

# PERSPECTIVES

Retired  
Member  
Edition

## Annual tax statements: 1099-Rs to be mailed

In January 2017, PERS will mail Internal Revenue Service Form 1099-R for tax reporting to everyone who received a PERS benefit in calendar year 2016, including an Individual Account Program (IAP) benefit.

You may receive more than one 1099-R if you received monthly retirement benefits *and*

- ♦ beneficiary benefits,
- ♦ turned age 59 1/2 in 2016,
- ♦ a lump-sum installment,
- ♦ Police & Fire unit benefits,
- ♦ alternate payee benefits, or
- ♦ directly rolled over any portion of your benefit (i.e., Roth, IRA, Oregon Savings Growth Plan).

PERS will mail 1099-Rs for 2016 to your address on file at PERS.

If your address has changed, you need to complete the Information Change Request form available on the PERS website at <http://oregon.gov/PERS>.

Or, you can contact PERS Member Services at 888-320-7377 to have the form mailed to you.

You can also fax the completed, signed Change of Address form to 503-598-0561.

Or you can use Online Member Services (OMS) to change your address.

If your address has changed, please update it by December 15, 2016.

If you do not receive your 1099-R by February 15, 2017, you can request a duplicate via OMS or by calling PERS Member Services at 888-320-7377.

## December 1 pay stubs

Your December 1, 2016 pay stub shows your PERS benefit payments for each month in 2016, and the total gross benefit amount you received for the year.

It also shows the total amount deducted for federal and state taxes, the PERS Health Insurance Program (if you participate in the program), and any other 2016 deductions.

If you had a rollover transaction, payment from the Benefit Equalization Fund, or have an alternate payee, your 2016 total gross payment as stated on your December 1 pay stub will reflect the total of these combined payments.

The “Other Deductions” category on your pay stub could include child support, tax liens, union dues, or repayment for benefits that were overpaid to you.

Your individual payment details can also be viewed online in a secure environment using PERS’ Online Member Services (OMS).

You can create an account and log into OMS from the PERS website (<http://oregon.gov/PERS>).

You can view more information regarding “Other Deductions” in OMS.

Pay stubs are also mailed in April and August each year.

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# PERS benefit payments and Oregon's economy

PERS conducts an annual economic impact study to determine how benefit payments aid the state's economy.

Oregon PERS paid approximately \$3.5 billion\* in benefits to retired members or their beneficiaries living in Oregon in 2015.

Funding for these benefits came mostly from investment earnings on contributions previously paid by members and public employers.

Investment income has provided 73.4 percent of total pension revenues since 1970.

Member contributions equaled 5.5 percent, with employer contributions providing 21.1 percent of pension revenues over the past 45 years.

Benefit recipients spent a significant portion of their PERS money on goods and services in Oregon, which helped support local businesses.

These businesses then purchased goods, in part, from other local vendors, adding to the Oregon workforce and economy.

The study quantifies the total effect of these benefit payments on Oregon's economy based on the following measures:

- Economic value of PERS benefits to Oregon,
- Jobs created and related wages, and
- Tax receipts.

The \$3.5 billion in annual benefit payments multiply to \$3.9 billion in economic value to Oregon when the full financial impact of these dollars spent in local communities is considered.

These benefit payments sustained an estimated 36,427 Oregon jobs, and added approximately \$1.17 billion\*\* in wages to Oregon's economy.

Additionally, the state of Oregon collected an estimated \$183.7 million in income taxes on PERS benefits based on tax data from 2013.

\* Additional benefit payments from the Individual Account Program (IAP) were not used in this study.

\*\* The \$1.17 billion in wages is included as a component of the \$3.9 billion in economic activity.

# Variable adjustment

If you remained in the Variable Annuity Program at retirement, the variable annuity portion of your monthly retirement benefit is adjusted every January and payable with your February 1 benefit payment.

The adjustment is based on earnings or losses to your variable account as of October 31 of the previous year.

The adjustment will begin with your February 1, 2017 benefit payment.

You will receive a letter from PERS showing the amount of the adjustment in January 2017.

The variable account is invested in global equities by the Oregon Investment Council, which is part of state Treasury.

Monthly investment results are posted on Treasury's website at: <http://www.oregon.gov/treasury>.

# Automatic deposit

Identity theft is increasing.

The federal Bureau of Justice Statistics reports that 17.6 million U.S. residents were victims of identify theft last year.

One way thieves can steal your identity is by stealing mail from your mailbox.

Having your PERS benefit payment directly deposited into your checking or savings account can help protect you from identity theft.

The direct deposit form is available in the Retiree section of the PERS website (<http://oregon.gov/PERS>) or by contacting Member Services at 888-320-7377. We will be happy to mail the form to you.

Mail the completed form to PERS at:  
P.O. Box 23700  
Tigard, OR 97281-3700

# January 2017 benefit checks

Retirement benefit checks for January 2017 will be mailed from Salem, Oregon, on Friday, December 30, 2016.

If you have automatic deposit, the January check amount may not post to your account until January 3 because Monday, January 2 is the New Year's Day holiday.

*Perspectives* is published by the Oregon Public Employees Retirement System for the benefit of PERS 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** toll free **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**.

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# PERS Health Insurance Program rate change for 2017 effective January 1

The PERS Health Insurance Program (PHIP) premiums for 2017 take effect January 1.

For PHIP members who have health insurance premiums deducted directly from a pension benefit, your monthly direct deposit will automatically adjust to reflect the new premium rate. If the new monthly premium exceeds the monthly PERS pension benefit, PHIP will notify you by mail.

For PHIP members who have health insurance premiums deducted directly from a checking or savings account through Electronic Funds Transfer (EFT), your EFT will automatically adjust to the new premium rate. Please make sure funds are available for the January 1 change.

If you are currently enrolled in bill-pay through your bank, you will need to notify them of this change.

PHIP rates are printed in the *2017 PHIP Benefit & Rate Guide* that was mailed to participants in September 2016. The 2017 rates can also be viewed online at [www.pershealth.com](http://www.pershealth.com).

If you have questions, a PHIP Customer Service Representative is available to assist you between 7:30 a.m. and 5:30 p.m. PST at 503-224-7377 or 800-768-7377.



## 2017 schedule for benefit check mailings and direct deposits

2017 pay date	Checks mail from Salem	Direct deposit effective date
January 1	December 30, 2016 (Friday)	January 3, 2017 (Tuesday)
February 1	January 31 (Tuesday)	February 1 (Wednesday)
March 1	February 28 (Tuesday)	March 1 (Wednesday)
April 1	March 30 (Thursday)	March 31 (Friday)
May 1	April 28 (Friday)	May 1 (Monday)
June 1	May 31 (Wednesday)	June 1 (Thursday)
July 1	June 29 (Thursday)	June 30 (Friday)
August 1	July 31 (Monday)	August 1 (Tuesday)
September 1	August 31 (Thursday)	September 1 (Friday)
October 1	September 28 (Thursday)	September 29 (Friday)
November 1	October 31 (Tuesday)	November 1 (Wednesday)
December 1	November 30 (Thursday)	December 1 (Friday)

# Customer service survey results and strategies

PERS conducted its 2016 customer service satisfaction survey during August. Our thanks to the approximately 1,400 people who responded online and via hard copy. PERS has conducted annual surveys since 2006.

Participants rated PERS in eight areas: timeliness of services; ability to provide services correctly the first time; helpfulness; knowledge and expertise of PERS' employees; availability of information; the overall quality of service PERS provides; the PERS website; and how our service in the past year compared to previous years.

We also asked three questions regarding the PERS website:

- Was the PERS website easy to navigate?
- Did you find the information you wanted?
- Are there any changes you would make to the PERS website?

Approximately 83% of respondents said the website was easy to navigate and approximately 84% found the information they were seeking. In many cases where information was not found, respondents were looking for the potential impacts of PERS-related legislation.

Another question asked: "Are PERS forms easy to understand and use?" Approximately 74% of respondents answered "yes," with approximately 5% answering "no." The remainder had "not used" PERS forms.

The following are key issues and suggestions from the comments we received, along with PERS' strategies to resolve these concerns:

## 1. Current members and retirees noted that they would like more functionality in Online Member Services (OMS).

OMS is an on-line window into PERS member accounts (active, inactive, and retired). Respondents suggested more functionality in OMS. For example, retiring members would like to see the status of their retirement application.

**Resolution:** One of the goals in our 2015-20 Strategic Plan is to improve members' on-line access to secure content and process status. We are working to develop, improve, and integrate workflows into OMS to provide greater visibility to processes and transactions.

## 2. Respondents noted a long wait time for a benefit option change upon the death of a member or based on selections at retirement.

Some respondents felt that the wait for a benefit option change is too long when a retired member's beneficiary dies or the member gets divorced from a beneficiary. Option changes are also allowed based on options selected at retirement. These are Tier One or Tier Two members. There were approximately 300 pending option changes as of the end of August 2016.

**Resolution:** PERS is now processing these benefit option changes following a slowdown due to resource requirements to work on the *Moro* project that restored annual cost-of-living adjustments. The *Moro* project delayed recalculations, which are needed to perform adjustments. The calculations team is on track to resolve the backlog by the end of 2016 and is working the backlog from oldest to newest.

## Ratings for the eight survey questions

How do you rate...	Excellent	Good	Fair	Poor	Don't Know
The overall quality of service?	62%	27%	5%	3%	3%
The timeliness of services PERS provides?	58%	30%	4%	3%	5%
PERS' ability to provide services correctly the first time?	58%	28%	5%	3%	6%
PERS' helpfulness?	61%	25%	5%	3%	6%
The knowledge and expertise of PERS employees?	57%	28%	5%	3%	6%
The availability of information at PERS?	55%	29%	6%	3%	7%
The PERS website?	24%	23%	7%	3%	43%
Our service in the past year compared to previous years?	45%	25%	3%	2%	25%