

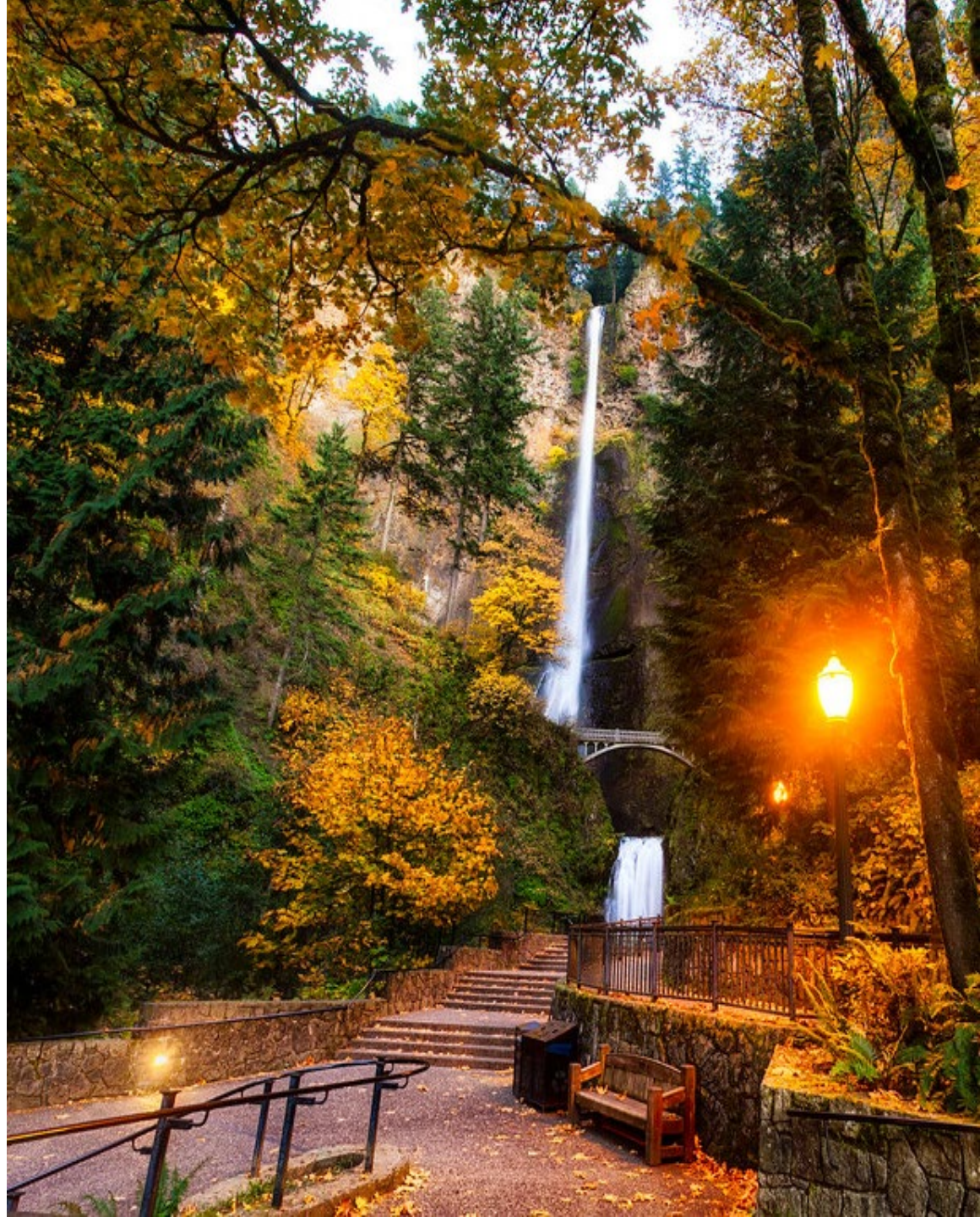
# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## Employer Advisory Group

October 2022



# Agenda

- Director's Office Update
- Legislative Update
- Senate Bill 1049 Update
- Communications Update
- Actuarial Update
- Additional Items
  - 2022 PERS Expo
  - EDX UI Walk-Through
  - Employer Penalties
  - Paid Family Leave
  - 2023 EAG Dates
- Open Discussion

# Director's Office Update

## PERS Board

- September 30 board meeting
- How to engage with the PERS Board
  - Employer board representative
  - Public testimony
    - Written testimony or comment
    - Oral testimony request
    - Should be submitted three days before meeting
- 2023-25 budget planning

# Director's Office Update

## Modernization

### Status

- First presentation to PERS Board
- Hiring staff
- Establishing governance structure
- Continued architectural planning and design work

# Legislative Update

## Legislative concepts

- Agency legislative concepts are in drafting.
- Received drafts back and recommending edits now.
  - Divorce fee increase.
  - Technical changes in advance of modernization.
  - Deleting obsolete parts of Social Security statutes.
- Legislative concepts you've heard about involving PERS?
  - Email [heather.case@pers.oregon.gov](mailto:heather.case@pers.oregon.gov).
- Legislative concepts you would like to introduce?
  - Speak to government affairs coordinators at your membership groups (e.g., League of Oregon Cities, Association of Oregon Counties, Oregon School Boards Association, Special Districts Association of Oregon).

# SB 1049 Update

## Remaining projects

- Member Redirect
  - Work Package (WP) 6 Employee Pension Stability Account (EPSA) Withdrawal deploys February 23, 2023
- Technical Debt
  - WP4 Hyperion Replacement deploys October 20, 2022
  - WP6 General Ledger Reversals deploys May 11, 2023

## Employer impact

- November 17, 2022, deployment
- Small wording change near This Statement at a Glance, based on feedback from employer testing in June.



# SB 1049 Update

July 2021 to June 2023



## 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	JUN
<b>Employer Programs</b>	● 7/16/21 – Project Close												Sep 23											
<b>Work After Retirement</b>							● 12/16/21 – WP4 Side Account Credit Allocation																	
							● 2/24/22 – Project Close																	
<b>Member Redirect</b>							● 10/14/21 – WP5 Voluntary Contribution Maintenance – Long Term																	
							● 3/24/22 – WP4.3 EPSA Transaction Display – Long Term																	
													● 7/21/22 – WP6.1 EPSA Retirement – Long Term											
													2/23/23 – WP9.1 EPSA Withdrawal – Long Term → ●											
													2/23/23 – WP9.2 Alter OPSRP Withdrawal – Long Term → ●											
<b>Member Choice</b>	● 8/4/21 – Project Close																							
<b>Technical Debt</b>	● 7/1/21 – Project Kickoff																							
							4/30/22 – WP3 General Ledger Reversals, Including Side Accounts – Functional Design Specification Completed																	
													● 3/31/22 – WP2 Benefit Account Transition Status – Functional Design Specification Completed											
													● 7/21/22 – WP1 Employer Statements											
													5/11/23 – WP6 General Ledger Reversals → ●											
													● 10/20/22 – WP4 Hyperion Replacement											
<b>PROGRAM INITIATIVE</b>																								
<b>Cross Project Effort</b>																								
							● 3/4/22 – WP3 IAP Divorce Tool																	
													● 5/20/22 – WP5.2 PYE Invoicing Tool											
													● 6/1/22 – WP4.2 IAP Adjustment Calculator											
													5/15/23 – WP6 IAP Balance Comparison Tool → ●											






# SB 1049 Update

July 2023 to June 2025



## Senate Bill (SB) 1049 Implementation Road Map

### 2023-2025 Biennium

PROJECTS	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	JUN	
 <b>Member Redirect</b>									<ul style="list-style-type: none"> <li>7/20/23 - WP8.1 EPSA Pre-Retirement Death - Long Term</li> <li>7/20/23 - WP10 Backlog Implementation - Long Term</li> </ul>																
 <b>Technical Debt</b>																									
<b>PROGRAM INITIATIVE</b>																									
 <b>Cross Project Effort</b>																									



# Communications Update

## Three updates

- 1** Progress on updating employer manuals.
- 2** Plan for informing employers about new EDX design.
- 3** Spreading the word about year-end reconciliation.

# Communications Update

## Updating the employer manuals

### Combining these

Employer Manual

EDX User Guide

EDX Reporting Quick Reference Guide

EDX File Format and Development Guide

EDX User Quick Info (A to Z)

Employer Help Files (A to Z)



### Into these

Employer  
Reporting  
Guides

# Communications Update

## Updating the employer manuals

### Welcome to PERS reporting

Overview of PERS	Employer Responsibilities and Resources
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### Learning the basics

Getting Started in EDX	Creating a Report
Creating a Record	Correcting Suspended Records

### Hiring a new employee

Reporting a New Employee	Hiring a PERS Retiree
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### Reporting wages and contributions

Reporting Wages for a Qualifying (Full-Time) Employee	Reporting Wages for a Non-Qualifying (Part-Time) Employee
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# Communications Update

## New EDX design communications plan

<b>November 7</b>	November <i>Employer News</i> article
<b>November 16</b>	NewsBite email
<b>November 17 (contingent)</b>	NewsBite email if issue (unlikely)
<b>As needed</b>	Update webpages

**EMPLOYER DATA EXCHANGE**

# Communications Update

## Year-end reconciliation push



Number of employers who get all reports posted by year end.

*Employer News* articles



Special NewsBite



New “Correcting Suspended Records” guide



ESC representative support

# Actuarial Update

Funded status and unfunded actuarial liability (UAL)

Comparison of system-wide results for two most recent rate-setting valuations

Valuation Date	Excluding Side Accounts		Including Side Accounts	
	UAL	Funded Status	UAL	Funded Status
12/31/2019	\$ 24.6 B	72%	\$ 19.1 B	79%
12/31/2021	\$ 20.0 B	80%	\$ 13.4 B	86%



# Actuarial Update

## Summary of actuarial results

Starting July 2023:

- Average collared **base** employer contribution rates will increase **1.07%** of pay.
- Average collared **net** employer contribution rates will increase **0.68%** of pay.

# Actuarial Update

## Factors affecting contribution rate calculations

- Decrease in investment return assumption to 6.9% **increased** normal costs.
- Actual 2021 returns of ~20% **decreased** uncollared UAL rates.
- Updated rate-collaring policy adopted mid-2021 led to **no decrease** to average collared base UAL rates.
- Strong 2021 side account earnings **increased** 2023-25 side account offsets (reducing net contribution rate increase).

# Actuarial Update

## Individual employer rates

Employers pay separate rates on different payrolls.

- Tier One/Tier Two payroll:
  - Most employers pay a single average rate for both General Service and Police & Fire.
  - Some SLGRP employers pay distinct General Service and Police & Fire rates.
- OPSRP General Service payroll.
- OPSRP Police & Fire payroll.

# Actuarial Update

## Individual employer reports

Provided for more than 600 employers.

- 362 SLGRP employers.
- 127 Independent employers.
- School Districts:
  - 125 Schools District employers **with** side accounts.
  - All other (169) School District employers **without** a side account will receive an identical report.

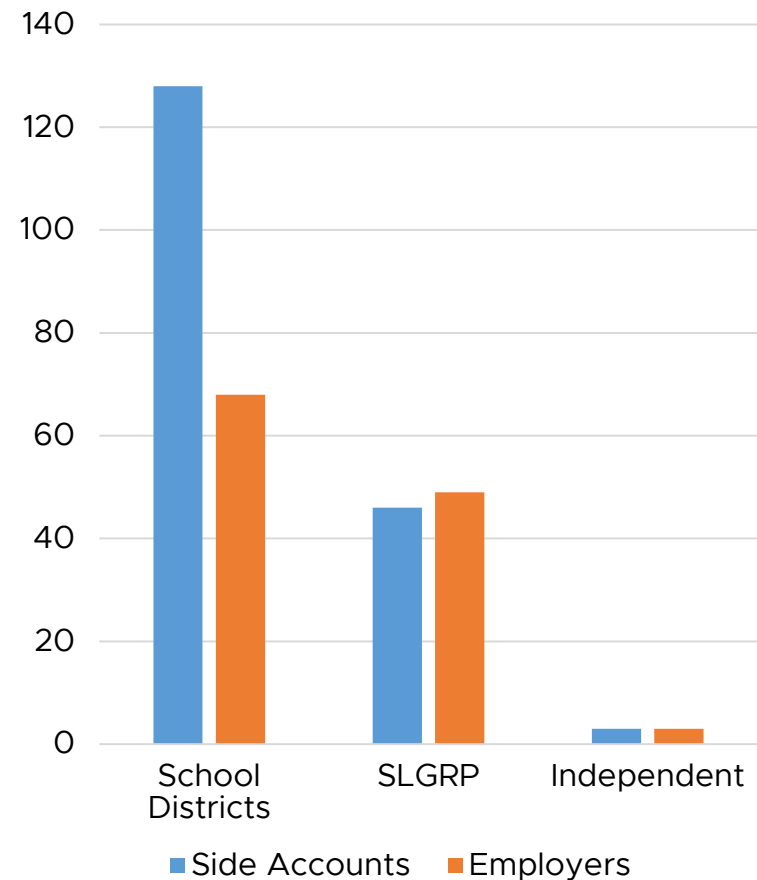
Notification will be provided via GovDelivery and valuations posted on the PERS website.

# Actuarial Update

Major date December 31, 2027

- 181 of 297 side accounts end in 2027.
- 2021-23 median offsets for affected side accounts are:
  - School Districts 9.51%.
  - SLGRP 4.84%.
  - Independent 2.94%.
- Most affected employers do not have an additional side account.
- This will affect contributions in 2027-29.
- We would like your feedback!

Side Accounts Amortizing in 2027

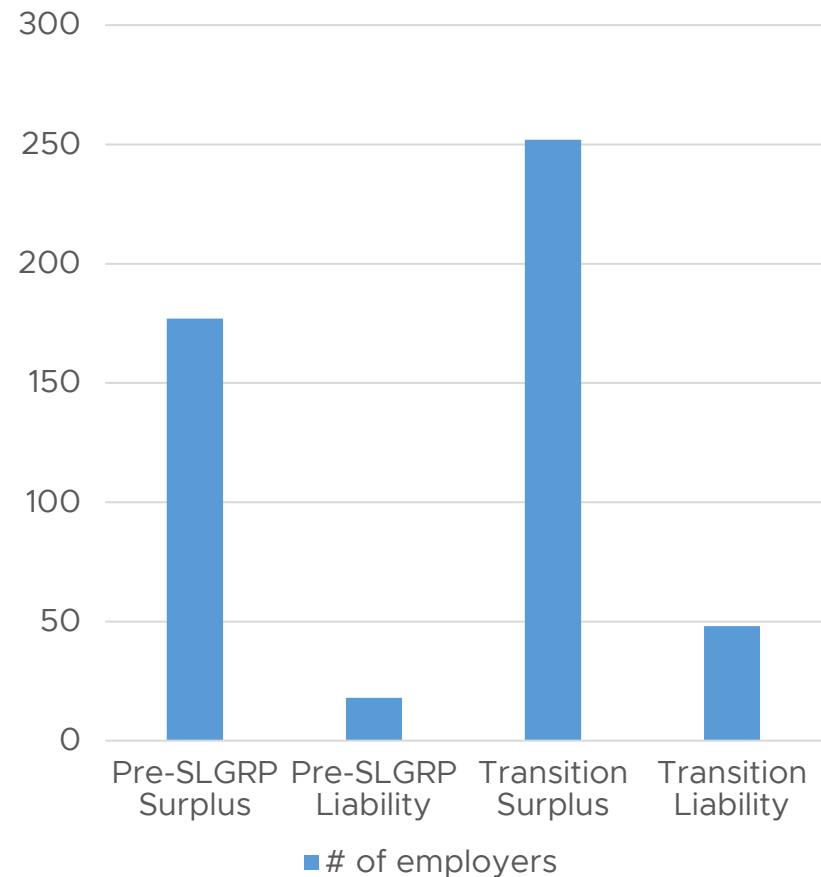


# Actuarial Update

Major date December 31, 2027

- All pre-SLGRP and most transition surplus and liabilities will amortize in 2027.
- 116 employers have both a pre-SLGRP and transition surplus.
- As of the 12/31/2021 valuation, pre-SLGRP liability rate is 1.33% and surplus rate is -1.39%.
- Average transition liability/surplus rate is -3.11%.

Pre-SLGRP and Transition Surplus/Liabilities





# Actuarial Update

## Employer Incentive Fund

As of September 30, 2022:

- **\$29,577,545 has been deposited** into 20 employers' side accounts.
- **\$7,134,160 remains to be matched.**
  - The remaining 24 employers matches total **\$6,934,879.**
- **Matches end March 2023!**
  - Employers *must* schedule their payment in advance.

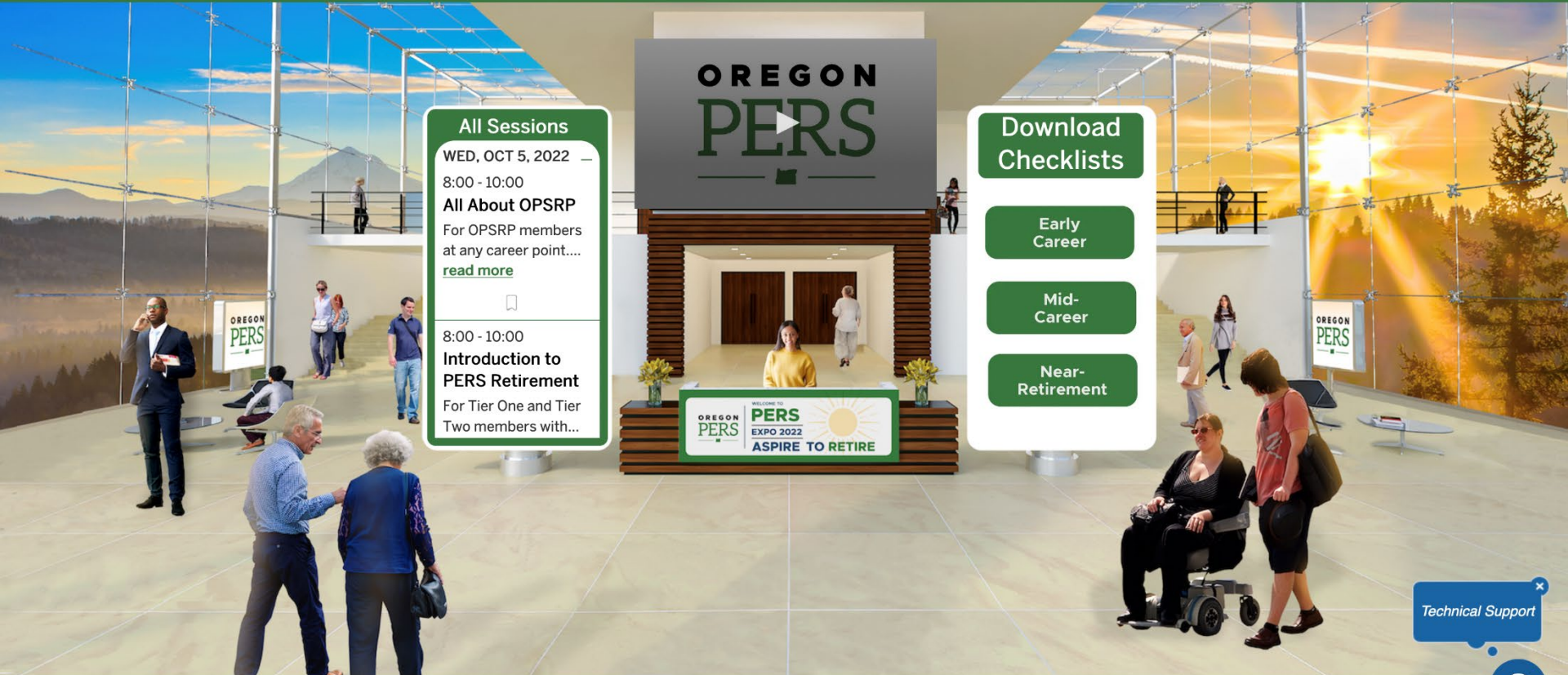
# Additional Items

- 2022 PERS Expo ..... Sam Paris
- EDX User Interface (UI)  
Walk-Through ..... Elli Probasco
- Employer Penalties ..... Brandon Armatas
- Paid Family Leave ..... Heather Case
- 2023 EAG Dates ..... Sam Paris

# 2022 PERS Expo



[Home](#) [Sessions](#) [Resources](#) [Partners](#) [Ask Experts](#) [Disclaimers](#)



**All Sessions**

WED, OCT 5, 2022 —  
8:00 - 10:00

**All About OPSRP**  
For OPSRP members at any career point....  
[read more](#)

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8:00 - 10:00

**Introduction to PERS Retirement**  
For Tier One and Tier Two members with...

**Download Checklists**















- Early Career
- Mid-Career
- Near-Retirement


Technical Support



# EDX UI Upgrade Walk-Through

**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


EMPLOYER DATA EXCHANGE  
 Employer Number:

**WORK ON WAGE AND CONTRIBUTION REPORTS**  Tell Me More

Below is a list of the latest Wage and Contribution Reports. Select an action that is available next to the report or you can also [Create a New Report](#)

- [Work with Unposted Reports](#)
- [Work with Posted Reports](#)
- [Work with Posted IAP Voluntary Contributions Reports](#)

**UNPOSTED REGULAR REPORTS**

Status	<a href="#">Date Submitted</a>	<a href="#">Report Date</a>	Delete	Edit	Release / Un-Release	Reject/Edit Report	View Details	View Totals
Suspended	08/31/2022	08/31/2022	<a href="#">delete</a>	<a href="#">edit</a>	n/a	<a href="#">View Report</a>	<a href="#">View Details</a>	<a href="#">View Totals</a>
Suspended	08/02/2022	07/31/2022	<a href="#">delete</a>	<a href="#">edit</a>	n/a	<a href="#">View Report</a>	<a href="#">View Details</a>	<a href="#">View Totals</a>
Added	09/19/2022	09/18/2022	<a href="#">delete</a>	<a href="#">edit</a>	n/a	<a href="#">View Report</a>	<a href="#">View Details</a>	<a href="#">View Totals</a>
Added	09/16/2022	01/02/2022	<a href="#">delete</a>	<a href="#">edit</a>	n/a	<a href="#">View Report</a>	<a href="#">View Details</a>	<a href="#">View Totals</a>

**UNPOSTED DEMOGRAPHICS AND ADJUSTMENT REPORTS**

Status	<a href="#">Date Submitted</a>	<a href="#">Report Date</a>	Delete	Edit	Release / Un-Release	Reject/Edit Report	View Details	View Totals
Suspended	09/06/2022	09/06/2022	<a href="#">delete</a>	<a href="#">edit</a>	n/a	<a href="#">View Report</a>	<a href="#">View Details</a>	n/a

**POSTED REGULAR REPORTS**

Status	<a href="#">Date Submitted</a>	<a href="#">Report Date</a>	View Totals	View Details	Report Type
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# Employer Penalties

- Oregon Administrative Rule (OAR) updates are triggering a review.
- Penalties are set in statute for:
  - Late reporting.
  - Late payment.
  - Incorrect payment method.
- Penalties have been waived for all employers over last decade.
- Next few months:
  - PERS will be reviewing how to strategically manage penalties.

# **Paid Family Leave**

## HB 2005 implementation

### **House Bill (HB) 2005**

- Oregon Paid Family Medical Leave Insurance Act.
- Passed in 2019, effective January 1, 2023.
- Payments to employees begin September 2023.
- Are payments subject salary or not?



# Paid Family Leave

## HB 2005 implementation

### Three options for employer implementation

1. Participate in Employment Department program.  
Payments = non-subject salary.
2. Establish own comparable program paid with employer funds.  
Payments = subject salary.
3. Establish own comparable program through a third party (e.g., an insurance company).  
Payments = non-subject salary.

# Paid Leave Oregon: Employer Question

## Contributions to Paid Leave Program

Type of Contribution	Paid By	Report to PERS as Subject Salary?	Notes
Employer contribution	Employer	<b>No</b>	This payment to Employment Department is similar to general employer contribution obligations paid to PERS to fund retirement benefits. Paid through combined payroll report form.
Employee contribution	Employee	<b>No</b>	This is paid as a deduction from employee's gross wages. Gross wages were already reported as subject salary.
Employee contribution	Employer (pick-up)	<b>No/YES</b>	<p>Employer is paying insurance premium on behalf of the employee.</p> <p>Tier One/Tier Two: Non-subject because ORS 238.005(26)(c)(B) specifically excludes.</p> <p>OPSRP: Subject because it is not specifically excluded in ORS 238A.005(17)(c); subject to change if Paid Leave Oregon or Department of Revenue determines it would not be included in taxable income.</p>

# Paid Leave Oregon

## Questions

- Paid Leave Oregon has committed to answering questions within two business days.
- How to contact:
  - Submit a request form:  
<https://paidleavecontact.oregon.gov/hc/en-us/requests/new>
  - Go to website:  
<https://paidleave.oregon.gov/Pages/default.aspx>  
(more FAQs coming in October)
  - Send an email:  
[paidleave@oregon.gov](mailto:paidleave@oregon.gov)
  - Call:  
833-854-0166

# 2023 EAG Dates

## Proposed Dates

- January 20, 2023
- April 21, 2023
- July 21, 2023
- October 20, 2023

### Calendar for year 2023 (United States)

January							February							March							April							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7			1	2	3	4			1	2	3	4							1			
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11	2	3	4	5	6	7	8	
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18	9	10	11	12	13	14	15	
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25	16	17	18	19	20	21	22	
29	30	31	26	27	28	26	27	28	29	30	31	23	24	25	26	27	28	29	30									
May							June							July							August							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6				1	2	3						1			1	2	3	4	5			
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12	
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19	
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26	
28	29	30	31	25	26	27	28	29	30	23	24	25	26	27	28	29	27	28	29	30	31	30	31					
September							October							November							December							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
					1	2	1	2	3	4	5	6	7				1	2	3	4							1	2
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	
24	25	26	27	28	29	30	29	30	31	26	27	28	29	30	24	25	26	27	28	29	30	31						

# Open Discussion





# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



# THANK YOU

