

PERSPECTIVES

Active
Member
Edition

Retirement application assistance sessions available

PERS is offering individual retirement application assistance sessions. Each session is a face-to-face one-hour appointment for Tier One or Tier Two members who:

1. Have already attended a One-Year Group Counseling presentation,
2. Are within three months of retiring, and
3. Are prepared to submit their retirement application(s).

If you are applying for a disability retirement or your account is related to a divorce, please contact PERS Customer Service.

At the individual session, a retirement counselor will:

- Provide a brief overview of the retirement benefit estimate (optional),
- Provide comprehensive review of application(s), forms, and supporting documents for accuracy and completeness,
- Notarize forms (optional), and
- Explain the retirement application process.

This appointment is not a counseling session regarding your personal or financial retirement decisions.

Visit the PERS website (<http://oregon.gov/PERS>) to register for an individual session. Sessions are currently scheduled around the state for 2007.

To get the most out of your individual session, please:

- Request a retirement benefit estimate and bring it with you to the session. If you have not yet requested an estimate, complete the Benefit Estimate Request form on the PERS website and mail it to PERS at least four weeks before your scheduled session.
- Download the necessary applications and forms from the PERS website.
- Complete the application(s) and forms as much as

possible before the session.

- Bring a legible copy of proof-of-birth for you and your beneficiary (copy services will not be available).

Acceptable proof-of-birth documents include (but are not limited to):

- Verification of birth issued by a state, county, or country,
- Hospital birth certificate,
- Passport, or
- Naturalization or citizenship papers.

Turn In Forms sessions

PERS is offering Turn in Forms sessions at the Tigard headquarters building for those members who are:

1. Within three months of retirement and
2. Prepared to submit their retirement application(s).

At each session, PERS staff will:

- Provide a 45 minute presentation on completing the retirement applications (optional),
- Review application(s), forms, and supporting documents for accuracy and completeness,
- Notarize forms (optional),
- Provide a copy of your completed application for your records, and
- Accept your application(s).

Turn in Forms sessions are not counseling sessions regarding your personal or financial retirement decisions.

Visit the PERS website (<http://oregon.gov/PERS>) to register for a session.

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Planning for health insurance in retirement

The multitude of health insurance options available to Oregon PERS members at retirement can be confusing. PERS Retiree Insurance Program member specialists are available to help retirees get the information they need to make an informed decision.

The following is a description of the health insurance programs and choices available to retirees. More information can be obtained by calling the PERS Retiree Insurance Program at 800-768-7377.

Employer-sponsored retiree health insurance plans

Oregon Revised Statute 243.303 states that Oregon local government employers must make their group insurance plans available to retirees and dependents until the retiree or dependent is Medicare eligible. These plans typically offer comprehensive benefits and rates similar or equal to those available to active employees, and are often the most ideal option for retirees.

Some Oregon public employers pay the entire premium for their retirees, others pay a portion, and some pay none. Usually, these plans are only available at retirement, and retirees who do not choose this option are not allowed to enroll later.

Spouse's employer-sponsored health insurance plans

Most employers allow employees to enroll spouses in the employer group insurance plan during an open enrollment period or by providing proof that the spouse's

insurance has been canceled. The additional premium may be covered by the employer or may be charged to the employee.

COBRA continuation options

The Consolidated Omnibus Budget Reconciliation Act (COBRA) was signed into law in 1986. Employers are required to offer employees, spouses, and dependents continuation of coverage on a self-pay basis. This coverage is usually available for 18 months or until Medicare eligibility.

Portability plans

Retirees who are not covered by Medicare and are under age 65 may also be eligible for portability plans. By law, all insurance carriers doing business in Oregon must offer two portability plans for enrollees terminating from group coverage. Each carrier has both a prevailing-cost portability plan as well as a low-cost plan. There are specific rules of eligibility for these plans. This information is available from your current health insurance carrier or can be found on the Internet.

Individual plans

Most health insurance companies market individual health insurance plans, not group insurance plans, and the premiums are usually age-rated. Applicants may be rejected due to pre-existing medical conditions.

PERS-sponsored health insurance plans

PERS has offered health insurance to retirees and their dependents for

more than 45 years. The PERS plans offer both Medicare supplemental plans and non-Medicare plans for retirees not yet eligible for Medicare. The benefits in the PERS non-Medicare plans are less generous than most employer-sponsored health plans, and the cost is often greater than employer-sponsored plans offered to retirees.

PERS offers Medicare supplemental plans to all eligible PERS retirees and their eligible dependents.

To be eligible for a premium subsidy of up to \$60 per month from PERS, the PERS retiree must be enrolled in Medicare Parts A & B, enrolled in a PERS-sponsored health insurance plan, and have more than eight years of qualifying PERS service time.

PERS has three enrollment opportunities for retirees:

- 1) within 90 days of receipt of the first retirement check,
- 2) within 90 days of Medicare eligibility, and
- 3) anytime if enrolling within 24 months of previous coverage in a group insurance plan.

These enrollment opportunities are the same for the retiree's spouse or dependent. PERS retirees who are approaching Medicare eligibility at age 65 or as a result of an early disability must decide at that time if they want to enroll in a PERS-sponsored health plan.

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Tax savings are a benefit of Oregon Savings Growth Plan

One of the biggest benefits of contributing to the Oregon Savings Growth Plan (OSGP) is tax savings. Your pre-tax contributions reduce your taxable income dollar-for-dollar. And, you might be eligible for even more tax savings through a special tax credit associated with saving through OSGP.

A tax credit is a reduction in the amount of taxes you owe, and is taken when you file your annual income tax return. Under current law, if you qualify, you can claim a Savers Tax Credit each year. The actual amount of your credit is based on your tax filing status and your Average Gross Income (AGI), which must not exceed the limits allowed by the IRS.

For more information on this tax credit, visit the IRS website at www.irs.gov.

OSGP is a 457 deferred compensation plan that provides public employees a convenient way to save for retirement. It allows employees of OSGP-participating employers to contribute a portion of their salary on a pre-tax basis.

Contributions and earnings continue to grow tax-deferred until distribution. All State of Oregon employees are eligible to participate in OSGP and other Oregon public employees are eligible to participate if their employer has adopted the Plan.

Participants can contribute up to 100% of their monthly salary or as little as \$25 per month as their before-tax contribution. The maximum annual contribution amount in 2007 is \$15,500 (\$20,500 if age 50), or 100 percent of income, whichever is less. Contributions are deducted automatically from the participant's paychecks.

For more information visit OSGP on the web at: osgp.csplans.com or call 503-378-3730 or 800-365-8494 (toll free).

Perspectives schedule

In the future, *Perspectives* will be published three times a year instead of quarterly with issues in December, April, and August each year. The schedule change begins with the December 2007 issue.

Insurance (continued from page 2)

This will most likely be the last chance retirees or dependents will have to enroll in the PERS-sponsored insurance plans.

Retirees with more than eight years of qualifying service who do not enroll in a PERS-sponsored Medicare supplemental health insurance plan pass up a \$60 per month premium contribution as well as the opportunity to enroll in an excellent health insurance plan.

Online Survey

Does PERS Customer Service meet your expectations? How can we improve?

Please take a short survey posted on the PERS web site at: <http://oregon.gov/PERS>. The survey will be available through August 31, 2007. We will provide the results in a future issue of *Perspectives*.

Perspectives is published by the Oregon Public Employees Retirement System for the benefit of PERS/OPSRP members and employers. Address all correspondence to **PERS, P.O. Box 23700, Tigard, OR 97281-3700**. PERS headquarters office is at **11410 SW 68th Parkway, Tigard, Oregon**. **Phone 503-598-PERS** or toll-free **888-320-7377**; **TTY: 503-603-7766**. Telephone hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, except holidays. PERS' Internet address is <http://oregon.gov/PERS>.

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PERS Presentations: August - December 2007

Registration is required. Register through the PERS website (<http://oregon.gov/PERS>) in the Education Sessions section. All presentations are free, including the financial planning sessions. Space is limited.

One-Year PERS Presentations

For members within *one* year of retirement

Ashland/Med.	Aug. 22, 23
Bend	Aug. 13, 14
Coos Bay	Sep. 17
Eugene/Spgfld	Sep. 18; Oct. 16*; Nov. 21; Dec. 19
Gresham	Aug. 9*; Oct. 2; Dec. 4
Hillsboro	Sep. 11; Oct. 9; Dec. 11
Hood River	Sep. 10
Medford	Oct. 23*
Oregon City	Nov. 7
Pendleton	Sep. 11
Redmond	Oct. 23
Roseburg	Aug. 20
Salem	Aug. 8, 16*; Oct. 10, 18*, 24; Nov. 14; Dec. 12
The Dalles	Sep. 6
Tigard	Aug. 11*, 13 , 27; Sep. 8*, 17; Oct. 1, 6*, 8, 15; Nov. 3*, <u>5</u> , 19, 26; Dec. 1*, 3, 10 (dates in bold type are for education staff; underlined dates are for P&F staff)

These sessions cover:

Individual Account Program (IAP) // Retirement eligibility and calculating the retirement benefit // Review of benefit estimate // Retirement option choices // Variable account after retirement // Work after retirement provisions // Health insurance // Cost-of-living adjustments // Taxes // Review of retirement application forms.

Dates followed by an asterisk (*) add financial planning information presented by PERS' education partner, American General Financial Advisors (AGFA). Additional topics covered at these sessions include: Social Security and Medicare // Coordinating PERS benefits with other income sources // Planning for changing income and expense needs // Investment strategies for retirement.

Five-Year PERS Presentations

For members within *five* years of retirement

Albany	Nov. 1
Ashland/Med.	Aug. 22
Astoria	Aug. 28
Bend	Aug. 14; Oct. 11*, 23
Coos Bay	Sep. 18
Corvallis	Sep. 6; Oct. 8*; Nov. 7
Eugene/Spgfld	Aug. 17*; Sep. 18; Nov. 15*, 21
Gresham	Aug. 7; Oct. 10*; Nov. 6
Hillsboro	Nov. 13
Klamath Falls	Aug. 16
La Grande	Sep. 12
Ontario	Sep. 13
Oregon City	Nov. 27
Roseburg	Aug. 21
Salem	Aug. 8; Sep. 11*Oct. 24; Nov. 13*; Dec. 12
Tigard	Aug. 25*; Sep. 22*, 24; Oct. 20*, 22; Nov. 17*; Dec. 15*, 17

These sessions cover:

Individual Account Program (IAP) // Review of Benefit Estimate Calculator // Retirement benefit information // Work after retirement provisions.

Dates followed by an asterisk (*) add financial planning information presented by PERS' education partner, American General Financial Advisors (AGFA). Additional topics covered at these sessions include: Social Security and Medicare // Coordinating PERS benefits with other income sources // Planning for changing income and expense needs.

Other group counseling sessions...

Early Career: retirement benefit information for PERS/OPSRP members hired January 1, 1996, or after.

Completing Your Retirement Forms: for those retiring within one year, this online session is an overview of the PERS and IAP service retirement application forms.

Oregon Savings Growth Plan Workshops: learn about the benefits of tax-deferred investing.

Visit the Education Sessions section of the PERS website (<http://oregon.gov/PERS>) for more information.