Welcome! The PERS Overview

PERS, OPSRP and the IAP

Revised 02/04/2014
Agenda

- PERS/OPSRP members
- Individual Account Program
- Online Member Services
- PERS Tier One and Tier Two
- Oregon Public Service Retirement Plan
- Member resources

Disclaimer

Information in this presentation may change as the result of administrative/legislative/or judicial decisions.
PERS/OPSРР Members

**PERS members**

a Tier One: Hired before January 1, 1996

Tier Two: Hired January 1, 1996 through August 28, 2003

**OPSРР members**

n Hired on or after August 29, 2003

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**Tier One/Tier Two**

Diagram:
- IAP
- After Contributions 1/1/04
- EEIER
- ER Contributions
- Member 6 Percent
- Before 1/1/04
- Tier One/Tier Two
- Regular/Variable Accounts
- Annual Statements
- Retire 6 Options
- Retire opt ns
Individual Account Program

- Effective January 1, 2004
- Member contributions to Individual Account Program (IAP)
- Retirement application has one section for IAP and a separate section for PERS/OPSRP
- Retirement benefit from IAP and separate retirement benefit from PERS/OPSRP
IAP Retirement

- When retire from PERS or OPSRP, must retire from IAP
- Retirement date
  - 1st day of any month
  - Submit retirement forms within the 90 day period prior to your retirement date
- First payment due
  - Within 120 days of retirement date

IAP Distributions

- Separate from employment and not retirement eligible
  - Lumpsum
- Retirement benefit choices
  - Lumpsum
  - Installments over 5-10-15-20 year periods, or
  - Anticipated Life Span Option
- can receive IAP distributions only after separation from PERS covered employment
PERS/OPSRP Retirement

- PERS retiree receives IAP benefit, and chooses between thirteen options for PERS pension benefit
- OPSRP retiree receives IAP benefit, and chooses between five options for OPSRP pension benefit

PERS Retirement Eligibility

- 30 years PERS Total Creditable Service Time

- Age
  - Normal retirement
    - 58-Tier!
    - 60-Tier2
    - 55, or 50+ 25 years total service-P&F
  - Early retirement
    - 55
    - 50-P&F
The PERS Retirement Benefit

Calculation factors

- Age
- Service time
- Final average salary
- Account balance

Calculation Methods

- Full Formula
  - Service time x final average salary x .0167
- Money Match
  - Age factor x account balance x 2
- Formula + Annuity (August 21, 1981)
  - Service time x final average salary x .01
    + Age factor x account balance
Calculation Method Comparison

• One of three calculation methods
  • Full Formula
  • Money Match
  • Formula + Annuity
    (only for those with contributions prior to 8/21/1981)
  a Receive benefit based on highest calculation

<table>
<thead>
<tr>
<th>Calculation Method</th>
<th>Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Formula</td>
<td>$3,259.32</td>
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<tr>
<td>Money Match</td>
<td>$3,175.05</td>
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<tr>
<td>Formula + Annuity</td>
<td>(Contributions prior to 8/21/1981)</td>
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</table>
Benefit Estimates

- PERS Estimate
  - Must be within two years of retirement eligibility
  - PERS Estimate Request Form
  - Provided for retirement dates within upcoming 24 months
- Online Member Services
  - Located on the PERS website

Online Member Services

You can:
- Access your account information
- Perform activities related to your account
- Update your contact information
- Link directly to the PERS website to view FAQs, forms and other information
Online Member Services:

**PERS Benefit Estimate**

- Produce your own estimate
- Located on the PERS website
  - [http://oregon.gov/PERS](http://oregon.gov/PERS)
- Review the requirements
- Provide input where required

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**Benefit Estimate – OJ11plete**

<table>
<thead>
<tr>
<th>Payment Options</th>
<th>Monthly Amount Without Purchase</th>
<th>Monthly Amount With Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefit Structure Tier 1</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Single Life Options</strong></td>
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<td></td>
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<tr>
<td>Option 1</td>
<td>$3,249.32</td>
<td>$3,259.32</td>
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<tr>
<td>15 Year Certain Option</td>
<td>$3,059.10</td>
<td>$3,068.10</td>
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<tr>
<td><strong>Joint and Survivor Options</strong></td>
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<tr>
<td>Option 2</td>
<td>$2,810.68</td>
<td>$2,818.68</td>
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<tr>
<td>Option 2A</td>
<td>$2,758.67</td>
<td>$2,765.67</td>
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<tr>
<td>Option 3</td>
<td>$3,015.36</td>
<td>$3,021.36</td>
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<tr>
<td>Option 3A</td>
<td>$2,982.89</td>
<td>$2,988.89</td>
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</table>
## Benefit Estimate -- Complete

<table>
<thead>
<tr>
<th>Lump Sum Settlement Options</th>
<th>Monthly Amount Without Purchase</th>
<th>Lump Sum Amount Without Purchase</th>
<th>Lump Sum Amount 1/10th Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSS Option 1</td>
<td>$1,760.33</td>
<td>$191,746.08</td>
<td>$192,396.08</td>
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<tr>
<td>LSS Option 2</td>
<td>$1,522.69</td>
<td>$191,746.08</td>
<td>$192,396.08</td>
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<tr>
<td>LSS Option 2A</td>
<td>$1,494.52</td>
<td>$191,746.08</td>
<td>$192,396.08</td>
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<tr>
<td>LSS Option 3</td>
<td>$1,633.59</td>
<td>$191,746.08</td>
<td>$192,396.08</td>
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<tr>
<td>LSS Option 3A</td>
<td>$1,615.98</td>
<td>$191,746.08</td>
<td>$192,396.08</td>
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<tr>
<td>Total lump sum Option H/A</td>
<td>0/A</td>
<td>$383,922.16</td>
<td>$384,877.16</td>
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</tbody>
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### OPSRP: Effective August 29, 2003

- Oregon Public Service Retirement Plan
- Established by legislature
- For new employees hired on or after August 29, 2003
OPSRP

- Two components of the plan
  a. Pension Program: a defined benefit plan based on salary, retirement credit, and a factor
  b. Individual Account Program: a defined contribution plan

OPSRP Pension Program

a. Funded by your employer

11. Employer must make contributions necessary to fund the Pension Program

a. Employer contribution rate determined by PERS
Vestin

Vested in pension when:

- Active member is normal retirement age or older, or
- Member completes five years of 600 hrs/year
  - Five years need not be consecutive

Before becoming vested

a. Five consecutive years of less than 600 hrs/year
  - Forfeit retirement credit
  - Membership terminated

OPSRP Retirement Eligibility

Normal retirement age

. General service members
  - Age 65, or
  - Age 58 with 30 years of retirement credit

. Police and firefighter members
  - Age 60, or
  - Age 53 with 25 years of retirement credit
OPSRP Retirement Eligibility

11 Early retirement age
   • General service members
     • Age 55
   • Police and fire/flight members
     • Age 50, if the five prior years were as P&F member
     • Age 55, if less than five years of P&F service time

OPSRP Pension Program

a At retirement, provides lifetime pension benefit
11 For general service member with 30 years of retirement credit (25 years for P & F) retiring at normal retirement age
   " Will provide approximately 45 percent of your final average salary at retirement
**OPSJP Pension Program**

- Benefit determined by formula
  - General service: Final average salary $\times$ years of retirement credit $\times$ 1.5%
  - P & F: Final average salary $\times$ years of retirement credit $\times$ 1.8%

**Final Average Salary**

Final average salary is the greater of:

"High three consecutive years, or"

"Salary earned in last 36 months of membership"

- Each of the above divided by 36 to obtain final average monthly salary
**Retirement Credit**

Upon completion of waiting time, receive retirement credit for waiting time period.

- Work major fraction of a month in qualifying position
  - Receive one month of retirement credit

**Benefit Estimates**

**OPSRP Estimate**

- Must within two years of retirement eligibility

  - OPSRP Estimate Request Form
  - Provided for retirement dates within upcoming 24 months

**Online Member Services**

- Located on the PERS website
Benefit Estimate - Complete

Account  OPSRP - Pension
Retirement Date 12/01/2024  Retirement Eligibility  General Service

Payment Options

<table>
<thead>
<tr>
<th>Option</th>
<th>Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Life Option</td>
<td>$ 2,454.43</td>
</tr>
<tr>
<td>Full Survivorship Option</td>
<td>$ 2,127.99</td>
</tr>
<tr>
<td>Full Survivorship Increase Option</td>
<td>$ 2,081.36</td>
</tr>
<tr>
<td>Half Survivorship Option</td>
<td>$ 2,280.17</td>
</tr>
<tr>
<td>Half Survivorship Increase Option</td>
<td>$ 2,253.17</td>
</tr>
</tbody>
</table>

Your Responsibilities

Important that PERS has up-to-date and accurate information to send you member annual statements

Throughout your career, it's your responsibility to ensure your employer always has your correct personal information

" Employer sends PERS this information
Plann for the Future

a  Save more for retirement?
   • Educational employees
     • Eligible to participate in a 403(b)ffSA program or 457 deferred compensation plan
   • State of Oregon or participating local government employees
     • Eligible to participate in the Oregon Savings Growth Plan
     * A 457 deferred compensation plan
   • Earnings accumulate tax-deferred until withdrawal

Member Education

.. OPSRP Hired on or after August 29, 2003
   o OPSRP presentation
.. Tier One and Tier Two Hired before August 29, 2003
   o Mid-Career presentation
   o Five Year Group presentation
   o One Year Group presentation
Member Resources

- Websites and E-mail link for PERS website
  - PERS: http://oregon.gov/PERS
  - PERS Insurance: http://pershealth.com
  - IAP account: https://iap.csplans.com
- Toll-free telephone number
  - PERS
    - 1-888-320-7377 or 503-598-7377
  - PERS Insurance
    - 1-800-768-7377 or 503-224-7377
- PERS and financial planning
  - http://oregon.gov/PERS

Thank you for attending this presentation!