

## **Employer Announcement #38**

### **Combined-Payroll UAL Amortization Methodology Start Date**

PERS sent Reporting/Payroll officials notification regarding a new combined-payroll UAL amortization methodology in December 2005. That notification indicated that a start date for the new methodology would be announced in a subsequent notification.

We have now determined that the start date for the new methodology will be March 1, 2006. It will apply to payrolls dated on and after March 1. There will be no change to payrolls processed in January and February.

A copy of the December 2005 notification was posted on the PERS Employer Web site. This document was a detailed description of the new methodology and includes calculation examples to assist you in determining the effect to your agency's budget. This document is no longer available.

The mailed notification also included a copy of your agency's Table 6 from the 2003 Actuarial Valuation, which (for most employers) provides the breakdown between the PERS Normal Cost rate and the PERS UAL rate. Table 6 for individual agencies is not available on the Web site. However, a simplified table showing the rate breakdown for each employer will be posted on the Web site on or before Friday, February 3. The percentage shown in the "UAL Rate" column in the table is the additional percentage that will be applied to your OPSRP payroll beginning March 1. There is no change to the rate applied to your PERS payroll as this rate already includes the UAL rate.

By adding the UAL rate to your current OPSRP rates (8.04 percent for general service employees, 11.65 percent for police/fire), you can determine the dollar amount to be collected each payroll under the new methodology. For employers with a surplus, the UAL rate will be negative and may be subtracted from your OPSRP rate. Employer rates will remain in effect through June 30, 2007.

Changes to your employer statement to implement the new combined-payroll UAL amortization methodology are described in Employer Announcement #36.

Please contact the PERS EDX Team at 503-598-7377 or outside Portland, 1-888-320-7377 (select "Employer" option) if you have questions.

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