PERS Oregon Public Employees Retirement System

EMPLOYER NEWSLETTER

May 2018

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Member education and retirement planning sessions

PERS offers a number of opportunities to help your PERS-covered employees understand their PERS retirement benefits, including free education sessions throughout the state for members in all stages of their careers, as well as help reviewing retirement forms when it is time to retire.

PERS will be in the following cities in May and June: Albany, Ashland, Bend, Central Point, Coos Bay, Corvallis, Eugene, Grants Pass, Gresham, Hillsboro, Klamath Falls, La Grande, Lakeview, Madras, Medford, Ontario, Oregon City, Pendleton, Redmond, Roseburg, Salem, Springfield, Tigard/Portland, and The Dalles.

Tier One and Tier Two members (Hired before August 29, 2003)

Your Tier One and Tier Two employees can find a schedule for the following presentations by going to http://www.oregon.gov/pers/MEM/Pages/Tier-One-Tier-Two-Presentations-Index.aspx.

• **Retirement Readiness**. This presentation is intended for Tier One and Tier Two members within three years of retirement.

• **Introduction to PERS Retirement.** This presentation is intended for Tier One and Tier Two members with more than three years to retirement. It is also an excellent resource for Tier One and Tier Two employees who need a refresher on their retirement benefits.

To sign up for one of the presentations, your employees simply need to click on the presentation name, which will go to a page where they can click on the city of choice. The next screen will have dates and times. To register for an education session, simply click on the register link to sign up.

OPSRP members (Hired after August 28, 2003)

Your OPSRP employees can find a schedule for the following presentation by going to http://www.oregon.gov/pers/MEM/Pages/Presentations/All-About-OPSRP/OPSRP-Presentations-Index.aspx.

• **All about OPSRP Presentation.** This presentation is intended for OPSRP members at any career point.

To sign up for this presentation, your employees simply need to click on the presentation name, which will go to a page where they can click on the city of choice. The next screen will have dates and times. To register for an education session, simply click on the register link to sign up.

Retirement Application Assistance Sessions

PERS also offers free Retirement Application Assistance Sessions (RAAS). These sessions are for members who have decided to retire and have already filled out their PERS Service Retirement Application.

During the RAAS, PERS staff will:

• explain the retirement application process,

• conduct a comprehensive review of the member's application and associated forms for accuracy and completeness, and

• notarize the application at no cost.

Employees can register for an upcoming RAAS within 90 days before their PERS retirement date. To register, anyone interested should go to the Retirement Application Assistance Sessions links from the PERS member home page.

http://www.oregon.gov/pers/MEM/Pages/RAAS/Retirement-Application-Assistance-Sessions.aspx

2017 Member Annual Statements and correct date of birth information

Member Annual Statements for 2017 are scheduled to be mailed in mid-May 2018. PERS will use member addresses on file as of mid-March 2018 when mailing the annual statements.

Because of Individual Account Program (IAP) investment strategy changes (learn more at Oregon.gov/IAP) that went into effect January 2, 2018, PERS is including an additional insert on green paper with every member annual statement to summarize some of the key changes.

The **most important message** on the insert is a request that members make sure their **date of birth is correct** on their statement, since their 2018 investments are based on their birth year. This statement is included multiple times on the insert, most prominently on the top of the document:

IMPORTANT ⟶ **MAKE SURE YOUR DATE OF BIRTH IS CORRECT ON THIS YEAR'S STATEMENT**

Beginning in 2018, Oregon PERS members are invested in IAP Target-Date Funds based on their year of birth and an assumed retirement age of 65. The Oregon Investment Council's new investment strategy is intended to reduce investment risk and volatility as members age.

BIRTH YEAR	TARGET-DATE FUND
In 1952 or before	Retirement Allocation Fund
Between 1953 and 1957	IAP 2020 Target-Date Fund
Between 1958 and 1962	IAP 2025 Target-Date Fund
Between 1963 and 1967	IAP 2030 Target-Date Fund
Between 1968 and 1972	IAP 2035 Target-Date Fund
Between 1973 and 1977	IAP 2040 Target-Date Fund
Between 1978 and 1982	IAP 2045 Target-Date Fund
Between 1983 and 1987	IAP 2050 Target-Date Fund
Between 1988 and 1992	IAP 2055 Target-Date Fund
In 1993 or after	IAP 2060 Target-Date Fund

Because each PERS employer submits its employees' information to PERS, it is critical for employers to partner with PERS to ensure member data is accurate. Please be aware that the insert will call out to members who are actively employed to "contact your employer (in most cases this is either your human resources or payroll department) to correct personal information."
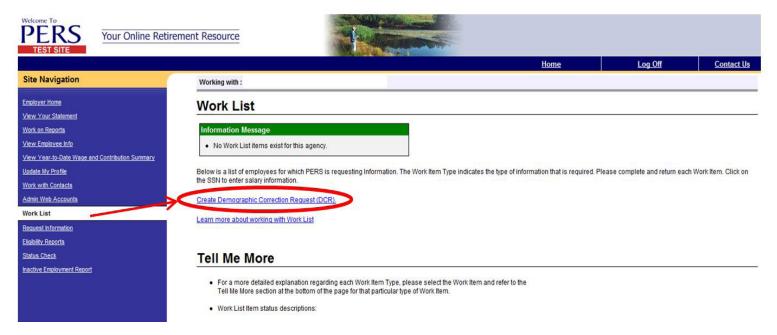
How to review and correct posted employees' date of birth

You can view your employees' current date of birth on file by going to View Employee Info in the Site Navigation of any EDX page. You can enter a last name, SSN, or PERS ID to access individual employee data. The date of birth can be confirmed on the Employee Employment History Details page.

If this information is incorrect, please submit a demographic correction request (DCR) to update employees' information.

Start by going to Work List under Site Navigation from any EDX page. Click Create Demographic Correction Request (DCR).

Enter the employee's SSN or PERS ID.

In the comments box, enter the correct date of birth and the documentation used to confirm that date. When all comments have been entered, click Save. This will route the form back to your ESC Account Team Representative who will update the member's account with the corrected date of birth. When all changes have been made, you will receive an EDX email message stating your DCR is complete.

If you have 10 or more birth date corrections to make or have any other questions, please contact Employer.Support@pers.state.or.us for further assistance.

Governmental Accounting Standards Board (GASB) information

GASB 75 information for the year ending June 30, 2017, can be found through the GASB 68 and 75 Audited Schedules (Updated 4/13/2018) link under the Employer News heading on the PERS employer homepage.

• Audited Schedules of Employer Allocations and Pension Amounts by Employer can be found at the Audit Report link.

• Information from the PERS Consulting Actuary explaining methods and assumptions on how these amounts were developed can be found at the Letter from Actuary link.

• Detailed exhibits showing how amounts were developed can be found at the Exhibits from Actuary link.

All GASB-related questions should be directed to the PERS GASB mailbox at PERS.GASB.Questions@pers.state.or.us.

Work limits for PERS retirees who return to work as retirees and are receiving Social Security benefits

Tier One/ Tier Two Retiree Work Hour Restrictions

Tier One or Tier Two retirees who have reached full retirement age under Social Security may work an unlimited number of hours. Remember that full retirement age under Social Security varies by birth date.

Tier One or Tier Two retirees who are receiving Social Security benefits and have not reached full retirement age under Social Security may work either less than 1,040 hours in a calendar year or, if greater, the total number of hours, at the retiree's hourly rate of pay, that would not exceed the annual earnings limit set by the Social Security Administration.

The Social Security Administration annually establishes the calendar year earnings limits for recipients of Social Security benefits. Annual changes to earnings limits established by the Social Security Administration are not effective for Tier One or Tier Two retirees until PERS amends its administrative rule that specifies the limits. Effective January 1, 2018, the following limits are in place:

• For retired members who have not reached full retirement age under the Social Security Act, the annual compensation limit is $17,040 (2018).

• For the calendar year in which the retired member reaches full retirement age under the Social Security Act and only for compensation for the months before reaching full retirement age, the annual compensation limit is $45,360 (2018).

OPSRP Retiree Work Hour Restrictions

The above Social Security provisions under ORS 238.082(3) are not applicable to OPSRP retirees. There is no Social Security exception for OPSRP retirees that would allow a member to exceed the OPSRP 600-hour standard.

OPSRP retirees may return to work as retirees at any time following their effective date of retirement, without forfeiting their benefit as long as they do not work in a qualifying position.

A qualifying position is:

• one in which the retiree works 600 or more hours per calendar year (on and after the retiree's effective date of retirement), or

• one in which the employer has indicated the retiree was hired with a qualifying hire-intent.

An OPSRP retiree who is employed with a non-qualifying hire-intent may work 599.99 hours per calendar year and still maintain his or her retiree status.