Employer Rate-Projection Tool
User Guide

The purpose of this guide is to explain how to use the Employer Rate-Projection Tool to estimate future contribution rates.

OREGON PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

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Introduction

PERS provides the Employer Rate Projection Tool (ERPT) to enable employers to project future contributions and estimate the effect that a new side account may have on their rates. Employers can use this information to estimate their future contributions for budgeting and forecasting purposes.

The tool works by pre-filling current contribution rates and payroll data to generate a projection of up to 10 biennia of employer contributions. The tool will also generate an estimated contribution reduction for a new side account based on the side account deposit amount you specify.

Disclaimer

This tool is provided for planning purposes only. Do not rely on the projections to make specific budget or staffing decisions. Use this tool only with the understanding that the projections are estimates; PERS accepts no responsibility for employers relying on the results.

This tool is not a substitute for an actuarial calculation.

All projections in this tool use system-wide assumptions for payroll growth and future earnings and will only be as accurate as those assumptions prove to be over time. The further into the future any projection goes, the less likely it is to be accurate.

The biennial contribution changes in this tool are based on the PERS actuary's long-term projections for the entire PERS system. Individual employer experience will be different, particularly for employers with side accounts, which increase rate volatility over time.

Support

Technical: PERS staff cannot provide technical support to users having trouble accessing or using the tool. If you are unable to access the tool or if it does not appear to be working properly, please contact your own IT staff to resolve compatibility or security issues.

Actuarial: If you have questions about your results, email PERS Actuarial Activities Section.

Notes about employer contribution rates

▪ All state agencies, including semi-independents and public universities, fall under the State Agencies entry, employer number 1000. If the employer's four-digit PERS ID number begins with a "1," the employer is a state agency.

▪ Some State and Local Government Rate Pool (SLGRP) employers pay separate rates for Tier One/Tier Two General Service and Tier One/Tier Two Police and Fire. The ERPT prefills a blended rate for those two categories. Using the blended rate will not materially affect results for most employers.

   – SLGRP employers who pay separate Tier One/Tier Two General Service and Police and Fire net rates can override the Police and Fire rate fields if they know those specific net rate amounts. You can find these rates in your valuation.

▪ Rates DO NOT include Individual Account Program (IAP) or judge member contributions.

▪ All employers pay for retiree healthcare (i.e., Retirement Health Insurance Account (RHIA) and, if applicable, Retiree Health Insurance Premium Account (RHIPA)), no matter how large a surplus they may have. The pre-filled rates include applicable retiree healthcare rate components.

▪ The tool includes the actuary's results of the most recently published actuarial valuation. Unless otherwise specified, last year's activity is not captured in the most recent actuarial valuation results.

Using the tool

1. **Open the tool.**

   The buttons to open the tool and this user guide are on the PERS website at oregon.gov/pers/EMP/Pages/Employer-Rate-Projection-Tool.aspx. We recommend using Google Chrome for best results.

2. **Read and accept the acknowledgement.**

   Upon opening the tool, you will see a statement explaining that use of the tool is voluntary and for rough-planning purposes only. Click the "Acknowledge" button and the tool will launch.

3. **Enter the four-digit employer number preceded by a zero.**

   For example, state agencies are employer 1000. Any state agency would enter "01000." Once you start typing, a dropdown menu appears with potential employer numbers. After you input the employer number, valuation data will automatically populate the form based on the results of the most recent valuation.

4. **Project contributions with or without a side account.**

   No side account: You can project contributions based on the initial data entered in the form without any changes by clicking Submit.

   With side account: Enter a new side account amount in the "(Optional) Side Account Deposit Estimated Amount" field and click Submit to determine the effect a new side account would have on your current and projected contributions.

5. Read the results.

Once you click Submit, two graphs appear. "Projected Total Contributions" is on the first tab and "Projected Total Payroll" is on the second tab.

Projected Total Contributions	Projected Total Payroll
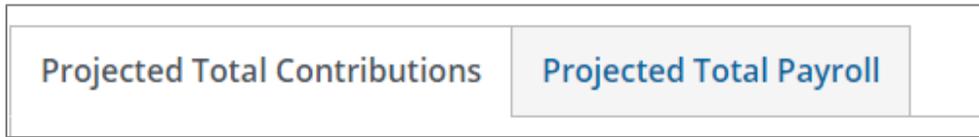
You can download the data by clicking the link titled "PERS ERPT EXTRACT."

20 YEAR BUDGET
Download the PERS ERPT EXTRACT.

When the extract opens, it has two tabs:

a. The first tab, "Assumptions," includes the pre-filled data based on the most recent valuation and reflects any optional side account amounts entered.

b. The second tab, "Projection Results," is a summary of the graph data. It provides the projected payroll, current projected contributions, and projected contributions with the optional side account.

To see these columns, expand the table by double-clicking the right edge of the cell or clicking and dragging the right edge of the cell.

Biennium (Years)

6. **Modify the Tier and Class payroll or rates fields.**

   All data will pre-fill based on the most recent valuation; however, you can modify the Tier and Class payroll or rates fields to match your current data.

   a. **Valuation Payroll**

   ENTER MOST RECENTLY PUBLISHED VALUATION DATA

   Tier 1 / Tier 2 GS Payroll
   $30,314,175
   Tier 1 / Tier 2 PF Payroll
   $0
   OPSRP GS Payroll
   $61,181,426
   OPSRP PF Payroll
   $0
   Total Valuation Payroll
   $91,495,601
   (Optional) Side Account Deposit Estimated Amount

   Funding sources for any new side account deposits are not taken into consideration in these calculations.

   This is the combined valuation payroll breakdown from the most recent actuarial valuation listed by employee tier and class. The employer may not necessarily have payroll in all four categories.

   Note: The Total Valuation Payroll field is *not for input*. It will populate automatically when you enter payroll in the Tier and Class fields. It is for data verification. If you want to alter the Total Valuation Payroll field, you need to update one of the first four fields.

b. Current Contribution Rates

Current Contribution Rates	
Tier 1 / Tier 2 GS	12.67%
Tier 1 / Tier 2 PF	12.67%
OPSRP GS	7.58%
OPSRP PF	11.94%

These are the net contribution rates the employer is currently paying in the four standard rate categories. Tier One/Tier Two Police and Fire (PF) automatically uses the Tier One/Tier Two General Service (GS) rate, but SLGRP employers who pay separate General Service and Police and Fire net rates can enter specific net rates as needed. An employer may not have payroll in all categories, but every employer receives all four rates in each year's valuation report.

c. Upcoming Contribution Rates

Upcoming Contribution Rates	
Tier 1 / Tier 2 GS	12.64%
Tier 1 / Tier 2 PF	12.64%
OPSRP GS	8.01%
OPSRP PF	12.80%

These are the contribution rates for the upcoming biennium that were included in the employer's most recent valuation report. The Tier One/Tier Two General Service and Police and Fire rates are the default rate (a blend of Tier One/Tier Two General Service and Police and Fire), but SLGRP employers who pay separate General Service and Police and Fire net rates can enter specific net rates as needed. Every employer receives rates for all categories, though they may not have payroll in all four.

d. (Optional) Side Account Deposit Estimated Amount

> **(Optional) Side Account Deposit Estimated Amount**
>
> [   ]
>
> Funding sources for any new side account deposits are not taken into consideration in these calculations.

This is an *optional* field that will estimate a contribution rate offset for a new side account established in the current year, based on the initial deposit amount you specify. Amounts of $10,000,000 or greater will also estimate the effects of 6-, 10-, and 16-year side account amortizations (in addition to 20-year amortizations).

Note: The Side Account Deposit Estimated Amount is for new side accounts only, and it will not accurately estimate the rate impact of a deposit into an existing side account.

e. Additional Rate Components: Upcoming Biennium

> **Additional Rate Components: Upcoming Biennium**
> Pre-SLGRP Pooled Liability Rate
> [1.33%]
> Transition Liability/(Surplus) Rate
> [0.00%]
> Side Account Rate
> [-16.86%]

These contribution rates will only exist for a limited time. Inputting them where applicable allows the tool to adjust the contribution projection to reflect that these rate components will drop off in the future. Most employers will not have rates in all three categories, and many employers will not have any of them.

Notes

- The Pre-SLGRP Pooled Liability Rate and Transition Liability/(Surplus) Rate only apply to some members of the SLGRP.
- Updating these fields does not update the Upcoming Contribution Rates (step 6c).
  - For example, if an employer wants to know what their rate will be without their 3% side account offset, they delete the 3% in the Side Account Rate box and reduce each rate under the "Upcoming Contribution Rates" by 3% as well.
- To enter a negative rate — such as "-1.23%" or "(1.23%)" — include a minus sign before the number: "-1.23%."