

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Employer
Advisory Group

January 14, 2022



Agenda

- Director's Office update
- Legislative update
- Modernization update
- Senate Bill 1049 updates
- Actuarial update
- Communications update
- Additional items

Director's Office Update

- Reopening delayed indefinitely
- 2023–2025 budget planning
- PERS Board meeting January 31

Legislative Update

- Implementation of 2021 legislative bills continues
- Senate Bill 111 salary fix — effective 1/1/2020
- 2022 Legislative Session preview
- Timeline for PERS 2023 Legislative Concepts

Modernization Update

- Why modernize?
- What is service design?
- Modernization project
 - Architecture and planning
 - Outcomes and deliverables
 - Timeline

Modernization Update

Why modernize?

Business fit, value, and agility

- Applications not meeting member and staff needs
- Outdated technology, inefficient paper processes, and manual workarounds caused by missing technical functionality
- Lack of customer relationship management (CRM) capability significantly constraining ability to provide expected levels of customer service

Modernization Update

Why modernize?

Complexity, high cost, and risk

- Total cost of ownership is high; technology is aging and complex
- High security risks
- Compliance, support, and scalability are compromised

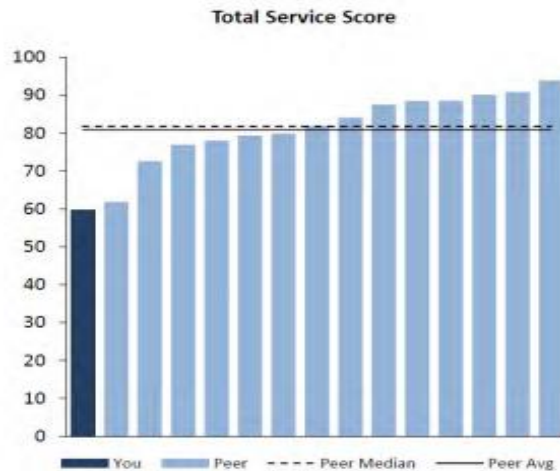
CEM benchmarking

- Data shows that PERS lags in providing members the services that they expect today

Modernization Update

Why modernize?

Your total service score of 60 was below the peer median of 82.



Service is defined from a member's perspective. Higher service means more channels, faster turnaround times, more availability, more choice, better content and higher quality.

Higher service is not necessarily cost-effective. For example, the ability to answer the telephone 24 hours a day is higher service, but not cost effective.

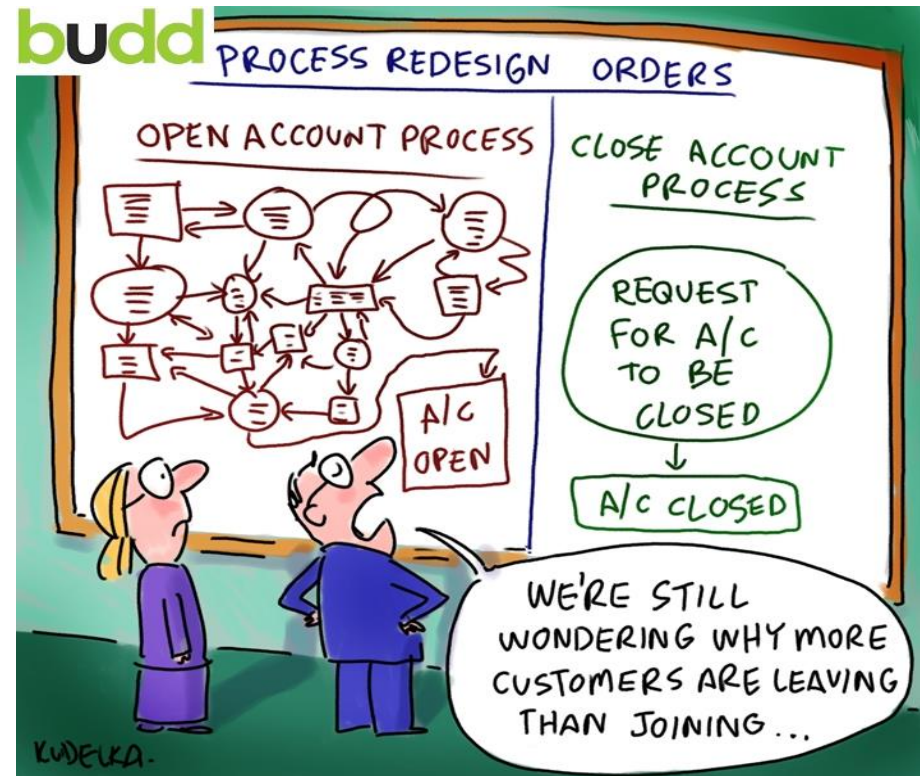
Activity	Weight	You	Peer Median
1. Member Transactions			
Pension Payments	10.0%	100	100
Pension Inceptions	7.4%	9	92
Refunds, Withdrawals, and Transfers-out	1.3%	5	95
Purchases and Transfers-in	3.1%	70	88
Disability	3.8%	82	86
2. Member Communication			
Call Center	21.0%	41	77
1-on-1 Counseling	7.4%	68	90
Member Presentations	6.5%	100	100
Written Pension Estimates	4.7%	25	93
Mass Communication			
Website	21.3%	77	82
News and Targeted Communication	2.8%	68	81
Member statements	4.7%	57	88
3. Other			
Member Experience Surveying	5.0%	10	35
Disaster Recovery	1.0%	74	99
Weighted Total Service Score	100%	60	82



Modernization Update

Modernization service design

“Service design is all about taking a service and making it meet the user’s and stakeholder’s needs for that service.”



INTERACTION DESIGN
FOUNDATION

Modernization Update

Service design principles

1. Purpose

- Design with an understanding of purpose and objectives of the service

2. End-to-end and outside-in

- Design end-to-end
- Design from outside-in viewpoint, not inside-out

3. Assess demand and capability

- Services are designed considering demand for service and capability of organization(s) to deliver the service

4. Create efficiency and value

- Services should create value for stakeholders and be efficient as possible
- “To automate or not to automate” is determined based on return on investment (ROI)

5. Eliminate complexity

- Minimize complexity in automated processes
- Off-ramps should be based on effort per benefit — don’t design for the exception
- Perfection is not required; services can and should be prototyped and iterated

Modernization Update

Process design principles

1. Eliminate waste — minimize activities that do not add **value** for the stakeholder.
2. Structure the work around **processes**, not functions, products, or geography.
3. Minimize **hand-offs**.
4. Minimize **complexity** by reducing number of process steps, rules, and controls, where appropriate.
5. Align design to **stakeholder needs** (e.g., develop multiple versions of a process tuned to different stakeholder needs, markets, situations, or inputs).
6. Avoid unnecessary process breaks and delays.
7. Minimize **process variation** to maximize consistency, reliability, and predictability.
8. Avoid **linear processing** (e.g., the artificial linear sequencing of tasks) — use parallel processing and variable sequencing instead.
9. Avoid excessive **process decomposition** (replace work instructions and call scripts with appropriate staff training and knowledge development).
10. Reduce the need for **reconciliation**.
11. Minimize the need for **controls**, where appropriate.
12. Decrease the need for **inspection**.
13. Only **measure what matters**.
14. **Normalize** data between the organization and its stakeholders and within the organization itself.
15. Make data easy to **transfer and reuse** within the organization and within the partner network.
16. Wherever possible, avoid **data entry** and use data lookup, selection, and confirmation utilities instead.

Modernization Update

Architecture and planning phase

1. Create vision and strategy
 - What does modernization look like?
2. Prioritize business capabilities
 - What are the benefits to our members?
3. Capture current, as-is architecture
4. Develop modernization roadmap
 - High-level timeline and organization of the program
5. Develop business case for first (and maybe second) project from the program roadmap

Senate Bill 1049 Updates

Work After Retirement project

- Final WP 4 12/16/21 deployment

Annual changes

- Salary Limit
- Member Redirect threshold

Technical debt

- WP 1 Employer Statements

Senate Bill (SB) 1049 Implementation Road Map

2021-2023 Biennium

	2021						2022						2023										
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Employer Programs	● 7/16/21 – Project Close																						
Work After Retirement							● 12/16/21 – WP4 Side Account Credit Allocation																
							● 2/28/22 – Project Close																
Member Redirect							● 10/14/21 – WP5 Voluntary Contribution Maintenance – Long Term						● 7/21/22 – WP6.1 EPSA Retirement – Long Term										
							<div style="border: 1px solid black; padding: 2px; display: inline-block;">Dec. 17</div>						● 3/24/22 – WP4.3 EPSA Transaction Display – Long Term ● 2/23/23 – WP9.1 EPSA Withdrawal – Long Term → ● ● 2/23/23 – WP9.2 Alter OPSRP Withdrawal – Long Term → ●										
Member Choice	● 8/4/21 – Project Close																						
Technical Debt	● 7/1/21 – Project Kickoff												● 7/21/22 – WP1 Employer Statements										
PROGRAM INITIATIVE							● 2/22/22 – WP3 IAP Divorce Tool																
Cross Project Effort							● 5/20/22 – WP5.2 PYE Invoicing Tool																
							● 6/1/22 – WP4.2 IAP Adjustment Calculator						● 9/6/22 – WP6 IAP Balance Comparison Tool										

2023-2025 Biennium

	2023						2024						2025										
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Member Redirect	● 7/20/23 – WP8.1 EPSA Pre-Retirement Death – Long Term						● 2/29/24 – Migration Finalization																
	● 7/20/23 – WP10 Backlog Implementation – Long Term						● 4/25/24 – Project Close																
							● 12/14/23 – WP11.1 Reemployment – Long Term																
							● 12/14/23 – WP11.2 Excess EPSA – Long Term																
							● 2/22/24 – WP12.2 Final Backlog Implementation – Long Term																
PROGRAM INITIATIVE																							
Cross Project Effort							● 2/22/24 – WP7.3 Tier One/Tier Two/OPSRP Payouts Actuarial Extract																

Revised: December 16, 2021

Senate Bill 1049 Updates

Work After Retirement Project

- December 16 – Final WAR deployment
- Successfully added programming into jClarety allowing side account credits to apply to invoices generated from retiree payroll records
- Accumulated side account and UAL credits were applied to previously unsatisfied WAR invoices
- Refunds given in previous months as statement credits were charged to applicable side accounts

Senate Bill 1049 Updates

Work After Retirement Project

- Employer Statements now show side account credits applying to WAR invoices, with the credit reflected in the ending balance
- Additional Employer Statement enhancements will be coming later in 2022

Senate Bill 1049 Updates

Salary Limit

- Effective January 1, 2020
- Salary used in benefit calculations capped at \$195,000 (indexed annually)
- Members who terminate mid-year have salary prorated

2022 CPI Update

- Using CPI, the annual limit for 2022 has increased to \$210,582
- Prorated monthly limit for 2022 is \$17,548

Senate Bill 1049 Updates

Member (IAP) Redirect

- Effective July 1, 2020
- Part of 6% member contribution goes to Employee Pension Stability Account rather than IAP
 - 2.5% for Tier One/Tier Two
 - 0.75% for OPSRP

Impact to employers

- Updated monthly redirect salary threshold: \$3,333
- Effective: January 1, 2022
- House Bill 2906 (2021)

Senate Bill 1049 Updates

Technical Debt Project

Employer statements

- Project team updating format
- Easier to read and understand, like a bank statement

Preview of some sections of new statement:

- Statement history
- Statement at a glance
- Statement
- Invoice

SB 1049 Update

Technical Debt Project

Employer Statement History

Current view:
one long list



Welcome To
PERS
TEST SITE

Your Online Retirement Resource

Site Navigation

- [Employer Home](#)
- [View Your Statement](#)
- [Work on Reports](#)
- [View Employee Info](#)
- [View Year-to-Date Wage and Contribution Summary](#)
- [Update My Profile](#)
- [Work with Contacts](#)
- [Admin Web Accounts](#)
- [Work List](#)
- [Request Information](#)
- [Eligibility Reports](#)
- [Status Check](#)
- [Inactive Employment Report](#)
- [View IAP Voluntary Contribution Report](#)

Working with :

Employer Statement History

Select Statement...

- [12/06/2021 - 12/20/2021](#)
- [11/21/2021 - 12/05/2021](#)
- [11/06/2021 - 11/20/2021](#)
- [10/21/2021 - 11/05/2021](#)
- [10/06/2021 - 10/20/2021](#)
- [09/21/2021 - 10/05/2021](#)
- [09/06/2021 - 09/20/2021](#)
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- [07/21/2021 - 08/05/2021](#)
- [07/06/2021 - 07/20/2021](#)
- [06/21/2021 - 07/05/2021](#)
- [06/06/2021 - 06/20/2021](#)
- [05/21/2021 - 06/05/2021](#)
- [05/06/2021 - 05/20/2021](#)

SB 1049 Update

Technical Debt Project

Employer Statement History

New view: grouped by year

Select Statement...

- [2021](#)
 - [12/06/2021 - 12/20/2021](#)
 - [11/21/2021 - 12/05/2021](#)
 - [11/06/2021 - 11/20/2021](#)
 - [10/21/2021 - 11/05/2021](#)
 - [10/06/2021 - 10/20/2021](#)
 - [09/21/2021 - 10/05/2021](#)
 - [09/06/2021 - 09/20/2021](#)
 - [08/21/2021 - 09/05/2021](#)
 - [08/06/2021 - 08/20/2021](#)
 - [07/21/2021 - 08/05/2021](#)
 - [07/06/2021 - 07/20/2021](#)
 - [06/21/2021 - 07/05/2021](#)
 - [06/06/2021 - 06/20/2021](#)
 - [05/21/2021 - 06/05/2021](#)
 - [05/06/2021 - 05/20/2021](#)
 - [04/21/2021 - 05/05/2021](#)
 - [04/06/2021 - 04/20/2021](#)
 - [03/21/2021 - 04/05/2021](#)
 - [03/06/2021 - 03/20/2021](#)
 - [02/21/2021 - 03/05/2021](#)
 - [02/06/2021 - 02/20/2021](#)
 - [01/21/2021 - 02/05/2021](#)
 - [01/06/2021 - 01/20/2021](#)
 - [12/21/2020 - 01/05/2021](#)
- [2020](#)
- [2019](#)
- [2018](#)
- [2017](#)
- [2016](#)

SB 1049 Update

Technical Debt Project

View Your Statement

New view: This Statement at a Glance section

Site Navigation

- [Employer Home](#)
- View Your Statement**
 - [Work on Reports](#)
 - [View Employee Info](#)
 - [View Year-to-Date Wage and Contribution Summary](#)
 - [Update My Profile](#)
 - [Work List](#)
 - [Request Information](#)
 - [Eligibility Reports](#)
 - [Status Check](#)
 - [Inactive Employment Report](#)
 - [View IAP Voluntary Contribution Report](#)

Working with :

Remittance Statement

This Statement at a Glance

Employer
Statement Period 06/21/2021 - 07/05/2021
Remittance Due Date 07/12/2021

Type	Previous Balance	Current Period Activity	Ending Balance	Amount Due
IAP	\$1,184.12	\$192,525.58	\$193,709.70	\$193,709.70
Pension	\$577.24	\$479,759.49	\$480,336.73	\$480,336.73
RHIA	(\$147.72)	\$596.76	\$449.04	\$449.04

Total Amount Due \$674,495.47

If current period activity is zero or less, no amount will be charged to the employer. Any credits will be applied to the next statement.
For assistance, contact the Employer Service Center at 888-320-7377 or PERS.EDX.Support@pers.oregon.gov.

SB 1049 Update

Technical Debt Project

Employer Statement

Current view

IAP				
Beginning Balance:				\$ 1,184.12
Deposits				
Date	Description		Deposit Amount	
06/25/2021	Employer IAP Remittances		\$ 1,184.12	
	Total			(\$ 1,184.12)
Invoice				
Invoice	Date Posted	Description	Invoice Amount	
1405111	07/01/2021	Contributions Pension	\$ 193,418.29	
1405505	07/02/2021	Contributions Pension	\$ 291.41	
	Total			\$ 193,709.70
Ending Balance				\$ 193,709.70
Pension				
Beginning Balance:				\$ 429.52
Deposits				
Date	Description		Deposit Amount	
06/25/2021	Employer Pension Remittances		\$ 429.52	
	Total			(\$ 429.52)
Invoice				
Invoice	Date Posted	Description	Invoice Amount	
1405111	07/01/2021	Contributions Pension	\$ 403,884.12	
1405505	07/02/2021	Contributions Pension	\$ 407.98	
	Total			\$ 404,292.10
Pension UAL and Side Accounts				\$ 75,896.91
Ending Balance				\$ 480,189.01
RHIA/RHIPA				
Beginning Balance:				\$ 0.00

RHIA/RHIPA				
Beginning Balance:				\$ 0.00
Deposits				
Date	Description		Deposit Amount	

SB 1049 Update

Technical Debt Project

Employer Statement

New view: click invoice link for more details

IAP

IAP Beginning Balance \$1,184.12

Deposits

Date Posted	Deposit Date	Payment Method	Description	Amount
06/28/2021	06/25/2021	ACH Debit (Pull)	Employer IAP Remittances	(\$1,184.12)
				Deposit Total (\$1,184.12)

Invoices

Date Posted	Invoice	Description	Amount
07/01/2021	1405111	Contributions Pension	\$193,418.29
07/02/2021	1405505	Contributions Pension	\$291.41
			Invoice Total \$193,709.70
			IAP Ending Balance \$193,709.70

Pension

Pension Beginning Balance \$577.24

Deposits

Date Posted	Deposit Date	Payment Method	Description	Amount
06/28/2021	06/25/2021	ACH Debit (Pull)	Employer Pension Remittances	(\$429.52)
				Deposit Total (\$429.52)

Invoices

Date Posted	Invoice	Description	Amount
07/01/2021	1405111	Contributions Pension	\$403,884.12
07/01/2021	1405112	UAL Credits	(\$140,789.76)
07/01/2021	1405113	UAL Contributions	\$216,573.99
07/02/2021	1405505	Contributions Pension	\$407.98
07/02/2021	1405506	UAL Credits	(\$209.32)
07/02/2021	1405507	UAL Contributions	\$322.00
			Invoice Total \$480,189.01
			Pension Ending Balance \$480,336.73

RHIA

RHIA Beginning Balance (\$147.72)

SB 1049 Update

Technical Debt Project

Invoice Summary	
Employer	
Date Posted	07/01/2021
Invoice Number	1405111
Invoice Description	Contributions Pension
Invoice Amount	\$597,899.17

New view: click link in subsection for more member details

IAP									
Type	Pay Date	Subject Salary	MPAT	MPPT	EPPT	Opt ER IAP	Unit	Employer	Total
IAP	06/02/2021	\$1,998.75	\$0.00	\$0.00	\$119.93	\$0.00	\$0.00	\$0.00	\$119.93
	06/15/2021	\$4,689.90	\$0.00	\$0.00	\$281.39	\$0.00	\$0.00	\$0.00	\$281.39
	06/16/2021	\$9,397.70	\$0.00	\$0.00	\$563.86	\$0.00	\$0.00	\$0.00	\$563.86
	06/18/2021	\$7,226.28	\$0.00	\$0.00	\$433.58	\$0.00	\$0.00	\$0.00	\$433.58
	06/25/2021	\$4,769.22	\$0.00	\$0.00	\$286.15	\$0.00	\$0.00	\$0.00	\$286.15
	06/30/2021	\$3,195,555.23	\$0.00	\$3,268.65	\$188,464.73	\$0.00	\$0.00	\$0.00	\$191,733.38
IAP Totals		\$3,223,637.08	\$0.00	\$3,268.65	\$190,149.64	\$0.00	\$0.00	\$0.00	\$193,418.29

OPSRP									
Type	Pay Date	Subject Salary	MPAT	MPPT	EPPT	Opt ER IAP	Unit	Employer	Total
OPSRP	06/02/2021	\$1,998.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$167.90	\$167.90
	06/15/2021	\$4,689.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$393.96	\$393.96
	06/18/2021	\$7,226.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$941.59	\$941.59
	06/25/2021	\$4,769.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400.60	\$400.60
	06/30/2021	\$2,253,191.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$231,613.93	\$231,613.93
OPSRP Totals		\$2,271,875.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$233,517.98	\$233,517.98

PERS									
Type	Pay Date	Subject Salary	MPAT	MPPT	EPPT	Opt ER IAP	Unit	Employer	Total
PERS	06/16/2021	\$9,397.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,382.40	\$1,382.40
	06/30/2021	\$985,308.53	\$0.00	\$0.00	\$0.00	\$0.00	\$76.70	\$168,907.04	\$168,983.74
PERS Totals		\$994,706.23	\$0.00	\$0.00	\$0.00	\$0.00	\$76.70	\$170,289.44	\$170,366.14

RHIA									
Type	Pay Date	Subject Salary	MPAT	MPPT	EPPT	Opt ER IAP	Unit	Employer	Total
RHIA	06/16/2021	\$9,397.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.64	\$5.64
	06/30/2021	\$985,308.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$591.12	\$591.12
RHIA Totals		\$994,706.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$596.76	\$596.76

SB 1049 Update

Technical Debt Project

Pension UAL and Side Accounts

Current view

Pension

Beginning Balance: \$ 429.52

Deposits	Date	Description	Deposit Amount
	06/25/2021	Employer Pension Remittances	\$ 429.52
Total			(\$ 429.52)

Invoice	Date Posted	Description	Invoice Amount
1405111	07/01/2021	Contributions Pension	\$ 403,884.12
1405505	07/02/2021	Contributions Pension	\$ 407.98
Total			\$ 404,292.10

[Pension UAL and Side Accounts](#) \$ 75,896.91

Ending Balance \$ 480,189.01

RHIA/RHIPA

Beginning Balance: \$ 0.00

Deposits	Date	Description	Deposit Amount
Total			(\$ 0.00)

There are no deposits found for the given period.

Invoice	Date Posted	Description	Invoice Amount
1405111	07/01/2021	Contributions Pension	\$ 596.76
Total			\$ 596.76

[RHIA/RHIPA UAL](#) \$ 0.00

Ending Balance \$ 596.76

Invoice Details

Invoice	Date Posted	Description
1405111	07/01/2021	Contributions Pension
1405505	07/02/2021	Contributions Pension

SB 1049 Update

Technical Debt Project

Pension UAL and Side Accounts

New view: click invoice link for further details

Pension

Pension Beginning Balance \$577.24

Deposits

Date Posted	Deposit Date	Payment Method	Description	Amount
06/28/2021	06/25/2021	ACH Debit (Pull)	Employer Pension Remittances	(\$429.52)
Deposit Total				(\$429.52)

Invoices

Date Posted	Invoice	Description	Amount
07/01/2021	1405111	Contributions Pension	\$403,884.12
07/01/2021	1405112	UAL Credits	(\$140,789.76)
07/01/2021	1405113	UAL Contributions	\$216,573.99
07/02/2021	1405505	Contributions Pension	\$407.98
07/02/2021	1405506	UAL Credits	(\$209.32)
07/02/2021	1405507	UAL Contributions	\$322.00
Invoice Total			\$480,189.01
Pension Ending Balance			\$480,336.73

RHIA

RHIA Beginning Balance (\$147.72)

SB 1049 Update

Technical Debt Project

New view: totals by membership

Invoice Summary

Employer	
Date Posted	07/01/2021
Invoice Number	1405113
Invoice Description	UAL Contributions
Invoice Amount	\$216,573.99

IAP

OPSRP

Type	Pay Date	Subject Salary	MPAT	MPPT	EPPT	Opt ER IAP	Unit	Employer	Total
OPSRP	06/02/2021	\$1,998.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28.98	\$28.98
	06/15/2021	\$4,689.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$68.00	\$68.00
	06/16/2021	\$9,397.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$136.26	\$136.26
	06/18/2021	\$7,226.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104.78	\$104.78
	06/25/2021	\$4,769.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$69.16	\$69.16
	06/30/2021	\$3,238,499.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,958.25	\$46,958.25
OPSRP Totals		\$3,266,581.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,365.43	\$47,365.43

PERS

Type	Pay Date	Subject Salary	MPAT	MPPT	EPPT	Opt ER IAP	Unit	Employer	Total
PERS	06/02/2021	\$1,998.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103.54	\$103.54
	06/15/2021	\$4,689.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$242.94	\$242.94
	06/16/2021	\$9,397.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$486.80	\$486.80
	06/18/2021	\$7,226.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$374.32	\$374.32
	06/25/2021	\$4,769.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$247.04	\$247.04
	06/30/2021	\$3,238,499.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$167,753.92	\$167,753.92
PERS Totals		\$3,266,581.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$169,208.56	\$169,208.56

RHIA

SB 1049 Update

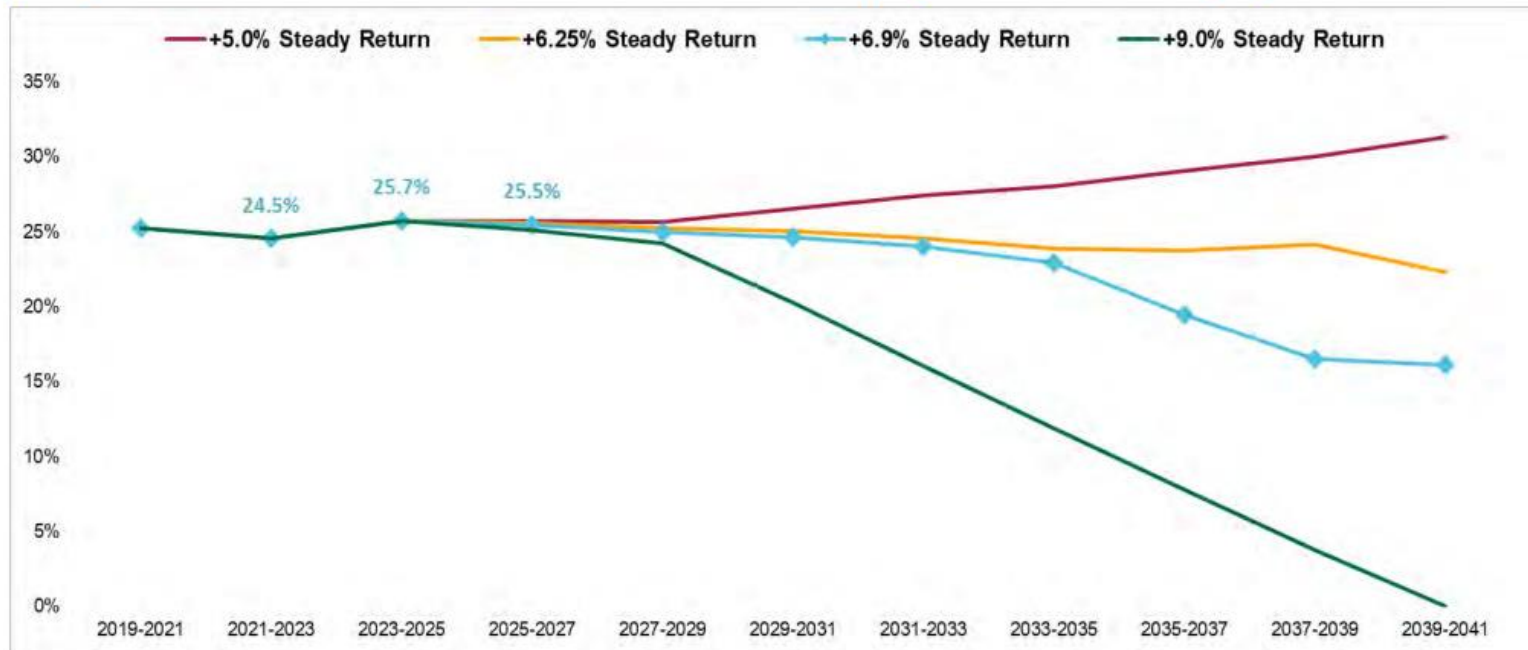
Technical Debt Project

New view: further details broken down by member

OPSRP												
Last Name	SSN	Pay Date	Wage Type	Subject Salary	MPAT	MPPT	EPPT	Opt ER IAP	Unit	Employer	ER Rate	Total Contributions
		06/30/2021	Regular wages	\$1,658.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24.05	1.45%	\$24.05
		06/30/2021	Regular wages	\$1,658.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24.05	1.45%	\$24.05
		06/30/2021	Regular wages	\$1,358.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19.70	1.45%	\$19.70
		06/30/2021	Regular wages	\$1,358.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19.70	1.45%	\$19.70
		06/30/2021	Regular wages	\$4,053.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58.78	1.45%	\$58.78
		06/30/2021	Regular wages	\$4,053.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58.78	1.45%	\$58.78
		06/30/2021	Regular wages	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20.11	1.45%	\$20.11
		06/30/2021	Regular wages	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20.11	1.45%	\$20.11

Actuarial Update – Financial Modeling

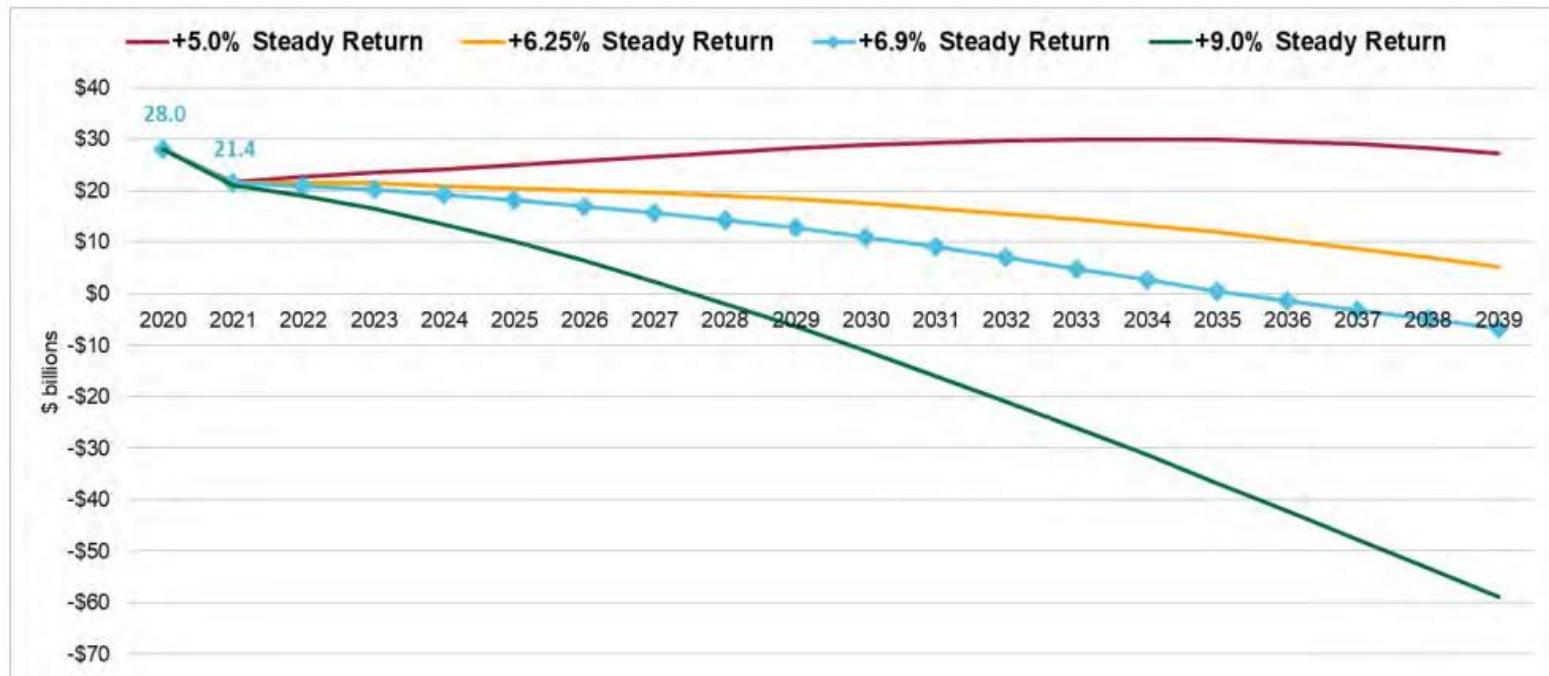
Employer Collared Base Pension Rates (System Average)



- System average employer collared base pension rates in 2023-25 are projected to increase from 2021-23 rates, as reduction in assumed rate to 6.90% increased the normal cost
- Year-to-date 2021 investment outperformance does not reduce UAL rate due to collar restrictions, but instead provides a cushion which limits the potential increases from underperformance in following biennia
- Blue line: rates decrease as new OPSRP members replace exiting Tier 1 / Tier 2s

Actuarial Update – Financial Modeling

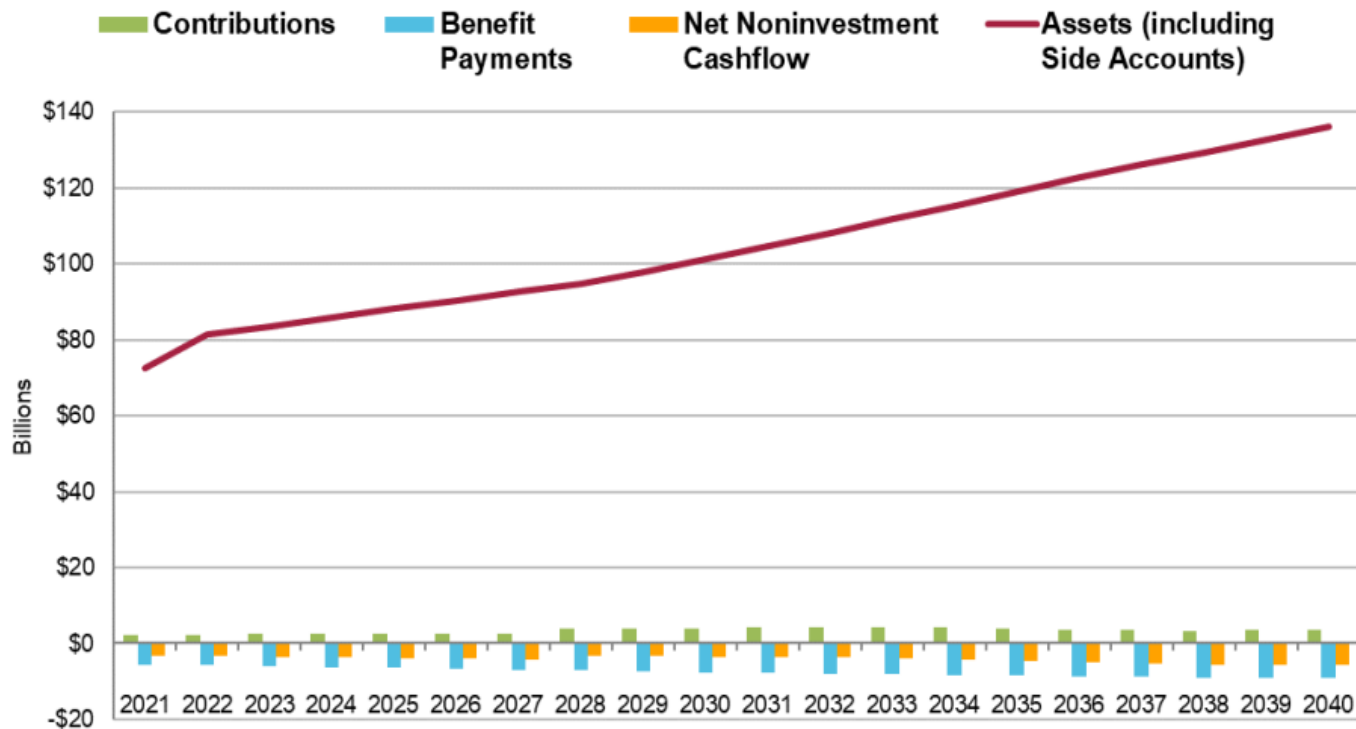
UAL (Unfunded Actuarial Liability) Excluding Side Accounts



- 2021 UAL decreases due to estimated year-end 2021 investment returns
- At steady +6.9% returns, UAL remains relatively level for a couple years before declining to below \$0 at year-end 2036

Actuarial Update – Financial Modeling

Cash Flow and Asset Balance at +6.90% Actual Return



Actuarial Update

SB 1566: School Districts Unfunded Liability Fund update

- As of November 30, 2021, SDULF has \$378,550
- Two transfers are expected next biennium:
 - \$45,492,197 from interest on unclaimed property from the Department of State Lands in January 2022
 - \$74,916,000 from proceeds on estate taxes in 2023
- PERS does not expect SDULF to sufficiently fund a side account for School Districts Pool. Any change in use of these funds requires legislation. PERS is soliciting feedback from School District Pool members for proposals on how to best use those funds:
 - EIF solely for the School District Pool using these funds?
 - Fund a side account for any school district without a side account?
 - Add directly to School Districts assets?

Actuarial Update

SB 1566 update: EIF in 2023

Second round

- PERS plans to open second round of EIF in 2023 with \$25 million
 - Future cycles will have minimum of \$25 million in matching funds and align with rate setting valuation
 - Below is Office of Economic Analysis' forecast for future Scoreboard funds:

Scoreboard (Sports Betting) Forecast				
2021-23	2023-25	2025-27	2027-29	2029-31
\$22.538	\$35.952	\$41.763	\$44.911	\$48.296

Actuarial Update

SB 1566 update: EIF in 2023

Second round

- SB 846 requires PERS to provide proof of funds approved for disbursement but not yet disbursed
 - Because funding is dependent on showing approved employer applications, process of receiving a match may be different this round
- Detailed communication plan is planned, ideally before budgeting for 2023. How much notice would you need to comfortably budget to participate in EIF?

Actuarial Update

SB 1566 update: EIF in 2023

Second round

- EIF current balance: \$7,341,407
- Funded with profits from Scoreboard Sports Betting:

Scoreboard (Sports Betting) Forecast				
2021-23	2023-25	2025-27	2027-29	2029-31
\$22.538	\$35.952	\$41.763	\$44.911	\$48.296

- PERS' goal: align EIF cycles with rate-setting valuations
- PERS plan: open second round in 2023 with \$25 million
- SB 846
 - Funding depends on showing approved employer applications, so process of receiving match may be different this round
- PERS wants to align communications with budget schedules; when does 2023 budget planning begin?

Actuarial Update

Fully amortized side accounts

- Most side accounts will fully amortize on or before 12/31/2027; however, unlikely that side accounts will be spent completely on that date
- PERS requesting employer feedback on how to make this process as employer friendly as possible:
 - What questions and concerns do you have?
 - How would you prefer the process be handled?
- Issues to consider:
 - Elimination of side account offset prior to a July 1 rate change
 - Payroll changes and the effect those have on side account offsets
 - Re-amortizing side accounts to a shorter amortization period

Actuarial Update

Equal To Or Better Than Testing (ETOB)

- Staff has identified list of employers to test
 - Plans must cover police officers and firefighters
 - Plan must apply to be excluded from PERS coverage
 - Ten employer plans have been identified to test
- Milliman has declined to perform actuarial review
 - Perceived conflict of interest as they are actuary for several plans
 - Three actuarial firms identified as candidates for work
 - Request for Quote has been issued in conformance with procurement rules
- Board will direct further action at January 28 meeting

Actuarial Update

Employer Rate Projection Tool (ERPT)

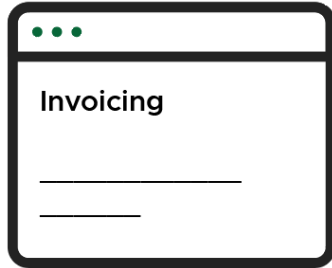
- SB 1049 charged PERS to provide technical expertise to employers to help manage contribution rates and funded status
- ERPT was revised in July 2021 to better serve employers
 - More stable platform – cloud based
 - More modular structure to allow enhancement
- Data updates currently in process
 - Reflect data and assumptions from 2020 actuarial valuation
 - Scheduled to complete January 31
- Beginning process to add new features for summer 2022

Actuarial Update

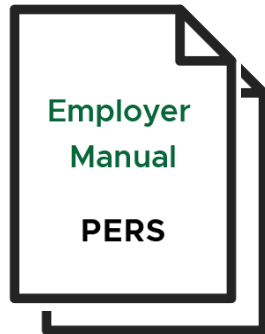
Pension Obligation Bonds (POB)

- Oregon State Treasury – Municipal Debt Advisory Council
 - New reporting requirements for public employers issuing POB
 - Relies upon PERS earnings crediting information
 - Final values are not available until March
 - Exploring best options – we welcome your input
- PERS developing new *Guide to Understanding Pension Obligation Bonds*
 - Preliminary version for review and comment will be available soon
 - Anticipate that we will publish before March 31, 2022

Communications Update

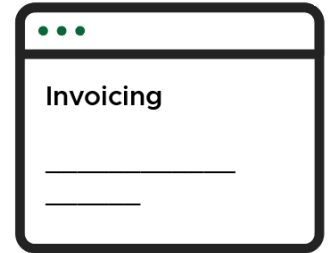


Updates to Employers website



Updates to manuals and training
(in work)

Communications Update



Updates to Employers website

- New [Invoicing webpage](#)
- Replaces the Prior Year Earnings webpage
- Includes:

How you are invoiced

Viewing your invoice

Understanding your statement

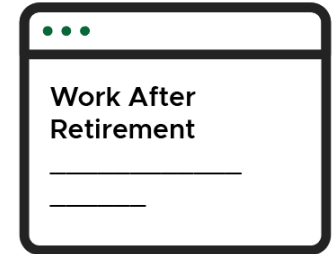
Paying your invoice

Charges included in your invoice

Credits included in your invoice (if applicable)

Special charges (including PYE)

Communications Update



Updates to Employers website

- Enhanced [Work After Retirement webpage](#) for employers
- Provides more complete information
- Includes:

Who can work unlimited hours

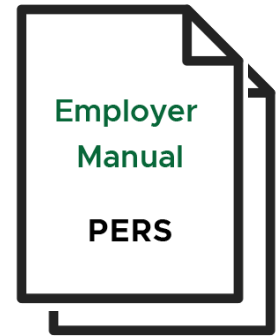
Choosing the right Detail 1 new-hire status code

Who can work limited hours

Work After Retirement wage codes

Paying contributions on working retirees

Communications Update

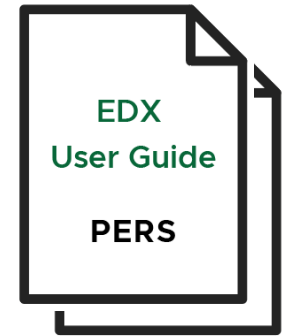


Manual and training updates (in work)

Employer Manual

- Bring it up to date
- Refresh the look
- Consider not just an employer reporter audience, but also agency heads and HR professionals
- Organize content by activities, such as bringing on a new hire

Communications Update



Manual and training updates (in work)

EDX User Guide

- Refresh information and look
- Consolidate the *EDX Reporting Guide*, *EDX User Guide*, *EDX File Format and Development Guide*, and EDX User Quick Info (A to Z) into one document
- Include changes to EDX brought about by Senate Bill 1049

Communications Update

Manual and training updates (in work)

UALRP guides

- Minor updates
 - Assumed rate
 - Anything that changed with 2020 actuarial valuations



Communications Update

Manual and training updates (in work)

Training materials

- Update and refresh
- Cover fewer topics in greater detail per class:

Current trainings

Basic Concepts

Advanced Concepts



Future trainings

Beginner Employer Reporting

Intermediate Employer Reporting 1

Intermediate Employer Reporting 2

Advanced Employer Reporting

Additional Items

- OPSRP IAP First Wage Clean-Up Project
- Year-End Completed Report and Suspended Records Clean-Up
- EAG Meeting Survey

Additional Items

OPSRP First Wage Clean-up Project

- Wage-adjustment process for vast majority of impacted members occurred in November and December 2021
- Nearly \$18 million was pulled from PERS contingency fund to credit affected employers
- Project included approximately 37,000 members across 484 employers

Additional Items

Year-End Completed Report and Suspended Records Clean-Up

Additional Items

EAG Meeting Survey

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



THANK YOU

