

OREGON PERS

75 years of serving
those who serve Oregon

EMPLOYER NEWS

DECEMBER
2021

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Antelope Creek Bridge, Eagle Point, Oregon

Advisory actuarial valuations coming soon

Your individual employer valuation will be available in mid-December on the [PERS Actuarial Valuations](#) webpage. Remember that you will not receive an email containing your individual valuation — all valuations are posted on the website for easy downloading. We will email you when they are posted and provide a link to the page.

About advisory valuations

Advisory valuations do not affect your current rate. They represent what your rate would be in 2023-25 if set based on the data you reported in 2020 and the changes to rates brought about by earnings, legislative changes, and any actuarial assumptions and method changes adopted by the PERS Board.



ACTUARIAL VALUATION REPORT DECEMBER 31, 2020

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Consider using your advisory rates to estimate budget impacts for 2023-25.

The next valuation, to be published in October 2022, will be a rate-setting valuation based on data through 2021.

Learn more

Milliman presented the advisory valuation for the PERS system at the [October PERS Board meeting](#). The presentation was summarized in the [November Employer News](#).

Milliman will present their Financial Modeling projections for up to the next 10 biennia in the upcoming December 3, 2021, [PERS Board meeting](#).

PERS reopening

The PERS headquarters building in Tigard, Oregon, is reopening to the public on January 3, 2022. For location and hours, go to [PERS Headquarters and Member Services](#).

Member Redirect salary threshold increasing January 1



This year's Member Redirect monthly salary threshold of \$2,535 will increase to \$3,333 on January 1, 2022. The large increase was brought about by [House Bill 2906](#) (2021), which ensures that more PERS members who work fewer than 12 months a year are not subject to the redirect and that their Individual Account Program (IAP) account retains the full 6% contribution.

The percent of the IAP contribution that is redirected into each employee's Employer Pension Stability Account (EPSA) will remain the same:

- Tier One and Tier Two: 2.5%
- OPSRP: 0.75%

This information is for awareness only — the PERS system processes redirects automatically, so no action is needed from employers.

Effect on Member Redirect offset

Because of the higher salary threshold, the *effective* rate offset provided by Member Redirect is expected to be reduced next year:

- ↓ From 2.45% to 2.40% for Tier One and Tier Two members.
- ↓ From 0.70% to 0.65% for OPSRP members.

Learn more

For information about Member Redirect and EPSAs, read the [EPSA Overview webpage](#).

New salary limit coming in 2022



The salary limit applied to subject salary is adjusted every January in accordance with the [Consumer Price Index](#) (CPI), which adjusts the rate up or down to reflect the cost of living in the western United States. PERS will announce the new 2022 salary limit shortly after the 2022 CPI is published, which is expected to occur in early 2022. The current limit is \$197,730.

About Salary Limit

Effective January 1, 2020, Senate Bill 1049 changed the definition of “salary” for PERS purposes and created a new limitation on subject salary used for PERS benefit calculations and contributions. PERS subject salary is used to determine:

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

SB 1049 limits the annual salary amount that PERS uses to calculate an employee's PERS benefits — it does not limit an employee's actual salary.

Learn more

Visit the [Partial-Year Salary Limits webpage](#) (will be updated with new prorated monthly limits in 2022).

Year-end reconciliation: phase one ends December 31

The first phase of 2021 year-end reconciliation will conclude on December 31. Make sure to correct and post remaining suspended records and reports for calendar year 2021.

For instructions, see [last month's newsletter](#) or open the [EDX User Guide](#) and see section 6 – “Editing Reports and Correcting Errors” – on page 75.

The second phase of 2021 year-end reconciliation will begin January 3, 2022, and officially close February 28, 2022. However, you can continue correcting and posting records for the 2021 calendar year through the first March 2022 statement date, which closes on March 4, 2022.

Contributions invoiced through March 4, 2022, and paid within five business days of the statement date will be credited with earnings from the PERS Trust for calendar year 2021. If your 2021 contributions are not paid in full by the 11th, the PERS system will invoice you for 2021 earnings.

Learn more

To learn more about invoicing and prior-year earnings, see the **new** [Invoicing web page](#).



Reminder: December new-employees' contribution start date

Employees who are hired between December 2 and 31, 2021, and meet wait-time requirements (below) will complete their six-month waiting time on June 30, 2022. Their contribution start date (CSD) will be July 1, 2022.

Note: Employees hired on December 1, 2021, will have a CSD of June 1, 2022.

Wait time requirements

- Work for six months in a qualifying position (established by a “qualifying” hire intent or working more than 600 hours in a calendar year).
- Work for one employer with no break in service longer than 31 days over the six-month trial period.
- Still be employed the day before and day of the CSD.

JULY 2022						
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Tip You will need to report IAP 6% contributions starting with the first full pay period after the CSD, as explained in [Employer Announcement 97](#).

Reporting an employee death

When an employee dies before retirement, the employee's family and employer must follow a few important steps to report the death and ensure the employee's account is updated and beneficiary benefits can begin, if applicable.

Steps

1. As soon as possible, the employee's death should be reported to PERS by either the employee's family, a representative of the employee's family, or the employer. (A family member or representative can call PERS Member Services at 888-320-7377.)
2. The family member or rep will need to provide Member Services with a photocopy of the death certificate and contact information for next of kin.
3. The family member or rep should call the member's employer (e.g., their manager or HR representative) to inform them of their employee's death.
4. The member's employer contacts their PERS account representative to inform them of the death. If the member's employer is the first party to report the employee's death, they will need to provide contact information for next of kin (i.e., step 2).
5. The member's employer goes into EDX and reports the employee's final wages.
6. The member's employer then reports the death through a DTL1 record (instructions below). This also closes out the employment segment.



Filling in the Detail 1 record

Employers report an employee's date of death by submitting a DTL1 with a 10 - Deceased status code. This record does double duty by posting a death status on the account and terminating the open employment segment.

Creating reports and records

1. Select Work on Reports (at right).
2. On the Work on Wage and Contribution Reports screen, click on the Create a New Report link to view the Create a New Report screen.
3. In the Report Creation Form dialog box, type the assigned report date for your report in the Report Date text box. You must type the date in the format MM/DD/YYYY, as shown below. Use any available report date other than one of your specific regular reporting dates.
4. For Report Type, select Demographics and Adjustment Report.
5. Select the "create an empty report" option.
6. If you entered all information in the correct format, you will see a report-confirmation screen. Click on Return to Report Summary Page.

Site Navigation

- [Employer Home](#)
- [View Your Statement](#)

Work on Reports

- [View Employee Info](#)
- [View Year-to-Date Wage and Contribution Summary](#)

Report Creation Form

Report Date : (MM/DD/YYYY)

Report Type :

Please choose a method for populating your report.

- I would like to upload a payroll file to populate this report.
- I would like to copy member records from the most current posted report to this report.
- I would like to create an empty report and add member records manually.

Continued

7. Find the report you just created. It will be in **added** status in the Unposted Demographics and Adjustment Report area.
8. Click the edit link to begin adding a death DTL1 record.
9. On the Edit Retirement Detail Reports screen, under option 3 - Add or Edit a Record, enter the Social Security number of the deceased employee and click Add or Edit Record.
10. Select Detail 1 – Member Demographics and click Add New Record.
11. Fill in the required information in the blank record format as shown in the next section.

Filling in the record

Fill in the required fields, and click Save.

1. SSN
2. Status Code: 10
3. Status Date: date of death
4. Last Day of Service: last day on the job
5. First Name
6. Last Name
7. Address: in all caps, per USPS

Senate Bill (SB) 111A increases death benefits

SB 111A (2021) increases the death-benefit payout for surviving spouses of a certain group of PERS members.

Previously, if a member died after their earliest retirement age but before they actually retired, a surviving spouse would receive 50% of the actuarially adjusted amount of their death benefit.

SB 111A increases the amount to 100% of the actuarial equivalent of the benefit.

This change affects optional death benefits for Tier One/Tier Two members, as well as death benefits for OPSRP members.

For details, read [SB 111A](#) section 10 (Tier One/Tier Two) and section 11 (OPSRP).

Learn more

The PERS website provides more details about the death process, including steps to follow when a retiree dies:

[Tier One and Tier Two members](#) (hired on or before August 28, 2003)

[Oregon Public Service Retirement Plan \(OPSRP\) members](#) (hired on or after August 29, 2003)