

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 005 – ADMINISTRATION**

459-005-0055

Actuarial Equivalency Factors

(1) Experience Study. The Director shall take steps to assure that the Board's consulting actuary shall present the Experience Study required by ORS 238.605 to the Board by September 1 of each odd numbered year.

(2) Actuarial Equivalency Study. The Director shall take steps to assure, pursuant to ORS 238.630(3)(g), that the Board's consulting actuary shall present an Actuarial Equivalency Study to the Board as soon as practicable, but no later than the December 15 next following the presentation of the Experience Study described in section (1) of this rule. Such Actuarial Equivalency Study shall review the assumptions and the actuarial factors used to:

(a) Convert account balances to monthly allowances;

(b) Convert the standard form of benefit (ORS 238.300) to elective options with various survivorship features (ORS 238.305); and

(c) Reduce service retirement allowances for early retirement (ORS 238.280).

(3) Adoption of actuarial equivalency factors.

(a) The Board shall adopt actuarial equivalency factor tables to be effective January 1 of each even numbered year.

(b) Actuarial equivalency factor tables adopted under this section shall comply with the standards set forth in OAR 459-005-0060.

(4) Calculation of retirement allowance under the Chapter 238 Program.

(a) The provisions of this section apply to any member or alternate payee with an effective date of retirement on or after July 1, 2003, except for a person who is a judge member on June 30, 2003, and who makes an election under ORS 238.565(4).

(b) PERS shall establish years of service, an account balance and final average salary as of June 30, 2003, for each person described in subsection (a) of this section. The years of service, account balance and final average salary shall be determined as provided in section 40 of chapter 67, Oregon Laws 2003 (Enrolled HB 2003).

(c) For each person described in subsection (a) of this section, the Board shall perform the following two calculations:

(A) "Regular" calculation. The Board shall calculate the retirement allowance using:

(i) The years of service, account balance and final average salary as of the effective date of retirement;

(ii) All calculations applicable to the member under ORS 238.300(2);

(iii) The optional form of retirement allowance selected by the member at retirement under ORS 238.300, 238.305, 238.320 or 238.325; and

(iv) The actuarial equivalency factor tables in effect on the effective date of retirement.

(B) "Look-back" calculation. The Board shall calculate the retirement allowance using:

(i) The years of service, account balance and final average salary described in subsection (b) of this section;

(ii) All calculations applicable to the member under ORS 238.300(2);

(iii) The optional form of retirement allowance selected by the member under ORS 238.300, 238.305, 238.320 or 238.325; and

(iv) The actuarial equivalency factor tables in effect on June 30, 2003.

(d) The retirement allowance shall be the higher of the amounts described in paragraphs (c)(A) and (c)(B) of this section, payable as of the effective date of retirement.

(5) Death benefit payments. Any monthly payments to be made to a beneficiary under ORS 238.390, 238.395 or 238.405 for a member who dies on or after May 9, 2003, shall be calculated using the actuarial equivalency factor tables that are in effect on the date that the first payment is due the beneficiary.

(6) Judge members. The actuarial equivalency factor tables in effect on June 30, 2003, shall be used to calculate the retirement allowance and surviving spouse pension of a person who is a judge member on June 30, 2003, and who makes an election under ORS 238.565(4), whether that election is made before, on or after June 30, 2003.

Stat. Auth: ORS 238.630 & 238.650

Stats. Implemented: ORS 238.605, 238.607 & 238.630