

# PERSPECTIVES

Retired  
Member  
Edition

## PERS benefit payments help Oregon’s economy

PERS recently completed an economic study that shows how benefit payments to Oregon retirees have a significant positive impact on Oregon’s economy.

Oregon PERS paid nearly \$2.4 billion in benefits to PERS retirees living in Oregon in 2007. Funding of these benefits came from investment earnings on contributions previously paid by members and public employers.

These 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 \$2.4 billion in annual benefit payments multiply to \$3.2 billion in economic value to Oregon when the full financial impact of these dollars spent in local communities is considered.

PERS benefit payments sustain an estimated 30,000 Oregon jobs, and add approximately \$885 million in wages to Oregon’s economy.

Additionally, the state of Oregon collected an estimated \$105 million in income taxes on PERS retiree benefits during 2007.

From 1970 through 2007, investment income provided 73 percent of total PERS revenues. Contributions made by or for members equaled 7 percent, with employers providing 20 percent of revenues.

The study used economic multipliers provided by the U.S. Department of Commerce’s Bureau of Economic Analysis (BEA) and is posted on the PERS website (<http://oregon.gov/PERS>).

## Tax withholding tables

The Internal Revenue Service (IRS) recently released new tax withholding tables that incorporate the Making Work Pay tax credit. This is one of the provisions included in the American Recovery and Reinvestment Act of 2009 stimulus bill that was recently passed by Congress.

These new tables may result in less federal tax being withheld from your benefit payment, so you may see an increase in the amount of your PERS benefit payment beginning with the April 1, 2009 payment. The increase is a result of these new tables and not due to a change in your PERS benefit.

Although the IRS has directed PERS to use the new withholding tables, retirement income is not covered by the new tax credit. The new tax tables decrease the amount of taxes withheld so this may change your tax situation at the end of the year. Please consult with your tax advisor if you have questions about these changes.

Benefit recipients can change the amount of federal taxes withheld by filing a revised Form W4-P. The form is available in the Forms section of the PERS website (<http://oregon.gov/PERS>) or by calling Customer Service at 503-598-7377 or toll free 888-320-7377. The form is also available by emailing Customer Service at: [Customer-Service.PERS@STATE.OR.US](mailto:Customer-Service.PERS@STATE.OR.US).

### *In This Issue*

- Work after retirement.....2
- Long term care meetings schedule.....4

# Long term care costs can impact financial security

Have you ever thought about what you would do if you lost the ability to take care of yourself? What if you could not bathe or dress yourself? If you needed help getting from place to place, who would help you and how would you pay for that assistance?

Americans are living longer today than ever before. As we age, our needs change, and we may need assistance in our daily activities.

For many, the expense of long term care could have a significant impact on their financial security.

According to the U.S. Department of Health and Human Services, 70 percent of people over the age of 65 who will need long term care services are likely to pay for some or all of their long-term care services.

Even a visit to your home by a health aide three times a week, based on 2008 average costs, would cost about \$18,000 annually.

Many times people are no longer able to stay in their homes and must move into a 24-hour care facility.

The average long term care costs in Oregon for 2008, based on a recent survey by Genworth Financial, are:

- Daily nursing home rate for a private room: \$208;
- Average monthly cost in an assisted-living facility: \$3,114;
- Home health aide average hourly rate: \$33.

Costs vary based on the type and amount of care need, the provider, and location.

Long term care insurance can help meet the financial and personal needs a long term care situation presents.

PERS offers long term care insurance to its retirees and eligible dependents through Unum. The plan pays up to \$8,000 per month. The long term care plan is flexible and offers you a variety of options. You can customize the plan to meet your needs.

You have the option of choosing where you would like to receive care: at home, in a nursing home, assisted-living facility, or at an adult foster care facility.

If you are interested in learning more about this insurance, Unum provides informational meetings for PERS retirees. These meetings are held around the state and are listed on page 4.

Information, including the enrollment form, is also posted at: <http://w3.unum.com/enroll/PERS/index.aspx>.

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## Returning to work for a PERS employer after retirement

Oregon statutes impose certain restrictions on members who work for public employers after retirement.

If you return to employment with a private employer or non-PERS covered public employer, your PERS retirement benefits continue unchanged. PERS does not limit the hours you may be employed or the amount of money you can earn from a private or non-PERS covered employer.

The following paragraphs describe these rules for Tier One/Tier Two retirees who receive a monthly retirement benefit (not a lump sum) and return to work for a PERS-covered employer.

### **Return to work rules for Tier One and Tier Two retirees**

If you are a Tier One/Tier Two retiree receiving a monthly benefit, you may be employed by a PERS employer without loss of benefits as long as the period(s) of employment by one or more participating public employers does not exceed 1,039 hours in a calendar year. It is your responsibility to monitor how many hours you work.

You can work for an employer or in a position that is excluded from the 1,039 rule (exceptions are shown in the Retiree section of the PERS website and generally do not apply if you took early retirement) and work simultaneously for another

*(continued on page 3)*

## Returning to work for a PERS employer (continued from page 2)

employer under the 1,039 rule. However, when the combined total of hours worked with both employers reaches 1,039 hours in the calendar year, you must stop working for the employer for which the 1,039-hour limit is in effect or you will become an active member again. You can continue to work for the employer excluded from the 1,039 rule without affecting your benefit payments.

By keeping under the 1039-hour limit or working under an exception to the rule, you will retain your status as a PERS retired member and will continue to receive monthly retirement benefits. You will not accrue any new benefits under either PERS or OPSRP for employment while you retain your status

Please note that hours are counted in the year in which you perform the service, not in the year in which the hours are reported.

### Return to work rules for OPSRP Pension Program retirees

If you are an OPSRP Pension Program retiree who is receiving a service retirement allowance and you become employed in a PERS-covered position requiring 600 or more hours in a calendar year, you will become an active member of the Pension Program immediately, and all retirement benefit payments will cease. A retired member of the OPSRP Pension Program who becomes a member of the Legislative Assembly may continue to receive benefits, but cannot elect

to become an active member of the OPSRP Pension Program for their legislative service.

Also, if you are receiving your Individual Account Program (IAP) benefit in installments, the installments will cease. You will become an active member of the IAP and may resume employee contributions to the IAP during your employment. More information is available on the PERS website (<http://oregon.gov/PERS>) in the Retiree section.

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## AFSCME dues

PERS has entered into an agreement with the American Federation of State, County and Municipal Employees (AFSCME) to make available a dues deduction program for PERS retirees interested in joining the AFSCME Retirees Group. You can elect to have AFSCME Retirees Group monthly dues (\$2.00) automatically deducted from your monthly PERS benefit payment. The deduction program's administrative costs are paid by AFSCME; no costs are incurred by PERS. The program is currently scheduled to begin in April 2009.

For information on the AFSCME Retirees Group and the dues deduction program, please contact AFSCME at 1-800-792-0045 or through their website ([www.oregonafscme.com](http://www.oregonafscme.com)). Please do not contact PERS as the agency has no additional information.

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## PERS' 2008 annual financial report

PERS' 2008 Comprehensive Annual Financial Report (CAFR) for the period July 1, 2007 through June 30, 2008, is posted on the PERS website (<http://oregon.gov/PERS>) in the Financials section.

Highlights include:

- PERS' assets exceeded its liabilities at the close of fiscal year 2008, with \$61,409.7 million held in trust for various pension, Individual Account Program (IAP), other post employment benefits, other benefits, and deferred compensation benefits.

- During the fiscal year, financial markets as a whole declined significantly. PERS' investment portfolio also incurred significant losses. Fiduciary net assets decreased by \$4,599.6 million, or 7.0 percent.

- PERS' funding objective is to meet long-term benefit obligations. As of December 31, 2007, the date of the latest actuarial valuation, the funded ratio of the defined benefit pension plan was 112.2 percent. In general, for every dollar of accrued pension benefits, PERS had approximately \$1.12 of net assets available as of December 31, 2007.

## Notify PERS of a death

Please remember that you must notify PERS of the death of a retiree, alternate payee, and/or beneficiary receiving PERS benefits. Send a copy of the death certificate to:

PERS  
P.O. Box 23700  
Tigard, OR 97281-3700

*Perspectives* is published by the Oregon Public Employees Retirement System for the benefit of PERS/OPSRP 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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## Long Term Care Meetings Schedule

**Pre-registration is not required**

Long term care is the type of care received when someone needs assistance with daily living activities, either at home or in a facility. This can be due to an accident, illness, or advancing age. The need for long-term care is not limited to the elderly. Anyone who cannot function independently may need the protection of long term care insurance. Accidents and unexpected illness can happen at any time and at any age. These meetings explain the options available to PERS retirees and do not require pre-registration.

Date	Location	Meeting Time	Seats
Apr 9	Rivershore Grill 1900 Clackamette Drive Oregon City	9:30 - 10:30 a.m. Please park in hotel parking lot	70
May 6	Ramada Medford Conv. Ctr. 2250 Biddle Road Medford	2:00 - 3:00 p.m.	50
May 7	Klamath County Fairgrounds 3531 S 6th St. Klamath Falls	9:30 - 10:30 a.m.	70
June 12	Roth's Hospitality Center 1130 Wallace Road NW Salem	9:30 - 10:30 a.m.	50
July 13	Rivershore Grill 1900 Clackamette Drive Oregon City	9:30 - 10:30 a.m. Please park in hotel parking lot	50



## 2009 schedule to mail retiree monthly benefit checks from Salem

2009 Paydate	Date check mails from printing facility in Salem	Date for electronic deposit
<b>April 1</b>	March 31 (Tuesday)	April 1 (Wednesday)
<b>May 1</b>	April 30 (Thursday)	May 1 (Friday)
<b>June 1</b>	May 29 (Friday)	June 1 (Monday)
<b>July 1</b>	June 30 (Tuesday)	July 1 (Wednesday)
<b>August 1</b>	July 31 (Friday)	July 31 (Friday)
<b>September 1</b>	August 31 (Monday)	September 1 (Tuesday)
<b>October 1</b>	September 30 (Wednesday)	October 1 (Thursday)
<b>November 1</b>	October 30 (Friday)	October 30 (Friday)
<b>December 1</b>	November 30 (Monday)	December 1 (Tuesday)