

PERSPECTIVES

For retired members

December 2019 edition



Money for PERS benefit payments comes from three sources (1970-2018)



PERS benefit payments support Oregon's economy

Oregon PERS paid about \$4.08 billion in benefits (not including payments from the Individual Account Program) to retired members or their beneficiaries living in Oregon in 2018.

PERS conducts an annual economic impact study to show how benefit payments aid the state's economy. Funding for PERS benefits comes mostly from investment earnings on contributions previously paid by members and public employers.

The study quantifies the total effect of these benefit payments on Oregon's economy based on the economic value of PERS benefits to Oregon, jobs created and related wages, and tax receipts.

The \$4.08 billion in annual benefits multiply to \$4.40 billion in economic value to Oregon when the full financial impact of these dollars spent in local communities is considered. PERS benefit payments sustained an estimated 36,914 Oregon jobs, and added about \$1.32 billion* in wages to Oregon's economy.

Additionally, the state collected an estimated \$228.3 million in income taxes on PERS retiree benefits during 2018. You can find full information on the PERS website in the "News" section.

* The \$1.32 billion in wages is included as a component of the \$4.40 billion in economic activity.

1099-R tax forms coming in January

By the end of January 2020, PERS will mail [Internal Revenue Service Form 1099-R](#) for tax reporting to those who received a PERS benefit in calendar year 2019. 1099-Rs will be mailed to your address on file at PERS.

If your address has changed, please update it by **December 15, 2019**. PERS Member Services **cannot** update addresses over the phone or via email for security reasons.

To change your address, use [Online Member Services \(OMS\)](#) or complete an [Information Change Request](#) form.

You can find the form in the [Retired Member Information](#) section of the PERS website at <https://www.oregon.gov/PERS/RET> or contact PERS Member Services to have it mailed to you.

PERS cannot accept forms via email. Fax completed forms to PERS at 503-598-0561, or mail forms to:

PERS, PO Box 23700
Tigard, OR 97281-3700

1099-R tax forms cannot be mailed earlier. If you do not receive your 1099-R by February 15, 2020, you can request a duplicate via OMS or by contacting PERS Member Services by phone or email.

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When will my benefit be paid in 2020?

2020 pay date	Date checks mail from Salem	Direct deposit effective date
January 1	December 31, 2019 (Tuesday)	January 2, 2020 (Thursday)
February 1	January 30 (Thursday)	January 31 (Friday)
March 1	February 27 (Thursday)	February 28 (Friday)
April 1	March 31 (Tuesday)	April 1 (Wednesday)
May 1	April 30 (Thursday)	May 1 (Friday)
June 1	May 29 (Friday)	June 1 (Monday)
July 1	June 30 (Tuesday)	July 1 (Wednesday)
August 1	July 30 (Thursday)	July 31 (Friday)
September 1	August 31 (Monday)	September 1 (Tuesday)
October 1	September 30 (Wednesday)	October 1 (Thursday)
November 1	October 29 (Thursday)	October 30 (Friday)
December 1	November 30 (Monday)	December 1 (Tuesday)

2020 PHIP premium rates change effective January 1

If you receive health insurance through the PERS Health Insurance Program (PHIP), note that 2020 PHIP premiums take effect with your January 1 benefit payment.

For PHIP members who have health insurance premiums deducted directly from a pension benefit, your monthly benefit payment will automatically adjust to reflect the new premium rate.

If the new monthly premium exceeds the monthly PERS pension benefit, PHIP will notify you by mail.

For PHIP members who have health insurance premiums deducted directly from a checking or savings account through Electronic Funds Transfer (EFT), your EFT will automatically adjust to the new premium rate. Make sure you have funds

available for the January 1 change. If you are currently enrolled in bill-pay through your financial institution, you will need to notify them of this change.

Rates can be viewed online at: www.pershealth.com. If you have questions, PHIP customer service representatives are available to assist you between 7:30 a.m. and 5:30 p.m. Pacific Time at 503-224-7377 or 1-800-768-7377.

SB 1049 reminder: 2020 changes to Work After Retirement

The 2019 Oregon Legislature passed [Senate Bill 1049](#), which will impact some retired members who return to employment with a PERS-participating employer. The bill **does not impact PERS retirement benefits you are currently receiving.**

More information was included in the [August 2019 Perspectives newsletter](#). You can also find the

[latest information](#) and [sign up](#) to receive email or text updates at: <https://www.oregon.gov/pers/MEM/Pages/SB1049.aspx>.

SB 1049 simplifies the rules for **“Work After Retirement.”** Starting in 2020, PERS retirees may be able to work for a PERS-participating employer for an unlimited number of hours (compared with the existing 1,040- or 600-hour limitations)

while continuing to receive their pension benefit.

PERS is not involved in the hiring decisions between retirees and employers.

Whether you are hired by a PERS-participating employer as a PERS retiree or not, and any other limitations your employer may have, is between you and your employer.

IAP installments investment change *(does not impact your pension)*

The following article only applies to around 7,000 retirees who directly receive [installment payments](#) through PERS from their Individual Account Program (IAP) balance on a monthly, quarterly, or annual basis. If you previously rolled over or cashed out your entire IAP balance, this does not apply to you. This information was also sent in a letter to impacted retirees in November 2019.

If you are receiving IAP installment payments, starting January 1, 2020, your remaining IAP account balance will receive [investment returns](#) based on the Oregon Short Term Fund, rather than the IAP Target-Date Funds' "Retirement Allocation Fund." PERS and the Oregon State Treasury (OST) will refer to this fund as the "IAP Retirement Installments Fund."

PERS investments, including your IAP account, are managed by the OST, under direction from the Oregon Investment Council (OIC). This change is automatic and will not interrupt your payments. **You do not have to take any action.**

The Oregon Short Term Fund **is not invested in the stock market.**

The fund is managed for three priorities (in this order): preservation of capital, liquidity, and yield. This leads to fewer fluctuations in month-to-month investment returns on your remaining IAP balance. The OIC's investment strategy is meant to preserve your remaining account balance in a conservative manner.

You can learn more about the [Oregon Short Term Fund](#) and OST's [IAP investment strategy](#) at <https://www.oregon.gov/treasury/invested-for-oregon/>.

If you no longer want to receive IAP installment payments, you can choose to receive a one-time, lump-sum distribution of the remainder of your IAP balance at any time. You can ask PERS Member Services for an **IAP Change Forms Packet** to be mailed to you, or find the [IAP Rollover-Eligible Distribution](#) form (and accompanying tax forms as needed) on the [PERS website](#).

Please be aware that processing IAP cash outs can take up to 120 days; however, you will continue to receive investment returns during this time.

PERS introduces new callback feature

PERS prides itself on having well-informed, helpful counselors to assist our members. But we recognize — and heard once again in our 2019 Member Satisfaction Survey — that the wait time to reach our Member Information Center was too long. We are happy to announce that, as of late June 2019, we added a new callback software solution, called Fonolo, which will provide you an opportunity to request or schedule a callback at your convenience.

When you call Member Services for assistance, and the call volume is high, you will be provided an opportunity to request or schedule a callback.

After joining the queue, after a four-minute wait (which PERS can change as needed), the system will allow you to request

a callback — including at a time or date convenient for you — and then hang up. When a counselor becomes available, you can receive an automated callback and be directly connected to a Member Services counselor.

The Member Information Center will still encounter high volumes and, on some days, lengthy queue times. But with the implementation of this tool, we hope you will gain back some of the time you would have spent on hold.

Thank you for providing the necessary feedback that allows us to continually improve the services we provide.

You can find the entire analysis of the 2019 Member Satisfaction Survey results in the [October 4, 2019 Board packet](#).

Variable adjustment

If you remained in the [Variable Annuity Program](#) at retirement, the variable annuity portion of your monthly retirement benefit is adjusted every January and payable with your February 1 benefit payment. The adjustment is based on earnings or losses to your variable account **as of October 31 of the previous year**. The adjustment will begin with your **February 1, 2020 benefit payment**. You will receive a letter from PERS showing the amount of the adjustment in January 2020. The variable account is invested in global equities by the Oregon Investment Council. Monthly [investment results](#) are posted at <https://www.oregon.gov/treasury>.

PERS Contact Information

Address correspondence to:

PERS
PO Box 23700
Tigard, OR 97281-3700

PERS headquarters is located at:

11410 SW 68th Parkway
Tigard, Oregon, 97223

Phone: 888-320-7377. Hours are 8:30 a.m. to 5 p.m., Monday through Friday, except holidays.

TTY: 503-603-7766

Website and Online Member Services:

<https://oregon.gov/PERS>

Email: PERS.Member.Services@state.or.us

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Moving? Life changes?

It is important that you: 1) keep your information up to date and 2) mail or fax (503-598-0561) forms to PERS in a timely manner. Find forms in the [Retired Member Information](#) section of the PERS website and under [Most Requested Forms](#).

MAIL INFORMATION TO:

PERS, PO Box 23700
 Tigard, OR 97281-3700

ADDRESS CHANGES: PERS Member Services cannot update addresses over the phone or via email for security reasons. You can update information in [Online Member Services](#). You can also submit an [Information Change Request](#) form.

DIRECT DEPOSIT: New [direct deposit](#) forms must be received and validated by the 15th of any month to impact your next payment.

TAX WITHHOLDING: Updating your address or providing residency status certification **does not** automatically change your withholdings. You must submit a new [W-4P form](#). You may have withholdings on both your PERS pension and IAP payments. Submit W4-Ps by the beginning of the third week of any month.

ACCOUNT ACCESS: The [Authorization to Release Account Information](#) form allows you to authorize a third party to obtain information regarding your PERS account or benefits. The [Special Power of Attorney](#) form gives the person(s) you designate the power to make any and all decisions for PERS-related matters on your behalf.

DIVORCE: Contact [Member Services](#).

DEATH NOTICES: Have a representative call Member Services as soon as possible. Failure to [report a death](#) in a timely manner may result in overpayments and invoicing. PERS will request the date of death, city and state where the death occurred, a photocopy of the death certificate, and spouse or personal representative contact information.

1099-R: continued from page 1

You might receive more than one 1099-R if you received monthly retirement benefits, and/or IAP payments, or any of the following:

- beneficiary benefits,
- alternate payee benefits,
- a lump-sum installment,
- police & fire unit benefits,
- you directly rolled over any portion of your benefit (e.g., Roth, IRA, Oregon Savings Growth Plan), or
- you turned age 59 1/2 in 2019.

While PERS cannot provide tax advice, we have [FAQs about 1099-Rs](#) on the PERS website.