

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Employer Advisory Group

July 2024



Agenda

- Director's Office update
- Legislative update
- Modernization update
- Actuarial update
- Employer Service Center update
- Communications update
- Open discussion

Director's Office update

Kevin Olineck, Director

Director's Office update

PERS Board updates

July 26 board meeting

- CEM Benchmarking results.
- Actuarial valuation report for period ending December 31, 2023.
- 2025-27 Agency Request Budget board approval.

Board member updates

- Board Member Scanlan reappointed for a second three-year term.
 - Member representative.



Board Member Scanlan represents public employees and retirees.

Legislative update

Heather Case, Senior Policy Advisor

Legislative update

Member webpage for Hazardous Position

Hazardous Position webpage

In anticipation of implementation beginning in 2026, new webpage for frequently asked questions about Hazardous Position job classification.

- [House Bill 4045: All about the ‘Hazardous Position’ classification for OPSRP](#)

We will update page with any legislative changes that occur between now and the operative date of new member classification on January 1, 2030.

Webpage serves as a resource for employers also so that we have a single source of information for this upcoming legislation.

House Bill 4045: All about the ‘Hazardous Position’ classification for OPSRP

[House Bill \(HB\) 4045](#), also known as the Public Safety Workforce Stabilization Act, was passed by the [Oregon Legislature](#) in 2024. HB 4045 will go into effect on January 1, 2025, and trigger PERS to begin work to create a new “Hazardous Position” classification for [Oregon Public Service Retirement Plan \(OPSRP\)](#) members, among other changes. This new member classification will be used starting January 1, 2030.

Once in use, the Hazardous Position classification will join the two other member classifications that exist for OPSRP members. They are:

- General Service
- Police and Firefighter (P&F)

Read the following sections for the reasons for the change, whether the classification will apply to you, and what PERS will be working on up to 2030.

What is a hazardous position? +

Does the Hazardous Position classification apply to me? +

What benefits do Hazardous Position members receive? +

Effective dates and implementation +

Legislative update

PERS 2025 legislative concepts

PERS' 2025 legislative concepts are continuing forward as introduced.

- They were sent out to legislative counsel for drafting at the end of June. We will be working with legislative counsel throughout the summer and fall to edit draft language.

Four potential bills (see [April 2024 EAG meeting](#) for more details):

- Alignment/clean up of death benefits.
- Alignment/clean up of employer reporting.
- PERS Health Insurance Program (PHIP) concepts.
- Treatment of School District Unfunded Liability Fund (SDULF).

Government affairs staff for your various membership groups are aware of the upcoming legislative concepts. They remain a resource for you about potential impacts and lobbying plans as the 2025 session approaches.

Modernization update

Yvette Elledge-Rhodes, PERS Deputy Director

Modernization update

Staffing, planning, and budgeting

Staffing

- **May:** Program Director Rebecca Craven submitted her resignation from PERS effective May 28, 2024. Deputy Director Yvette Elledge-Rhodes will oversee the PERS Modernization Program until a new director is hired.

Project planning

- **March:** Request to reallocate Policy Option Package (POP) 103 subcategories was approved by the 2024 Legislature. Adjustments reflect changes in work plans based on resource impacts of Senate Bill 1049 Implementation Program schedule delays and procurement delays.
- **May:** Final updates to 2023-25 Program Roadmap accepted by Modernization Steering Committee.
- **May:** Data Cleaning Implementation Project approved and prioritized in PERS Project Portfolio.

Continued

Modernization update

Staffing, planning, and budgeting

Telephony Modernization Project

- Reviewing high-level requirements with the state preferred vendor Kyndryl.

2025-27 budget

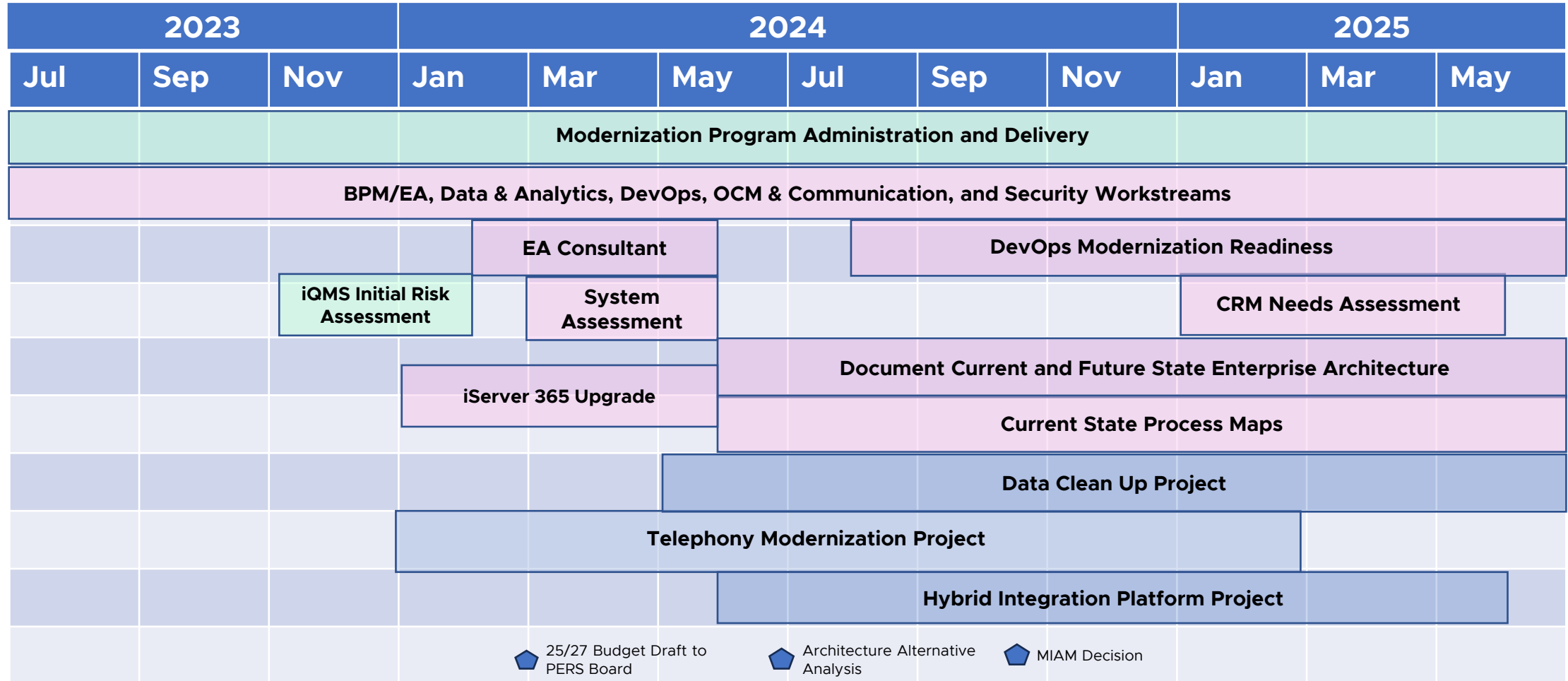
- Preparing 2025-27 budget business cases for next biennium needs for program administration and future projects.






Modernization update

Roadmap 2023–2025

Note that this timeline is an estimation and should not be considered a project schedule. A project schedule is developed after projects and resources are approved and prioritized in PERS Enterprise Portfolio and then will be formally baselined.



 25/27 Budget Draft to PERS Board
  Architecture Alternative Analysis
  MIAM Decision

Roadmap approved 5/14/24

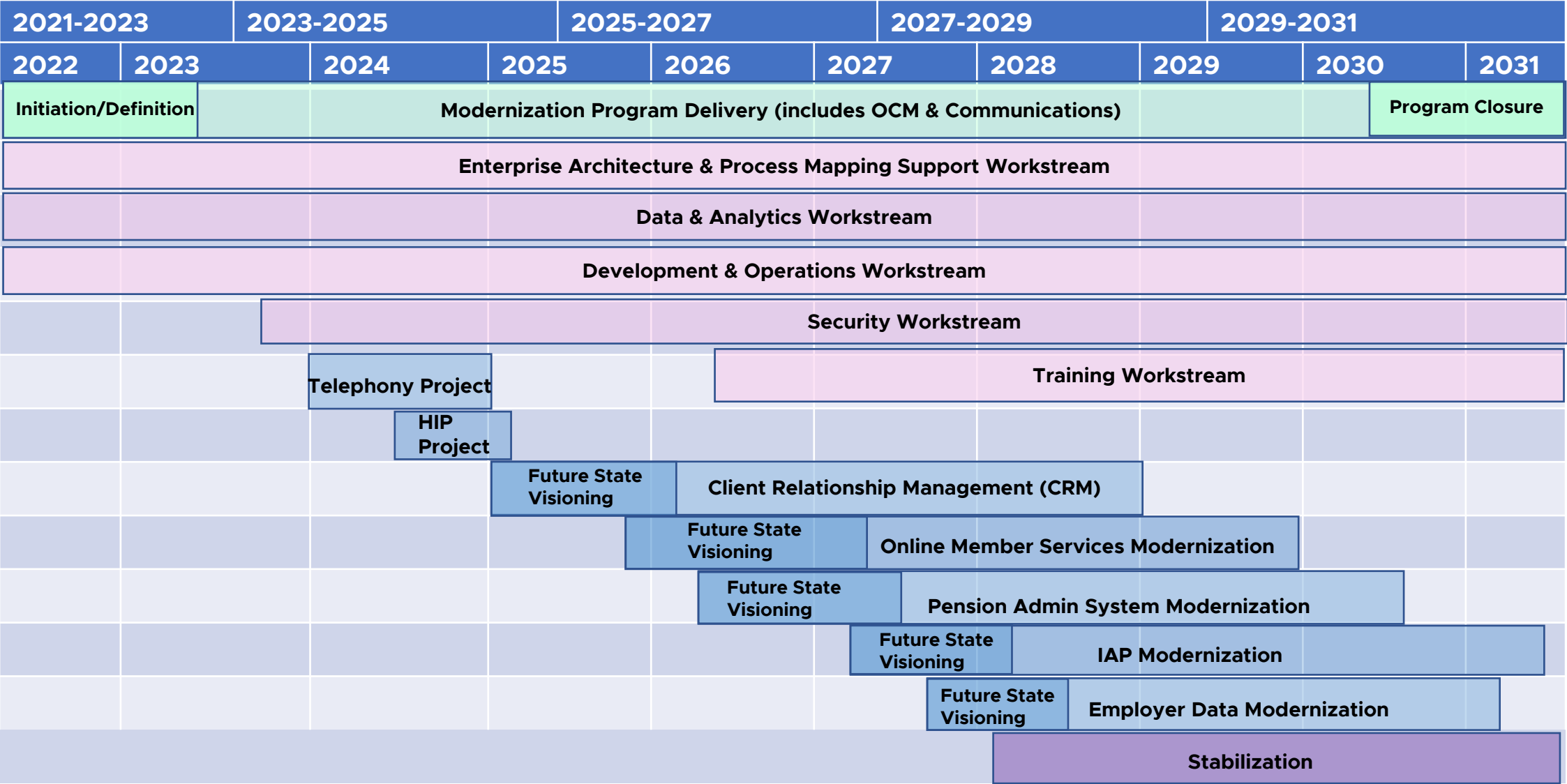
Workstream Activities

Project

 Key decision point

Modernization update

Note that this timeline is an estimation and should not be considered a project schedule. A project schedule is developed after projects and resources are approved and prioritized in PERS Enterprise Portfolio and then will be formally baselined.



Actuarial update

Troy Phillips, PERS Actuarial Business Specialist

Actuarial update

Employer Incentive Fund (EIF)

Background

- Established by 2018 Oregon Legislature — Senate Bill 1566.
- Additional PERS funding to match side account contributions.
- Employers receive up to 25% match for new or certain existing side account deposits.
- Minimum deposit amount: \$25,000.
- Maximum match: 5% of UAL or \$300,000, whichever is greater.
- Program is scheduled to sunset on July 1, 2042.



Actuarial update

Employer Incentive Fund (EIF)

Criteria for EIF match

- Deposit is at least **\$25,000** from cash on hand — not borrowed funds.
- Employer has no transition liability.
- Must research other ways to reduce their contribution rate by participating in the [Unfunded Actuarial Liability Resolution Program](#).

Actuarial update

Employer Incentive Fund (EIF)

Cycle 1

Funds matched/calendar years	
2019	\$41,488,630
2020	\$23,264,532
2021*	0
2022	\$30,118,737
2023	\$1,550,000
Total	\$96,421,899

* No funds were matched because of temporary reallocation of state funds.

Actuarial update

EIF

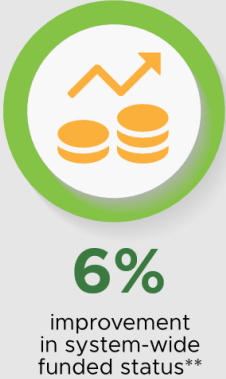
Cycle 1

Information through
November 30, 2023.

EIF BY THE NUMBERS



\$96.4M
matching funds paid



*14 Independent employers, 37 School District Pool employers, and 59 State and Local Government Rate Pool (SLGRP) employers.
**Attributable to all side accounts, not only EIF side accounts.
***This total includes transition liability payments that were not part of EIF. Deposits for only EIF and side accounts total \$475.2M.

Actuarial update

Employer Incentive Fund (EIF)

2025 funding

- New round of funding in 2025.
- Amount of available funds will be approximately \$40,000,000.
- Employers with UAL > 200% given priority — first 90 days of application period.
- Employer survey will be conducted later this summer to gauge interest and solicit input on preferred application dates.

Actuarial update

Expiration of side accounts

Amortization

Most side accounts are scheduled to fully amortize on 12/31/2027:

- 183 out of 349 (52%).
- Only 15 other side accounts are currently set to amortize before 2037.

Key items to consider when planning actions to resolve:

- Cash-flow concerns for employers using pension obligation bonds.
- Challenges implementing mid-biennium rate changes.
- Desire to not “over withdraw” side account balances.

Actuarial update

Expiration of side accounts

Proposed method to expire side accounts – Part 1

For the 2025 valuation, consulting actuary will determine the 2027-29 biennium **contribution rate** for each employer.

Contribution rate will **not** reflect any offset for side accounts expiring 12/31/2027.

Side account balance as of 12/31/2026 (+ earnings) will be calculated in April 2027.

Employer will have option to convert residual balance into **new side account** if:

- 12/31/2026 side account balance is at least \$500,000.
- Employer notifies PERS on or before 5/31/2027.

New side account deposit amount and **offset rate** will be shared on 11/1/2027.

Offset rate will apply effective 1/1/2028.

Actuarial update

Expiration of side accounts

Proposed method to expire side accounts – Part 2

If no new side account is selected, 30% of the 12/31/2026 side account balance will be **credited** to employer's account.

Credit will be available to employer on **6/30/2027** and will remain until extinguished by subsequent contributions due.

On 7/1/2027, **new contribution rates** based on 2025 valuation will apply.

Rates will include **no side account rate offset** for accounts expiring on 12/31/2027.

In October 2027, **final side account balance** effective 6/30/2027 will be calculated.

Balance will reflect credit made available 6/30/2027.

A **credit** reflecting this final balance will be available no later than 11/1/2027.

Employer Service Center update

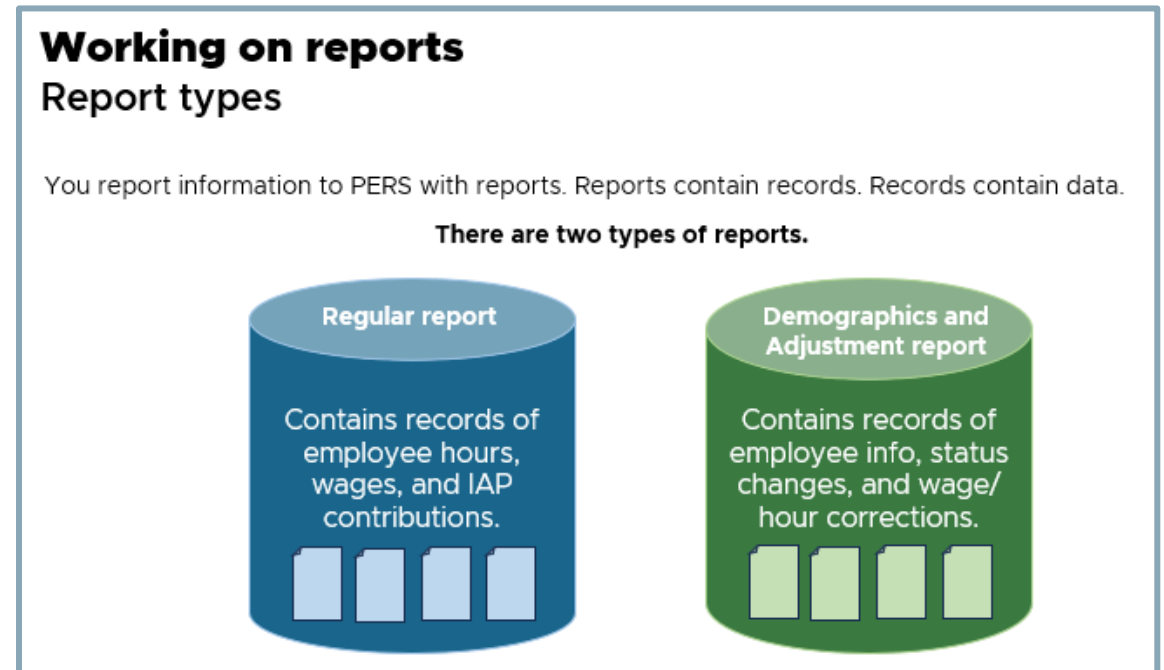
Laurel Galego, Employer Service Center Manager

Employer Service Center (ESC) update

Beginner EDX Training course

About the course

- First official ESC training offered in two years.
- Content updated, expanded, more thorough.
- Includes hands-on practice in EDX test environment, necessitating small classes.



Sample slide from beginner training.

Employer Service Center (ESC) update

Beginner EDX Training course

High demand for training

- Training announced by email on April 14 at 9:30 a.m.
- All monthly classes (May through October) filled in three hours.
- ESC quickly doubled number of classes.
 - The additional classes filled by end of day.

Training Time

Wed, Jun 26, 2024 9:00 AM - 12:00 PM PDT (FULL)

Wed, Jun 12, 2024 9:00 AM - 12:00 PM PDT (FULL)

Wed, Jun 26, 2024 9:00 AM - 12:00 PM PDT (FULL)

Wed, Jul 10, 2024 9:00 AM - 12:00 PM PDT (FULL)

Wed, Jul 24, 2024 9:00 AM - 12:00 PM PDT (FULL)

Wed, Aug 14, 2024 9:00 AM - 12:00 PM PDT (FULL)

Wed, Sep 11, 2024 9:00 AM - 12:00 PM PDT (FULL)

Wed, Oct 9, 2024 9:00 AM - 12:00 PM PDT (FULL)

Employer Service Center (ESC) update

Beginner EDX Training course

Next steps

- To help meet demand, ESC will offer a recording of the course employers can take on their own.
 - It will not include practice in the EDX test environment, but it will allow many more employers to access the main presentation.
- ESC and Communications will continue to work on the Intermediate and Advanced classes as quickly as schedules allow.

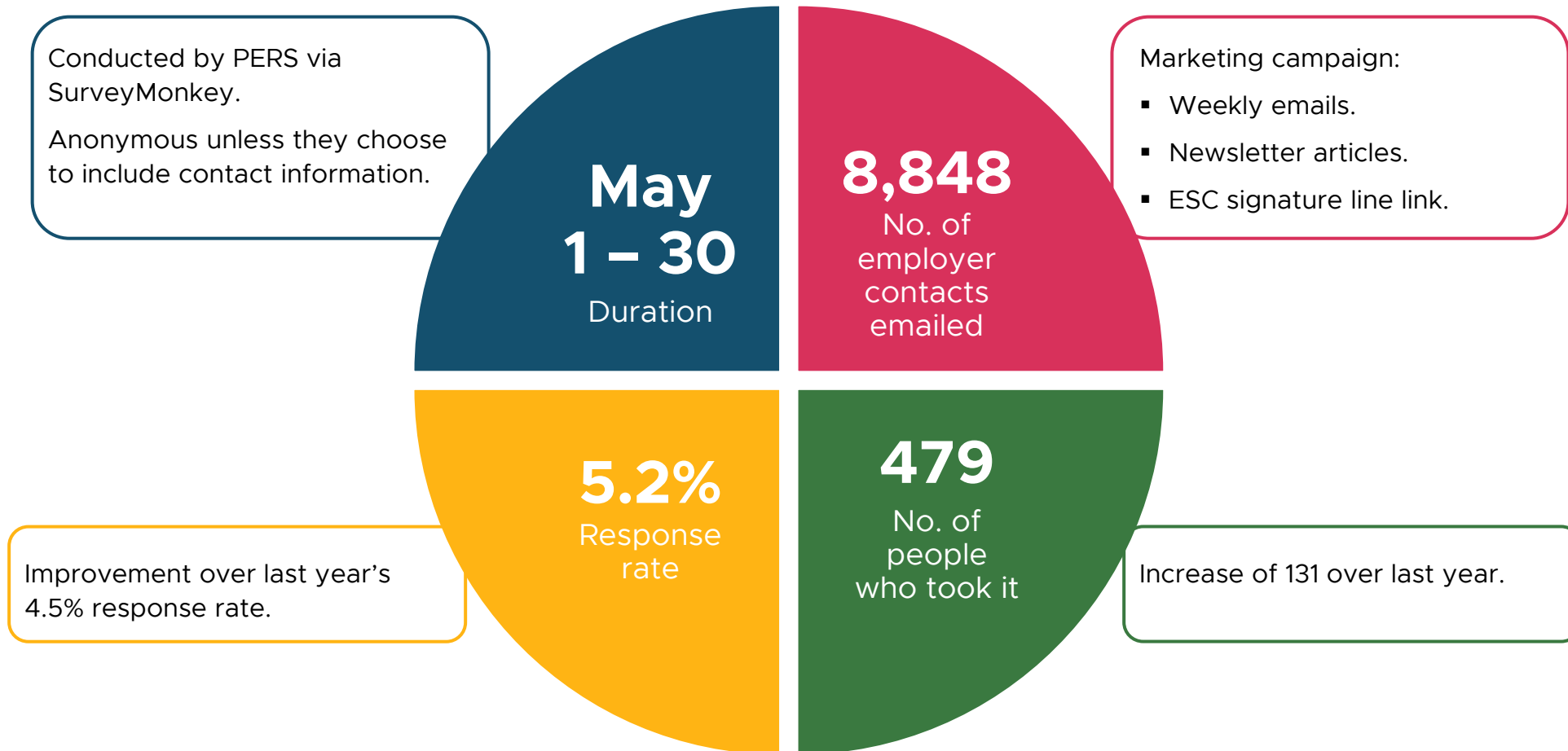


Communications update

Shawn Harper, Employer Communications Specialist

Communications update

PERS Employer Satisfaction Survey



Communications update

PERS Employer Satisfaction Survey

Results

Tune in to the October 4, 2024,
board meeting for survey results.



Communications update

Expanding focus

Employer News

More than EDX reporting and legislative news.

Expanding to cover benefits information and processes for Human Resources (HR) roles and agency heads.

APRIL

Retirement theme

- PERS retirement package.
- How PERS calculates pensions.
- Four steps of retirement process.

JULY

Partial HR theme

- Preretirement beneficiary process.
- Service time purchases: cost, instructions, how wait-time purchase affects school employees' service credit.

AUGUST

Hiring & onboarding theme

- Hiring employees in special situations.
- Teaching your new employee about PERS.
- Doing status checks.

Communications update

New resources

Employer website

New information, never-before published. Previously only available by calling.
Find any time using search bar.

Designating a Preretirement Beneficiary

- How pension beneficiary works.
- How IAP beneficiary works.
- What beneficiaries Tier One/Tier Two and OPSRP can choose, by law.
- Beneficiary benefits.
- [LINK](#)

Filling out a Tier One/Tier Two Written Benefit Estimate Form

- Preretirement beneficiary process.
- Service time purchases, cost, instructions, and how wait-time purchase affects school employees.
- [LINK](#)

Special Classifications and Statuses (in work)

- Information specifically for certain job classes and statuses, such as:
 - Schools, colleges, and universities.
 - Police and firefighters.
 - Sick or injured employees.
 - Members of US military.
 - Legislators, elected officials.

Open discussion

Open discussion

Any questions or comments
for PERS?

Questions for each other?



OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Thank you!

