

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



2022 Preliminary Earnings Crediting

Joint Committee on
Ways and Means
Subcommittee on
General Government

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2022 preliminary earnings crediting

About preliminary earnings crediting

- Oregon Revised Statute (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.
- House Bill (HB) 4304 (2020) clarified this reporting to specifically identify gross earnings, investments expenses, and administrative expenses by fund or account.
- On February 3, 2023, the PERS Board approved and submitted its 2022 preliminary earnings crediting report to the Joint Committee on Ways and Means.

2022 preliminary earnings crediting

Report highlights

- 2022 preliminary earnings crediting allocates losses of approximately \$2.2 billion (net of expenses and other adjustments) to member, employer, and reserve accounts.
- Approval of final crediting rates will take place at the April 3, 2023, PERS Board meeting.
- Accounts are credited based on the PERS Board's Annual Earning Crediting rule (Oregon Administrative Rule (OAR) 459-007-0005).
- Preliminary crediting rates:
 - ❑ Most accounts are credited at -1.88% to -1.98%
 - ❑ Tier one accounts are credit assumed rate of 6.90%
 - ❑ Target date and variable funds are credited -2.15% to -24.43%

2022 preliminary earnings crediting

Oregon Public Employees Retirement System Preliminary 2022 Crediting and Reserving (All dollar amounts in millions)								
Account	Reserves Before Crediting	Gross Investment Income	Investment Expenses	Admin. Exp.	Other Adj.	2022 Crediting	Reserves After Crediting	2022 Rates
Tier One Member Regular Accounts	\$2,280.9	(\$18.8)	(\$38.1)	(\$3.1)	\$217.5	\$157.5	\$2,438.4	6.90%
Tier One Rate Guarantee Reserve	960.7	-	-	-	(218.5)	(218.5)	742.2	N/A
Tier Two Member Regular Accounts	1,063.9	(6.2)	(12.5)	(1.0)	(0.3)	(20.0)	1,043.9	-1.89%
Benefits-in-Force Reserve	18,738.0	(109.0)	(220.4)	(18.1)	(5.7)	(353.2)	18,384.8	-1.89%
Employer Reserves	42,983.9	(250.0)	(505.7)	(41.5)	(55.5)	(852.7)	42,131.2	-1.98%
Tier One/Two EPSA	219.0	(0.8)	(2.2)	-	(1.8)	(4.8)	214.2	-1.89%
OPSRP Pension	11,098.4	(60.7)	(121.7)	(15.5)	(10.7)	(208.6)	10,889.8	-1.88%
OPSRP EPSA	173.2	(0.6)	(1.6)	-	(0.9)	(3.1)	170.1	-1.88%
IAP Accounts, as a Whole*	12,983.8	(457.0)	(112.8)	(16.2)	34.4	(551.6)	12,432.2	-4.25%
UAL Lump-Sum Pmt. Side Accounts*	6,314.7	(38.1)	(77.0)	(0.2)	-	(115.3)	6,199.4	Var.**
Contingency Reserve	50.0	-	-	-	-	-	50.0	N/A
Total	\$96,866.5	(\$941.2)	(\$1,092.0)	(\$95.6)	(\$41.5)	(\$2,170.3)	\$94,696.2	

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

**The average of the various preliminary earnings rates is -1.79%.

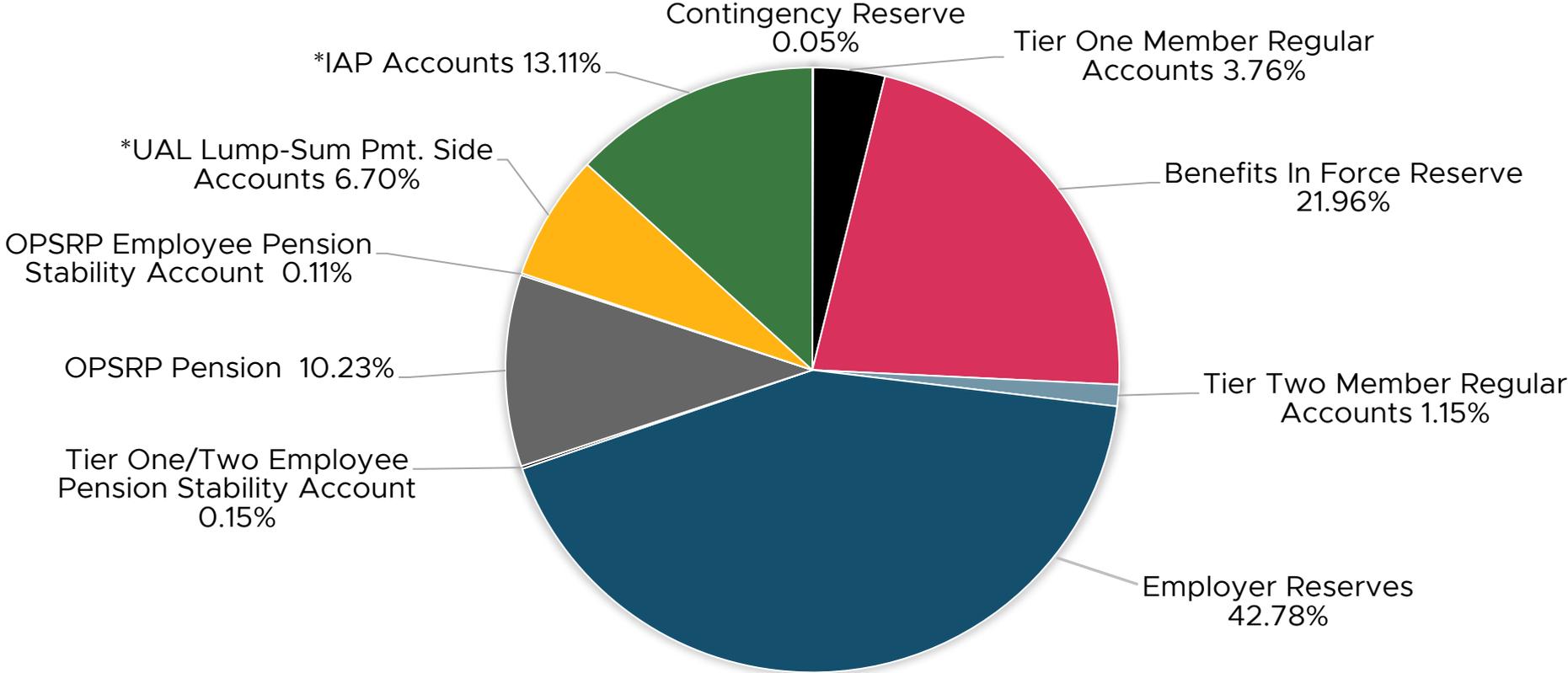
2022 preliminary earnings crediting

**Oregon Public Employees Retirement System
Preliminary Individual Account Program (IAP) Target Date Fund (TDF) Earnings
(All dollar amounts in thousands)**

Target Date Fund	Reserves Before Crediting	2022 Crediting	Reserves After Crediting	2022 Rates
RAF Fund	\$656,557.3	(\$53,550.2)	\$603,007.1	-8.15%
2025 Fund	1,474,935.9	(94,387.5)	1,380,548.4	-6.39%
2030 Fund	2,152,923.6	(116,480.9)	2,036,442.7	-5.41%
2035 Fund	2,608,514.6	(95,581.6)	2,512,933.0	-3.66%
2040 Fund	2,309,185.5	(49,659.0)	2,259,526.5	-2.15%
2045 Fund	1,781,245.2	(70,607.8)	1,710,637.4	-3.96%
2050 Fund	984,322.7	(49,619.0)	934,703.7	-5.04%
2055 Fund	426,178.6	(19,113.2)	407,065.4	-4.48%
2060 Fund	129,916.4	(4,640.8)	125,275.6	-3.57%
2065 Fund	31,305.1	(1,716.6)	29,588.5	-5.48%
Total	\$12,555,084.9	(\$555,356.6)	\$11,999,728.3	

2022 preliminary earnings crediting

2022 Reserve Balances After 2022 Earnings Crediting



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IAP accounts receiving installments have already received 2022 earnings.

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Thank you

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