

## Oregon PERS At A Glance – January 2012

### Demographics (as of December 31, 2010)

- Total members: 194,000 active; 39,000 inactive; 113,000 retirees; 346,000 total members
- Tier One members: 52,786 active; 21,266 inactive
- Tier Two members: 52,389 active; 15,630 inactive
- OPSRP members: 88,394 active; 2,457 inactive

### System benefits

- Average monthly benefit for PERS retirees (excluding alternate payees and survivors) based on October 1, 2011 pension roll: \$2,363.
- Replacement ratios (percent of salary replaced in retirement, from June 2010 study):
  - Dropped to an average of 53% of final salary (from 68% for those who retired in 2002).
  - Dropped to an average of 77 percent of final salary for retirees with 30 years of service (from 100% for those who retired in 2000).
  - Average age at retirement is 60 with 23 years of service.
- PERS pays nearly \$3.0 billion in total benefits per year, with \$2.6 billion (about 87%) to retirees living in Oregon, who pay over \$125 million in Oregon state income taxes annually.

### Benefit funding and investment returns

- From 1970-2010, about 71% of the Oregon Public Employees Retirement Fund (OPERF) dollars came from investment income, with approximately 7% coming from member contributions and 22% from employer contributions.
- OPERF regular account investment returns averaged over 10% from 1970 through 2010.
- 2008 regular account investment returns were - 27% and variable account returns were - 42%.
- 2009 regular account investment returns were 19.4% and variable account returns were 35.6%.
- 2010 regular account investment returns were 12.6% and variable account returns were 15.2%.

### Funded status

- As of December 31, 2010, PERS was 87% funded (including Pension Obligation Bond deposits from employers held in side accounts). This translates into an unfunded actuarial liability (UAL), including side accounts, of approximately \$7.7 billion. Excluding \$5.6 billion in employer side accounts, PERS is 78% funded with a UAL of approximately \$13.3 billion. Good investment results in 2009 and 2010 have improved PERS' funded status which had dropped to 71% following the 2008 market downturn, excluding side accounts.

### Employer contribution rates

- Systemwide employer contribution rates for the 2011-2013 biennium average about 10.8% of PERS covered payroll after applying side account offsets. Those employer rates are based on PERS' December 31, 2009 system valuation. Individual employer contribution rates vary based on the employer's funded status and side account utilization.
- The fiscal impact of the 2011-2013 net rate increase is about \$550 million per year across state agency, school district, and local government budgets.
- Net employer contribution rates do not include the 6% member Individual Account Program (IAP) contributions or the costs of debt service on Pension Obligation Bonds.
- Approximately 900 reporting employers with a total PERS-covered annual salary of about \$9.2 billion.

### Member contribution rates

- A member contributes 6% of covered salary to his/her IAP account.
- Approximately 70% of members have their 6% IAP contribution "picked-up" by their employer.