

Oregon Public Service Retirement Plan (OPSRP) Pension Program* Individual Account Program (IAP)

Your public employee retirement plan has two components: the OPSRP Pension Program and the Individual Account Program (IAP). Both programs are part of the Oregon Public Employees Retirement System (PERS).

The OPSRP Pension Program is funded by OSU and provides a lifetime pension. It is designed to provide approximately 45% of your final average salary at retirement after 30-years of service.

The IAP part of your retirement plan is funded by contributions of 6% of your subject salary. OSU currently pays the 6% contribution for you.** Your account is credited with earnings/losses annually based on investment returns. At retirement, The IAP is estimated to pay approximately 10-20% of your final average salary after 30-years of service and can be withdrawn as a lump-sum payment or in installments. It is not a lifetime benefit.

MEMBERS:

- Employees who are new to the system “on or after” August 29, 2003
- Former “vested” PERS members who terminated their membership by withdrawal
- Former “non-vested” PERS members that terminated prior employment and were gone for more than 5-years, known as Loss of Membership

MEMBERSHIP ESTABLISHED:

- Employed in a qualifying position – expected to work at least 600 hours per year
- After a six full calendar month waiting time period
- Waiting time period cannot be interrupted by more than 30 consecutive workdays
- Must be employed the first day of the month following the waiting time period

CONTRIBUTIONS:

- OPSRP Pension Program
 - Begin after six month wait time
 - Employer paid
 - Percentage of Subject Salary up to IRS salary/contribution limits
- IAP – Individual Account Program
 - Begin after six month wait time
 - Employee Contribution – which is currently paid for you by OSU
 - 6% of Subject Salary up to IRS salary/contribution limits*

* Employees of the University whose regular place of work is not located in Oregon may be unable to receive certain benefits under the PERS OPSRP program (i.e., telecommuting at the time of employment or in the future). Please contact OSU Employee Benefits for more information. If your primary office or place of work is located in another state or country and you do not pay Oregon taxes, please contact OSU Employee Benefits at (541) 737-8254 immediately.

** Contributions begin after serving a full six month waiting period in a qualifying position. July 1, 2020. For PERS 0.75% of 6% IAP for OPSRP is re-directed to a PERS EPSA account to support employee’s future pension.

VESTING:

- OPSRP – Pension Program
 - Member reaches “normal” retirement age of 65 while an active member, **OR**
 - Member completes five years of qualifying service
 - Qualifying Service = 600 hours of service in a calendar year
 - Five years of qualifying service do not need to be consecutive
 - Loss of prior vesting service will occur if member has five consecutive years of less than 600 hours per year
- IAP – Individual Account Program
 - 100% vested once membership is established (after 6-month wait time)

NORMAL RETIREMENT AGE:

- Age 65, **OR**
- Age 58 with 30 years of creditable (retirement credit) service time

EARLY RETIREMENT AGE:

- Age 55
- Member receives a reduced pension benefit

PENSION PROGRAM – OPSRP:

- Is a defined benefit plan based on salary and service time
- Is funded by employer contributions
- Vesting is required to receive an OPSRP benefit
- Is paid as a monthly lifetime benefit only
- Monthly Benefit Calculation
 - Final Average Salary x Years of Retirement Credit x 1.5 percent (.015)
 - Final Annual Salary is the higher of
 - Salary earned in the last 36 months of membership
 - Highest three consecutive years
 - Lump-sum Vacation Pay is not included in Final Average Salary
 - Years of Retirement Credit
 - No credit for a year with less than 600 hours of service (year of hire and termination exceptions)
 - Upon completion of waiting time, receives credit for waiting period
- Survivorship Options available:
 - Pension amount is the same for the beneficiary’s lifetime
 - Pension benefit is 50% of the amount for the beneficiary’s lifetime

IAP – INDIVIDUAL ACCOUNT PROGRAM:

- A Defined Contribution Plan (contributions +/- earnings)
- Is funded by employee contributions - 6% of members subject salary (currently paid by OSU)*
- Lump-Sum Vacation Pay is NOT subject salary (no contributions)
- Market returns, no earnings guarantee
- Account has earnings/losses until last dollar paid out
- Can be taken at retirement as
 - Lump sum payment
 - Installments over 5-10-15-20 year periods
 - Projected lifetime payout
- Survivorship Option
 - Balance in account to be paid as a lump sum to Designated Beneficiary
 - At Retirement Married and Single members can designate anyone as the Beneficiary

DISABILITY BENEFIT – OPSRP:

- Duty disability/Job caused, no service time requirement
- Non-duty disability, requires minimum of 10 years of retirement credit
- Benefit amount = 45% of salary received last full month before disability

DEATH BENEFIT BEFORE RETIREMENT:

- OPSRP – Pension Program
 - Paid if member is vested at time of death
 - Lifetime benefit paid to spouse only
 - Benefit shall be actuarial equivalent of 50% of pension member would have received, benefit determined by date of member’s death
- IAP - Individual Account Program
 - Paid to Designated Beneficiary
 - Married Member
 - Must be spouse, unless spousal consent is received
 - If no beneficiary is named will be paid to spouse, then children, then to the Estate
 - Single Member
 - May designate anyone as the beneficiary

PERS PARTICIPATING EMPLOYMENT AFTER RETIREMENT:

- Pension benefits stop upon reemployment into a qualifying position
- Qualifying position is based on the employer’s intent or 600 hours in a year
- Subsequent retirements
 - Members can again choose from any of the retirement options
 - Pension benefit will be recalculated

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TERMINATE EMPLOYMENT PRIOR TO RETIREMENT:

- OPSRP – Pension Program
 - Non-vested Member – No benefits available
 - Vested Inactive Members – if benefit is less than \$5,000 can lump-sum withdrawal or rollover account balance
- IAP – Individual Account Program
 - Lump sum withdrawal or rollover account balance
 - Can leave IAP account with PERS, will continue to accrue earnings/losses until withdrawn

EMPLOYMENT WITH OTHER OREGON PUBLIC EMPLOYERS:

- Service time with OSU is included in your OPSRP benefits (service time), subject to PERS regulations

RESOURCES:

- OSU Human Resources – Benefits:
<https://hr.oregonstate.edu/benefits/current-employees/pension-plans-retirement-savings>
- OSU Human Resources – Benefits Workshops and Events:
<http://hr.oregonstate.edu/benefits/workshops-and-events>
- PERS:
<http://www.oregon.gov/pers/> (select: Members → OPSRP → IAP)
- PERS Telephone:
1.888.320.7377 or 1.503.598.7377
- IAP Account Online:
<https://my.voya.com/voyassoui/index.html?domain=iap.voya.com#/login-pweb>
- IAP Re-Direct:
<https://www.oregon.gov/pers/MEM/Pages/SB1049-IAP-Redirect-OPSRP.aspx>
- IAP Re-Direct FAQ:
<https://www.oregon.gov/pers/EMP/Documents/Misc-Documents/SB1049-Voluntary-Contributions-FAQs.pdf>
- IAP Beneficiary Forms:
<http://www.oregon.gov/pers/mem/docs/form/469imw.pdf>

Summary Information is provided for your convenience only. For complete plan details refer to the online manual located on the PERS website. Summary Information was compiled using PERS workshop presentation material, PERS OPSRP/IAP online manual, and the OUS Retirement Choices Guide. Any errors, if any, are unintentional.

Disclaimer: Information may change as the result of administrative, legislative or judicial decisions.

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