

*For OPSRP members*

## 2015 IAP earnings crediting

The PERS Board determined final earnings crediting to Individual Account Program (IAP) accounts for the 2015 calendar year at its March 28, 2016 meeting.

The IAP funds are invested as part of the PERS fund through State Treasury with oversight from the Oregon Investment Council.

The PERS Board allocates annual investment earnings to administrative expenses, member and employer accounts, and various reserves.

Member IAP accounts were credited with earnings of 1.85 percent for calendar year 2015.

The Oregon Public Service Retirement Plan (OPSRP) Pension Program is an employer-funded, non-contributing pension program that does not have member accounts.

The PERS website (<http://oregon.gov/PERS>) has more information regarding 2015 earnings crediting.

## 2015 PERS Fund earnings fall short of assumed rate

The PERS Fund experienced positive investment results for the seventh consecutive year with a return of 2.1 percent in 2015. However, earnings fell short of the 7.75 percent assumed rate of return.

PERS collected approximately \$1 billion in employer contributions in 2015 and paid out approximately \$3.5 billion in retiree benefits during the year.

The PERS fund was valued at \$68.7 billion as of December 31, 2015, down from approximately \$70 billion at the end of 2014.

*(continued on page 2)*

## 2015 member annual statements

Member annual statements for 2015 are scheduled to be mailed by the end of May 2016.

For OPSRP Pension Program members, the statement will show your current and accrued retirement credit and your Individual Account Program (IAP) account information for the year ending December 31, 2015.

The financial information used for 2015 member annual statements is known after the PERS Board credits final earnings. This was done at the March 28, 2016 Board meeting.

If you are currently employed in a PERS-covered position, your annual statement will be mailed to your address that your employer provided to PERS.

Please provide your employer with your new mailing address whenever you move.

PERS will use the address on file as of March 15, 2016, to mail 2015 annual statements.

## PERS office closures in 2016

PERS offices in Tigard, Tualatin, and Salem will be closed on the dates below in 2016:

- May 30: Memorial Day
- July 4: Independence Day
- September 5: Labor Day
- November 11: Veteran's Day
- November 24 and 25: Thanksgiving
- December 26: Observance of Christmas

### ***In this issue...***

- *2015 PERS Fund earnings – page 2*
- *OPSRP Pension Program FAQs – page 2*
- *Education Sessions – page 3*

## 2015 PERS Fund earnings fall short of assumed rate (continued)

PERS' funded status, the amount of money in the Fund compared to benefit obligations, was estimated to be 71-72 percent as of December 31, 2015.

This funded status does not include employer side accounts (pre-payments made to PERS).

At the end of 2015, PERS's unfunded actuarial liability (UAL) - the shortfall in assets available to pay benefits accrued to that date - was estimated to be \$21-22 billion, not including employer side accounts.

This is an increase of approximately \$13 billion since 2013.

The increase in UAL is due to:

- Lower earnings than expected in 2014 and 2015;

- The Oregon Supreme Court's decision in the *Moro* case (that restored a higher annual cost-of-living increase to benefit recipients);
- The decrease in the assumed rate of return on the PERS Fund;
- Updates to mortality assumptions;
- The normal, expected annual UAL increase; and
- All other assumption changes and actual experience.

From 1970-2014, investment earnings on the PERS Fund provided approximately 74 percent of total PERS revenue. Member contributions made up 6 percent and employer contributions 21 percent during that time period.

## OPSRP Pension Program frequently asked questions

### **What is the normal retirement age with full benefits?**

*General service:* Age 65 or age 58 with 30 years or more of retirement credit.

*Police officer or firefighter:* Age 60 or age 53 with 25 or more years of retirement credit. You must have held the position of police officer or firefighter continuously for five or more years immediately before your effective retirement date.

### **Can I retire early?**

Yes, but your benefit will be reduced.

*General service:* Age 55 or if you have 25 or more years of retirement credit as a telecommunicator (911 Operator), you can retire at any age; however, you are not eligible for a cost-of-living adjustment (COLA) until you reach age 55.

*Police officer or firefighter:* Age 50 if you have held the position of a police officer or firefighter continuously for a period of not less than five years immediately preceding the effective retirement date.

### **Am I vested?**

You vest on the earliest of the following dates:

- a) The date on which you have completed at least 600 hours of service in each of five calendar years.

- b) The date on which an active (working) member reaches normal retirement age.
- c) The date at which a person of normal retirement age becomes a member.

### **Can I retire and return to work?**

If you return to employment with a private or non-PERS-covered employer, your OPSRP Pension Program retirement benefits will continue unchanged. PERS does not limit the hours you may be employed or the amount of money you can earn from a private employer or a non-participating public employer.

If you return to employment with a PERS-covered public employer after retirement, Oregon statutes impose certain limitations on that employment. If you decide to return to work with a PERS-covered employer after retirement, you can control the number of hours you work and whether you comply with or violate the limitation. Your retirement will be canceled if you exceed 599 hours in a calendar year.

Refer to Working After Retirement for OPSRP Members for additional information on the PERS website (<http://oregon.gov/PERS>). You can also call Member Services to request a copy.

# Education Presentations

PERS offers education sessions for OPSRP members at any stage of their careers. Education sessions are held around the state.

## All About OPSRP

This presentation is ideal for members at any stage of their careers who began their PERS-covered career on or after August 29, 2003. Topics include membership and vesting requirements, information regarding Online Member Services and estimates, retirement eligibility, detailed information about the Individual Account Program (IAP), and member resources.

## All About OPSRP with Financial Planning

Some education sessions add financial planning information that is supplied by our education partner, VALIC. Additional topics covered at these sessions include:

- Social Security and Medicare,
- Coordinating PERS benefits with other income sources, and
- Planning for changing income and expense needs.

Registration is required. Register through the PERS website in the [Education Sessions](#) section. All presentations are free, including the financial planning sessions. Space is limited and the schedule is subject to change. The PERS website has the most current information.

## Retirement Application Assistance Sessions (RAAS)

These are one-hour, one-on-one appointments with a PERS staff member to review PERS retirement application forms and are for members who have:

1. Decided on a PERS effective retirement date.
2. Have completed the service retirement application and are ready to have it reviewed. You can call and request a retirement application or you can [download the form\(s\)](#).

PERS will:

1. Conduct a comprehensive review of your retirement application, forms, and supporting documents for accuracy and completeness;
2. Notarize your retirement application at no cost; and
3. Explain the retirement application process.

Please note that RAAS are not counseling sessions to assist you in making a decision to retire. As a courtesy to others, please do not schedule more than one RAAS session. One hour is sufficient time for a comprehensive review of your retirement forms.

*Perspectives* is published by the Oregon Public Employees Retirement System for the benefit of members and employers. Address all correspondence to **PERS, P.O. Box 23700, Tigard, OR 97281-3700**. PERS headquarters is located at **11410 SW 68th Parkway, Tigard, Oregon**.

**Phone: 888-320-7377; TTY: 503-603-7766.** Telephone hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, except holidays. PERS' Internet address is <http://oregon.gov/PERS>.

**Email PERS Customer Service at:** [customer-service.pers@state.or.us](mailto:customer-service.pers@state.or.us)

### BOARD

**Chair:** John Thomas

**Vice Chair:** Pat West

**Members:** Stephen Buckley, Lawrence Furnstahl,  
Krystal Gema

### STAFF

**Executive Director:** Steven Patrick Rodeman

**Chief Administrative Officer:** Kyle Knoll

**Chief Operations Officer:** Yvette Elledge-Rhodes

**Chief Information Officer:** Jordan Masanga

**Chief Compliance, Audit & Risk Officer:** Jason Stanley

**Perspectives Editor:** David Crosley, Communications Director