

# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

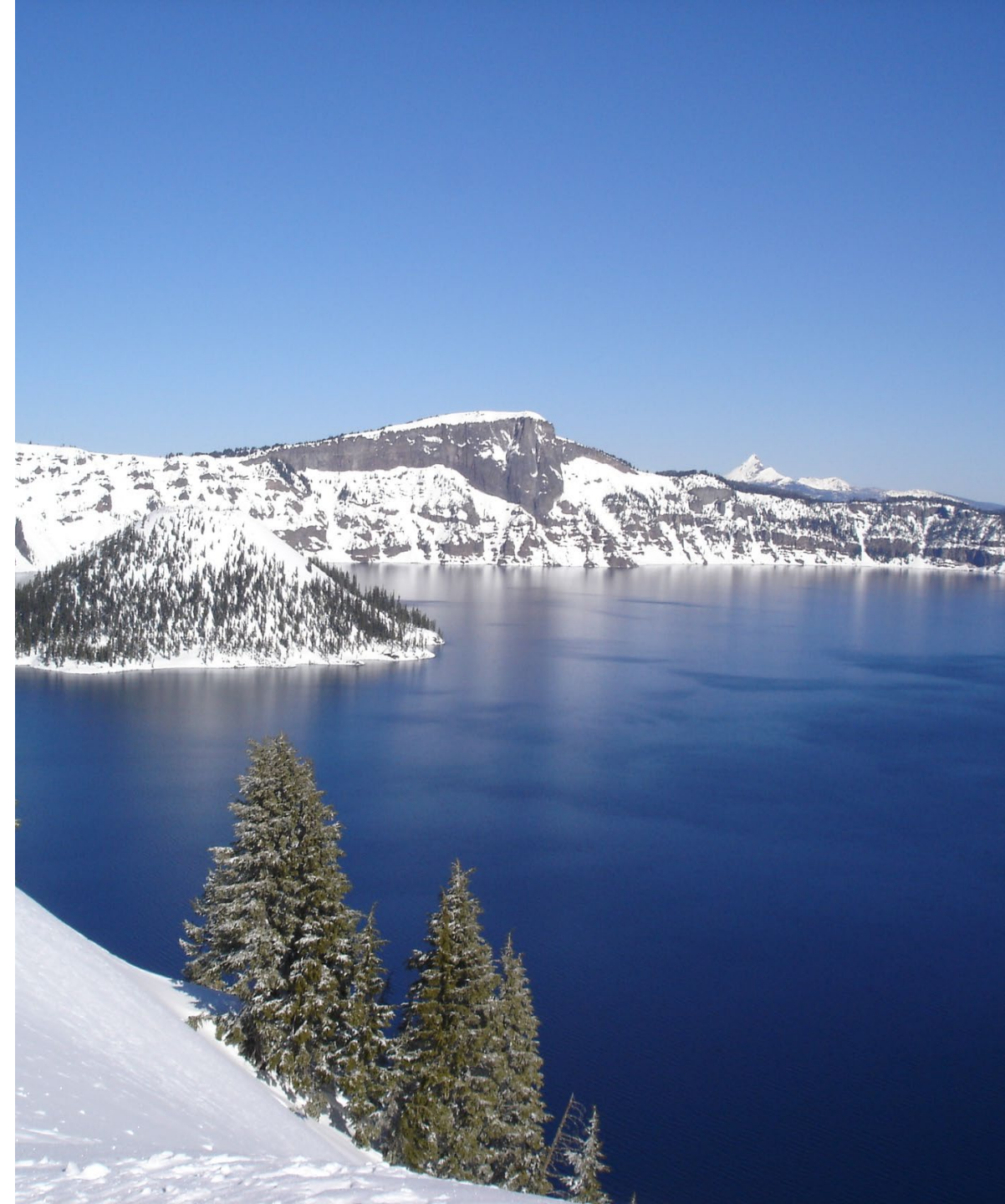


## 2024 Preliminary earnings crediting

Joint Committee on  
Ways and Means  
Subcommittee on  
General Government

February 20, 2025

Kevin Olineck  
Richard Horsford



# 2024 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 January 31, 2025, the PERS Board approved and submitted its 2024 preliminary earnings crediting report to the Joint Committee on Ways and Means.

# 2024 preliminary earnings crediting

## Report highlights

- 2024 preliminary earnings crediting allocates earnings of approximately \$5.2 billion (net of expenses and other adjustments) to member, employer, and reserve accounts.
- Approval of final crediting rates will take place at the March 31, 2025, during a 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 5.32% to 6.90%.
  - ❑ Tier One accounts are credited assumed rate of 6.90%.
  - ❑ Target-date and variable funds are credited 4.77% to 14.51%.

# 2024 preliminary earnings crediting

| Oregon Public Employees Retirement System<br>Preliminary 2024 crediting and reserving<br>(All dollar amounts in millions) |                           |                         |                     |                  |                  |                  |                          |            |
|---|---------------------------|-------------------------|---------------------|------------------|------------------|------------------|--------------------------|------------|
| Account   | Reserves before crediting | Gross investment income | Investment expenses | Admin. expenses  | Other adj.       | 2024 Crediting   | Reserves after crediting | 2024 Rates |
| Tier One member regular accounts  | \$1,770.7                 | \$169.1                 | (\$26.7)            | (\$2.7)          | (\$17.6)         | \$122.1          | \$1,892.8                | 6.90%      |
| Tier One Rate Guarantee Reserve   | 740.1                     | -                       | -                   | -                | 11.5             | 11.5             | 751.6                    | 1.56%      |
| Tier Two member regular accounts  | 968.0                     | 65.2                    | (10.3)              | (1.0)            | (2.3)            | 51.6             | 1,019.6                  | 5.32%      |
| Benefits-in-force Reserve   | 12,264.7                  | 826.2                   | (130.3)             | (13.1)           | (29.5)           | 653.3            | 12,918.0                 | 5.32%      |
| Employer Reserves   | 45,991.4                  | 3,098.7                 | (488.8)             | (49.1)           | (110.7)          | 2,450.1          | 48,441.5                 | 5.32%      |
| Tier One/Two EPSA   | 339.6                     | 20.4                    | (3.3)               | (0.1)            | 0.3              | 17.3             | 356.9                    | 5.32%      |
| OPSRP pension   | 14,068.1                  | 870.9                   | (139.9)             | (19.0)           | 51.9             | 763.9            | 14,832.0                 | 5.43%      |
| OPSRP EPSA  | 340.4                     | 19.1                    | (3.1)               | (0.1)            | 2.8              | 18.7             | 359.1                    | 5.43%      |
| IAP accounts, as a whole*   | 13,479.6                  | 1,004.3                 | (98.2)              | (18.5)           | (35.0)           | 852.6            | 14,332.2                 | 6.32%      |
| UAL lump-sum payment side accounts**  | 4,123.9                   | 329.9                   | (52.0)              | (0.2)            | -                | 277.7            | 4,401.6                  | Var.**     |
| Contingency Reserve   | 50.0                      | -                       | -                   | -                | -                | -                | 50.0                     | N/A        |
| <b>Total</b>  | <b>\$94,136.5</b>         | <b>\$6,403.8</b>        | <b>(\$952.6)</b>    | <b>(\$103.8)</b> | <b>(\$128.6)</b> | <b>\$5,218.8</b> | <b>\$99,355.3</b>        |            |

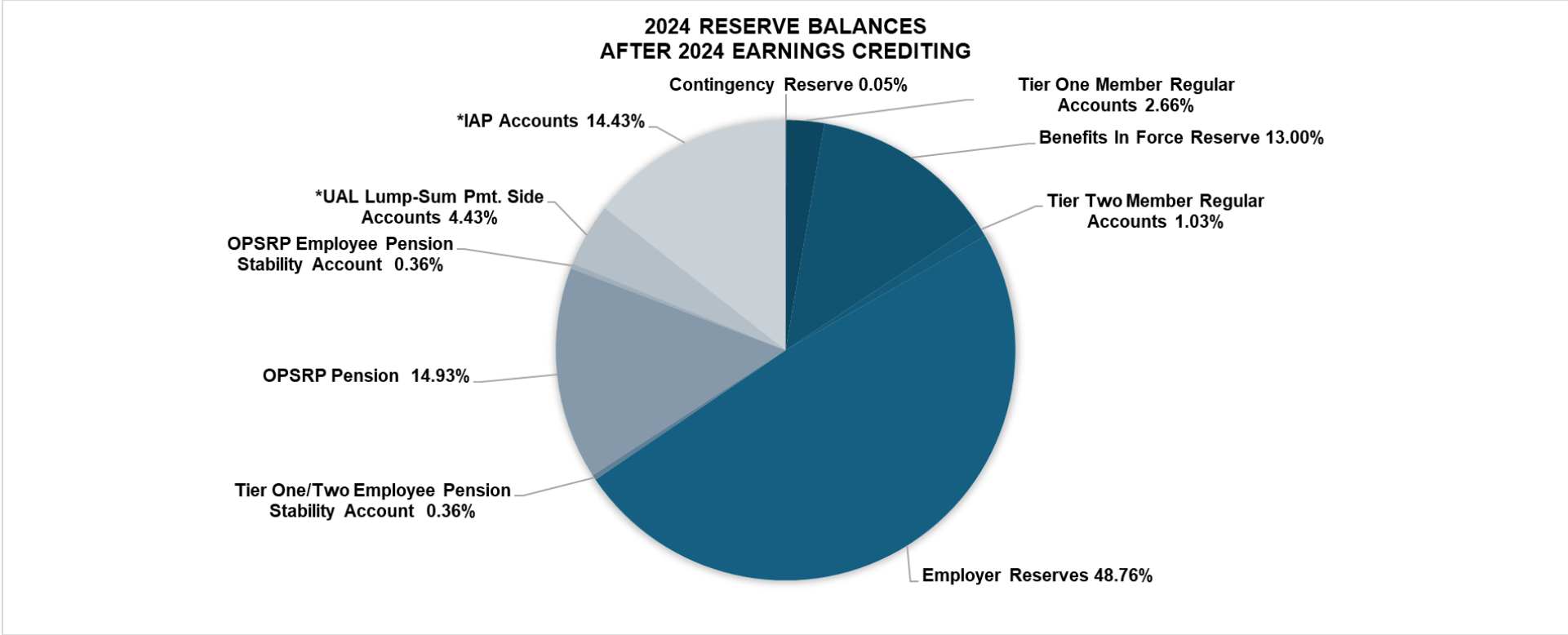
\* Information only. Not affected by PERS Board reserving or crediting decisions.

\*\*The average of the various preliminary earnings rates is 5.75%.

# 2024 preliminary earnings crediting

| Oregon Public Employees Retirement System<br>Preliminary Individual Account Program (IAP) Target-date fund (TDF) earnings<br>(All dollar amounts in thousands) |                           |                    |                          |            |
|--|---------------------------|--------------------|--------------------------|------------|
| Target-date fund   | Reserves before crediting | 2024 Crediting     | Reserves after crediting | 2024 Rates |
| RAF Fund   | \$387,101.5               | \$29,077.6         | \$416,179.1              | 7.51%      |
| 2025 Fund  | 1,142,555.7               | 54,600.3           | 1,197,156.0              | 4.77%      |
| 2030 Fund  | 2,020,648.6               | 113,154.3          | 2,133,802.9              | 5.59%      |
| 2035 Fund  | 2,721,310.4               | 169,418.7          | 2,890,729.1              | 6.22%      |
| 2040 Fund  | 2,580,863.4               | 182,107.1          | 2,762,970.5              | 7.05%      |
| 2045 Fund  | 2,047,492.0               | 146,815.9          | 2,194,307.9              | 7.17%      |
| 2050 Fund  | 1,213,234.7               | 87,018.7           | 1,300,253.4              | 7.17%      |
| 2055 Fund  | 589,126.3                 | 39,253.1           | 628,379.4                | 6.66%      |
| 2060 Fund  | 232,478.0                 | 13,691.6           | 246,169.6                | 5.88%      |
| 2065 Fund  | 73,611.7                  | 3,969.2            | 77,580.9                 | 5.39%      |
| <b>Total</b>   | <b>\$13,008,422.3</b>     | <b>\$839,106.5</b> | <b>\$13,847,528.8</b>    |            |

# 2024 preliminary earnings crediting



\*Informational only. Not affected by PERS Board reserving or crediting decisions.  
IAP accounts receiving installments have already received 2023 earnings.



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Thank you.

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