

## PERS Tier 1 & Tier 2 Pension Quick Facts

	Regular Retirement Age (Unreduced benefits)	Early Retirement with reduced benefits*	Unreduced retirement benefits based on PERS Years of Service
<b>Tier 1</b>	58	55-57	Any age with 30 years of service
<b>Tier 2</b>	60	55-59	Any age with 30 years of service

\*Full Formula reduction in benefit is 8% for each year you are below the 'regular retirement age'

### IAP (Individual Account Program)

This is a separate account. It does not provide for a life-long pension. You have the option to roll the account into another qualified retirement account (e.g., IRA, 403b, 457), take a lump-sum distribution or take installment payments (monthly, quarterly, annual) over 5, 10, 15, 20, or estimated life time. Once the account has been fully distributed, payments will stop. The account will continue to have earnings and losses until it is fully distributed. If the retiree dies before the account is fully distributed, the balance is fully inheritable to the beneficiaries the retiree has designated.

### Tier 1/Tier 2 Pension Calculation Formulas

The formula that generates the highest benefit will be the one used to calculate your pension benefit

- **Full Formula** = Years of Service x Average Ending Salary x 1.67%
- **Money Match** = Tier 1 or Tier 2 Account Balance x 2 x Age Factor
- **Full Formula + Annuity** (must be a member prior to August 21, 1981) =  
(Years of Service x Average Ending Salary x 1.67%) + (Tier 1 Account Balance x Age Factor)

### Average Ending Salary

Is the highest of:

- The last 36 months; or
- The three highest calendar years (does not need to be consecutive)

Average Ending Salary will also include the following:

- Employer paid contributions are considered additional salary (6% of salary that OSU has paid on your behalf)
- One half of the value of your unused sick leave balance (Tier 1 & Tier 2)
- Lump-sum payment for Comp Time paid out (Tier 1 & Tier 2)
- Vacation payout (Tier 1 only)

**Contact PERS for additional information** on plan definitions, benefit calculations, forms and more.

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Email - [customer-service.pers@state.or.us](mailto:customer-service.pers@state.or.us)

Website - <http://www.oregon.gov/PERS/>

## Tier 1/Tier 2 Pension Benefit Payout Options – *Thirteen (13) Payout Options to choose from*

### ➤ Non-Survivorship Options (3 options)

- **Option 1** (Non-refund) – paid for the lifetime of retiree only
- **Refund Annuity** – paid for the lifetime of retiree; beneficiary may be multiple individuals, charities, estate, trust. After approximately 9 to 11 years, there is no balance remaining to pay the beneficiary.
- **15-year Certain** – paid for the lifetime of retiree; beneficiary may be multiple individuals, charities, estate, trust. If retiree dies prior to receiving 180 payments, the beneficiary is entitled to the remainder of the 180 payments. No payment is made to the beneficiary if retiree received at least 180 payments.

### ➤ Survivorships Options (4 options)

*Only 1 individual may be named, no changes.*

- **Option 2** – amount paid for the lifetime of retiree; if retiree dies, beneficiary receives the same amount for their lifetime.
- **Option 2A** – amount paid for the lifetime of the retiree; if retiree dies, beneficiary receives the same amount for their lifetime. If beneficiary is spouse and they get divorced or beneficiary dies before retiree, retiree jumps up to the Option 1 amount for the rest of their lifetime.
- **Option 3** – amount paid for the lifetime of retiree; if retiree dies, beneficiary receives one-half of the amount for their lifetime
- **Option 3A** – amount paid for the lifetime of the retiree; if retiree dies, beneficiary receives one-half of the amount for their lifetime. If beneficiary is spouse and they get divorced or beneficiary dies before retiree, the retiree jumps up to the Option 1 amount for the rest of their lifetime.

### ➤ Partial Lump Sum (5 options)

- ✓ **Receive lump-sum of Tier 1/Tier 2 Employee account balance.**
- ✓ **Receive a life-long pension benefit of the employer amount.**
- ✓ Beneficiary may only be 1 individual and no changes to beneficiary can be made. The life-long pension benefit may be received or left to beneficiary when the retiree dies similar to the survivorship options:
  - Option 1 – no beneficiary
  - Option 2 – beneficiary receives the same amount
  - Option 2A – beneficiary receives the same amount; retiree moves to Option 1 if beneficiary dies first or gets divorced
  - Option 3 – beneficiary receives one-half the amount
  - Option 3A – beneficiary receives one-half the amount, retiree moves to Option 1 if beneficiary dies or gets divorced

### ➤ Total Lump Sum (1 option)

- ✓ **Receive total lump-sum payout** (*employee & employer amounts*)
- ✓ **Does not provide any ongoing monthly payments** (*no life-long pension*)

*Disclaimer: All information provided in this document is provided for informational purposes only and does not constitute a legal contract between Oregon State University and any person. This information is subject to change without prior notice. Although OSU makes reasonable effort to maintain current and updated information, in case of conflict between this document and the official PERS documents, Oregon state law regulating PERS, PERS plan information, Oregon State Law, and federal regulations will govern.*