

# OREGON PERS

75 years of serving  
those who serve Oregon

## EMPLOYER NEWS

JULY  
2022

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## Announcing new and improved employer statements

In response to employer feedback, PERS teams have redesigned the format of the employer statements in EDX.

On July 22, you will see your current and old statements designed more like a bank statement:

- **Easy to understand.** Balances are clearly aligned with the debit and credit transactions.
- **Consistent.** Ending balance of the prior statement is the starting balance of the next statement.
- **More detailed.** We designed a new method to integrate with your full account ledger from the current statement and beginning balance amounts, enhanced how side accounts are displayed, and clarified how your funds are distributed to your Retirement Health Insurance Account (RHIA), Retirement Health Insurance Premium Account (RHIPA), and Individual Account Program (IAP) sections.

### What is changing

**Employer Statement History.** This list will be grouped by year.

**Statement at a Glance.** At the top of your statement, there will be a summarized version of the statement detail with a total amount due. If a fund has a credit balance, the fund will show \$0 due.

**Unfunded actuarial liability (UAL) and side account detail.** You will see details of your UAL and side account credits, unlike previous statements that only showed details for contributions.

**New sections.** The statements are now broken up into as many as four different funds: IAP, Pension, RHIA, and, for those who have it, RHIPA. For each fund, in addition to Deposits and Invoices, your statement can show Deposit Adjustments, Invoice Adjustments, and Reclassification.

Continued

## Remittance Statement

### This Statement at a Glance

Employer  
 Statement Period 02/06/2022 - 02/20/2022  
 Remittance Due Date 02/28/2022

| Type    | Previous Balance | Current Period Activity | Ending Balance | Amount Due  |
|---------|------------------|-------------------------|----------------|-------------|
| IAP     | \$1,410,169.55   | (\$1,370,755.46)        | \$39,414.09    | \$39,414.09 |
| Pension | \$3,897,515.60   | (\$3,819,501.20)        | \$78,014.40    | \$78,014.40 |
| RHIA    | \$3,740.16       | (\$4,271.88)            | (\$531.72)     | \$0.00      |

New section

**Total Amount Due \$117,428.49**

If an ending balance is zero or less, no amount is due. Any credits will be applied to next statement activity.

For assistance, contact the Employer Service Center at 888-320-7377 or PERS.EDX.Support@pers.oregon.gov.

### IAP

IAP Beginning Balance \$1,410,169.55

#### Deposits

More deposit detail included

Beginning and ending balances provided

| Date Posted | Deposit Date | Payment Method   | Description              | Amount           |
|-------------|--------------|------------------|--------------------------|------------------|
| 02/14/2022  | 02/11/2022   | ACH Debit (Pull) | Employer IAP Remittances | (\$1,410,169.55) |

Deposit Total (\$1,410,169.55)

#### Invoices

Link to invoice details here, not at bottom. (Manual invoices not linked.)

| Date Posted | Invoice                 | Description                | Amount      |
|-------------|-------------------------|----------------------------|-------------|
| 02/07/2022  | <a href="#">1463360</a> | Contributions Pension      | \$514.04    |
| 02/08/2022  | <a href="#">1463682</a> | IAP ER Prior Year Earnings | \$5,921.32  |
| 02/08/2022  | <a href="#">1463762</a> | Employment History Change  | (\$248.06)  |
| 02/08/2022  | <a href="#">1463922</a> | Contributions Pension      | \$11,213.02 |

Invoice Total \$39,414.09

IAP Ending Balance \$39,414.09

### Pension

Pension Beginning Balance \$3,897,515.60

#### Deposits

| Date Posted | Deposit Date | Payment Method    | Description                  | Amount           |
|-------------|--------------|-------------------|------------------------------|------------------|
| 02/14/2022  | 02/11/2022   | ACH Debit (Pull)  | Employer Pension Remittances | (\$3,896,922.06) |
| 02/16/2022  | 02/15/2022   | Treasury Transfer | Employer Pension Remittances | (\$39.25)        |

Deposit Total (\$3,896,961.31)

#### Invoices

UAL Credits include credits from side accounts, transition surplus, and pre-SLGRP surplus. Click invoice link for details.

| Date Posted | Invoice                 | Description           | Amount     |
|-------------|-------------------------|-----------------------|------------|
| 02/07/2022  | <a href="#">1463360</a> | Contributions Pension | \$706.93   |
| 02/07/2022  | <a href="#">1463361</a> | UAL Credits           | (\$770.67) |
| 02/07/2022  | <a href="#">1463362</a> | UAL Contributions     | \$1,491.10 |

Invoice Total \$77,460.11

UAL charges, called UAL Contributions, included here. Click invoice link for details.

Pension Ending Balance \$78,014.40

**Continued**

## RHIA

RHIA and RHIPA are separated

RHIA Beginning Balance \$3,740.16

### Deposits

| Date Posted | Deposit Date | Payment Method   | Description               | Amount                     |
|-------------|--------------|------------------|---------------------------|----------------------------|
| 02/14/2022  | 02/11/2022   | ACH Debit (Pull) | Employer RHIA Remittances | (\$4,333.70)               |
|             |              |                  |                           | Deposit Total (\$4,333.70) |

### Invoices

| Date Posted | Invoice                 | Description           | Amount                         |
|-------------|-------------------------|-----------------------|--------------------------------|
| 02/08/2022  | <a href="#">1463922</a> | Contributions Pension | \$45.70                        |
|             |                         |                       | Invoice Total \$61.82          |
|             |                         |                       | RHIA Ending Balance (\$531.72) |

## RHIPA

RHIPA section appears only if you have RHIPA activity

RHIPA Beginning Balance (\$247.13)

### Deposits

| Date Posted | Deposit Date | Payment Method    | Description                | Amount                      |
|-------------|--------------|-------------------|----------------------------|-----------------------------|
| 02/16/2022  | 02/15/2022   | Treasury Transfer | Employer RHIPA Remittances | (\$64,699.93)               |
|             |              |                   |                            | Deposit Total (\$64,699.93) |

### Invoices

| Date Posted | Invoice                 | Description           | Amount                          |
|-------------|-------------------------|-----------------------|---------------------------------|
| 02/07/2022  | <a href="#">1463194</a> | UAL Contributions     | \$14.14                         |
| 02/07/2022  | <a href="#">1463195</a> | UAL Contributions     | (\$6.47)                        |
| 02/09/2022  | <a href="#">1464032</a> | Contributions Pension | \$22.43                         |
|             |                         |                       | Invoice Total \$64,135.27       |
|             |                         |                       | RHIPA Ending Balance (\$811.79) |

### Tell Me More

- IAP: Includes 6% Individual Account Program (IAP) contributions and voluntary contributions, if applicable, for active members.
  - Post 2004 IAP Prior Year Earnings (PYE) invoices do not have hyperlinks. These invoices are mailed to each employer.
- Pension: Includes normal cost and Unfunded Actuarial Liability (UAL) for active and retired members, plus side account credits, if applicable.
  - Pre 2004 Prior Year Earnings (PYE) invoices will display under the Pension section with a hyperlink to view invoice details.
  - The Social Security invoice is an annual fee. The fee is based on the number of employees with social security wages.
- RHIA: Includes normal cost (PERS only) and UAL rate, if applicable, for all active and retired members.
- RHIPA: Includes normal cost (PERS only) and UAL rate for state agencies and judiciary.

**Note:** The numbers in this example statement do not add up; lines were removed to reduce the length.

### Learn more

To read a complete description of the new statement format, go to [Understanding Your Statement](#).

## Help us improve your actuarial valuations



In response to employer and stakeholder feedback, the PERS Actuarial Activities Section is evaluating the format of the actuarial valuation reports created each year by PERS' consulting actuary Milliman.

The section is currently gathering employer feedback on the valuations. They have met with two focus groups to understand what changes employers want. Employers are largely aligned with how they use their valuations and the modifications they would like to see. Some of the changes suggested are:

- **Add prior biennium rates** to the contribution rates page (PDF page 7 or printed page 2 of your valuation) to allow a quick rates comparison.
- **Separate the Multnomah Fire District #10 unfunded actuarial liability (UAL) rate** from the Tier One/Tier Two UAL rate. (See next article for an explanation of this rate.)
- **List the beginning and end dates** of side accounts, transition surpluses and liabilities, and pre-SLGRP surpluses and liabilities.

The Actuarial team will continue to collect employer feedback throughout July. We invite you to share your ideas for improving the format:

1. Attend the [July 15 Employer Advisory Group \(EAG\) virtual meeting](#) and vote in a quick survey.
2. Send your ideas to [actuarial.valuation@pers.oregon.gov](mailto:actuarial.valuation@pers.oregon.gov).

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## What is the Multnomah Fire District #10 UAL rate?



All employers who have Tier One/Tier Two employees pay the Multnomah Fire District #10 UAL rate. One of the outcomes of the actuarial valuation focus groups (discussed in the previous article) was that some employers do not understand this rate and why they must pay it. Let's look at where the UAL came from, who is paying it off, and when it will end.

### History of the Multnomah Fire District #10 UAL rate

In the early 1980s, the Multnomah Fire District (MFD) #10 was the second largest fire department in Oregon. Formed in 1947, MFD #10 provided service to an unincorporated area of east Multnomah County west of the Sandy River. Over time, other fire districts consolidated with MFD #10, including Gresham, Fairview, Wood Village, Troutdale, and some of Portland.

By 1983, growth in the area led to city annexations, which shrunk District #10. In 1984, MFD #10 was dissolved, and its employees became members of Portland Fire and Rescue. However, this left behind a \$70 million unfunded liability.

In 2003, the legislature passed House Bill 2278, which included a resolution to pay off the debt over 25 years. MFD #10 was allocated \$50,000 of the outstanding UAL, which it paid in November 2003. Of the remaining UAL, the City of Portland was apportioned a percentage and the remainder was charged to all Tier One/Tier Two employers in the system. The cities of Gresham, Fairview, Wood Village, and Troutdale were required to pay twice the rate of other employers.

The bill also clarified how future unfunded liabilities or surpluses would be handled when employers merge, split, or transfer employees.

*Continued*

## The current MFD #10 UAL rate

The MFD #10 debt will be part of the PERS Tier One/Tier Two UAL rate until it is fully paid in December 2027.

|  |  |       |
|--|--|-------|
| <b>Total MFD #10 UAL*</b>                | \$129.4 million                                      |       |
| <b>Rates for MFD #10 UAL* (advisory)</b> | City of Portland                                     | 1.07% |
|  | Cities of Gresham, Fairview, Wood Village, Troutdale | 0.28% |
|  | All other Tier One/Tier Two employers                | 0.14% |

\*As of the December 31, 2020, valuation.

**Note:** If you would like to see how this rate is calculated, check out PDF page 44 of the [System-Wide Actuarial Valuation](#).

## Rules to prevent this happening again

The merger, dissolution, and consolidation of employers is now codified in [Oregon Administrative Rule 459-009-0350](#). Employers must appropriately resolve outstanding liabilities before they are approved to merge, dissolve, or consolidate, according to [Oregon Revised Statute 238.235](#). Employers must also work with the PERS Employer Service Center and Actuarial Services to ensure all liabilities are appropriately allocated.

The process for insolvent employers is outlined in [Oregon Administrative Rule 459-009-0400](#).

**Questions?** Contact [Actuarial Services](#).

## Senate Bill 1522 clarifies out-of-state rules for charter schools

Senate Bill (SB) 111A (2021) amended the definition of “salary” for OPSRP members to include salary earned outside the state, retroactive to January 1, 2020. In the 2022 legislative session, SB 1522 was introduced to clarify the charter school amendments included in SB 111A.

SB 1522 establishes two requirements for a charter school employee to be eligible to receive contributions for salary earned outside of Oregon during the retroactive period 2003–2019:

1. The member was informed in writing by their employer during the period of continuous employment that they were eligible to participate in PERS.
2. The employer originally made contributions to PERS on the member’s behalf.

### Learn more

Read newly revised [Employer Announcement 101](#), “Senate Bill 111A Makes Out-of-State Wages Paid on and After January 1, 2020, Subject Salary.”

## Reminder: July 1 was the OPSRP membership start date for December hires

Employees hired into a qualifying position on or after December 2, 2021, became Oregon Public Service Retirement Plan (OPSRP) members on July 1, 2022 (if they met all membership requirements).

For these employees, you will submit contributions on their salary earned as of the first full pay period after July 1. Read more about when contributions are due in [Employer Announcement 97](#), “Member and Employer Account Contribution Requirements Effective January 1, 2016.”

### OPSRP membership requirements

An employee becomes an OPSRP member once they:

- Work 600 hours or more per calendar year.
- Complete a “waiting time” of six full calendar months, which requires that they —
  - Be employed for **six months** in a qualifying position with the same PERS-covered employer.
  - Have **no break** in employment greater than 30 consecutive working days.
  - Be employed with the same employer on the **last day** of the waiting time.
  - Be employed with the same employer on the **first day** after the waiting time.

### For help

Contact your Employer Service Center account representative if you have questions about using DTL2 wage codes for new members, waiting time requirements, or other questions on this topic.

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## Thank you for completing the Employer Satisfaction Survey



Thank you to everyone who filled out the annual Employer Satisfaction Survey. We received 76% more responses than last year, which gives us better data about how well we are meeting your needs.

PERS teams are now analyzing the results. We will share them at a future PERS Board meeting and summarize the highlights in an edition of *Employer News* later this year.