

# PERS EMPLOYER ADVISORY GROUP MEETING

Date: 4/25/2025

Time: 10:00 a.m. – 12:00 p.m.

Location: Microsoft Teams

TYPE OF MEETING	EAG meeting
FACILITATOR	Sam Paris
NOTE TAKER	Chloe Harris
CALL-IN NUMBER	+1 971-300-4342      Phone conference ID: 881 244 608#
ATTENDEES	<p><b>EAG members:</b> Matt Warner, League of Oregon Cities; Shauna Tobiasson, State of Oregon; Jeff White, Association of Oregon Counties; Michelle Morrisson, Portland Public Schools; Brian Knowles, Chemeketa Community College; Lori Sattenspiel, Oregon School Boards Association.</p> <p><b>PERS staff:</b> Kevin Olineck, Yvette Elledge-Rhodes, Sam Paris, Heather Case, Jake Winship, Laurel Galego, Troy Phillips, Shawn Harper, Jonathan Yost, Elizabeth Rossman Weber, Elli Probasco, Rachel Schizas, Matthew Graves, Anne Marie Vu, Kristi Ivers, Shanara Miller, Chloe Harris, Holly Effenberger.</p> <p><b>Guests:</b> Suzanne Linneen, Katie Kicza, Carol Samuels, Chelsey Walen, Donna Chastain, Gay Lynn Bath, Jackie Olsen, Jennifer Jones, Morgan Allen, Morgan Zavala, Nancy Anderson, Nathan Klinkhammer, Rhonda Miller, Sandra LeHoullier.</p>

## NOTES

TOPIC	<b>Welcome</b>	Sam Paris
TIME: 10:00–10:01		
Sam Paris, PERS Chief Operations Officer, welcomed the Employer Advisory Group (EAG) and reviewed the <a href="#">meeting agenda</a> .		

TOPIC	<b>Director's Office update</b>	Kevin Olineck
TIME: 10:01–10:04		
<p>Kevin Olineck, PERS Director, overviewed the <a href="#">March 31, 2025, PERS Board meeting</a>. Topics included PERS final earnings crediting, an Oregon Savings Growth Plan update, and the Oregon Investment Council (OIC) year-end results. The OIC year-end presentation included strategies for mitigating the ups and downs of the market. You can listen to a recording of the presentation on the <a href="#">Oregon Investment Council website</a>.</p> <p>Kevin also presented changes to the PERS Health Insurance Program (PHIP) Reserve Policy that were accepted at the March board meeting. The changes are shown in attachment C.3 starting on <a href="#">board packet page 194</a>.</p>		

<b>TOPIC</b>	<b>Legislative update</b>	Heather Case
TIME: 10:04–10:15		
<p>Heather Case, PERS Senior Policy Advisor, gave a legislative update.</p> <p><b>2025 Legislative Session</b></p> <p><b>PERS bills updates</b></p> <p><b>Senate Bill (SB) 847: PERS Health Insurance Program (PHIP) changes</b>  This bill had a public hearing on Wednesday, April 16, in the House Committee on Labor and Workplace Standards. Work session was held Wednesday, April 23, in the House Committee on Labor and Workplace Standards. Now going to the House floor.</p> <p><b>SB 849: Repurpose School District Unfunded Liability Fund (SDULF)</b>  This bill was amended and passed as amended through Senate and has moved to House. (Learn more about SDULF on the <a href="#">Rate Relief Programs webpage</a>.)  This bill went through a public hearing on April 16 in the same committee and a work session on Monday, April 21. Due to the tight timeline of this bill, there is a need to have it signed before the PERS Board approves the recalculated school district employer rates at its May 30, 2025, meeting. The House floor passed the bill on April 23, and the Governor is expected to sign it soon. <a href="#">Link to enrolled version of bill</a>.</p> <p><b>SB 851: Employer Reporting and Member Data Clarifications</b>  The public hearing was on April 16 and the work session was on April 23. Due to many questions regarding this technical bill, it received more airtime at the work session after the committee members had a chance to look at it. The bill was passed out of committee to the House floor. We stand ready to answer any other legislative questions that may come up before the floor vote, for which a date has not been designated.</p> <p><b>SB 852: Post-Retirement Death Benefit Calculations</b>  The public hearing was held on April 16. Work session was held April 23. This bill passed the Senate and is waiting on the House floor vote.</p> <p><b>Bills not moving forward</b>  Many bills that were related to PERS are not moving forward because they did not meet the April 9 First Chamber deadline. We are still tracking all priority-one bills.</p> <p><b>Topics related to PERS that are still being discussed</b>  The following topics are still being discussed and are not all in separate bills:</p> <ul style="list-style-type: none"> <li>• SB 757 – Regarding adding OHSU chaplains’ housing allowance to the definition of subject salary.</li> <li>• Task force to examine health insurance options for Police and Fire job class retirees.</li> <li>• Change PERS disability eligibility.</li> <li>• Add time limits to refer cases to be scheduled for contested case hearing.</li> <li>• Federal tax-connection bill (perennial).</li> <li>• Mandate overtime cap calculations (Oregon Public Service Retirement Plan).</li> </ul>		

**PERS legislative reports****SB 1566**

The report sent was included in the [January 31, 2025, board meeting packet](#) on page 142. It was presented during budget presentations, accepted by the Joint Subcommittee on General Government on February 20, and acknowledged by the full Joint Committee on Ways and Means on March 7.

**Preliminary earnings crediting**

The preliminary earnings crediting report was also included in the January 31, 2025, board meeting ([1/31/2025 board packet](#) page 130). It was accepted by the Joint Subcommittee on General Government and the full Joint Committee on Ways and Means.

**Final earnings crediting**

Final earnings crediting was sent to the Legislature after the PERS Board meeting on March 31.

PERS gave an update to the Joint Subcommittee on General Government in an informational meeting on Tuesday April 22. Topics included:

- SB 1049 progress report.
- House Bill 4045 progress report.
- Modernization Program report.
- Expiration of side accounts.

Q: *Jackie Olsen*: Do we have an estimate on what the new PHIP rate may be (as a result of SB 847)?

A: *Kevin Olineck*: The bill hasn't passed yet, but the Milliman estimates for January 1, 2026, are between 0.04% and 0.28%. It is likely to fall somewhere between those figures as the 0.28% assumes a doubling of members.

<b>TOPIC</b>	<b>Modernization Update</b>	<b>Kristi Ivers</b>
TIME: 10:15 - 10:22		
<p>Kristi Ivers, PERS Modernization Program Director, presented an update on modernization efforts.</p> <p><b>Telephony Modernization Project</b></p> <p>The goal of this project is to implement a more modern and reliable phone system to provide more features for callers and enhance our call center management and data reporting capabilities.</p> <p>Phase 1, consisting of analysis, design, and development, has been completed. User testing is currently in progress with a target implementation date around mid-May pending user acceptance testing (UAT) and quality testing.</p> <p>A modernized telephony system will provide better wait-time statistics and tracking. It will improve our capacity for busy times and improve customer-hold times.</p> <p><b>Hybrid Integration Platform Implementation Project</b></p> <p>The Hybrid Integration Platform (HIP) will allow seamless connections between business-critical applications. Solution analysis has started for this project.</p> <p>It is currently in its beginning stage. This project will help PERS transfer data between business-critical applications faster. It loops into the Telephony Project.</p> <p><b>Data Cleaning Implementation Project</b></p> <p>The goal of this project is to plan, develop, and implement a data-cleaning process for jClarety system data. An in-depth analysis of each jClarety data subject area has been conducted, and queries are being developed to assist staff with routine maintenance of data quality. The project is currently on Sprint 4 out of 10.</p> <p><b>Modernization planning</b></p> <p>We are working with Gartner to develop an options decision framework for PERS to assess which pension administration system option is the best modernization solution. The expected delivery of this framework is May 23. Once we have a solution, we will develop the 2025-27 Modernization Roadmap.</p> <p>You can learn more about modernization in <a href="#">Oregon PERS 2023–2028 Strategic Plan</a>, “ORION System Modernization” on page 14.</p> <p>Q: <i>Rhonda Miller</i>: Will the modernization include updates to EDX?</p> <p>A: <i>Kristi Ivers</i>: Yes, you will see improvements there, but specifics have not been outlined.</p> <p>Q: <i>Sandra LeHoullier</i>: Will you include end-users’ input?</p> <p>A: <i>Kristi Ivers</i>: Absolutely, we would like as much input from users as possible.</p>		

<b>TOPIC</b>	<b>Actuarial update</b>	Troy Phillips
TIME: 10:22–10:29		
<p>Troy Phillips, PERS Actuarial Business Specialist, presented an update on actuarial activities.</p> <p><b>Employer Incentive Fund (EIF)</b></p> <p>Cycle two of the EIF kicked off on April 1. This first application phase, April 1 through June 30, is exclusively for employers whose unfunded actuarial liability is more than 200% of valuation payroll.</p> <p>As of today (April 25, 2025), the Actuarial Activities Section has approved six applications to open new side accounts. This amounts to about \$14.5 million.</p> <p>The second application period will open to all other employers on July 1.</p> <p><b>School Districts Unfunded Liability Fund (SDULF)</b></p> <p>This fund was established by SB 1566 in 2018. It defined three funding sources:</p> <ul style="list-style-type: none"> <li>• Interest on unclaimed property from the Department of State Lands (sunsetting in 2027).</li> <li>• Proceeds from debt collection (sunset in 2024).</li> <li>• Proceeds from estate taxes and capital gains taxes (sunset in 2023).</li> </ul> <p>Balance as of February 28, 2025: \$167,801,613.</p> <p>The original legislation specified the establishment of a side account for the benefit of all school districts and educational service districts. Due to the size of school district payroll (estimated to be \$4.985B for 2024), it is not feasible to provide a meaningful side account offset rate (i.e., more than 1%). Pending legislation to change this requirement (SB 849).</p> <p><b>SB 849</b></p> <p>PERS was directed to adjust 2025-27 contribution rates to fully reflect the value of the SDULF. This bill contains an emergency clause so that it is effective upon passage.</p> <p>Milliman will calculate a percent of payroll decrease to approved contribution rates. The initial estimate is that rates will decrease 1.68% of payroll.</p> <p>New rates will be approved by the PERS Board either at its regular May 30, 2025, meeting or at an emergency meeting. Rates must be approved and implemented by June 30, 2025.</p> <p>This will apply to all school districts that do not have an existing side account and all school districts that have individual rates because of a side account.</p> <p><b>Actuarial Valuation</b></p> <p><b>Actuarial Experience Study</b></p> <p>Every two years, Milliman reviews and, if appropriate, updates actuarial assumptions and methods.</p> <p><b>Four-meeting process:</b></p> <p>March 31: Summary of process, background, and areas of focus.</p> <p>May 28: Joint meeting with Oregon Investment Council (OIC).</p> <p>May 30: Economic assumptions, system funding methods.</p> <p>July 25: Demographic assumptions, PERS Board direction to actuary.</p>		

### Two-year rate-setting cycle

PERS rates are set over a two-year cycle. Only odd-year valuation dates are used to set rates.

Summary of assumptions and methods actuaries take into account (see [EAG packet](#) page 24 for details):

- Economic assumptions.
- Actuarial methods.
- Demographic assumptions.

Q: *Carol Samuels* – The 1.68% reduction to school district rates applies to both years of the biennium?

A: *Jake Winship* – Yes, the published rates applying to 2025-27 biennium will be reduced and continue to apply throughout the biennium

Topic	Employer Service Center (ESC) update	Laurel Galego
Time: 10:29–10:34		
Laurel Galego, Employer Service Center Manager, gave an ESC update.		
<b>Superhero Gold Star Awards</b>		
We sent these achievement awards to 460 employers in February. They were awarded to employers who got all Regular reports (i.e., reports of employees' wages and hours) submitted on time the whole year.		
All reports posted and paid by year-end on March 5, 2025, received prior-year earnings paid by the PERS Trust. Reports that were not posted and paid by year-end have earnings invoiced to the employer.		
<b>Employer Training</b>		
PERS is making an effort to provide more learning opportunities for employers:		
<ul style="list-style-type: none"><li>• Thursday meet-and-greets with new employer reporters. Anyone with questions is welcome to join these as well.</li><li>• Monthly Beginner Employer Reporting live (virtual) training.</li><li>• Webinars for intermediate-advanced employer reporting topics including an open question and answer session. These are held once per quarter. Presentation and questions and answers posted on the <a href="#">Training webpage</a>. The March webinar on Suspended Records had 180 attendees.</li><li>• Coming soon: Video version of beginner training for on-demand learning. (Update: this has now been posted on the Training webpage under the "recorded class" column.)</li></ul>		

<b>TOPIC</b>	<b>Communications update</b>	Shawn Harper
TIME: 10:34–10:41		
Shawn Harper, Employer Communications Specialist, gave a Communications update.		
<b>Annual employer and member satisfaction surveys</b> <ul style="list-style-type: none"> <li>• Running May 1 – 31.</li> <li>• One survey for members and one for employers.</li> <li>• Employer feedback is used by ESC, Actuarial, and Communications</li> <li>• Scores and comments inform changes, improvements, and new projects; ensure we make the best use of time, resources, and state funds.</li> <li>• Please encourage your teams to take the surveys. The more responses we receive, the more the survey data reflects all employers, not just a few outliers.</li> </ul>		
<b>Reminder to use feedback tool</b> <p>Remember to give us feedback on the website, guides, materials, and more using the <a href="#">Employer Resource Feedback form</a>.</p>		
<b>Policy changes</b> <p>A PERS cross-functional team recently completed a comprehensive study of PERS policies. This is necessary to ensure our policies remain in line with legislation as laws change over time. This study resulted in two new policies announced in two employer announcements.</p> <p><a href="#">Employer announcement #105</a> Determining Membership Eligibility Prior to January 1, 2006, for Tier One and Tier Two Members</p> <p><a href="#">Employer announcement #106</a> Requesting Retroactive Changes to Employment Data</p>		
<b>Guide and webpages</b> <ul style="list-style-type: none"> <li>• <a href="#">EDX File Format and Development Guide</a> has had its first major update since 2011. This guide provides format specifications and requirements for uploading Detail 1 and Detail 2 record data files to EDX.</li> <li>• <a href="#">How to Join PERS webpage</a> has been updated to explain who is required to join PERS, how to join PERS, options new employers have, and more.</li> <li>• <a href="#">The IAP webpage</a> has been updated to show types of IAP contributions and how to change contribution types.</li> </ul>		

<b>TOPIC</b>	<b>Additional Items</b>	Yvette Elledge-Rhodes, Shanara Miller
TIME: 10:41–10:49		
<p><b>Senate Bill 1049</b></p> <p>The SB 1049 program is scheduled to officially end on May 9, 2025. This program started in June 2019 and implemented five areas of legislation. Final deployment of the last <a href="#">member-redirect</a> work package was April 17, 2025, and the program will deliver its final PERS Board report at the July 25, 2025, board meeting..</p> <p>Q: <i>Sandra LeHoullier</i>: Does that mean every member will have 6% go into their IAP account with no redirect (into their Employee Pension Stability Account)?</p> <p>A: No, it doesn't mean that members now have 6% doing to the IAP without redirect. It just means we have just finished implementing all the functionalities of SB 1049. Member redirect continues until PERS funded status reaches 90%; we are currently at 72%.</p> <p><b>Member annual statements update</b></p> <p>There will be a minor cosmetic update to the member annual statements this year, but no data changes.</p> <p>Currently preparing for data extract and testing to ensure statements are accurate. We are working with DAS Publishing and Distribution and aiming for May 19 as a mailing date. We are two-thirds of the way through the testing phase.</p> <p>Efforts to update member addresses should continue to reduce returned statements. We will be notifying members and employers to update incorrect addresses. We will be using the National Change of Address Database again this year to help with this effort. We will have more than 300,000 statements to mail out. 60,000 can go out per day, so the process will take several business days.</p> <p>Proactive communications asking members to confirm that their addresses are correct with their employers are helping reduce high volumes of post-statement address changes.</p> <p>Again this year, the statements will have high-level information on the back page. A list of frequently asked questions is available on the PERS website (go to the <a href="#">FAQ webpage</a> and scroll down to the table for the link to the FAQ for your plan or job class).</p> <p>Members can <a href="#">contact PERS Member Services</a> for assistance.</p>		

<b>TOPIC</b>	<b>Open discussion</b>	Sam Paris
Time: 10:49–10:50		
The meeting was opened for questions and discussion.		

<b>Next meeting facilitator:</b> Sam Paris
<b>Next meeting date and time:</b> July 18, 2025
<b>EAG information:</b> <a href="#">Employer Advisory Group webpage</a>