

OREGON PERS

75 years of serving
those who serve Oregon

EMPLOYER NEWS

FEBRUARY
2022

- 1 Annual Employer Rate Projection Tool (ERPT) update
- 2 Improved financial modeling outlook
- 3 2021 year-end reconciliation: Resolving reporting issues
- 4 Preparing for 2021 member annual statements
- 4 We need your help
- 5 What to do with a PERS debit notification email

QUICK LINKS

COVID-19 and paid leave
SB 1049 programs
PERS employer website

SUPPORT

Employer support email
Contact PERS



Paulina, Oregon

Annual Employer Rate Projection Tool (ERPT) update

In January, we updated the ERPT with data from the 2020 system-wide actuarial valuation, including the new assumed rate and 2021 system payroll growth rate.

You can access the updated tool and user guide on the [ERPT webpage](#).

Looking ahead, we are planning to make new employer-requested enhancements to the ERPT this summer. We'll keep you informed as we get more specific information.

ENTER DECEMBER 31, 2021 VALUATION DATA

	Current Contribution Rates 2021 - 2023:	Actual Contribution Rates 2023 - 2025:
Tier 1 / Tier 2 GS Payroll	Tier 1 / Tier 2 GS	Tier 1 / Tier 2 GS
<input type="text"/>	<input type="text"/>	<input type="text"/>
Tier 1 / Tier 2 PF Payroll	Tier 1 / Tier 2 PF	Tier 1 / Tier 2 PF
<input type="text"/>	<input type="text"/>	<input type="text"/>
OPSRP GS Payroll	OPSRP GS	OPSRP GS
<input type="text"/>	<input type="text"/>	<input type="text"/>
OPSRP PF Payroll	OPSRP PF	OPSRP PF
<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Valuation Payroll		
<input type="text"/>		

Learn more

For more information on inflation and system payroll growth values, see "New 2022 Salary Limits and Requirements" in the [January 2022 Employer News](#).

To learn more about the new assumed rate, read "System-Wide Advisory Valuation Predicts Possible Rate Changes for 2023-25" in the [November 2021 Employer News](#).

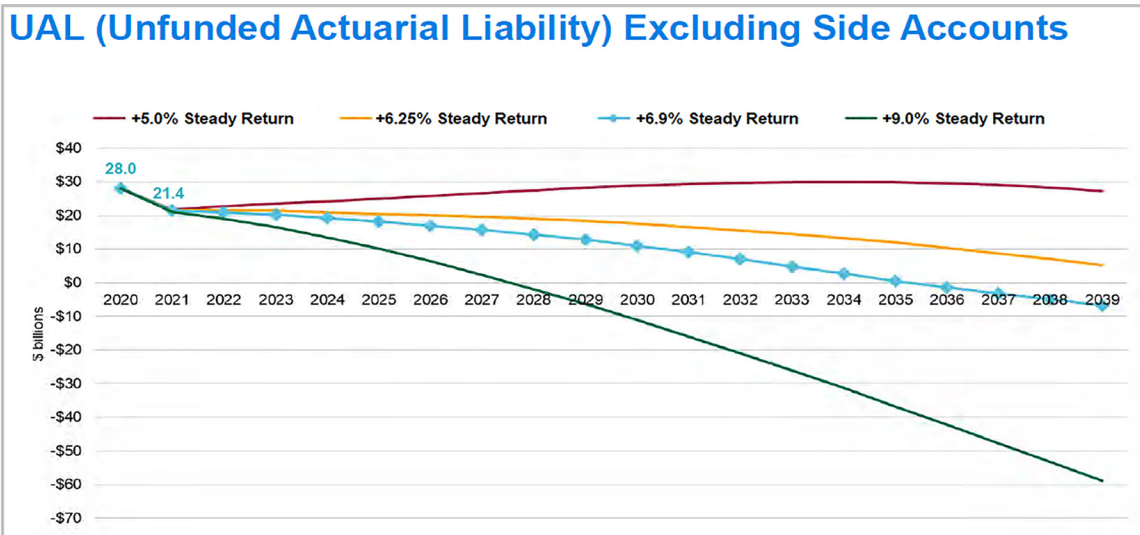
Improved financial modeling outlook

Unfunded actuarial liability (UAL) now predicted to decline below \$0 at year-end 2036

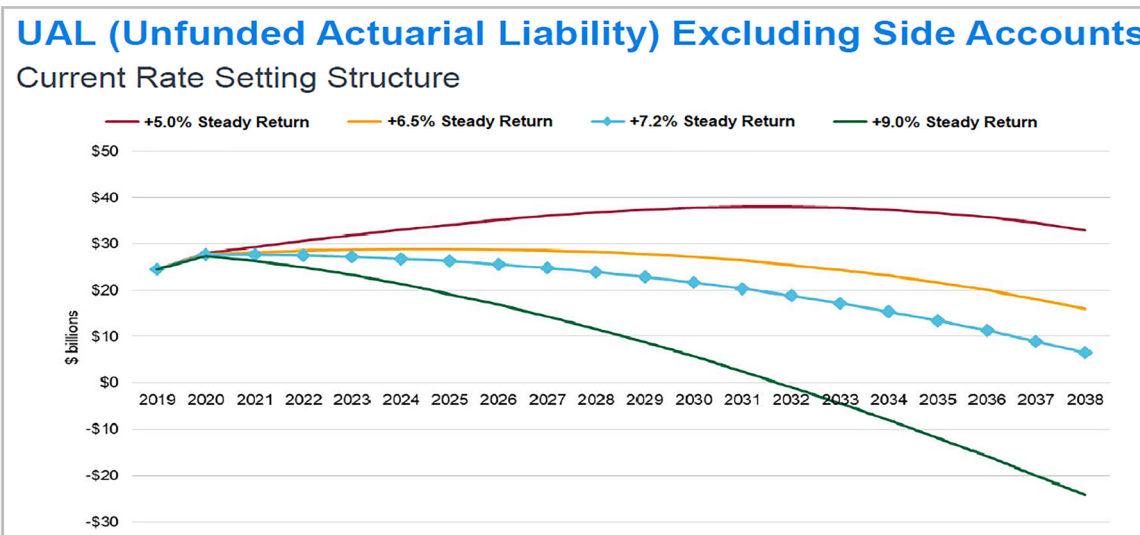
The financial modeling from 2020 did not show the UAL being amortized within the next 20-year period. It predicted that by year-end 2038, the UAL would still be at \$7 billion. Financial modeling done in 2021, however, shows that the UAL will be at \$0 by the end of 2036.

The reason for this improved outlook is the new rate collar methodology adopted by the PERS Board in July 2021. Previously, excess earnings (i.e., earnings greater than the assumption) might result in a lower UAL rate for employers. The new rate collar methodology prevents the UAL rate from decreasing below the current 2019-21 rate and uses any excess earnings to accelerate the funding of the plan until the funded status is at 90%.

2021 financial modeling forecast



2020 financial modeling forecast



Continued

About the rate collar

At the July 23, 2021, PERS Board meeting, the board agreed with actuary Milliman's proposal to update the rate-collar method. The new methodology will be applied to the 2023-25 rates beginning with the 2020 advisory valuations and the 2021 valuations; however, rates for the two largest pools are not expected to be collared for several years. Learn more in the [August 2021 Employer News](#) article, "Rate-Collar Methodology Updated."

2021 year-end reconciliation: Resolving reporting issues

You are now midway through the second and final phase of 2021 reconciliation. In this phase, continue to resolve any remaining 2021 suspended records and reports.

Phase two of year-end reconciliation closes February 28, 2022, but you have until the March 5, 2022, statement to resolve errors and post records for the 2021 calendar year.

Why this is important

Contributions invoiced through March 5, 2022, and paid when due, will be credited with earnings from the PERS Trust for calendar year 2021. If contributions are not paid when due, PERS will invoice you for 2021 earnings.

Also, total subject salary reported for 2021 is used to determine your rates for the next rate-setting valuation and is a significant factor in determining some employers' normal cost, UAL rates, and side account rates. To ensure accuracy and consistency in your rates from valuation to valuation, ensure you are reporting all subject salary by the deadline.

For assistance

Consult your [ESC account representative](#) if you have questions about remaining 2021 records and reports.

Email [PERS Actuarial Services](#) if you have questions about your normal cost or UAL rate, or if you want to know how your payroll may affect your rate.

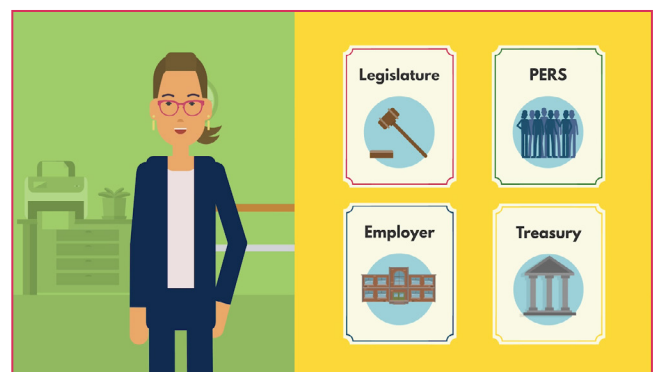
NEW PERS VIDEO

Who decides what the PERS benefits are?

Where does the money come from?

Who manages the money?

If you have ever wondered how PERS benefits are decided and managed, check out the new video, "How Does PERS Work?" produced by PERS Communications.



Play the video

Preparing for 2021 member annual statements

All currently employed PERS members should ensure that their mailing address with PERS is correct **before Monday, February 28, 2021**. PERS [member annual statements](#) will be mailed in May 2022 to the address PERS has on file as of February 28.

You can have your staff check the address PERS has on file by logging into their [Online Member Services \(OMS\)](#) account.

From the Account Home page, click the [Member](#) link under Account Type.

If you would like to access your account information, please select an account below.

Account Plan	Account Type
OPSRP - Pension	Member

What should a member do if their address is incorrect?

If the address shown in OMS is not correct, direct the employee to follow the applicable instructions below. All address updates must be submitted before Monday, February 28. PERS Member Services cannot update mailing addresses for members.

State employees

Update your address directly in Workday.

All other employees

(e.g., schools, local agencies)

Contact your payroll or human resources department and request that they update your mailing address through EDX, the PERS reporting system.

You can read more about Member Annual Statements in the December 2021 editions of PERS' member newsletter for [Tier One/Tier Two members](#) (hired before August 29, 2003) and [OPSRP members](#) (hired after August 28, 2003).

We need your help



PERS will be requesting employer feedback over the next few months regarding the administration of employer programs such as the Employer Incentive Fund (EIF) and side accounts.

Keep an eye on your email inbox for short surveys requesting your feedback. Your input will help us take your needs into account when making any future adjustments to these programs (within statutory and administrative guidelines).

What to do with a PERS debit notification email

Did you receive a notification of ACH debit activity and you're not sure what action to take?

EDX automatically generates and emails a debit activity statement to employers who have elected to pay PERS statements through an Automated Clearing House (ACH) Debit Agreement.

There is no action required. This email serves as a notification that on the remittance due date, the amount due was pulled from the bank account PERS has on file.

The balance due date is five business days from the statement date, which is either the 5th or 20th of the month.

Sample notification of ACH debit activity

From: Oregon PERS

To: [Employer contact]

Subject: Oregon PERS Debit Notification

[Employer Organization Name], ER#. Notification of ACH Debit activity.

On 12/28/2021, the balance due from your 12/20/2021 statement was debited against the bank account designated in your ACH Agreement with PERS as follows:

IAP Balance Due: \$ 1,121.79

Pension Balance Due: \$ 4,389.61

RHIA Balance Due: \$ 4.18

RHIPA Balance Due: \$ 0.00

The debit transaction was posted as a payment to the Un-billed Activity on your EDX account. It will be approximately two business days from the date of the debit transaction before you can view the transaction on the EDX system. Should the debit transaction fail for any reason after the posting of the payment, PERS will invalidate the payment. The amount due and penalties, if any, will be carried forward.

About ACH

To participate in ACH, employers must complete the [PERS Employer: Automated Clearing House \(ACH\) Agreement form](#) and mail or fax it to [PERS headquarters](#).

On the form, you have two choices for payment method: debit or credit.

Debit: PERS deducts your payments automatically. This method is preferred because it results in accurate and timely payments. If you choose this option, you must complete the [Authorization Agreement for Employer ACH Debits](#) form.

Credit: You initiate the payment of funds from your bank to PERS. You need to work with your financial institution before initiating ACH credit transactions. This method is less preferred because an incorrect payment amount may lead to untimely payments.