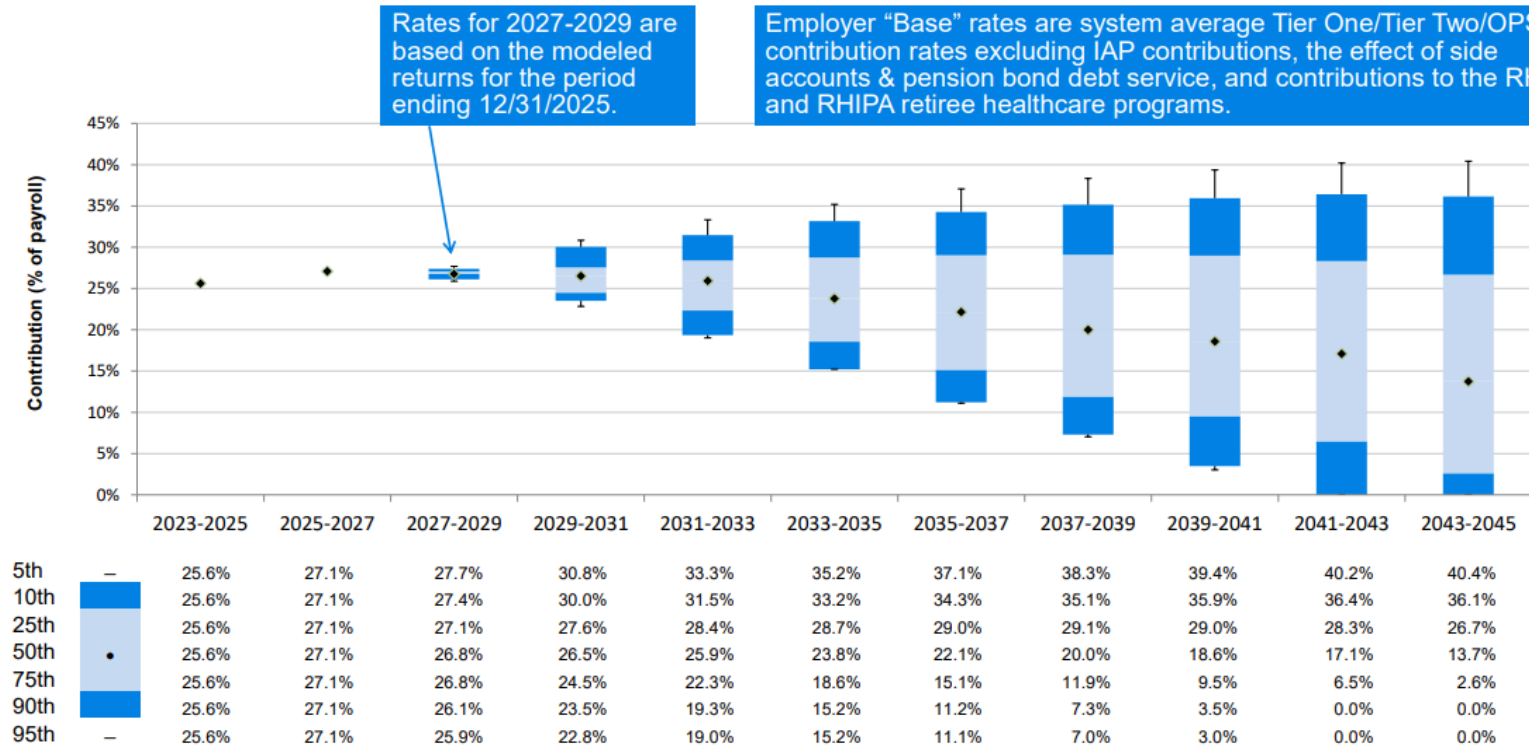


Actuarial update

Variable return model

Employer Collared Base Pension Rates (System Average)

Analysis is on a system-wide level and does not reflect SB 849 reduction of 1.68% to 2025-27 School District Pool contribution rates



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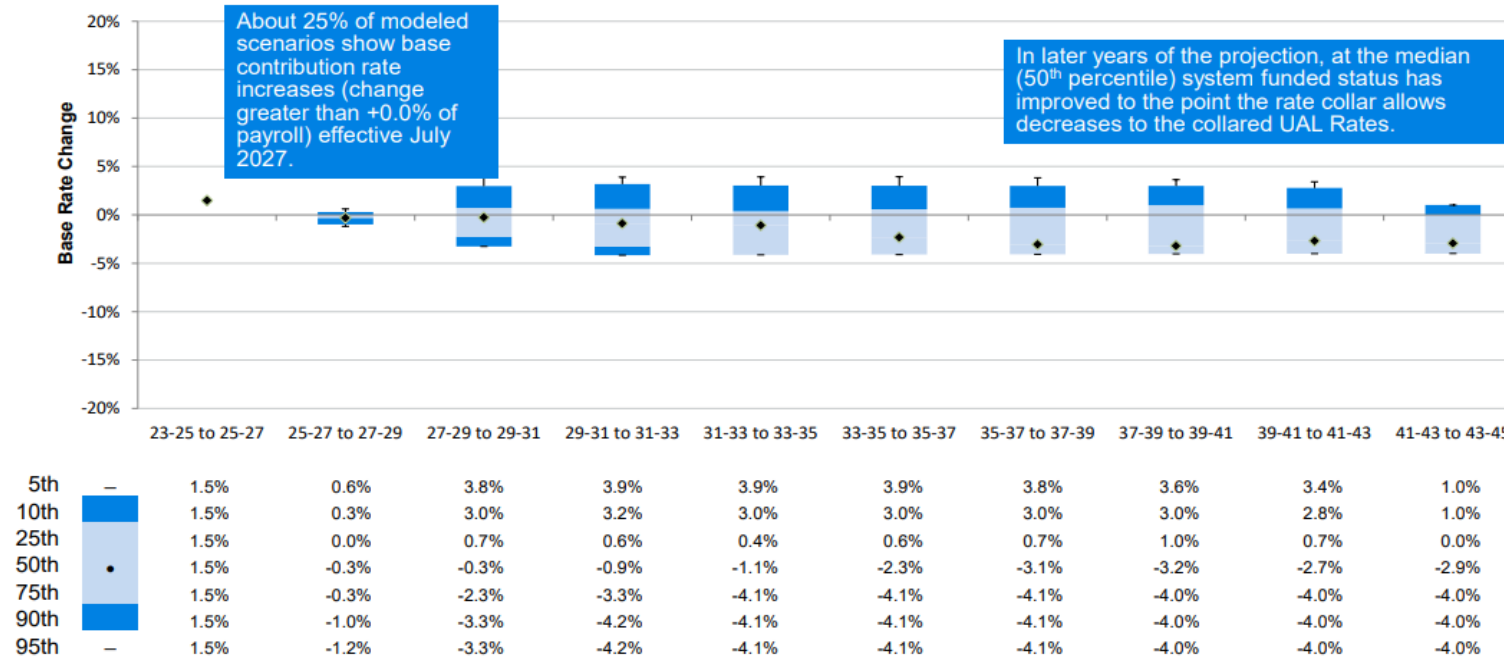
Actuarial update

Variable return model

Biennial Change in Employer Collared Base Pension Rate

Analysis is on a system-wide level and does not reflect SB 849 reduction of 1.68% to 2025-27 School District Pool contribution rates

System Average Rates



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Actuarial update

Expiring side accounts project

Project tasks:

- Created side account task force.
- Monitoring expiring side accounts.
- Identifying side accounts that are amortizing prematurely.
- Keeping employers informed.

Actuarial update

Employer Incentive Fund

Employer Incentive Fund (EIF) status

- As of December 19, 2025, the fund has distributed **\$25,492,383** in matching funds.
- Current EIF cycle ends **March 31, 2026**.
- Employer payments **must be received by March 31, 2026**.

Actuarial update

Employer Rate Projection Tool (ERPT)

Data in the ERPT have been updated.

Access the tool and user guide on the ERPT webpage:

<https://www.oregon.gov/pers/emp/Pages/Employer-Rate-Projection-Tool.aspx>

Employer Rate Projection Tool


By using PERS' Employer Rate-Projection Tool (ERPT), employers can estimate their own potential employer contribution amounts and rates for planning purposes over the next several biennia. Employers may also use the tool to determine the potential impact of establishing a new side account.

The tool is for planning purposes only. Use this tool only with the understanding that the projections it calculates are estimates. The biennial contribution changes in the tool are based on the PERS actuary's long-term projections for the system as a whole. Individual employer experience will be different, particularly for employers with side accounts, which increase rate volatility over time.

Open the ERPT

Open the user guide 

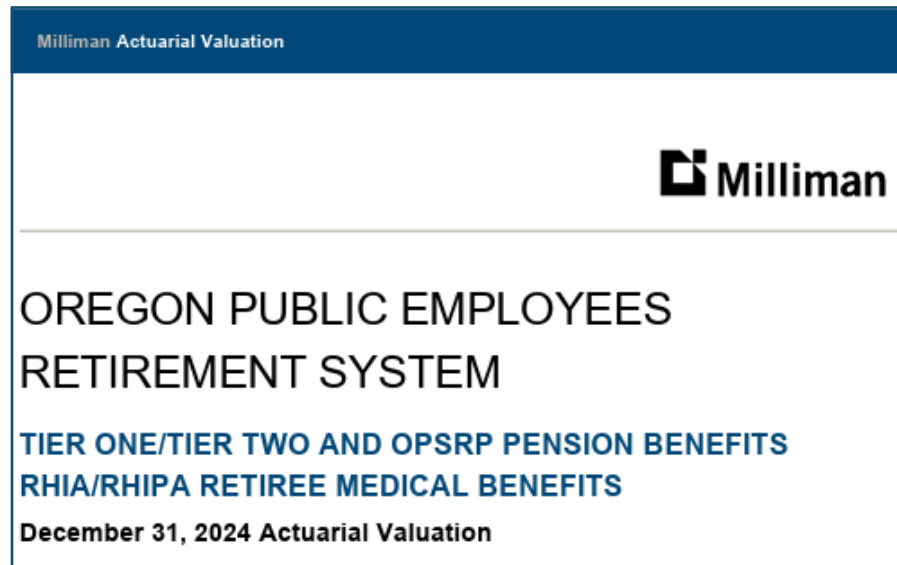
For best results: Use Google Chrome on a PC computer. The tool is not yet compatible with Macintosh (Apple) computers.

Have questions about employer rates and contributions?
Contact actuarial.services@pers.oregon.gov .

Actuarial update

Valuations and earnings

- 2024 valuations are available on our website:
<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Valuations.aspx>
- 2025 earnings



How valuation reports are organized

The reports are grouped in zip files.

- Independent employer valuations are in one file.
- State and Local Government Rate Pool (SLGRP) valuations are in three files, grouped by employer number.

State agencies, public universities, and other statewide entities* do not receive separate valuations; they use the valuation for employer #1000.

- School District Pool valuations are in one file.
- School districts that do not have side accounts do not receive separate valuations; they use the valuation for employer #3000.

*Other statewide entities include semi-independent agencies, boards, commissions, and public corporations.

Employer Service Center update

Laurel Galego, Business Operations Supervisor

Brandon Armatas, Business Operations Manager

Employer Service Center (ESC) update

Laurel

- Employer announcement 106, retroactive changes
- Employer-reporting webinars

Brandon

- ‘Major fraction of the month’ update
- Salary limit and member redirect numbers
- Questions and answers

ESC update

Employer announcement 106: retroactive changes

Reminder: When an employer requests a change to employment information for a past, closed year, the Employer Service Center may require **documentation** to support the change.

Learn more in [employer announcement #106, Requesting Retroactive Changes to Employment Data](#) (PDF).

Or copy and paste into your browser:

<https://www.oregon.gov/pers/emp/Documents/Employer-Publications/Employer-Announcements/2025/Employer-Announcement-106.pdf>

ESC update

Employer-reporting webinars

Webinars

- **Upcoming dates** now listed on Training webpage.
- **Video recordings** of webinar presentations now available.
- Webinars in 2025: **eight**.
- Total attendees: **1,266**.

Training

The Employer Service Center (ESC) provides training for employer reporters and web administrators at all skill and experience levels.

ESC offers training in a variety of ways to accommodate different needs and learning styles.

- If you are **new to employer reporting**, go to the Beginner Employer-Reporter Training and Resources section below (click the green bar to open the section).
- If you have **some reporting experience**, check out the Training Webinars, Self-Learning Materials (especially the guides), and Training Video Library sections.
- For those who want to **learn at their own pace**; find a resource or guide; or learn by video, go to the Self-Learning Materials section and the Training Video Library section.
- And when you **need help**, customer support from the Employer Service Center is available by phone or email every business day (Monday–Friday, 8 a.m.–4 p.m., except state holidays).

Beginner employer-reporter training and resources +

Training webinars (upcoming and past) +

Self-learning materials (resources and guides) +

Training video library +

Customer support +

ESC update

‘Major fraction of the month’ update

- Major fraction of the month is the basis for how retirement credit for PERS members is earned.

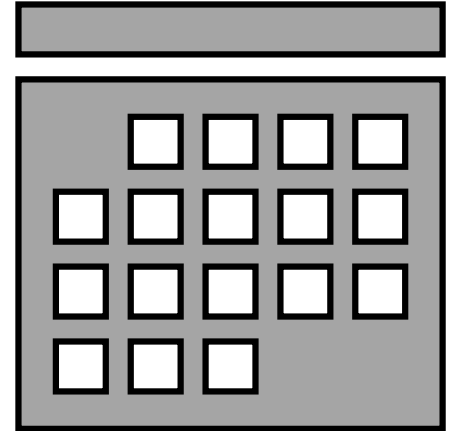
One month of service credit is earned for each major fraction of the month worked.

- PERS had administrative rules to define “major fraction of a month” in OAR 459-010-0014 and 459-075-0150.

However, these administrative rules included two different standards: a presumption based on dates of employment, and a definition based on actual hours of employment.

- To resolve this discrepancy and provide clear statutory direction, SB 851 (2025) established a single standard for PERS. It established a new definition of “major fraction of the month” under ORS 238.005(15) and amended ORS 238A.140(5) to state:

... “a month: (a) in which an active member is **employed for more than one-half of the total calendar days** in that calendar month; and (b) in which the member is being **paid a salary** by a participating public employer for hours worked in that calendar month.”



ESC update

‘Major fraction of the month’ update

How the new definition of earning service credit affects leave without pay (LWOP):

The OAR definition of major fraction of the month for purposes of LWOP has been amended* to match the major fraction of the month standard that is based on calendar days.

- Previous standard for length of LWOP that disqualifies a month from earning service credit — 11 or more business days.
- Current standard for length of LWOP that disqualifies a month from earning service credit — half or more of the calendar days in a calendar month.**

This means if an employee is reported as on an LWOP that equals half the calendar days of the month or more, they will not receive service credit for that month.

PERS is finalizing the details of LWOP reporting standards. We will complete detailed instructions in the next month and let employers know when they are published.

*Effective December 5, 2025.

**For a month with 30 or 31 days, member would have to be employed for at least 16 days.
For a month with 28 or 29 days, member would have to be employed for at least 15 days.

ESC update

New salary limit and member redirect numbers announced

Member redirect
monthly threshold

\$3,890

2026

\$3,777

2025



[Employers Member Redirect webpage](#)

Salary limit
annual subject-salary limit

\$245,724

2026

\$238,567

2025



[Employers Salary Limit webpage](#)

Questions and answers (Q&A)

Communications update

Shawn Harper, Employer Communications Specialist

Communications update

Annual reports published



Facts and figures about the administration of PERS, including:

- Membership and demographic information.
- Benefit payment amounts.
- Funded status.
- Revenue.
- List of PERS-participating employers.



Details and analysis of the Oregon Public Employees Retirement System's financial performance during the previous fiscal year.



A shorter, simplified version of the information in the annual comprehensive financial report.

Communications update

PERS-Treasury webinars

**INVESTED
FOR YOU**
OREGON STATE TREASURY AND
PERS WEBINAR SERIES



**OREGON
PERS**



Elizabeth Steiner
Oregon State Treasurer



Kevin Olineck
PERS Director



Rex Kim
Oregon State Treasury
Chief Investment Officer

Purpose: Tell the real story about how the PERS Fund is invested and managed.

Format: 40- to 45-minute presentation followed by Q&A.

Speakers:

Oregon State Treasurer **Elizabeth Steiner**.

Oregon Treasury Chief Investment Officer **Rex Kim**.

PERS Director **Kevin Olineck**.

Initial sessions in the series:

Employers and partners session
January 20

Members and retirees session
January 22

Communications update

Updated and new materials for December and January

Resources with service credit

[Guide 1, Overview of PERS](#)

[Guide 11, Reporting a Leave](#)

[Guide 16, Reporting a Retirement](#)

[Detail 1 Member Demographics Fields](#) quick-reference guide

NEW *Changing Information for a Prior Year*

- Instructions for requesting changes to information in a past, closed year.
- When supporting documentation is needed, types of documentation.
- Answers to sample questions and scenarios.

Resources with average overtime

[Guide 18, Reporting or Changing Average Overtime](#)

[Detail 1 Member Demographics Fields](#) quick-reference guide

Resource with EDX error messages

[Guide 6, Correcting Suspended Records](#)

Open discussion

Open discussion

Any questions or comments
for PERS?

Questions for each other?



OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Thank you!

