

# OREGON PERS

75 years of serving  
those who serve Oregon

## EMPLOYER NEWS

JANUARY  
2022

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## New 2022 salary limits and requirements

Every January, PERS adjusts subject salary limits and requirements in accordance with the [Consumer Price Index \(CPI\) for the West Region](#). This ensures that our numbers keep pace with inflation and cost-of-living adjustments.

### 2022 Salary Limit increase

The 2021 limit of \$197,730/year has increased, effective January 1, 2022. Based on a CPI increase of 6.5% for 2021, the new salary limit is:

**\$210,582/year.**

(To access the salary limit broken down by months, go to the [Partial-Year Salary Limits webpage](#).)

PERS subject salary is used to determine:

- Member Individual Account Program (IAP) contributions.
- Employer contributions paid to PERS.
- The final average salary (FAS) used in calculating retirement benefits under formula methods.

#### About Salary Limit

PERS Salary Limit program, reformed by Senate Bill 1049 effective January 1, 2020, limits the annual subject salary amount that PERS can use to calculate an employee's PERS benefits — it does not impact the amount of salary the employee actually receives. Note that if you employ a member (including a rehired retiree) for less than 12 months in a calendar year, the member's subject salary may be limited based upon a "[partial year](#)" limit. The monthly salary limit for January is \$17,548.43.

#### Why you need to know

You must report any 2022 salary that is over the salary limit (including eligible lump-sum payments for Tier One/Tier Two members) as **non-subject salary**. The non-subject salary amount will not be included in determining IAP contributions and possibly the member's final average salary.

To read more about your role in complying with Salary Limit, go to [Partial-Year Salary Limits: Information for Employer Reporters](#).

#### About the increase

To learn more about the salary-limit increase, which is significantly larger than last year's increase, read the U.S. Bureau of Labor Statistics article, "[Consumer Price Index, West Region — November 2021](#)."

#### For questions or assistance

Contact your [ESC representative](#).

*Continued*

## 2022 Member Redirect threshold increase

The 2021 Member Redirect monthly salary threshold of \$2,535 has increased, effective January 1, 2022. The new threshold is:

**\$3,333/month.**

<p><b>About Member Redirect</b></p> <p>In 2022, members must earn more than \$3,333 in a month in order for the PERS system to automatically redirect a portion of their 6%-of-salary IAP deduction into their Employee Pension Stability Account (EPSA) that month. The funds in each member’s EPSA will be used to help pay for their future pension benefits.</p> <p>The percentage that is redirected depends on the member’s pension plan:</p> <ul style="list-style-type: none"> <li>▪ <b>Tier One/Tier Two members</b> (hired before August 29, 2003): <b>2.5%</b> of the employee’s salary goes into their EPSA. The remaining 3.5% of salary goes into their existing IAP account.</li> <li>▪ <b>OPSRP members</b> (hired after August 28, 2003): <b>0.75%</b> of the employee’s salary goes into their EPSA. The remaining 5.25% of salary goes into the member’s existing IAP account.</li> </ul>	<p><b>Why you need to know</b></p> <p>This information is for awareness only — the PERS system processes redirects automatically, so no action is needed from employers.</p>
<p><b>About the increase</b></p> <p>The increase in the Member Redirect monthly salary threshold effective January 1, 2022, was brought about by House Bill 2906 (2021), which sought to increase the monthly threshold amount to a new minimum to alleviate impact to members who work fewer than 12 months per calendar year but make over the original monthly threshold amount.</p>	<p><b>Voluntary contributions</b></p> <p>In 2022, members still have the option to make additional, after-tax contributions of 2.5% (Tier One/ Tier Two) or 0.75% (OPSRP) into their IAP, allowing their IAP monthly contribution to equal 6%.</p> <p><b>For questions or assistance</b></p> <ul style="list-style-type: none"> <li>▪ Read the step-by-step guide <a href="#">How to Manage an Employee’s Voluntary Contribution</a>.</li> <li>▪ Read the <a href="#">Frequently Asked Questions on Voluntary Contributions for Employers</a>.</li> <li>▪ Contact your <a href="#">ESC representative</a>.</li> </ul>

## Access your actuarial valuation online

To receive your 2020 advisory actuarial valuation, you need to [go to the PERS website](#) and download it.

Valuation reports are grouped by employer pool, so follow these steps to save your report:

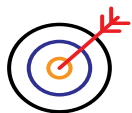
1. Click on your employer type or pool to download a zip file of valuation reports. (School districts without side accounts should reference the valuation for ER #3000, under “School Districts.”)
2. Locate your valuation in the list of PDF files.
3. Save it.
4. Delete the zip file from your Downloads folder.

<p><b>NOTE</b></p>	<p>The 12/31/2020 valuation only contains information reported through the end of 2020. If you created a side account in 2021, it will not be reflected in this report but will be reflected in the next rate-setting valuation.</p>
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## Beware scam messages

PERS will never solicit members to make an appointment or charge them for retirement information. Please share this important information with your employees.

If a member receives a call or email that looks like it is from PERS or about PERS and asks them to make an appointment or schedule a consultation, it is not from PERS. The message may look or sound like the fictional message below (based on an actual email).



### BullsEye Financial | Retirement Review

You are invited to receive a One-on-One consultation for answers to your specific state, federal, and individual retirement benefit questions.

A retirement agent who specializes in PERS, OSGP & ORP benefits like Retirement Eligibility, Lifetime Monthly Benefits & helping you understand your Pension Tiers, will meet with you via video conference to help you understand these options and how you can contribute to your employer sponsored plan.

Click below to schedule an appointment.

**SCHEDULE NOW!**

## Official PERS retirement education sessions

To attend an official PERS information session, PERS members can sign up for one of the free webinar sessions linked below:

- OPSRP members: [All About OPSRP](#).
- Tier One and Tier Two members: [Tier One/Tier Two Retirement Presentations](#).
- Members within 90 days of retirement: [Retirement Application Assistance Sessions](#).

## OPSRP loss-of-membership (LOM) status applied this month

On January 21, 2022, PERS will run a report that searches for all OPSRP members who qualify for LOM status as of December 31, 2021. There is no action required by the employer — this information is for your awareness only.

### About LOM status

An employee is at risk of losing their PERS membership if they:

1. Have had five consecutive calendar years with fewer than 600 hours of service.
2. Are an OPSRP pension program member.
3. Are not vested (definition below).

Losing their membership means that they:

- Forfeit all retirement credit accrued prior to the LOM date of December 31.
- Terminate their OPSRP pension program membership.
- Retain their Individual Account Program (IAP) account (IAP accounts are not affected by OPSRP LOM status).

The employee can establish a new membership by continuing their position or returning to work for a PERS-participating employer. First, they must serve a new six-month waiting time.

### Learn more

Read the [Loss of Membership Annual Statement FAQ](#). (Only Tier One/Tier Two members receive a LOM statement, but the FAQ has information that is useful for all members.)

#### About vesting

Being vested means that a member cannot lose their right to their pension benefit unless they withdraw from the overall OPSRP program. To vest in their pension, a member must either:

- Work for five years in a PERS-qualifying position for at least 600 hours per year. The years do not need to be consecutive, but the member cannot have a gap in qualifying employment of more than five years.
- Work in a qualifying position on or after reaching normal retirement age, which is 65 for general service and 60 for police and fire.

## Continue 2021 year-end reconciliation

In January, we start the second phase of year-end reconciliation, which is the final push to get all reports corrected and posted before the official close of the 2021 calendar year in early March.

### Finding and fixing suspended reports: quick steps

1. Select Work on Reports from EDX main menu.
2. Select Work with Unposted Reports.
3. Find reports marked Suspended.
4. Select View Report to read the reason for the suspension. Return to the previous screen.

#### Unposted Demographics and Adjustment Reports

Status	<u>Date Submitted</u>	<u>Report Date</u>	Delete	Edit	Release / Un-Release	Reject/Edit Report	View Details	View Totals
Suspended	12/17/2021	12/17/2021	<a href="#">delete</a>	<a href="#">edit</a>	n/a	<a href="#">View Report</a>	<a href="#">View Details</a>	n/a

5. Select [edit](#) to access the Edit Retirement Detail Reports screen.
6. Under Option 3 - Employees with Errors, click [select](#) under the Select Record column. Note the Error Message for Member in red.
7. Fix the erroneous information or formatting and click Save.

### Earnings crediting/invoicing

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, earnings for 2021 will be invoiced to the employer.

### For assistance

Contact your [ESC representative](#).