

PERSPECTIVES

For OPSRP members (hired after August 28, 2003)



April 2018

2017 annual statements mailed by end of May 2018

Member annual statements reflecting calendar year 2017 data are scheduled to be mailed by the end of May 2018. PERS cannot finalize 2017 statements until after the PERS Board adopts 2017 final earnings crediting, which [occurred](#) at its April 2, 2018 meeting.

If you are currently employed in a PERS-covered position, your annual statement will be mailed to the address your employer provided to PERS. PERS used addresses on file as of mid-March 2018 to prepare this year's annual statements. You can always confirm the address you have on file by logging in to your [Online Member Services \(OMS\)](#) account and letting your employer know if it is incorrect.

As an [OPSRP member](#), your statement will show important details about the **two parts to your PERS retirement**: your OPSRP pension and your Individual Account Program (IAP) account-based benefit.

Frequently asked questions (FAQs) will be added to the PERS website when statements are mailed. Below are some details about what to expect in your annual statement.

OPSRP Pension Program

Your pension is funded by your employer and provides a **lifetime monthly benefit at retirement** for [eligible, vested](#) members. It does not have an account balance. Your pension is calculated as follows:

General service:

1.5 percent × years of total retirement credit × final average monthly salary = **monthly pension benefit**

Police & fire:

1.8 percent × years of total retirement credit × final average monthly salary = **monthly pension benefit**

Your 2017 statement lists both your 2017 retirement credit and your total retirement credit from all PERS-covered positions. Generally, if you worked all of calendar year 2017 in a qualifying position performing 600 or more hours of service for one or more PERS-participating employers, your 2017 retirement credit

should be "1 year." Reviewing your annual statement each year is a great opportunity to ensure you have the right amount of retirement credit for the years you have worked. Data is submitted to PERS by your employer(s), so if you notice something you think is incorrect, please check with your employer (usually payroll or human resources) first.

The statement also lists your "vested status." Vesting means you are entitled to a benefit at retirement even if you leave PERS-covered employment. You are vested in your OPSRP pension on the earliest date in which you complete at least 600 hours of service in each of five calendar years (the years do not have to be consecutive, but you cannot have a gap of more than five years). If you are an active member any time on or after reaching normal retirement age, you also become vested regardless of years of service.

Individual Account Program (IAP)

Your 2017 statement also includes year-end information about your IAP, the second part of your retirement benefit. Your statement shows:

- your previous IAP account balance as of December 31, 2016,
- the 2017 contributions into your IAP (6 percent of your salary goes into your IAP),
- your 2017 earnings rate,
- the 2017 earnings credited to your account, and
- your account balance as of December 31, 2017.

For calendar year 2017, all members were credited 14.72 percent earnings on the IAP.

Please note that in 2018, the investment strategy of the IAP [changed](#) from a one-size-fits-all approach to target-date funds that reduce investment risk and volatility as you age. An insert with this year's statement has more information. *(continued on page 2)*

Highlights in This Issue

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- New 2018 education sessions added 7

2017 statements (continued)

Because 2018 investment returns (which will be shown on your spring 2019 statement) will be based on your age, please make sure your date of birth is correct on your 2017 statement.

If you are actively employed with a PERS-covered employer, contact your employer to correct personal information. If you are not working for a PERS-covered employer, submit an [Information Change Request](#) form.

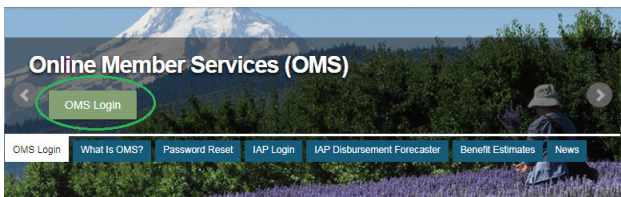
Self-serve through online tools: OMS and IAP.Voya.com

The PERS call center received 197,783 calls in 2017, a 20,000-call increase from 2016. We recognize members' frustration with call wait times and want to make sure you are aware of some self-service options we provide. Also, don't forget that our Member Services team can answer most non-confidential questions [via email](#).

In [Online Member Services \(OMS\)](#) on the PERS website, you can:

- review your employment history, including your salary and service credit details;
- generate online benefit estimates to see how much your pension could be; and
- update your email address and phone number (if you are inactive, you can also update your mailing address; otherwise, if you are actively employed, you must request address changes through your employer).

PERS' [What Can I Do in OMS?](#) webpage has some helpful tips on navigating OMS and guidance on creating an account. [This flyer](#) illustrates the steps to create an OMS account. Keep in mind your member data reflects what your employer has submitted to PERS.



You can reach OMS from the PERS home page by clicking the green OMS Login button.

When setting up your OMS account, you should use an email address you have access to so form receipt confirmation emails and other information are always secure.

Please be aware that OMS does have some limitations

2017 earnings crediting

Investment returns from the PERS Fund were 15.3 percent in 2017. [Final earnings crediting](#) was determined by the PERS Board at its April 2, 2018 meeting.

IAP accounts received 14.72 percent earnings for 2017. Remember that your OPSRP pension does not have an account balance.

This information will be reflected on your 2017 annual statement received in May 2018.

for certain account types. You can [call or email](#) Member Services and provide error messages you encounter. We do have long-term plans to modernize OMS.

We appreciate your patience and support as we work to mitigate the increase in call wait times.

[IAP.Voya.com](#)



Online access to IAP information is hosted on a separate website at [IAP.Voya.com](#).

Information about your Individual Account Program (IAP), the account-based benefit that includes your 6 percent contributions, is accessed separately through [IAP.Voya.com](#). After logging in to that website, you can review your total IAP balance and ongoing contributions. Please be aware there is sometimes a delay in information posting to Voya, PERS' third-party IAP administrator. In addition, since PERS only credits earnings to the IAP on an annual basis, year-end earnings will not be reflected until after the PERS Board approves earnings crediting, usually in April.

If you have not already logged in, you will need to [register](#) for online IAP access using either your Social Security number, date of birth, and other personal information, or with your Social Security number and a PIN. If you don't have a PIN, which may have been previously mailed to you, the IAP website allows you to request one to be mailed to your address of record. Voya's [Need Help?](#) page provides further assistance.

Join 25,000 other public employees: Sign up for GovDelivery

Do you want to know the latest about the implementation of [House Bill 4159](#), which provides for limited member choice in IAP investments starting January 1, 2019? Sign up for specific GovDelivery [emails on this topic](#) to receive information once it is available.

GovDelivery allows you to receive timely updates on PERS topics that may be of interest to you. You can learn more and review sign-up instructions on the [PERS website](#) or directly sign up here:

[SIGN UP &
CHOOSE TOPICS](#)

Email/Text Notifications

Subscribe to receive email or text alerts about PERS information.

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Public Employees
Retirement
System

You can choose specific topics to receive email or text message updates, including OPSRP member news, Oregon Savings Growth Plan updates, and other PERS information. You will only receive information on the topics you choose. You can also click this icon on the bottom left of the PERS website to sign up directly.

Retirement planning: Are you saving enough?

Your retirement future is up to you. Your planning and saving strategy will help prepare you for the retirement you dream of. Taking stock of your situation and fully understanding your retirement benefits with PERS will go a long way in helping plan your future.

Your **OPSRP pension** is a defined benefit (pension) plan. That means you or a beneficiary may receive a monthly benefit for life. Your **Individual Account Program** (IAP) is the second part of your retirement benefit. The benefit you will receive from your IAP at retirement is based on your total account balance and the distribution option you select.

Once you have estimated your OPSRP pension benefit (using [Online Member Services](#)), your potential IAP payments (you can use the [IAP Disbursement Forecaster](#)), and [Social Security](#), have you considered if you will have enough money for a secure retirement?

Financial planners suggest that people need 80 percent of their working income when they retire. Remember that the OPSRP pension is currently designed to provide 45 percent of your final average salary for life after a 30-year public service career (25 years for police officers and firefighters).

Health care is also growing as a retirement cost. Estimating your future costs now can make a big impact in the future (*read more about the PERS*

Health Insurance Program on page 5).

One way to supplement your retirement is through the Oregon Savings Growth Plan (OSGP), a 457(b) deferred compensation plan available to all state employees as well as local government and school district employees whose employers have adopted the plan.

OSGP lets participants save for retirement on a pre-tax or after-tax basis through payroll deductions. Savings on a pre-tax basis helps you lower your taxable income now, while contributing on an after-tax basis allows you to take money at retirement tax free.

You can save as little as \$25 a month, up to \$18,500 per year (\$24,500 if age 50 or older). 457(b) plans are unique in offering a Three-Year Catch-Up provision that allows you to save up to \$37,000 per year for the last three years of employment if you did not take full advantage of the plan earlier. OSGP offers a choice of investments, including easy-to-use target-date funds.

OSGP holds a variety of free [education sessions](#) throughout the state. You can learn the basics about OSGP, calculate your future retirement income, and understand strategies to prepare for retirement.

Learn more at www.growyourtomorrow.com, and enroll now.



Death benefits before retirement

In the event of a member's death, PERS should be notified as soon as possible. PERS will require the date of death, city and state where the death occurred, a photocopy of the death certificate showing the cause of death, and spouse or personal representative contact information. There are different rules for how your OPSRP pension and IAP are treated before you retire.

OPSRP Pension Program

If you die before retirement and are vested, PERS will pay a death benefit to your spouse or to any other person who is constitutionally required to be treated in the same manner as a spouse for the purpose of retirement benefits. If you are single, there is no pension death benefit available.

No form is required to designate a pension beneficiary, since the only beneficiary available is your spouse.

The death benefit will be for the life of your spouse and will be the actuarial equivalent of 50 percent of the pension you would have received as a retirement benefit.

Payment of the death benefit will be as of:

- your date of death if you die after your earliest retirement date,
- the date you would have reached age 55 if you were not a police officer or firefighter at the time of your death and you die before your earliest retirement date, or
- the date you would have reached age 50 if you were a police officer or firefighter at the time of your death and you die before your earliest retirement date.

If you reach your earliest retirement date before your death, your surviving spouse must begin receiving death benefits before December 31 of the calendar year following the calendar year of your death, or December 31 of the calendar year in which you would have reached age 70½, whichever is later.

Individual Account Program (IAP)

Make sure you fill out the correct [IAP pre-retirement beneficiary forms](#). There are different versions, depending on if you are married or single.

Married members must use the **IAP: Pre-Retirement Designation of Beneficiary: Married Applicant** form. The Spousal Designation area of

the form directs your death benefits to your surviving spouse. In the event of your death, benefits must be paid to your spouse unless he or she consents to an alternate beneficiary.

Spouse includes anyone who is constitutionally required to be treated in the same manner as a spouse.

If you are married and want to designate someone other than your spouse as your IAP beneficiary, your spouse must consent. The consent must be signed by the person who is your spouse at the time of your death to allow someone other than him or her to receive your IAP account balance. You need to complete the [IAP: Revocation of Spousal Beneficiary Designation form](#) if your spouse chooses to revoke his or her spousal consent.

If you are single, you must use the **IAP: Pre-Retirement Designation of Beneficiary: Single Applicant** form. Should you select the statutory designation, you automatically provide for changes that occur in your family's situation, such as marriage, birth, divorce, or death.

2018 legislative session

Several bills were approved during the 2018 Oregon legislative session that impact PERS administration. PERS is currently planning the implementation of those bills and will add information to the PERS website as it becomes available.

House Bill 4159 and Senate Bill 1566 do not directly impact member benefits but will be of particular interest for PERS members and stakeholders.

[House Bill 4159](#) provides for limited member choice in IAP investments starting January 1, 2019. PERS is currently analyzing the implementation of this bill and will share more information in the future. Sign up for specific GovDelivery [emails on this topic](#) to receive information once it is available.

[Senate Bill 1566](#) relates to employer contribution rates to PERS. PERS will share more details directly with employers when further information is available.

You can learn more and look up information about bills approved during the 2018 session on the Oregon Legislature's [website](#).

Are you a police officer or firefighter thinking about retirement? Make sure you know the special rules for OPSRP

There are two unique requirements for an OPSRP police officer or firefighter (P&F) member to be eligible to retire under P&F [retirement age eligibility](#) (age 50 for early, reduced retirement, and age 60 for normal, unreduced retirement).

First, you must have worked *continuously* as a P&F member for at least 60 months (five years) immediately preceding your retirement. Second, your effective retirement date *must be the first of the month following your separation* from P&F employment.

For example: if you leave your PERS-covered P&F employment on April 27, 2018, the effective retirement date on your OPSRP retirement application must be May 1, 2018. PERS must also receive your retirement application by the last business day of the month before your effective retirement date; otherwise, you will not qualify for P&F retirement age eligibility.

OPSRP P&F members must retire based on general service age eligibility (age 55 for early retirement and age 65 for normal retirement) if the above requirements are not met.

Remember that if you retire early, your entire OPSRP pension benefit will be reduced by an actuarial equivalency factor (see [Table 1: Early Retirement Factors](#)) based on the number of months and years you are below the age of 60 if you held a P&F position. For example, if you retire at age 55 (five years before normal P&F retirement age), your entire pension benefit will

Are you prepared for health care costs in retirement?

Many public employers pay for the majority of health care costs for their employees, with the remaining portion of health care premiums coming out of employee paychecks. For example, under the [Public Employees' Benefit Board](#) (PEBB), which serves state employees, most agencies contribute 95 or 99 percent of the premiums for the core benefits of medical, dental, vision, and basic employee life coverage, with the employee share at 5 percent or 1 percent.

The problem? Some people, when considering whether they'll have sufficient income to cover their monthly expenses in retirement, forget that they will likely be responsible for paying the full amount of

be reduced by approximately 35 percent since you will receive it over a longer period of time.

Want to make sure you are prepared for your future P&F retirement? PERS can help you with the following efforts:

- Use [Online Member Services \(OMS\)](#) to generate as many online benefit estimates as you like using different retirement dates.
- When you are within two years of your earliest P&F retirement (i.e., age 48), consider requesting a [written estimate](#) for a full staff review.
- Especially if you have worked for multiple employers, consider if you want to have a [PERS data verification](#), which secures your employer-reported data to prevent it from changing.
- Attend an OPSRP [retirement education session](#) to learn the basics.
- Within 90 days of your expected retirement date, sign up for a [Retirement Application Assistance Session \(RAAS\)](#) to make sure your forms are complete and accurate.

It is never too early or too late to ask yourself if you are saving enough for retirement. For instance, if you are planning to retire early, have you considered [health care costs](#)? Have you thought about saving more through the [Oregon Savings Growth Plan](#) (for those who are eligible)?

their health care premiums once they retire.

Health insurance premiums are just part of the cost of health care you will have in retirement. According to Fidelity's latest [Retiree Health Care Costs Estimate](#), a 65-year-old couple who retired in 2017 will need an estimated \$275,000 to cover health care costs in retirement.

Once you are a PERS retiree, the [PERS Health Insurance Program \(PHIP\)](#) is one option available to provide health insurance in retirement. PHIP [offers](#) both Medicare and non-Medicare plans, as well as dental plans.

For more information on the plans offered by PHIP, visit www.pershealth.com or call 800-768-7377.

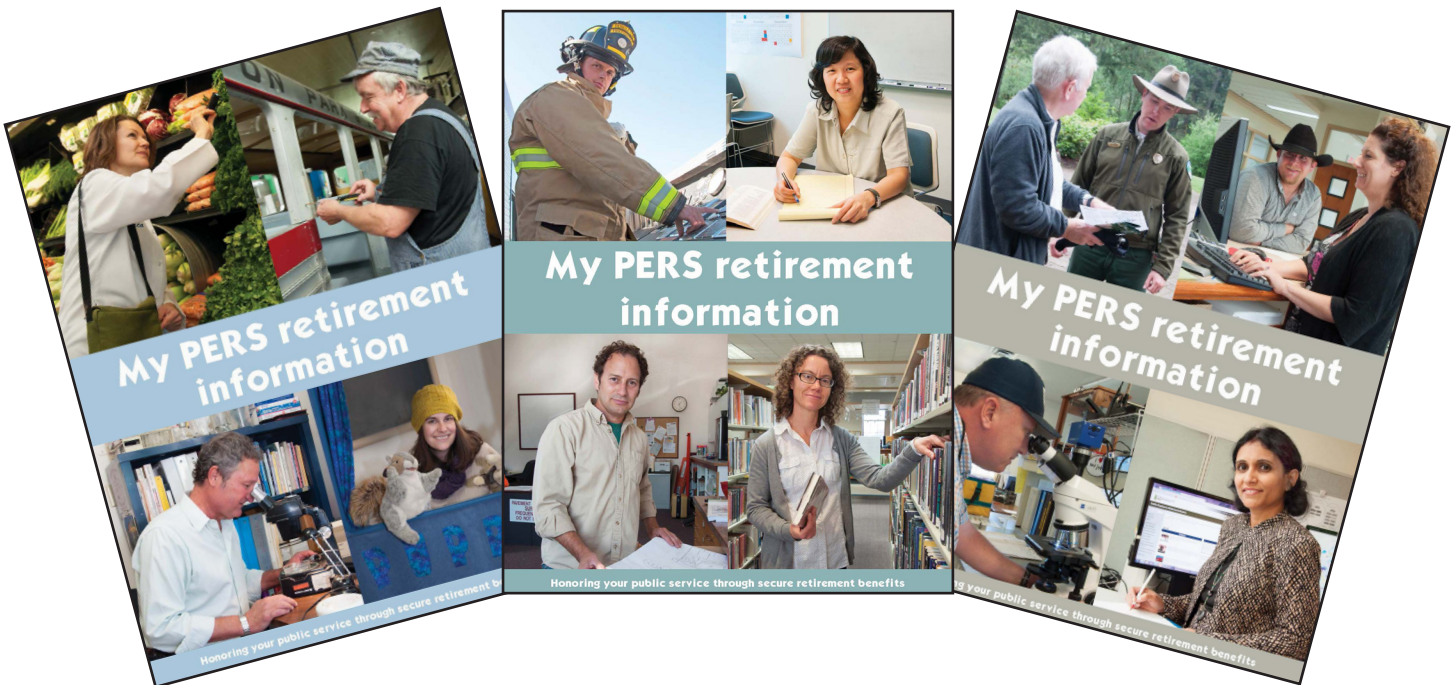
Help PERS improve our publications and website

PERS has a strategic goal to brand PERS as a retirement education resource, and as part of this effort, we would value member feedback so our website and member publications better reflect our membership.

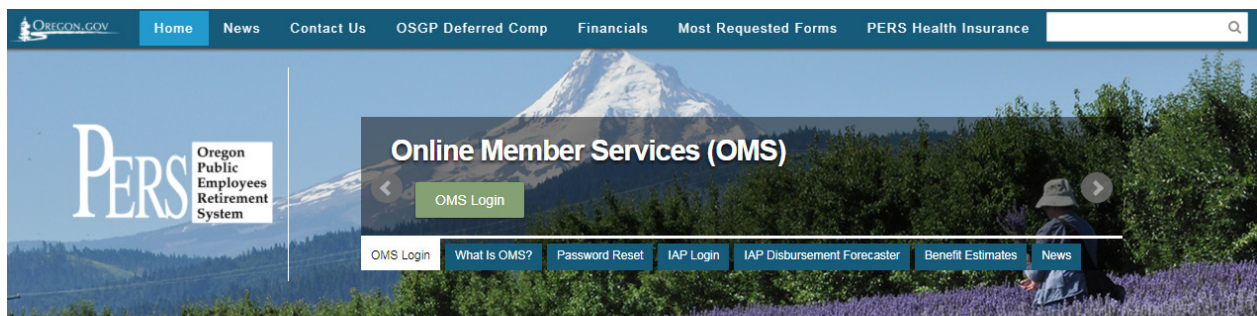
Have feedback? Willing to have your photo taken? Email editor@pers.state.or.us.

Do you have feedback to help improve the PERS website? Suggestions on what would make navigation easier or items you think are missing or unclear? We are starting to gather feedback to make eventual improvements. While we have long-term plans to update Online Member Services, we are only looking for feedback on the <http://oregon.gov/PERS> website at this time. Please email your suggestions to editor@pers.state.or.us. We may follow up for more in-depth information in the future.

Would you like your photo taken for use on the PERS website or other member publications? [Email us](#), and we'll follow up to get more information. Thank you.

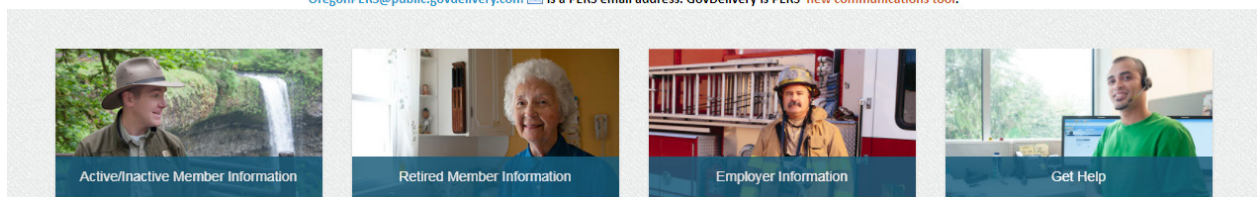


Member photos are included on folders handed out at PERS education presentations. Thank you for your support in helping us improve our member publications.



Call 888-320-7377 to talk with a PERS Member Services representative (M-F, 8:30 a.m. - 5 p.m.). Email [Member Services](#).

OregonPERS@public.govdelivery.com is a PERS email address. GovDelivery is PERS' new communications tool.



Would you know where to click first when you arrive on the PERS home page?

Education Presentations

PERS offers education presentations for OPSRP members at any stage of their career. Presentations are held throughout the state. Whether you are close to retirement or just starting your career, these sessions provide a broad range of PERS information to equip you with career-long retirement planning information.

Check the [schedule](#) to see when we'll be in your community. Sessions for 2018 are now listed online.

All About OPSRP

This presentation is ideal for members at any stage of their career who began their PERS-covered careers after August 28, 2003. Topics include membership and vesting requirements, information regarding Online Member Services (OMS) and estimates, retirement eligibility, detailed information about the Individual Account Program (IAP), and member resources.

All About OPSRP with Financial Planning

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

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

All presentations are free, including the financial planning sessions. Your spouse or a guest can attend with you, but registration is required for all attendees, as space is limited. Register through the PERS website in the [Education Sessions](#) section.

Retirement Application Assistance Sessions (RAAS)

These are one-hour, one-on-one appointments with a PERS staff member to review PERS retirement application forms for accuracy and completeness. The appointment should be on a date within the 90 days before your PERS retirement date.

Please note: A RAAS is not a counseling session to assist you in making a decision to retire nor to review your account or obtain an estimate. It is for [retirement application](#) review.

During the RAAS, PERS staff will:

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

As a courtesy to others, please do not schedule more than one RAAS session. One hour is sufficient for a comprehensive review of your retirement forms. Sign up for [2018 sessions](#) on the PERS website.

Perspectives is published by the Oregon Public Employees Retirement System for the benefit of members and employers.

Address correspondence to: **PERS, P.O. Box 23700, Tigard, OR 97281-3700.** PERS' headquarters is located at **11410 SW 68th Parkway, Tigard, Oregon, 97223.**

Phone: **888-320-7377**; TTY: **503-603-7766.** Telephone hours are 8:30 a.m. to 5 p.m., Monday through Friday, except holidays. PERS' website address is <http://www.oregon.gov/PERS>. Email PERS Member Services at Customer-Service.PERS@state.or.us.

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