OREGON
PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Employer Advisory Group

October 23, 2026



Agenda

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

Director’s Office update

Kevin Olineck, Director

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Director's Office update
September board meeting recap

Link to September 25, 2026, board packet (PDF)

- Results of 2026 member and employer satisfaction surveys (slides 103 – 138)
- Adoption of 2027-29 employer contribution rates (slides 140 – 187)

Director's Office update
December board meeting preview

December board meeting will feature:

- Board Scorecard Report on agency performance measures.
- Benefits-in-force reconciliation.
- Employer Incentive Fund update.
- Milliman financial modeling report.

Legislative update

Heather Case, Senior Policy Advisor

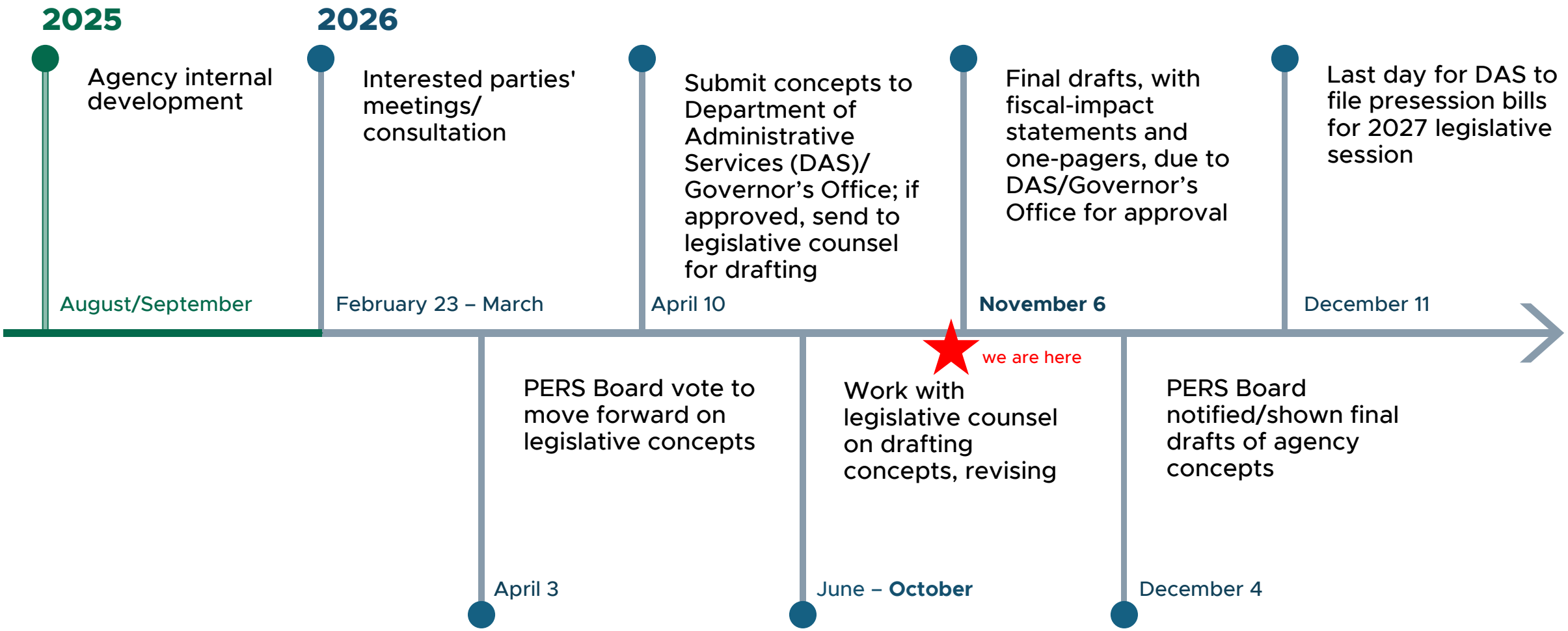
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Legislative update
September legislative days

When PERS received modernization funding in June 2026, we reported to Emergency Board with a comprehensive report on **cloud-based computing strategy and costs**.

- The report was placed on the "consent reports" agenda before the Joint Emergency Board Interim Subcommittee on Human Services on September 8.
  - Analysis and background (item 79): https://olis.oregonlegislature.gov/liz/2025I1/Downloads/CommitteeMeetingDocument/317374
  - No agency presentation was required.
- The item was acknowledged *en bloc* with the other consent report items in the full Interim Joint Emergency Board on September 10.
- There were no comments about the PERS report.

Legislative update
2027 Legislative Concept update



Legislative update
December legislative days

December legislative days will be held December 1–3, 2026.

- Schedule not yet posted.
- We anticipate appearing before the House committee (and potentially the Senate committee) that commonly hear PERS bills to give the committees a preview of our agency bills for the 2027 legislative session.
  - We will also be updating the PERS Board on final iterations of our agency legislative concepts at the December 4 PERS Board meeting.

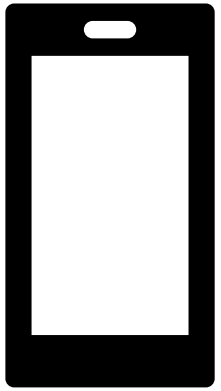
Modernization update

Kristi Ivers, Modernization Program Director

Elli Probasco, Product Owner

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Modernization update
Telephony Modernization Project



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

Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

Current stage: execution

Highlights:

- Working with PERS Procurement department to procure a vendor who can provide eFax functionality.
- Service order for Amazon Web Services phase 3 completed.
- Phase 3 Joint Application Design (JAD) sessions are starting on October 28.

  The focus for phase 3 is to enhance the Interactive Voice Response (IVR) system.
  - 24/7 IVR self-service.
  - Streamlined call flows.
  - Improved queue management.
- Project team members are planning to implement phase 3 before June 2027.

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Modernization update
Member Identity Access Management (MIAM) Project

Project summary: Upgrade the current member identity access management (MIAM) system to continue to protect our members' data.



Overall Health	Scope	Schedule	Resources	Budget	Quality
GREEN					

Current stage: execution

Highlights:

Identity Provider (IdP)

- One of the key benefits of this project is to strengthen member security by implementing multi-factor authentication for a more secure account-access experience.
- End-to-end system integration testing activities are currently in progress.
- IdP journey maps and use cases are ready for user acceptance testing.

Identity Verification (IdV):

- Contract negotiations continue.

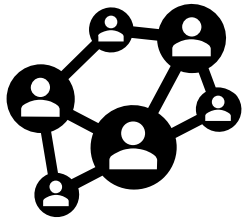
Upcoming activities:

- Internal project team demonstration sessions have been scheduled.
- Project team members are planning to implement phase 1, Identity Provider, by April 2027.

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Modernization update
Pension administration system (PAS) modernization

Project summary: Document current-state and future-state requirements, architecture, and business processes to support the development of a request for proposal (RFP) for a new pension administration system.



Highlight:

Specialized consultant RFP

- The contract with Segal was executed on September 18, 2026!



Employer requirements survey

- The survey closed on August 24, 2026.

Upcoming activities:

- Vendor kickoff with Segal: 10/22/26 at 1 p.m.
- Project plan.
- RFP outline.

Modernization update
PAS modernization — employer survey results

Survey was live for five weeks+ in July and August, 2026.

Received **348** responses (43% of survey requests emailed)

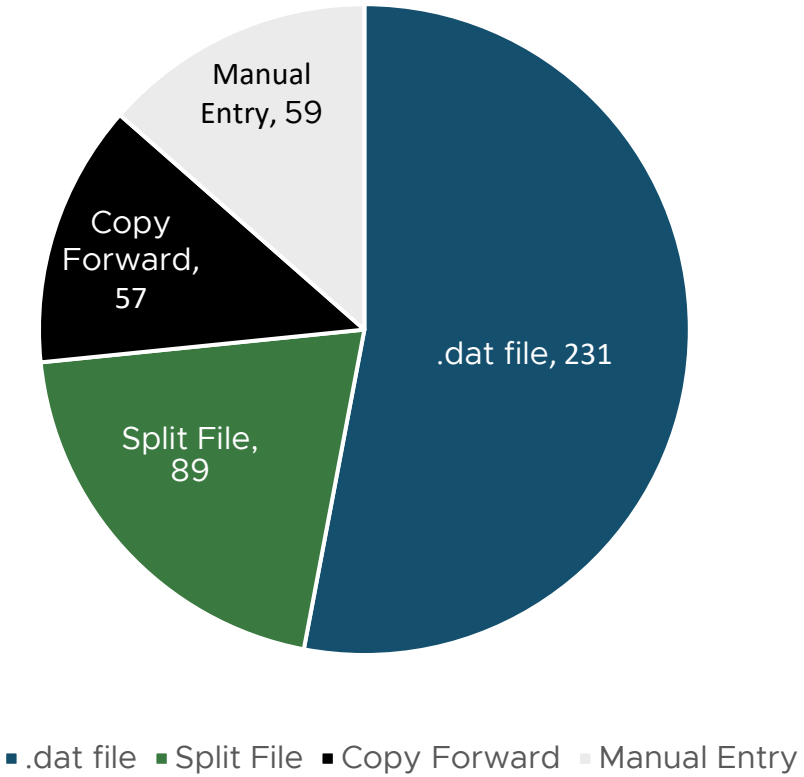
- **57%** of local governments responded.
- **31%** of school districts responded.
  - Includes most of the community colleges and universities.

This response level during the summer months is very impressive and appreciated.

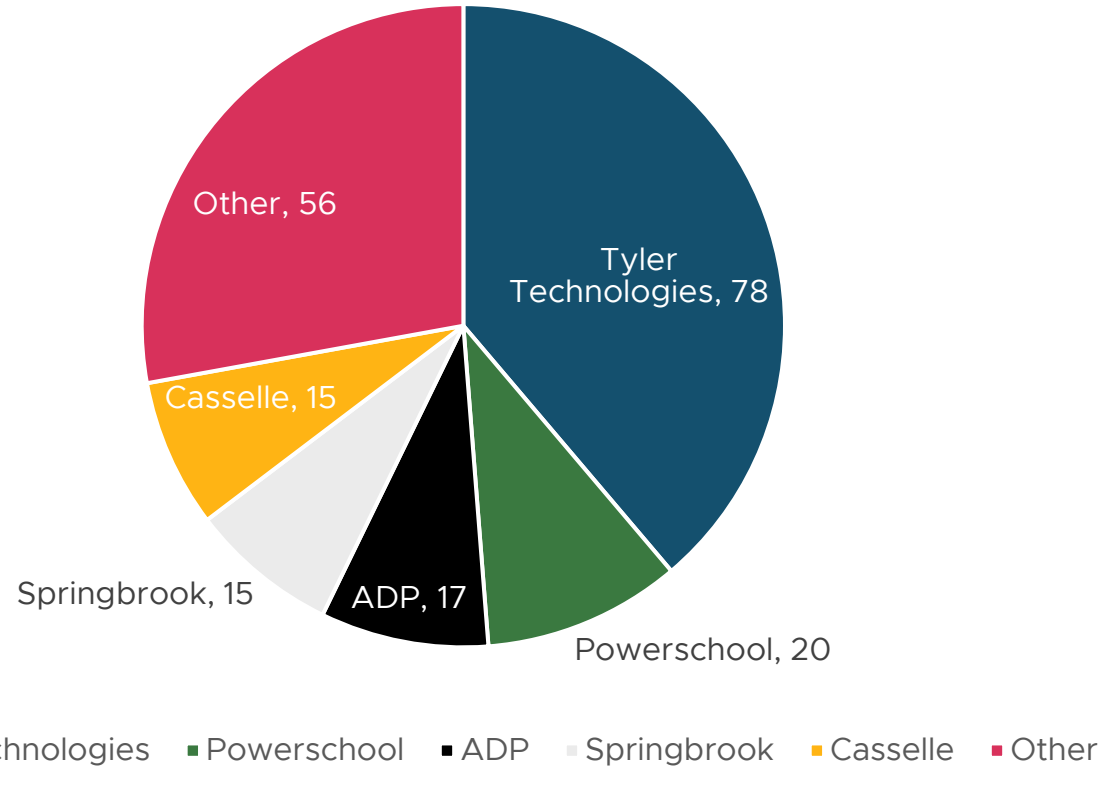
Thank you!

Modernization update
PAS modernization — employer survey results

How are employer reporters (ER) reporting to PERS?



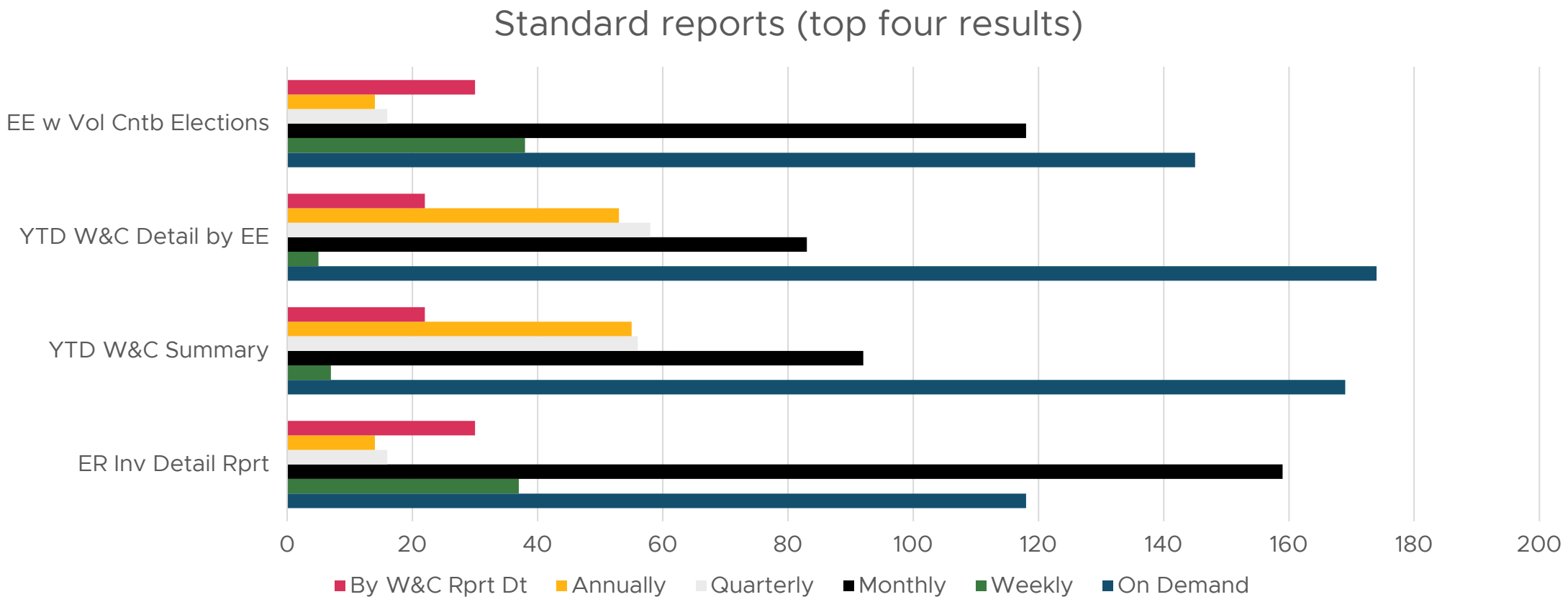
What system are ERs using to create .dat files?



Legend:
EE – Employee
ER – Employer

*Note that in most every case, employers are needing to get the data from the payroll system and have the data then built into a .dat file by another program or manually to upload into EDX.

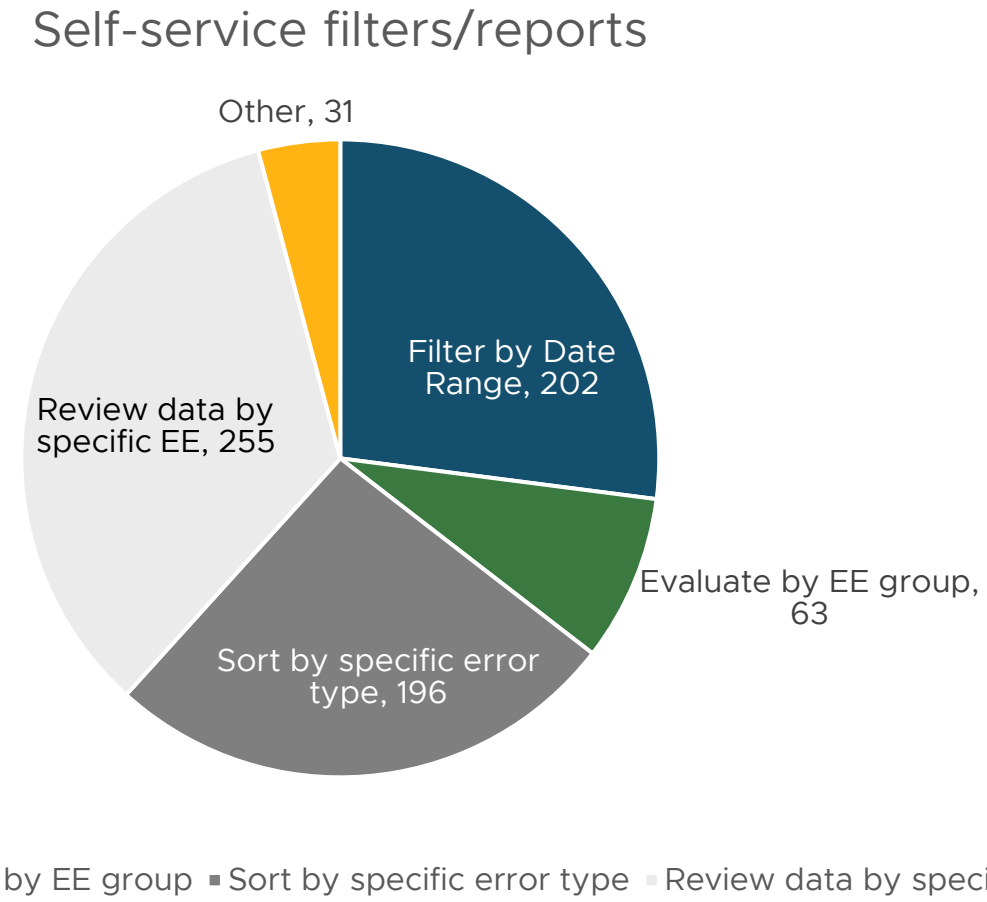
Modernization update
PAS modernization — employer survey results



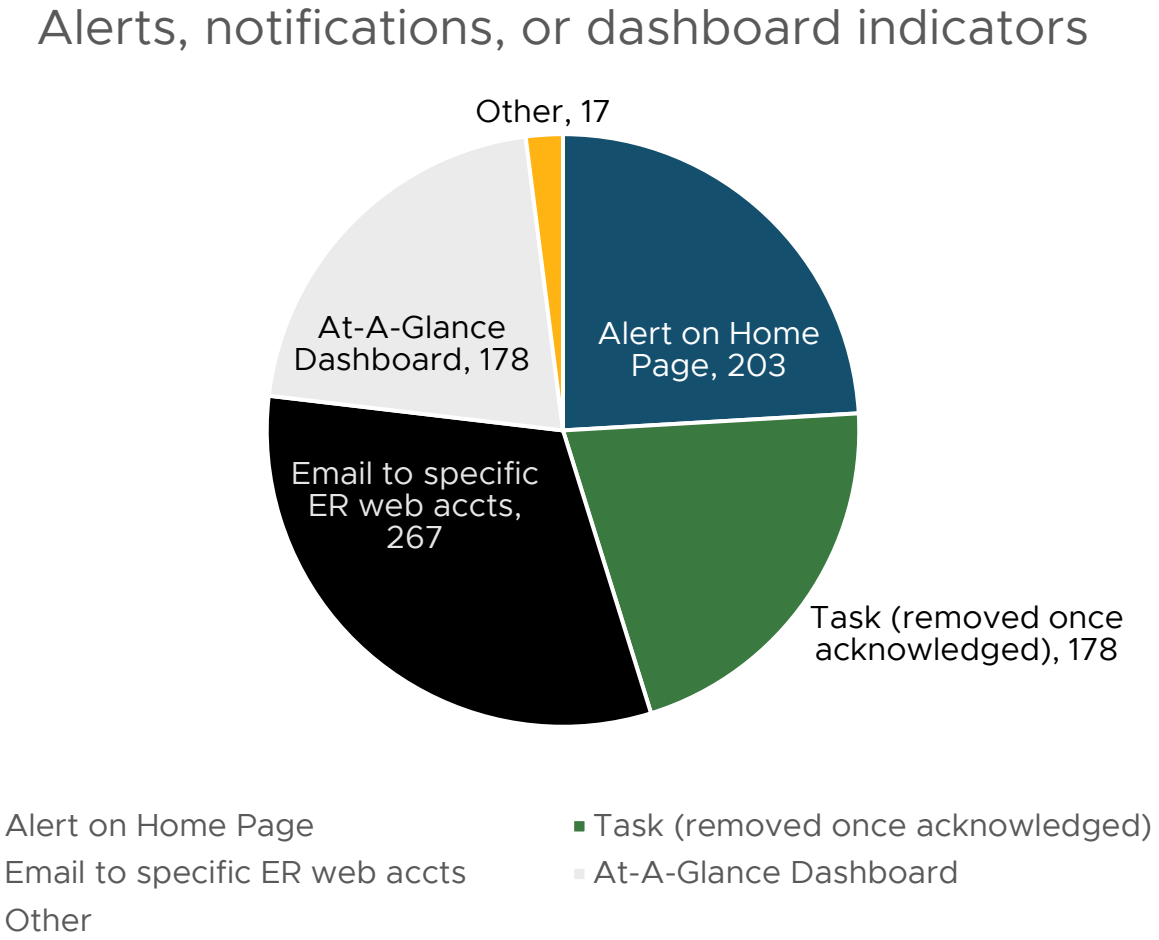
Legend:
EE – Employee
ER – Employer
W&C – Wage & Contribution
YTD – Year to Date

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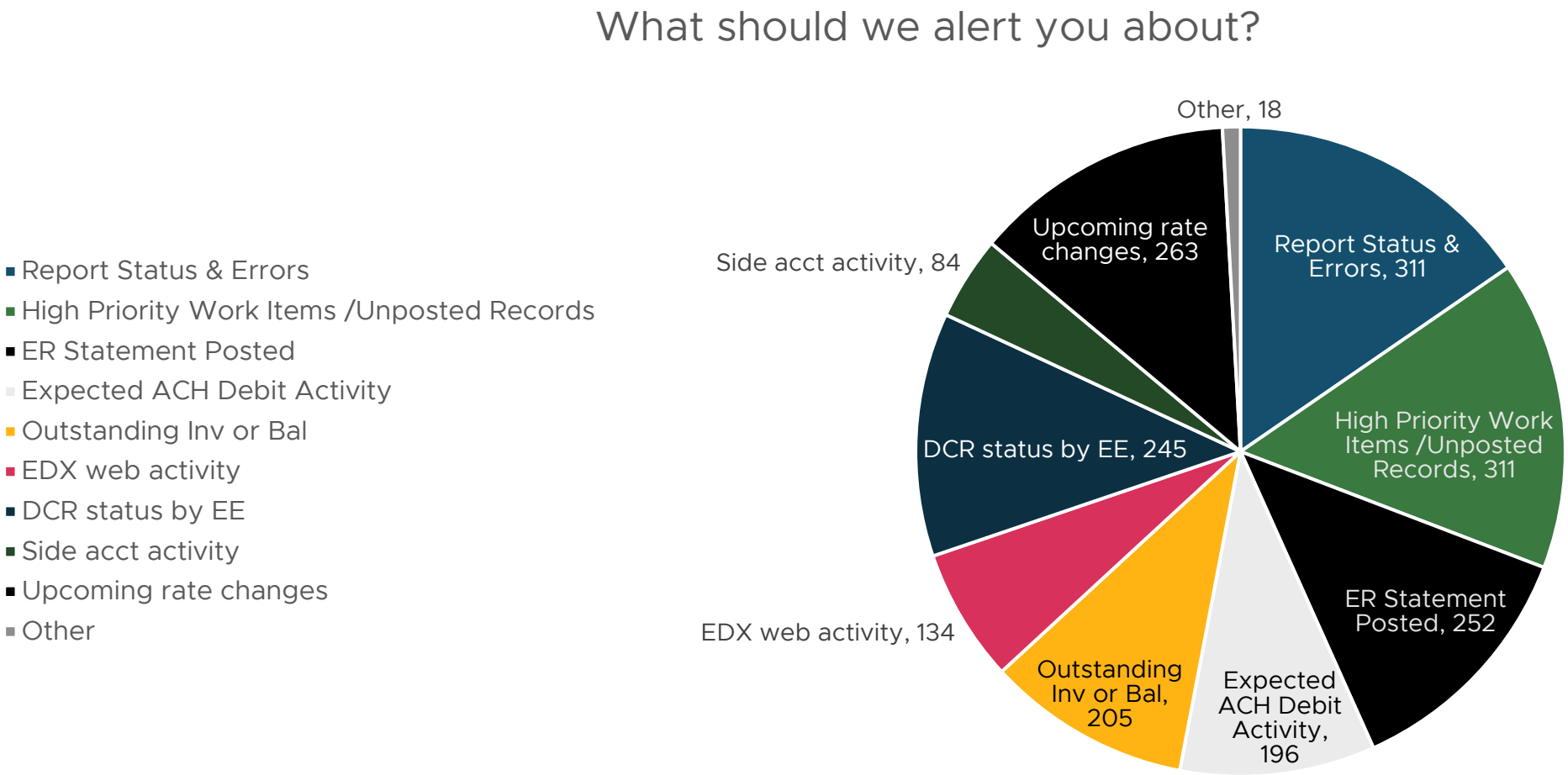
Modernization update
PAS modernization — employer survey results



Modernization update
PAS modernization — employer survey results



Modernization update
PAS modernization — employer survey results



Modernization update
PAS modernization — employer survey results

Next, we moved into open-ended questions to uncover pain points in the current system and gather input on which features would make your top-ten most-wanted list.

We divided results up between the following groups:

- State agencies (not including DAS)
- Department of Administrative Services (DAS)
- Local governments
- Community colleges and universities
- School districts

The next few slides present our findings for each of these groups, as well as what we found when we looked at all the data together.

Modernization update
PAS modernization — employer survey results

Unique responses from state agencies (not including DAS)

Desires:

- For side account details: visibility of balances, transaction history, and expiration dates; understanding rate impacts.
- To search by employee name (not just SSN); streamlined role assignment and reassignment.

Modernization update
PAS modernization — employer survey results

Unique responses from DAS

- Notification overload and acknowledgement fatigue; preference for actionable notifications that link to the affected record (rather than manual acknowledgement).
- Need for one login across many employer numbers; easier account setup and saving user preferences.
- Request to remove the 15% threshold that prevents valid records from posting; allow change edits beyond simple +/- entries.

Modernization update
PAS modernization — employer survey results

Unique responses from local governments

- Cross-month payroll splitting is a notable pain point; desire for the system to handle split periods automatically.
- Desire for role-based notifications and a secure in-app message center with file attachments.
- Request for callouts providing automated eligibility alerts and easier self-service options to update records directly.

Modernization update
PAS modernization — employer survey results

Unique responses from community colleges and universities

- Strong focus on part-time/adjunct and multi-employer scenarios; need cross-institution 600-hour tracking and richer status details (tier, qualifying status, concurrent employment).
- Emphasis on bulk corrections for systemic errors and pending retirement reporting for planning.
- Frustrations with session timeouts and back-button limitations in workflow.

Modernization update
PAS modernization — employer survey results

Unique responses from school districts

- Frequent cases of retirees returning to work; multi-day cycles to resolve suspended records in these scenarios.
- Need to run dynamic reports across any data points to verify eligibility and improve accuracy.

Modernization update
PAS modernization — employer survey results

Common responses shared across *most* groups (4 out of 5)

- Desire to move away from .dat uploads and toward CSV/Excel with bulk editing and mass corrections.
- Invoice/Statement clarity; downloadable, easy-to-reconcile detail aligned to payroll.

Modernization update
PAS modernization — employer survey results

Common responses shared across *ALL* groups

- Overnight batch processing delays; strong preference for real-time error feedback and posting so corrections do not take multiple days (**#1** item we heard from the survey feedback).
- Clunky/inefficient user interface (UI); desire for more intuitive navigation, fewer clicks, and easier workflows.
- Need for customizable, on-demand reports with Excel/CSV export for reconciliations and audits.
- Better error messages that are clear and actionable.
- Eligibility/status visibility (e.g., 600-hour tracking, concurrent employment) and proactive/automated alerts.

Modernization update
PAS modernization — employer survey results

Next steps

As Kristi shared earlier, we have Segal now on board!

They will begin working with the Product Owner Team to review the requirements we have gathered from employers, members and internal staff to help us determine our next steps.

In closing

We thank everyone who provided an email address or phone number and is willing to participate in future elaboration sessions.

As we learn more about the solution we will select, your continued participation in the process will be very important to making sure we are getting good requirements and communicating clearly!

Actuarial update

Troy Phillips, Actuarial Business Specialist

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Actuarial update

Funded status and unfunded actuarial liability (UAL)

- Comparison of system-wide results for two most recent rate-setting valuations

Valuation Date	Excluding Side Accounts		Including Side Accounts	
	UAL	Funded Status	UAL	Funded Status
12/31/2023	$ 29.4 B	72%	$ 24.0 B	77%
12/31/2025	$ 26.6 B	76%	$ 22.8 B	80%

Milliman

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Actuarial update
Summary of valuation results — contributions

- Average collared base employer contribution rates **will decrease 0.38% of pay starting July 2027,** excluding effect of SB 849 on School District rates
  - Collared base employer rates are paid by new employer contributions and/or side account transfers

- Average collared net employer contribution rates **will increase 2.56% of pay starting July 2027,** excluding effect of SB 849 on School District rates
  - Collared net rates are paid by new employer contributions
  - Over 180 side accounts expire by the end of 2027, so will no longer offset rates for 2027-29
  - This increases Net Rates for affected employers; this dynamic varies significantly between employers
  - Many employers may have debt service related to their side account expire at a similar time

- **Year-end 2025** funded status is **76% excluding side accounts**, up from 73% at year-end 2024
- **Year-end 2025** funded status is **80% including side accounts**, up from 77% at year-end 2024

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Actuarial update
Senate Bill 849

- Senate Bill 849 reduced the 2025-27 School District Tier One/Tier Two UAL Rate by **1.68% of 2025-27 payroll**
- Current valuation: **preliminary 2027-29 SB 849 offset for Schools is 1.37% of 2027-29 payroll**
  - **Actual 2027-29 reduction to be recalculated in early 2027, reflecting updated SDULF balance**
- Board direction at May 2026 meeting keeps total UAL funding at 13.95% of pay for 2027-29
  - Is consistent with advisory valuation provided to districts last year
  - Will increase district-funded contributions absent additional 2027-29 SDULF funds
  - Provides faster path to reach 90% and then 100% funded status
  - Lower likelihood of future uncollared rate exceeding current UAL funding level

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Actuarial update
Side Account Expiration Project

Online information sessions

August 25 session

- 129 attendees
- Slides: 2027 Side Account Expiration Process
- Video recording: Oregon PERS Side Account Expiration Process

September 29 session

- 170 attendees
- Slides: 2027 Side Account Expiration Process presentation for 9/29 info session
- Video recording: Side Account Expiration Process Session 2

Actuarial update
Side Account Expiration Project

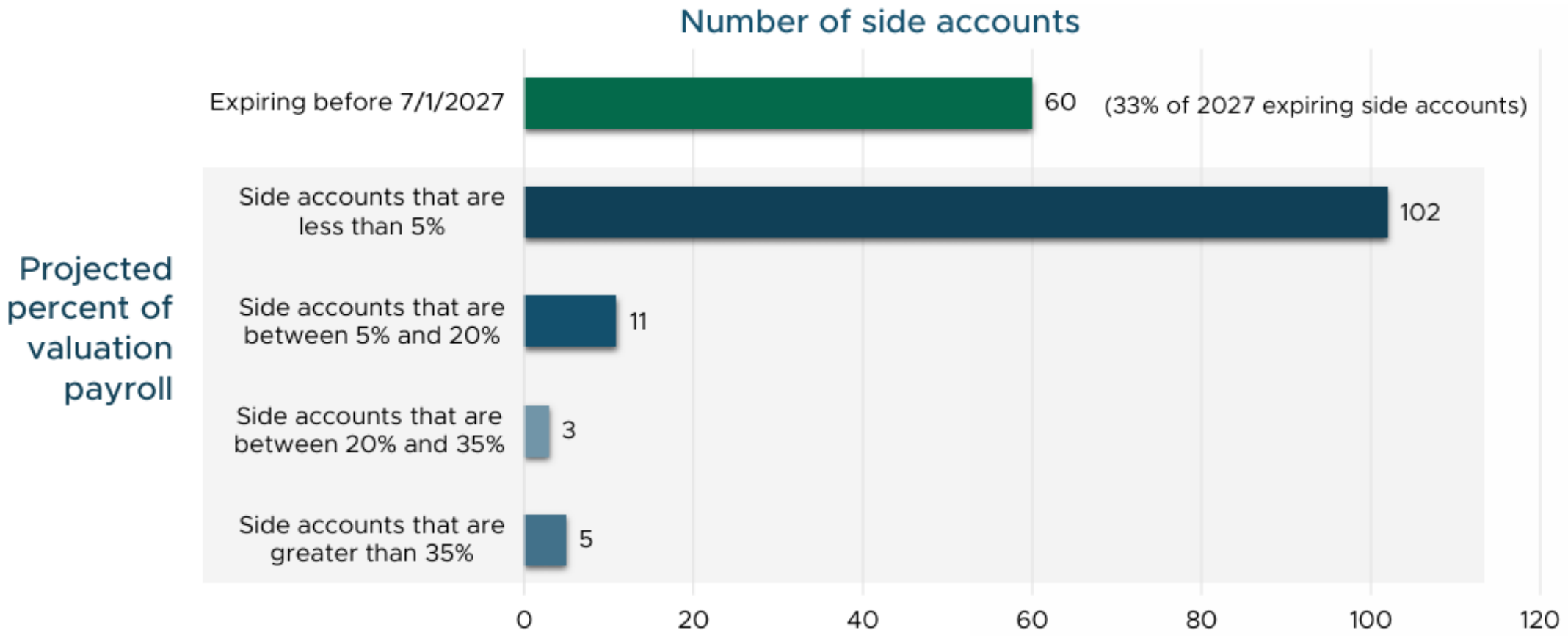
PERS Actuarial Services is working with employers to help them through this process.

As part of the 2026–2028 side-account expiration process, Actuarial Services will:

Track side account balances every month.	**IDENTIFICATION**
Inform employers if their accounts will run out of funds before the end date.	**OUTREACH**
Turn off the side account rate offset on the first day of the month after it hits negative balance.	**MAINTENANCE**

Actuarial update
Side account projected balance

As of 6/30/2027, expressed as percent of valuation payroll



Actuarial update
2025 actuarial valuation reports

Milliman has produced individual valuation reports for local governments and school districts with one or more side accounts.

State agencies will use the valuation report for **ER 1000** and school districts without side accounts will use the valuation report for **ER 3000**.

- The valuation reports can be found at the following location: https://www.oregon.gov/pers/Pages/Financials/Actuarial-Valuations.aspx
- Employer contribution rates can be found here: Contribution Rates 2027-29

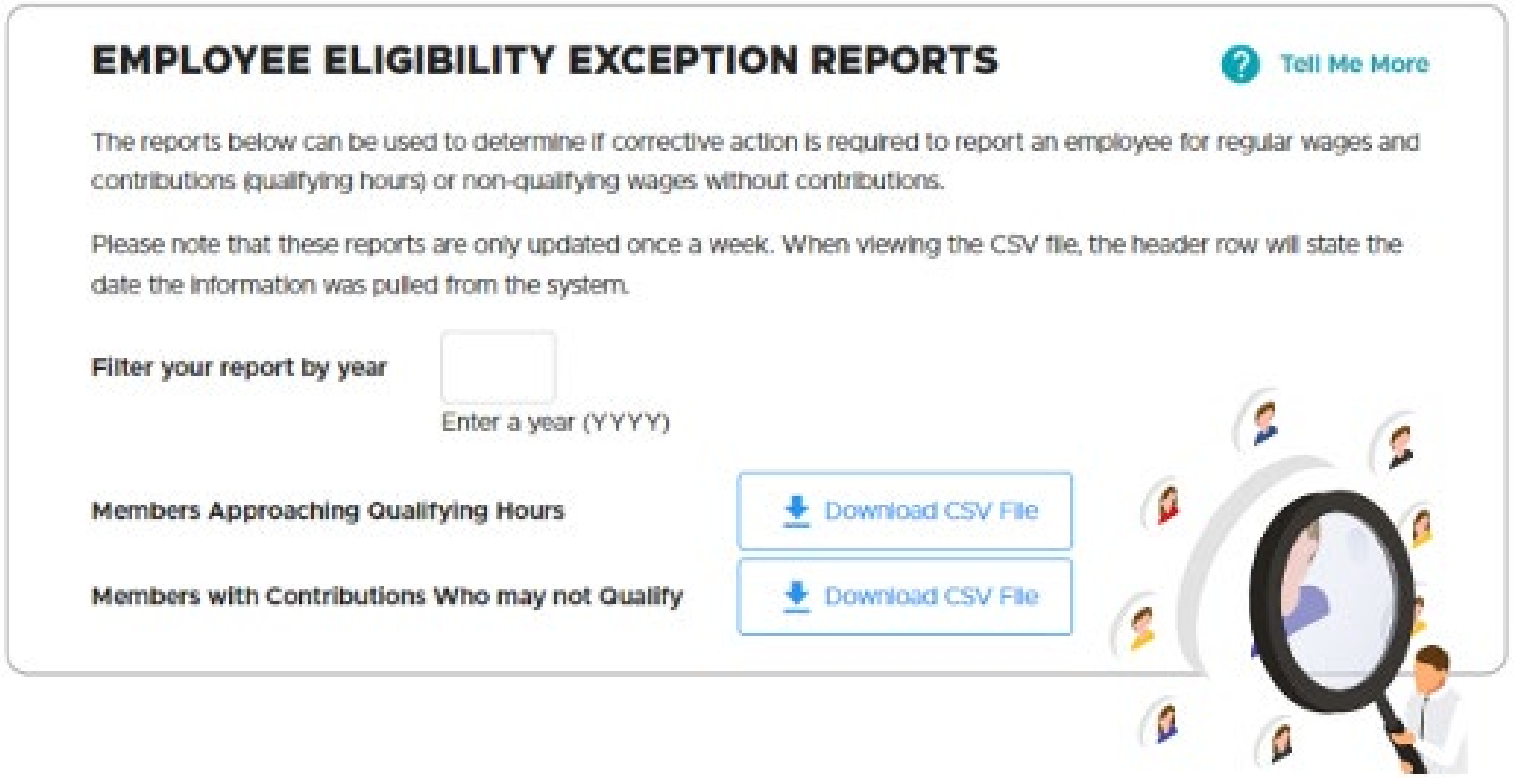
Employer Service Center update

Laurel Galego, Employer Service Center Supervisor

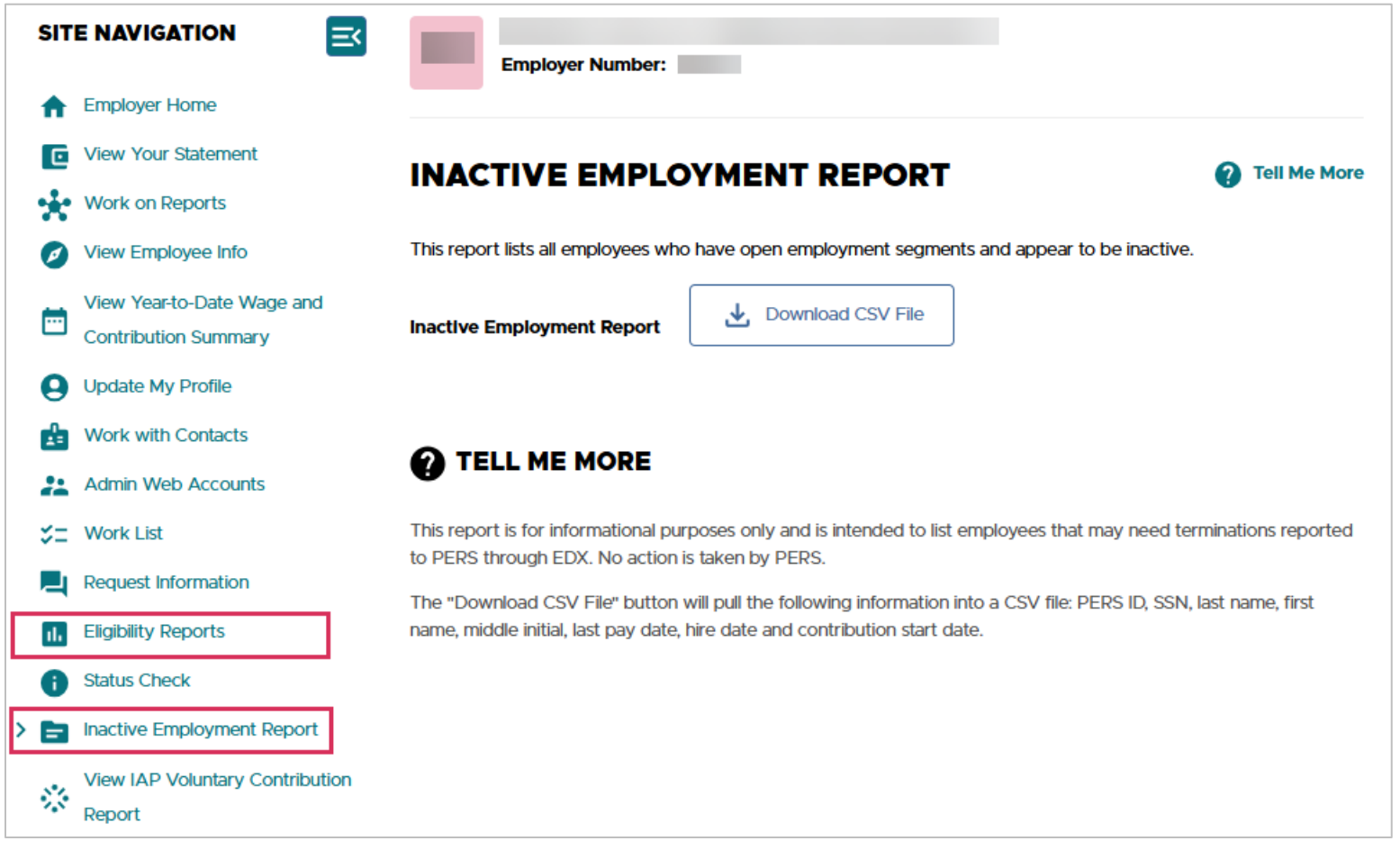
Tamie Johnson, Data Services Section Manager

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Employer Service Center update
Reports to support year-end efforts



Employer Service Center update
Reports to support year-end efforts



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Employer Service Center update

Preparing for year-end

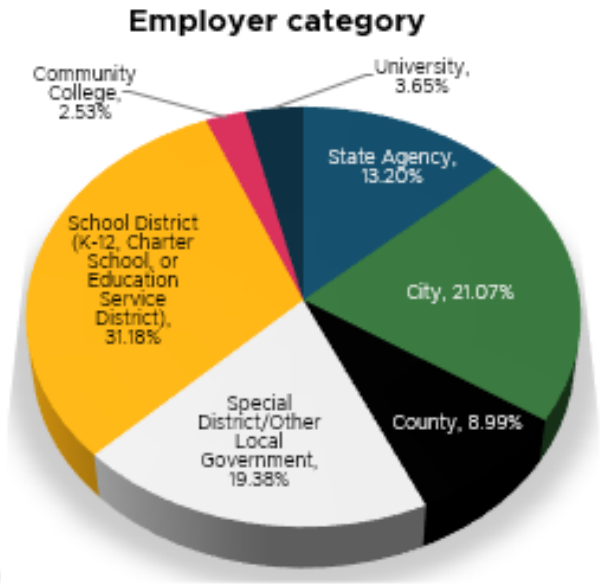
Top 8 benefits for your employer-reporting team and your bottom line.

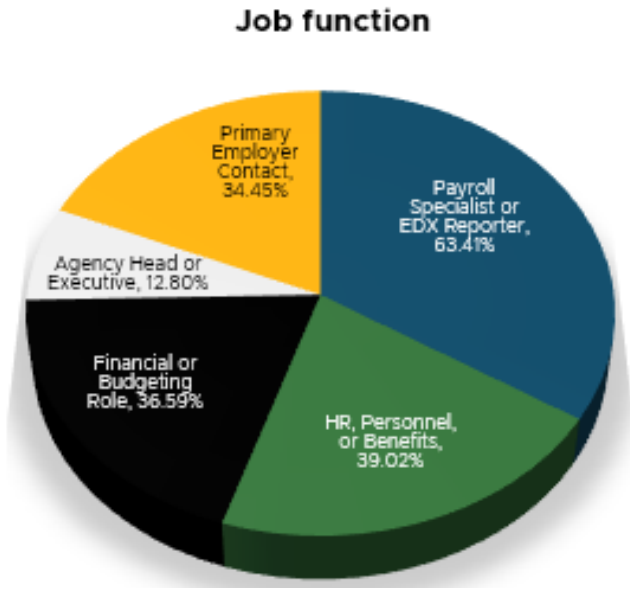


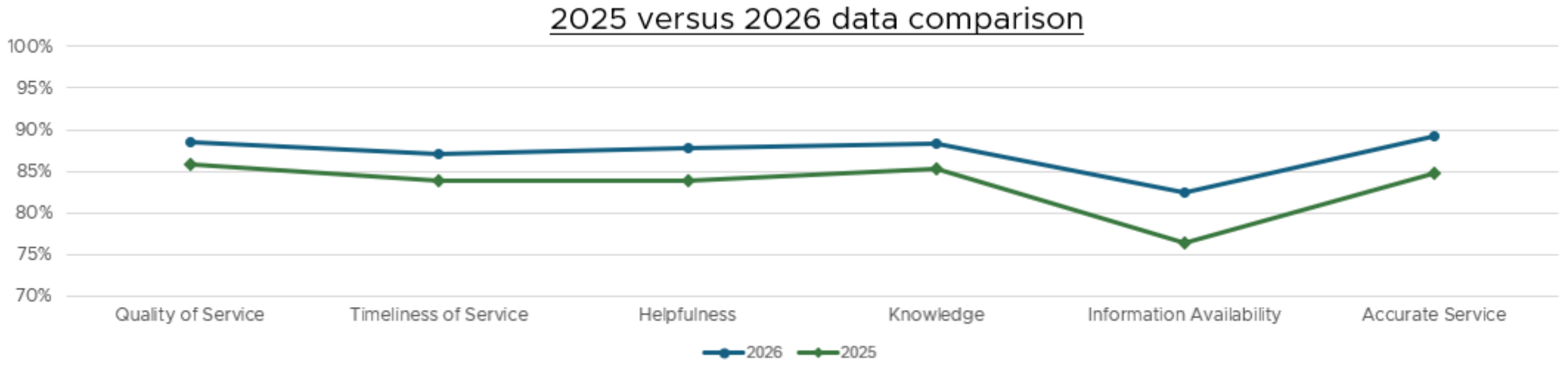
Employer Service Center update

Employer satisfaction survey

- Thank you for your strong participation in this year's employer satisfaction survey.
- Results show clear improvement across all evaluated areas.
- We are committed to ongoing progress based on your valuable feedback.
- Enhanced training and communication opportunities are being prioritized to better support your needs.

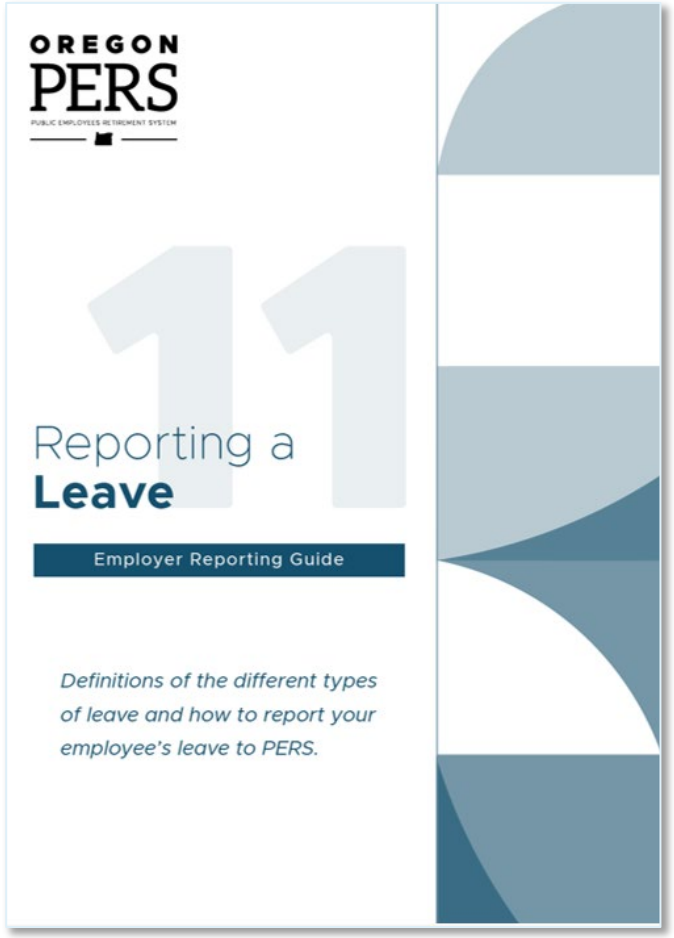






Employer Service Center update
Updates

- A revised version of Guide 11, *Reporting a Leave*, is published. It includes examples of acceptable supporting documentation — especially for retroactive changes.
- We have assessed member account adjustment scenarios by impact (high vs. low).
  - We are identifying changes that may not need supporting documentation.
- The Policy Clean-Up Initiative remains committed to refining employer guides and communications.
  - The team appreciates the advisory group's ongoing engagement and feedback.



Communications update

Shawn Harper, Employer Communications Specialist

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Communications update
2026 PERS Expo

Annual, all-day educational event for members.

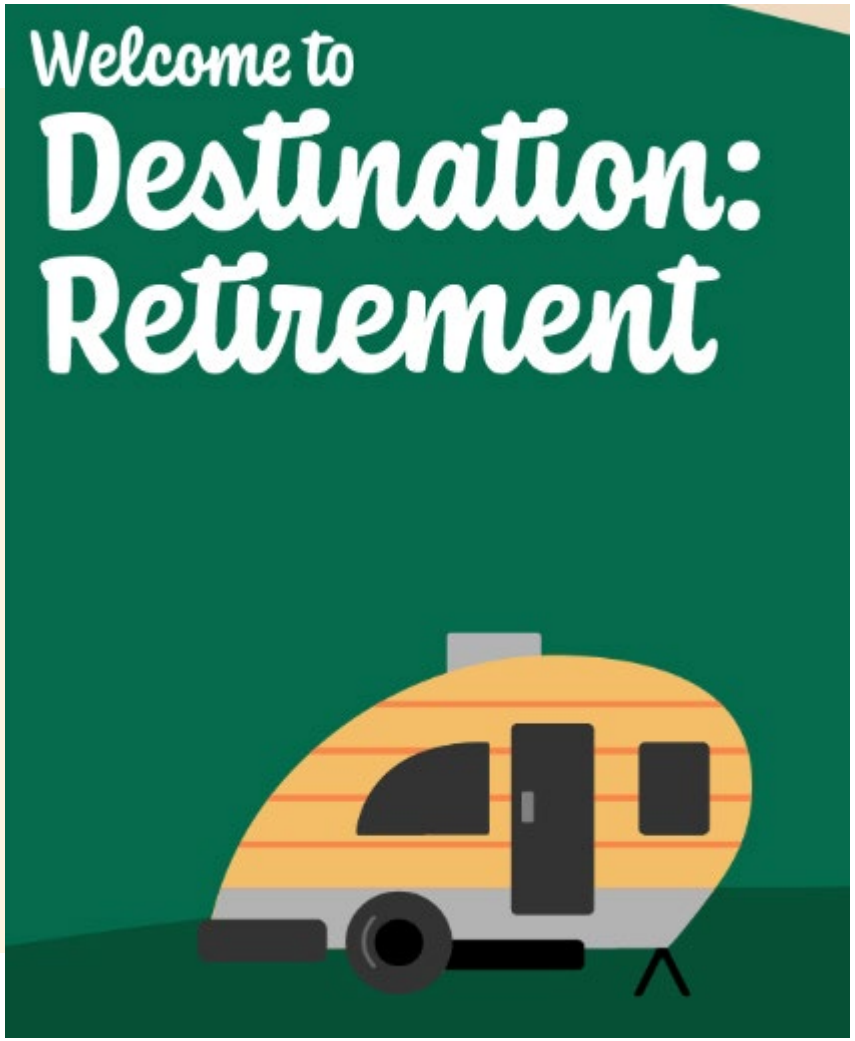
Date: October 7

Medium: Online, hosted by Engagez

Attendees: 8,000+ (so far) — most attendees ever

Website availability: site open through the end of the year; live question-and-answer features no longer being monitored.

https://www.engagez.net/PERSExpo2026



Communications update
Updated resources

Guide 1, *Overview of PERS*

1. How employees earn membership:
   - Clarified explanations of wait time and contribution start date.
2. How members earn service credit.
   - New definition of “major fraction of the month” enacted by Senate Bill 851.
   - “Qualifying” hire intent pre-2006 and post-2006.
3. Oregon legislator PERS benefits.
   - Benefits available for current members, retired members, and nonmembers during legislative service.

Establishing membership

Examples of not fulfilling requirements of wait time:

a) **Changing employers:** Employee changes jobs to move to a different employer before they establish membership. During their wait time, before their CSD, or even on their CSD are all before membership is established.

b) **Interruption of service:** Employer does not report wages and hours for an employee for two months or more during wait time. ESC contacts employer to determine if there has been an interruption of service.

In both scenarios, wait time starts over.

Guide 1 excerpt

Communications update
Updated resources

Guide 7, *Reporting a New Employee*

1. Updated list of the types of new hires you report to PERS and those you do not.
2. Expanded explanation of how to qualify for PERS membership.
    a) Be hired into a qualifying position (with instructions for how to decide if a position is qualifying or not).
    b) Work your way into a qualifying position (with steps to take when a non-qualifying employee works 600 hours in a calendar year).
3. Added information about status checks.

Tips for first-time success

A new-hire record is the foundation of your employee's PERS account.. It is vitally important that it be set up correctly from day one.

Follow these tips to avoid the headache of spending hours correcting an erroneous account.

Name — use formal name

Social Security number — triple check for accuracy

Address — use USPS abbreviations

Status code — understand how to determine hire intent

Status check — contact ESC

Guide 7 excerpt

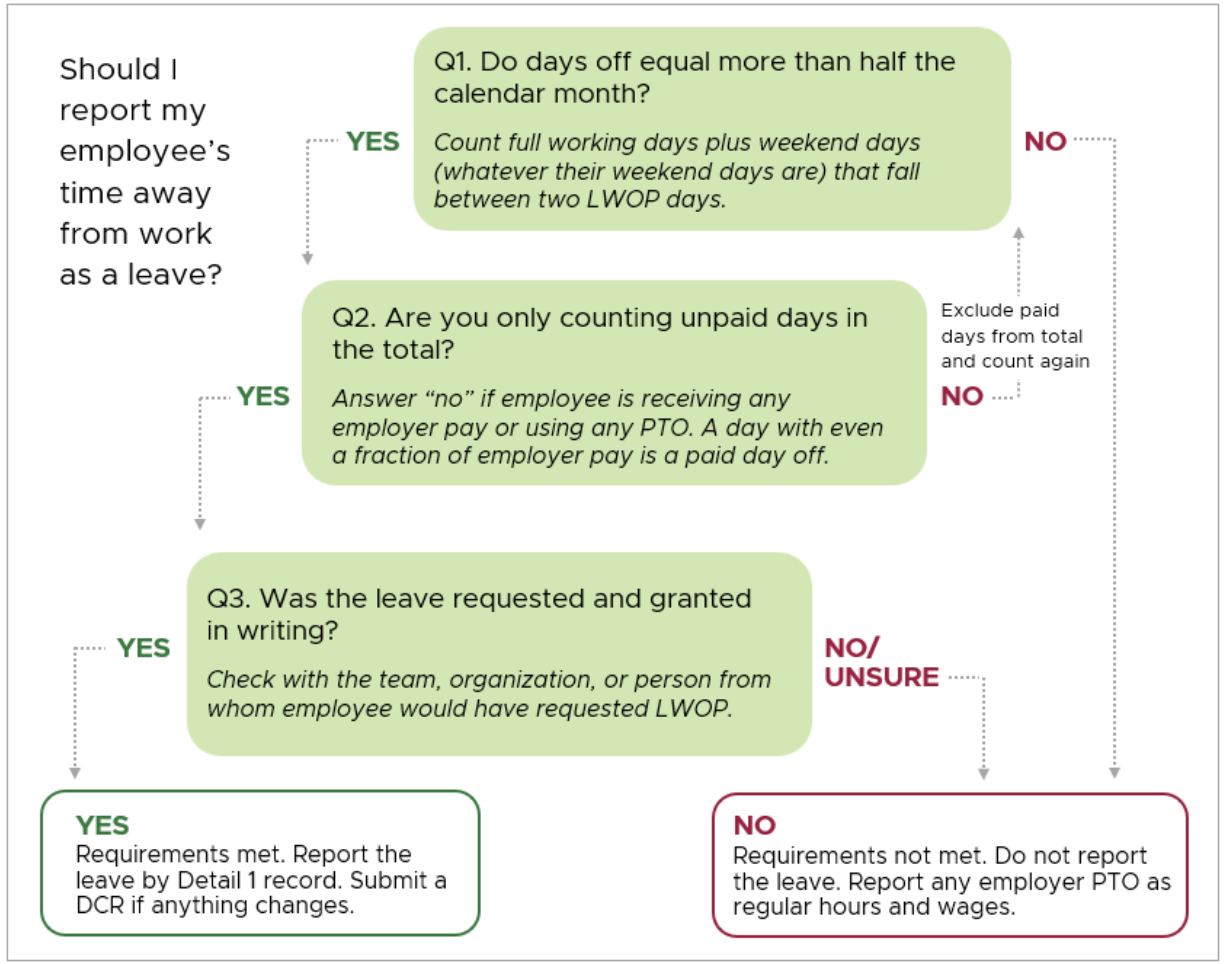
Communications update
Updated resources

Guide 11, *Reporting a Leave*

1. **New guidelines** for a leave without pay (LWOP) that must be reported to PERS:
   a. Equals **more than half** the calendar days in a calendar month.
      - Days do not have to be consecutive.
      - Count weekend days in between two LWOP days.
   b. Completely **unpaid** by employer.
   c. Requested by employee and **granted by employe**r in written form.

2. **Updated definition** of earning service credit, enacted by Senate Bill 851.

continued



Guide 11 excerpt

Communications update
Updated resources

3. **A fun quiz!** Test your understanding of LWOP.

In one 30-day calendar month, if …	Do report LWOP	Do not report LWOP	Why not report?
20 calendar days of employer-granted unpaid leave	X		
12 calendar days of employer-granted unpaid leave		X	Not long enough
16 calendar days of employer-granted unpaid leave, but one paid holiday occurs during leave		X	Paid holiday makes leave 15 days = not long enough
Employee is out the whole month: 6 days of sick leave + 24 days of unpaid leave	X		
Employee is not at work for 22 days but did not request LWOP		X	Does not meet LWOP reqs
Employer has no work for employee for a couple of months but does not want to terminate employee		X	Does not meet LWOP reqs
16 days of employer-granted unpaid leave; days are not all in a row	X		
20 working days of leave; for 11 of those days, employee uses 4 hours of sick leave per day		X	11 days paid, 9 days unpaid = not long enough

Additional items

Sam Paris, Chief Operating Officer

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Additional items
Proposed 2027 Employer Advisory Group dates

All dates are on Friday from 10 a.m. to 12:00 p.m. online via Teams meetings.

- January 22, 2027
- April 23, 2027
- July 23, 2027
- October 22, 2027

Open discussion

Open discussion

Any questions or comments for PERS?

Questions for each other?



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Thank you!

