

Welcome!

All About OPSRP

(Oregon Public Service Retirement Plan)

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PUBLIC EMPLOYEES RETIREMENT SYSTEM

Updated:
03/01/2019

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PUBLIC EMPLOYEES RETIREMENT SYSTEM

Agenda

- PERS Programs
- Individual Account Program
- Membership and Vesting
- Retirement Eligibility
- Benefit Calculation
- Estimates and Online Member Services (OMS)
- Active Member Benefits
- PERS Retirement Processes
 - Health Insurance; COLA
 - Taxes; Working in retirement
 - Member Responsibilities and Resources



Disclaimer

Information in this presentation is subject to change as the result of administrative, legislative, or judicial decisions.



PERS Programs

- Tier One: hired before January 1, 1996
- Tier Two: hired January 1, 1996 through August 28, 2003
- OPSRP: hired on or after August 29, 2003

- IAP: all active members since January 1, 2004

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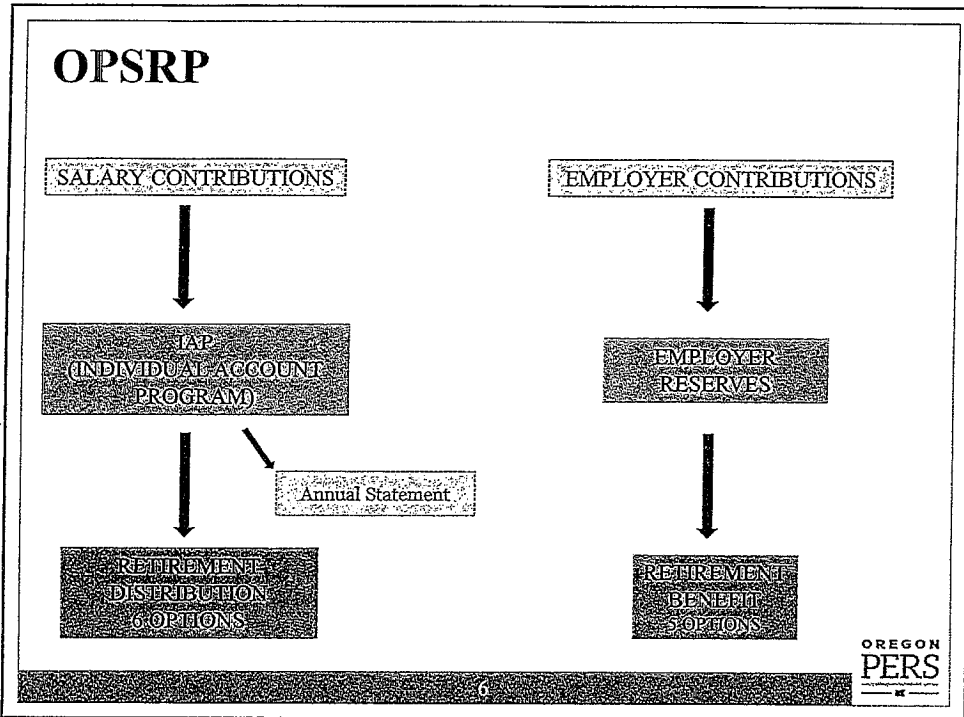
OPSRP

- Pension Program: a defined benefit plan
 - based on salary and service time

AND

- Individual Account Program: a defined contribution plan

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Individual Account Program (IAP)

- Effective January 1, 2004
 - Member contributions to IAP
 - Investment gains/losses continue until all distributions have been made
 - Inheritable
 - Separate retirement application sections
 - Retirement distribution from IAP and separate retirement benefit from OPSRP

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7

Individual Account Program (IAP)

- Can receive IAP distributions only after separation from all PERS-covered employment
- Retire from OPSRP must retire from IAP
- First payment due within 120 days of retirement date
- OPSRP estimates do not include any IAP distribution amounts

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IAP Distributions

- Retirement distribution choices
 - Lump sum (mailed directly to the member)
 - Installments over 5-10-15-20 year periods
 - Monthly, Quarterly, Annually
 - Anticipated Life Span Option
 - Monthly, Quarterly, Annually
- Only Lump sum and 5-year distributions are roll-over eligible

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Membership Requirements

- Hired into a qualifying position

- Complete six full calendar months of work in waiting time period
 - Waiting time period cannot be interrupted by more than 30 consecutive workdays

- Membership is established

Qualifying Position

- 600 hours of service in a calendar year

or

- In a position designated by the employer as qualifying

Vesting

- Vested in pension when:
 - Active member is normal retirement age or older
 - or
 - Member completes at least 600 hours in five calendar years
 - Five years need not be consecutive
- Ending employment before becoming vested:
 - Five consecutive years of less than 600 hours/year
 - Forfeit retirement credits
 - Membership terminated

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12

OPSRP General Service Retirement Eligibility

- Normal retirement age
 - 65 or
 - 58 with 30 years of retirement credit
- Early retirement age
 - 55

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13

OPSRP Police and Fire Retirement Eligibility

- Normal retirement age Police and firefighter (P & F)*
 - 60 or
 - 53 with 25 years of retirement credit

- Early retirement age (P & F)*
 - 50, if the prior 5 years were as P & F member
 - 55, if less than five years of P & F retirement credits

*P & F must begin PERS pension benefits the first of the month following separation from their P & F classified job to retire with the earlier P & F eligibility. Otherwise, they revert to general service requirements.



OPSRP Benefit Calculation

- Defined benefit plan based on salary, retirement credits and a factor
 - General service:
 - Final average salary x years of retirement credits x 1.5 percent

 - P & F:
 - Final average salary x years of retirement credit x 1.8 percent



Final Average Salary

- Final average salary is the greater of:
 - High three consecutive years, or
 - Salary earned in the last 36 months of membership

- Each of the above is divided by 36 to obtain final average monthly salary

Retirement Credit

- Upon completion of waiting time, receives retirement credit for waiting time period

- Work the major fraction of a month in qualifying position to receive one month of retirement credit

OPSRP Pension

- At retirement, provides a lifetime pension benefit.
- For general service members with 30 years of retirement credits (25 years for P & F), retiring at normal retirement age:
 - Provides approximately 45 percent of member's final average salary at retirement.

Benefit Estimates: Written estimate

- Must be eligible to retire within two years
- Provided for retirement dates that are within the next 24 months
- Submit an Estimate Request Form
 - <http://oregon.gov/PERS>

Benefit Estimates: Online Member Services

- Access and view activities related to your account
- Produce unlimited estimates
- Link directly to the PERS website to view handouts, FAQs, forms, and other information

After retirement use to:

- View benefit payments, view and request tax information
- Print paystubs and benefit confirmation letters
- Change address

<http://Oregon.gov/PERS>



20

Benefit Estimate – Step 1

Name Mel Carousel PERS ID 123456

Benefit Estimate - Step 1

Account OPSRP - Pension

Account Type Member

[Tell Me More about Benefit Estimate](#)

* - indicates required fields

Retirement

Eligibility General Service

***Retirement Date**

Date of Birth 07/16/1959



21

Benefit Estimate – Step 2

Retirement Eligibility General Service

Retirement Date 08/01/2024

*Termination Date

Date of Birth 07/16/1959

Age at Retirement 65 yrs

Beneficiary Name

Beneficiary's Year of Birth

Basis for Monthly Salary Forecast

Annual Salary Increase %



Benefit Estimate – Step 3

Final Average Salary

Retirement Eligibility: General Service

Total Service Credit: 20 yr 5 mos

Monthly Final Average Salary: \$ 4,912.75



Benefit Estimate – Complete

Payment Options		
Option	Monthly Amount	Alternate Payee's Monthly Amount
Single Life Option	\$1,504.53	N/A
Full Survivorship Option	\$1,269.82	N/A
Full Survivorship Increase Option	\$1,245.75	N/A
Half Survivorship Option	\$1,378.15	N/A
Half Survivorship Increase Option	\$1,363.10	N/A

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24

After Effective Retirement Date

- Cannot change option choice
- Cannot change beneficiary choice

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25

Calculation of Benefits

- Benefit is initially calculated as if member retired at a normal retirement age
 - If the Single Life Option pays less than \$200 monthly under normal retirement age calculation:
 - Member receives a one-time, lump-sum payment that is the actuarial equivalent of their retirement pension
- If retirement is under normal retirement age the benefit is then reduced

Retirement Option Choices

- Single Life Option
 - Lifetime monthly benefit for retiree
 - No beneficiary

Retirement Option Choices

- Full Survivorship Option
 - Lifetime monthly benefit for retiree
 - Same lifetime monthly benefit for beneficiary
 - If retiree outlives beneficiary, benefit ends when retiree passes away

- Full Survivorship Increase Option
 - Same as Full Survivorship Option, except if beneficiary passes away before retiree or beneficiary is spouse and divorce occurs, allows retiree to receive the Single Life Option benefit

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28

Retirement Option Choices

- Half Survivorship Option
 - Lifetime monthly benefit for retiree
 - One-half lifetime monthly benefit for beneficiary
 - If retiree outlives beneficiary, benefit ends when retiree passes away

- Half Survivorship Increase Option
 - Same as Half Survivorship Option, except if beneficiary passes away before retiree or beneficiary is spouse and divorce occurs, allows retiree to receive the Single Life Option benefit

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29

Active Member Benefits

Disability benefit

- Duty Disability
 - Job caused, no service time requirement

- Non-duty disability
 - Requires a minimum of 10 years of retirement credit

- Benefit amount
 - 45 percent of salary received on last full month of employment before disability

Active Member Benefits

Death benefit

- Paid if member is vested at the time of death
- Lifetime benefit paid to spouse
 - Benefit is an actuarial equivalent of 50 percent of the pension a member would have received
 - Benefit determined by date of member's death

Health Insurance and Retirement

- **Eligibility**
 - Retirees
 - Spouses and dependents
 - Of current or deceased retirees
 - Of deceased member eligible to retire
- **Enrollment opportunities for PERS-sponsored health insurance**
 - At retirement
 - At initial Medicare enrollment
 - Any time, with at least 24 months of continuous employer group coverage



22

Retirement: Date, Forms, and Your Employer

- **Retirement date**
 - 1st of any month
- **Submit the retirement forms**
 - Must submit an OPSRP Pension Program Retirement Application
 - Anytime within the 90-day period before your retirement date
- **Resign from all PERS-covered positions**
 - Employer provides information to PERS



33

Retirement Forms

- Contact PERS Customer Service for a retirement package or access the forms from PERS website
- PERS mails confirmation of receipt after review of your retirement forms

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First Monthly Check Issued

- Within 92 days of retirement date
 - Approximately 70% completed within 45 days
- Retroactive
- Ongoing benefits paid the first of the month (for the previous month)

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Notice of Entitlement

- **Notice of Entitlement**
 - Benefit amount, option, and factor details to determine benefit amount

- **Dispute Notice - 240 days from the later of:**
 - Date first actual payment is made
 - Date Notice of Entitlement is provided to the member

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36

Cost-of-Living Adjustment (COLA)

An annual adjustment effective July 1

- Payable in August 1st check
- Pro-rated if not previously retired for 12 months on the COLA effective date

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37

Tax Considerations

- Oregon residents: subject to Oregon and federal tax
- Non-Oregon residents: PERS does not withhold taxes for other states
- Change tax withholding by turning in a new W-4P form

Working after PERS Retirement

- Pension benefits stop upon re-employment in a qualifying position
- Subsequent retirements
 - Member can choose any retirement option
 - The pension will be recalculated

Member Responsibilities

Important that PERS has up-to-date accurate information to send you member annual statements

While working for a PERS employer: notify your employer of changes. Employer forwards the information to PERS.

When no longer working for a PERS employer, notify PERS directly.



Planning for the future

- Need to save more for retirement?
- Check with your employer benefits specialist
 - Eligible to participate in a 403(b)/TSA program and/or 457 deferred compensation plan
 - State of Oregon or other participating local government employees
 - Eligible to participate in the Oregon Savings Growth Plan a 457 deferred compensation plan
 - Earnings accumulate tax-deferred until withdrawal
 - IRAs



Resources

- PERS website <http://oregon.gov/PERS>
 - includes Online Member Services which uses data provided by PERS employers and an IAP disbursement forecaster to estimate IAP payments
- PERS Member Services:
customer-service.pers@state.or.us 888-320-7377
- IAP account: <https://iap.voyaplans.com>
- PERS Health Insurance:
<http://pershealth.com> 800-768-7377 or 503-224-7377



42

Resources

- OPSRP Pre-Retirement Guide
- Attend additional PERS presentations
- Retirement Application Assistance Session (RAAS)
 - within the 90 days prior to retirement
- Oregon Savings Growth Plan:
<https://osgp.voyaplans.com> 1-888-320-7377
- Social Security:
<http://www.ssa.gov> 1-800-772-1213



43

**Thank you for attending
this presentation!**

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