

# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## EMPLOYER NEWS

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## Overview of 2023 Oregon legislative session

The 2023 legislative session began on January 17, 2023. If there is no extension, the session will end by June 25. Because this is an odd year, the session is what is known as a “long session.” The Legislature is expecting around 2,500 bills to be introduced, which include bills introduced by state agencies like PERS.

This session, quite a few bills are being introduced that aim to increase PERS benefits for members. PERS leadership is closely monitoring the cumulative effect of these bills on both the PERS plan in general and employer contribution rates.

### Bills that could affect PERS

Relevant bills include requests to:

- Calculate final average salary (FAS) on a five-year basis instead of a three-year basis.
- Add additional groups to the Police and Fire job classification.
- Lower the Oregon Public Service Retirement Plan (OPSRP) Police and Fire retirement age by five years (currently 60 years of age).
- Allow OPSRP members to buy back military service time.
- Include a housing allowance in a prison chaplain’s salary when calculating FAS.
- Reinstate benefits (including PERS) for those terminated for noncompliance with a COVID-19 vaccination mandate.
- Make the Work After Retirement (WAR) rules established by Senate Bill 1049 (2019) permanent. (This is House Bill (HB) 2296, explained on the next page.)
- Provide assistance to low-income retirees affected by inflation. (This bill is still a placeholder, and the exact nature of that assistance is unknown at this time.)
- Increase benefits for telecommunicators and employees of Oregon State Hospital.

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### House Bill (HB) 2296

HB 2296 would eliminate the sunset on the WAR provisions of SB 1049 and all other existing WAR exceptions currently in statute.

This would allow reemployed retirees to work unlimited hours. Currently, those provisions are written to sunset in 2025 and 2026.

### Learn more

To get information about bills, go to the [Oregon Legislature How to Find a Bill or Vote Information webpage](#). Use the search bar to find bills that may involve your agency or organization.



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## Delayed prior-year earnings (PYE) billing

*PYE invoicing for March and April taking place in May*

The PERS Board will meet on April 3 this year to approve earnings rates for employer and member accounts for 2022. This affects the March and April PYE processes by delaying PYE invoice posting until the May 20 statement.

### About PYE

Prior-year earnings result from contributions that are due from a prior year. Prior-year earnings may be generated by:

- Making changes to a previously posted record that result in owing more contributions.
- Changing “non-qualifying” to “qualifying” status for employee service in a prior year, either prompted by PERS’ staff review or by request from the employer.
- Failing to correct and repost a suspended record before year-end.
- Failing to post a report or pay an invoice by year-end.

Please contact your [ESC account representative](#) for any questions on PYE invoicing.

## Preliminary earnings crediting update

At the February 3, 2023, PERS Board meeting, PERS’ staff presented preliminary 2022 earnings and losses for PERS accounts. The rates are listed on the next page.

As a reminder, earnings crediting is an annual process of adding the amount of interest earned (or deducting the amount lost) to the various reserves within the Oregon Public Employees Retirement Fund (OPERF), based on the accounts’ totals on December 31.

### Why earnings/loss rates for different funds vary

Oregon law specifies how earnings and losses are applied to each PERS fund.

Tier One accounts receive earnings of 6.90%, regardless of actual earnings or losses.

The Individual Account Program (IAP) and Variable Annuity accounts are credited with earnings or losses on their distinct asset allocation of the PERS Fund.

The remaining accounts are allocated a proportional share of the losses, which was -1.89%.

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## Preliminary earnings crediting rates

Fund	Rate
Tier One Member Regular Accounts and Judge Member Accounts	6.90% <sup>1</sup>
Tier Two Member Regular Accounts	-1.89% <sup>2</sup>
Benefits in Force	-1.89% <sup>2</sup>
Employer Reserves	-1.98% <sup>3</sup>
OPSRP Pension	-1.88% <sup>4</sup>
IAP	-4.25%
Employee Pension Stability Account (EPSA) – Tier One/Tier Two	-1.89%
EPSA – OPSRP	-1.88%
Side accounts (established before 1/1/2022)	-1.79%
Variable Annuity Account	-24.43%



## Preliminary vs. final earnings crediting

Preliminary earnings crediting is presented at the first board meeting of the year and reflects earnings or losses as of December 31. Final earnings crediting, usually presented at the second board meeting of the year, captures “in-flight” changes that were still processing during preliminary earnings crediting. These changes may affect final earnings crediting rates.

Review and approval of final earnings crediting rates are scheduled for the [April 3 meeting](#) this year. Final rates will be published in the May *Employer News*.

- <sup>1</sup> There are no earnings to cover these payments, so these will be funded from the Tier One Rate Guarantee Reserve account.
- <sup>2</sup> Administrative expenses for this account are paid from earnings when earnings are sufficient to cover them. Because there were no earnings last year, administrative expenses will be paid from the Employer Reserves account.
- <sup>3</sup> Reflects proportional share of 2022 losses plus administrative expenses for variable and regular accounts.
- <sup>4</sup> OPSRP administrative expenses will be paid from the OPSRP pension plan.

## For your employees retiring this year **PERS Health Insurance Program (PHIP) 2023 materials**

Employees who plan to retire this year can learn more about their 2023 retirement health-insurance options, rates, and subsidies on the [PHIP website](#).

Employers can go to the [PHIP Employers webpage](#) to download or print 2023 materials.

For those who would like to learn more, PHIP holds a new-enrollment seminar every month. The schedule is on the [PHIP Presentations webpage](#). Presentations cover:

- Medicare enrollment timelines.
- The 2023 PHIP plans and where they are available.
- How to enroll in PHIP.
- 2023 costs and benefits for all PHIP plans.

## EDX tip: Data verification request

When you receive a Data Verification Work List request, it is **imperative** that you complete it before the 30-day deadline. If you miss the deadline, you cannot make changes to the employee’s employment history, which could affect the accuracy of the retirement benefits your employee has earned.

### Data verification process

1. An employee within two years of retirement requests a data verification through [Online Member Services](#) or by a [paper form](#).
2. PERS Data Verification team receives the request and mails the employee a report of their employment and salary data.
3. If the employee finds any discrepancies with their own records, they fill out the Additional Account Information form that was included with the report and return it to PERS along with any supporting documentation.
4. PERS staff request information from the employee’s employer to reconcile any discrepancies or questions. (There is no deadline for this step.)
5. PERS makes initial corrections based on that information.
6. PERS sends the employer a Data Verification Work List item.
7. The employer has 30 days to confirm or correct the information. After 30 days, the employee’s employment history is locked as posted.



### Requesting an extension

You can request a one-time extension of that 30-day period for an individual employee. Within 21 days after receiving the Data Verification Work List request, submit a [Data Verification Employer Request for an Extension form](#). Your request is then sent to PERS Data Integrity Group for review and approval.

### Ensuring accuracy

It is vital that your verification is correct. Once you complete your verification (or the 30-day or extended deadline hits), the employee’s data are considered verified, or “locked.” They cannot be changed except as directed by PERS.

### Learn more

For more information about how an employee can request a data verification, go to the [Data Verification webpage](#). For employer instructions, read [employer reporting guide 19 Completing Work List Requests](#).

### COMING SOON

PERS wants your thoughts about the informational materials we provide.

Watch for the PERS Communications Survey coming later this month.