

PERS EMPLOYER ADVISORY GROUP MEETING

Date: 04/19/2024

Time: 10:00 a.m. – 12:00 p.m.

Location: MS Teams

TYPE OF MEETING	EAG meeting
FACILITATOR	Sam Paris
NOTE TAKER	Holly Effenberger
CALL-IN NUMBER	+1 971-300-4342 Phone Conference ID: 715 143 891#
ATTENDEES	<p>EAG members: Michelle Morrison, Oregon School Boards Association; Anne Willis, State Universities; Shauna Tobiasson, State of Oregon; Matt Warner, League of Oregon Cities; Jeff Rasmussen, Association of Oregon Counties; Ray Bonny, State Universities</p> <p>PERS staff: Kevin Olineck, Sam Paris, Heather Case, Brandon Armatas, Jake Winship, El Rossman Weber, Alison Burman, Troy Phillips, Latifa Salinez, Jonathon Yost, Theresa Tabish, Shawn Harper, Elli Probasco, Matthew Graves, Shanara Miller, Holly Effenberger</p> <p>Guests: Ian Peterson, JoAnn Zahn, Jackie Olsen, Brendan Watkins, Katie Kicza, Suzanne Linneen, Eric Blumenthal, Cheryl Carder, Morgan Aleen, Brendan Watkins</p>

NOTES

TOPIC	Welcome	Sam Paris
TIME: 10:00-10:01		
Sam Paris, PERS Chief Operations Officer, welcomed the Employer Advisory Group (EAG) and went over the EAG meeting agenda.		

TOPIC	Director's Office Update	Kevin Olineck
TIME: 10:01-10:04		
Kevin Olineck, PERS Director, provided a Director's Office update.		
<p>The recent PERS Board meeting was held on April 1, 2024. A recording of the meeting is available for viewing on the PERS Board webpage. The following reports and information were covered at the meeting:</p> <ul style="list-style-type: none"> ▪ Oregon PERS Fund (OPERF) year-end update from Oregon Treasury. ▪ Oregon Savings Growth Plan (OSGP) annual report. ▪ Final earnings crediting 2023. ▪ 2025-27 budget development update. 		

The next PERS Board meeting is May 31, 2024. This meeting will include a review of the Board Education policy and an update to the Board Funding policy. Additional agenda items include a PERS Health Insurance Program (PHIP) annual update, PHIP renewal rates, and budget development.

Kevin encouraged people to attend the Board meetings, reminding the group that there is an option to attend virtually.

TOPIC	Legislative Update	Heather Case
TIME: 10:04-11:04		
Heather Case, PERS Senior Policy Advisor, gave a Legislative Update.		
2024 Legislative Session wrap-up		
The 2024 Legislative Session (short session) ended March 7. Four bills affecting PERS passed.		
House Bill (HB) 4034		
This is a regular yearly federal tax reconnect bill. It updates the date for PERS' statutory connections to the Internal Revenue Code to December 31, 2023, and ensures congruency between federal and state tax codes.		
HB 4083		
This fossil fuel disinvestment bill removes investments in thermal coal from the State Treasury investment portfolio. This is a gradual divestment in thermal coal. This bill does not affect PERS the program, but it does affect the fund.		
Senate Bill (SB) 5701		
This is a budget reconciliation bill. It includes all the program and position adjustments requested by the agency. Program adjustment and position classification adjustments were approved through this bill.		
HB 4045		
This bill is called the Public Safety Workforce Stabilization Act. It was not brought forward by PERS. Agencies cannot request bills be introduced during a short session. HB 4045 was signed by the Governor on April 17. Governor Kotek included a signing letter to the legislature. It outlined concerns about implementing legislative mandates that interfere with current projects. These concerns reflect the agency's concerns.		
This bill does the following:		
<ul style="list-style-type: none">▪ Reduces OPSRP Police and Fire (P&F) normal retirement age for members who have fewer than 25 years of service from 60 to 55. The service retirement age for members with 25+ years of service remains unchanged at 53. This is effective 1/1/2025.▪ Adds elected district attorneys and forensic scientists at Oregon State Police to the definition of "police officer" for the purpose of receiving P&F benefits. Last session, the deputy district attorneys were added. This is effective 1/1/2025.		

- Creates a new job classification called “Hazardous Position” for OPSRP members only. This part of the bill is operative beginning 1/1/2030.

Hazardous Position is defined as a position that doesn’t meet the federal definition of “public safety employee” and involves one of the following:

- Requires person holding the position to work with or manage emergency or traumatic events in the regular course of work.
- Carries a high risk of physical harm.

Right now, this classification **only** includes 911 telecommunicators and Oregon State Hospital employees who have direct contact with patients. PERS does not decide which employees have direct contact. The legislature will decide who meets the definition of Hazardous Position and, therefore, what positions will be added to the Hazardous Position member classification in the future.

A Hazardous Position member will receive the 1.8% multiplier for calculating pension benefits. This is the same as OPSRP P&F. They will have a lower retirement age than General Service. It will be age 60 with fewer than 25 years of service or age 58 with 25+ years of service.

The bill requires Milliman to do an experience study by 2028. PERS must report the results of that study to the Legislature. Also, every biennium, PERS must update the Legislature on the status of implementing the Hazardous Position part of HB 4045.

This bill also mandates that a separate contribution rate be set for this classification, which the PERS Board will set in 2030.

Heather opened the floor for questions.

- *Question:* Suzanne Linneen – Has anything been mentioned about expanding this to other positions or classifications?
 - *Answer:* Heather Case – Right now, this only applies to 911 telecommunicators and state hospital workers who have direct contact with patients. This bill becomes law 1/1/2025. But the Hazardous Position is not created until 1/1/2030. There is the possibility that the Legislature could add more positions, but there’s been no mention of that yet. The Legislature is the only group that can change this statute to include other positions.
- *Question:* Carol Samuels, Piper Sandler Companies – Does this affect county 911 operators?
 - *Answer:* Heather Case – Yes. Anyone who falls under the definition of 911 telecommuters in [Oregon Revised Statute 181A.355](#) would be a Hazardous Position.
- *Question:* Carol Samuels, Piper Sandler Companies – Who defines which employees are in direct contact with patients?
 - *Answer:* Heather Case – The Oregon State Hospital.
- *Comment:* Suzanne Linneen – Suzanne suggested making sure HR staff are aware of this and being more thoughtful about the use of the word “hazardous” in job descriptions. There could be a push to add more positions to this classification.
 - *Answer:* Heather Case – Unions were involved in choosing the language for this statute. Hopefully, having a definition of what a Hazardous Position is written into the statute will help legislators.

- *Comment:* Shauna Tobiasson, Department of Administrative Services – Shauna recommended considering this to be similar to P&F. There is a definition that specifies exactly who gets it. While this is a new classification, it’s like what we already know.
 - *Answer:* Heather Case – Agreed. The positions that get added will be decided by the legislature. This is a similar pattern.

- *Question:* Shauna Tobiasson, Department of Administrative Services – What is the plan for employer-focused communications?
 - *Answer:* Heather Case – Implementation isn’t until 2026, so employer-specific communication won’t be needed until next year. PERS is working on an informational webpage for members. For now, that page will serve as a resource for members and employers.

- *Question:* Shauna Tobiasson, Department of Administrative Services – Did PERS request positions to implement this?
 - Heather Case: Yes, We received about \$2 million for new positions this biennium. The exact number of positions has not been determined yet.
 - *Correction:* In the meeting, it was stated total cost of implementing HB 4045 would be approximately \$18 million. However, this is just for the Hazardous Position portion of the bill. Implementing the whole bill will cost the agency about \$22 million.

- *Question:* In the future, could this be applied to include nursing, phlebotomy, radiology, and other medical positions at community colleges?
 - *Answer:* Heather Case – This isn’t something PERS can answer.

2025 Legislative Concepts

On April 1, 2024, the PERS Board voted to move forward on four possible bills. Please refer to the board meeting materials posted on the [PERS website](#) for more information on these bills.

Bill 1: Alignment/clean-up of death benefit

- Limit IAP post-retirement death benefit payout to lump sum only.
- Increase minimum monthly payment of P&F death benefit to \$200.
- Correct statutory language regarding OPSRP “pop-up” options.
- Correct unintended limitation on allowing surviving spouse who is designated beneficiary of retiree to elect an option change if the retiree dies within the initial 60-day period.

Bill 2: Alignment/clean-up of employer reporting

This bill is technical changes. It will not change employer reporting.

- Increase optional waiver on overpayment recovery from \$50 to \$200.
- Repeal obsolete statute [ORS 238A.010](#).
- Clean up data-locking language in [ORS 238.450](#).
- Clarify language for credible service accrual in a partial month.

Bill 3: PERS Health Insurance Program (PHIP) concepts

Great feedback was received at a member and stakeholder meeting held on 2/27.

- Raise Retiree Health Insurance Account (RHIA) subsidy from \$60 to an amount that is 50% to 100% of five-year average.
- Tie it to the changing five-year average, instead of a specific amount, to make PHIP more competitive.
 - The five-year average is currently \$271/month.
 - 50% of this average would be about \$135/month. An amount hasn't been settled on yet. The board will revisit this at rate setting time.
- Open RHIA and Retiree Health Insurance Premium Account (RHIPA) subsidies to OPSRP retirees.
 - *Question:* Suzanne Linneen – Why do you think the enrollment is going down or not increasing?
 - *Answer:* Kevin Olineck – The costs are increasing quite a bit. People who are under 65 can stay with their current employer program. This is causing a shrinking pool. The smaller the pool, the higher the cost. Also, PHIP is often the insurer of last resort for people who can't get coverage somewhere else. Complicated medical history increases usage and cost.
 - *Question:* Carol Samuels, Piper Sandler Companies – Are you suggesting if you don't expand participation, cost will have to increase for employers or members? Is this a way to maintain or reduce potential cost to employers?
 - *Answer:* Kevin Olineck – Opening up to OPSRP employees would mitigate some of the cost increases. A deeper investigation into these impacts is going to be done.
 - *Question:* Carol Samuels, Piper Sandler Companies – Is this a way to maintain or reduce potential cost increases on employers? Or if you don't do this, the cost increase will be on the members who participate in the plan?
 - *Answer:* Kevin Olineck – A bit of both. We could possibly mitigate a cost increase to employers and members. We have more analysis to do before the 2025 legislative session.

Bill 4: Treatment of School District Unfunded Liability Fund (SDULF)

- Currently, SDULF has a balance of \$85 million.
- The way the statute is written, funds cannot be used to benefit school districts because of a requirement for a side account to be set up with these funds (with a subsequent amortization period).
- Instead of a school district side account, this concept repurposes the SDULF to apply funds directly to the School Districts Pool Tier One/Tier Two unfunded actuarial liability (UAL). This would benefit every employer in the pool.
- The last remaining revenue stream for the SDULF will end on January 2, 2027. Funds remain available until June 30, 2042.

Comment: Jake Winship, PERS Actuary – It's more straightforward to have a direct reduction of UAL because of the way the School District Pool is structured. While speaking with stakeholders, there was a desire expressed to target this money. Doing a direct reduction to UAL would be more efficient and have the same net result.

- *Question:* Carol Samuels, Piper Sandler Companies –Administrative costs on side accounts are actually lower than they are on the corpus itself?
 - *Answer:* Jake Winship – A transfer would be direct. It would recategorize assets that are part of the trust. This is a straightforward route and is not anticipated to incur a marginal cost.
 - *Answer:* Kevin Olineck – We are proposing to net this amount out. It's equivalent to applying the earnings on the UAL.

- *Question:* Morgan Allen Cosa – This is probably the best idea right now, but if more ideas were shared between now and the next session, PERS would consider them?
 - *Answer:* Heather Case – PERS is open to amendments to this bill both before and during session.

Next steps

The agency must submit concepts to Department of Administrative Services (DAS) and the Governor's Office by April 30, 2024. PERS doesn't anticipate surprises from or to the Governor's office or DAS. The Governor's Office will discuss concepts with agencies and give final approval to send concepts out for drafting by June 28, 2024.

Topic	Employer Service Center (ESC) Update	Theresa Tabish
Time: 11:04-07		
Theresa Tabish, PERS Operations and Policy Analyst, gave an ESC update.		
Superhero Gold Star Awards		
The award program was started in 2016, originally under the name Gold Star Awards. That first year, ESC awarded 492 awards. This year, ESC sent 713 awards to employers who successfully submitted 100% of their Regular reports on or before the due date for 2023. This is a 61% increase from the prior year.		
Beginner Employer Reporting instructor-led course		
Employer reporters can now register for the new Beginner Employer Reporting class. It's recommended for new reporters or those who would like a refresher. It's a virtual, three-hour course that covers an overview of PERS, reporter roles, reporting in EDX, and understanding PERS rules. The class also includes handouts and hands-on practice in the EDX test environment. Registration is open now on the PERS website, under the Employers tab. The first class is May 8, and classes will be held monthly. Registration is required as space is limited.		

TOPIC	Senate Bill (SB) 1049 Program Update	Elli Probasco
TIME: 11:07-11:10		
Elli Probasco, PERS Product Owner, asked for feedback on the employer statement download functionality that was deployed on February 15, 2024.		

Comment: Jackie Olsen – Our payroll department is very appreciative of how this is rolling out. They would like to see an option to download all invoices from the main statement and the ability download directly into Excel.

TOPIC

Communications Update

Shawn Harper

TIME: 11:10-11:17

Shawn Harper, Employer Communications Specialist, presented communications updates.

New Resources

New employer reporting guides

- **Guides 9 and 10, [Reporting Wages for a Qualifying Employee](#) and [Reporting Wages for a Non-Qualifying Employee](#)**
These guides also explain how to report wages for qualifying and non-qualifying positions and what to do if the qualification status of a position changes.
- **Guide 12, [Military Leave](#)**
This guide will be published in the next couple of weeks. It explains how to report for an employee who takes a USERRA-qualifying military leave.
- **Guide 16, [Reporting a Retirement](#)**
This guide explains the journey PERS members take on the road to retirement. This is intended for any employer who explains PERS benefits to employees. PERS would love feedback on this guide.
- **Guide 17, [Calculating Unused Sick Leave Hours at Termination or Retirement](#)**
Explains how to calculate and report unused sick leave hours for a Tier One/Tier Two employee at termination.
- **Guide 26, [Understanding Your Statement](#)**
This guide takes employers screen-by-screen through their EDX statement.
- **Guide 27, [Paying Your Invoice](#)**
Explains how to pay your invoice through Automated Clearing House (ACH).

Updated Unfunded Actuarial Liability Resolution Program (UALRP) guides

- [Guide to Financial Modeling.](#)
- [Guide to Understanding Your Valuation: School Districts Pool.](#)

Coming Soon

- Update to *Guide to Understanding Your Valuation: State and Local Government Rate Pool.*

EAG article in March employer newsletter

An article about EAG was run in the [March Employer News](#). Did any employers reach out to you with comments, questions, or interest? Please share here in the meeting or email feedback to Employer_Advisory_Group@pers.oregon.gov.

2024 PERS Employer Satisfaction Survey

The annual employer satisfaction survey will be open May 1–31. This survey is a combination of questions required for benchmarking and questions we choose to ask to measure satisfaction with the resources/services PERS supplies to employers. The information gathered from the responses is analyzed to measure progress and set new improvement goals.

This year, we are aiming for a much higher response rate. Communications would love to hear suggestions on how to encourage employers to complete the survey. Email your ideas to Employer_Advisory_Group@pers.oregon.gov.

- *Comment:* Brandon Armatas, Data Services Section Manager – Feedback from the survey is invaluable. It helps shape solutions to make employers’ work easier.

TOPIC	Additional Items	Shanara Miller
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TIME: 11:17-11:23

Shanara Miller presented an update on member annual statements (MAS).

Status

- Minor cosmetic updates were made this year. There were no data changes. No wording changed and no data points were added.
- The project is currently in the testing phase to ensure the statements are accurate and merged correctly.
- In collaboration with Publishing and Distribution, the statements are on track for a mid-May mailing date.

Impact to employers

Efforts to update member addresses should continue to reduce returned statements:

- Notifying members to update incorrect addresses.
- Using the National Change of Address Database again.
- Encouraging employees to update their addresses.

Fielding MAS questions

- The statements will again have a back page with high-level information, including helpful links members can explore.
- A [MAS FAQ](#) is available on the PERS website.
- Members can [email PERS Member Services](#) for assistance.
 - *Question:* Is sending MAS via encrypted email being considered?
 - *Answer:* Elli Probasco, PERS’ Product Owner – Ways to improve the delivery of our member annual statements is a part of the long-term goals we have for Modernization planning.

TOPIC	Open Discussion	Sam Paris
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TIME: 11:23-11:24

With the remaining time, Sam opened the meeting to EAG members for questions and discussion.

There were no more questions.

Next meeting facilitator: Sam Paris

Next meeting date and time: July 19, 2024