

PERS EMPLOYER ADVISORY GROUP MEETING

NOTES

DATE: JULY 24, 2015 TIME: 10:00 AM-12:00 PM

PERS HEADQUARTERS

TYPE OF MEETING	PERS EMPLOYER ADVISORY GROUP MEETING
FACILITATOR	Sam Paris
NOTE TAKER	Debra Steiner
CALL IN NUMBER	(877)411-9748; participant code: 510922
ATTENDEES	<p>Present: Steve Rodeman, PERS; Yvette Elledge-Rhodes, PERS; Marjorie Taylor, PERS; Sam Paris, PERS; Debra Steiner, PERS; Jim Langstraat, Portland Community College; Kerry Gilbreth, Portland State University; Debra Grabler, Tualatin Valley Fire & Rescue; Celia Heron, City of Portland; Ralph Wyatt, Linn County; Jeff White, Marion County; Dave Henderson, Linn-Benton Community College; Olivia Meyers-Buch, Fern Ridge School District; Trudy Vidal, DAS; Nancy Brewer, City of Corvallis</p> <p>Guests: Cheryl Anselone, Portland Public Schools; Rhonda Miller, City of Salem; David Lacy, City of Salem</p> <p>Phone: None - due to technical difficulties</p>

TIME: 10:00 – 10:15 TOPIC: WELCOME & INTRODUCTIONS ALL

TOPIC	Roundtable Introductions
Sam Paris welcomed everyone to the third PERS Employer Advisory Group meeting on July 24, 2015.	

TIME: 10:15 – 10:45 TOPIC: ASSUMED EARNING RATE STEVE RODEMAN

TOPIC	Economic Assumptions & Actuarial Methods
<p>PERS Executive Director, Steve Rodeman, reviewed the Milliman Economic Assumption and Actuarial Methods PowerPoint presentation from the May 29, 2015 PERS Board meeting. This PowerPoint is available on the PERS website: http://www.oregon.gov/pers/docs/economic_assumptions_5-29-15.pdf. Steve went over changes that could affect the assumed earnings rate due to investment assumptions. The Board is working through their normal two-year rate-setting cycle. The Board will decide whether to adopt a new assumed rate at the July 31, 2015 meeting. The Board members may adopt the new demographic assumptions in at the September 2015 board meeting. The long-term program costs are contributions, which are governed by the fundamental cost equation: Benefits = Earnings + Contributions. As discussed at the May 2015 Board meeting, employer contribution rates will increase beginning in the 2017-19 biennium due to the <i>Moro</i> decision.</p>	

TIME 10:45 – 11:00 TOPIC: OPSRP CONTRIBUTION START DATE ISSUE YVETTE ELLEDGE

TOPIC	Propose OPSRP Contribution Project
<p>PERS Chief Operations Officer, Yvette Elledge-Rhodes, provided a handout with the revised employer fiscal impact data for the OPSRP Contribution Start Date (CSD) Project. The document included information about missing contributions that must be corrected for the first pay date on or after membership is established. This</p>	

may create a financial impact for employers for prior-year corrections. An estimate was provided showing the population of accounts where contributions should have been, but were not, reported on or after the CSD. Concerns were raised about the accuracy of the estimate and four potential issues were brought forward that could be understating the estimate amounts. There is a large amount of data from the last 10 years that will require clean-up. The group recommended that PERS pay for the additional contributions and earnings possibly from the Contingency Reserve Fund. PERS will work with the Employer Advisory Group to draft a recommendation for the Board's consideration. PERS requested that employers present their proposal at the September 25, 2015 Board meeting, and with support from their constituent associations.

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Identify individual(s) to sponsor development of proposal	Yvette Elledge/EAG	August 2015
Review specific concerns and impact to estimate	Sam Paris	August 2015

TIME: 11:00 – 11:15 HB 3495 IMPLEMENTATION PLAN SAM PARIS

TOPIC	HB 3495 Implementation
<p>PERS Strategic and Policy Support Manager, Sam Paris, provided a copy of House Bill 3495. Internal short- and long-term planning is ongoing in order to make changes required by implementation. PERS will review different ways to do employer reporting, inform employers, system programming, automation, policy training, and how data will be used. Some EAG members would like to discuss the implementation plan with payroll staff to gather their suggestions on implementation. PERS will draft an implementation plan with options and send out to the EAG for feedback. PERS can help with manual intervention as the bill requires reporting changes beginning January 1, 2016. More information will be provided later about this topic.</p>	

TIME: 11:15 – 11:30 TOPIC: GASB 68 COMPLIANCE SAM PARIS

TOPIC	Improve accounting and financial reporting by state and local governments for pensions.
<p>GASB 68 will change financial reporting for participating state and local governments beginning in fiscal years commencing after June 15, 2014--that is, fiscal years ending June 30, 2015 and later. The disclosure statement is still being reviewed by the PERS Audit team and the Oregon Society of Certified Public Accountants (OSCPA). PERS will share the disclosure statement with the group when it is available. PERS will provide the GASB employer data in August and it will also be available on the PERS website. The numbers are not likely to change from test data sent previously. Once employers have reviewed the disclosure statement please direct questions to the EAG email: Employer_Advisory_Group@pers.state.or.us.</p>	

TIME: 11:30 – 11:40 TOPIC: CONCLUSION SAM PARIS

TOPIC	Closing remarks
<p>A request was made for clarification on Employer announcement #88 due to SB 454. PERS will evaluate the impact of SB 454 and provide a communication to the employers. Discussed request for member directed investments of IAP. Provided update of rule making to address OPSRP work after retirement limits.</p>	

Next Meeting Facilitator: Sam Paris

Next Meeting Date/Time: October 16 or 23, 2015 10:00 AM – 12:00 PM