

# OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD MEETING

Friday November 20, 2015 1:00 P.M.		PERS 11410 SW 68 <sup>th</sup> Parkway Tigard, OR	
ITEM		PRESENTER	
<b>A. Administration</b>			
1.	September 25, 2015 Board Meeting Minutes	RODEMAN	
2.	Director's Report	BROWN	
	a. Welcome New Board Member		
	b. Forward-Looking Calendar		
	c. OIC Investment Report		
	d. Budget Execution Report		
	e. Board Scorecard Report on Agency Performance Measures		
<b>B. Administrative Rulemaking</b>			
1.	Notice of Disability Definitions Rules	VAUGHN	
2.	Notice of Medical Records Reimbursement Rule		
3.	Notice of OAR Public Notice Rule		
4.	Adoption of 2015 Legislation Rules		
5.	Adoption of Partial Year for Academic Employees Rule		
6.	Adoption of Retirement Benefits Rules		
<b>C. Action and Discussion Items</b>			
1.	<i>Moro</i> Implementation Project Update	DUNN	
2.	Legislative Advisory Committee Appointments	TAYLOR	
3.	2014 Valuation Update and Financial Modeling Results	MILLIMAN	

There will be an Audit Committee meeting immediately following the regular Board meeting.

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<http://www.oregon.gov/PERS/>

2016 Meetings: · January 29    March 28\*    May 27    July 29\*    September 30 ·    November 18\*    \* Audit Committee

Stephen Buckley    Lawrence Furnstahl    Krystal Gema    John Thomas, Chair    Pat West, Vice Chair    Steve Rodeman, Executive Director

# OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

## BOARD MEETING MINUTES

September 25, 2015

### **Board Members present:**

Chair John Thomas, Lawrence Furnstahl, Krystal Gema, Vice-Chair Pat West, and Rhoni Wiswall

### **Staff present:**

Linda Barnett, David Crosley, Mary Dunn, Yvette Elledge-Rhodes, Greg Gabriel, Brian Harrington, Rick Howitt, Jessica Johnson, Jordan Masanga, Daniel Rivas, Steve Rodeman, Jason Stanley, Marjorie Taylor, Nancy Van Dyke, Stephanie Vaughn, Anne Marie Vu, Dale Wakabayashi, Joli Whitney, and Yong Yang

### **Others present:**

Gay Lynn Bath, Rob Bovett, Nancy Brewer, Nate Carter, Alison Chan, Michael Collins, Jennifer Cooperman, Stacy Cowan, Roger Dawes, Doug Dillon, Josh Eggleston, Linda Ely Agee, Debra Grabler, Greg Hartman, Celia Heron, Claire Hertz, David Lacy, Matt Larrabee, Tom MacDonald, Rhonda Miller, Victoria Nolan, Scott Preppernau, Carol Samuels, Deborah Tremblay, Jeff White, and Peter Wong

Chair John Thomas called the meeting to order at 1:00 P.M.

### **ADMINISTRATION**

#### **A.1. BOARD MEETING MINUTES OF JULY 31, 2015**

Board member Pat West moved and Board member Lawrence Furnstahl seconded approval of the minutes submitted from the July 31, 2015 Board meeting. The motion passed unanimously.

#### **A.2.a. DIRECTOR'S REPORT**

Executive Director Steve Rodeman reviewed the 2015 Forward Looking Calendar which includes new meeting dates for 2016. Rodeman presented the Oregon Investment Council (OIC) Investment Report of the Oregon Public Employees Retirement Fund (OPERF) for the period ending August 31, 2015. The market has been volatile and year-to-date returns on the OPERF Regular Account have been essentially flat.

Rodeman also presented the July 2015 Budget Execution Report. We are still waiting for the final expenditures for August from the Statewide Financial Management System. There will be a more comprehensive report available at the November Board meeting. A final report on 2013-15 expenditures will be submitted for the January 2016 Board meeting.

Communications Director David Crosley presented the 2015 Customer Service Survey Results. This survey was conducted in accordance with requirements adopted by the 2005 Legislature for standardized customer service performance measures for all state agencies. He highlighted some of the comments received and what the agency plans to do to address those concerns in the future. The survey results from members and employers continue to show good overall ratings.

Rodeman added that he is planning a statewide tour to meet with employers to explaining what PERS employer costs will look like in the coming biennia.

## **ADMINISTRATIVE RULEMAKING**

Policy, Analysis, and Compliance Section Manager Stephanie Vaughn presented.

Vaughn asked Keith Kutler of the Department of Justice to join her at the testimony table. This will be the last meeting he is advising the Board on legal matters. He has been working with PERS for the last 12 years. Kutler is taking a new position within the appellate division and Nate Carter will replace him as PERS' counsel from the Department of Justice. Chair Thomas thanked Kutler for his service and wished him well with his new role at the Department of Justice. He welcomed Carter to the team.

### **B.1. NOTICE OF 2015 LEGISLATION RULES**

Vaughn presented the notice of rulemaking for the 2015 Legislation Rules, OAR 459-005-0001, -0310, -0350; -011-0500; and -080-0150. These rules are being amended to implement legislation passed by the Legislature in 2015 in Senate Bill 80, Senate Bill 454, and House Bill 3495. A rulemaking hearing will be held at PERS Headquarters October 27, 2015. The public comment period ends November 2, 2015. No Board action was required.

### **B.2. NOTICE OF PARTIAL YEAR RULE**

Vaughn presented the notice of rulemaking for the Partial Year Rule, OAR 459-010-0012. The proposed rule amendments will clarify application of partial year rules for Tier One and Tier Two academic employees. A rulemaking hearing will be held October 27, 2015. The public comment period ends November 2, 2015. No Board action was required.

### **B.3. NOTICE OF RETIREMENT BENEFIT RULES**

Vaughn presented the notice of rulemaking for Retirement Benefit Rules, OAR 459-013-0060, and -0310. The proposed rule amendments will clarify treatment of partial year residency for tax remedy qualification and add information regarding the timing of electronic funds transfer payments. A rulemaking hearing will be held October 27, 2015. The public comment period ends November 2, 2015. No Board action was required.

### **B.4. ADOPTION OF COST OF LIVING ADJUSTMENT RULES**

Vaughn presented the revised Cost-of-Living Adjustment (COLA) rules: OAR 459-005-0510, and -0520 for adoption. A rulemaking hearing was held August 25, 2015, and a second hearing was held in Salem on August 27. The public comment period ended on September 1, 2015. One member of the public attended the August 25 hearing and two public comments were received. The modifications incorporate the service time ratio method to blend different COLA structures.

Furnstahl moved to adopt modifications to the COLA and supplementary payment rules as presented. West seconded. The motion passed unanimously.

### **B.5. ADOPTION OF ASSUMED RATE RULE**

Vaughn presented the revised Assumed Rate rule: OAR 459-007-0007, for adoption. A rulemaking hearing was held August 25, 2015, and a second hearing was held in Salem on August 27. The public comment period ended September 1, 2015. No members of the public attended the hearings and no public comments were received. The modifications will reflect the change in the assumed rate as adopted by the Board and specify the effective date for implementation of the change for PERS transactions.

West moved to adopt modifications to the Assumed Rate rule as presented. Furnstahl seconded. The motion passed unanimously.

Board member Rhoni Wiswall joined the meeting. Chair Thomas paused the meeting agenda and Rodeman joined him to make a presentation to Wiswall of a plaque and a resolution from the Board and executive staff in recognition and appreciation of her service to the Board and the State of Oregon. The replacement Board member for Wiswall's position is under consideration for appointment by the Senate next week. Wiswall thanked the Board and staff and left the meeting.

### **ACTION AND DISCUSSION ITEMS**

#### **C.1. MORO IMPLEMENTATION PROJECT UPDATE AND FUNDING REQUEST**

Mary Dunn of the Financial and Administrative Services Division presented an update on the status of the *Moro* project and requested the Board authorize staff to use the Contingency Reserve to fund the restored COLA payments in an amount approximating \$63.4 million.

Greg Hartman, attorney for the PERS coalition, came forward to provide comments on the proposed Board action to use the Contingency Reserve and whether that is the appropriate funding source to use in this instance. He also submitted written testimony which will be scanned and added to the Board meeting materials for this meeting which are available on the PERS website.

Furnstahl moved to fund the restored COLA payment from the Contingency Reserve. Board member Krystal Gema seconded. The motion passed unanimously.

#### **C.2. OPSRP CONTRIBUTION START DATE- FUNDING SOURCE**

Yvette Elledge Rhodes, Chief Operating Officer, presented a memo on behalf of the Employer Advisory Group (EAG). The issue is how to best rectify a discrepancy in when to start member and employer contributions for a new OPSRP member. Guidance has been administered inconsistently since OPSRP was created in 2004 based on changes in the understanding of the law by PERS and certain employers. The inconsistency has been further complicated by the variety of pay periods that employers use.

House Bill 3495 was passed in the 2015 legislative session to change the contribution start date prospectively, starting on January 1, 2016. Still unresolved however, is the contributions and earnings that are due but not paid because of the inconsistent administration over prior years. After discussing this matter at several meetings, the EAG recommended that the Contingency Reserve be used to fund the costs for the prior contributions and earnings.

Jeff White, Chief Financial Officer of Marion County, appeared as a representative of the EAG to encourage the Board to use the Contingency Reserve to resolve this discrepancy.

Greg Hartman provided comments that when there are errors which affect employees, there has not been a resolution offered which involves the Contingency Reserve as is currently being proposed by the employers.

Board members discussed whether to wait and gather more information and the timing impact of a delayed decision.

Furnstahl moved to defer a decision on this item to the November meeting. Gema seconded. The motion passed unanimously.

#### **C.3. ADOPTION OF ACTUARIAL METHODS AND ASSUMPTIONS AND 2014 VALUATION RESULTS**

Scott Preppernau and Matt Larrabee of Milliman presented the December 31, 2014 Actuarial Valuation and submitted the 2014 Experience Study for the Board's consideration. The

Experience Study recommends to the Board the actuarial methods and assumptions to be used in the December 31, 2014 and 2015 actuarial valuations of PERS.

PERS' funded status as of December 31, 2014, was 84% when side accounts are included. Funded status was 76% without side accounts. Employer Contribution rates for the 2017-19 biennium are expected to increase by approximately \$800 million.

At the November Board meeting, Milliman will provide more forward looking projections such as listings of employer-specific advisory 2017-19 contribution rates and updates to long-term rate and funded status projections.

Furnstahl suggested a GASB type approach for a future presentation.

Gema moved to adopt the 2014 Experience Study, as presented. Furnstahl seconded. The motion passed unanimously.

Thomas adjourned the Board meeting at 2:50 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. Rodeman", written over a light gray rectangular background.

Steven Patrick Rodeman  
Executive Director

## **PERS Board Meeting Forward-Looking Calendar**

### **Friday, January 29, 2016**

Adoption of Disability Definitions Rules  
 Adoption of Medical Records Reimbursement Rule  
 Adoption of OAR Public Notice Rule  
 Notice of Disability Eligibility Determinations Rules  
 Preliminary 2015 Earnings Crediting and Reserving  
 2016 Legislative Session Preview and 2017 Preliminary Legislative Concepts  
 Annual Report of Executive Director's Financial Transactions

### **Monday, March 28, 2016**

Adoption of Disability Eligibility Determinations Rules  
 Final 2015 Earnings Crediting and Reserving  
 2016 Legislative Session Review and 2017 Proposed Legislative Concepts  
 Funded Status and Contribution Rate Projections and Introduction to Actuarial Methods  
 and Assumptions  
 Audit Committee Meeting

### **Friday, May 27, 2016**

Board Scorecard Report on Agency Performance Measures  
 Review of Actuarial Methods and Assumptions  
 2017-19 Agency Budget Development  
 2017 Retiree Health Insurance Plan Renewals and Rates  
 OSGP Advisory Committee Appointments

### **Friday, July 29, 2016**

2015-17 Agency Request Budget  
 2014 Experience Study and Adoption of Actuarial Methods and Assumptions  
 Audit Committee Meeting

### **Friday, September 30, 2016**

Customer Service Survey Results  
 2014 Actuarial Valuation and 2017-19 Employer Rates

### **Friday, November 18, 2016**

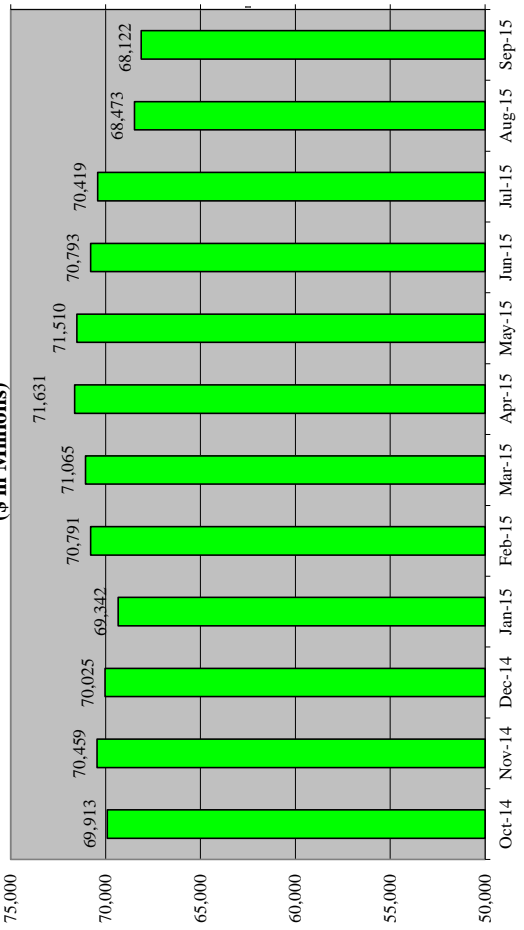
Approval to File 2017 Final Legislative Concepts  
 Board Scorecard Report on Agency Performance Measures  
 Financial Modeling  
 Audit Committee Meeting

OPERF	Historical Performance (Annual Percentage)									
	Year-To-Date <sup>3</sup>	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS		
Public Equity	39.1%	(4.91)	2.33	8.42	11.57	7.81	7.15	4.92		
Private Equity	21.1%	8.61	14.87	14.82	12.06	14.26	9.54	11.63		
<b>Total Equity</b>	<b>60.1%</b>	<b>(5.98)</b>	<b>14.87</b>	<b>14.82</b>	<b>12.06</b>	<b>14.26</b>	<b>9.54</b>	<b>11.63</b>		
Opportunity Portfolio	1.7%	3.18	7.05	9.73	9.93	10.31	8.64			
Total Fixed	24.0%	1.54	2.83	2.36	4.48	4.50	7.23	5.68		
Real Estate	11.6%	11.44	11.85	12.68	12.53	13.22	4.92	7.68		
Alternative Investments	2.5%	(4.17)	0.80	2.32	0.41					
Cash	0.0%	0.55	0.59	0.61	0.86	0.71	1.24	1.92		
<b>TOTAL OPERF Regular Account</b>	<b>100.0%</b>	<b>0.11</b>	<b>6.13</b>	<b>8.58</b>	<b>9.65</b>	<b>8.92</b>	<b>7.51</b>	<b>6.44</b>		
OPERF Policy Benchmark Value Added		0.56	6.92	9.05	10.60	9.42	7.84	6.67		
		(0.45)	(0.79)	(0.47)	(0.95)	(0.50)	(0.33)	(0.23)		

<b>TOTAL OPERF Variable Account</b>	<b>\$ 645,350</b>	(6.42)	(5.75)	2.26	7.55	10.92	7.36	6.68	3.49
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Asset Class Benchmarks:	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS
Russell 3000 Index	(5.45)	(0.49)	8.25	12.53	16.71	13.28	9.91
MSCI ACWI Ex US IMI Net	(7.84)	(11.42)	(3.68)	2.75	5.53	2.08	3.71
MSCI ACWI IMI Net	(6.76)	(6.21)	1.90	7.20	10.52	6.99	6.43
Russell 3000 Index + 300 bps-Quarter Lagged	9.67	10.50	19.35	21.22	17.48	21.02	13.44
Oregon Custom FI Benchmark	0.96	1.62	2.46	1.85	3.83	3.36	5.10
NCREIF Property Index-Quarter Lagged	10.08	12.98	12.09	11.63	11.74	12.72	5.37
91 Day T-Bill	0.02	0.02	0.04	0.06	0.06	0.08	0.13

**TOTAL OPERF NAV**  
(includes variable fund assets)  
One year ending September 2015  
(\$ in Millions)



<sup>1</sup>OIC Policy revised June 2015.  
<sup>2</sup>Includes impact of cash overlay management.  
<sup>3</sup>For mandates beginning after January 1 (or with lagged performance), YTD numbers are "N/A". Performance is reflected in Total OPERF. YTD is not annualized.



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

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November 20, 2015

TO: Members of the PERS Board  
FROM: Linda M. Barnett, Budget Officer  
SUBJECT: November 2015 Board Report

### 2015-17 OPERATIONS BUDGET

Operating expenditures for September 2015 and preliminary expenditures for October 2015 were \$4,563,209 and \$3,548,300, respectively. Final expenditures for October will close in the Statewide Financial Management System (SFMS) on November 13, 2015, and will be included in the January 2016 report to the Board.

To date, through the first four months (or 16.7%) of the 2015-17 biennium, the Agency has expended a total of \$14,045,272, or 14.96% of PERS' legislatively approved operations budget of \$93,871,154. PERS is awaiting approval from the Legislative Fiscal Office to request the rescheduling of \$3,320,599 to do the following:

- § \$1,514,399 Pkg. 102 – to complete Phase III of a project to transfer administration of the Individual Account Program from a third party administrator to PERS.
- § \$1,581,200 Pkg. 105 – to further develop the agency's Disaster Recovery and Business Continuity technology infrastructure in support of the Oregon Retirement Information Online Network (ORION).
- § \$225,000 Pkg. 840 – to implement SB 370; this established a new benefit that allows an ex-spouse of an Oregon Public Service Retirement Plan (OPSRP) member to receive a death benefit if the member, who is vested, dies pre-retirement.

The current projected negative variance is (\$741,183) due to the method in which the Operations budget expenditure limitation was developed. The legislatively adopted budget did not include any COLA or merit increases because the collective bargaining agreements were not ratified at that time. PERS anticipates an increase in expenditure limitation in the range from \$2.7 to \$3.2 million when DAS goes before the 2016 February legislative session or subsequent Emergency Board and requests that agencies' budgets be increased to cover the bargained COLA and merit increases.

A.2.d. Attachment 1 – 2015-17 Agency-wide Budget Execution Summary Analysis

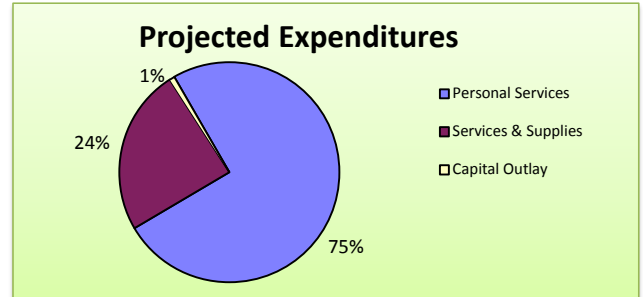
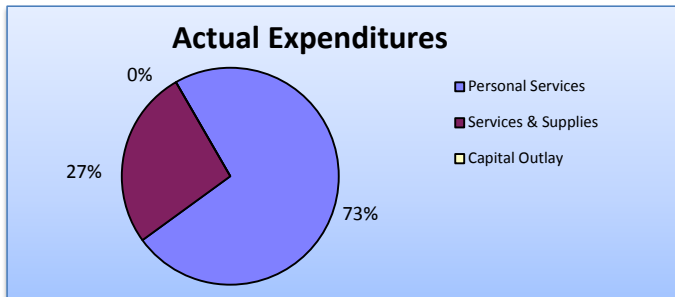


**2015-17 Agency-wide Budget Execution  
Summary Budget Analysis  
Preliminary For the Month of: October 2015**

**Limited - Operating Budget**

**2015-17 Biennial Summary**

Category	Actual Exp. To Date	Projected Expenditures	Total Est. Expenditures	2015-17 LAB	Variance
Personal Services	10,299,200	57,819,337	68,118,537	66,020,903	(2,097,634)
Services & Supplies	3,745,456	18,829,094	22,574,550	23,933,845	1,359,295
Capital Outlay	616	598,035	598,651	595,807	(2,844)
Unscheduled	0	3,320,599	3,320,599	3,320,599	0
<b>Total</b>	<b>14,045,272</b>	<b>80,567,065</b>	<b>94,612,337</b>	<b>93,871,154</b>	<b>(741,183)</b>



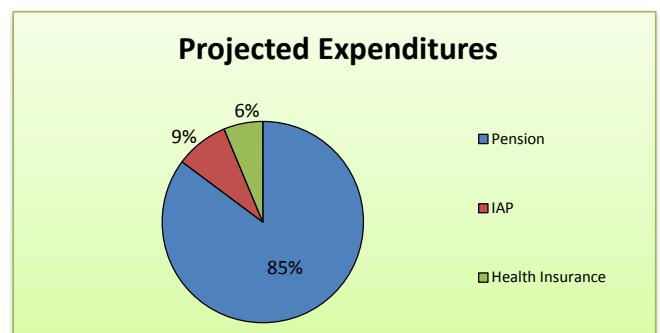
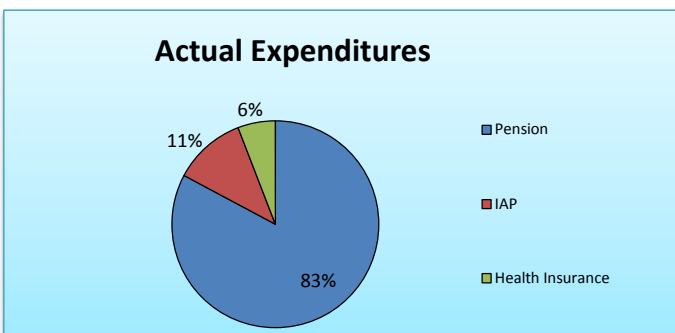
**Monthly Summary**

Category	Actual Exp.	Projections	Variance	Avg. Monthly Actual Exp.	Avg. Monthly Projected Exp.
Personal Services	2,592,983	2,802,479	209,496	2,574,800	14,454,834
Services & Supplies	955,317	938,918	(16,399)	936,364	4,707,274
Capital Outlay	0	0	0	154	149,509
<b>Total</b>	<b>3,548,300</b>	<b>3,741,397</b>	<b>193,097</b>	<b>3,511,318</b>	<b>19,311,617</b>

**Non-Limited Budget**

**2015-17 Biennial Summary**

Programs	Actual Exp To Date	Projected Expenditures	Total Est. Expenditures	Non-Limited LAB	Variance
Pension	1,120,757,627	6,849,846,012	7,970,603,639	8,291,874,726	321,271,087
IAP	153,255,353	684,770,481	838,025,834	873,488,891	35,463,057
Health Insurance	79,428,429	505,285,799	584,714,228	558,094,445	(26,619,783)
<b>Total</b>	<b>1,353,441,409</b>	<b>8,039,902,292</b>	<b>9,393,343,701</b>	<b>9,723,458,062</b>	<b>330,114,361</b>





# Oregon

Kate Brown., Governor

## Public Employees Retirement System

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November 20, 2015

TO: Members of the PERS Board  
FROM: Paul Brown, Strategic and Operational Planning Manager  
SUBJECT: Board Scorecard Report on Agency Performance Measures

As manager of Strategic and Operational Planning, continued implementation and improvement of the PERS' Outcome-Based Management System is one of my key responsibilities. The Quarterly Target Review of Outcome and Process Measures fosters accountability and transparency by providing an overview of our effectiveness in achieving measureable progress towards fulfilling our agency's mission, vision, and key goals. The scorecard results help direct strategic planning, resource allocation, and risk assessment.

The attached Board Scorecard Report for third quarter 2015 focuses on several measures we currently track based on essential business operations. A targeted performance range is created for each measure:

- § "Green" – performance is at or above acceptable levels.
- § "Yellow" – performance is marginally below acceptable levels.
- § "Red" – performance is significantly below; corrective action such as assigning a problem solving team should be directed.

The number of enterprise measures in the "Green" has decreased to 53% for the third quarter 2015 from 63% in second quarter 2015. However, this is the seventh quarter in a row that has seen over 50% of all Outcome and Process measures performing in the green range.

Highlights include:

- § 92% of written benefit estimates completed with 30 days of receipt. This continues a trend of 90%+ performance for the last 5 quarters. The 96% in second quarter 2015 was an all-time high for this measure. Concerted efforts continue in digging out from this backlog as estimates are a key planning tool for members considering retirement.
- § 3.2 minutes average wait time before a caller reaches a live person. This continues a trend of 6 quarters in a row in the "green" range for this measure. Quick response time is an essential component of good service to our members.

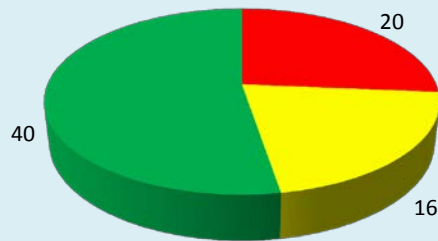
The next report will be presented at the May 2016 meeting, showing the scorecard results for the first quarter. If you would like to have us report on any different measures, please let me know.

A.2.e. Attachment 1 – Board Scorecard Report for Third Quarter 2015

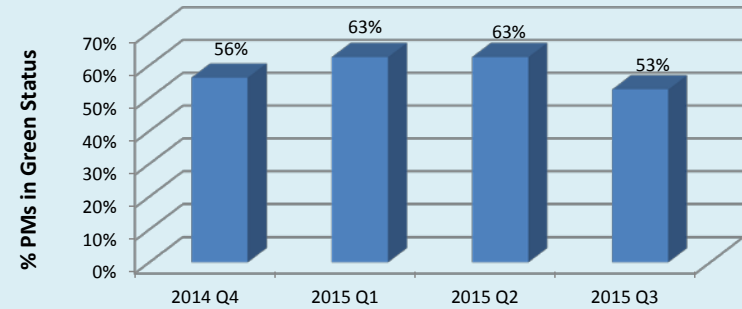
## PUBLIC EMPLOYEES RETIREMENT SYSTEM Outcome-Based Performance Review

### PERS Board Scorecard Report - QTR: 2015 Q3 - Quarter ended September 30, 2015

**Outcome & Process Measure Performance**



**Quarterly Green Performance**



### Operating Processes - Highlighted Measures

	Measure Name	Measure Calculation	RANGE			Target	Desired Perform Trend	Data Collection Frequency	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Trend	Corrective Action & Comments
			Red	Yellow	Green									
OP3c	Estimate KPM	% of estimate requests completed within 30 days of receipt	<75%	75-85	>85%	95%	↑	Quarterly	94.0%	95.0%	96.0%	92.0%	-	
OP4a	Eligibility review completed	% of applications completed by the eligibility team within 30 days of the effective retirement	<50%	50-70	>70%	80%	↑	Monthly	77.0%	83.0%	84.0%	79.0%	-	2387/3014 accounts released in 30 days. Needed 25 more to reach 80% target. Approx. 220% increase in volume from Q2 2015. 2014 Q3 stats - 2003/2838 = 70.58%. Year over year increase of 8%.
OP5b	Accuracy of calculations	% of sample calculations that are accurate within plus or minus \$5	<95%	95-99	>99%	100%	↑	Monthly	99.6%	100.0%	99.6%		-	Due to Moro project there were no resources for internal QA sampling last quarter. A WOC is now in place to help cover this base.
OP5c	Timely benefit calculation	% of calculations completed within 15 calendar days from completed application date	<95%	95-99	>99%	100%	↑	Monthly	98.4%	97.8%	96.3%	95.1%	-	Due to July's increased retirement volume.

## PUBLIC EMPLOYEES RETIREMENT SYSTEM Outcome-Based Performance Review

### Supporting Processes - Highlighted Measures

	Measure Name	Measure Calculation	RANGE			Target	Desired Perform Trend	Data Collection Frequency	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Trend	Corrective Action & Comments
			Red	Yellow	Green									
OP1f	Call Wait Time	Average length of wait before caller reaches live person	>6 minutes	6-4 minutes	<4 minutes	2 minutes	↓	Monthly	1.2	2.1	3.1	3.2	-	
SP2c	Appeal reversal rate	% of staff determinations that are reversed on appeal	>15%	15-10	<10%	5%	↓	Quarterly	8%	15.0%	6.8%	2.6%	+	
SP3h	System uptime	% of time systems are available during the service window	<97%	97-98	>98%	100%	↑	Monthly	98.15%	96.03%	96.61%	96.02%	-	Q2 ORION downtime 99% caused by batch: - 93% due to early batch starts - 6% due to long batch runs - 1% due to jClarety downtime
SP5c	Recruiting / Onboarding	% of employees completing trial service	<85%	85-94	>94%	100%	↑	Quarterly	100%	100%	100%	100%	=	



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## Public Employees Retirement System

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November 20, 2015

TO: Members of the PERS Board  
FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section  
SUBJECT: Notice of Rulemaking for Disability Definitions Rules:  
OAR 459-015-0001, *Definitions (Tier One/Tier Two)*  
OAR 459-076-0001, *Definitions (OPSRP)*

### OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Clarify definitions in our Disability rules.
- Policy Issue: No policy issues have been identified at this time.

### BACKGROUND

PERS relies on physician statements and medical records in determining a member's eligibility for disability benefits. Currently, the definition of "physician" includes specialists who hold a doctorate rather than a degree in medicine. The modifications to the rules clarify that the definition of "physician" means a doctor with a degree in medicine and who is properly licensed to practice medicine, and who may also have other qualifications that fit within the various specialist categories, to clarify that a degree in medicine is a threshold qualification to be considered as a "physician." We have also added a definition for "orthopedic specialist physician," which is a term used in other administrative rules but was previously undefined.

### PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held December 15, 2015, at 2:00 p.m. at PERS headquarters in Tigard. The public comment period ends December 29, 2015, at 5:00 p.m.

### LEGAL REVIEW

The attached draft rules were submitted to the Department of Justice for legal review and any comments or changes will be incorporated before the rules are presented for adoption.

### IMPACT

Mandatory: No.

Impact: Clarify the definition of physician.

Cost: There are no discrete costs attributable to the rules.

RULEMAKING TIMELINE

November 13, 2015	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
November 20, 2015	PERS Board notified that staff began the rulemaking process.
December 1, 2015	<i>Oregon Bulletin</i> publishes the Notice. Notice is sent to employers, legislators, and interested parties. Public comment period begins.
December 15, 2015	Rulemaking hearing to be held at 2:00 p.m. at PERS in Tigard.
December 29, 2015	Public comment period ends at 5:00 p.m.
January 29, 2016	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

NEXT STEPS

A rulemaking hearing will be held December 15, 2015, at 2:00 p.m. at PERS headquarters in Tigard. The rule is scheduled to be brought before the PERS Board for adoption at the January 29, 2016 Board meeting.

B.1. Attachment 1 – OAR 459-015-0001, *Definitions (Tier One/Tier Two)*

B.1. Attachment 2 – OAR 459-076-0001, *Definitions (OPSRP)*

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 015 – DISABILITY RETIREMENT ALLOWANCES**

1 **459-015-0001**

2 **Definitions**

3 The words and phrases used in this division have the same meaning given them in ORS  
4 Chapter 238 and OAR 459-005-0001. Additional terms are defined as follows unless the context  
5 requires otherwise.

6 (1) “Any work for which qualified” means a job, not necessarily the last or usual job, which  
7 the applicant for a disability retirement allowance:

8 (a) Is physically and psychologically capable of performing; and

9 (b) Has, or may obtain with reasonable training the knowledge, skills and abilities, to perform  
10 the job.

11 (2) “Certified vocational consultant” means a person who satisfies the criteria set forth under  
12 either of the following:

13 (a) A Master’s Degree in vocational rehabilitation, and one year of experience in performing  
14 vocation evaluations or developing individualized return-to-work plans; or a Bachelor’s Degree and  
15 two years of such experience. All degrees must have been earned at an accredited institution; or

16 (b) Accredited as a Certified Rehabilitation Counselor (CRC) by the Commission on  
17 Rehabilitation Counselor Certification; as a Certified Disability Management Specialist (CDMS) by  
18 the Certification of Disability Management Specialists Commission; or a Certified Vocational  
19 Evaluation Specialist (CVE) or a Certified Work Adjustment Specialist (CWA) by the Commission  
20 on Certification of Work Adjustment and Vocational Evaluation Specialists.

21 (3) “Confidential information” means information of a personal nature such that disclosure  
22 would constitute an unreasonable invasion of privacy as defined by state law.

1            (4) “Date an application for disability retirement is filed” means the receipt date as determined  
2 pursuant to OAR 459-005-0220.

3            (5) “Date of disability” means the later of:

4            (a) The date an active member ceased to work because of inability to perform any work for  
5 which qualified due to injury or disease; or

6            (b) The date an inactive member became unable to perform any work for which qualified  
7 provided such inability occurred within six months after the date of separation from service.

8            (6) “Date of separation from service” means the later of: the last day worked or the last day of  
9 paid leave with a PERS participating employer.

10           (7) “Date of termination” means the date a member terminates from employment such that an  
11 employee/employer relationship no longer exists.

12           (8) “Earned income” means income that includes, but is not limited to:

13           (a) Salary or wages received as an employee;

14           (b) Self-employment income from:

15           (A) Services industry;

16           (B) Sales;

17           (C) Assembly or manufacturing;

18           (D) Consulting;

19           (E) Property management;

20           (F) Hobby income; or

21           (G) Book advances.

22           (c) “Earned income” does not include:

23           (A) Investment income;

24           (B) Rent; and



1 (C) Royalties.

2 (d) Earned income is deemed to be received by the member on the date it is issued by the  
3 payer.

4 (9) “Effective date of disability retirement” means the first day of the month following the date  
5 of disability in which all of the following has been met:

6 (a) The member is paid no salary from a participating employer, and

7 (b) The member does not receive paid leave from a participating employer except for any lump  
8 sum payment for accrued vacation leave or compensatory time.

9 (10) “Extended duration” means a period of not less than 90 consecutive calendar days, unless  
10 the disability is expected to result in the death of the disabled member in less than 90 days.

11 (11) “Granted service” means that portion of creditable service used solely to calculate a  
12 disability retirement allowance under ORS 238.320 that is not performed or earned.

13 (12) “Independent medical exam” means an exam or exams conducted by a physician chosen  
14 by PERS for purposes other than treatment which results in the issuance of a report or reports based  
15 on those exams, giving an opinion regarding the claimed injury or disease.

16 (13) “Material contributing cause” means the efficient, dominant, and proximate cause of the  
17 disability, without which the member would not be disabled.

18 (14) “Monthly salary” means “salary” as defined in ORS 238.005 that is earned in the last full  
19 calendar month of employment, and includes employer payments under ORS 238A.335 and  
20 differential wage payments as defined in OAR 459-005-0001.

21 (a) Retroactive payments or payments made due to clerical errors, paid in accordance with  
22 ORS 238.005, are allocated to the period the salary was earned or should have been earned.

23 (b) Payments of salary paid within 31 days of separation are allocated to the period the salary  
24 was earned and should be considered as paid on the last date of employment.

1 (15) “Monthly salary received” means the greater of the monthly salary paid for the last full  
2 calendar month of:

3 (a) Employment before the date of disability; or

4 (b) Differential wage payments made before the date of disability. This subsection is effective  
5 January 1, 2009.

6 (16) “Normal retirement age” means the age at which a member can retire without a reduced  
7 benefit as set forth under ORS 238.005 and 238.280.

8 **(17) “Orthopedic specialist physician”, as that term is used in OAR 459-015-0010(3),**  
9 **means an orthopedist, orthopedic surgeon or physical medicine and rehabilitation specialist.**

10 **(18)**~~[(17)]~~ “Performance of duty” means whatever an employee may be directed, required or  
11 reasonably expected to do in connection with his or her employment, and not solely the duties  
12 particular to his or her position.

13 **(19)**~~[(18)]~~ “Periodic review” means a review of a member receiving a disability retirement  
14 allowance to determine whether or not a continued allowance is warranted.

15 **(20)**~~[(19)]~~ “Physician” means **a person who holds a degree of doctor of medicine, doctor of**  
16 **osteopathy, doctor of podiatric medicine, or**~~[a medical doctor, a doctor of osteopathy, a]~~ doctor  
17 of oral surgery ~~[, a chiropractic doctor, a naturopathic doctor, or a doctor of psychology practicing~~  
18 ~~only within the purview of their license issued by the designated authority of a state.]~~ **and is**  
19 **licensed by law to practice medicine or surgery by the designated authority of any state within**  
20 **the United States of America or the District of Columbia. PERS may accept at its discretion a**  
21 **physician licensed by another country.**

22 **(21)**~~[(20)]~~ “Pre-existing condition” means a condition that was not sustained in actual  
23 performance of duty in a qualifying position with a participating employer.

1 (22)~~[(21)]~~ “Protected health information” means health information created or received by a  
2 health care provider, health plan, or health care clearinghouse, where an individual has a reasonable  
3 belief that the information can identify the individual, which relates to:

- 4 (a) The past, present, or future physical or mental health of an individual;
- 5 (b) The provision of health care to an individual; or
- 6 (c) The past, present, or future payment for the provision of health care to an individual.

7 (23)~~[(22)]~~ “Similar in compensation” means salary or other earned income, excluding  
8 overtime, equaling at least 80% of the monthly salary.

9 (24)~~[(23)]~~ “Total disability” means the inability to perform any work for which qualified for  
10 an extended duration due to physical or mental incapacitation.

11 (25)~~[(24)]~~ “Training or vocational rehabilitation program” means a comprehensive,  
12 coordinated program, usually state or federally funded, to train and assist individuals with  
13 disabilities in securing gainful employment commensurate with their abilities and capabilities.

14 (26)~~[(25)]~~ “Vocational evaluation” means an evaluation conducted by a certified vocational  
15 consultant, to determine the ability of an applicant to perform any work for which they are  
16 qualified.

17 (27)~~[(26)]~~ “Work related stress” means conditions or disabilities resulting from, but not limited  
18 to:

- 19 (a) Change of employment duties;
- 20 (b) Conflicts with supervisors;
- 21 (c) Actual or perceived threat of loss of a job, demotion, or disciplinary action;
- 22 (d) Relationships with supervisors, coworkers, or the public;
- 23 (e) Specific or general job dissatisfaction;
- 24 (f) Work load pressures;

- 1 (g) Subjective perceptions of employment conditions or environment;
  - 2 (h) Loss of job or demotion for whatever reason;
  - 3 (i) Fear of exposure to chemicals, radiation biohazards, or other perceived hazards;
  - 4 (j) Objective or subjective stresses of employment; or
  - 5 (k) Personnel decisions.
- 6 Stat. Auth.: ORS 238.650
- 7 Stats. Implemented: ORS 238.320 - 238.345

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 076 – OPSRP DISABILITY BENEFIT**

1 **459-076-0001**

2 **Definitions**

3 The words and phrases used in this division have the same meaning given them in ORS  
4 Chapter 238A and OAR 459-070-0001. Additional terms are defined as follows unless the context  
5 requires otherwise.

6 (1) “Any work for which qualified” means a job, not necessarily the last or usual job, which  
7 the applicant for disability benefits:

8 (a) Is physically and psychologically capable of performing; and

9 (b) Has, or may obtain with reasonable training, the knowledge, skills and abilities, to perform  
10 the job.

11 (2) “Certified vocational consultant” means a person who satisfies the criteria set forth under  
12 either of the following:

13 (a) A Master’s Degree in vocational rehabilitation, and one year of experience in performing  
14 vocation evaluations or developing individualized return-to-work plans; or a Bachelor’s Degree and  
15 two years of such experience. All degrees must have been earned at an accredited institution; or

16 (b) Accredited as a Certified Rehabilitation Counselor (CRC) by the Commission on  
17 Rehabilitation Counselor Certification; as a Certified Disability Management Specialist (CDMS) by  
18 the Certification of Disability Management Specialists Commission; or a Certified Vocational  
19 Evaluation Specialist (CVE) or a Certified Work Adjustment Specialist (CWA) by the Commission  
20 on Certification of Work Adjustment and Vocational Evaluation Specialists.

21 (3) “Confidential information” means information of a personal nature such that disclosure  
22 would constitute an unreasonable invasion of privacy as defined by state law.

1           (4) “Date an application for a disability benefit is filed” means the receipt date as determined  
2 pursuant to OAR 459-005-0220.

3           (5) “Date of disability” means the date an active member ceased to work because of inability to  
4 perform any work for which qualified due to injury or disease.

5           (6) “Date of separation from service” means the later of: the last day worked or the last day of  
6 paid leave with a PERS participating employer.

7           (7) “Date of termination” means the date a member terminates from employment such that an  
8 employee/employer relationship no longer exists.

9           (8) “Earned income” includes, but is not limited to:

10          (a) Salary or wages received as an employee;

11          (b) Self-employment income from:

12            (A) Services industry;

13            (B) Sales;

14            (C) Assembly or manufacturing;

15            (D) Consulting;

16            (E) Property management;

17            (F) Hobby income; or

18            (G) Book advances.

19          (c) “Earned income” does not include:

20            (A) Investment income;

21            (B) Rent; and

22            (C) Royalties.

23          (d) Earned income is deemed to be received by the member on the date it is issued by the  
24 payer.

1 (9) “Effective date of disability benefit” means the first day of the month following the date of  
2 disability, in which:

3 (a) The member is paid no salary from a participating employer; and

4 (b) The member does not receive paid leave from a participating employer, except for any  
5 lump sum payment for accrued vacation leave or compensatory time.

6 (10) “Extended duration” means a period of not less than 90 consecutive calendar days unless  
7 the disability is expected to result in the death of the disabled member in less than 90 days.

8 (11) “Independent medical exam” means an exam or exams conducted by a physician chosen  
9 by PERS for purposes other than for treatment which results in the issuance of a report or reports  
10 based on those exams, giving an opinion regarding the claimed injury or disease.

11 (12) “Material contributing cause” means the efficient, dominant, and proximate cause of the  
12 disability, without which the member would not be disabled.

13 (13) “Monthly salary” means salary as defined in ORS 238A.005 that is earned in the last full  
14 calendar month of employment and includes a differential wage payment, as defined in OAR 459-  
15 005-0001.

16 (a) Retroactive payments or payments made due to clerical errors, paid in accordance with  
17 ORS 238A.005, are allocated to the period the salary was earned or should have been earned.

18 (b) Payments of salary paid within 31 days of separation are allocated to the period the salary  
19 was earned and should be considered as paid on the last date of employment.

20 (14) “Monthly salary received” means the greater of the salary paid for the last full calendar  
21 month of:

22 (a) Employment before the date of disability; or

23 (b) Differential wage payments made before the date of disability. This subsection is effective  
24 January 1, 2009.

1 (15) “Orthopedic specialist physician”, as that term is used in OAR 459-076-0010(3),  
2 means an orthopedist, orthopedic surgeon or physical medicine and rehabilitation specialist.

3 ~~(16)~~*[(15)]* “Performance of duty” means whatever an employee may be directed, required or  
4 reasonably expected to do in connection with his or her employment, and not solely the duties  
5 particular to his or her position.

6 ~~(17)~~*[(16)]* “Periodic review” means a review of a member receiving a disability benefit to  
7 determine whether or not a continued benefit is warranted.

8 ~~(18)~~*[(17)]* “Physician” means a person who holds a degree of doctor of medicine, doctor of  
9 osteopathy, doctor of podiatric medicine, or *[a medical doctor, a doctor of osteopathy, a]* doctor  
10 of oral surgery*[, a chiropractic doctor, a naturopathic doctor, or a doctor of psychology practicing*  
11 *only within the purview of their license issued by the designated authority of a state]* and is  
12 licensed by law to practice medicine or surgery by the designated authority of any state within  
13 the United States of America or the District of Columbia. PERS may accept at its discretion a  
14 physician licensed by another country.

15 ~~(19)~~*[(18)]* “Pre-existing condition” means a condition that was not sustained in actual  
16 performance of duty in a qualifying position with a participating employer.

17 ~~(20)~~*[(19)]* “Protected health information” means health information created or received by a  
18 health care provider, health plan, or health care clearinghouse, where an individual has a reasonable  
19 belief that the information can identify the individual, which relates to:

- 20 (a) The past, present, or future physical or mental health of an individual;  
21 (b) The provision of health care to an individual; or  
22 (c) The past, present, or future payment for the provision of health care to an individual.

23 ~~(21)~~*[(20)]* “Total disability” means the inability to perform any work for which qualified for  
24 an extended duration due to physical or mental incapacitation.



1 (22)[(21)] “Vocational evaluation” means an evaluation conducted by a certified vocational  
2 consultant, to determine the ability of an applicant to perform any work for which they are  
3 qualified.

4 (23)[(22)] “Work related stress” means conditions or disabilities resulting from, but not limited  
5 to:

- 6 (a) Change of employment duties;
- 7 (b) Conflicts with supervisors;
- 8 (c) Actual or perceived threat of loss of a job, demotion, or disciplinary action;
- 9 (d) Relationships with supervisors, coworkers, or the public;
- 10 (e) Specific or general job dissatisfaction;
- 11 (f) Work load pressures;
- 12 (g) Subjective perceptions of employment conditions or environment;
- 13 (h) Loss of job or demotion for whatever reason;
- 14 (i) Fear of exposure to chemicals, radiation biohazards, or other perceived hazards;
- 15 (j) Objective or subjective stresses of employment; or
- 16 (k) Personnel decisions.

17 Stat. Auth.: ORS 238A.450

18 Stats. Implemented: ORS 238A.235



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

Headquarters:  
11410 S.W. 68<sup>th</sup> Parkway, Tigard, OR  
Mailing Address:  
P.O. Box 23700  
Tigard, OR 97281-3700  
(503) 598-7377  
TTY (503) 603-7766  
[www.oregon.gov/pers](http://www.oregon.gov/pers)

November 20, 2015

TO: Members of the PERS Board  
FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section  
SUBJECT: Notice of Rulemaking for Medical Records Reimbursement Rule:  
OAR 459-005-0605, *Reimbursement for Medical Records Requested by PERS*

### OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Establish a reimbursement schedule for providing medical records.
- Policy Issue: No policy issues have been identified at this time.

### BACKGROUND

PERS regularly requests copies of medical records for disability eligibility determinations, ongoing reviews, appeals, and contested case hearings. The rate at which PERS reimburses medical providers for medical records has varied over time, and has not always been consistently applied. This rule will establish a published reimbursement schedule for requested medical records, providing consistency in the reimbursement we will pay providers of these records.

### PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held December 15, 2015, at 2:00 p.m. at PERS headquarters in Tigard. The public comment period ends December 29, 2015, at 5:00 p.m.

### LEGAL REVIEW

The attached draft rule was submitted to the Department of Justice for legal review and any comments or changes will be incorporated before the rule is presented for adoption.

### IMPACT

Mandatory: No.

Impact: Consistent reimbursement rates throughout the agency.

Cost: There are no discrete costs attributable to the rule.

### RULEMAKING TIMELINE

November 13, 2015	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
November 20, 2015	PERS Board notified that staff began the rulemaking process.

Notice – Medical Records Reimbursement Rule

11/20/15

Page 2 of 2

December 1, 2015	<i>Oregon Bulletin</i> publishes the Notice. Notice is sent to employers, legislators, and interested parties. Public comment period begins.
December 15, 2015	Rulemaking hearing to be held at 2:00 p.m. at PERS in Tigard.
December 29, 2015	Public comment period ends at 5:00 p.m.
January 29, 2016	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

NEXT STEPS

A rulemaking hearing will be held December 15, 2015, at 2:00 p.m. at PERS headquarters in Tigard. The rule is scheduled to be brought before the PERS Board for adoption at the January 29, 2016 Board meeting.

B.2. Attachment 1 – OAR 459-005-0605, *Reimbursement for Medical Records Requested by PERS*

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 005 – ADMINISTRATION**

1 **459-005-0605**

2 **Reimbursement for Medical Records Requested by PERS**

3 **(1) The following are the maximum amounts that PERS will reimburse for the**  
4 **costs incurred in processing medical requests for health information.**

5 **(a) Cost of copying medical records:**

6 **(A) \$30.00 for 10 or fewer pages;**

7 **(B) \$0.50 per page for pages 11 through 50; and**

8 **(C) \$0.25 per page for pages 51 and higher.**

9 **(b) PERS will pay \$35.00 for the cost of providing a compact disc with medical**  
10 **record data in place of providing printed materials to PERS.**

11 **(2) PERS will pay a provider \$30.00 for completing and signing a PERS**  
12 **Medical Information Statement or Physician Statement of Current Status.**

13 **(3) PERS will not make advance payments to providers before medical records**  
14 **are received.**

15 **Stat. Auth.: ORS 238.620 and 238A.450**

16 **Stat. Implemented: ORS Chapters 238 and 238A**



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

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11410 S.W. 68<sup>th</sup> Parkway, Tigard, OR  
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[www.oregon.gov/pers](http://www.oregon.gov/pers)

November 20, 2015

TO: Members of the PERS Board  
FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section  
SUBJECT: Notice of Rulemaking for OAR Public Notice Rule:  
OAR 459-001-0000, *Notice of Proposed Rule*

### OVERVIEW

- Action: None. This is notice that staff has begun rulemaking.
- Reason: Clarify rulemaking notice procedure.
- Policy Issue: No policy issues have been identified at this time.

### BACKGROUND

OAR 459-001-0000 sets forth the procedure for noticing the adoption, amendment, and repeal of administrative rules. The current rule, however, stipulates that notices of rulemaking will be sent via postal mail and lists a limited group of interested parties and employers as recipients of the rulemaking notices. The proposed rule modifications update the mailing requirement to conform to agency practice of emailing notices unless the recipient requests a postal mailing. The incomplete list of employers and interested parties has been removed, and section (2) has been updated to indicate that notices of rulemaking will be provided to all persons and organizations who request to receive the notices.

### PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing will be held December 15, 2015, at 2:00 p.m. at PERS headquarters in Tigard. The public comment period ends December 29, 2015, at 5:00 p.m.

### LEGAL REVIEW

The attached rule was submitted to the Department of Justice for legal review and any comments or changes will be incorporated before the rule is presented for adoption.

### IMPACT

Mandatory: No.

Impact: Update agency rulemaking notice procedure and clarify that any person or organization may request to receive the rulemaking notices.

Cost: There are no discrete costs attributable to the rule changes.

RULEMAKING TIMELINE

November 13, 2015	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
November 20, 2015	PERS Board notified that staff began the rulemaking process.
December 1, 2015	<i>Oregon Bulletin</i> publishes the Notice. Notice is sent to employers, legislators, and interested parties. Public comment period begins.
December 15, 2015	Rulemaking hearing to be held at 2:00 p.m. at PERS in Tigard.
December 29, 2015	Public comment period ends at 5:00 p.m.
January 29, 2016	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

NEXT STEPS

A rulemaking hearing will be held December 15, 2015, at 2:00 p.m. at PERS headquarters in Tigard. The rule is scheduled to be brought before the PERS Board for adoption at the January 29, 2016 Board meeting.

B.3. Attachment 1 – OAR 459-001-0000, *Notice of Proposed Rule*

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 001 – PROCEDURAL RULES**

1 **459-001-0000**

2 **Notice of Proposed Rule**

3 Prior to adoption, amendment or repeal of any permanent rule, the Public Employees  
4 Retirement System (PERS) shall give notice of the intended action:

5 (1) In the Secretary of State’s Bulletin referred to in ORS 183.360, at least 21 days  
6 before the effective date of the intended action.

7 (2) By emailing, or *[transmitting by email]* sending via postal mail if the recipient  
8 has elected that option, notice to persons and organizations on the PERS mailing list  
9 established pursuant to ORS 183.335~~[(7)]~~(8), at least 28 days before the effective date of  
10 the *[rule]* intended action. An interested person or organization may request to be  
11 placed on the PERS mailing list by submitting a request to the agency  
12 Administrative Rules Coordinator.

13 *[(3) By mailing, or transmitting by email if the recipient has elected that option, or*  
14 *furnishing notice to the following publications:*

15 *(a) Associated Press.*

16 *(b) Daily Journal of Commerce.*

17 *(c) Northwest Labor Press.*

18 *(d) Capitol Press Room.*

19 *(4) By mailing, or transmitting by email if the recipient has elected that option, or*  
20 *furnishing notice to the following persons, organizations and publications at least 28*  
21 *days before the effective date of the rule:*

22 *(a) Oregon Public Employees Union.*

- 1        *(b) Oregon Education Association.*
- 2        *(c) Association of Oregon Counties.*
- 3        *(d) League of Oregon Cities.*
- 4        *(e) Oregon School Boards Association.*
- 5        *(f) Confederation of Oregon School Administrators.*
- 6        *(g) Association of Engineering Employees of Oregon.*
- 7        *(h) Local Government Personnel Institute.*
- 8        *(i) American Federation of State, County and Municipal Employees.*
- 9        *(j) Oregon State Firefighters Council.*
- 10       *(k) Department of Public Safety Standards and Training.*
- 11       *(l) Oregon Association of Chiefs of Police.*
- 12       *(m) Oregon Federation of Teachers, Education and Health Professionals.*
- 13       *(n) Oregon School Employees Association.*
- 14       *(o) Oregon Community College Association.*
- 15       *(p) Oregon State Sheriffs Association.*
- 16       *(q) Oregon State System of Higher Education.*
- 17       *(r) Oregon Council of Police Associations.*
- 18       *(s) Special Districts Association of Oregon.]*
- 19       *[(5)](3) By emailing **notice** [a Notice of Rulemaking and a copy of the proposed*
- 20       *rule(s)] to the Director of the Department of Administrative Services and, to the extent*
- 21       *identified, affected participating public employers in the System, **at least 28 days before***
- 22       ***the effective date of the intended action.***



- 1        *[(6)](4)* By emailing *[a copy of the]* notice to the legislators specified in ORS
- 2        183.335(15), at least 49 days before the effective date of the *[rule]* intended action.
- 3        Stat. Auth.: ORS 183.335 & 238.650
- 4        Stats. Implemented: ORS 183.335



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

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11410 S.W. 68<sup>th</sup> Parkway, Tigard, OR  
Mailing Address:  
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(503) 598-7377  
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[www.oregon.gov/pers](http://www.oregon.gov/pers)

November 20, 2015

TO: Members of the PERS Board

FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section

SUBJECT: Adoption of Rules to Implement 2015 Legislation:  
459-005-0001, *Definitions, Generally*  
459-005-0310, *Date of Participation and Transfer of Employee Funds to the Optional Retirement Plan*  
459-005-0350, *Membership Status of Persons in Concurrent Employment Eligible to Participate in an Optional or Alternative Retirement Plan*  
459-011-0500, *Accumulated Unused Sick Leave*  
459-080-0150, *Employee Contributions into the IAP Account*

### OVERVIEW

- Action: Adopt modifications to the rules affected by 2015 legislation.
- Reason: Implement 2015 legislation impacting PERS.
- Policy Issue: No policy issues were identified.

### BACKGROUND

The 2015 Oregon Legislative Assembly passed three bills which require rulemaking:

**Senate Bill 80** (Chapter 767, Oregon Laws 2015), became effective July 27, 2015. The bill requires amending the rules relating to the Optional Retirement Plan (ORP). Section 2 of SB 80 abolishes the Oregon University System as of July 1, 2015. Each of the seven public universities now has an independent governing board. The modifications to the rules reflect this change.

**Senate Bill 454** (Chapter 537, Oregon Laws 2015), which becomes effective on January 1, 2016, requires Oregon employers to provide a minimum rate of accrual of “sick time” to employees (up to 40 hours per year), whether paid or unpaid. The bill specifically amends sections within ORS Chapters 653 and 659 but makes no reference to ORS Chapter 238. ORS 238.350 allows employers to elect to participate in the unused sick leave program. Under that program, the rate at which the participating employer’s covered group of employees may accrue sick leave for the purpose of the unused sick leave program is limited to the lowest rate in effect for the covered group. Staff received many questions from employers regarding the effect of SB 454 on the unused sick leave program. Staff’s analysis of the bill concluded that it is highly unlikely that the employees who would benefit from SB 454 would be a part of a participating employer’s group of employees covered by the unused sick leave program.

In addition, the language of SB 454 specifies that this law is not to be construed to “preempt, limit or otherwise impact any employer policy . . . that provides for greater use of paid or unpaid sick time.” This language indicates that the legislature specifically intended not to interfere with

any similar, existing policy or program. Therefore, construing “sick time” in SB 454 as limiting the “sick leave” used for purposes of ORS 238.350 could have a limiting effect with respect to the number of hours accrued under the PERS program, contrary to the legislative intent.

For these reasons, PERS staff concluded that SB 454 does not impact the unused paid sick leave accrual available to Tier One and Tier Two members under ORS 238.350. The proposed amendments to OAR 459-011-0500 confirm this understanding by specifically stating that “sick time” (the term used by SB 454) does not constitute “sick leave” for PERS purposes.

**House Bill 3495** (Chapter 326, Oregon Laws 2015), amending ORS 238A.100 and 238A.330, becomes effective on January 1, 2016. This bill amends the “contribution start date” for new OPSRP and IAP members, such that employer contributions to fund the OPSRP pension and employee contributions to the IAP will be due for wages attributable to services performed by the employee during the first full pay period following the new member’s six-month waiting time. The modifications to OAR 459-080-0150 implement this change for new members as of January 1, 2016.

#### SUMMARY OF MODIFICATIONS TO RULES SINCE NOTICE

No modifications were made to the rules.

#### PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held October 27, 2015, at 2:00 p.m. at PERS headquarters in Tigard. No members of the public attended. The public comment period ended November 2, 2015, at 5:00 p.m. No public comment was received.

#### LEGAL REVIEW

The attached rules were submitted to the Department of Justice for legal review and any comments or changes are incorporated in the rules as presented for adoption.

#### IMPACT

**Mandatory:** Yes, changes are necessary to bring the rules in line with changes or additions to statute made by the 2015 legislature.

**Impact:** Stakeholders will benefit from the rules’ clarification and implementation of the statutory provisions.

**Cost:** There is no cost specific to the rule changes.

#### RULEMAKING TIMELINE

September 15, 2015	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
September 25, 2015	PERS Board notified that staff began the rulemaking process.
October 1, 2015	<i>Oregon Bulletin</i> published the Notice. Notice sent to employers, legislators, and interested parties. Public comment period began.
October 27, 2015	Rulemaking hearing held at 2:00 p.m. at PERS in Tigard.

November 2, 2015                      Public comment period ended at 5:00 p.m.

November 20, 2015                      Board may adopt the permanent rule modifications.

BOARD OPTIONS

The Board may:

1. Pass a motion to “adopt modifications to the 2015 Legislation rules, as presented.”
2. Direct staff to make other changes to the rules or explore other options.

STAFF RECOMMENDATION

Staff recommends the Board choose Option #1.

- Reason: Implement 2015 legislation impacting PERS.

If the Board does not adopt: Staff would return with rule modifications that more closely fit the Board’s policy direction if the Board determines that a change is warranted.

B.4. Attachment 1 – OAR 459-005-0001, *Definitions, Generally*

B.4. Attachment 2 – OAR 459-005-0310, *Date of Participation and Transfer of Employee Funds to the Optional Retirement Plan*

B.4. Attachment 3 – OAR 459-005-0350, *Membership Status of Persons in Concurrent Employment Eligible to Participate in an Optional or Alternative Retirement Plan*

B.4. Attachment 4 – OAR 459-011-0500, *Accumulated Unused Sick Leave*

B.4. Attachment 5 – OAR 459-080-0150, *Employee Contributions into the IAP Account*

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 5 – ADMINISTRATION**

1 **459-005-0001**

2 **Definitions, Generally**

3 The words and phrases used in OAR Chapter 459 have the same meaning given them  
4 in ORS chapters 237, 238, 238A, and 243 unless otherwise indicated. Specific and  
5 additional terms used in OAR Chapter 459 generally are defined as follows unless context  
6 requires otherwise:

7 (1) “Ad hoc” means one-time for a specific purpose, case, or situation without  
8 consideration of a broader application.

9 (2) “After-tax” contributions means:

10 (a) Member contributions required or permitted by ORS 238.200 or 238.515, which a  
11 participating employer has not elected to “pick up,” assume or pay in accordance with  
12 ORS 238.205 and 238.515(b). “After-tax” contributions are included in the member’s  
13 taxable income for purposes of state or federal income taxation at the time paid to PERS.  
14 “After-tax” contributions are included in computing FAS and in computing the employer’s  
15 contributions paid to PERS.

16 (b) Payments made by a member to PERS for the purchase of additional benefits.

17 (3) “Before-tax” contributions means member contributions required or permitted by  
18 ORS 238.200 or 238.515, which a participating employer has elected to “pick up,” assume  
19 or pay in accordance with ORS 238.205 and 238.515(b). “Before-tax” contributions are not  
20 included in the member’s taxable income for purposes of state or federal income taxation  
21 at the time paid to PERS. “Before-tax” contributions are included in:

22 (a) Computing final average salary; and

1            (b) Computing the employer’s contributions paid to PERS if the employer has elected  
2 to “pick up” the member contributions.

3            (4) “Business day” means a day Monday through Friday when PERS is open for  
4 business.

5            (5) “Calendar month” means a full month beginning with the first calendar day of a  
6 month and ending on the last calendar day of that month.

7            (6) “Calendar year” means 12 consecutive calendar months beginning on January 1  
8 and ending on December 31.

9            (7) “Casual worker” means an individual engaged for incidental, occasional, irregular,  
10 or unscheduled intervals or for a period of less than six consecutive calendar months.

11           (8) “Contributions” means any contributions required or permitted pursuant to ORS  
12 238.200 or 238.515.

13           (9) “Differential wage payment” means a payment made on or after January 1, 2009:

14           (a) By an employer to a member with respect to any period during which the member  
15 is performing service in the uniformed services, as defined in USERRA, while on active  
16 duty for a period of more than 30 consecutive days; and

17           (b) That represents all or a portion of the wages the member would have received  
18 from the employer if the member were performing service for the employer.

19           (10) “Effective date of withdrawal” means the later of:

20           (a) The first day of the calendar month in which PERS receives the last completed  
21 document required from a member who requested a withdrawal; or

1 (b) The first day of the second calendar month following the calendar month in which  
2 the member terminated employment with all participating employers and all employers in  
3 a controlled group with a participating employer.

4 (11) “Effective retirement date” means:

5 (a) For service retirements, the date described in OAR 459-013-0260; or

6 (b) For disability retirements, the date described in OAR 459-015-0001.

7 (12) “Elected official” means an individual who is a public official holding an elective  
8 office or an appointive office with a fixed term for the state or for a political subdivision of  
9 the state who has elected to participate in PERS pursuant to ORS 238.015(5).

10 (13) “Emergency worker” means an individual engaged in case of emergency,  
11 including fire, storm, earthquake, or flood.

12 (14) “Employee” has the same meaning as provided in ORS 238.005 and shall be  
13 determined in accordance with OAR 459-010-0030.

14 (a) For the purposes of ORS 238.005 to 238.750 the term “employee” includes public  
15 officers whether elected or appointed for a fixed term.

16 (b) The term “employee” does not include:

17 (A) A member of the governing board of a political subdivision unless the individual  
18 qualifies for membership under ORS 238.015.

19 (B) An individual who performs services for a public employer as a contractor in an  
20 independently established business or as an employee of that contractor as determined in  
21 accordance with OAR 459-010-0032.

1            (C) An individual providing volunteer service to a public employer without  
2 compensation for hours of service as a volunteer, except for volunteer firefighters who  
3 establish membership in accordance with ORS 238.015(6).

4            (15) “Employer contribution account” means a record of employer contributions to the  
5 Fund, as required by ORS 238.225(1), and investment earnings attributable to those  
6 contributions, that the Board has credited to the account after deducting amounts required  
7 or permitted by ORS Chapter 238.

8            (16) “Employment” is compensated service to a participating employer as an  
9 employee whose:

10            (a) Period or periods of employment includes only the actual hours of compensated  
11 service with a participating employer as an employee; and

12            (b) Compensated service includes, but is not limited to, paid vacation, paid sick leave,  
13 or other paid leave.

14            (17) “Estimate” means a projection of benefits prepared by staff of a service or  
15 disability retirement allowance, a death or a refund payment. An estimate is not a  
16 guarantee or promise of actual benefits that eventually may become due and payable, and  
17 PERS is not bound by any estimates it provides.

18            (18) “FAS” and “final average salary” have the same meaning as provided in:

19            (a) ORS 238.005 for all PERS Tier One members;

20            (b) ORS 238.435(2) for all PERS Tier Two members who are not employed by a local  
21 government as defined in ORS 174.116;

22            (c) ORS 238.435(4) for all PERS Tier Two members who are employed by a local  
23 government as defined in ORS 174.116; or



1 (d) ORS 238.535(2) for judge members of PERS for service as a judge.

2 (19) “General service member” means membership in PERS as other than a judge  
3 member, a police officer, a firefighter, or a legislator.

4 (20) “Good cause” means a cause beyond the reasonable control of an individual.  
5 “Good cause” exists when it is established by satisfactory evidence that factors or  
6 circumstances are beyond the reasonable control of a rational and prudent individual of  
7 normal sensitivity, exercising ordinary common sense.

8 (21) “Independent contractor” means an individual or business entity that is not  
9 subject to the direction and control of the employing entity as determined in accordance  
10 with OAR 459-010-0032.

11 (22) “Judge member” has the same meaning as provided in ORS 238.500(3). For  
12 purposes of this chapter, active, inactive, and retired membership of a judge member shall  
13 have the same meaning as provided in ORS 238.005.

14 (23) “Legislator” means an individual elected or appointed to the Oregon Legislative  
15 Assembly who has elected to participate in PERS for their legislative service.

16 (24) “Member cost” means after-tax member contributions and payments made by or  
17 on behalf of a member to purchase additional benefits.

18 (25) “Participating employer” means a public employer who has one or more  
19 employees who are active members of PERS.

20 (26) “PERS” and “system” have the same meaning as the Public Employees  
21 Retirement System in ORS 238.600.

22 (27) “Public university” means a public university with a governing board as  
23 listed in ORS 352.002.

1        ~~[(27)]~~(28) “Qualifying position” has the same meaning as provided in ORS 238.005  
 2 and OAR 459-010-0003.

3        ~~[(28)]~~(29) “Regular account” means the account established under ORS 238.250 for  
 4 each active and inactive member who has made contributions to the Fund or the account of  
 5 an alternate payee of such a member.

6        ~~[(29)]~~(30) “Salary” has the same meaning as provided in ORS 238.005.

7        (a) “Salary” includes a differential wage payment, as defined in this rule.

8        (b) For a Tier One member, a lump sum payment for accrued vacation pay is  
 9 considered salary:

10        (A) In determining employee and employer contributions.

11        (B) In determining final average salary for the purpose of calculating PERS benefits.

12        (c) For a Tier Two member, a lump sum payment for accrued vacation pay:

13        (A) Is considered salary in determining employee and employer contributions.

14        (B) Is not considered salary in determining final average salary for the purpose of  
 15 calculating PERS benefits.

16        ~~[(30)]~~(31) “Seasonal worker” means an individual whose engagement is characterized  
 17 as recurring for defined periods that are natural divisions of the employer’s business cycle  
 18 or services.

19        ~~[(31)]~~(32) “Staff” means the employees of the Public Employees Retirement System  
 20 as provided for in ORS 238.645.

21        ~~[(32)]~~(33) “Tier One member” means a member who established membership in the  
 22 system before January 1, 1996, as defined in ORS 238.430(2).

1        ~~[(33)]~~(34) “Tier Two member” means a member who established membership in the  
2 system on or after January 1, 1996, in accordance with ORS 238.430.

3        ~~[(34)]~~(35) “USERRA” means the federal Uniformed Services Employment and  
4 Reemployment Rights Act of 1994, 38 U.S.C. 4301-4334, as in effect on the effective date  
5 of this rule.

6        ~~[(35)]~~(36) “Vacation pay” means a lump sum payment for accrued leave in a Vacation  
7 Leave Program provided by a public employer which grants a period of exemption from  
8 work for rest and relaxation with pay, and does not include:

- 9        (a) Sick leave programs;
- 10       (b) Programs allowing the accumulation of compensatory time, holiday pay or other  
11 special leaves unless the public employer’s governing body indicates by resolution,  
12 ordinance, or other legislative process, that such leave is intended to serve as additional  
13 vacation leave; and

- 14       (c) Other programs, such as a Personal Time Off (PTO) plan, which are a combination  
15 of vacation, sick, bereavement, personal and other leaves of pay as defined and described  
16 by a public employer unless the employer has a written policy that clearly indicates the  
17 percentage of the plan that represents vacation leave. If the employer’s PTO has a cash  
18 option, the employer must report to PERS the amount of any lump sum pay-off for the  
19 percentage that represents vacation leave.

20       ~~[(36)]~~(37) “Variable account” and “member variable account” mean the account in  
21 the Variable Annuity Account established under ORS 238.260(2) for each active and  
22 inactive member who has elected to have amounts paid or transferred into the Variable  
23 Annuity Account.

1        ~~[(37)]~~(38) “Variable Annuity Account” means the account established in ORS  
2 238.260(2).

3        ~~[(38)]~~(39) “Volunteer” means an individual who performs a service for a public  
4 employer, and who receives no compensation for the service performed. The term  
5 “volunteer” does not include an individual whose compensation received from the same  
6 public employer for similar service within the same calendar year exceeds the reasonable  
7 market value for such service.

8        ~~[(39)]~~(40) “Working day” means a day that the employer is open for business. Unless  
9 the employer communicates this information to PERS, PERS will presume an employer’s  
10 “working day” is the same as a “business day,” as defined in section (4) of this rule.

11        ~~[(40)]~~(41) “Year” means any period of 12 consecutive calendar months.

12        Stat. Auth.: ORS 238.650

13        Stats. Implemented: ORS 238

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 005 – ADMINISTRATION**

1 **459-005-0310**

2 **Date of Participation and Transfer of Employee Funds to the *[Oregon University***  
3 ***System]* Optional Retirement Plan**

4 (1) Definitions. For the purposes of this rule:

5 (a) “IAP account” means the member’s employee, rollover, and employer accounts  
6 in the Individual Account Program, to the extent the member is vested in those accounts  
7 under ORS 238A.320.

8 (b) “OPSRP Pension account” means the member’s transferable interest in the  
9 pension program under ORS 243.800(6)(d).

10 (c) “PERS member account” includes a “member account” as defined in ORS  
11 238.005, an account established under ORS 238.440, and an account subject to ORS  
12 238.095(4).

13 (2) The effective date of an election by an administrative or academic employee of  
14 *[the Oregon University System (OUS)]* a public university to participate in the Optional  
15 Retirement Plan (ORP) authorized under ORS 243.800 is the first day of the month  
16 following a period of six full calendar months of employment in an administrative or  
17 academic position.

18 (a) Unless otherwise agreed upon, notice of the effective date of the election will be  
19 provided to PERS by *[OUS]* the public university within 30 days of the date of the  
20 election.

21 (b) If the employee is a member of PERS and elects to transfer funds from PERS to  
22 the Optional Retirement Plan pursuant to ORS 243.800(6), *[OUS]* the public university

1    will forward to PERS a copy of the ORP election form and a written transfer request from  
2    the employee at the time of the notification required in subsection (a) of this section.

3            (3) If an employee who is a member of PERS requests a transfer of funds pursuant to  
4    ORS 243.800(6):

5            (a) PERS must transfer the funds to the ORP within the 60-day period following the  
6    later of:

7            (A) The effective date of the employee’s election to participate in the ORP; or

8            (B) The effective date of the transfer.

9            (b) The effective date of a transfer is the first of the month in which PERS completes  
10    reconciliation of the account to be transferred.

11            (c) PERS may not transfer funds to the ORP if the member is concurrently employed  
12    by a participating employer *[other than an institution of the Oregon University System]*.

13            Stat. Auth: ORS 238A.450, 238.650

14            Stats. Implemented: ORS 243.800

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 005 – ADMINISTRATION**

1 **459-005-0350**

2 **Membership Status of Persons in Concurrent Employment Eligible to Participate in**  
3 **an Optional or Alternative Retirement Plan**

4 (1) For the purpose of this rule, concurrent employment means employment with  
5 two or more different employers participating in the Public Employees Retirement  
6 System (PERS) at the same time.

7 (2) If a person employed by *[the Oregon University System]* a public university or  
8 by the Oregon Health and Science University is concurrently employed by another PERS  
9 or Oregon Public Service Retirement Plan (OPSRP) participating employer, eligibility for  
10 PERS or OPSRP membership shall be based on the following:

11 (a) If the person elects to participate in an Optional Retirement Plan offered by *[the*  
12 *Oregon University System]* a public university under ORS 243.800, or an alternative  
13 retirement plan offered by the Oregon Health and Science University under ORS  
14 353.250, and concurrently employed with other PERS or OPSRP participating employers  
15 in a non-qualifying position(s) as defined in OAR chapter 459, the person:

16 (A) Shall not be eligible to establish membership in PERS or OPSRP as an employee  
17 of *[the Oregon University System]* a public university or the Oregon Health and Science  
18 University, and

19 (B) Shall not be eligible to establish membership in PERS or OPSRP as an employee  
20 of the other concurrent PERS employer or employers.

21 (b) If the person elects to participate in an Optional Retirement Plan offered by *[the*  
22 *Oregon University System]* a public university under ORS 243.800, or an alternative

1 retirement plan offered by the Oregon Health and Science University under ORS  
2 353.250, and concurrently employed with other PERS or OPSRP participating employers  
3 is in a qualifying position(s) as defined in OAR chapter 459, the person:

4 (A) Shall not be eligible to establish membership in PERS or OPSRP as an employee  
5 of *[the Oregon University System]* a public university or the Oregon Health and Science  
6 University; and

7 (B) Shall establish membership in OPSRP as an employee of the other concurrent  
8 PERS or OPSRP employer or employers.

9 (3) A member of PERS or OPSRP who is concurrently employed and establishes  
10 PERS or OPSRP membership under the provisions of paragraph (2)(b)(B) of this rule  
11 shall not be eligible to have the member's account transferred to an Optional or  
12 alternative retirement plan *[as described in ORS 243.800(6) and (7)]*.

13 Stat. Auth: ORS 238.650

14 Stats. Implemented: ORS 238.015, 243.775 & 353.250~~[(3)]~~



**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 011 – RETIREMENT CREDIT**

1 **459-011-0500**

2 **Accumulated Unused Sick Leave**

3 (1) Pursuant to ORS 238.350, a public employer may request that one or more  
4 groups of its employees be compensated for accumulated unused sick leave in the form of  
5 increased retirement benefits. The request, in writing and accompanied by certified copy  
6 of the public employer’s governing body’s official action, shall be effective not earlier  
7 than the first of the calendar month following date of the official action by the public  
8 employer.

9 (2) The Board shall determine the monetary value of 1/2 of the accumulated unused  
10 sick leave by the following procedure:

11 (a) For retiring employees not subject to ORS 238.350(1)(b), the hourly rate used to  
12 establish the monetary value of the unused sick leave shall be determined by dividing the  
13 monthly final average salary by 173.3 hours, multiplying this hourly rate times 1/2 of all  
14 accumulated unused sick leave hours reported, and adding this value to the final average  
15 salary calculation;

16 (b) For retiring employees subject to ORS 238.350(1)(b), the hourly rate used to  
17 establish the monetary value of the unused sick leave shall be determined by dividing the  
18 salary in the final contract of employment by the number of contract hours, multiplying  
19 this hourly rate times 1/2 of all unused sick leave hours reported for employment as  
20 described in ORS 238.350(1)(b) and adding this value to the final average salary  
21 calculation;

1 (c) The monetary value of the unused sick leave for retiring employees described in  
2 ORS 238.350(1)(b) who were employed under contracts for 12 months or earned 96  
3 hours of sick leave in any of the three or less years used in determining final average  
4 salary will be valued as provided in subsection (a) of this section.

5 (3) Upon an employee’s termination of employment from any PERS covered  
6 position, a public employer shall report the amount of accumulated unused sick leave on  
7 forms furnished by the Board. The public employer shall transmit the forms to the Board  
8 and provide a legible copy of the form or a facsimile thereof to each terminated employee  
9 immediately following final payment of salary. For PERS purposes, accumulated unused  
10 sick leave cannot exceed an accrual of more than eight hours per month worked less  
11 usage.

12 (4) To be eligible for the use of unused sick leave pursuant to ORS 238.350, a  
13 member must have been in the employ of a public employer and in a covered group on or  
14 after the effective date of an employer’s election to extend the use of accumulated unused  
15 sick leave. A member retiring with an effective retirement date the same as the effective  
16 date of the election is deemed an employee on the effective date of the election if the  
17 member was employed during the month *[proceeding]* preceding the effective date of  
18 the employer’s election.

19 (5) “Sick time” as provided in Chapter 537, Oregon Laws 2015 does not  
20 constitute “sick leave” for purposes of ORS 238.350.

21 Stat. Auth.: 238.650

22 Stats. Implemented: ORS 238.350

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 080 – OPSRP INDIVIDUAL ACCOUNT PROGRAM**

1    **459-080-0150**

2    **Employee Contributions into the IAP Account**

3       (1) Definitions. For the purposes of this rule:

4       (a) “Forfeiture account” means the account set up by PERS to administer  
5    overpayments of employee contributions.

6       (b) “Salary” has the same meaning provided in:

7       (A) ORS 238A.005 for members who established membership in the Individual  
8    Account Program under the provisions of OAR 459-080-0010(1); or

9       (B) ORS 238.005 for members who established membership in the Individual Account  
10   Program under the provisions of OAR 459-080-0010(2) or (3).

11       (2) Employee contributions under the OPSRP Individual Account Program (“IAP”)  
12   are required from all eligible employees who qualify as members, as established under  
13   OAR 459-080-0010, who:

14       (a) Are working in a position designated as a “qualifying position” as defined in OAR  
15   459-070 0001; or

16       (b) Perform a total of 600 or more hours in a calendar year with one or more  
17   participating employers in one or more classes the participating employer has designated as  
18   a participating class.

19       (3) Contributions for current members.

20       (a) For a member who meets the standard set forth in section (2)(a) of this rule,  
21   contributions of six percent of the member’s salary are required to be transmitted for all  
22   pay periods assigned under OAR 459-070-0100 from the date of hire, or January 1 of the  
23   current year, whichever is later.

1 (b) Once a member meets the standard set forth in section (2)(b) of this rule,  
2 retroactive contributions of six percent of the member’s salary are required to be  
3 transmitted following the member’s performance of 600 hours in the calendar year.  
4 Contributions are due for all pay periods assigned under OAR 459-070-0100 from the date  
5 of hire, or January 1 of the current year, whichever is later.

6 (4) Contributions for new employees who establish membership on or after  
7 January 1, 2016.

8 (a) For an eligible employee who meets the standard set forth in section (2)(a) of this  
9 rule, contributions of six percent of the member’s salary are required to be transmitted for  
10 wages that are attributable to services performed by the employee during the first full  
11 pay period after the employee has established membership in the IAP as set forth under  
12 OAR 459-080-0010.

13 (b) Once an eligible employee meets the standard set forth in section (2)(b) of this  
14 rule, retroactive contributions of six percent of the member’s salary are required to be  
15 transmitted *[from the date of]* for wages that are attributable to services performed by  
16 the employee during the first full pay period after the employee has established  
17 membership in the IAP~~[,]~~ as *[established]* set forth under OAR 459-080-0010.

18 (5)(a) If contributions are submitted on behalf of an eligible employee who does not  
19 meet the standards set forth under section (2)(a) or (b) of this rule, the actual amount of  
20 those contributions will be returned after the end of the calendar year during which the pay  
21 period triggering those contributions ended.

22 (b) Any net earnings, losses, or administrative fees attributable to the returned  
23 contributions will be applied to the forfeiture account.

24 Stat. Auth.: ORS 238A.450

25 Stats. Implemented: ORS 238A.330



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

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November 20, 2015

TO: Members of the PERS Board  
FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section  
SUBJECT: Adoption of Partial Year Rule:  
OAR 459-010-0012, *Membership of Community College Employees*

### OVERVIEW

- Action: Adopt modifications to the Partial Year rule.
- Reason: Clarify application of partial year rules to Tier One and Tier Two academic employees.
- Policy Issue: No policy issues were identified.

### BACKGROUND

PERS membership is based on employment in a “qualifying position,” which generally requires 600 hours of employment in a year. ORS 238.074 provides specific conditions for determining whether an academic employee of a community college has worked 600 hours for all purposes under ORS Chapter 238 (.375 Full Time Equivalent (FTE) on a 12-month basis or .50 FTE on a 9-month basis). The modifications to OAR 459-010-0012 clarify that, for academic employees of community colleges, a year shall be the 12-month period beginning July 1 and ending the following June 30, also known as an “academic year.” Under PERS administration of the statute and rule, PERS uses an academic year rather than a calendar year as the standard of measure when determining qualifying position for academic employees of community colleges under OAR 459-010-0003, including during a partial year of employment.

### SUMMARY OF MODIFICATIONS TO RULE SINCE NOTICE

Section (2) was edited to clarify that the change to an academic year is for purposes of determining a “qualifying position” under OAR 459-010-0003.

### PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held October 27, 2015, at 2:00 p.m. at PERS headquarters in Tigard. No members of the public attended. The public comment period ended November 2, 2015, at 5:00 p.m. No public comment was received.

### LEGAL REVIEW

The attached rule was submitted to the Department of Justice for legal review and any comments or changes are incorporated in the rule as presented for adoption.

### IMPACT

Mandatory: No.

Impact: Clarify partial year rules for Tier One and Tier Two academic employees of community colleges.

Cost: There are no discrete costs attributable to the rule changes.

### RULEMAKING TIMELINE

September 15, 2015	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
September 25, 2015	PERS Board notified that staff began the rulemaking process.
October 1, 2015	<i>Oregon Bulletin</i> published the Notice. Notice sent to employers, legislators, and interested parties. Public comment period began.
October 27, 2015	Rulemaking hearing held at 2:00 p.m. at PERS in Tigard.
November 2, 2015	Public comment period ended at 5:00 p.m.
November 20, 2015	Board may adopt the permanent rule modifications.

### BOARD OPTIONS

The Board may:

1. Pass a motion to “adopt modifications to the partial year rule, as presented.”
2. Direct staff to make other changes to the rule or explore other options.

### STAFF RECOMMENDATION

Staff recommends the Board choose Option #1.

- Reason: Clarify application of partial year rules to Tier One and Tier Two academic employees.

If the Board does not adopt: Staff would return with rule modifications that more closely fit the Board’s policy direction if the Board determines that a change is warranted.

B.5. Attachment 1 – OAR 459-010-0012, *Membership of Community College Employees*

OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 010 – MEMBERSHIP

1 **459-010-0012**

2 **Membership of Community College Employees**

3 **(1) For purposes of this rule, “academic year” means 12 consecutive calendar**  
4 **months beginning July 1 and ending the following June 30.**

5 ~~[(1)]~~(2) For purposes of establishing membership in the system, effective July 1, 1988,  
6 an academic employee of a community college who is employed .375 full-time equivalent  
7 (FTE) on a 12-month basis or .50 FTE on a 9-month basis for the academic year is  
8 deemed to be employed 600 hours or more for purposes of determining a “qualifying  
9 position” under OAR 459-010-0003. *[For an academic employee of a community college,*  
10 *a year shall be the 12-month period beginning July 1 and ending the following June 30.]*

11 ~~[(2)]~~(3) For an academic employee of a community college, an FTE shall be measured  
12 against an academic year. *[beginning July 1 in a given year and ending June 30 of the year*  
13 *following.]*

14 **(4) For purposes of determining a “qualifying position” under OAR 459-010-0003**  
15 **for an academic employee of a community college, the following definitions apply:**

16 **(a) “Partial year of hire” means a period in the academic year the employee**  
17 **begins employment after the first working day of the academic year, and continues**  
18 **employment through the last day of the academic year.**

19 **(b) “Partial year of separation” means a period in the academic year the**  
20 **employee is employed as of the beginning of the academic year, and separates from**  
21 **employment before the last working day of the academic year.**

1 (c) “Short segment” means a period in the academic year during which the  
2 employee is hired after the first working day of the academic year, and separated  
3 from employment before the last working day of the same academic year.

4 ~~[(3)]~~(5) An academic employee of a community college is an instructor who teaches  
5 classes offered for college-approved credit or on a non-credit basis. Librarians, counselors,  
6 and aides in non-teaching positions, tutors, or other non-teaching faculty, and classified,  
7 professional or nonprofessional support staff are not academic employees for the purposes  
8 of ORS 238.074; but are subject to the membership requirements under ORS 238.015.

9 ~~[(4)]~~(6) Each community college shall determine who is an academic employee in its  
10 employ under this rule. In making that determination, a community college shall consider  
11 all disciplines (academic activity) collectively when an employee’s assignment includes  
12 multiple disciplines.

13 ~~[(5)]~~(7) For persons concurrently employed in academic positions in two or more  
14 community colleges, the combined FTE shall be used in determining eligibility for  
15 membership. If the combined FTE is less than the criteria in section ~~[(1)]~~(2) of this rule,  
16 the combination of hours of service shall be considered in determining eligibility for  
17 membership pursuant to ORS 238.015.

18 ~~[(6)]~~(8) For academic employees concurrently employed in an academic and a non-  
19 academic position in one or more community colleges during an academic year, the  
20 combination of academic and non-academic duties shall be considered in determining  
21 eligibility for membership pursuant to ORS 238.015. *[For the purposes of this section, a*  
22 *year shall be any consecutive 12-month period.]*



1        ~~[(7)]~~(9) Employment of retired members of the system in academic or non-academic  
2 positions is subject to the limitations in ORS 238.082.

3        Stat. Auth.: ORS 238.650

4        Stats. Implemented: ORS 238.074



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

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November 20, 2015

TO: Members of the PERS Board

FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section

SUBJECT: Adoption of Retirement Benefits Rules:  
OAR 459-013-0060, *Payment of Retirement Benefits*  
OAR 459-013-0310, *Payment of Increased Benefits under ORS 238.372 to 238.384*

### OVERVIEW

- Action: Adopt modifications to the Retirement Benefits rules.
- Reason: Clarify treatment of partial year residency for tax remedy qualification, and add information regarding the timing of electronic funds transfer (EFT) payments.
- Policy Issue: No policy issues were identified.

### BACKGROUND

ORS 238.372 prohibits PERS from paying “tax remedy” increases under SB 656 (Chapter 796, Oregon Laws 1991) or HB 3349 (Chapter 569, Oregon Laws 1995) if the benefit payments are not subject to Oregon personal income tax because the recipient is not an Oregon resident (as provided in ORS 316.127(9)). ORS 238.378 requires PERS and the Department of Revenue (DOR) to share information necessary to determine whether a member’s benefit is subject to Oregon income tax. OAR 459-013-0310 explains how PERS uses the information provided by DOR, and residency status information provided by the recipient, to make residency status determinations.

One scenario the current administrative rule did not address is how to determine residency when a person files a partial year return (40P) for the tax year in which they submit a residency status form to PERS. The proposed rule modification in new paragraph (2)(a)(G) clarifies that, if a person filed a 40P according to DOR data query information and that person also submitted a residency status certification between January 1 and December 15 for the same calendar year, PERS will base residency on the recipient’s form, since the form requires the recipient to certify under penalty of perjury that they are an Oregon resident for income tax purposes.

The modifications to OAR 459-013-0060 are housekeeping edits to conform the administrative rule to current business practice. In section (1), a new subsection was added to clarify that when the first day of the month falls on a weekend or a PERS holiday, retirement benefits processed through electronic funds transfer must be issued no later than the previous business day. A new section (3) was added stating the only exception applies for retirement benefits payable on January 1, which must always be paid in the month of January to avoid exceeding 12 monthly payments in a year.

### SUMMARY OF MODIFICATIONS TO RULES SINCE NOTICE

Since the last board meeting, a new proposed section (4) has been added to OAR 459-013-0310 to clarify that PERS will reverse a tax remedy benefit increase and seek repayment if fraud is discovered. Lastly, we removed the language in OAR 459-013-0310 regarding receipt of certifications between December 16 and December 31.

### PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held October 27, 2015, at 2:00 p.m. at PERS headquarters in Tigard. No members of the public attended. The public comment period ended November 2, 2015, at 5:00 p.m. No public comment was received.

### LEGAL REVIEW

The attached rules were submitted to the Department of Justice for legal review and any comments or changes are incorporated in the rules as presented for adoption.

### IMPACT

Mandatory: No.

Impact: Clarifies administration for recipients who file 40Ps, and clarifies the administration of retirement benefit payments on certain calendar dates.

Cost: There are no discrete costs attributable to the rule modifications.

### RULEMAKING TIMELINE

September 15, 2015	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
September 25, 2015	PERS Board notified that staff began the rulemaking process.
October 1, 2015	<i>Oregon Bulletin</i> published the Notice. Notice sent to employers, legislators, and interested parties. Public comment period began.
October 27, 2015	Rulemaking hearing held at 2:00 p.m. at PERS in Tigard.
November 2, 2015	Public comment period ended at 5:00 p.m.
November 20, 2015	Board may adopt the permanent rule modifications.

### BOARD OPTIONS

The Board may:

1. Pass a motion to “adopt modifications to the retirement benefits rules, as presented.”
2. Direct staff to make other changes to the rules or explore other options.

### STAFF RECOMMENDATION

Staff recommends the Board choose Option #1.

Adoption – Retirement Benefits Rules

11/20/15

Page 3 of 3

- Reason: Clarify treatment of partial year residency for tax remedy qualification, and add information regarding the timing of electronic funds transfer (EFT) payments.

If the Board does not adopt: Staff would return with rule modifications that more closely fit the Board's policy direction if the Board determines that a change is warranted.

B.6. Attachment 1 - OAR 459-013-0060, *Payment of Retirement Benefits*

B.6. Attachment 2 - OAR 459-013-0310, *Payment of Increased Benefits under ORS 238.372 to 238.384*

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 013 – RETIREMENT BENEFITS**

1 **459-013-0060**

2 **Payment of Retirement Benefits**

3 (1) Retirement benefits shall be payable each month as of the first day of the month  
4 following the effective date of retirement.

5 **(a) When the first day of the month falls on a weekend or a PERS holiday,**  
6 **retirement benefits processed through electronic funds transfer shall be payable on**  
7 **the last PERS working day of the prior month.**

8 **(b)** At the time of death, accrued benefits shall be payable as provided under OAR  
9 459-014-0050(4).

10 (2) If a retiree elects to receive more than one installment payment as provided under  
11 ORS 238.305(4), the subsequent installment payments will be paid on the anniversary of  
12 the first day of the month that the initial installment payment was made.

13 **(3) Notwithstanding section (1) of this rule, retirement benefits payable on**  
14 **January 1 shall always be paid in the month of January.**

15 Stat. Auth.: ORS 238.650

16 Stats. Implemented: ORS 238.300 & 238.305

**OREGON ADMINISTRATIVE RULE  
PUBLIC EMPLOYEES RETIREMENT BOARD  
CHAPTER 459  
DIVISION 013 – RETIREMENT BENEFITS**

1    **459-013-0310**

2    **Payment of Increased Benefits under ORS 238.372 to 238.384**

3       (1) For purposes of determinations under ORS 238.372 to 238.384:

4       (a) “Person” includes a member, an alternate payee, or a beneficiary.

5       (b) The increased benefit percentage to be added to a benefit paid to a beneficiary  
6 under ORS 238.390, 238.395, 238.400, 238.405, or under an optional form of retirement  
7 allowance under ORS 238.305 or 238.325 will be determined based on:

8       (A) The increased benefit percentage(s) for which the member is otherwise eligible  
9 under ORS 238.364, 238.366 and 238.368; and

10      (B) The residency of the beneficiary.

11      (2) PERS will make the following determinations on residency status for the purpose  
12 of determining increased benefit eligibility under ORS 238.372 to 238.384, based on the  
13 yearly Oregon personal income tax return information provided by the Department of  
14 Revenue.

15      (a) If the Department of Revenue notifies PERS that a person:

16      (A) Filed Oregon personal income tax as a resident, PERS will treat the person as a  
17 resident of Oregon.

18      (B) Filed Oregon personal income tax as a non-resident, PERS will treat the person as  
19 a non-resident of Oregon, except as provided in section (3) below.

20      (C) Did not file Oregon personal income tax, PERS will treat the person as a non-  
21 resident of Oregon, except as provided in section (3) below.

22      (D) Filed Oregon personal income tax as a partial-year resident and the prior year the  
23 person filed personal income tax as a resident, PERS will treat the person as a non-resident

1 of Oregon, except as provided in section (3) below.

2 (E) Filed Oregon personal income tax as a partial-year resident and the prior year the  
3 person filed personal income tax as a non-resident, PERS will treat the person as a resident  
4 of Oregon.

5 (F) Filed Oregon personal income tax as a partial-year resident and the prior year the  
6 person did not file personal income tax, PERS will treat the person as a resident of Oregon.

7 **(G) Filed Oregon personal income tax as a partial-year resident, and the person**  
8 **also submitted residency status information on a form provided by PERS received**  
9 **between January 1 and December 15 of the same calendar year, PERS will determine**  
10 **residency status based on the information provided on the form.**

11 (b) If PERS cannot make a residency status determination based on information  
12 provided by the Department of Revenue or the person did not otherwise provide PERS  
13 with residency status information, PERS will treat the person as a non-resident of Oregon,  
14 except as provided in section (3) below.

15 (3) Residency status information submitted on a form provided by PERS and received  
16 between January 1 and December 15 of the current calendar year will, for purposes of  
17 determining increased benefit eligibility under ORS 238.372 to 238.384, supersede any  
18 Oregon personal income tax return information provided by the Department of Revenue  
19 pursuant to section (2) of this rule.

20 **(4) Notwithstanding sections (2) and (3) of this rule, PERS will revoke increased**  
21 **benefit eligibility and seek repayment if it finds a person has submitted fraudulent**  
22 **residency status information under section (2) or (3) of this rule.**

23 Stat. Auth.: ORS 238.650

24 Stats. Implemented: ORS 238.362, 238.364, 238.366, 238.368 & 238.372 to 238.384



# Oregon

Kate Brown, Governor

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November 20, 2015

TO: Members of the PERS Board  
FROM: Mary Dunn, Financial and Administrative Services Division  
SUBJECT: *Moro* Implementation Project Update

### **PROJECT ACTIVITIES**

Last month, the *Moro* Implementation Project team processed lump-sum retroactive payments of underpaid COLA, minus any Supplementary Payment paid last year, on 115,919 benefit accounts. Likewise, benefit payments made on November 1, 2015 for those 115,919 accounts were revised to the corrected COLA. The retroactive COLA payments grossed \$71.4 million, reduced by \$8.8 million from recovered Supplementary Payments resulting in a net of \$62.5 million charged to the Contingency Reserve.

The methodology we use to determine individual payment amounts includes performing retroactive COLA calculations outside of our pension system, with tools developed by our Technical Team in the Operations Division. From the first round of retroactive COLA payments, we had a few unexpected issues with the tax withholding calculations. We discovered after the payment was processed that state taxes were not withheld from approximately 27,000 recipients due to an issue in the calculation tool. For these individuals, any under-withholding will be trued up when they file their returns for 2015.

Additionally, we discovered three duty disability payments where taxes should not have been withheld that were, and 28 non-resident alien payments where taxes should have been withheld that were not. We have identified the cause of each of these and are adjusting the tools for the remaining *Moro* population.

### **REMAINING MORO ADJUSTMENTS**

The remaining *Moro* population consists of approximately 16,500 accounts. Approximately 7,652 of these will receive invoices (their total retroactive COLA owed is not enough to offset the supplementary payment or pro-rated COLA they should have received). The balance of the population will receive lump-sum payments, and the corrected benefit amounts will be adjusted for all of these individuals.

Originally, we had scheduled these payments and adjustments to occur starting in January 2016. The *Moro* Project team is concerned with hitting planned January timeline, based on the amount of work need to resolve the remaining accounts. Some of the risk to meeting the January date arises from the number of system-wide annual processes in December and January which update the data used for *Moro* adjustments, such as the tax remedy update job, annual tax updates, and the variable account update. All things considered, the *Moro* Project team reviewed the remaining body of work and postponed the final retroactive COLA payments and recalculated pension benefit amounts. The lump sum payments will be distributed in February 2016 and benefit payments adjusted effective March 1, 2016, with the restored COLA amounts.



Moro Update

11/20/15

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Additionally, PERS has begun the process to reprogram the PERS jClarety system for the blended COLA, to be used for future benefit calculations. We are on schedule to be ready for the 2016 COLA update next July, paid August 1, 2016.

The final accounts impacted by the *Moro* decision are related to deceased accounts and are on hold until after system programming is complete.



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November 20, 2015

TO: Members of the PERS Board  
FROM: Marjorie Taylor, Senior Policy Director  
SUBJECT: Legislative Advisory Committee and Legislative Updates

### PERS LEGISLATIVE ADVISORY COMMITTEE

ORS 238.660(9) charges the PERS Board to act as policy advisor to the Legislative Assembly on legislative proposals for changes to PERS benefits. ORS 238.660(10) requires the Board to appoint a committee to advise the Board on those proposals. The committee must include an equal number of members representing labor and management. In preparation for the 2017 legislative session, staff requests that the Board confirm membership of the Legislative Advisory Committee (LAC).

### RECOMMENDED APPOINTMENTS

The proposed membership is balanced between labor and management representatives, and includes members who participated in previous LAC meetings. Members have been contacted and are willing to serve on the committee.

Name	Representing
Patrick Allen	Oregon Department of Consumer and Business Services
Joe Baessler	American Federation of State, County and Municipal Employees
Rob Bovett	Association of Oregon Counties
Lance Colley	City of Roseburg
Stacy Cowan	Service Employees International Union
Jack Dempsey	Oregon Nurses Association / Oregon State Police Officers Association / Oregon Association of Corrections Employees
Cheri Helt	Oregon School Boards Association
Bob Livingston	Oregon State Fire Fighters Council
Jared Mason-Gere	Oregon Education Association
Tricia Smith	Oregon School Employees Association
Hasina Squires	Special Districts Association of Oregon
Scott Winkels	League of Oregon Cities

### BOARD OPTIONS:

The Board may:

1. Approve the recommended appointments, effective immediately.
2. Direct staff to solicit different or additional candidates for appointment.

### **Staff Recommendation:**

Staff recommends the Board choose Option #1.

### **BOARD MEMBER APPOINTMENTS**

Welcome, Mr. Stephen Buckley, who was approved by the Oregon Senate when they convened in September. Mr. Lawrence Furnstahl's initial appointment to the Board was to expire in mid-December 2015. The Governor recommended his reappointment and Senate confirmation during November legislative days, so Board membership is current until August 2016 when Pat West's term will expire.

### **UPCOMING LEGISLATIVE ACTIVITIES**

The Department of Administrative Services will work with the Governor's Office to coordinate requests and introduction of state agency bills for the 2017 legislative session. PERS staff are considering proposals to share with the LAC and the Board before the April 15, 2016 deadline to submit requests for drafting. As noted in the PERS Board's Forward Looking Calendar, there will be subsequent opportunities for the Board to consider whether to recommend that agency proposals be introduced in the 2017 session. Just to note, there is no structured process for agencies to introduce concepts in the upcoming 2016 session, so we expect our engagement in that session to be reporting on progress towards executing on our 2015-17 agency budget, including associated budget notes and requested updates.



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November 20, 2015

TO: Members of the PERS Board  
FROM: Steven Patrick Rodeman, Executive Director  
SUBJECT: 2014 Valuation Update and Financial Modeling Results

Matt Larrabee and Scott Preppernau of Milliman will follow up their September 25, 2015 Board meeting presentation with the 2014 Valuation Update and Financial Modeling Results. The new presentation is still in development as of the mailing date of these meeting materials. The presentation materials will be posted on the PERS website as soon as they are available and be added to the archived meeting materials.

# FINANCIAL MODELING

## OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

November 20, 2015

Presented by:

Matt Larrabee, FSA, EA

Scott Preppernau, FSA, EA



# Introduction

- In September, we presented preliminary system average valuation results as of December 31, 2014 for the Tier 1/Tier 2 & OPSRP programs
  - December 31, 2014 valuation is advisory, not used to set rates
  - Actual 2017-2019 rates are determined based on the December 31, 2015 valuation at the September 2016 board meeting
- Today's presentation covers long-term financial modeling projections of system average contribution rates and funded status reflecting investment results through October 31, 2015 as published by Oregon State Treasury

# Financial Modeling

## Models and Inputs

- Rates are projected with both a steady return model and a variable return model where investment returns change from year to year
- Modeling starts with liabilities and assumptions from the 12/31/2014 system-wide actuarial valuation
- Modeling uses 12/31/2014 assets adjusted for published regular account returns of 3.3% through October 2015
  - Returns for November and December vary in our model based on scenario

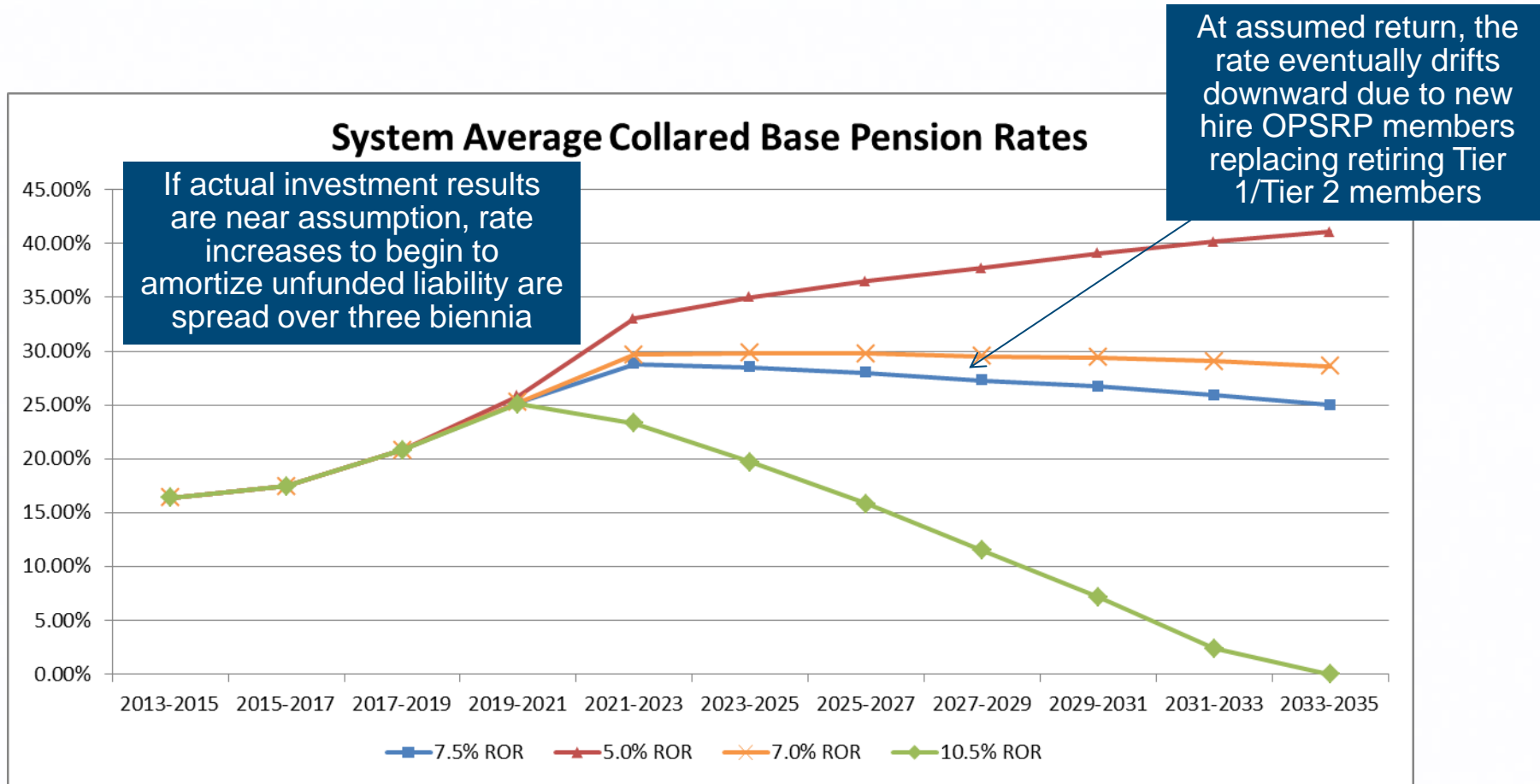
# Financial Modeling

## Comments on System Average Rates

- Projections depict system average funded status and contribution rates
  - Comparable to system average rates shown in September presentation
- No single employer pays the system average rate
- Under most scenarios, the maximum rate increases allowed by the rate collar are anticipated for the next two biennia
  - Primarily driven by benefit changes from *Moro* Supreme Court decision
- Rates shown do not include:
  - Individual Account Plan (IAP) contributions
  - Rates for the RHIA & RHIPA retiree healthcare programs
  - Debt service payments on pension obligation bonds



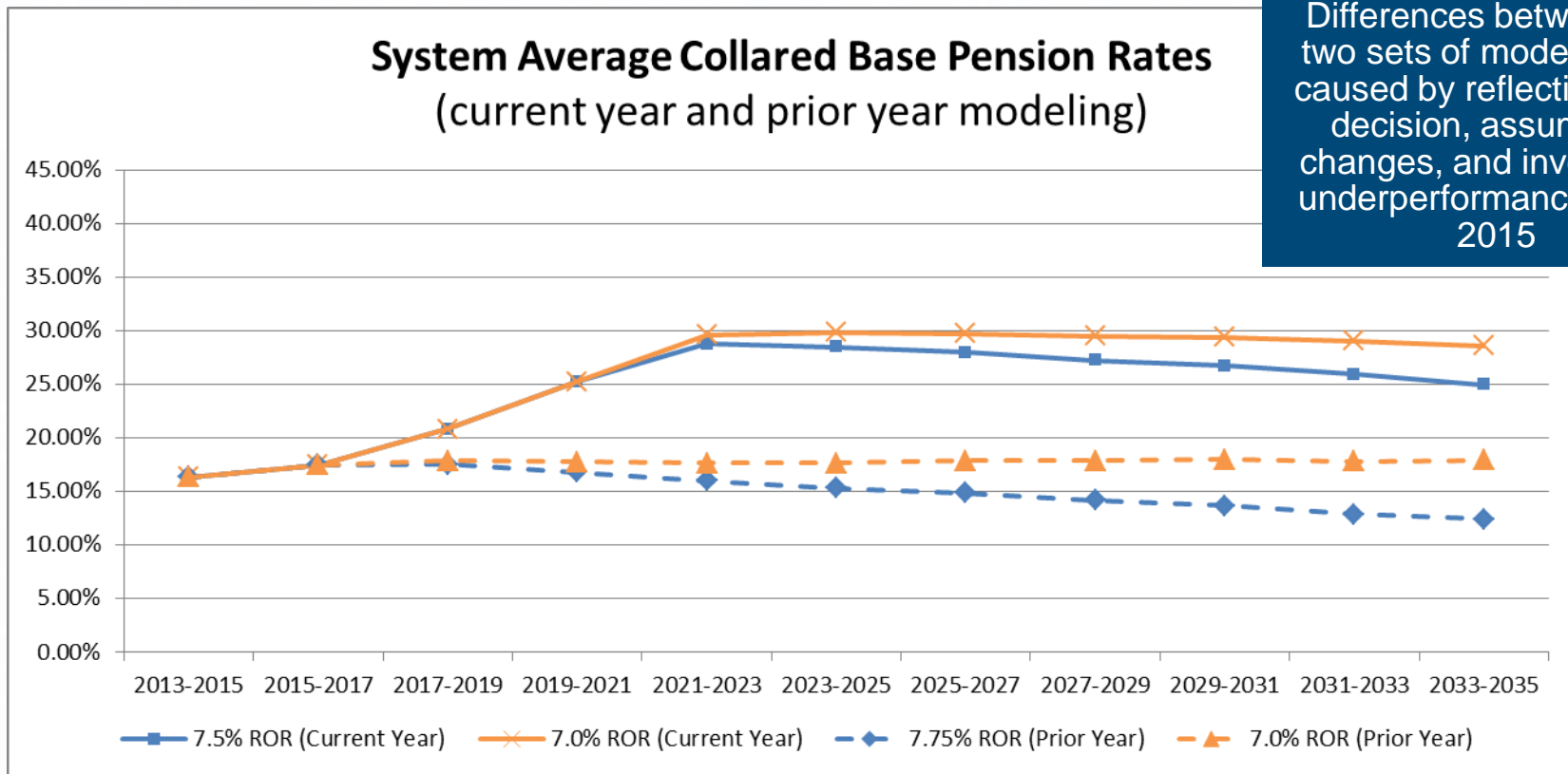
# Steady Return Model Projections



The steady rate model illustrates impact of consistently achieving the assumed 7.50% return and three alternative returns

# Steady Return Model Projections

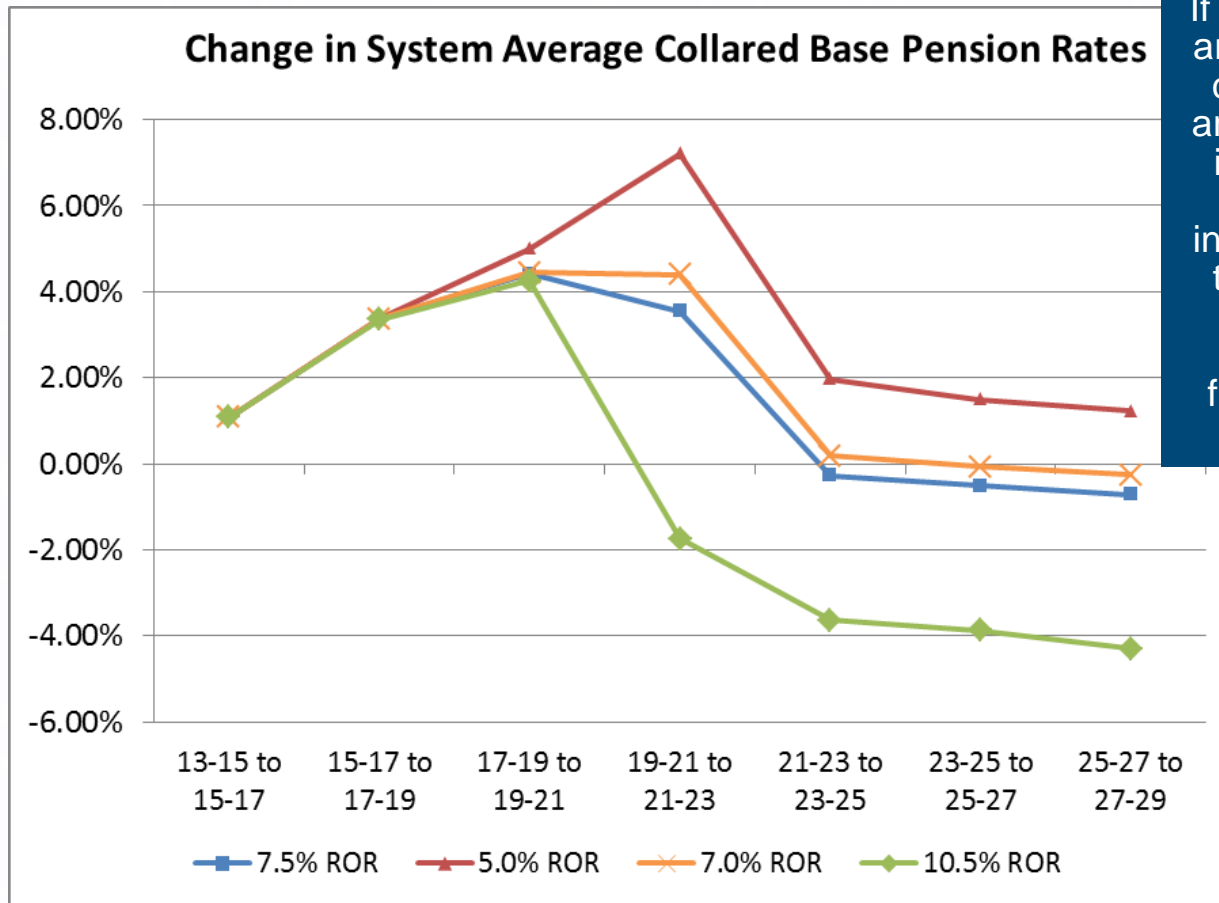
Differences between the two sets of model results caused by reflecting *Moro* decision, assumption changes, and investment underperformance during 2015



- Current Year: reflects *Moro* decision, 12/31/2014 valuation, and investment results through October 2015
- Prior year: pre-*Moro*, 12/31/2013 valuation, and investment results through October 2014

This work product was prepared for discussion purposes only and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Any recipient of this work product who desires professional guidance should engage qualified professionals for advice appropriate to its own specific needs.

# Steady Return Model Projections

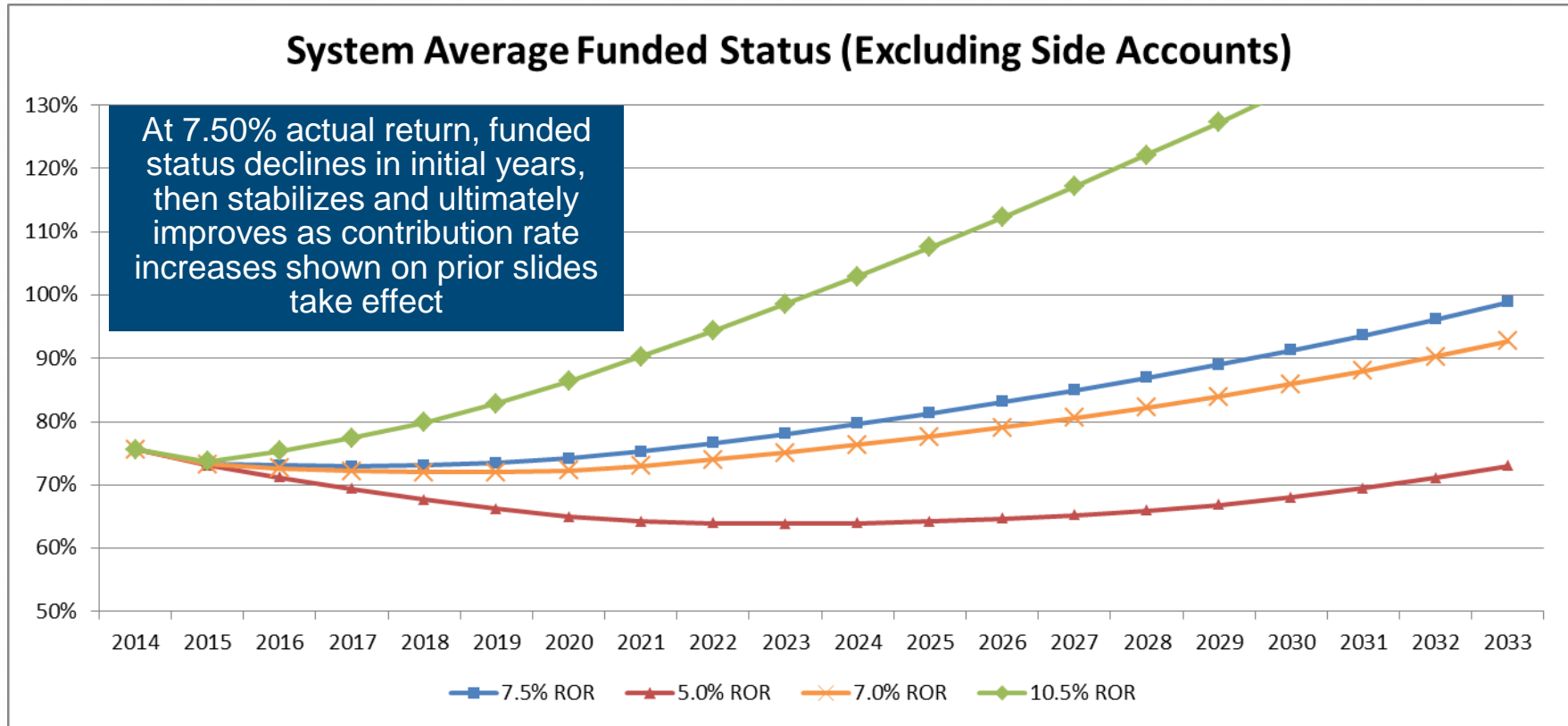


If actual investment returns are near assumption, base contribution increases of around 4% of payroll occur in each of the next three biennia, with those increases being necessary to position the system to return to 100% funded status over 20 years if future experience follows assumptions

Shows biennium to biennium changes under steady return projections

# Steady Return Model Projections

Funded status reaches 100% in 2033 in the model when actual investment returns equal 7.50%



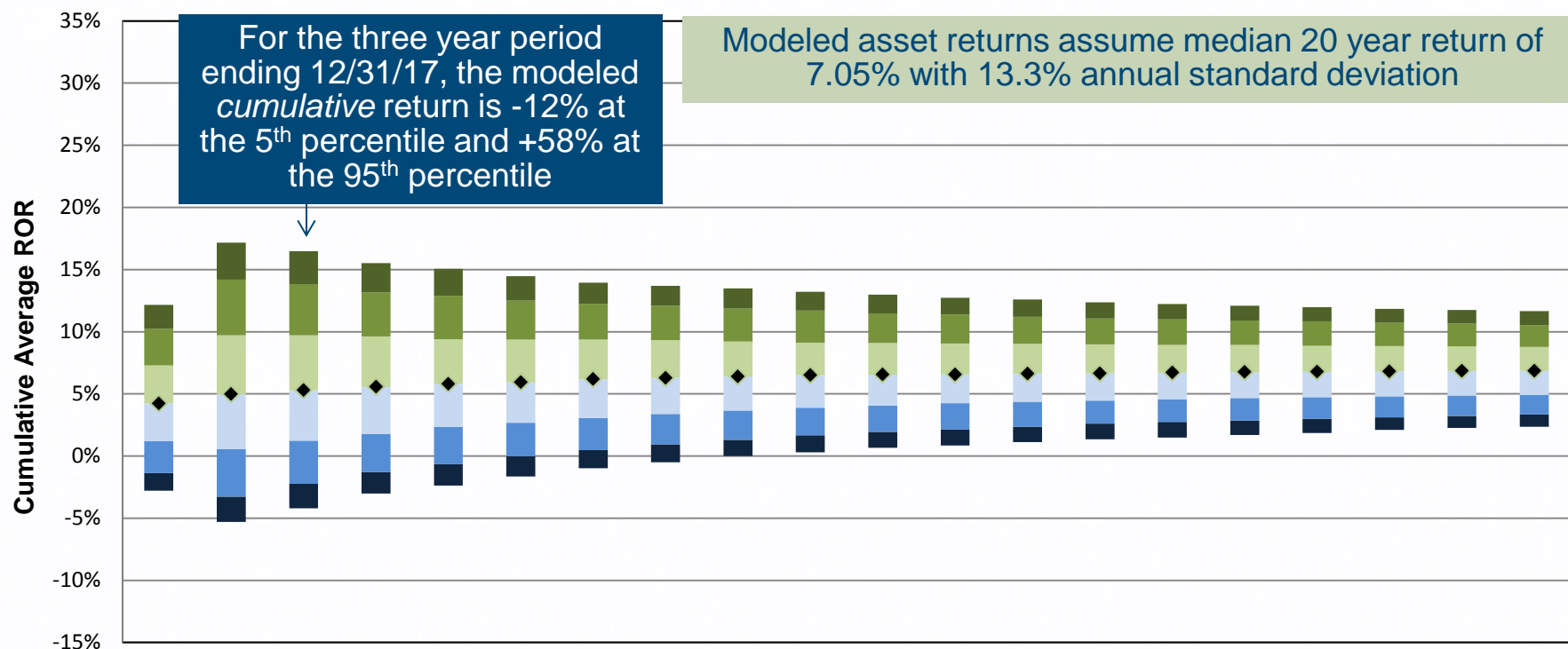
Shows projected funded status under steady return projections

# Variable Return Model

- Model results are likelihood ranges instead of a single amount
  - The distribution is based on a stochastic simulation using 10,000 trials
  - Scenarios were developed by our national capital market specialists, and use the current OPERF target asset allocation policy; for these scenarios, the median annualized average 20-year return is 7.05%
- In our results charts, the dots represent median outcomes
- We display model results from the 5<sup>th</sup> to 95<sup>th</sup> percentiles
  - Ten percent of model outcomes fall outside of the depicted range
- The chart format is demonstrated on the next slide
  - It shows the modeled range of potential future investment returns that could be experienced by the fund
  - Returns are shown as average annualized returns on a calendar year basis, and incorporate published 2015 returns through October 31

# Average Annualized Rate of Investment Return

## Post-2014 Modeled Returns (Geometric Average)

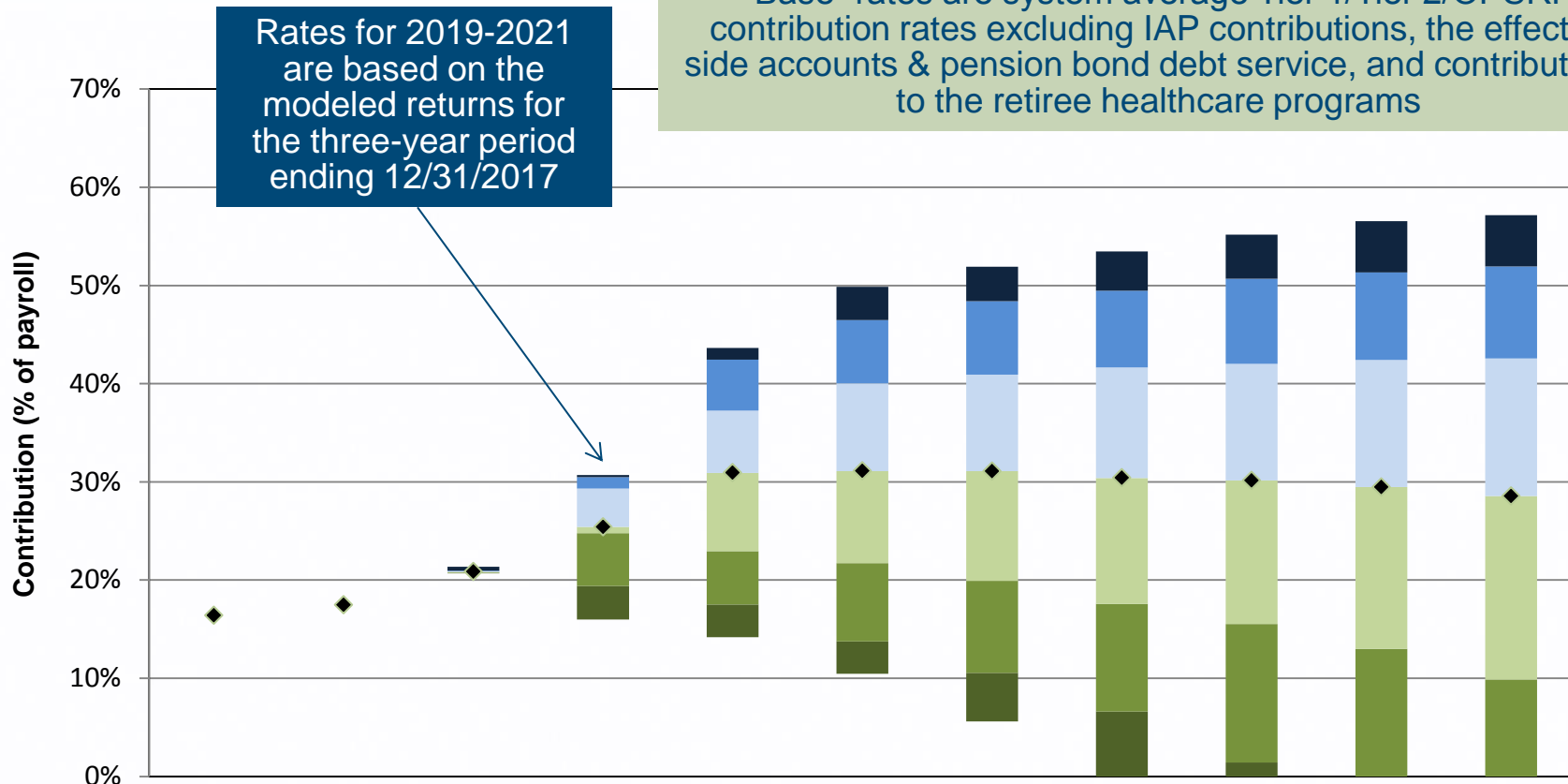


PY Ending 12/31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
95th	12.2%	17.2%	16.5%	15.5%	15.1%	14.5%	13.9%	13.7%	13.5%	13.2%	13.0%	12.7%	12.6%	12.4%	12.2%	12.1%	12.0%	11.8%	11.7%	11.7%
90th	10.2%	14.2%	13.8%	13.2%	12.9%	12.5%	12.3%	12.1%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%
75th	7.3%	9.7%	9.7%	9.6%	9.4%	9.4%	9.4%	9.3%	9.2%	9.1%	9.1%	9.1%	9.0%	9.0%	8.9%	8.9%	8.9%	8.8%	8.8%	8.8%
50th	4.2%	5.0%	5.3%	5.6%	5.8%	5.9%	6.2%	6.3%	6.4%	6.5%	6.5%	6.6%	6.6%	6.6%	6.7%	6.8%	6.8%	6.8%	6.8%	6.9%
25th	1.2%	0.6%	1.2%	1.8%	2.3%	2.7%	3.1%	3.4%	3.7%	3.9%	4.1%	4.3%	4.4%	4.5%	4.6%	4.7%	4.7%	4.8%	4.9%	4.9%
10th	-1.4%	-3.3%	-2.2%	-1.3%	-0.7%	0.0%	0.5%	0.9%	1.3%	1.7%	2.0%	2.1%	2.4%	2.6%	2.7%	2.9%	3.0%	3.1%	3.2%	3.4%
5th	-2.8%	-5.3%	-4.2%	-3.0%	-2.4%	-1.6%	-1.0%	-0.5%	0.0%	0.3%	0.7%	0.9%	1.1%	1.4%	1.5%	1.7%	1.9%	2.1%	2.3%	2.4%

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# Collared System Average Base Contribution Rates

“Base” rates are system average Tier 1/Tier 2/OPSRP contribution rates excluding IAP contributions, the effect of side accounts & pension bond debt service, and contributions to the retiree healthcare programs



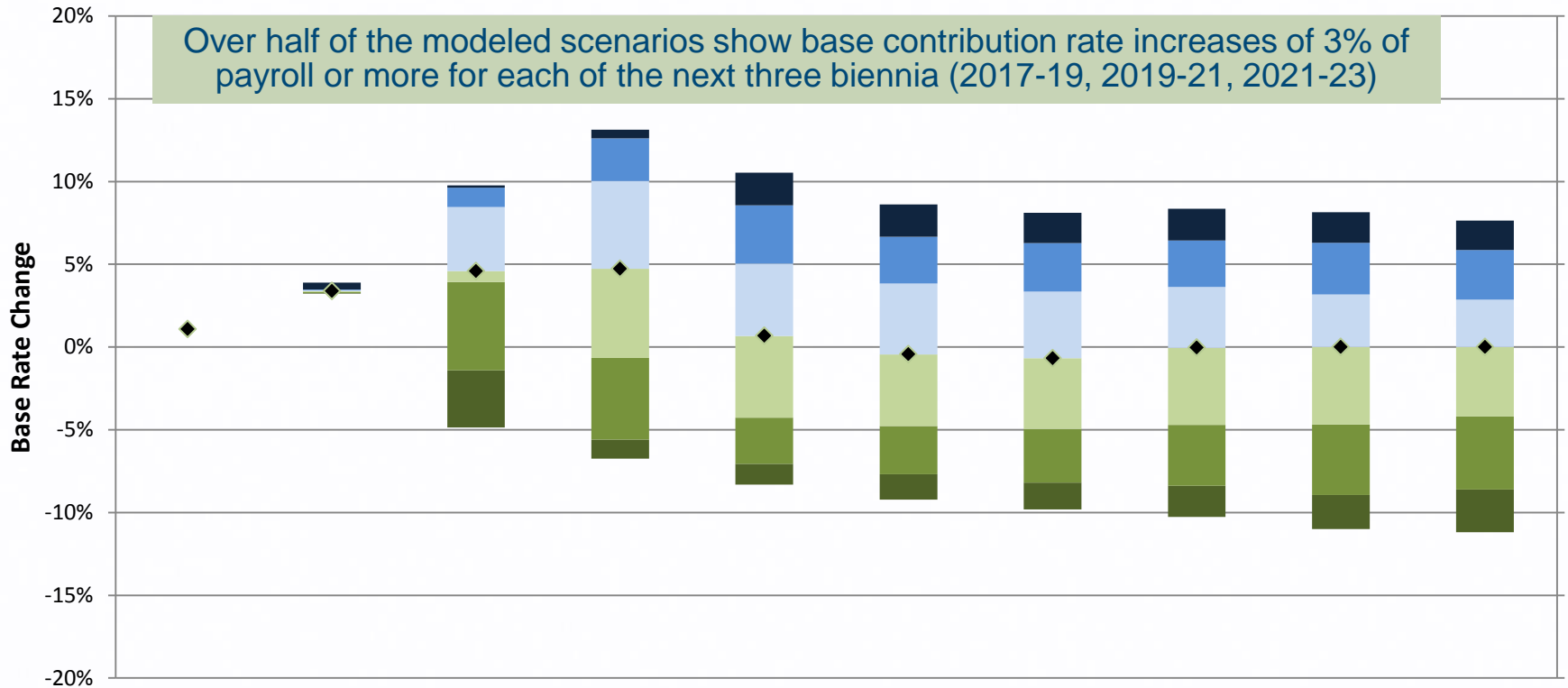
Biennium	2013-2015	2015-2017	2017-2019	2019-2021	2021-2023	2023-2025	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
5th	16.4%	17.5%	21.4%	30.7%	43.6%	49.9%	51.9%	53.5%	55.2%	56.5%	57.2%
10th	16.4%	17.5%	20.9%	30.5%	42.4%	46.5%	48.4%	49.5%	50.7%	51.3%	52.0%
25th	16.4%	17.5%	20.9%	29.3%	37.2%	40.0%	40.9%	41.7%	42.0%	42.4%	42.6%
50th	16.4%	17.5%	20.8%	25.4%	30.9%	31.1%	31.1%	30.4%	30.1%	29.5%	28.5%
75th	16.4%	17.5%	20.8%	24.8%	22.9%	21.7%	19.9%	17.6%	15.5%	13.0%	9.9%
90th	16.4%	17.5%	20.7%	19.4%	17.5%	13.7%	10.6%	6.6%	1.4%	0.0%	0.0%
95th	16.4%	17.5%	20.7%	16.0%	14.2%	10.5%	5.6%	0.0%	0.0%	0.0%	0.0%

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# Collared System Average Base Contribution Rates

## Biennium to Biennium Changes



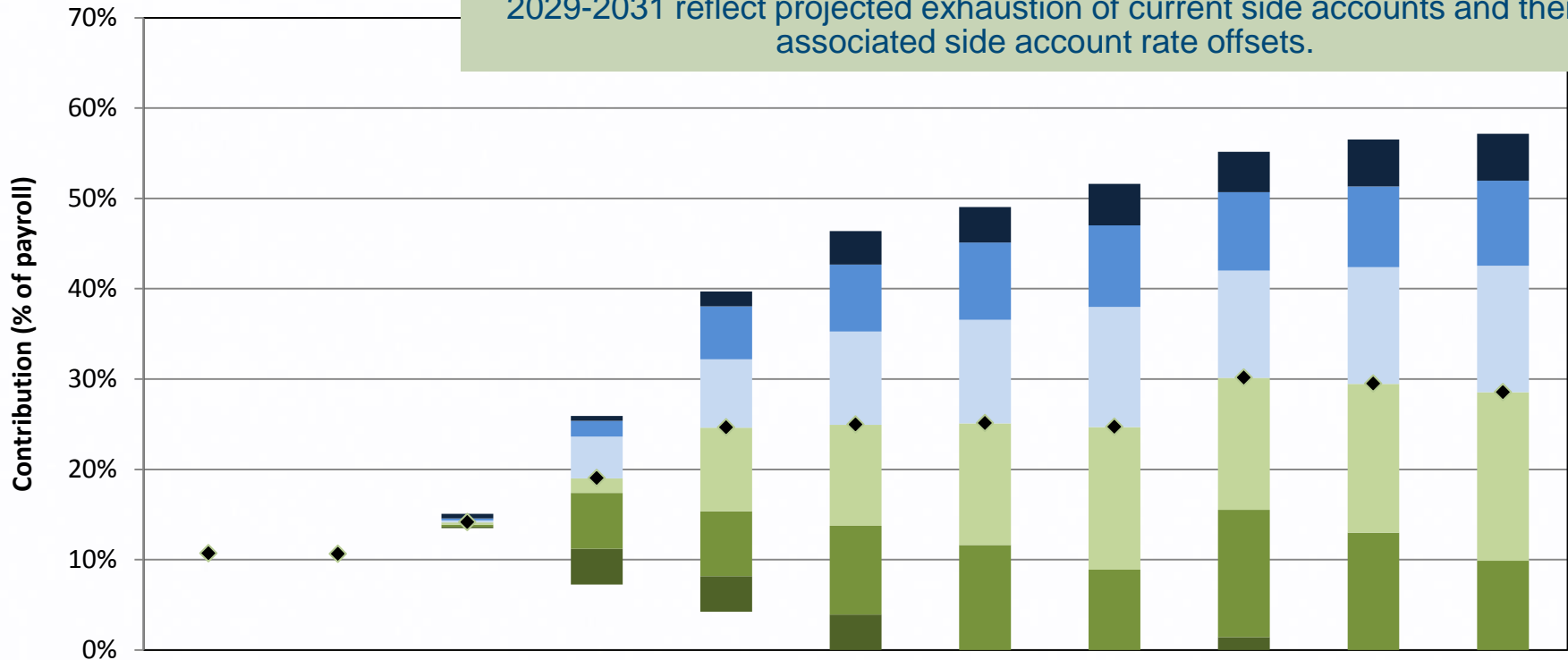
Change from:	13-15 to 15-17	15-17 to 17-19	17-19 to 19-21	19-21 to 21-23	21-23 to 23-25	23-25 to 25-27	25-27 to 27-29	27-29 to 29-31	29-31 to 31-33	31-33 to 33-35
5th	1.1%	3.9%	9.8%	13.1%	10.5%	8.6%	8.1%	8.4%	8.1%	7.6%
10th	1.1%	3.5%	9.6%	12.6%	8.6%	6.7%	6.3%	6.4%	6.3%	5.9%
25th	1.1%	3.4%	8.5%	10.0%	5.0%	3.8%	3.4%	3.6%	3.2%	2.9%
50th	1.1%	3.4%	4.6%	4.7%	0.7%	-0.4%	-0.7%	0.0%	0.0%	0.0%
75th	1.1%	3.3%	3.9%	-0.7%	-4.3%	-4.8%	-5.0%	-4.7%	-4.7%	-4.2%
90th	1.1%	3.3%	-1.4%	-5.6%	-7.1%	-7.7%	-8.2%	-8.4%	-8.9%	-8.6%
95th	1.1%	3.2%	-4.9%	-6.7%	-8.3%	-9.2%	-9.8%	-10.3%	-11.0%	-11.2%

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# System Average Net Contribution Rates

“Net” rates are base rates adjusted to reflect the projected effect of side account rate offsets and pre-SLGRP rate offsets. Net rate increases in 2029-2031 reflect projected exhaustion of current side accounts and their associated side account rate offsets.



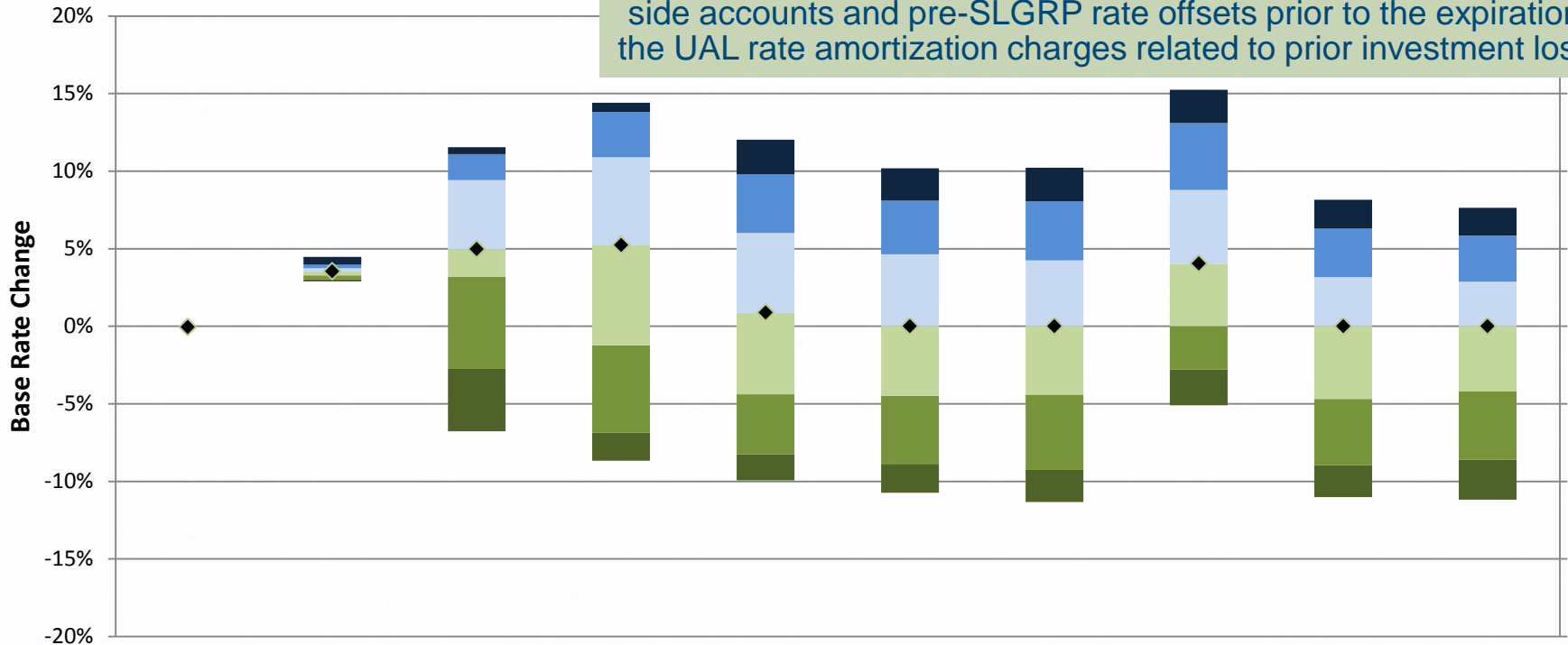
Biennium	2013-2015	2015-2017	2017-2019	2019-2021	2021-2023	2023-2025	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
5th	10.7%	10.6%	15.1%	25.9%	39.7%	46.4%	49.1%	51.6%	55.2%	56.5%	57.2%
10th	10.7%	10.6%	14.6%	25.4%	38.0%	42.7%	45.1%	47.0%	50.7%	51.3%	52.0%
25th	10.7%	10.6%	14.4%	23.6%	32.2%	35.2%	36.6%	38.0%	42.0%	42.4%	42.6%
50th	10.7%	10.6%	14.1%	19.0%	24.6%	24.9%	25.1%	24.7%	30.1%	29.5%	28.5%
75th	10.7%	10.6%	13.9%	17.4%	15.4%	13.7%	11.6%	8.9%	15.5%	13.0%	9.9%
90th	10.7%	10.6%	13.7%	11.2%	8.2%	3.9%	0.0%	0.0%	1.4%	0.0%	0.0%
95th	10.7%	10.6%	13.5%	7.3%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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# System Average Net Contribution Rates

## Biennium to Biennium Changes

The July 2029 increase is related to the projected exhaustion of side accounts and pre-SLGRP rate offsets prior to the expiration of the UAL rate amortization charges related to prior investment losses

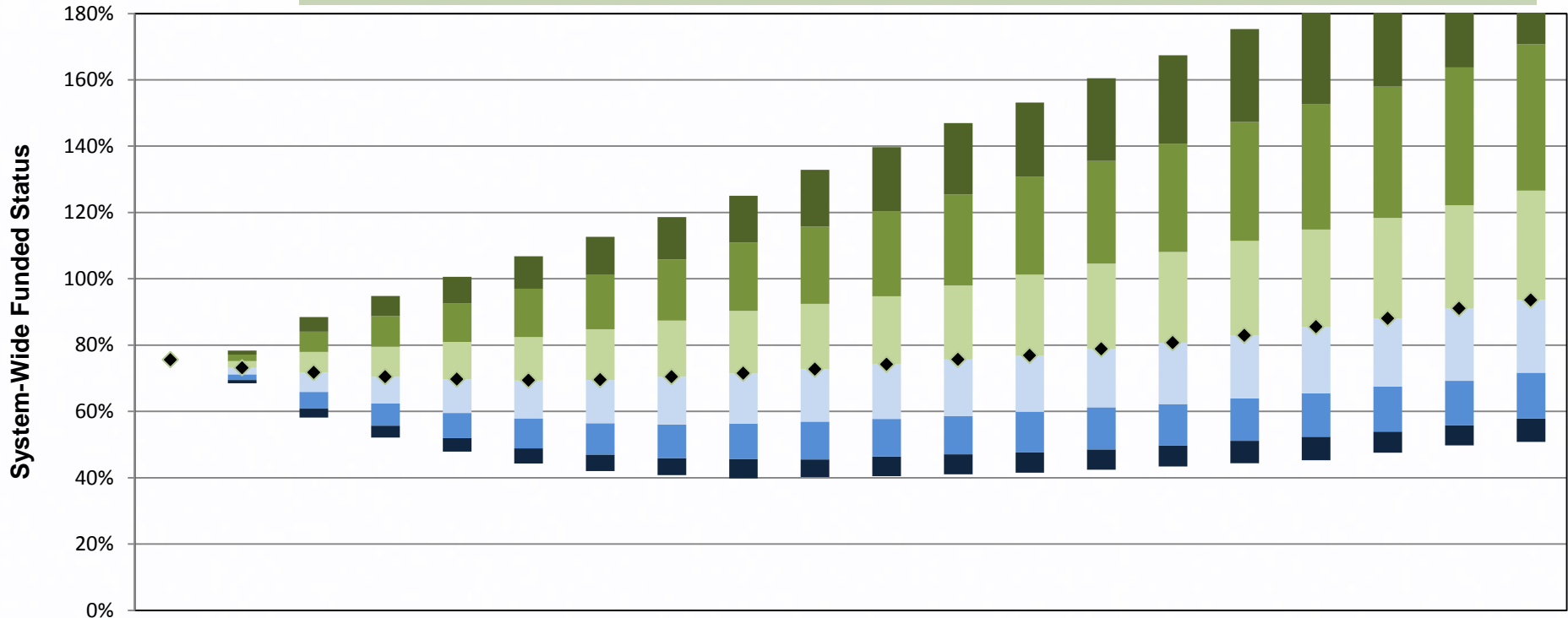


Change from:	13-15 to 15-17	15-17 to 17-19	17-19 to 19-21	19-21 to 21-23	21-23 to 23-25	23-25 to 25-27	25-27 to 27-29	27-29 to 29-31	29-31 to 31-33	31-33 to 33-35
5th	-0.1%	4.5%	11.5%	14.4%	12.0%	10.2%	10.2%	15.2%	8.1%	7.6%
10th	-0.1%	4.0%	11.1%	13.8%	9.8%	8.1%	8.1%	13.1%	6.3%	5.9%
25th	-0.1%	3.8%	9.4%	10.9%	6.0%	4.6%	4.3%	8.8%	3.2%	2.9%
50th	-0.1%	3.5%	5.0%	5.2%	0.9%	0.0%	0.0%	4.0%	0.0%	0.0%
75th	-0.1%	3.3%	3.2%	-1.2%	-4.4%	-4.5%	-4.4%	0.0%	-4.7%	-4.2%
90th	-0.1%	3.0%	-2.7%	-6.9%	-8.3%	-8.9%	-9.3%	-2.8%	-8.9%	-8.6%
95th	-0.1%	2.9%	-6.8%	-8.7%	-9.9%	-10.7%	-11.3%	-5.1%	-11.0%	-11.2%

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# Funded Status (Excluding Side Accounts)

At the 50<sup>th</sup> percentile, funded status is 73% at year-end 2015, and decreases by 3-4% over the next four years before starting to improve, reaching 93% by the end of 2033



PY Ending 12/31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
95th	75.6%	78.4%	88.5%	94.8%	100.6%	106.8%	112.7%	118.6%	125.0%	132.9%	139.7%	147.0%	153.2%	160.5%	167.4%	175.3%	184.6%	192.0%	201.6%	208.7%
90th	75.6%	77.1%	84.1%	88.8%	92.5%	97.0%	101.1%	105.8%	110.9%	115.7%	120.4%	125.4%	130.8%	135.6%	140.7%	147.3%	152.7%	158.0%	163.7%	170.7%
75th	75.6%	75.2%	77.9%	79.5%	81.0%	82.4%	84.8%	87.4%	90.4%	92.4%	94.8%	98.0%	101.2%	104.6%	108.1%	111.4%	114.8%	118.3%	122.2%	126.6%
50th	75.6%	73.1%	71.7%	70.4%	69.6%	69.3%	69.5%	70.4%	71.4%	72.7%	74.2%	75.6%	76.9%	78.8%	80.7%	82.8%	85.5%	88.0%	91.0%	93.6%
25th	75.6%	71.2%	65.9%	62.3%	59.6%	57.9%	56.4%	56.0%	56.3%	56.9%	57.8%	58.6%	59.9%	61.2%	62.2%	63.9%	65.4%	67.5%	69.2%	71.6%
10th	75.6%	69.5%	60.8%	55.7%	51.9%	48.8%	47.0%	45.9%	45.7%	45.5%	46.4%	47.0%	47.7%	48.5%	49.8%	51.1%	52.4%	53.9%	55.8%	57.8%
5th	75.6%	68.5%	58.1%	52.1%	47.9%	44.3%	42.0%	40.8%	39.8%	40.2%	40.4%	41.0%	41.5%	42.4%	43.4%	44.3%	45.3%	47.5%	49.7%	50.8%

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# Variable Return Model Stress Test

- Similar to last year, we also used the variable return model to do a “stress test” of the likelihood of certain events in the 10,000 scenarios modeled
- The likelihood of specified events occurring at some point during the 20 year projection period is shown below

## Likelihood of Event Occurring at Some Point in Next 20 Years

Funded Status (Excluding Side Accounts) > 100%	60%
Funded Status (Excluding Side Accounts) < 60%	61%
Funded Status (Excluding Side Accounts) < 40%	13%
Base Rate (Excluding Retiree Healthcare) >30% of Pay	74%

# Variable Return Model Stress Test

- Likelihood in the model of a rate increase exceeding a selected threshold in at least one of the next three biennial rate changes
  - Changes at July 2017, July 2019, and July 2021

Likelihood of a Biennial Rate Increase Exceeding Threshold at Some Point in Next Three Biennia		
<u>Threshold Increase</u>	<u>Base Rate</u>	<u>Net Rate</u>
3% of Pay	>99%	98%
4% of Pay	82%	80%
5% of Pay	63%	67%

# Variable Return Model Stress Test

- Likelihood in the model of a rate increase exceeding a selected threshold at the July 2019 rate change

Likelihood of the July 2019 Rate Increase Exceeding Threshold		
<u>Threshold Increase</u>	<u>Base Rate</u>	<u>Net Rate</u>
3% of Pay	79%	76%
4% of Pay	74%	66%
5% of Pay	46%	49%

# Variable Return Model Stress Test

- Likelihood in the model of cumulative 2019 and 2021 rate increases exceeding a selected threshold

## Likelihood of Cumulative 2019 and 2021 Rate Increases Exceeding Threshold

<u>Threshold Increase</u>	<u>Base Rate</u>	<u>Net Rate</u>
6% of Pay	64%	63%
8% of Pay	57%	57%
10% of Pay	50%	51%

# Advisory 2017-2019 Individual Employer Rates

- Advisory 2017-2019 employer-specific contribution rates from the December 31, 2014 actuarial valuation are included with today's Board materials and posted on PERS' website
  - PERS is distributing full reports to each individual employer
- Individual employer rate changes can vary from behavior of system-average results for several reasons, including:
  - Side accounts
  - Changes in payroll significantly different than assumed
    - Affects rate offset for side accounts, and rate charge/offset for Transition Liability/Surplus amounts for SLGRP employers
  - Employer demographic changes
    - Especially for independent employers or SLGRP employers with a change in the split between Police & Fire versus General Service



# Wrap Up / Next Steps

- Questions?
- At the January meeting, preliminary year-end 2015 investment results will be available
  - We can then comment on estimated impact on the 12/31/2015 valuation results, which will develop 2017 – 2019 contribution rates

# Certification

This presentation summarizes deterministic and stochastic modeling for the Oregon Public Employees Retirement System (“PERS” or “the System”) over a 20 year period beginning December 31, 2014 under a wide range of potential economic scenarios. The results are based upon the same assumptions, methods, and plan provisions as described in the December 31, 2014 System-Wide Actuarial Valuation Report, except where noted otherwise.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the System’s staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the System.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan’s funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The PERS Board has the final decision regarding the appropriateness of the assumptions.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the System. The computations prepared for other purposes may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System’s funding requirements and goals.

# Certification

The calculations in this report have been made on a basis consistent with our understanding of the plan provisions described in the appendix of this report. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of the Oregon Public Employees Retirement System. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

# Appendix

## Actuarial Basis Data

We have based our calculation of the liabilities on the data supplied by the Oregon Public Employees Retirement System and summarized in the Valuation Report.

Assets as of December 31, 2014, were based on values provided by Oregon PERS reflecting the Board's earnings crediting decisions for 2014, as shown in the Valuation Report. Financial model projections reflect October 31, 2015 investment results for regular and variable accounts as published by Oregon State Treasury.

### **Methods / Policies**

*Actuarial Cost Method:* Entry Age Normal, adopted effective December 31, 2012.

*UAL Amortization:* The UAL for OPSRP and Retiree Health Care as of December 31, 2007 are amortized as a level percentage of combined valuation payroll over a closed 16 year period for OPSRP and a closed 10 year period for Retiree Health Care. For the Tier 1/Tier 2 UAL, the amortization period was reset at 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over the amortization period (20 years for Tier/Tier 1, 16 years for OPSRP, 10 years for Retiree Health Care) from the odd-year valuation in which they are first recognized.

# Appendix

## Actuarial Basis

### Methods / Policies (cont'd)

*Contribution rate stabilization method:* Contribution rates for a rate pool (e.g. Tier 1/Tier 2 SLGRP, Tier 1/Tier 2 School Districts, OPSRP) are confined to a collar based on the prior contribution rate (prior to application of side accounts, pre-SLGRP liabilities, and 6 percent Independent Employer minimum). The new contribution rate will generally not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20 percent of the prior contribution rate. If the funded percentage excluding side accounts drops below 60% or increases above 140%, the size of the collar doubles. If the funded percentage excluding side accounts is between 60% and 70% or between 130% and 140%, the size of the rate collar is increased on a graded scale.

*Expenses:* OPSRP administration expenses are assumed to be equal to \$5.5M and are added to the OPSRP normal cost. Tier 1/Tier 2 administration expenses are assumed to be equal to \$33M and are added to the Tier 1/Tier 2 normal cost.

*Actuarial Value of Assets:* Equal to Market Value of Assets excluding Contingency and Tier 1 Rate Guarantee Reserves. The Tier 1 Rate Guarantee Reserve is not excluded from assets if it is negative (i.e. in deficit status).

### Assumptions

Assumptions for valuation calculations are as described in the 2014 Experience Study for Oregon PERS.

### Provisions

Provisions valued are as detailed in the Valuation Report.

# Appendix

## Rate Projection Basis

### Assumptions

In general, all assumptions are as described in the 2014 Experience Study Report.

The major assumptions used in our projections are shown below. They are aggregate average assumptions that apply to the whole population and were held constant throughout the projection period. The economic experience adjustments were allowed to vary in future years given the conditions defined in each economic scenario.

- Valuation interest rate – 7.50%
- Tier 1 Regular account growth – 7.50%
- Actual fund investment return– Varies by scenario according to capital market assumptions
- Variable account growth – Equal to investment return on public equity portion of the fund
- Inflation assumption – 2.50%
- Inflation experience – Varies by scenario according to capital market assumptions
- Wage growth assumption – 3.50%
- Wage growth experience– 1.00% greater than inflation experience
- Demographic experience – as described in 2014 Experience Study report

# Appendix

## Rate Projection Basis

### Reserve Projection

Contingency Reserve as of 12/31/2014 was assumed to be \$651.2M. No future increases or decreases to this reserve were assumed.

The Tier 1 Rate Guarantee Reserve (“RGR”) was assumed to be \$446.0M as of 12/31/2014. The reserve was assumed to grow with returns in excess of 7.50% on Tier 1 Member Accounts. When aggregate returns were below 7.50%, applicable amounts from the RGR were transferred to Tier 1 Member Accounts to maintain the 7.50% target growth on the member accounts. The RGR reserve is allowed to be negative, but the reserve is not excluded from valuation assets when it is negative. We did not include in rates any potential additional employer levy that could be required to eliminate a persistent negative RGR.

# Appendix

## Rate Projection Basis

### Capital Market Model

For each 20-year projection, we ran 10,000 stochastic scenarios for inflation and asset class rates of return. The scenarios were calibrated to represent Milliman's capital market assumptions in terms of expected average returns, the expected year-to-year volatility of the returns, and the expected correlation between the returns of different asset classes. Annual rates of return for each of the asset classes and inflation are generated from a multivariate lognormal probability distribution. Rates of return are independent from year to year.

For this purpose, we considered the Oregon PERS Fund to be allocated among the model's asset classes as shown below. This allocation is based on the OIC's Statement of Investment Objectives and Policy Framework for the Oregon PERS Fund, as revised December 3, 2014, and changes adopted in June 2015

	<b>Annual Arithmetic Mean</b>	<b>20-Year Annualized Geometric Mean</b>	<b>Annual Standard Deviation</b>	<b>Policy Allocation</b>
US Broad Equity	7.91%	6.62%	17.26%	<b>18.37%</b>
Non-US Developed Large/Mid-Cap Equity	8.54%	6.92%	19.40%	<b>15.00%</b>
Emerging Markets Equity	10.73%	7.42%	28.45%	<b>4.13%</b>
Private Equity	11.51%	7.87%	30.00%	<b>17.50%</b>
US Universal Fixed Income	4.29%	4.19%	4.68%	<b>8.00%</b>
US Short Duration Bonds	3.76%	3.73%	2.74%	<b>8.00%</b>
Leveraged Loans	5.90%	5.62%	7.82%	<b>3.00%</b>
High Yield	6.81%	6.34%	10.28%	<b>1.00%</b>
Real Estate	6.51%	5.87%	12.00%	<b>10.00%</b>
Global REITs	8.44%	6.37%	22.02%	<b>2.50%</b>
Natural Resources	6.62%	5.87%	13.00%	<b>2.81%</b>
Infrastructure	8.05%	6.87%	16.50%	<b>3.75%</b>
Commodities	6.16%	4.67%	18.40%	<b>2.81%</b>
Hedge Funds	6.79%	6.42%	9.08%	<b>3.13%</b>
US Inflation (CPI-U)	2.50%	2.50%	1.85%	<b>N/A</b>
<b>Fund Total (reflecting asset class correlations)</b>	<b>7.82%</b>	<b>7.05%</b>	<b>13.25%</b>	<b>100%</b>

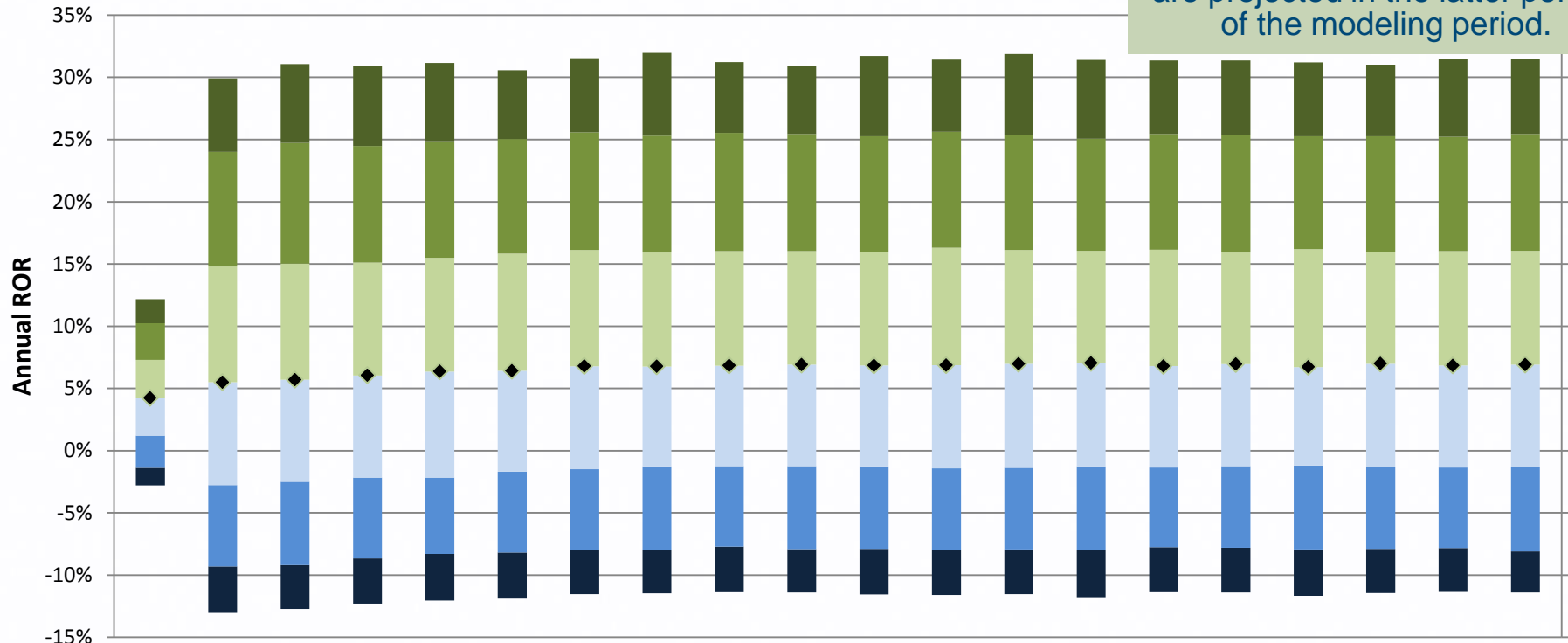
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# PERS Fund Rate of Return

## Single Calendar Year Investment Returns

Our capital market outlook model projects lower median returns in the first five years following 2015 due to current low yields on fixed income. Higher median returns are projected in the latter portion of the modeling period.



PY Ending 12/31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
95th	12.2%	29.9%	31.1%	30.9%	31.2%	30.6%	31.5%	32.0%	31.2%	30.9%	31.7%	31.4%	31.9%	31.4%	31.4%	31.4%	31.2%	31.0%	31.5%	31.4%
90th	10.2%	24.0%	24.7%	24.5%	24.9%	25.1%	25.6%	25.3%	25.5%	25.5%	25.3%	25.6%	25.4%	25.1%	25.5%	25.4%	25.3%	25.3%	25.2%	25.5%
75th	7.3%	14.8%	15.0%	15.1%	15.5%	15.8%	16.1%	15.9%	16.0%	16.0%	16.0%	16.3%	16.1%	16.1%	16.2%	15.9%	16.2%	16.0%	16.0%	16.1%
50th	4.2%	5.5%	5.7%	6.0%	6.4%	6.4%	6.8%	6.8%	6.8%	6.9%	6.8%	6.9%	7.0%	7.1%	6.8%	7.0%	6.7%	7.0%	6.8%	6.9%
25th	1.2%	-2.8%	-2.5%	-2.2%	-2.2%	-1.7%	-1.5%	-1.3%	-1.3%	-1.3%	-1.3%	-1.4%	-1.4%	-1.3%	-1.4%	-1.3%	-1.2%	-1.3%	-1.4%	-1.3%
10th	-1.4%	-9.3%	-9.2%	-8.7%	-8.3%	-8.2%	-8.0%	-8.0%	-7.7%	-7.9%	-7.9%	-8.0%	-7.9%	-8.0%	-7.8%	-7.8%	-7.9%	-7.9%	-7.8%	-8.1%
5th	-2.8%	-13.0%	-12.7%	-12.3%	-12.0%	-11.9%	-11.5%	-11.5%	-11.4%	-11.4%	-11.6%	-11.6%	-11.5%	-11.8%	-11.4%	-11.4%	-11.7%	-11.4%	-11.4%	-11.4%

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----- Independent Employers -----									
----- City -----									
2167	City of Athena		7.52%	4.31%	8.42%		10.89%	7.46%	12.26%
2106	City of Beaverton		14.76%	7.82%	11.93%		18.13%	9.10%	13.90%
2107	City of Bend		15.78%	8.79%	12.90%		20.00%	10.97%	15.77%
2149	City of Canyonville		14.28%	8.08%	12.19%		17.65%	9.70%	14.50%
2186	City of Chiloquin		10.96%	5.22%	9.33%		14.33%	6.59%	11.39%
2162	City of Clatskanie		15.80%	9.40%	13.51%		19.17%	10.74%	15.54%
2152	City of Coos Bay		17.11%	8.81%	12.92%		20.67%	9.67%	14.47%
2165	City of Cornelius		12.79%	7.42%	11.53%		16.16%	10.31%	15.11%
2127	City of Cottage Grove		17.64%	9.15%	13.26%		21.31%	11.06%	15.86%
2257	City of Culver		14.15%	7.83%	11.94%		17.52%	9.67%	14.47%
2262	City of Dufur		16.49%	10.75%	14.86%		19.93%	12.57%	17.37%
2282	City of Eagle Point		15.07%	8.31%	12.42%		18.44%	9.49%	14.29%
2111	City of Eugene		17.50%	10.05%	14.16%		21.14%	11.74%	16.54%
2248	City of Fossil		9.55%	5.51%	9.62%		12.92%	7.19%	11.99%
2309	City of Gearhart		12.85%	5.03%	9.14%		16.22%	5.85%	10.65%
2264	City of Gervais		11.51%	8.39%	12.50%		14.88%	11.13%	15.93%
2250	City of Gold Beach		14.12%	8.14%	12.25%		17.49%	10.76%	15.56%
2114	City of Gresham		11.67%	3.55%	7.66%		14.97%	4.29%	9.09%
2210	City of Helix		9.49%	5.51%	9.62%		12.86%	7.55%	12.35%
2115	City of Hillsboro		16.01%	9.84%	13.95%		19.38%	11.21%	16.01%
2222	City of Jacksonville		15.10%	8.21%	12.32%		18.47%	6.54%	11.34%
2232	City of Joseph		17.39%	13.00%	17.11%		21.01%	15.18%	19.98%
2279	City of Keizer		14.09%	6.19%	10.30%		17.46%	6.97%	11.77%
2283	City of Maupin		9.60%	2.43%	6.54%		12.97%	3.76%	8.56%
2246	City of Merrill		6.61%	0.45%	0.45%		9.98%	0.43%	1.93%
2195	City of Metolius		6.61%	0.45%	0.45%		7.01%	0.43%	0.43%
2290	City of Molalla		11.56%	4.42%	8.53%		14.93%	5.77%	10.57%
2174	City of Mt Angel		10.68%	5.20%	9.31%		14.05%	6.28%	11.08%
2118	City of Ontario		22.69%	14.89%	19.00%		27.37%	16.25%	21.05%
2215	City of Powers		6.61%	0.45%	0.45%		7.01%	0.43%	0.46%
2218	City of Prairie City		9.26%	6.22%	10.33%		12.63%	9.38%	14.18%
2146	City of Prineville		14.57%	7.36%	11.47%		11.94%	3.97%	8.77%
2297	City of Rainier		12.85%	4.27%	8.38%		16.22%	4.66%	9.46%
2101	City of Salem		15.82%	8.62%	12.73%		20.19%	10.90%	15.70%
2219	City of Sheridan		11.53%	5.39%	9.50%		14.90%	7.06%	11.86%
2213	City of Stanfield		6.61%	0.45%	0.45%		10.11%	0.43%	1.93%
2129	City of Sweet Home		6.61%	0.45%	0.81%		9.98%	0.89%	5.69%
2261	City of Waldport		8.83%	3.03%	7.14%		12.20%	4.61%	9.41%
2206	City of Weston		8.63%	4.69%	8.80%		12.00%	5.55%	10.35%

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<b>Independent Employers</b>								
<b>City</b>								
2189	City of Willamina		6.61%	0.45%	3.28%	7.01%	0.43%	3.66%
2253	Town of Butte Falls		9.55%	0.45%	0.45%	12.92%	4.57%	9.37%
<b>County</b>								
2001	Clackamas County		18.89%	12.23%	16.34%	22.81%	14.25%	19.05%
2002	Curry County		18.19%	7.56%	11.67%	21.97%	10.06%	14.86%
2003	Douglas County		26.48%	17.25%	21.36%	31.92%	20.19%	24.99%
2006	Jefferson County		16.21%	8.98%	13.09%	19.59%	10.56%	15.36%
2008	Lane County		15.11%	8.51%	12.62%	18.48%	10.01%	14.81%
2014	Linn County		18.96%	11.60%	15.71%	22.89%	13.53%	18.33%
2039	Malheur County		14.30%	6.94%	11.05%	17.67%	8.08%	12.88%
2037	Polk County		17.13%	10.12%	14.23%	20.70%	11.84%	16.64%
2050	Wallowa County		7.66%	1.17%	5.28%	11.03%	0.43%	5.14%
2015	Yamhill County		12.85%	7.19%	11.30%	16.22%	8.18%	12.98%
<b>Special Districts</b>								
2664	Applegate Valley Rural Fire Protection District #9		14.13%	7.15%	11.26%	17.50%	8.22%	13.02%
2702	Banks Fire District #13		18.28%	12.40%	16.51%	23.45%	14.33%	19.13%
2596	Bend Parks & Recreation		12.45%	7.52%	11.63%	15.82%	10.26%	15.06%
2648	Black Butte Ranch Rural Fire Protection District		12.85%	3.41%	7.52%	16.22%	3.10%	7.90%
2833	Boardman Rural Fire Protection District		18.25%	8.23%	12.34%	22.04%	9.25%	14.05%
2779	Brownsville Rural Fire Protection District		12.74%	3.65%	7.76%	16.11%	4.64%	9.44%
2569	Central Oregon Intergovernmental Council		13.84%	8.47%	12.58%	17.21%	11.16%	15.96%
2678	Central Oregon Regional Housing Authority		9.12%	6.50%	10.61%	12.49%	9.97%	14.77%
2645	Chiloquin Agency Lake Rural Fire Protection District		14.65%	2.97%	7.08%	18.02%	16.18%	20.98%
2518	Clackamas County Housing Authority		17.64%	10.83%	14.94%	21.31%	13.92%	18.72%
2870	Clackamas River Water Providers		8.91%	9.02%	13.13%	11.16%	10.71%	15.51%
2679	Columbia River Public Utility District		13.68%	9.60%	13.71%	17.05%	12.06%	16.86%
2828	Deschutes Public Library District		13.02%	9.13%	13.24%	16.39%	11.13%	15.93%
2527	Deschutes Valley Water District		19.37%	13.24%	17.35%	23.39%	16.28%	21.08%
2729	Douglas County Fire District #2		23.23%	13.95%	18.06%	32.00%	20.31%	25.11%
2743	Douglas Soil & Water Conservation District		9.17%	0.45%	4.41%	15.28%	0.43%	3.70%
2529	East Fork Irrigation District		10.43%	1.91%	6.02%	13.80%	2.79%	7.59%
2618	Estacada Cemetery District		6.61%	0.45%	0.45%	7.01%	0.43%	0.43%
2132	Eugene Water & Electric Board		21.99%	16.94%	21.05%	26.83%	20.66%	25.46%
2623	Evans Valley Fire District #6		6.61%	0.45%	0.45%	8.60%	0.43%	0.97%
2785	Fern Ridge Community Library		10.16%	2.31%	6.42%	15.33%	0.43%	5.14%
2608	Gaston Rural Fire Protection District		15.05%	9.38%	13.49%	18.42%	11.96%	16.76%
2698	Halsey Shedd Rural Fire Protection District		9.52%	0.45%	3.79%	12.89%	0.43%	4.70%
2771	Harbor Water PUD		10.18%	2.98%	7.09%	13.55%	0.64%	5.44%
2815	Hermiston Rural Fire Protection District		16.70%	8.88%	12.99%	20.18%	8.91%	13.71%

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----- <b>Independent Employers</b> -----									
<b>Special Districts</b>									
2717	Ice Fountain Water District		12.85%	7.55%	11.66%		16.22%	9.39%	14.19%
2556	Jackson County Fire District #5		19.90%	9.38%	13.49%		24.02%	11.45%	16.25%
2575	Jefferson County Rural Fire Protection District #1		14.20%	9.16%	13.27%		17.57%	10.82%	15.62%
2841	Jefferson County Soil & Water Conservation District		9.55%	7.83%	11.94%		12.92%	10.60%	15.40%
2646	Keno Rural Fire Protection District		15.46%	6.34%	10.45%		18.83%	7.30%	12.10%
2515	Klamath County Fire District #1		22.44%	12.52%	16.63%		27.07%	14.25%	19.05%
2760	Knappa Svensen Burnside Rural Fire Protection District		12.50%	2.44%	6.55%		15.87%	3.54%	8.34%
2879	LaGrande Rural Fire Protection District		N/A	N/A	N/A		18.67%	9.69%	14.49%
2881	Lake Chinook Fire and Rescue District		N/A	N/A	N/A		18.67%	9.69%	14.49%
2644	Lakeside Water District		13.35%	10.58%	14.69%		16.72%	12.79%	17.59%
2521	League of Oregon Cities		14.73%	11.35%	15.46%		18.10%	13.81%	18.61%
2597	Mapleton Water District		13.16%	7.00%	11.11%		16.53%	8.12%	12.92%
2877	Mid-Columbia Fire And Rescue V1-801		15.12%	8.57%	12.68%		18.58%	9.77%	14.57%
2782	Millington Rural Fire Protection District		6.61%	0.45%	0.45%		9.98%	0.43%	0.43%
2873	Mosier Fire District		12.59%	5.60%	9.71%		15.96%	6.98%	11.78%
2861	Mt Angel Fire District		13.28%	5.07%	9.18%		16.65%	6.16%	10.96%
2724	Nehalem Bay Wastewater Agency		9.55%	2.39%	6.50%		12.92%	3.88%	8.68%
2740	Neskowin Regional Sanitary Authority		9.80%	5.78%	9.89%		12.47%	7.05%	11.85%
2835	North Clackamas County Water Commission		11.07%	2.23%	6.34%		14.44%	0.43%	4.84%
2637	Northeast Oregon Housing Authority		10.71%	2.75%	6.86%		14.08%	3.02%	7.82%
2550	Nyssa Road Assessment District #2		34.46%	26.52%	30.63%		40.88%	31.18%	35.98%
2524	Oak Lodge Sanitary District		13.42%	9.60%	13.71%		16.79%	11.98%	16.78%
2685	Oregon Community College Association		6.61%	0.64%	4.75%		9.98%	6.13%	10.93%
2876	Oregon Municipal Electric Utilities Association		10.95%	8.23%	12.34%		13.23%	9.20%	14.00%
2533	Owyhee Irrigation District		23.23%	17.05%	21.16%		28.02%	19.92%	24.72%
2688	Polk County Fire District #1		18.44%	10.54%	14.65%		22.27%	11.75%	16.55%
2613	Polk Soil & Water Conservation District		14.65%	8.02%	12.13%		18.02%	9.04%	13.84%
2507	Port of Astoria		11.38%	8.81%	12.92%		14.75%	10.98%	15.78%
2633	Port of Cascade Locks		6.89%	2.50%	6.61%		10.26%	4.42%	9.22%
2788	Port of Hood River		12.76%	8.95%	13.06%		16.13%	11.33%	16.13%
2570	Port of St Helens		11.10%	6.45%	10.56%		14.47%	8.30%	13.10%
2581	Port of Umatilla		18.10%	10.35%	14.46%		21.86%	10.54%	15.34%
2689	Redmond Area Park & Recreation District		10.10%	5.76%	9.87%		13.47%	7.86%	12.66%
2672	Rockwood Water PUD		15.76%	10.64%	14.75%		19.13%	13.17%	17.97%
2747	Salem Housing Authority		16.64%	11.69%	15.80%		20.11%	13.78%	18.58%
2675	Salmon Harbor-Douglas County		9.55%	3.84%	7.95%		12.92%	6.03%	10.83%
2885	Siletz Rural Fire Protection District		N/A	N/A	N/A		18.67%	9.69%	14.49%
2701	Sisters-Camp Sherman Rural Fire Protection District		20.81%	12.32%	16.43%		27.08%	15.29%	20.09%
2859	South Lane County Fire and Rescue		24.18%	14.40%	18.51%		33.77%	20.87%	25.67%

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<b>Independent Employers</b>							
<b>Special Districts</b>							
2803	Southwestern Polk County Rural Fire Protection District	11.75%	4.76%	8.87%	15.12%	6.14%	10.94%
2767	Springfield Utility Board	9.55%	3.29%	7.40%	12.92%	4.92%	9.72%
2845	Sunrise Water Authority	15.80%	13.98%	18.09%	19.17%	16.78%	21.58%
2643	Sweet Home Cemetery	18.23%	11.52%	15.63%	21.20%	12.80%	17.60%
2722	Tillamook 9-1-1	6.61%	0.45%	4.12%	9.98%	4.56%	9.36%
2821	Tillamook County Soil And Water Conservation District	13.42%	8.83%	12.94%	16.79%	11.85%	16.65%
2783	Tillamook Fire District	13.98%	5.12%	9.23%	17.35%	5.71%	10.51%
2865	Tri-County Cooperative Weed Management Area	12.61%	5.62%	9.73%	15.98%	7.00%	11.80%
2610	Turner Fire District	15.61%	3.65%	7.76%	18.98%	1.18%	5.98%
2874	Umatilla-Morrow Radio and Data District	8.86%	7.74%	11.85%	11.76%	9.62%	14.42%
2536	Valley View Cemetery	6.61%	0.45%	0.45%	7.01%	0.43%	0.43%
2797	Vernonia Fire	6.61%	4.16%	8.27%	9.98%	7.21%	12.01%
2796	West Side Rural Fire Protection District	15.90%	1.72%	5.83%	19.27%	0.93%	5.73%
2725	West Valley Fire District	15.10%	8.10%	12.21%	16.82%	12.72%	17.52%
2686	Weston Cemetery	12.85%	0.45%	4.30%	14.57%	10.69%	15.49%
2714	Winchester Bay Sanitary District	15.05%	10.41%	14.52%	18.42%	12.22%	17.02%
2878	Yamhill Fire Protection District	15.53%	8.54%	12.65%	18.67%	9.69%	14.49%

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Judiciary							
2099	State Judiciary	15.03%	N/A	N/A	18.06%	N/A	N/A

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		<b>School Districts</b>							
<b>School</b>									
4306	Amity School District		0.53%	0.45%	0.45%	4.46%	0.43%	3.57%	
3003	Baker School District #5J		10.19%	5.50%	9.61%	15.00%	9.31%	14.11%	
4035	Banks School District		16.27%	11.58%	15.69%	21.15%	15.46%	20.26%	
4062	Beaverton School District		13.97%	9.28%	13.39%	18.88%	13.19%	17.99%	
3291	Bend-La Pine Public Schools		12.37%	7.68%	11.79%	17.13%	11.44%	16.24%	
3283	Brookings-Harbor School District #17C		4.64%	0.45%	4.06%	9.23%	3.54%	8.34%	
4333	Canby School District		2.49%	0.45%	1.91%	5.29%	0.43%	4.40%	
4334	Cascade School District #5		3.81%	0.45%	3.23%	8.65%	2.96%	7.76%	
3859	Central School District #13J		5.48%	0.79%	4.90%	10.09%	4.40%	9.20%	
3414	City of Phoenix School District		10.06%	5.37%	9.48%	13.63%	7.94%	12.74%	
4259	Clackamas Education Service District		11.42%	6.73%	10.84%	14.71%	9.02%	13.82%	
3179	Clatsop County School District #1C		0.53%	0.45%	0.45%	3.16%	0.43%	2.27%	
3242	Coos Bay School District #9		15.30%	10.61%	14.72%	19.75%	14.06%	18.86%	
3039	Corvallis School District #509J		9.43%	4.74%	8.85%	14.09%	8.40%	13.20%	
3502	Creswell School District #40		17.33%	12.64%	16.75%	21.94%	16.25%	21.05%	
3274	Crook County School District		1.57%	0.45%	0.99%	5.83%	0.43%	4.94%	
3843	David Douglas School District		18.47%	13.78%	17.89%	23.14%	17.45%	22.25%	
4291	Dayton Public Schools		4.47%	0.45%	3.89%	8.11%	2.42%	7.22%	
4237	Douglas Education Service District		17.10%	12.41%	16.52%	21.74%	16.05%	20.85%	
3927	Echo School District		9.42%	4.73%	8.84%	14.41%	8.72%	13.52%	
4323	Estacada School District #108		9.62%	4.93%	9.04%	13.30%	7.61%	12.41%	
3473	Eugene School District 4J		16.35%	11.66%	15.77%	20.87%	15.18%	19.98%	
3887	Falls City School District		0.53%	0.45%	0.45%	0.50%	0.43%	0.43%	
3494	Fern Ridge School District		8.28%	3.59%	7.70%	13.45%	7.76%	12.56%	
4313	Forest Grove School District		13.05%	8.36%	12.47%	18.10%	12.41%	17.21%	
4034	Gaston Public Schools		0.68%	0.45%	0.45%	9.43%	3.74%	8.54%	
4329	Gervais School District #1		2.59%	0.45%	2.01%	5.92%	0.43%	5.03%	
3160	Gladstone School District #115		0.53%	0.45%	0.45%	1.47%	0.43%	0.58%	
3316	Glide School District #12		10.69%	6.00%	10.11%	15.04%	9.35%	14.15%	
4260	Greater Albany School District #8J		12.68%	7.99%	12.10%	17.46%	11.77%	16.57%	
4332	Gresham-Barlow School District #10		9.18%	4.49%	8.60%	13.44%	7.75%	12.55%	
4326	Harney County School District #3		0.53%	0.45%	0.45%	0.50%	0.43%	0.43%	
4258	Hermiston School District #8R		11.99%	7.30%	11.41%	15.92%	10.23%	15.03%	
4252	High Desert Education Service District		12.05%	7.36%	11.47%	16.43%	10.74%	15.54%	
4341	Hillsboro School District #1J		13.76%	9.07%	13.18%	18.50%	12.81%	17.61%	
3409	Hood River County School District		11.26%	6.57%	10.68%	15.16%	9.47%	14.27%	
4223	InterMountain Education Service District		10.47%	5.78%	9.89%	13.61%	7.92%	12.72%	
3729	Jefferson School District #14Cj		4.43%	0.45%	3.85%	9.10%	3.41%	8.21%	
4315	John Day School District		8.77%	4.08%	8.19%	12.76%	7.07%	11.87%	

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School Districts									
School									
3965	La Grande Public Schools		9.52%	4.83%	8.94%		13.95%	8.26%	13.06%
4268	Lake Oswego School District		7.84%	3.15%	7.26%		12.12%	6.43%	11.23%
4276	Lane County Education Service District		13.93%	9.24%	13.35%		18.13%	12.44%	17.24%
3579	Lincoln County School District		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
3447	Madras School District		13.99%	9.30%	13.41%		18.44%	12.75%	17.55%
4142	McMinnville Schools		13.28%	8.59%	12.70%		17.85%	12.16%	16.96%
4288	Medford School District #549C		17.01%	12.32%	16.43%		21.69%	16.00%	20.80%
4335	Milton-Freewater Unified School District #7		2.78%	0.45%	2.20%		6.72%	1.03%	5.83%
4331	Molalla River School District		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
4340	Monroe School District #1J		13.74%	9.05%	13.16%		17.57%	11.88%	16.68%
3809	Morrow County Schools		13.34%	8.65%	12.76%		17.78%	12.09%	16.89%
4238	Multnomah Education Service District		5.55%	0.86%	4.97%		8.46%	2.77%	7.57%
4336	Nestucca Valley School District #101		14.84%	10.15%	14.26%		18.78%	13.09%	17.89%
4135	Newberg School District #29Jt		5.64%	0.95%	5.06%		9.82%	4.13%	8.93%
3245	North Bend Public Schools		11.84%	7.15%	11.26%		16.99%	11.30%	16.10%
4321	North Clackamas School District #12		5.32%	0.63%	4.74%		9.71%	4.02%	8.82%
3730	North Marion School District #15		7.61%	2.92%	7.03%		12.73%	7.04%	11.84%
4342	North Santiam School District #29J		4.78%	0.45%	4.20%		8.81%	3.12%	7.92%
4381	North Wasco County School District #21		9.60%	4.91%	9.02%		14.00%	8.31%	13.11%
3684	Ontario School District #8C		13.09%	8.40%	12.51%		17.21%	11.52%	16.32%
3122	Oregon City School District #62		11.33%	6.64%	10.75%		16.17%	10.48%	15.28%
3931	Pendleton School District #16R		1.01%	0.45%	0.45%		4.52%	0.43%	3.63%
3043	Philomath School District #17J		10.78%	6.09%	10.20%		14.98%	9.29%	14.09%
3958	Pilot Rock School District #2R		8.93%	4.24%	8.35%		13.26%	7.57%	12.37%
3818	Portland Public Schools		0.53%	0.45%	0.45%		3.68%	0.43%	2.79%
4320	Rainier School District #13		7.76%	3.07%	7.18%		12.63%	6.94%	11.74%
4311	Redmond School District #2J		12.75%	8.06%	12.17%		17.62%	11.93%	16.73%
4312	Reedsport School District		6.08%	1.39%	5.50%		12.01%	6.32%	11.12%
3824	Reynolds School District		6.51%	1.82%	5.93%		11.36%	5.67%	10.47%
3847	Riverdale School		8.86%	4.17%	8.28%		14.28%	8.59%	13.39%
3310	Roseburg Public Schools		7.58%	2.89%	7.00%		11.57%	5.88%	10.68%
3735	Salem-Keizer Public Schools		12.36%	7.67%	11.78%		16.94%	11.25%	16.05%
3665	Santiam Canyon School District		0.76%	0.45%	0.45%		5.49%	0.43%	4.60%
3000	School Districts		22.33%	17.64%	21.75%		26.94%	21.25%	26.05%
3187	Seaside Schools		11.76%	7.07%	11.18%		16.20%	10.51%	15.31%
4317	Sherwood School District #88J		17.21%	12.52%	16.63%		21.79%	16.10%	20.90%
4270	Silver Falls School District		11.47%	6.78%	10.89%		16.02%	10.33%	15.13%
3296	Sisters School District		4.19%	0.45%	3.61%		7.90%	2.21%	7.01%
3537	Siuslaw School District #97J		8.29%	3.60%	7.71%		12.75%	7.06%	11.86%



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<b>School Districts</b>									
<b>School</b>									
3506	South Lane School District		4.37%	0.45%	3.79%		8.06%	2.37%	7.17%
3319	South Umpqua School District		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
3487	Springfield School District #19		11.40%	6.71%	10.82%		15.93%	10.24%	15.04%
4279	St Helens School District #502		0.53%	0.45%	0.45%		4.51%	0.43%	3.62%
3942	Stanfield School District		4.82%	0.45%	4.24%		9.74%	4.05%	8.85%
3353	Sutherlin School District #130		2.42%	0.45%	1.84%		5.58%	0.43%	4.69%
3618	Sweet Home School District #55		0.53%	0.45%	0.45%		4.03%	0.43%	3.14%
4338	Three Rivers U J School District		10.85%	6.16%	10.27%		15.40%	9.71%	14.51%
4316	Tigard-Tualatin School District #23J		17.62%	12.93%	17.04%		22.18%	16.49%	21.29%
3902	Tillamook Public Schools		0.53%	0.45%	0.45%		3.75%	0.43%	2.86%
3928	Umatilla School District #6R		15.59%	10.90%	15.01%		20.09%	14.40%	19.20%
3966	Union County School District		7.62%	2.93%	7.04%		12.46%	6.77%	11.57%
3195	Warrenton-Hammond School District		13.54%	8.85%	12.96%		17.71%	12.02%	16.82%
3075	West Linn School District		12.72%	8.03%	12.14%		17.92%	12.23%	17.03%
4254	Willamette Education Service District		3.44%	0.45%	2.86%		7.04%	1.35%	6.15%
4314	Willamina School District #30J		17.26%	12.57%	16.68%		21.79%	16.10%	20.90%
3349	Winston-Dillard Schools		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
4166	Yamhill-Carlton School District #1		0.53%	0.45%	0.45%		2.25%	0.43%	1.36%

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SLGRP (Default Tier 1/Tier 2 Rates)									
CC									
2901	Blue Mountain Community College		11.04%	5.49%	9.60%		14.04%	7.17%	11.97%
2999	Central Oregon Community College		15.08%	9.53%	13.64%		18.85%	11.98%	16.78%
2919	Chemeketa Community College		8.89%	3.34%	7.45%		12.35%	5.48%	10.28%
2908	Clackamas Community College		10.16%	4.61%	8.72%		13.95%	7.08%	11.88%
2900	Clatsop Community College		9.27%	3.72%	7.83%		11.87%	5.00%	9.80%
2996	Columbia Gorge Community College		13.93%	8.38%	12.49%		17.54%	10.67%	15.47%
2906	Klamath Community College		19.49%	13.94%	18.05%		22.91%	16.04%	20.84%
2904	Lane Community College		9.67%	4.12%	8.23%		12.56%	5.69%	10.49%
2910	Linn-Benton Community College		10.36%	4.81%	8.92%		13.54%	6.67%	11.47%
2905	Mt Hood Community College		5.38%	0.45%	3.94%		7.65%	0.78%	5.58%
2995	Oregon Coast Community College		11.91%	6.36%	10.47%		14.68%	7.81%	12.61%
2918	Portland Community College		11.23%	5.68%	9.79%		14.79%	7.92%	12.72%
2922	Rogue Community College		11.33%	5.78%	9.89%		14.74%	7.87%	12.67%
2998	Southwestern Community College		9.31%	3.76%	7.87%		12.47%	5.60%	10.40%
2997	Tillamook Bay Community College		10.13%	4.58%	8.69%		14.96%	8.09%	12.89%
2902	Treasure Valley Community College		8.39%	2.84%	6.95%		11.82%	4.95%	9.75%
2903	Umpqua Community College		12.03%	6.48%	10.59%		15.55%	8.68%	13.48%
City									
2258	City of Adair Village		19.78%	11.64%	15.75%		23.80%	13.94%	18.74%
2103	City of Albany		17.20%	9.93%	14.04%		21.56%	12.27%	17.07%
2235	City of Amity		11.04%	6.67%	10.78%		12.79%	8.38%	13.18%
2104	City of Ashland		18.54%	11.55%	15.66%		22.84%	14.00%	18.80%
2105	City of Astoria		20.27%	13.07%	17.18%		24.56%	15.58%	20.38%
2234	City of Aumsville		9.67%	3.30%	7.41%		16.93%	8.51%	13.31%
2272	City of Aurora		0.53%	0.45%	0.45%		10.05%	0.43%	4.99%
2159	City of Baker City		18.00%	10.69%	14.80%		22.29%	13.12%	17.92%
2150	City of Bandon		16.85%	10.84%	14.95%		20.57%	13.26%	18.06%
2231	City of Banks		6.95%	3.63%	7.74%		11.05%	6.64%	11.44%
2241	City of Bay City		10.29%	6.97%	11.08%		13.99%	9.58%	14.38%
2178	City of Boardman		16.86%	10.57%	14.68%		19.92%	12.97%	17.77%
2216	City of Brookings		16.96%	10.19%	14.30%		21.22%	12.71%	17.51%
2204	City of Burns		13.30%	6.10%	10.21%		16.44%	8.21%	13.01%
2109	City of Canby		14.33%	7.08%	11.19%		18.18%	8.94%	13.74%
2223	City of Cannon Beach		15.07%	8.60%	12.71%		19.06%	10.95%	15.75%
2198	City of Carlton		6.04%	0.45%	4.41%		11.96%	4.33%	9.13%
2182	City of Cascade Locks		28.64%	20.50%	24.61%		31.69%	21.83%	26.63%
2194	City of Cave Junction		16.53%	10.00%	14.11%		20.48%	12.44%	17.24%
2181	City of Central Point		16.43%	10.24%	14.35%		20.61%	12.65%	17.45%
2201	City of Coburg		8.30%	2.70%	6.81%		12.47%	5.62%	10.42%

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SLGRP (Default Tier 1/Tier 2 Rates)									
City									
2271	City of Columbia City		19.21%	11.02%	15.13%		23.32%	13.46%	18.26%
2177	City of Condon		27.08%	23.54%	27.65%		32.28%	27.57%	32.37%
2110	City of Coquille		19.45%	12.23%	16.34%		23.53%	14.74%	19.54%
2155	City of Corvallis		12.75%	5.54%	9.65%		16.68%	7.60%	12.40%
2236	City of Creswell		13.58%	9.56%	13.67%		17.84%	12.65%	17.45%
2202	City of Dallas		17.46%	10.79%	14.90%		21.80%	13.24%	18.04%
2252	City of Dayton		8.47%	3.20%	7.31%		13.37%	6.70%	11.50%
2294	City of Depoe Bay		16.16%	11.01%	15.12%		19.98%	13.46%	18.26%
2131	City of Drain		16.43%	11.08%	15.19%		20.19%	13.53%	18.33%
2245	City of Dundee		15.50%	9.29%	13.40%		19.91%	12.04%	16.84%
2299	City of Dunes City		23.55%	17.14%	21.25%		28.28%	20.26%	25.06%
2269	City of Durham		13.55%	5.41%	9.52%		18.25%	10.23%	15.03%
2225	City of Echo		24.96%	17.34%	21.45%		29.02%	19.74%	24.54%
2205	City of Elgin		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
2305	City of Elkton		14.44%	11.12%	15.23%		18.03%	13.62%	18.42%
2180	City of Enterprise		19.75%	12.83%	16.94%		24.06%	15.24%	20.04%
2179	City of Estacada		18.19%	12.05%	16.16%		22.06%	14.48%	19.28%
2208	City of Fairview		15.37%	9.01%	13.12%		19.86%	11.77%	16.57%
2224	City of Falls City		13.22%	8.44%	12.55%		18.07%	11.55%	16.35%
2291	City of Florence		10.52%	3.67%	7.78%		14.15%	5.19%	9.99%
2220	City of Garibaldi		19.82%	14.81%	18.92%		23.02%	16.74%	21.54%
2242	City of Gaston		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
2304	City of Gladstone		14.47%	7.14%	11.25%		20.04%	10.27%	15.07%
2274	City of Gold Hill		3.12%	0.45%	3.91%		7.49%	3.08%	7.88%
2113	City of Grants Pass		18.98%	11.65%	15.76%		23.54%	14.01%	18.81%
2284	City of Halsey		3.53%	0.45%	4.32%		12.20%	7.79%	12.59%
2296	City of Happy Valley		14.40%	11.08%	15.19%		17.94%	13.53%	18.33%
2268	City of Harrisburg		15.33%	10.19%	14.30%		17.95%	12.40%	17.20%
2193	City of Heppner		0.53%	0.45%	0.45%		5.56%	0.43%	2.34%
2160	City of Hermiston		17.75%	11.53%	15.64%		21.64%	13.86%	18.66%
2226	City of Hines		15.65%	10.07%	14.18%		19.61%	12.64%	17.44%
2138	City of Hood River		18.21%	9.93%	14.04%		22.84%	12.49%	17.29%
2196	City of Hubbard		21.07%	12.74%	16.85%		25.60%	15.14%	19.94%
2191	City of Huntington		51.03%	44.62%	48.73%		50.45%	42.43%	47.23%
2267	City of Independence		16.11%	8.20%	12.31%		21.09%	10.84%	15.64%
2266	City of Irrigon		14.53%	9.60%	13.71%		18.14%	12.15%	16.95%
2211	City of Jefferson		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
2229	City of John Day		9.90%	3.45%	7.56%		13.74%	5.47%	10.27%
2256	City of Jordan Valley		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%

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SLGRP (Default Tier 1/Tier 2 Rates)									
City									
2199	City of Junction City		16.43%	10.42%	14.53%		20.49%	12.89%	17.69%
2287	City of King City		16.07%	7.69%	11.80%		21.20%	10.23%	15.03%
2148	City of Klamath Falls		11.45%	4.37%	8.48%		15.78%	6.85%	11.65%
2263	City of La Grande		15.65%	6.27%	10.38%		20.90%	8.79%	13.59%
2233	City of Lafayette		14.05%	8.43%	12.54%		16.42%	10.02%	14.82%
2120	City of Lake Oswego		19.45%	11.87%	15.98%		24.13%	14.26%	19.06%
2244	City of Lakeside		7.03%	3.71%	7.82%		10.56%	6.15%	10.95%
2140	City of Lebanon		14.57%	7.26%	11.37%		18.65%	9.20%	14.00%
2298	City of Lincoln City		13.62%	7.10%	11.21%		17.86%	9.20%	14.00%
2293	City of Lowell		14.59%	9.38%	13.49%		11.91%	3.89%	8.69%
2270	City of Lyons		16.06%	11.13%	15.24%		20.41%	12.60%	17.40%
2170	City of Madras		17.66%	9.91%	14.02%		21.57%	11.68%	16.48%
2247	City of Malin		13.61%	7.68%	11.79%		17.09%	9.99%	14.79%
2281	City of Manzanita		18.31%	10.05%	14.16%		22.97%	12.58%	17.38%
2117	City of McMinnville		21.24%	14.02%	18.13%		25.72%	16.55%	21.35%
2102	City of Medford		13.49%	5.92%	10.03%		17.89%	8.24%	13.04%
2207	City of Mill City		17.19%	11.25%	15.36%		21.04%	13.70%	18.50%
2286	City of Millersburg		17.35%	11.36%	15.47%		21.15%	13.75%	18.55%
2158	City of Milton-Freewater		19.43%	12.68%	16.79%		23.44%	15.14%	19.94%
2163	City of Milwaukie		13.69%	6.25%	10.36%		18.43%	8.95%	13.75%
2157	City of Monmouth		14.81%	7.90%	12.01%		18.71%	10.36%	15.16%
2301	City of Moro		11.70%	3.56%	7.67%		16.69%	6.83%	11.63%
2302	City of Mt. Vernon		13.21%	5.36%	9.47%		18.12%	8.26%	13.06%
2197	City of Myrtle Creek		14.02%	7.08%	11.19%		18.17%	9.23%	14.03%
2183	City of Myrtle Point		11.31%	4.10%	8.21%		15.83%	6.85%	11.65%
2777	City of Newberg		15.09%	7.11%	11.22%		19.83%	9.42%	14.22%
2276	City of Newport		14.57%	4.99%	9.10%		20.16%	7.84%	12.64%
2292	City of North Bend		15.57%	8.36%	12.47%		20.20%	10.83%	15.63%
2192	City of North Plains		14.88%	8.98%	13.09%		17.85%	11.46%	16.26%
2308	City of North Powder		12.84%	9.52%	13.63%		16.42%	12.01%	16.81%
2166	City of Nyssa		18.43%	10.58%	14.69%		23.00%	12.99%	17.79%
2143	City of Oakland		26.39%	19.98%	24.09%		26.35%	21.94%	26.74%
2168	City of Oakridge		24.26%	16.85%	20.96%		29.82%	19.10%	23.90%
2119	City of Oregon City		13.38%	7.44%	11.55%		17.52%	9.87%	14.67%
2154	City of Pendleton		14.59%	6.89%	11.00%		19.18%	9.23%	14.03%
2187	City of Philomath		14.51%	7.73%	11.84%		19.67%	10.52%	15.32%
2249	City of Phoenix		7.73%	1.49%	5.60%		13.13%	5.10%	9.90%
2161	City of Pilot Rock		22.00%	14.89%	19.00%		26.99%	18.01%	22.81%
2184	City of Port Orford		16.05%	10.14%	14.25%		19.06%	12.55%	17.35%

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		Tier 1/ Payroll	Tier 2 Payroll	OPSRP General Service Payroll	OPSRP Police and Fire Payroll	Tier 1/ Payroll	Tier 2 Payroll	OPSRP General Service Payroll	OPSRP Police and Fire Payroll
		SLGRP (Default Tier 1/Tier 2 Rates)							
City									
2121	City of Portland		13.34%	7.53%	11.64%		17.36%	10.17%	14.97%
2122	City of Redmond		13.37%	7.04%	11.15%		17.83%	9.65%	14.45%
2139	City of Reedsport		5.80%	0.45%	3.42%		10.27%	1.84%	6.64%
2260	City of Riddle		15.80%	8.63%	12.74%		19.10%	10.72%	15.52%
2203	City of Rockaway Beach		12.75%	8.62%	12.73%		16.00%	10.69%	15.49%
2251	City of Rogue River		21.56%	14.62%	18.73%		26.12%	17.79%	22.59%
2100	City of Roseburg		19.06%	11.08%	15.19%		23.66%	13.53%	18.33%
2172	City of Sandy		16.91%	10.23%	14.34%		21.20%	12.70%	17.50%
2176	City of Scappoose		17.95%	11.26%	15.37%		21.52%	13.51%	18.31%
2254	City of Shady Cove		0.53%	0.45%	0.45%		3.51%	0.43%	0.43%
2142	City of Sherwood		17.15%	10.81%	14.92%		21.46%	13.26%	18.06%
2273	City of Silverton		15.39%	8.68%	12.79%		19.50%	11.09%	15.89%
2221	City of Sisters		11.25%	6.95%	11.06%		13.88%	9.47%	14.27%
2278	City of Springfield		12.13%	5.33%	9.44%		16.02%	7.44%	12.24%
2123	City of St Helens		21.39%	14.99%	19.10%		25.70%	17.48%	22.28%
2757	City of Stayton		18.45%	10.07%	14.18%		23.53%	12.56%	17.36%
2217	City of Sutherlin		10.43%	3.21%	7.32%		13.92%	5.17%	9.97%
2188	City of Talent		13.65%	6.09%	10.20%		18.46%	8.97%	13.77%
2295	City of Tigard		15.07%	5.88%	9.99%		19.97%	8.08%	12.88%
2128	City of Tillamook		15.47%	9.43%	13.54%		19.47%	11.62%	16.42%
2275	City of Toledo		9.38%	2.13%	6.24%		13.19%	3.85%	8.65%
2237	City of Troutdale		14.10%	7.09%	11.20%		18.13%	9.28%	14.08%
2288	City of Tualatin		19.31%	12.50%	16.61%		23.74%	14.96%	19.76%
2228	City of Turner		17.47%	12.12%	16.23%		21.81%	14.62%	19.42%
2175	City of Umatilla		8.69%	2.33%	6.44%		13.06%	4.96%	9.76%
2145	City of Vale		24.47%	18.32%	22.43%		27.06%	19.77%	24.57%
2285	City of Veneta		15.06%	8.53%	12.64%		18.97%	10.91%	15.71%
2125	City of Vernonia		9.82%	4.58%	8.69%		12.69%	5.73%	10.53%
2200	City of Wallowa		9.72%	5.47%	9.58%		13.33%	7.75%	12.55%
2238	City of Warrenton		17.56%	10.36%	14.47%		22.04%	12.90%	17.70%
2126	City of West Linn		15.64%	8.61%	12.72%		19.81%	10.98%	15.78%
2265	City of Westfir		8.68%	2.27%	6.38%		12.85%	4.83%	9.63%
2147	City of Wheeler		18.87%	12.46%	16.57%		23.25%	15.23%	20.03%
2240	City of Wilsonville		16.59%	10.55%	14.66%		20.42%	12.98%	17.78%
2280	City of Winston		10.74%	2.77%	6.88%		15.06%	4.80%	9.60%
2185	City of Wood Village		15.41%	9.33%	13.44%		19.85%	11.83%	16.63%
2303	City of Woodburn		16.29%	9.24%	13.35%		20.57%	11.58%	16.38%
2300	City of Yachats		13.86%	7.56%	11.67%		17.87%	10.12%	14.92%
2214	City of Yamhill		11.68%	5.64%	9.75%		16.69%	8.86%	13.66%

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<b>SLGRP (Default Tier 1/Tier 2 Rates)</b>									
<b>City</b>									
2307	City of Yoncalla		14.02%	10.70%	14.81%		17.50%	13.09%	17.89%
2255	Town of Canyon City		20.91%	14.50%	18.61%		23.97%	15.95%	20.75%
2212	Town of Lakeview		8.24%	1.36%	5.47%		13.41%	3.91%	8.71%
<b>County</b>									
2021	Baker County		14.60%	8.59%	12.70%		18.34%	10.71%	15.51%
2040	Benton County		11.45%	5.51%	9.62%		15.44%	7.84%	12.64%
2036	Clatsop County		12.13%	4.95%	9.06%		16.01%	7.08%	11.88%
2017	Columbia County		11.50%	4.68%	8.79%		15.01%	6.56%	11.36%
2018	Coos County		20.88%	13.90%	18.01%		25.12%	16.27%	21.07%
2044	Crook County		11.80%	2.60%	6.71%		16.89%	4.87%	9.67%
2027	Deschutes County		13.26%	6.67%	10.78%		17.45%	9.05%	13.85%
2022	Gilliam County		16.38%	10.30%	14.41%		20.43%	12.75%	17.55%
2012	Grant County		1.21%	0.45%	0.45%		5.88%	0.43%	2.33%
2004	Harney County		15.08%	8.76%	12.87%		18.99%	11.35%	16.15%
2035	Hood River County		6.79%	0.91%	5.02%		10.67%	3.04%	7.84%
2005	Jackson County		16.10%	9.42%	13.53%		20.29%	11.86%	16.66%
2042	Josephine County		17.59%	11.31%	15.42%		21.44%	13.77%	18.57%
2007	Klamath County		5.99%	0.45%	1.02%		13.56%	1.72%	6.52%
2000	Lake County		14.92%	8.33%	12.44%		19.08%	10.61%	15.41%
2043	Lincoln County		11.95%	2.40%	6.51%		16.36%	3.90%	8.70%
2009	Marion County		12.44%	5.76%	9.87%		16.66%	8.10%	12.90%
2038	Multnomah County		14.79%	8.07%	12.18%		19.08%	10.62%	15.42%
2016	Sherman County		18.89%	12.78%	16.89%		23.08%	15.21%	20.01%
2013	Umatilla County		10.93%	4.21%	8.32%		15.15%	6.50%	11.30%
2020	Wasco County		15.87%	8.86%	12.97%		19.82%	11.06%	15.86%
2011	Washington County		17.75%	11.11%	15.22%		22.00%	13.56%	18.36%
<b>Special Districts</b>									
2742	Amity Fire District		16.02%	5.65%	9.76%		21.46%	7.96%	12.76%
2631	Arch Cape Water-Sanitary District		13.69%	7.55%	11.66%		13.39%	8.98%	13.78%
2602	Aumsville Rural Fire Protection District		14.43%	6.85%	10.96%		21.73%	8.23%	13.03%
2804	Aurora Rural Fire Protection District		11.45%	3.07%	7.18%		16.25%	5.28%	10.08%
2728	Baker County Library District		15.64%	10.69%	14.80%		19.80%	12.94%	17.74%
2601	Baker Valley Irrigation District		1.74%	0.45%	0.45%		0.50%	0.43%	0.43%
2749	Black Butte Ranch Police		13.87%	5.15%	9.26%		17.96%	6.99%	11.79%
2595	Canby Fire District		19.32%	10.41%	14.52%		24.30%	12.84%	17.64%
2731	Canby Utility Board		17.04%	11.23%	15.34%		21.58%	13.68%	18.48%
2840	Cannon Beach Rural Fire Protection District		19.41%	11.03%	15.14%		24.46%	13.49%	18.29%
2820	Central Oregon Coast Fire & Rescue District		13.02%	4.64%	8.75%		16.60%	5.63%	10.43%
2563	Central Oregon Irrigation District		19.10%	14.03%	18.14%		23.10%	16.31%	21.11%

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SLGRP (Default Tier 1/Tier 2 Rates)									
Special Districts									
2567	Charleston Rural Fire Protection District		17.03%	7.23%	11.34%		22.36%	9.57%	14.37%
2699	Chetco Library Board		17.31%	10.64%	14.75%		22.29%	13.04%	17.84%
2745	Clackamas County Fire District		17.55%	8.34%	12.45%		23.21%	11.18%	15.98%
2761	Clackamas River Water		18.71%	13.86%	17.97%		22.48%	16.32%	21.12%
2538	Clackamas Vector Control		23.00%	14.86%	18.97%		26.59%	16.73%	21.53%
2707	Clatskanie Library		18.44%	11.58%	15.69%		22.46%	14.08%	18.88%
2526	Clatskanie PUD		23.28%	17.02%	21.13%		26.63%	19.40%	24.20%
2588	Clatskanie Rural Fire Protection District		14.58%	4.90%	9.01%		22.36%	9.77%	14.57%
2617	Clean Water Services		12.29%	5.96%	10.07%		16.18%	8.35%	13.15%
2681	Cloverdale Rural Fire Protection District		25.27%	15.01%	19.12%		30.64%	17.29%	22.09%
2801	Coburg Rural Fire Protection District		14.26%	5.88%	9.99%		19.36%	8.39%	13.19%
2649	Colton Fire Department		16.92%	6.55%	10.66%		22.48%	8.98%	13.78%
2671	Columbia 911 Communications District		15.13%	10.24%	14.35%		18.53%	12.64%	17.44%
2687	Columbia Drainage Vector Control District		27.00%	21.02%	25.13%		45.08%	40.67%	45.47%
2528	Columbia River Fire & Rescue		13.67%	4.66%	8.77%		18.72%	6.90%	11.70%
2612	Community Services Consortium		14.64%	9.63%	13.74%		18.10%	11.97%	16.77%
2860	Coos County Airport District		10.38%	7.06%	11.17%		14.03%	9.62%	14.42%
2603	Corbett Water District		17.49%	11.08%	15.19%		17.94%	13.53%	18.33%
2545	Council of Governments		16.57%	11.07%	15.18%		20.14%	13.52%	18.32%
2834	Crescent Rural Fire Protection District		21.97%	11.60%	15.71%		18.99%	10.97%	15.77%
2844	Crook County Rural Fire Protection District #1		18.22%	10.73%	14.84%		22.99%	13.26%	18.06%
2647	Crooked River Ranch Rural Fire Protection District		16.13%	9.72%	13.83%		19.98%	11.96%	16.76%
2571	Crystal Springs Water District		13.39%	10.07%	14.18%		17.76%	13.35%	18.15%
2718	Curry Library		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
2576	Depoe Bay Rural Fire Protection District		17.89%	9.75%	13.86%		24.57%	12.60%	17.40%
2822	Deschutes County Rural Fire Protection District #2		13.98%	10.66%	14.77%		17.51%	13.10%	17.90%
2851	East Umatilla County Rural Fire Protection District		15.60%	7.22%	11.33%		20.15%	9.18%	13.98%
2784	Eisenschmidt Pool		12.68%	9.36%	13.47%		15.56%	11.15%	15.95%
2557	Estacada Fire Department		5.43%	0.45%	0.45%		10.00%	0.43%	2.12%
2798	Fairview Water District		18.34%	10.20%	14.31%		21.87%	12.01%	16.81%
2789	Farmers Irrigation District		10.33%	2.99%	7.10%		13.80%	5.07%	9.87%
2824	Glide Fire Department		15.83%	7.69%	11.80%		21.05%	11.19%	15.99%
2573	Goshen Fire District		35.84%	29.43%	33.54%		35.09%	27.07%	31.87%
2511	Grants Pass Irrigation District		20.24%	12.10%	16.21%		24.42%	14.56%	19.36%
2765	Green Sanitary		15.31%	9.54%	13.65%		19.11%	12.00%	16.80%
2855	Harney Hospital		13.10%	8.05%	12.16%		17.28%	11.00%	15.80%
2819	Harrisburg Fire/Rescue		18.76%	10.38%	14.49%		23.19%	12.22%	17.02%
2838	High Desert Parks & Recreation District		14.79%	11.47%	15.58%		23.07%	15.05%	19.85%
2607	Hoodland Fire District #74		18.45%	9.33%	13.44%		23.42%	11.46%	16.26%



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SLGRP (Default Tier 1/Tier 2 Rates)								
Special Districts								
2510	Horsefly Irrigation District		52.13%	45.72%	49.83%	30.79%	22.77%	27.57%
2773	Housing Authority of Jackson County		17.24%	12.76%	16.87%	20.92%	15.20%	20.00%
2564	Illinois Valley Fire District		10.73%	2.35%	6.46%	17.07%	6.10%	10.90%
2651	Imbler Rural Fire Protection District		22.10%	11.73%	15.84%	27.58%	14.08%	18.88%
2715	Jackson County Fire District #3		14.17%	5.26%	9.37%	19.16%	7.60%	12.40%
2620	Jackson County Fire District #4		23.26%	12.89%	17.00%	28.80%	15.30%	20.10%
2541	Jackson County Vector Control District		17.88%	9.74%	13.85%	15.43%	7.41%	12.21%
2712	Jefferson County EMS		15.11%	11.71%	15.82%	18.39%	13.98%	18.78%
2846	Jefferson County Library District		16.05%	12.27%	16.38%	19.60%	14.55%	19.35%
2561	Jefferson Rural Fire Protection District		10.87%	2.65%	6.76%	15.48%	3.87%	8.67%
2763	Junction City Fire Department		17.71%	9.29%	13.40%	21.81%	10.78%	15.58%
2559	Keizer Fire Department		16.34%	7.32%	11.43%	21.19%	9.47%	14.27%
2710	Klamath County Emergency Communications District		18.35%	12.79%	16.90%	22.16%	15.28%	20.08%
2721	Klamath Housing Authority		14.95%	9.15%	13.26%	14.84%	10.43%	15.23%
2624	Klamath Vector Control		21.12%	12.98%	17.09%	26.76%	18.74%	23.54%
2579	La Pine Rural Fire Protection District		16.24%	7.59%	11.70%	21.17%	9.88%	14.68%
2850	Lake County 4-H & Extension Service		12.82%	6.41%	10.52%	17.21%	9.19%	13.99%
2768	Lake County Library District		19.95%	11.81%	15.92%	24.26%	14.40%	19.20%
2522	Lane Council of Governments		17.12%	10.94%	15.05%	21.38%	13.66%	18.46%
2883	Lane Fire Authority		20.05%	10.64%	14.75%	25.13%	12.99%	17.79%
2849	Lebanon Aquatic District		15.07%	10.75%	14.86%	20.87%	13.46%	18.26%
2705	Lebanon Fire District		19.23%	9.25%	13.36%	24.51%	11.56%	16.36%
2753	Linn-Benton Housing Authority		8.91%	4.41%	8.52%	12.82%	7.00%	11.80%
2572	Local Government Personnel Institute		17.09%	11.44%	15.55%	19.08%	14.67%	19.47%
2700	Lowell Rural Fire Protection District		0.53%	0.45%	0.45%	0.50%	0.43%	0.43%
2823	Lyons Fire District		20.22%	13.81%	17.92%	24.26%	16.24%	21.04%
2580	Marion County Fire District #1		23.45%	14.63%	18.74%	28.58%	17.12%	21.92%
2598	Marion County Housing Authority		0.53%	0.45%	0.45%	0.50%	0.43%	0.43%
2628	McKenzie Fire And Rescue		12.96%	4.65%	8.76%	17.43%	6.46%	11.26%
2592	Medford Irrigation District		16.74%	9.70%	13.81%	21.65%	11.79%	16.59%
2594	Metro		11.82%	6.29%	10.40%	15.57%	8.73%	13.53%
2663	Metropolitan Area Communications Commission		17.10%	9.73%	13.84%	21.35%	12.37%	17.17%
2811	Mid-Columbia Center For Living		16.66%	11.34%	15.45%	19.99%	13.74%	18.54%
2657	Mid-Willamette Valley Senior Service Agency		12.76%	7.19%	11.30%	17.21%	10.54%	15.34%
2853	Mill City Rural Fire Protection District		11.22%	2.84%	6.95%	16.10%	5.13%	9.93%
2752	Mist-Birkenfeld Rural Fire Protection District		0.53%	0.45%	0.45%	9.14%	0.70%	5.50%
2758	Mohawk Valley Rural Fire District		7.60%	1.19%	5.30%	12.51%	4.49%	9.29%
2568	Molalla Rural Fire Protection District #73		25.90%	17.19%	21.30%	29.43%	18.00%	22.80%
2555	Monroe Fire Department		12.26%	3.88%	7.99%	17.15%	6.18%	10.98%



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		Tier 1/ Payroll	Tier 2 Payroll	OPSRP General Service Payroll	OPSRP Police and Fire Payroll	Tier 1/ Payroll	Tier 2 Payroll	OPSRP General Service Payroll	OPSRP Police and Fire Payroll
SLGRP (Default Tier 1/Tier 2 Rates)									
Special Districts									
2778	Mulino Water District #23		14.59%	11.27%	15.38%		18.13%	13.72%	18.52%
2806	Multnomah County Rural Fire Protection District #14		14.29%	10.97%	15.08%		17.82%	13.41%	18.21%
2508	Multnomah Drainage		18.62%	13.91%	18.02%		21.60%	15.78%	20.58%
2869	Nehalem Bay Fire & Rescue		23.26%	12.89%	17.00%		28.78%	15.30%	20.10%
2780	Nehalem Bay Health District		13.69%	7.28%	11.39%		18.26%	10.24%	15.04%
2858	Nesika Beach-Ophir Water District		16.74%	8.73%	12.84%		20.30%	11.86%	16.66%
2716	Neskowin Water District		19.20%	11.06%	15.17%		23.37%	13.51%	18.31%
2674	Nestucca Rural Fire District		11.86%	3.48%	7.59%		16.83%	5.84%	10.64%
2818	Netarts Water District		12.60%	9.28%	13.39%		15.52%	11.11%	15.91%
2830	Netarts-Oceanside Rural Fire Protection District		18.91%	10.53%	14.64%		23.95%	12.98%	17.78%
2604	Netarts-Oceanside Sanitary District		8.68%	3.88%	7.99%		12.67%	6.58%	11.38%
2837	NORCOM		12.67%	7.38%	11.49%		16.46%	9.92%	14.72%
2781	North Bend/Coos-Curry Housing Authority		40.26%	33.72%	37.83%		44.59%	34.73%	39.53%
2884	North Central Public Health District		N/A	N/A	N/A		24.34%	15.30%	20.10%
2638	North Douglas County Fire and EMS		15.58%	7.01%	11.12%		20.47%	9.20%	14.00%
2793	North Lincoln Fire & Rescue District #1		17.97%	8.94%	13.05%		23.41%	11.60%	16.40%
2839	North Morrow Vector Control District		14.53%	11.21%	15.32%		18.07%	13.66%	18.46%
2792	North Wasco County Parks And Recreation District		19.22%	11.08%	15.19%		20.88%	13.53%	18.33%
2825	Northern Oregon Corrections		11.07%	4.38%	8.49%		15.41%	7.12%	11.92%
2504	Oak Lodge Water District		21.20%	14.94%	19.05%		25.06%	17.34%	22.14%
2852	Ochoco Irrigation District		8.30%	4.98%	9.09%		11.94%	7.53%	12.33%
2562	Odell Rural Fire Protection District		21.18%	12.80%	16.91%		29.43%	18.46%	23.26%
2816	Odell Sanitary District		15.39%	12.07%	16.18%		18.60%	14.19%	18.99%
2880	Oregon Health & Science University		12.69%	6.76%	10.87%		16.03%	8.61%	13.41%
2531	Oregon School Boards Association		19.93%	13.00%	17.11%		23.73%	15.40%	20.20%
2774	Oregon Trail Library District		18.14%	10.00%	14.11%		22.36%	12.50%	17.30%
2684	Parkdale Fire District		21.86%	13.48%	17.59%		26.83%	15.86%	20.66%
2694	Philomath Fire Department		19.03%	9.54%	13.65%		24.44%	12.02%	16.82%
2650	Pleasant Hill Fire Department		14.54%	8.13%	12.24%		18.97%	10.95%	15.75%
2513	Port of Coos Bay		16.75%	11.16%	15.27%		21.78%	13.46%	18.26%
2741	Port of Garibaldi		14.14%	8.54%	12.65%		16.49%	9.51%	14.31%
2625	Port of Newport		6.68%	0.45%	3.65%		12.42%	3.26%	8.06%
2512	Port of Portland		11.61%	5.54%	9.65%		16.04%	8.34%	13.14%
2501	Port of The Dalles		3.79%	0.45%	3.31%		5.52%	0.43%	4.62%
2713	Port of Tillamook Bay		13.06%	8.54%	12.65%		17.08%	11.25%	16.05%
2673	Port Orford Library		0.53%	0.45%	0.45%		0.50%	0.43%	0.43%
2519	Portland Housing Authority		13.06%	7.87%	11.98%		16.90%	10.52%	15.32%
2542	Rainbow Water District		21.22%	13.08%	17.19%		25.53%	15.67%	20.47%
2776	Rainier Cemetery District		7.67%	1.26%	5.37%		2.83%	0.43%	0.43%

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SLGRP (Default Tier 1/Tier 2 Rates)									
Special Districts									
2590	Redmond Fire & Rescue		16.71%	7.66%	11.77%		22.05%	10.22%	15.02%
2549	Rogue River Fire District		14.61%	5.81%	9.92%		19.31%	7.99%	12.79%
2585	Rogue River Valley Irrigation District		26.08%	22.76%	26.87%		27.98%	23.57%	28.37%
2669	Roseburg Urban Sanitary Authority		14.63%	8.10%	12.21%		18.58%	10.57%	15.37%
2802	Rural Road Assessment District #3		14.55%	11.23%	15.34%		18.11%	13.70%	18.50%
2551	Sandy Fire Department		13.94%	5.08%	9.19%		18.84%	7.17%	11.97%
2544	Santa Clara Rural Fire Protection District		21.81%	11.44%	15.55%		27.51%	14.01%	18.81%
2709	Scappoose Public Library		11.68%	3.54%	7.65%		17.19%	7.33%	12.13%
2739	Scappoose Rural Fire Protection District		19.55%	10.48%	14.59%		24.65%	12.93%	17.73%
2605	Scio Fire District		0.53%	0.45%	0.45%		13.12%	0.70%	5.50%
2786	Seal Rock Rural Fire Protection District		10.45%	2.07%	6.18%		15.61%	4.64%	9.44%
2734	Seal Rock Water District		11.85%	7.07%	11.18%		16.49%	9.77%	14.57%
2630	Sheridan Fire District		18.31%	7.94%	12.05%		22.51%	9.35%	14.15%
2790	Silver Falls Library District		15.25%	10.59%	14.70%		17.54%	12.32%	17.12%
2659	Silverton Fire District		17.92%	8.60%	12.71%		23.00%	10.59%	15.39%
2692	Siuslaw Public Library		13.36%	8.52%	12.63%		17.55%	11.42%	16.22%
2794	Siuslaw Rural Fire Protection District #1		22.41%	12.08%	16.19%		28.03%	14.78%	19.58%
2599	South Suburban Sanitary District		17.17%	10.88%	14.99%		21.09%	13.32%	18.12%
2766	Southwest Lincoln County Water District		13.98%	9.48%	13.59%		17.48%	12.05%	16.85%
2696	Stayton Fire District		19.21%	11.34%	15.45%		24.06%	13.77%	18.57%
2799	Sublimity Fire District		14.43%	7.47%	11.58%		9.31%	4.90%	9.70%
2641	Suburban East Salem Water District		16.76%	10.65%	14.76%		20.52%	13.01%	17.81%
2857	Sunriver Service District		13.66%	5.54%	9.65%		18.02%	7.46%	12.26%
2810	Sutherlin Water Control District		15.88%	9.47%	13.58%		19.96%	11.94%	16.74%
2847	Sweet Home Fire and Ambulance District		19.62%	10.02%	14.13%		25.02%	12.52%	17.32%
2582	Talent Irrigation District		19.47%	12.25%	16.36%		23.62%	14.80%	19.60%
2553	Tangent Rural Fire Protection District		36.26%	25.89%	30.00%		41.46%	27.96%	32.76%
2814	The Job Council		38.57%	33.68%	37.79%		42.34%	36.39%	41.19%
2652	The Oregon Consortium		24.25%	16.11%	20.22%		28.25%	18.39%	23.19%
2626	Tillamook Peoples Utility District		17.11%	10.85%	14.96%		20.92%	13.29%	18.09%
2864	Tri-City Water and Sanitary Authority		12.36%	9.04%	13.15%		15.91%	11.50%	16.30%
2660	Tualatin Valley Fire & Rescue		16.03%	7.17%	11.28%		21.43%	9.85%	14.65%
2587	Tualatin Valley Irrigation District		13.81%	7.98%	12.09%		13.44%	9.03%	13.83%
2842	Tualatin Valley Water District		13.66%	8.22%	12.33%		17.30%	10.55%	15.35%
2772	Umatilla County Soil & Water District		13.32%	6.91%	11.02%		18.06%	10.04%	14.84%
2732	Umatilla County Special Library District		10.69%	2.55%	6.66%		14.34%	4.48%	9.28%
2653	Umatilla Fire Department		18.07%	7.70%	11.81%		23.73%	10.23%	15.03%
2826	Wasco County Soil-Water Conservation District		10.84%	7.52%	11.63%		13.38%	8.97%	13.77%
2695	Washington County Consolidated Communications Agency		17.53%	11.79%	15.90%		21.50%	14.23%	19.03%

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SLGRP (Default Tier 1/Tier 2 Rates)									
Special Districts									
2578	Washington County Fire District #2		22.24%	13.61%	17.72%		27.33%	16.03%	20.83%
2540	West Extension Irrigation District		9.28%	5.96%	10.07%		12.28%	7.87%	12.67%
2867	West Multnomah Soil And Water Conservation District		19.35%	12.89%	17.00%		23.08%	15.30%	20.10%
2589	West Slope Water District		21.59%	16.86%	20.97%		25.20%	19.16%	23.96%
2606	West Valley Housing Authority		15.22%	9.29%	13.40%		16.44%	10.15%	14.95%
2754	Western Lane Ambulance District		15.43%	10.81%	14.92%		19.32%	13.25%	18.05%
2817	Wickiup Water District		17.36%	10.95%	15.06%		21.42%	13.40%	18.20%
2552	Winston-Dillard Fire District		29.58%	20.07%	24.18%		37.10%	24.96%	29.76%
2600	Winston-Dillard Water District		14.88%	10.09%	14.20%		18.53%	12.44%	17.24%
2676	Woodburn Fire District		27.08%	18.19%	22.30%		32.26%	20.64%	25.44%
2843	Yachats Rural Fire Protection District		18.18%	9.67%	13.78%		23.32%	12.35%	17.15%
2726	Yamhill Communications Agency		16.72%	10.97%	15.08%		21.06%	13.40%	18.20%
State									
1000	State Agencies		13.81%	7.31%	11.42%		18.01%	9.92%	14.72%