

# PERSPECTIVES

Active  
Member  
Edition

## Benefit estimates using Online Member Services

If you are thinking about retiring, a benefit estimate is a useful planning tool.

You can create retirement benefit estimates online in a secure environment using information supplied to PERS by your employer(s) and stored in the PERS database. Members with a divorce that impacts their PERS account must contact the PERS Divorce Unit for a benefit estimate.

After creating a personal account and logging on to Online Member Services (OMS) from the PERS home page, PERS members can also see employment history, view a current Tier One or Tier Two account balance, and view information used in their annual statement.

Inactive members (those who no longer work for a PERS-covered employer), who have not reached retirement age, can submit a withdrawal application or change their address.

Frequently asked questions and answers are posted on the PERS website (<http://oregon.gov/PERS>) for each activity and tool.

OMS is normally available daily from 6 a.m. to 10 p.m. Pacific Time.

OMS may sometimes not be available from 4 p.m. Saturday until 6 a.m. Monday for routine maintenance.

## Upcoming PERS office closures

PERS offices in Tigard and Salem will be closed the following days this year:

- September 1: Labor Day
- November 11: Veterans Day
- November 27: Thanksgiving Day
- December 25: Christmas Day
- January 1 (2015): New Year's Day

## Online member survey: we want your feedback

Does PERS customer service meet your expectations?

How can we improve?

Please take a short survey posted on the PERS website (<http://oregon.gov/PERS>) in the "What's News" section of the homepage.

The survey will be available through August 31, 2014, and is anonymous.

We will provide results in a future issue of *Perspectives*.

## Waiting time purchase

When you are first employed in a PERS-covered position, there is normally a six-month period before you become a member and begin contributions to PERS. This period is commonly referred to as "waiting time."

You may purchase this time at retirement if you are a Tier One or Tier Two member and have at least 10 years of creditable service.

If you leave that first job and withdraw your PERS account, you must serve a new waiting time if you return to a PERS-covered position. You will then have another waiting-time period.

Waiting time can increase your retirement benefit under any of the benefit calculation methods (Money

*(continued on page 2)*

## Retirement and COLAs

When you retire, the annual cost-of-living adjustment (COLA) will be 1.25% on the first \$60,000 of your yearly benefit payment and 0.15% on benefit portions above \$60,000.

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# PERS benefit component comparisons

	Tier One	Tier Two	OPSRP	IAP
Normal retirement age	58 (or 30 years) P&F: age 55 or 50 with 25 years	60 (or 30 years) P&F: age 55 or 50 with 25 years	65 (58 with 30 years) P&F: age 60 or 53 with 25 years	Members retire from IAP when they retire from Tier One, Tier Two, or OPSRP
Early retirement	55 (50 for P&F)	55 (50 for P&F)	55, if vested (50 with 5 years of continuous service in a P&F position immediately preceding effective retirement date)	Members retire from IAP when they retire from Tier One, Tier Two, or OPSRP
Regular acct earnings	Guaranteed assumed rate annually (currently 7.75%)	No guarantee; market returns	N/A; no member account	No guarantee; market returns
Variable acct earnings	Market returns on 100% global equity portfolio	Market returns on 100% global equity portfolio	N/A; no member account	N/A
Retirement calc methods	Money Match, Full Formula, Formula + Annuity (if eligible)	Money Match, Full Formula	Formula	Various account payouts or rollover
Formula benefit factor	1.67% general; 2.0% P&F	1.67% general; 2.0% P&F	1.50% general; 1.80% P&F	N/A
Formula + Annuity benefit factor	1.00% general; 1.35% P&F	N/A	N/A	N/A

## Purchases using pre-tax retirement funds

Tier One and Tier Two members can use pre-tax dollars from an eligible retirement savings plan to purchase forfeited creditable service or retirement credit.

This “trustee-to-trustee” transfer can be made with funds from a member’s Oregon Savings Growth Plan (OSGP) account or from a 457 governmental deferred compensation plan or a 403(b) tax-sheltered annuity plan.

The trustee-to-trustee transfer form and an information sheet is posted on the PERS website (<http://oregon.gov/PERS>) in the Forms/Publications section.

The transfer must be received before the member’s effective retirement date in most cases. The retiring member must ensure that PERS receives the fund transfer.

## Waiting time purchase *(continued from page 1)*

Match, Full Formula, or Formula Plus Annuity).

To purchase waiting time(s), you must pay the employee and employer contributions that would have been made on the salary you were paid during the waiting-time period(s).

You do not pay any interest and can use a “trustee-to-trustee” transfer to make the purchase. The purchase

must be made within the 90-day period before your effective retirement date.

For OPSRP Pension Program members, the six-month waiting time is included in a retirement benefit calculation and does not require a purchase.

You will find more information regarding a waiting time purchase, under the Members/Publications section of the PERS website.

*Perspectives* is published by the Oregon Public Employees Retirement System for the benefit of members and employers.

Address all correspondence to **PERS, P.O. Box 23700, Tigard, OR 97281-3700**. PERS headquarters office is at **11410 SW 68th Parkway, Tigard, Oregon. Phone: 503-598-PERS** or toll-free **888-320-7377**; **TTY: 503-603-7766**. Telephone hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, except holidays. PERS’ Internet address is <http://oregon.gov/PERS>.

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# PERS benefit payments boost Oregon's economy

PERS benefits paid to Oregon retirees have a significant impact on Oregon's economy. Oregon PERS paid approximately \$3.2 billion in benefits to PERS benefit recipients living in Oregon in 2013.

Funding for these benefits came mostly from investment earnings on contributions previously paid by members and public employers.

PERS retirees spent a significant portion of this money on goods and services in Oregon, which helped support local businesses. These

businesses then purchased goods, in part, from other local vendors, adding to the Oregon workforce and economy.

The \$3.2 billion in annual benefit payments multiply to \$3.8 billion in economic value to Oregon when the full financial impact of these dollars spent in local communities is considered.

These benefit payments sustain an estimated 34,712 Oregon jobs, and add approximately \$1 billion in wages to Oregon's economy, which

is included as a component of the \$3.8 billion in economic activity.

Additionally, the state of Oregon collected an estimated \$159 million in income taxes on PERS benefit payments during 2013.

The information is based on economic multipliers provided by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). The multipliers come from BEA's Regional Input-Output Modeling System.

<u>County</u>	<u>Benefit Recipients</u>	<u>2013 Benefit Payments</u>	<u>Avg. 2013 Benefit</u>	<u>% of Total Benefits Paid</u>
Baker	737	\$17,752,356	\$24,087	0.56%
Benton	3,532	\$119,066,491	\$33,711	3.74%
Clackamas	11,142	\$349,198,261	\$31,341	10.97%
Clatsop	1,169	\$31,108,124	\$26,611	0.98%
Columbia	1,330	\$39,446,810	\$29,659	1.24%
Coos	1,931	\$47,416,318	\$24,555	1.49%
Crook	720	\$18,449,942	\$25,625	0.58%
Curry	525	\$11,837,809	\$22,548	0.37%
Deschutes	4,340	\$128,835,435	\$29,686	4.05%
Douglas	3,291	\$85,332,472	\$25,929	2.68%
Gilliam	82	\$1,660,754	\$20,253	0.05%
Grant	310	\$7,217,102	\$23,281	0.23%
Harney	306	\$6,549,859	\$21,405	0.21%
Hood River	577	\$16,215,028	\$28,102	0.51%
Jackson	4,847	\$133,903,178	\$27,626	4.21%
Jefferson	830	\$21,302,028	\$25,665	0.67%
Josephine	1,856	\$42,970,664	\$23,152	1.35%
Klamath	1,661	\$40,938,452	\$24,647	1.29%
Lake	266	\$5,898,061	\$22,173	0.19%
Lane	11,643	\$356,636,712	\$30,631	11.20%
Lincoln	1,521	\$39,673,836	\$26,084	1.25%
Linn	3,962	\$101,498,136	\$25,618	3.19%
Malheur	777	\$19,520,058	\$25,122	0.61%
Marion	13,778	\$408,916,649	\$29,679	12.84%
Morrow	243	\$5,504,620	\$22,653	0.17%
Multnomah	15,582	\$488,189,826	\$31,330	15.33%
Polk	3,916	\$119,543,463	\$30,527	3.75%
Sherman	82	\$1,872,462	\$22,835	0.06%
Tillamook	995	\$26,223,083	\$26,355	0.82%
Umatilla	2,191	\$58,343,017	\$26,628	1.83%
Union	972	\$27,296,860	\$28,083	0.86%
Wallowa	304	\$8,198,823	\$26,970	0.26%
Wasco	798	\$21,083,096	\$26,420	0.66%
Washington	10,164	\$310,430,500	\$30,542	9.75%
Wheeler	68	\$1,378,670	\$20,275	0.04%
Yamhill	2,408	\$64,388,103	\$26,739	2.02%
<b>Total</b>	<b>108,856</b>	<b>\$3,183,797,058</b>	<b>\$29,248</b>	<b>100%</b>

# PERS Presentations: August 2014 - December 2014

Registration is required. Register through the PERS website (<http://oregon.gov/PERS>) in the Education Sessions section. All presentations are free, including the financial planning sessions. Space is limited.

## One-Year PERS Presentations

For members within *one* year of retirement

Albany	Sep. 9
Ashland/Med.	Aug. 12; Sep. 10*, 22; Oct. 7*, 13; Dec. 1
Astoria	Oct. 14, 23*
Baker City	Nov. 19
Bend	Aug. 5*; Sep. 29; Oct. 7*; Dec. 3*
Coos Bay	Aug. 6; Oct. 20; Nov. 4*
Corvallis	Aug. 26; Sep. 9*; Nov. 13*; Dec. 15
Eugene/ Spgfld	Aug. 12*; Sep. 16, 20*; Oct. 2*, 21; Nov. 6*, 18; Dec. 2, 10*
Florence	Aug. 21*
Gresham	Aug. 5, 8*; Sep. 3; Oct. 24*; Nov. 4; Dec. 2
Hillsboro	Aug. 12; Oct. 14; Nov. 10; Dec. 9*
Hood River	Aug. 27
Klamath Falls	Sep. 10
La Grande	Nov. 17
Lincoln City	Oct. 9*
Oregon City	Aug. 18; Oct. 2, 16*
Pendleton	Sep. 15
Portland/ Tigard	Aug. 4, 9*, 25; Sep. 6*, 8, 15, 22; Oct. 4*, 13, 18*, <u>20</u> , 27; Nov. 1*, 3, 15*, 17, 24; Dec. 1, 6*, 8, 15, 20* (underlined dates are only for police and firefighter staff)
Redmond	Oct. 27
Roseburg	Aug. 4; Oct. 3*, 6
Salem	Aug. 13, 28*; Sep. 10, 25*; Oct. 8, 11*; Nov. 8*, 12; Dec. 10, 11*
St. Helens	Sep. 17*
The Dalles	Sep. 22
Vale	Oct. 7

### These sessions cover:

- Individual Account Program (IAP)
- Retirement eligibility and retirement benefit calculations
- Benefit estimate review
- Retirement options
- Variable account after retirement
- Work after retirement provisions
- Cost-of-living adjustments
- Taxes
- Retirement application forms review

## Five-Year PERS Presentations

For members within *five* years of retirement

Ashland/Med.	Aug. 13*
Bend	Sep. 8
Corvallis	Aug. 6
Eugene/Spgfld	Sep. 18*
Pendleton	Nov. 3
Portland/Tigard	Aug. 23*; Sep. 27*; Oct. 6
Roseburg	Dec. 8
Salem	Aug. 16; Sep. 24

## OPSRP Members

Eugene/Spgfld	Dec. 5
Portland/Tigard	Sep. 29; Oct. 13

### Five-year PERS and OPSRP sessions cover:

- Individual Account Program (IAP)
- Review of website features
- Retirement benefit information
- Membership details and benefits
- Work after retirement information

Dates with an asterisk (\*) add financial planning information presented by PERS' education partner, VALIC. Additional topics at these sessions include:

- Social Security and Medicare,
- Coordinating PERS benefits with other income sources, and
- Planning for changing income and expense needs.

**Visit the PERS website (<http://oregon.gov/PERS>) for other counseling sessions.**

**Mid Career:** retirement benefit information for Tier One/Tier Two members who are more than five years from retirement. The session includes IAP information.

**Retirement Application Assistance Session (for retiring members):** a one-hour meeting with a PERS representative for members who have already attended a pre-retirement presentation, are within 90 days of retirement, and are prepared to submit their retirement application(s).