

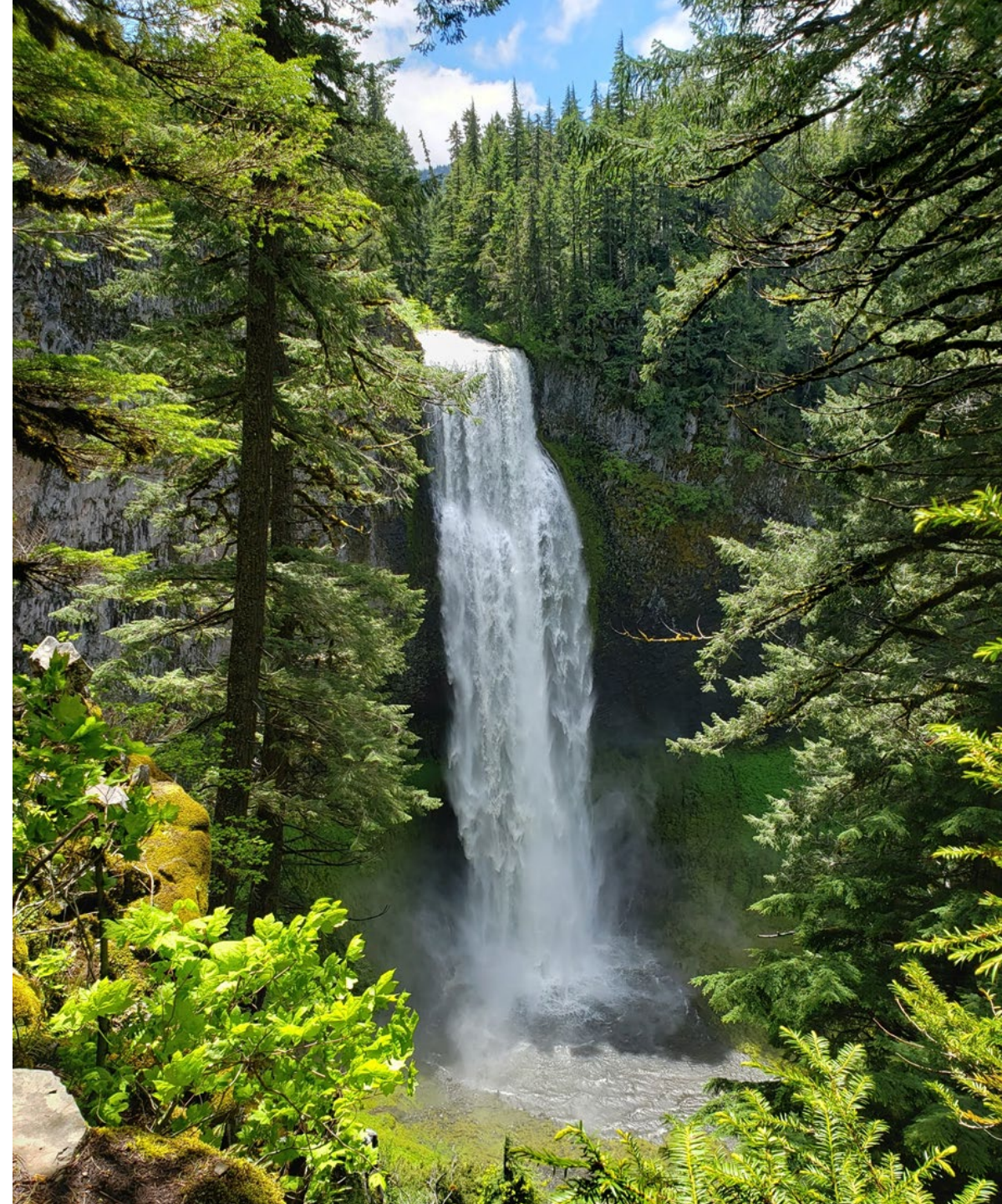
# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## Employer Advisory Group

April 25, 2025



# Agenda

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

# Director's Office update

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Kevin Olineck, Director

# **Director's Office update**

## **Overview of March 31 PERS Board meeting**

### **Topics of discussion**

- Oregon Investment Council year-end results presentation.
- Final earnings.
- Oregon Savings Growth Plan (OSGP) update.
- PERS Health Insurance Program (PHIP) Reserve Policy.

# Legislative update

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Heather Case, Senior Policy Advisor



# Legislative update

## 2025 legislative session

Legislative session began January 21, 2025.

### **PERS bill updates**

- Senate Bill (SB) 847 – PERS Health Insurance Program (PHIP) Changes.  
Passed Senate floor, moved to House; likely to be in Committee on Labor and Workplace Standards.
- SB 849 – School Districts Unfunded Liability Fund (SDULF) Changes.  
Amended and passed as amended through Senate, moved to House.
- SB 851 – Employer and Member Reporting Clarifications.  
Passed Senate floor early in session, waiting in House.
- SB 852 – Post-Retirement Death Benefit Clarifications.  
Passed Senate floor early in session, waiting in House.

# **Legislative update**

## **2025 legislative session**

### **Update on bills related to PERS**

- Working with relevant legislative committees to provide information about impact of these bills both to PERS, the plan, and PERS, the agency.
- PERS tracking many bills, including 30 “priority one” bills, that directly affect PERS plan.

### **Bills not moving forward**

- Many PERS-related bills no longer moving forward after first chamber work-session posting deadline, March 21.
- Work sessions had to be scheduled by March 21 and held by April 9.

# Legislative update

## Other bills related to PERS

### Topics still being discussed related to PERS

- Create a task force to examine health insurance options for Police and Fire retirees.
- Change PERS disability eligibility.
- Add time limits to refer cases to be scheduled for contested case hearing.
- Federal tax connection bill (perennial).
- Mandate an overtime cap calculation (Oregon Public Service Retirement Plan).



# Legislative update

## PERS statutory reporting

### PERS legislative reports

The Legislature asks PERS to report on multiple topics. Here are those seven reports with updates.

Report	Subject matter	To whom	When
SB 1566	Reports on Employer Incentive Fund (EIF) and School Districts Unfunded Liability Fund (SDULF) status.	Joint Committee on Ways and Means Subcommittee on General Government.	Report given during budget presentations on <a href="#">February 20, 2025</a> .
Preliminary Earnings Crediting	Reports on upcoming board action of crediting fund earnings.	Joint Committee on Ways and Means Subcommittee on General Government.	Report given during budget presentations on <a href="#">February 20, 2025</a> .
Final Earnings Crediting	Reports on completed board action of crediting fund earnings.	Joint Committee on Ways and Means Subcommittee on General Government.	Report submitted March 31 after relevant board meeting.

# Legislative update

## PERS statutory reporting

Report	Subject matter	To whom	When
Modernization Program Update	Reports on progress of PERS Modernization program.	Joint Legislative Committee on Information Management and Technology.	Report has been drafted by PERS; have not been asked to turn in this report.
HB 4045 (2024) Hazardous Position	Reports on implementation progress of the Hazardous Position portion of HB 4045.	“Relevant legislative committee” likely House Committee on Labor and Workplace Standards.	Report due every odd year. Currently unknown when report is due and when presentation will occur.
Board Adoption of Actuarial Assumptions	Reports on the board’s adoption of actuarial methods and assumptions.	Joint Committee on Ways and Means Subcommittee on General Government.	Report due 30 days before adoption of changes, usually at the end of July. Presentation likely to occur during a Legislative Days session.
KPM Annual Progress Report	Report on our legislatively approved performance measures.	N/A — General legislative report.	Due yearly by October 1. No presentation needed unless changing measures, then will present in budget presentations.

# Modernization update

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Kristi Ivers, Modernization Program Director

# Modernization

## Project status

### Telephony Modernization Project



#### About

In addition to implementing a more modern and reliable telephony system, team is implementing a new call center system that will provide more features for callers and enhance our call center management and data reporting capabilities.

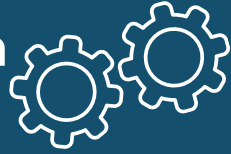
#### Status

- Analysis, design, and development for phase 1 completed.
- User testing: in progress.
- Target implementation for phase 1: mid-May.

# Modernization

## Project status

### Hybrid Integration Platform Implementation Project



#### About

The Hybrid Integration Platform (HIP) will allow seamless connections between business-critical applications.

#### Status

Solution analysis has started.

### Data Cleaning Implementation Project



#### About

Plan, develop, and implement data cleaning processes for jClarety system data.

#### Status

After in-depth analysis in each jClarety data subject area, queries are being developed to assist staff with routine maintenance of data quality.

- Sprints 1–3 have completed.
- Sprint 4 has begun (there are 10 sprints).

# Modernization Planning

## Modernization planning

- Gartner is developing an options decision framework for PERS to assess which pension administration system option is the best modernization solution.
- We are expecting framework to be delivered by May 23.
- Once solution has been determined, 2025-27 Modernization Roadmap will be updated accordingly.



# Actuarial update

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Troy Phillips, PERS Actuarial Business Specialist



# Actuarial update

## Employer Incentive Fund (EIF)

### Phase 1

First application period opened April 1.

- Applications received.
- Employer side accounts.
- Matching funds committed.



# Actuarial update

## School Districts Unfunded Liability Fund (SDULF)

### SDULF

Established by Senate Bill 1566 (2018).

Three defined funding sources:

- Interest on unclaimed property from the Department of State Lands (will sunset in 2027).
- Proceeds from debt collection (sunset in 2024).
- Proceeds from estate taxes and capital gains taxes (sunset in 2023).

Balance as of February 19, 2025:

**\$167,198,781**

# **Actuarial update**

## **School Districts Unfunded Liability Fund (SDULF)**

### **Change from original requirement**

- Original legislation specified establishment of side account for the benefit of all school districts and educational services districts.
- Due to size of school district payroll (estimated to be \$4.985 billion for 2024), it is not feasible to provide a meaningful side account offset.
- Pending legislation to change this requirement (Senate Bill 849).

# Actuarial update

## School Districts Unfunded Liability Fund (SDULF)

### Senate Bill 849

- Directs PERS to adjust 2025-27 contribution rates to fully reflect value of SDULF.
- Contains an emergency clause so that it is effective on passage.

Milliman will calculate percent of payroll decrease to approved contribution rates.

- Initial estimate: rates will decrease **1.68%** of payroll.
- New rates approved by PERS Board either at regular May 30, 2025, meeting or at emergency meeting.
- Rates must be approved and implemented by **June 30, 2025**.

This will apply to:

- All school districts without an existing side account (ER #3000).
- All school districts who have individual rates because of a side account.

# Actuarial update

## Actuarial valuation

### What Is an Actuarial Experience Study?

- Review and, if appropriate, update actuarial assumptions
  - Assumptions combine with benefit provisions and member data to project benefit payments
- Review and, if appropriate, modify actuarial methods
  - Methods help determine contribution rates to fund projected benefits in a sound manner



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# Actuarial update

## Actuarial valuation

### Four-Meeting Process – Assumptions & Methods

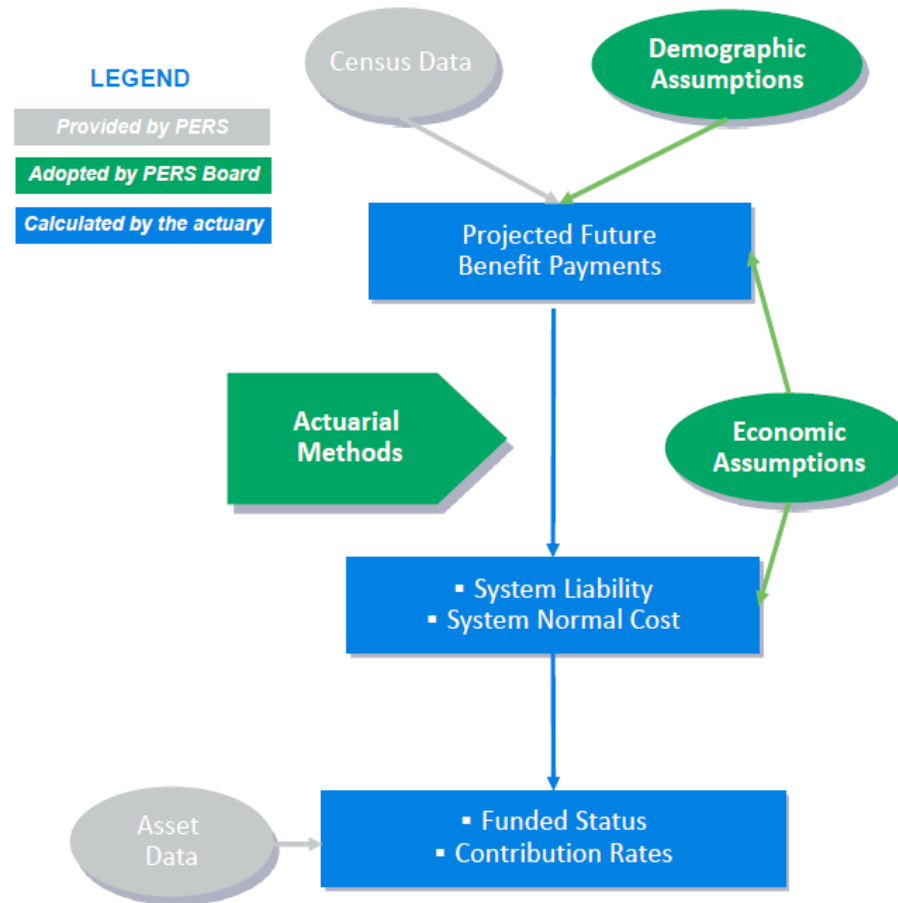
- March 31: Summary of process, background, and areas of focus
- May 28: Joint meeting with Oregon Investment Council (OIC)
  - Assumed rate – outlooks from OIC’s consultants, Milliman
- May 30: Economic assumptions, system funding methods
  - Inflation and system payroll growth
  - Actuarial methods, including amortization and rate collaring policy
- July 25: Demographic assumptions, Board direction to actuary
  - Member-specific assumptions based on study of recent PERS experience
  - Assumptions and methods adopted for use in:
    - 12/31/2024 actuarial valuation with advisory 2027-2029 contribution rates
    - 12/31/2025 actuarial valuation with proposed final 2027-2029 contribution rates

# Actuarial update

## Actuarial valuation

### Two-Year Rate-Setting Cycle

- **July 2025: Assumptions & methods adopted by Board in consultation with the actuary**
- September 2025: System-wide 12/31/24 actuarial valuation results
- December 2025: Advisory 2027-2029 employer-specific contribution rates
- July 2026: System-wide 12/31/25 actuarial valuation results
- September 2026: Disclosure & adoption of employer-specific **2027-2029 contribution rates**





# Actuarial update

## Actuarial valuation

### Valuation Process and Timeline

- Actuarial valuations are conducted annually
  - Alternate between “rate-setting” and “advisory” valuations
  - This valuation as of 12/31/2024 is advisory
- Board adopts contribution rates developed in rate-setting valuations, and those rates go into effect 18 months after the valuation date

Valuation Date	Employer Contribution Rates
12/31/2021	July 2023 – June 2025
12/31/2023	July 2025 – June 2027
12/31/2025	July 2027 – June 2029

# Actuarial update

## Actuarial valuation

### Summary of Assumptions and Methods to Review

#### Economic Assumptions

- Inflation
- Real wage growth
- System payroll growth
- **Long-term investment return**
- Healthcare cost trend

#### Actuarial Methods

- Actuarial cost method
- Amortization policy
  - UAL (shortfall) amortization
  - **Side account / PreSLGRP rate adjustments**
- Rate collar
- Contribution lag adjustment

#### Demographic Assumptions

- Mortality
- Retirement
- Pre-retirement termination
- Disability
- Individual salary increases
- Final average salary adjustments
- Member redirect offsets
- RHIA & RHIPA assumptions

# Employer Service Center update

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Laurel Galego, Employer Service Center Manager

# Employer Service Center (ESC) update

## 2024 Superhero Gold Star Award

Superhero Gold Star Awards were:

- Sent to 460 employers in February.
- Awarded to employers who got all Regular reports (i.e., wages and hours) in on time the whole year.

All reports posted and paid by year-end on March 5, 2025, receive prior-year earnings paid by the PERS Trust. (Reports not posted and paid by year-end have earnings invoiced to employer.)



# Employer Service Center (ESC) update

## Employer training

### More learning opportunities

- Thursday meet and greet new employer reporters.
- Monthly live trainings: Beginner Employer Reporting.
- Webinars for intermediate–advanced employer reporting topics.
  - March 26: [Suspended records](#).
- Coming soon: Video version of beginner training for on-demand learning.



# Communications update

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Shawn Harper, Employer Communications Specialist

# Communications update

## Employer satisfaction survey

### Annual satisfaction surveys May 1 – 31

- One survey for members, one for employers.
- Employer feedback used by —
  - ✓ Employer Service Center
  - ✓ Actuarial Activities Section
  - ✓ Communications Section

### We tally every rating, read every comment

- Scores and comments inform —
  - ✓ Changes
  - ✓ Improvements
  - ✓ New projects
- To ensure we make the best use of —
  - ✓ Time
  - ✓ Resources
  - ✓ State funds



# **Communications update**

## **Employer satisfaction survey**

**ENCOURAGE YOUR GROUP MEMBERS TO TAKE IT**

The more responses we get, the more meaningful the results.

**HELP US**

**do our best to**

**HELP YOU**

# Communications update

## New feedback tool

Speaking of feedback —

### Employer resource feedback form

PERS provides a variety of resources to help our participating employers understand PERS benefits, reporting, and billing. If you find a resource unclear, incomplete, or inconsistent with another resource, we want to know.

If you find a resource especially helpful, we want to know that, too.

Please use this anonymous form to provide feedback or suggestions about an employer resource, such as a guide, quick reference, employer webpage, the employer newsletter, or a News Bite email.

What is your role (choose all that apply)?

- ☐ Employer reporter
- ☐ Web administrator
- ☐ Human Resources professional
- ☐ Finance or accounting professional
- ☐ Organization or agency head
- ☐ Third-party administrator
- ☐ Other

From the drop-down list below, choose the type of resource or publication on which you are providing feedback.

Select one...

If you are commenting on a particular webpage, News Bite email, issue of the employer newsletter, or employer guide, please enter its name and/or URL.

Enter your feedback and then click the Submit button below.

### References

If needed, you can look up an employer resource:

Employer webpages — [Employers' website](#).

Newsletters and News Bites — [Newsletters webpage](#).

Employer reporting guides — [Employer Manuals and Guides webpage](#).

Quick-reference guides — [Employer Manuals and Guides webpage>Quick references](#).

Unfunded Actuarial Liability Resolution Program (UALRP) guides — [UALRP webpage](#).

# Communications update

## New resources

### New resources — policy changes

1. [Employer announcement #105](#), Determining Membership Eligibility Prior to January 1, 2006, for Tier One and Tier Two Members.

*When determining membership eligibility for pre-2006 employment period, PERS will use pre-2006 eligibility standards.*

2. Employer announcement #106, How to Request Retroactive Employment Data Changes.

*PERS will not change hire intent for a past employment period of a non-retired member without sufficient supporting documentation.*



#### Employer Announcement #105 Determining Membership Eligibility Prior to January 1, 2006, for Tier One and Tier Two Members

March 2025

In January 2025, after a comprehensive review of past laws and policies, PERS implemented a new policy for reviewing membership eligibility standards for periods of employment before January 1, 2006, when different membership standards were in place.

Under the 2025 policy change, when an employee's membership status for a period of employment before 2006 comes under review (e.g., during data verification, eligibility study, or other retirement process), PERS will apply the membership eligibility standards that were in place at the time of the employment — not today's standards.

The policy change benefits both members and employers. It benefits members by ensuring they receive the right benefit under the law, and it benefits employers by ensuring that they pay only what they are obligated to pay.

#### Pre-2006 membership-eligibility standards

Before January 1, 2006, to qualify for PERS benefits under state law, a public employee had to work in a position (or concurrent positions) that "normally required" 600 or more hours of service.<sup>1</sup> This is different than the current "qualifying position" definition, which requires that an employee actually perform 600 or more hours of service in a full calendar year.<sup>2</sup>

This meant that before January 1, 2006, a Tier One or Tier Two member had to be employed in a position (or concurrent positions) that normally required at least 600 hours of service in the calendar year, regardless of the exact number of hours the employee actually worked.

Under pre-2006 reporting practices, it was up to the employer to determine if the position normally required 600 or more hours of service. If the employer's determination was "yes," the employer reported the position as qualifying, and PERS accepted the employer's reporting (i.e., the "qualifying" hire intent of the position).

# Communications update

## New resources

### Updated resources — guide and webpages

1. Quick-reference guide, [EDX File Format and Development Guide](#). Format specs for uploading data files to EDX.
2. [How to Join PERS webpage](#). Who is required to join PERS and how to do it.
3. [About the IAP webpage](#). Types of IAP contributions and how to change contribution type.



# Additional Items

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Senate Bill 1049

Member annual statements

# **Additional items**

## **Senate Bill (SB) 1049 update**

### **Program closure**

- SB 1049 program scheduled to officially end May 9, 2025.
- Final deployment of last Member Redirect work package was April 17, 2025.
- Final board report will be given at July 25, 2025, meeting.

# **Additional items**

## **Member annual statements update**

### **Member annual statements status**

- Minor cosmetic updates this year; no data changes.
- Currently preparing for data extract and testing to ensure statements are accurate.
- Working with Publishing and Distribution and gliding toward a late-May mailing date.

### **Impact to employers**

- Efforts to update member addresses should continue to reduce returned statements:
  - Notifying members to update incorrect addresses.
  - Using the National Change of Address Database again.



# Additional items

## Member annual statements update

### Fielding member annual statement (MAS) questions

- The statements will again have a back page with high-level information.
- MAS frequently asked questions on the PERS website:  
<https://www.oregon.gov/pers/MEM/Pages/Member-Annual-Statement-FAQs.aspx>
- Members can contact PERS Member Services for assistance.

Hover over a green-outlined item on interactive statement for a pop-up explanation.

[OPSRP](#)

[Tier Two](#)

[Tier One](#)

### 20XX OPSRP PENSION INFORMATION

Your Oregon Public Service Retirement Plan (OPSRP) pension is the first part of your retirement benefit. The pension provides a lifetime monthly benefit at retirement for eligible, vested members. You can produce a pension benefit estimate for a future retirement date on Online Member Services (OMS), located on the PERS website.

**What could my pension benefit be at retirement?**

$$1.5\% \times \text{years of total retirement credit} \times \text{monthly final average salary} = \text{monthly pension benefit}$$

Vested status:

20XX retirement credit:

Total retirement credit:

**KEY ITEM TO CHECK!**  
Retirement credit is the number of months and years you work in a PERS-qualifying position. You also may see this called "years of service" or "service credit." You must work at least 600 hours per calendar year and the majority of each month to receive retirement credit for the year. Because your retirement credit is used in the calculation above, errors in your credit could negatively impact your pension benefit payments in retirement. If you are working, contact your PERS-participating employer(s) to resolve any errors.

# Open discussion

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# Open discussion

Any questions or comments  
for PERS?

Questions for each other?





# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## Thank you

