

PERS EMPLOYER ADVISORY GROUP MEETING

Date: 10/17/2025

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>EAG members: Gina Turner, Portland State University; Diana Herb, Portland State University; Michelle Morrison, Portland Public Schools; Shauna Tobiasson, Department of Administrative Services</p> <p>PERS staff: Brandon Armatas, Yvette Elledge-Rhodes, Laurel Galego, Matthew Graves, Shawn Harper, Richard Horsford, Kristi Ivers, Kevin Olineck, Sam Paris, Troy Phillips, Elli Probasco, Elizabeth Rossman Weber, Rachel Schizas, Erin Stutesman, Stephanie Vaughn, Jake Winship, Jonathan Yost</p> <p>Guests: Amber Schonbrod, Anita Gurule, Brian Knowles, Chelsey Walen, Esther Orozco, Ian Peterson, Jennifer Jones, Jon Grover, Josh Eggleston, Morgan Allen, Robert Tintle, Carol Samuels, Sandra LeHoullier, Scott Winkels, Brendan Watkins</p>

NOTES

TOPIC	Welcome	Sam Paris
TIME: 10:00–10:0		
Sam Paris, PERS Chief Operations Officer, welcomed the Employer Advisory Group (EAG) and reviewed the meeting agenda .		

TOPIC	Director's Office update	Kevin Olineck
TIME: 10:02–10:03		
Kevin Olineck, PERS Director, gave an overview of highlights from the September 2025 PERS Board meeting. The board meeting packet is available on the PERS website .		
September Board Recap		
The September 26, 2025, PERS Board meeting (PDF) topics included the final approval of Actuarial Assumptions and Methodologies, member and employer satisfaction survey results, and the December 31, 2024, actuarial valuation results and advisory rates.		

December 2025 PERS Board meeting preview

- Board Member Suzanne Linneen is retiring, so her board position as employer representative needs to be filled. The new employer-representative board member will attend the December 5, 2025, board meeting. This new representative will also attend upcoming Employer Advisory Group meetings.
- Milliman will present its annual financial modeling presentation.

Open PERS Board and committee seats update

Nominees for open board and committee seats, including the PERS Board employer representative, will be announced soon. Senate will verify nominees in November.

TOPIC	Modernization update	Kristi Ivers
TIME: 10:03 - 10:16		
<p>Kristi Ivers, PERS Modernization Program Director, presented an update on modernization efforts.</p> <h4>Telephony Modernization Project</h4> <p>Phase 1 of this project was successfully implemented on July 14, 2025. Phase 2, analysis and design, is in progress and new features have been documented.</p> <p>Examples of new features:</p> <ul style="list-style-type: none">• Natural language processing: callers can choose English or Spanish instructions by pressing a number or saying the number.• Expanding callback functionality: callers can receive a call back on the next business day.• One-way texting option: callers can text PERS to request basic information. Examples:<ul style="list-style-type: none">○ A link to a retirement application.○ A link to the PERS Expo registration webpage. <p>The feature is one way, meaning after you receive the information, you cannot text back. Timeline for implementation of this feature is to be determined.</p> <p>Results: Since implementation, the percentage of abandoned calls (people who gave up waiting and hung up) as well as average wait times in the call center have decreased. We will continue to gather data to track these trends.</p> <h4>UI/UX Project</h4> <p>We have a new project to update Online Member Services (OMS) for members and Employer Data Exchange (EDX) for employers to make them compliant with the Americans with Disabilities Act (ADA) by April 24, 2026. Funding was approved in June 2025, and the project began in July 2025.</p>		

Both web portals are being analyzed to determine the work effort required. Testing may start within next two weeks.

Q: Shauna Tobiasson – For the UI/UX project, is the requirement for modernization only to look at ADA compliance?

A: Kristi Ivers – Mostly yes, but we are working on some other updates as well. There will be other phases where we can continue improvement in other areas of the systems.

Planning – Options Decision Framework for Pension Administration System

PERS worked with Gartner to assess options for a new pension administration system (PAS). They delivered their scoring on May 23, 2025. PERS has been evaluating the scoring of the framework to decide the best option between buying, building, or customizing existing systems. It was determined that buying a commercial off-the-shelf (COTS) product was the best option. This will be a faster option for rolling out (vs upgrading our existing system or having a custom-built system), improving member service, and ensuring disaster recovery. Top priority is to improve the member and employer experience.

We will keep the group apprised of any updates as they come along.

Q: Shauna Tobiasson – When you say pension administration system, would this replace jClarety?

A: Kristi – Yes, it would replace jClarety.

Q: Shauna Tobiasson – So EDX would integrate into new system?

A: Kristi – Yes, or potentially the vendor we go with will have their own system that is better than EDX. It will likely take two years to procure the COTS system.

TOPIC	Actuarial update	Troy Phillips
TIME: 10:16–10:38		
Troy Phillips, PERS Actuarial Business Specialist, presented an update on actuarial activities.		
2025 Employer Incentive Fund (EIF) program		
<ul style="list-style-type: none"> • Applications received: 42 • Employers who received matches: 36 • Employer side account deposits committed: \$144,754,874 • Matching funds approved: \$35,780,336 • Side account funds received: \$10,051,000 • Match amounts distributed: \$2,512,750 • EIF balance: \$32,983,569 		
The goal is for a March 31, 2026, distribution.		
<i>Q: Carol Samuels – Can you say how many are on the waiting list currently?</i>		
<i>A: Jake Winship – Six are currently on the waiting list.</i>		
Senate Bill (SB) 849 (link to the bill)		
<ul style="list-style-type: none"> • The 2027-29 School District Pool unfunded actuarial liability rate (UALR) will be calculated in the December 31, 2025, actuarial valuation. Valuation methods used were established by decisions in this year's experience study. • 2027-29 uncollared UALR will continue to be calculated as the pure actuarial rate. • 2027-29 collared base UALR methodology is a PERS Board policy decision. Methodology is decided by PERS Board and decision is based on UALR. • This is a one-time relief passed for school districts. 		
SB 849's effect		
<ul style="list-style-type: none"> • Unlikely to decrease below floor – either 12.27% (actual UALR) or 13.95% (combined UALR amortization of employers and School Districts Unfunded Liability Fund (SDULF)) of payroll. • Both options are above most recently calculated uncollared rate. • 2027-29 collared base UALR can be up to 3% of payroll above floor. 		
Investment return assumption		
<ul style="list-style-type: none"> • The PERS Board has approved the actuarial assumptions provided by Milliman. • Actual returns have been very close to the assumed return rate for all periods. • In comparison to other peer systems' investment returns, PERS is consistent. • The board elected to keep the assumed rate at 6.9%. 		

Demographic assumptions

Troy shared data regarding specific demographic assumptions and directed attendees to review slides 21-27 (in [the EAG presentation](#)) to learn more.

Individual merit/longevity salary increase

The 2024–2025 period had an increased payroll assumption of 5.4%. The previous assumption for that period was 2%. The payroll assumption for the 2027-29 period is 3%.

Q: Carol Samuels – This timing is different than what we had understood. We thought 5.4% applied to 2023 and 2024 rather than 2024–2025?

A: Jake Winship – There was a lot of conversation with Milliman, largely related to known collective bargaining agreements and unusually high salary increases. The assumption is that we measure payroll at calendar year-end when they project payroll using actual 12/31/2023 values. That is then used to anticipate over the next two calendar years. This can be confusing as PERS is on a biennial schedule for rates but calendar year for salary increases. This select salary increase is largely from the past. It is incorporated for the 2024 advisory valuation. The calculation used the actual 2024 payroll amounts and projected a 5.4% increase for 2025 payroll. That is the basis going forward for advisory rates. Once we have actual contribution rates set next year, it will use 2025 payroll with a 3.4% increase assumption going forward as advised under actuarial standards of practice. Milliman determined appropriate use because they had the information available to factor in.

Q: Carol Samuels – The board packet suggested 2024 was closer to 8%, so 2025 will show 5.4%?

A: Jake Winship – Yes. It does affect side accounts, in theory. A substantial number of side accounts are not scheduled to expire at end of 2027. For those scheduled, payroll has no impact on rates at this point. This will be reset in July.

A: Kevin Olineck – Payroll is not only salary increase, but member headcount as well. That 3% increase factors into the 8% shown in the board packet.

Q: Carol Samuels – Jake, do you anticipate providing estimates of side account balances as of 12/2026 in advance of that date? Will it be sometime this calendar year or this fiscal year?

A: Jake Winship – We will have materials provided during this fiscal year. On 6/30/26, we will provide comprehensive values as of 12/31/25. The PERS Financial Services Division is currently working toward management of side account balances. We established a task force of actuarial service and financial reporting staff and have approval for the Side Account Expirations (SAE) Project. We will have a project manager coordinating the financial and communication needs regarding the SAE. The project is scheduled to run for three years starting 1/2026 through 12/2028. The last 30–40% of the project will focus on reporting and making sure there is an appropriate wind-down of side accounts. This will be an internal PERS project.

Preliminary effect of changes


Accrued liability: 6.9%. Accrued liability decreased by \$1.09 billion.

Uncollared 2027-29 rates

Preliminary effect is a \$1 billion reduction in liability. Uncollared rates reduced by 0.5%.

Q: Morgan Allen – In relation to SB 849 and the board’s discussion of intent of the one-time buy down: Has that decision/discussion been locked in by the board?

A: Kevin Olineck – It is locked in.

Topic	Employer Service Center update	Laurel Galego/Brandon Armatas
Time: 10:17–10:53		
<p>Laurel Galego, Employer Service Center (ESC) Business Operations Supervisor, and Brandon Armatas, Data Services Section Manager, gave an ESC update.</p> <h3>PERS 2025 Employer Satisfaction Survey</h3> <p>Brandon reviewed the results of the 2025 Employer Satisfaction Survey. This feedback is critical to help PERS make improvements.</p> <ul style="list-style-type: none">• We received better response rates from a wide array of job functions and employer groups. The more responses we get, the better they represent overall employer views.• Scores improved in all categories but one.• Areas needing improvement: employer training and technology.<ul style="list-style-type: none">◦ Action plan is in place to improve engagement and education.◦ Agency is working toward technological improvements with our modernization team. <h3>Reporting escalation process</h3> <p>Laurel reviewed the process of creating the new reporting escalation process. Once our team of internal experts established a structure to manage delays, we created classification levels. The idea is to focus more on preemptive communication, training, and follow-up. We are exploring the use of penalties in certain circumstances as a last resort when other efforts are not successful in getting an employer to submit missing reports or pay their invoice(s).</p> <p>To deal more effectively with missing reports, ESC is creating a clear escalation process and timeline.</p> <p>The d escalation process:</p> <ul style="list-style-type: none">• Phase One: Employer representatives conduct standard follow-up protocol.• Phase Two: Employer trainer is notified. The employer’s ESC representative and employer trainer work collectively to offer outreach and assistance to employer.• Phase Three: The ESC supervisor is notified. ESC representative, trainer, and ESC supervisor work collectively to offer outreach and assistance to employer.• Phase Four: Data Services manager is notified. ESC parties discuss the situation and determine if penalties are the next course of action. <p>Two employer groups are working through this new process to help test it.</p>		

Q: Shauna Tobiasson – When you say late reporting, are you meaning the whole report being submitted late?

A: Laurel – Yes, for whole missing reports. When employers miss reports, it harms other employers. For example, employees who work at multiple schools. An employer submits reports late, which puts an employee over 600 hours for a past year. Now the other employers have extra work and owe contributions.

Q: Scott Winkels – We’ve had employers hit with cyber-crimes or other reasons they couldn’t report on time. Is there an exception for extraordinary events like that?

A: Laurel – Yes. Using our new process, the employer should be in contact with the ESC department as part of the checklist, so we would be aware of special circumstances and escalation wouldn’t be needed.

Penalties

Brandon reviewed the current and possible future use of employer penalties.

- Penalties are set in statute for: late reporting, late payment, and/or incorrect payment method.
- Penalties have been waived for employers over the last decade because of system functionality limitations.
- Penalties would be imposed as a last resort. PERS will be doing our part to take circumstances into consideration and work in tandem with employers to resolve reporting difficulties.
- Because this has not been implemented, we do not know amounts of penalties at this time.

This presentation highlighted how penalties could potentially work moving forward. PERS is looking to EAG to provide input and thoughts on applying penalties after the sequence of checks in the escalation process. Submit feedback to

TOPIC	Communications update	Shawn Harper
TIME: 10:53–11:02		
Shawn Harper, Employer Communications Specialist, gave a Communications Section update.		
Employer guide series		
All 28 guides in the employer reporting guide series are complete.		
This project began in 2021 to update the <i>Employer Manual</i> , <i>EDX User Guide</i> , and two different A–Z guides that operate in a separate application. Instead of just updating the information and publishing new versions of the manuals, Comms and ESC worked together to overhaul them. By taking all the information in the manuals and breaking the information out by each reporting activity employers do, they could expand the usability and functionality of the manuals.		

Creating a series of individual guides enabled Comms and ESC to:

- Add detail and policy information.
- Provide a single source of instructions, procedures, and best practices for both employers and PERS staff.
- Organize topics in a consistent format that is easier to scan, find, and understand.
- Place commonly needed information into quick reference guides to help employers find what you need easily.

Other guides and manuals updated

Shawn highlighted additional guides that have been updated:

- *Guide to Understanding Unfunded Actuarial Liability* – Explains PERS funding status and unfunded actuarial liability (UAL). Revised to update numbers and to address false claims and misunderstandings of UAL and how PERS is funded that we see in the media.
- ESC and Communications updated *Beginner Employer Reporting 1* – Self-training for employer reporting. This is a companion guide to the employer training courses.
- Future updates:
 - Guide 18, *Setting or Changing Average Overtime* and how that can affect ORSRP retirees.
 - Expanding Guide 6, *Correcting Suspended Reports*, to include more error messages and how to correct them.
 - Expanding Guide 8, *Hiring a Retiree*, regarding employing retired PERS members.

Topic	Additional Items	Sam Paris
Time: 11:02–11:08		
2026 Proposed EAG meeting dates <ul style="list-style-type: none">• Friday 1/23/26, 10 a.m. to 12 p.m.• Friday 4/24/26, 10 a.m. to 12 p.m.• Friday 7/17/26, 10 a.m. to 12 p.m.• Friday 10/23/26, 10 a.m. to 12 p.m. <p>Sam reviewed the proposed dates for 2026 EAG meetings. No concerns were raised about dates. Invitations will be sent out soon.</p> EAG member vacancies <ul style="list-style-type: none">• Association of Oregon Counties – one vacancy• League of Oregon Cities - two vacancies• Oregon Community College Association - one vacancy <p>Attendees suggested resources and names of potential future members.</p>		

TOPIC	Open discussion	Sam Paris
Time: 11:08–11:08		
The meeting was opened for questions and discussion, and no items were brought forward.		

Next meeting facilitator: Sam Paris
Next meeting date and time: Friday 1/23/26, 10 a.m. to 12 p.m.
EAG information: Employer Advisory Group webpage