

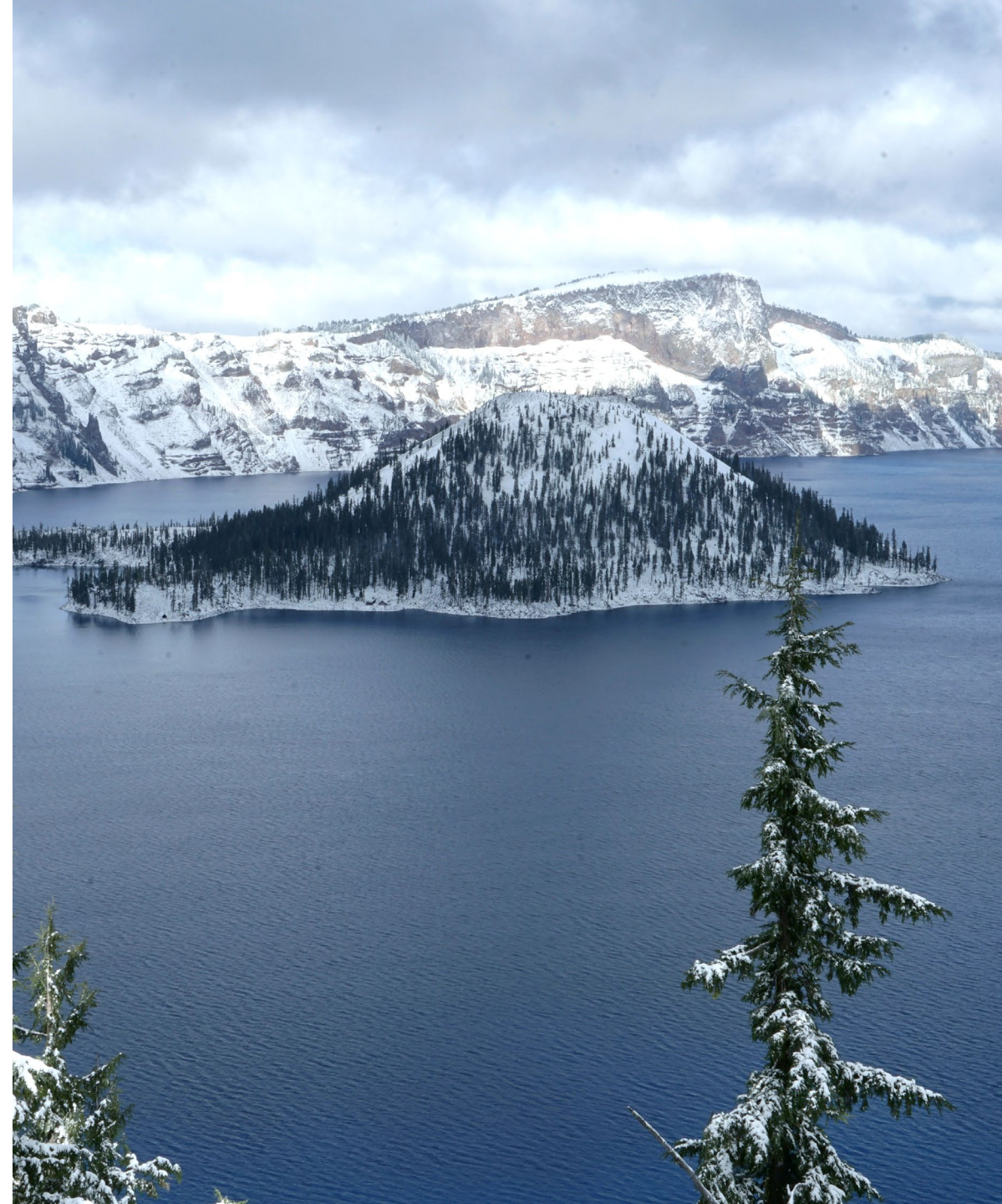
# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## Employer Advisory Group

January 24, 2025



# Agenda

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

# Director's Office update

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Kevin Olineck, Director

# Director's Office update

## Preview of January 31 PERS Board meeting

### Topics of discussion

- Preliminary earnings crediting and reserving.
- Senate Bill 1566 reporting requirements:
  - Employer Incentive Fund (EIF).
  - School Districts Unfunded Liability Fund (SDULF).
  - Unfunded Actuarial Liability Resolution Program (UALRP).
- PERS Health Insurance Program (PHIP) reserve policy.
- Administrative rulemaking.

# Legislative update

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Heather Case, Senior Policy Advisor

# Legislative update

## 2025 Legislative Session

### PERS reporting

The 2025 Legislative Session begins January 21, 2025.

PERS is expected to submit and present on the following mandatory statutory reporting. These reports will also be brought before PERS Board. Reports include:

- **Senate Bill (SB) 1566** — Reports on financial status of Employer Incentive Fund (EIF) and School District Unfunded Liability Fund (SDULF).
- **Preliminary and final earnings crediting** — Final submitted in March after final earnings crediting is approved by the PERS Board.
- **Key performance measures (KPM) annual progress report** — Information submitted by October 1; included in agency's budget presentations during 2025 session.

*Continued*

# Legislative update

## 2025 Legislative Session

- **PERS Board adoption of actuarial methods and assumptions** — Reported 30 days before board action, typically at end of July. Legislature may ask PERS to present on this action in September during a Legislative Days session.
- **Modernization report** — Will likely be asked to report on status of our modernization program; however, the Legislature has not yet made a formal request for this for 2025 Legislative Session.
- **House Bill (HB) 4045 (2024) Hazardous Position implementation** — Legislature has requested we report to Legislature at every odd-year legislative session about implementation of Hazardous Position section of HB 4045.
  - Report must include impact of any **delays** occurring because of other ongoing projects.

# Legislative update

## PERS 2025 bills

PERS has introduced **four bills** through the Governor’s Office for the Legislature to consider:

1	Amendments to PERS Health Insurance Subsidies	Senate Bill (SB) 847
2	Repurpose School District Unfunded Liability Fund (SDULF)	SB 849
3	Employer Reporting and Member Data Clarifications	SB 851
4	Post-Retirement Death Benefit Calculations	SB 852

See the [December 6, 2024, PERS Board meeting packet](#) (item C.3, starting on page 104) for descriptions and drafts of these bills.

# Actuarial update

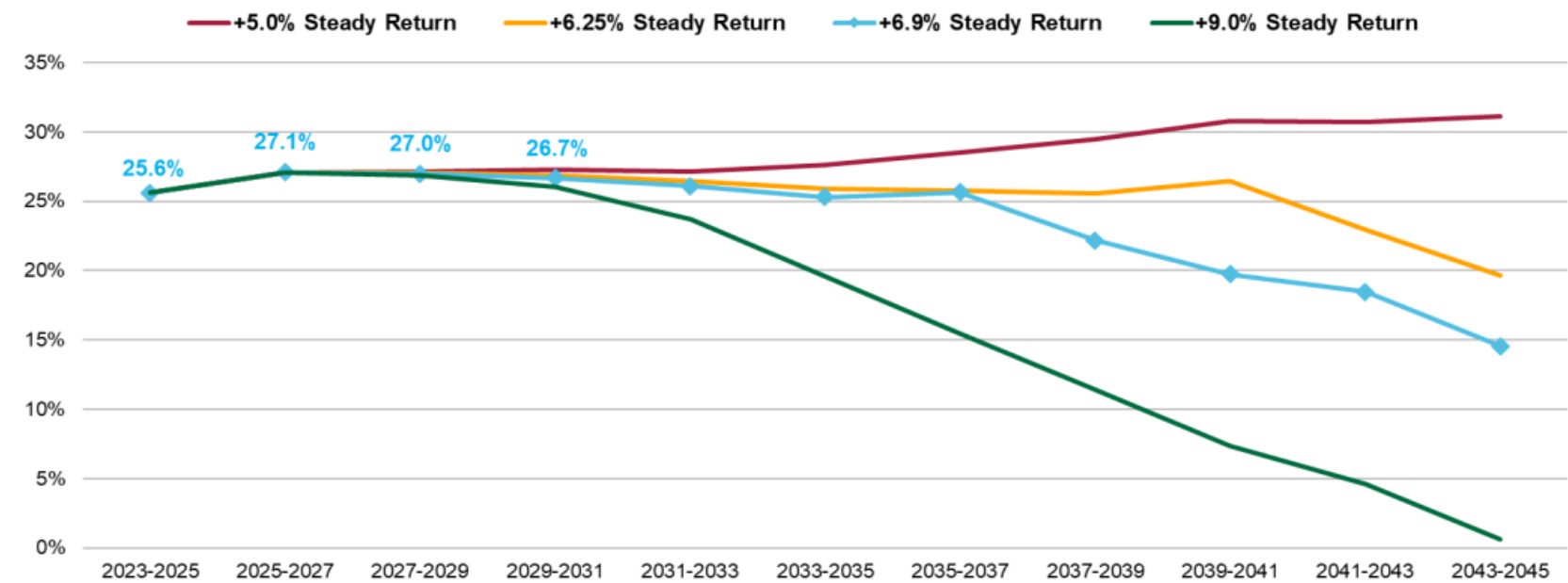
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Troy Phillips, Actuarial Business Specialist

# Actuarial update

## Steady Return model

### Employer Collared Base Pension Rates (System Average)

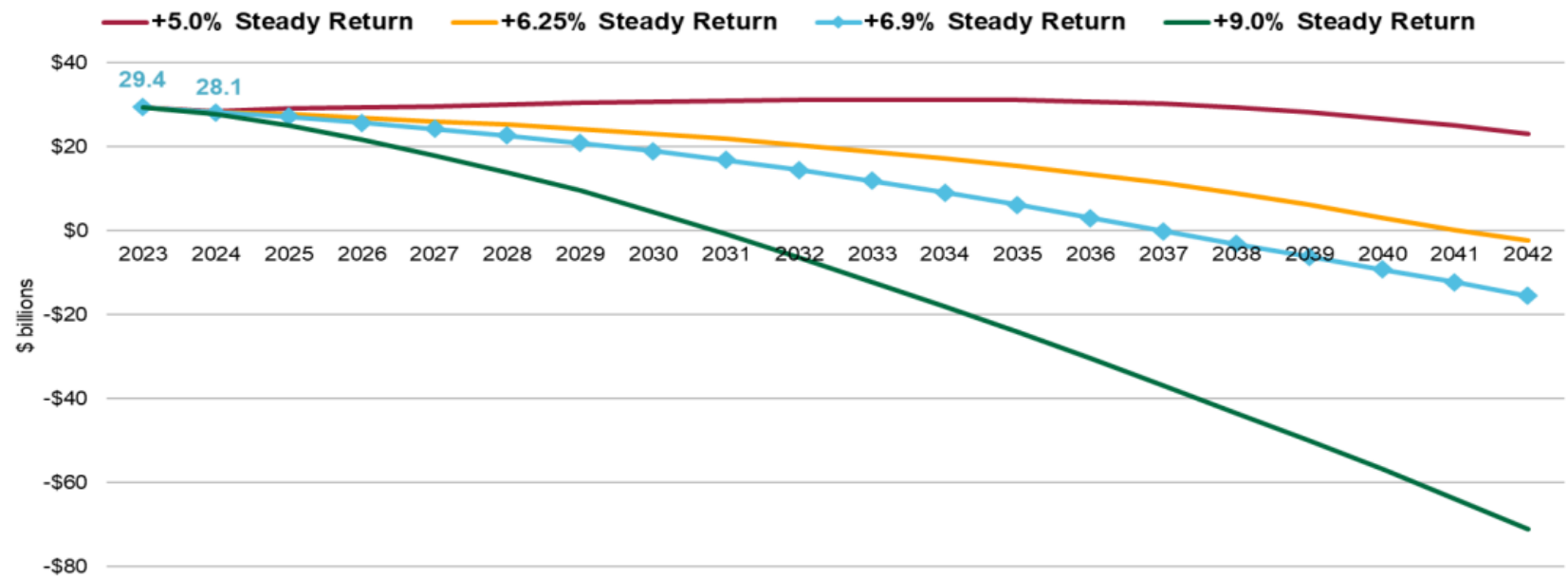


- If future investment returns are near assumption, system average employer collared base pension rates in 2027-29 are projected to be similar to 2025-27 rates
- Blue line: rates decrease as new OPSRP members replace exiting Tier One / Tier Two members
- 2027-29 rates will be based on asset returns through December 31, 2025, along with assumption and methods adopted after the upcoming Experience Study

# Actuarial update

## Steady Return model

### UAL (Unfunded Actuarial Liability) Excluding Side Accounts



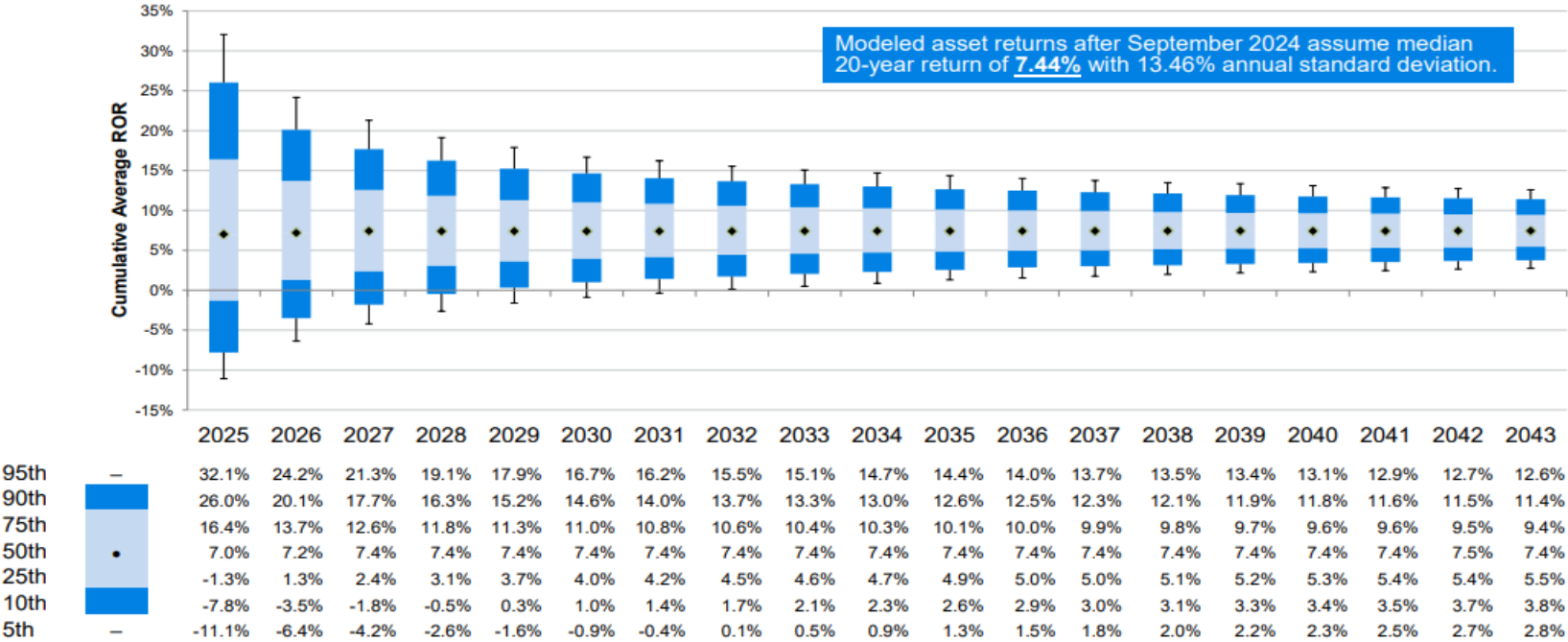
- 2024 UAL decreases due to estimated year-end 2024 investment returns and contributions
- At steady +6.9% return, UAL declines steadily, reaching \$0 at year-end 2037

# Actuarial update

## Variable Return model

### Average Annualized Rate of Investment Return

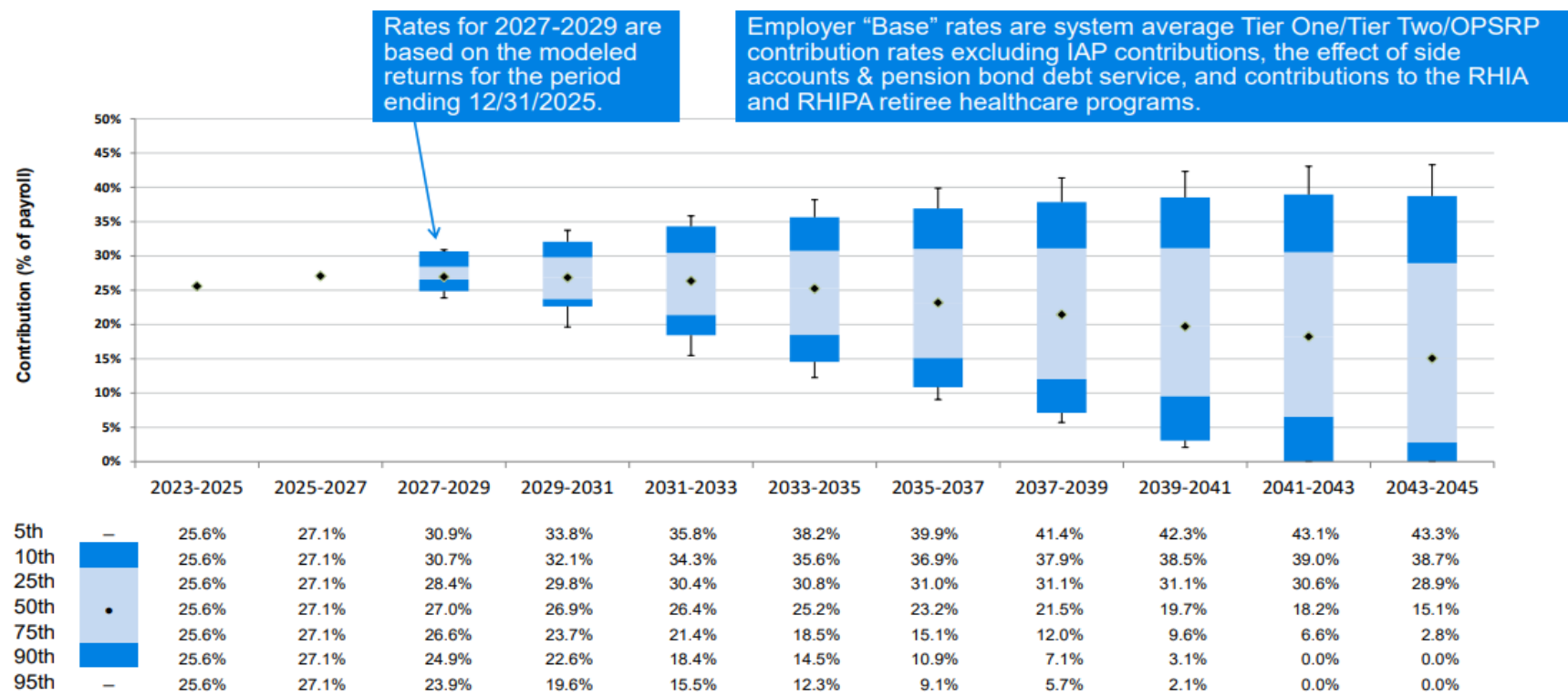
Post-2024 Modeled Returns (Geometric Average)



# Actuarial update

## Variable Return model

### Employer Collared Base Pension Rates (System Average)

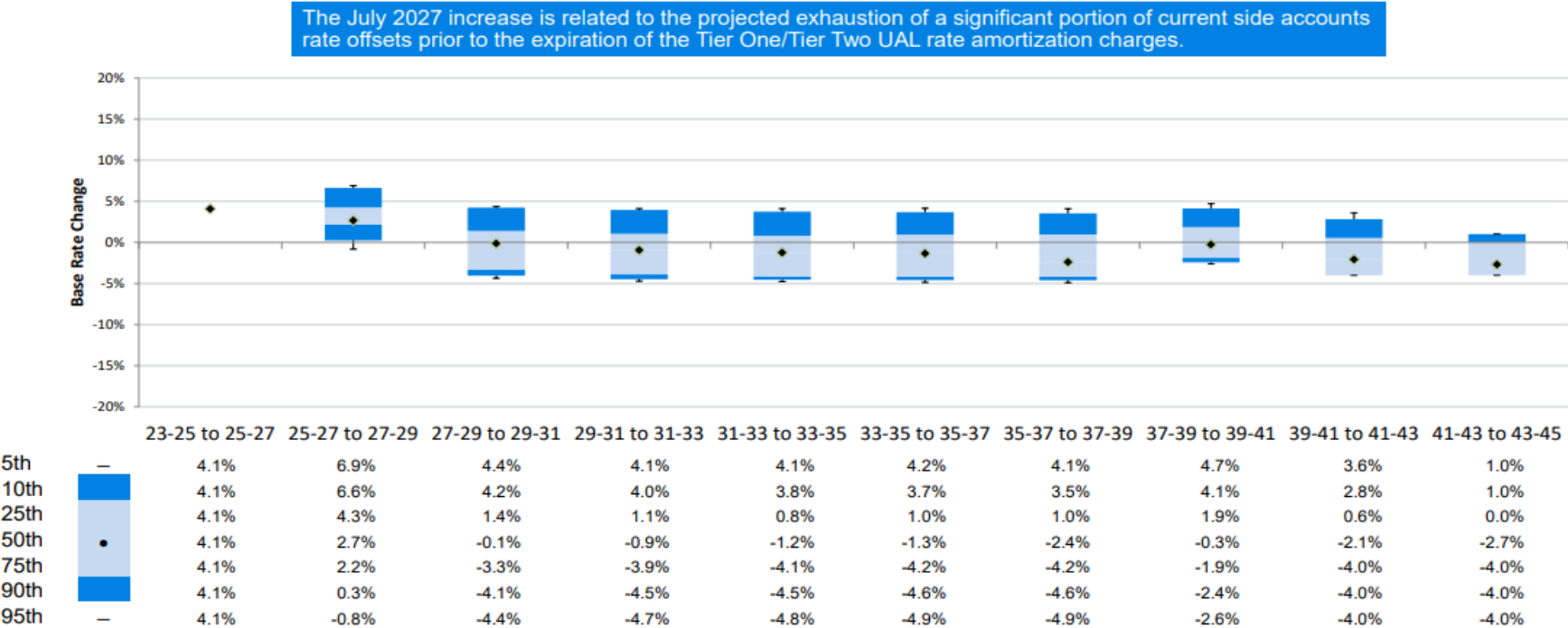


# Actuarial update

## Variable Return model

### Biennial Change in Employer Collared Net Pension Rate

System Average Rates



# Actuarial update

## Next cycle of ELF funding opening soon

### 2025 funding

- New round of funding in 2025.
- Amount of available funds will be approximately \$40,000,000.
- **April 1:** Employers with UAL > 200% given priority — first 90 days of application period.
- **July 1:** Applications open to all PERS employers.
- Notification to employers prior to each application period.

# Actuarial update

## Employer Rate Projection Tool updated

This month, we updated the Employer Rate Projection Tool (ERPT) with data from the 2023 System-Wide Actuarial Valuation Report.

Employers can access the updated tool and user guide on the [ERPT webpage](#).

### Why use it?

- ✓ Project future contribution rates (estimated).
- ✓ Budget for a potential future rate increase.
- ✓ Complete a requirement for participating in the Employer Incentive Fund program.
- ✓ See effect of new side account on rate.
- ✓ See effects of other criteria on rate like transition liability/surplus rate or side account rate.

# Employer Service Center update

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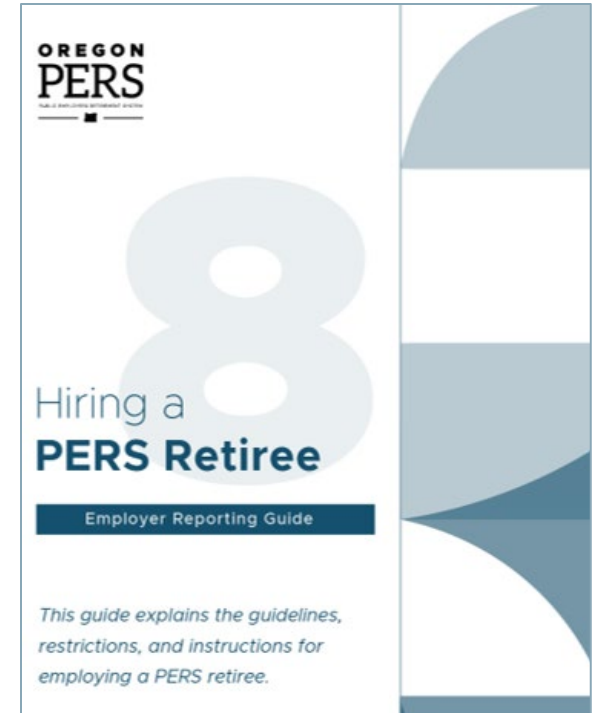
Laurel Galego, Employer Service Center Manager

# Employer Service Center (ESC) update

## Reporting tip

When hiring a PERS retiree, employer reporter must make sure to follow these steps in order:

1. Submit **final hours and salary** — wait for report to post.
2. Submit **Detail 1 termination record** — wait for it to post.
3. Submit **Detail 1 new hire record** with **status code 11** — wait for it to post.
4. Submit **Detail 2 wage records** with **wage code 17** — they will suspend until the retiree's retirement fully processes and they receive their first retirement check.
5. After 90 days, **resave all the wage records** — they will now successfully post.



Employer reporters can learn more in the new “Avoiding Errors” section in [employer reporting guide 8, Hiring a PERS Retiree](#)

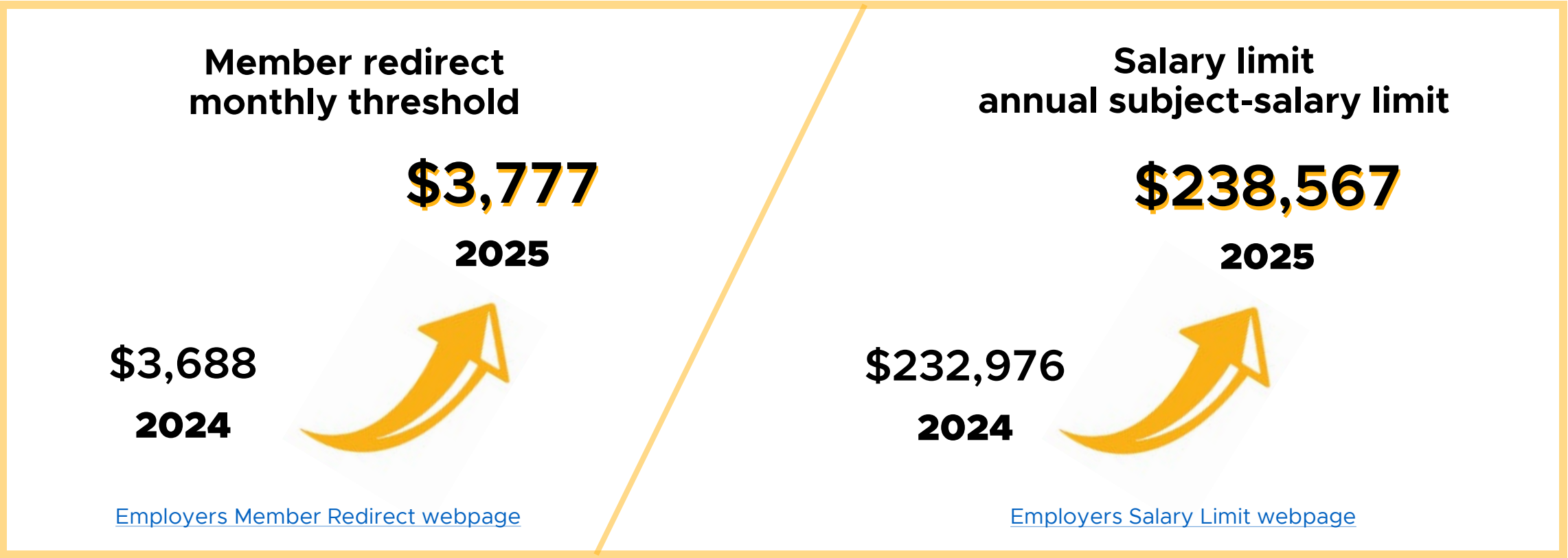
# Communications update

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Shawn Harper, Employer Communications Specialist

# Communications update

New salary limit and member redirect numbers announced



# Communications update

## Materials updated to reflect 2024 legislation

### Employer reporting guides

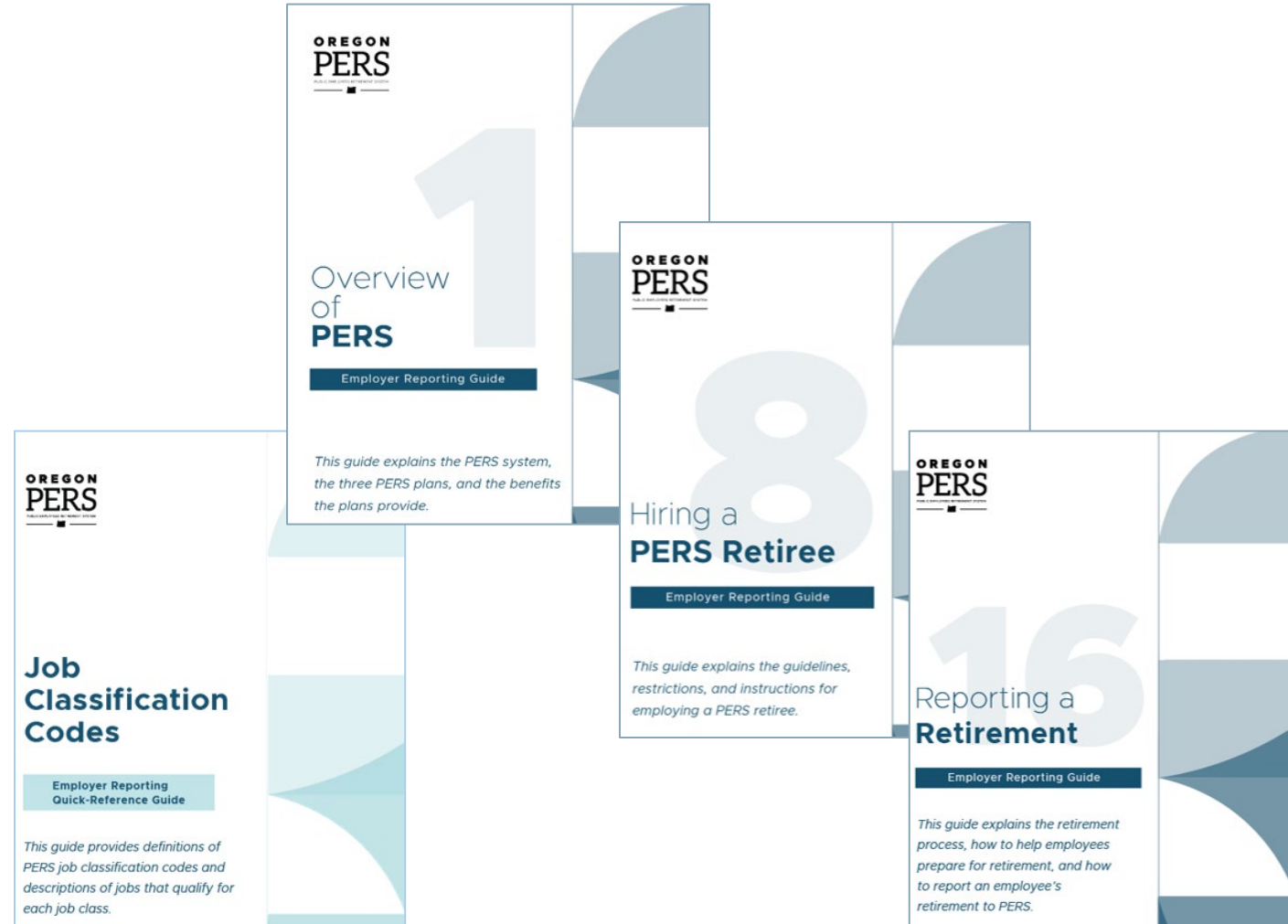
[1: Overview of PERS](#)

[8: Hiring a PERS Retiree](#)

[16: Reporting a Retirement](#)

[Quick-reference guide](#)

[Job Classification Codes](#)



# Communications update

## Revised materials

### Employer webpages

[Salary Limit: Information for Employer Reporters](#)

[Salary Limits for Employers chart 1997–2025](#)

[Member Redirect](#)

These programs and more are listed on the [Employer Rate-Relief Programs webpage](#)

### Salary limit: information for employer reporters

Oregon law limits the amount of an employee or working retiree's salary that can be reported as "subject salary" each year. The limit helps control employer contribution rates by putting a cap on:

- The amount of salary that can be included when calculating an employee's PERS retirement benefits.
- The amount of salary on which an employer must pay contributions.
- The amount a high earner must contribute to their Individual Account Program (IAP) account.

The limit does not affect how much salary an employee is paid; it only affects the way that money is reported.

The salary limit amount is updated each January to reflect changes in inflation and cost of living.

2025 salary limit	\$238,567/year
2024 salary limit	\$232,976/year
2023 salary limit	\$225,533/year

To find annual salary limits for previous years, reference the [Salary Limits for Employers document](#) .

How it works	+
Prorating partial-year salary limits by month	+
Examples	+
Definitions	+
Partial-year salary limits 2020–2024	+

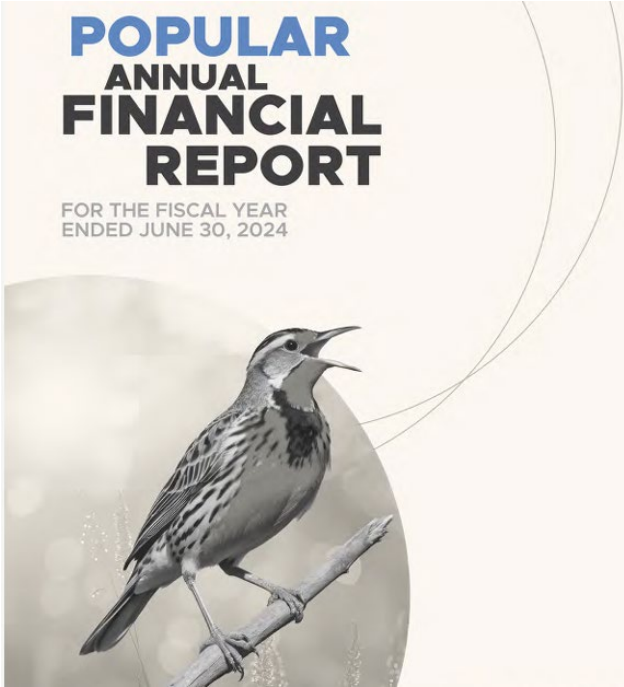
# Communications update

## 2024 annual reports

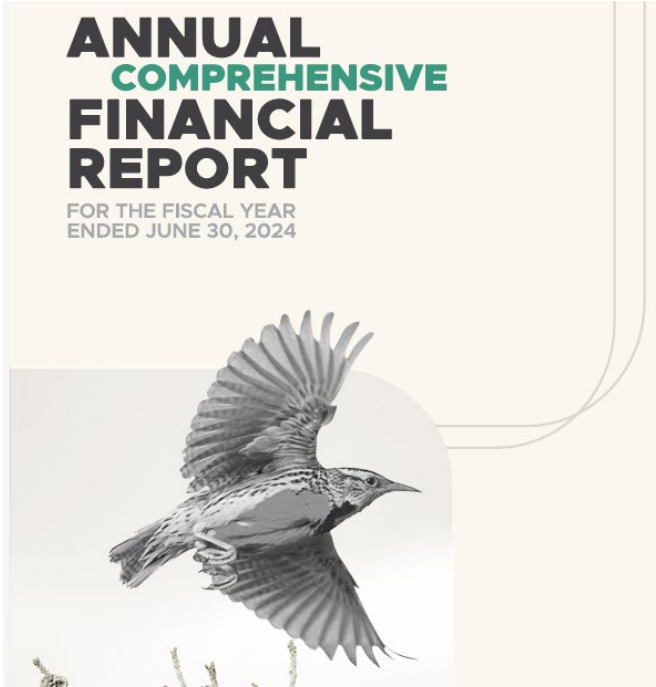
*PERS by the Numbers*



*PERS Popular Annual Financial Report*



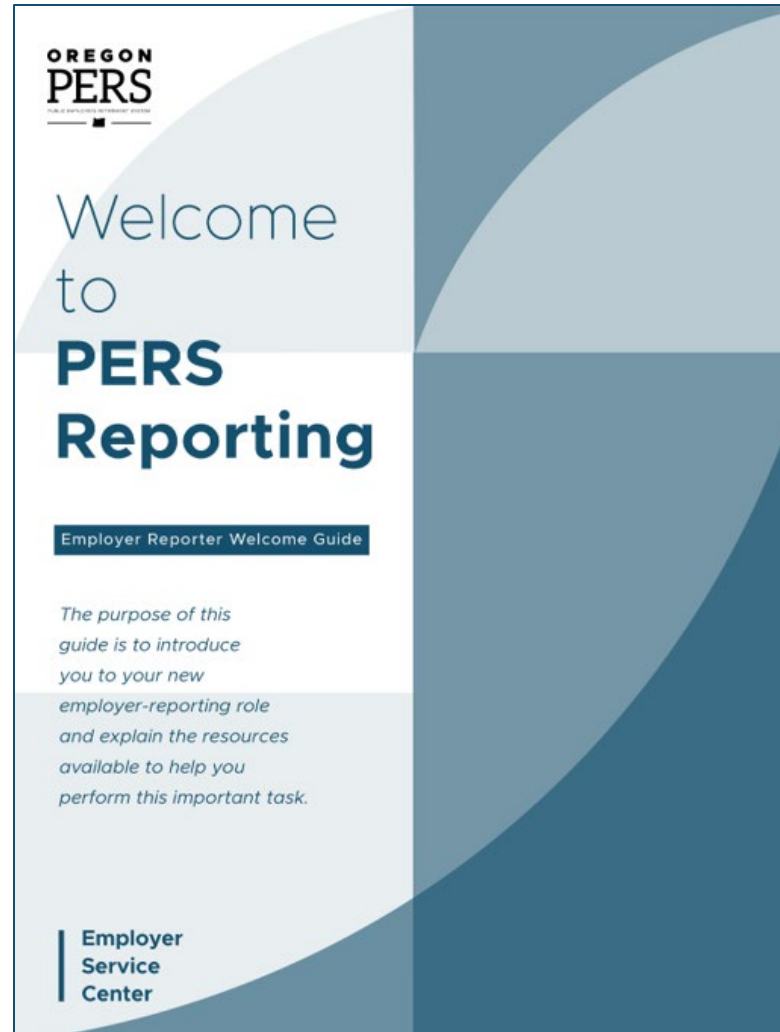
*PERS Comprehensive Annual Financial Report*



# Communications update




## New employer reporter welcome guide

- For new employer reporters.
- Emailed with welcome greeting.
- Includes checklist (requested in employer satisfaction survey).



### Checklist for new employer reporters

Each step below includes a link or links to information or instructions. Note that employer guides are PDF documents that you can read online, print, or download.

-  **Learn the basics**
  - ☐ Understand PERS plans and retirement benefits (read [employer guide 1](#)).
  - ☐ Set up an EDX account ([choose a user ID and password](#)).
  - ☐ Attend reporter training ([view options](#)).
  - ☐ Learn how to create a report (read [employer guide 4](#)).
  - ☐ Learn how to create a record (read [employer guide 5](#)).
-  **Understand how and when to pay your bill**
  - ☐ Know your electronic funds transfer (EFT) method (read [Paying for PERS](#)).
  - ☐ Know your remittance statement due dates (also called [ACH transfer dates](#)).
-  **Start reporting in EDX**
  - ☐ Report employee hours and wages on Regular report dates (learn how to [submit a Detail 2 record](#), understand differences between [non-qualifying positions](#) and [qualifying positions](#)).
  - ☐ Submit employee demographic changes, as needed (learn how to [submit a Detail 1 record](#)).
  - ☐ Understand how to ask PERS to make certain demographic and status changes through Demographic Correction Requests (DCR) (read [employer guide 20](#)).
  - ☐ Report employee status changes —
    - New employees ([employer guide 7](#)), including average overtime hours ([employer guide 18](#)).
    - Change of position from qualifying to non-qualifying ([employer guide 9](#)).
    - Change of position from non-qualifying to qualifying ([employer guide 10](#)).
    - New PERS retiree hires ([employer guide 8](#)).
    - Unpaid leaves ([employer guide 11](#)).
    - Terminations and deaths ([employer guide 15](#)), including reporting unused sick leave hours ([employer guide 17](#)).
    - Retirements ([employer guide 16](#)).

# Communications update

## New feedback page

### Employer resource feedback form

- Allows employers to give feedback any time.
- Empowers Communications to serve audience needs better where possible.
- Provides insight into media and methods that are most effective.

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.

# 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!

