

# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## 2020 Preliminary Earnings Crediting

Joint Committee on  
Ways and Means  
Subcommittee on  
General Government

March 1, 2021

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CFO



# PERS: 2020 Preliminary Earnings Crediting

## 2020 Preliminary Earnings Crediting

- ORS 238.670(5) directs the PERS Board to submit a preliminary earnings crediting report to the legislature at least 30 days prior to making any final allocation.
- HB 4304 (2020) clarified this reporting to specifically identify gross earnings, investments expenses, and administrative expenses by fund or account.
- February 1, 2021 the PERS Board approved and submitted its 2020 preliminary earnings crediting report to the Joint Committee on Ways and Means.

# PERS: 2020 Preliminary Earnings Crediting (cont.)

- Report highlights:
  - Preliminary earnings crediting allocates approximately \$5.79 Billion in 2020 (*net of expenses and other adjustments*) to member, employer, and reserve accounts
  - Final crediting will take place at the March 29, 2021 PERS Board meeting
  - Accounts are credited base upon the PERS Board's Annual Earning Crediting rule (OAR 459-007-0005)
  - Preliminary crediting rates are between 7.20% - 7.26%

# PERS: 2020 Preliminary Earnings Crediting (cont.)

Oregon Public Employees Retirement System Preliminary 2020 Crediting and Reserving (All dollar amounts in millions)								
Account	Reserves Before Crediting	Gross Investment income	Investment Expenses	Admin. Exp.	Other Adj.	2020 Crediting	Reserves After Crediting	2020 Rates
Tier One Member Regular Accounts	\$2,983.5	\$290.6	\$(33.7)	\$(3.9)	\$(38.2)	\$214.8	\$3,198.3	7.20%
Tier One Rate Guarantee Reserve	492.0	-	-	-	36.1	36.1	528.1	N/A
Tier Two Member Regular Accounts	979.6	81.9	(9.5)	(1.1)	(0.6)	70.7	1,050.3	7.21%
Benefits in Force Reserve	19,288.6	1,612.6	(186.8)	(21.4)	(12.0)	1,392.4	20,681.0	7.21%
Employer Reserves	32,653.7	2,729.9	(316.3)	(36.3)	(20.3)	2,357.0	35,010.7	7.21%
OPSRP Pension	7,039.1	610.6	(61.6)	(9.3)	(28.4)	511.3	7,550.4	7.26%
*IAP Accounts, as a whole	10,409.8	948.4	(74.1)	(13.9)	17.6	878.0	11,287.8	8.43%
*UAL Lump-Sum Pmt. Side Accounts	4,782.1	364.7	(30.3)	(0.2)	-	334.2	5,116.3	Var.**
Contingency Reserve	50.0	-	-	-	-	-	50.0	N/A
<b>Total</b>	<b>\$78,678.4</b>	<b>\$6,638.7</b>	<b>\$(712.3)</b>	<b>\$(86.1)</b>	<b>\$(45.8)</b>	<b>\$5,794.5</b>	<b>\$84,472.9</b>	

\* Information only. Not affected by Board reserving or crediting decisions.

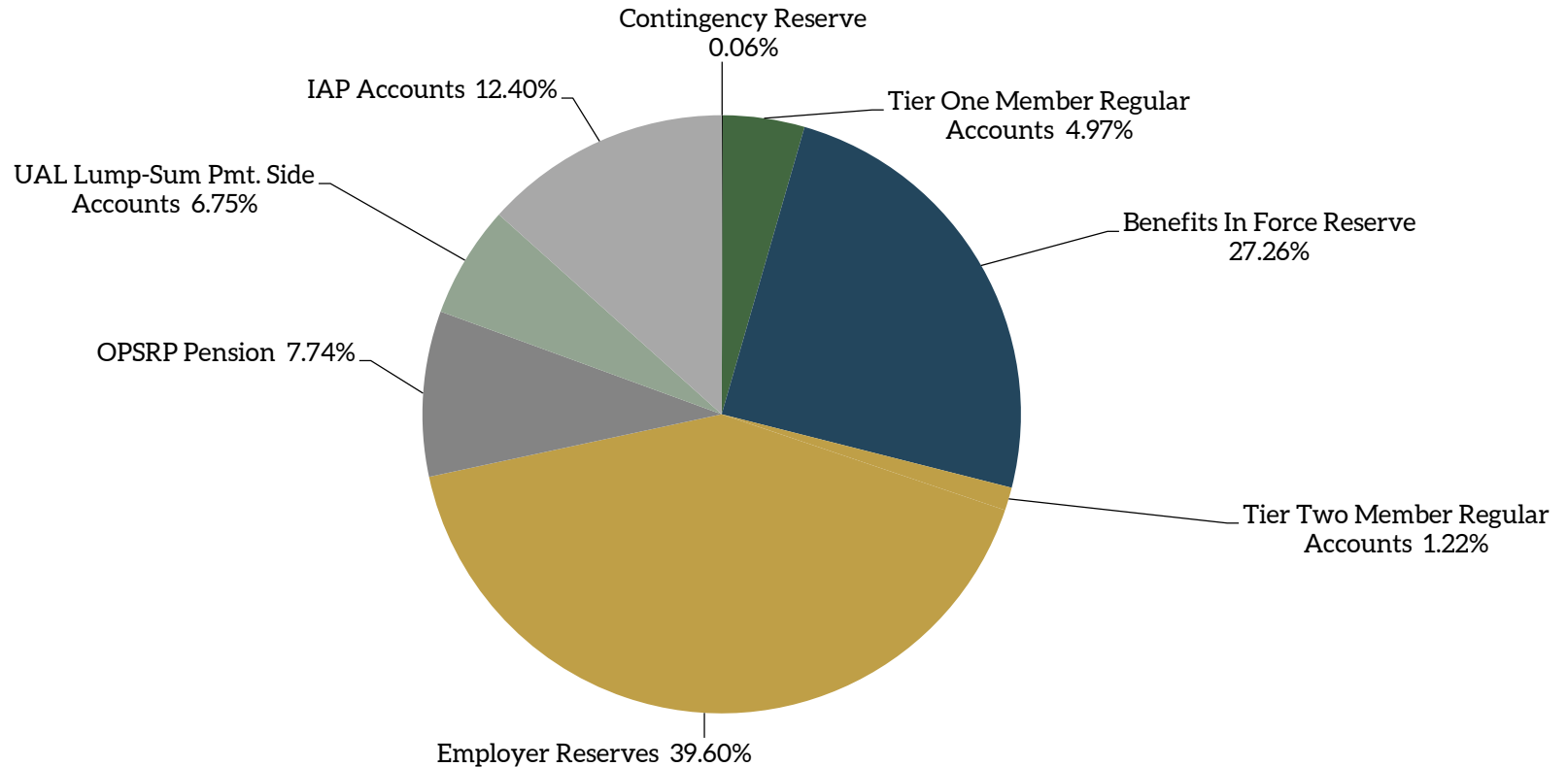
\*\* The average of the various preliminary earnings rates is 6.98%

# PERS: 2020 Preliminary Earnings Crediting (cont.)

Oregon Public Employees Retirement System Preliminary IAP TDF Earnings (All dollar amounts in thousands)				
Target Date Fund	Reserves Before Crediting	2020 Crediting	Reserves After Crediting	2020 Rates
RAF Fund	\$922,053.6	\$85,256.1	\$1,007,309.7	9.24%
2028 Fund	1,442,388.4	128,037.5	1,570,425.9	8.87%
2030 Fund	1,824,914.2	169,667.5	1,994,581.7	9.29%
2035 Fund	2,004,615.2	164,135.9	2,168,751.1	8.18%
2040 Fund	1,679,994.2	124,574.5	1,804,568.7	7.41%
2045 Fund	1,233,557.8	114,793.9	1,348,351.7	9.30%
2050 Fund	641,907.0	62,657.3	704,564.3	9.76%
2055 Fund	246,439.1	21,815.6	268,254.7	8.85%
2060 Fund	55,984.3	4,181.0	60,165.3	7.46%
2065 Fund	2,898.4	182.9	3,081.3	6.31%
<b>Total</b>	<b>\$10,054,752.2</b>	<b>\$875,302.2</b>	<b>\$10,930,054.4</b>	

# PERS: 2020 Preliminary Earnings Crediting (cont.)

## 2020 Reserve Balances After 2020 Earnings Crediting





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# Thank You

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