

JUDGE MEMBER'S HANDBOOK

**A Summary of PERS Judge
Member Benefits**

Revised January 2008



PERS Mission

We are a well-respected organization that serves our members by enabling informed retirement and health benefits decisions and delivering retirement and health benefits, effectively and efficiently.

In keeping with the Americans with Disabilities Act, this handbook can be provided in an alternative format, which you can request by calling 503-598-7377, 888-320-7377 (toll free), or 503-603-7766 (TTY).

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PERS Judge Member Program

***Disclaimer:** This handbook is not a legal reference and is not a complete statement of the laws or PERS administrative rules. In any conflict between this handbook and Oregon laws or administrative rules, the laws and administrative rules shall prevail.*

Membership in the Judge Member Program

This handbook provides you with basic information about the Judge Member Program and benefits from the Judge Member Fund.

Legislation in 1983 (ORS 238.500 to 238.585) created the PERS Judge Member Program, which allowed the transfer of all sitting judges covered under the Judges Retirement Fund to the Judge Member Program. It also allowed the transfer of district court judges who were previously considered regular PERS members. The Judge Member Program now automatically includes any judge of the Oregon Supreme Court, Court of Appeals, Oregon Tax Court, and Circuit Courts.

Generally, if you are a judge elected or appointed on or after January 1, 1984, you automatically become a judge member of PERS on the date you took office and are not covered under the original Judges Retirement System under ORS 1.314 to 1.380 (ORS 238.505(1)). As a judge member, you may retire pursuant to ORS 238.535(1)(a), referred to as *Plan A*, or pursuant to ORS 238.535(1)(b), referred to as *Plan B*.

If age prevents you from making the required contributions during each of five calendar years at or before reaching 75 years of age (the mandatory retirement age for judges), you cannot become a judge member. Any contributions remitted on your behalf will be sent back to your employer.

Membership in the Individual Account Program

As a judge member, you will not have an Individual Account Program (IAP) account unless you have prior membership in the PERS Chapter 238 Program, the Individual Account Program (IAP), or the Oregon Public Service Retirement Plan (OPSRP) Pension Program. Refer to following links on the PERS website under A–Z Quick Answers for Members:

- Tier One/Tier Two & IAP
- OPSRP & IAP

When you request a judge member estimate from PERS, you will automatically receive information on all PERS benefits available to you.

If you have prior membership in another PERS retirement plan, you will receive a separate benefit check for non-judge benefits.

Records The Personnel Division of the Office of the State Court Administrator in Salem keeps judicial payroll records and some service records. For information, call 800-962-0736 (toll free) or 503-986-5930.

Your Social Security Number PERS must have your correct Social Security number to report all benefit and refund payments to the IRS. Statutory authority for this use of a Social Security number is found in Section 6109 of the Internal Revenue Code.

Keeping in Contact with PERS If you leave PERS-covered employment without withdrawing your member account, notify PERS of any changes in your name or mailing address by completing the Information Change Request form located on the PERS website.

If you need a copy of your annual statement, send a written request to the PERS Customer Service Center. You will find PERS contact information in the back of this handbook.

After you retire, please keep PERS informed of your correct name and address so you will continue to receive 1099Rs, *Perspectives* (PERS' newsletter), retiree health insurance enrollment notices, and other important information.

Provisions of the PERS Judge Member Program

Contributions and Earnings As a judge member, you contribute 7 percent of your gross monthly salary to the Public Employees Retirement Fund. The state shall pick up, assume, or pay the full amount of these contributions (ORS 238.515). Your salary is subject to contributions beginning on your hire date. PERS uses these contributions to fund your retirement plan benefits.

Judge member accounts receive earnings based on the rate approved by the PERS Board.

Variable Annuity Program **Important:** You cannot participate in the Variable Annuity Program if you (1) became a member of the Judge Member Program after June 30, 2003, or (2) were a judge member on June 30, 2003, and chose not to participate in the program on or before that date. If you were a judge on June 30, 2003, and were participating in the Variable Annuity Program, you may continue to contribute to the program.

If you had a variable account on December 31, 2003, it will continue to be credited with earnings unless you choose a one-time variable transfer.

Earnings or losses are applied to the portion of your account balance in the Variable Annuity Program based on investment returns.

If you have participated in the variable account, at the time of your retirement you can (1) transfer all the money you have in your variable account into your regular account or (2) continue to participate in the variable account.

Your decision to transfer is irrevocable 60 days after the date of your first benefit payment.

If you continue to participate in the variable account after retirement, the variable annuity portion of your benefit will be valued on a 12-month period ending October 31, increasing or decreasing your monthly benefit beginning with your February 1 payment.

Effect of Variable Participation on Plan A and Plan B Calculations

When you retire, PERS uses formulas provided by statute to compute your benefit, with a maximum benefit cap of 65 percent of final average salary under Plan A or 75 percent of final average salary under Plan B. After calculating the retirement benefit, PERS adjusts the benefit up or down based on variable account earnings or losses.

The portion of your monthly benefit funded by the Variable Annuity Program will increase or decrease annually if you remain in the variable account after retirement. The variable adjustment could result in a retirement allowance greater or less than 65 percent and 75 percent for Plans A and B, respectively. An example of a variable adjustment is illustrated on page 9.

For information regarding the differences between Plans A and B, see Appendix A.

Member Annual Statement

After the Board sets final earnings rates each year, PERS prepares a detailed statement of each non-retired judge member's account balance. PERS mails the statements in late spring to active and inactive judge members.

Your statement shows:

- the total balance for judge and non-judge member accounts as of the previous December 31,
- earnings credited for the prior year,
- contributions to your account for that year, and
- your participation in the Variable Annuity Program.

Beneficiary Designation

You can change your beneficiary designation at any time before receiving your first benefit payment by completing the Pre-Retirement Designation of Beneficiary form. Review your designation annually, and change it if your situation warrants.

Your beneficiary can be any person or the personal representative of your estate or a trustee you named to execute an express trust. You must make any changes to your beneficiary designation on a PERS Designation of Beneficiary form (ORS 238.565(1)).

Designation of Beneficiary Form

Pre-Retirement Designation of Beneficiary forms are available from the Office of State Court Administration or online at <http://oregon.gov/pers>. Mail your completed form directly to PERS. Beneficiary changes do not become effective until PERS accepts the form.

Election to Withdraw Funds

You may elect to withdraw the amount credited to your judge member account if you:

- have not attained the age of 60,
- separate from all service with PERS-participating employers and employers treated as part of any PERS-participating employer's control group,
- separate for any reason other than death or disability, and
- have separated from all PERS-covered employment for one full calendar month following the month of your separation date.

You must submit an Account Balance Withdrawal Application to obtain the funds. The form is available online at <http://oregon.gov/pers> or by calling 503-598-7377 or toll free at 888-320-7377.

A withdrawal cancels all membership rights in the retirement system, including the right to claim credit for service time as a judge member prior to withdrawal.

Vesting

You are vested, even if you terminate employment, when you (1) have made contributions to the Judge Member Fund in each of five calendar years before reaching age 75 and (2) have not withdrawn funds from your account.

Once you are vested, you retain your account even if you terminate employment that entitles you to judge membership. You will be entitled to death benefits, a disability retirement allowance, or service retirement benefits if you meet statutory criteria.

Loss of Membership

If you are not vested effective January 1 of the year following five non-contributing years, you will go into loss-of-membership status. You will then be eligible to receive a refund of your judge member account balance.

Service Retirement Benefits and Planning for Retirement

Requesting a Benefit Estimate

If you are vested and within five years of retirement, you may request a benefit estimate for retirement planning purposes. Write to: PERS, Judge Member Benefit Coordinator, PO Box 23700, Tigard, OR 97281-3700. When requesting an estimate, please include:

- your name and mailing address,
- your Social Security number,¹
- a daytime telephone number,
- the date or age you would like to retire (up to two dates in a calendar year are allowed per request),
- whether you want your estimate based on Plan A and/or Plan B, and
- the name and birth year of your anticipated beneficiary at retirement.

Compulsory Retirement Age

The Oregon Constitution requires judge members to retire from judicial office at the end of the calendar year in which they attain age 75 (Oregon Constitution, Art. VII (AM) Sec. 1a and ORS 238.525).

Earliest Retirement

When you have vested and reached the age of 60, you are entitled to a monthly retirement allowance for life (non-refund).

Your benefits payable under Plan A are reduced by 8 percent for each year under age 65 (ORS 238.535(5)). For example, if you retire at age 60 with a gross monthly benefit calculated at \$3,000, you will receive a benefit reduced by 40 percent, for a total \$1,800 gross monthly benefit. Benefits are not reduced for early retirement between the ages of 60 and 65 under Plan B (ORS 238.535(1)(b)). (See pages 7–8 for examples of how PERS calculates benefits under Plans A and B.)

Effective Retirement

Your effective retirement date is the first day of the month following the last day you worked or the first of the month in which PERS receives your application for benefits, whichever is later. You may choose to apply for a later effective retirement date, but by doing so you forfeit any benefits you would have been eligible to receive had you retired earlier.

Monthly benefit payments are dated the first day of the following month. You can expect to receive your first benefit payment 30 to 92 days after your effective retirement date. If your first payment is delayed, you will receive payment retroactive to your effective retirement date.

1. Providing your Social Security number (SSN) is voluntary. If you choose not to supply your SSN, it may take PERS staff longer to process your form.

After you determine your retirement date, contact PERS to request a retirement application and any other forms needed to begin your retirement benefits. The forms are also available online at <http://oregon.gov/pers>.

**Plan Election
Required before Age
60**

You must choose your benefit plan before age 60; if you fail to make an election before age 60, PERS will automatically assign you Plan A. The opportunity to make an election is irrevocable after you reach age 60 (ORS 238.535).

Plan B is administered by the rules of the chief justice. The State Court Administrator's office will mail JRB Form 1 to you 90 days before you turn age 60.

If you also have other classifications of service in PERS (i.e., Police and Fire, General Service, OPSRP, or other membership classifications), you may only elect either Plan A or Plan B for your judge member service. For non-judge member service time, you must choose from options available to PERS or OPSRP members.

Final Average Salary

There are two plans, A and B, under which you can retire. For calculations used in those plans, your final average monthly salary will be the greater of the amounts below divided by 36 months:

- your last 36 months of salary as a judge member or
- your highest three calendar-year salaries during your career as a judge member in PERS-covered employment.

Creditable Service

PERS uses creditable service (retirement credit) to calculate retirement benefits under Plans A and B. Creditable service is the number of years and months of PERS employment accrued as a judge member in which salary was earned and contributions were made. You earn one month of creditable service for each month in which you work a major fraction of that month, regardless of how many PERS-participating employers you are working for at one time. You must be employed at least 50 hours a month to receive one month of creditable service.

It takes 28 years of judge member creditable service to obtain the maximum benefit under Plan A and 23.54 years under Plan B. Regardless of creditable service, the law limits benefits to a maximum of 65 percent of final average salary for Plan A and 75 percent of final average salary for Plan B.

Plan A Calculation

The Plan A calculation uses final average salary, creditable service, and a statutory percentage to determine a monthly benefit, as follows:

(2.8125% of final average annual salary) x (years and months of creditable service to a maximum of 16 years)

plus

(1.67% of final average annual salary) x (years and months of creditable service in excess of 16 years)

Example

(Assumes an annual salary of \$111,132.00 and service time of 20 years.)

$\$111,132.00 \times 3 \text{ years} = \$333,396.00$ (final average salary)

$\$333,396.00 / 36 \text{ months} = \$9,261.00$ (final average monthly salary)

$2.8125\% \times \$9,261.00 = \260.47

$\$260.47 \times 16 \text{ years} = \$4,167.52$ annual benefit

$1.67\% \times \$9,261.00 = \154.66

$\$154.66 \times 4 \text{ years} = \618.64 annual benefit

$\$4,167.52 + \$618.63 = \$4,786.15$ annual monthly benefit (52 percent of final average salary)

Plan A Restrictions

Plan A is subject to the following restrictions:

- 1) The monthly amount of your pension (non-refund) shall not exceed 65 percent of final average salary (ORS 238.535(1)(a)).
- 2) Payment will be reduced by 8 percent for each year under age 65 at retirement (ORS 238.535(5)).

Plan B Calculation

The Plan B calculation uses final average salary, creditable service, and a different statutory percentage than Plan A because of the requirement to serve as a *pro tem* judge:

(3.75% of final average annual salary) x (years and months of creditable service to a maximum of 16 years)

plus

(2% of final average annual salary) x (years and months of creditable service in excess of 16 years)

Example

(Assumes an annual salary of \$111,132.00 and service time of 20 years.)

$\$111,132.00 \times 3 \text{ years} = \$333,396.00$ (final average salary)

$\$333,396.00 / 36 \text{ months} = \$9,261.00$ (final average monthly salary)

$3.75\% \times \$9,261.00 = \347.29

$\$347.29 \times 16 \text{ years} = \$5,556.64$ annual benefit

$2\% \times \$9,261.00 = \185.22

$\$185.22 \times 4 \text{ years} = \740.88 annual benefit

$\$5,556.64 + \$740.88 = \$6,297.52$ annual monthly benefit (68 percent of final average salary)

Plan B Restrictions

Plan B is subject to the following restrictions:

- 1) The monthly amount of the pension (non-refund) shall not exceed 75 percent of final average salary (ORS 238.535(1)(b)).
- 2) There is no actuarial reduction for retirement before age 65. There is, however, a requirement to provide service as a *pro tem* judge for five years.

Service as a *Pro Tem* Judge under Plan B

If you retire under Plan B, you must serve as a *pro tem* judge without compensation for 35 days a year for a period of five years. The Oregon Supreme Court must approve your application to serve as a Plan B *pro tem* judge. If the Supreme Court does not approve your application, you will be required to retire under Plan A.

If you serve more than 35 days per year, you may carry over the additional days to help fulfill your *pro tem* service obligation in future years.

The five-year period will commence on your retirement date or the date on which you commence *pro tem* service under ORS 238.535(1)(c) or 238.545(4), whichever is earlier.

If approved by the chief justice of the Supreme Court, an inactive judge member who elects to retire under Plan B may commence to serve the *pro tem* service obligation before the judge member's retirement date.

This program is administered by rules of the chief justice (ORS 238.535(1)(c)). All rules and forms required to make the election are available by contacting the Office of the State Court Administrator, 1163 State Street (Supreme Court Building), Salem, OR 97301-2563; telephone: 503-986-5900; fax: 503-986-5503.

Note: Non-compliance with Plan B requirements will result in a reversion to Plan A benefits. (Also see ORS 1.310, “Involuntary Retirement of Judges for Disability.”)

Variable Adjustment at Retirement

If you participated in the variable account, PERS calculates the earnings on your account balance against what the funds would have earned in the regular account. That difference is multiplied by an annuity factor based on the member’s age at retirement. The result is added to or subtracted from the judge member benefit calculation under Plan A or Plan B.

Example

Variable account at retirement:	\$75,000.00
Variable contributions with regular interest:	<\$50,000.00>
	\$25,000.00

Annuity adjustment: $\$25,000.00 \times .00786$ (factor for age 60)
= \$196.50 per month

Judge Member Plan B Calculation with Variable Adjustment

Variable account exceeds regular earnings:
 $\$6,297.52 + \$196.50 = \$6,494.02$ monthly retirement benefit

If the variable account was \$25,000.00 less than what those contributions would have earned in the regular account, the Plan B allowance would be reduced by \$196.50.

Variable Adjustment after Retirement

The variable portion of your monthly benefit will increase or decrease annually if you remain in the variable account after retirement. The variable adjustment could result in a retirement allowance greater or less than 65 percent and 75 percent for Plans A and B, respectively. Refer to “Variable Annuity Program” on pages 2–3 for additional information.

Cost-of-Living Adjustment

Every monthly retirement allowance or pension payable to you or your surviving spouse may be adjusted annually to reflect the cost-of-living percentage increase or decrease, as provided in ORS 238.360 and ORS 238.575(1). The maximum annual cost-of-living increase or decrease is 2 percent of the retirement allowance. Your August 1 benefit payment will include this adjustment if applicable.

Other Adjustments

If you qualify, your benefit may be augmented by *ad hoc* increases pursuant to ORS 238.575. You may receive one of the following *ad hoc* increases—designed to remedy the state income taxation

of your benefit—depending on which one provides the greatest increase:

- The 1995 Legislature passed HB 3349 (ORS 238.380), which provides a maximum 9.89 percent benefit increase as a remedy for Oregon personal income taxation. The HB 3349 formula increases pension benefits earned for service time before October 1, 1991, and the benefit increase percentage is based on how much of your service time occurred before October 1, 1991, compared to service after that date.
- ORS 238.385 (SB 656, 1991) provides a retirement allowance increase based on your years of service. This increase ranges from 1 to 4 percent.

You must have been a member of PERS before July 14, 1995, to qualify for this benefit increase.

Direct Deposit

You may elect to have your monthly benefits automatically deposited into your checking or savings account. This will ensure that your payments are deposited on the first working day of the month, even if you are traveling or ill. It also helps prevent lost or stolen checks.

PERS may send your first check to your home while it validates the bank routing for accuracy.

Retroactive payments, however, cannot be direct deposited and will be mailed to the address PERS has on file for you.

Direct deposit forms are available at all PERS offices or online at <http://oregon.gov/pers>.

Purchases

You may purchase additional time or forfeited time to add to the retirement credit used to calculate your retirement benefits. PERS performs separate monthly retirement benefit calculations for judge member time and non-judge member time. Depending on your work history, you may be eligible to purchase judge member time and non-judge member time.

For a list of purchases offered, refer to A – Z Quick Answers for Members on the PERS website.

The following conditions apply to purchases:

- Some purchases require at least ten years of retirement or service credit since employment.
- The purchase must be made in one payment. (Multiple purchases can be combined into one payment.)
- Some purchases must include any interest compounded to the effective retirement date.

- General service retirement benefits cannot be paid under a lump-sum retirement option when the purchase is for forfeited time.
- Most purchases must be made in the 90-day period before the effective retirement date.

Non-Judge Member Time

If you participated in either the PERS Chapter 238 Program (Tier One/Tier Two) or the Oregon Public Service Retirement Plan (OPSRP) Program in a General Service or Police and Fire classification, separate benefits and calculation formulas apply. When you request an estimate, you will automatically receive information on the benefits accrued under these programs.

Reductions in PERS Benefits**Divorce**

Your PERS benefits may be subject to court action in a divorce. For more information, request PERS publication *General Information on Divorce and PERS Benefits* by calling 503-598-7377 or toll free at 888-320-7377.

If you enter into a prenuptial or ante-nuptial agreement that gives your spouse no right or claim to PERS benefits, you can be considered to have no spouse for beneficiary purposes. The prenuptial or ante-nuptial agreement must be filed with PERS before your death. (See “Benefits for a Former Spouse” on page 14 if you choose to have some or all of your benefits paid to a former spouse following your death.)

Support Obligations

Your PERS benefits may be subject to court action for the payment of spousal, child, or other types of support under the provisions of ORS 238.445.

Tax Liens

Your PERS benefits may be subject to state or federal tax liens.

Recovery of Overpayments

Oregon law requires PERS to recover any improperly made payment, including overpayment of benefits. Recovery may include reducing future benefit payments.

Taxes**Benefits are Taxable**

PERS benefits are subject to federal and Oregon state income taxes in the same manner as other post-retirement benefit income. Taxable amounts are any amounts on which you have not already paid income tax and include contributions picked up by your employer. Your surviving beneficiary may also owe state inheritance and federal estate taxes.

You may qualify for *ad hoc* increases to offset the Oregon state income tax (see page 9, “Other Adjustments”).

If you are not an Oregon resident as determined by the Oregon Department of Revenue, your benefits are not subject to Oregon income tax, based on federal law effective January 1, 1996.

It is advisable to consult with your local IRS office or professional tax advisor for help computing tax liability and for tax return preparation.

Tax Withholding

You can elect to have PERS withhold federal and Oregon state tax deductions from monthly benefit payments by completing IRS Form W4-P. If you reside outside of Oregon, contact the appropriate agency in the state where you live to determine if there is a state tax on your benefits and, if so, to make arrangements for tax payments. By January 31 of each year, PERS mails tax reporting forms for benefits paid during the previous year to retired members.

Tax Penalties for Withdrawing Funds

Withdrawn funds are subject to federal income taxes plus an additional 10 percent federal income (premature distribution) tax penalty unless you elect a direct-transfer rollover into an individual retirement account (IRA) or other qualified plan.² You can roll over only the taxable portion of your withdrawal. PERS must withhold 20 percent federal tax on the taxable portion of your withdrawal. If you are contemplating an early distribution and choose not to make a rollover, we suggest you consult your tax adviser.

Disability Retirement

Benefits

There are two types of disability retirement: duty (job-caused) and non-duty (ORS 238.555).

If you meet the disability criteria, you will receive a monthly pension equal to your service retirement allowance had you served until age 65 under Plan A or an amount equal to 45 percent of your final average salary, whichever is greater. (See “Final Average Salary” on page 6 for information on how PERS computes final average salary.)

Duty-Connected Disabilities

To be eligible for a duty-connected disability allowance, you must be:

- under age 65;
- found to be mentally or physically incapacitated for an extended duration as determined by medical examination;

2. The 10 percent penalty applies only to persons under age 59½.

- unable to perform any work for which you are qualified;
- disabled by injury or disease that was not intentionally self-inflicted; and
- disabled by injury or disease, where your employment was the efficient, dominant, and proximate cause of the disabling condition.

Non-Duty-Connected Disabilities

To be eligible for a non-duty-connected disability allowance, you must be:

- under age 65,
- found to be mentally or physically incapacitated as determined by medical examination for an extended duration,
- unable to perform any work for which qualified,
- disabled by injury or disease that was not intentionally self-inflicted, and
- have six or more years of service as a judge,

Applying for Disability

If you are an inactive member, you must file the application within five years of the last day you worked. Medical documentation must show that the disabling injury or illness has been continuous from the last day worked to the date PERS receives and accepts your application.

If you have terminated employment and you become disabled, you must apply within six months from your last day worked, and the medical documentation must show that your disabling injury or illness has been continuous from the last day you worked to the date PERS receives and accepts your application.

Death Benefits

Naming a Beneficiary

By law, PERS pays your death benefits to your surviving spouse or former spouse if your current spouse gave written consent granting your former spouse the right to all or a portion of your pension benefits (see “Benefits for a Former Spouse” on page 14). If there is no surviving spouse, PERS pays death benefits to your former spouse or beneficiary currently on file. In some cases, a judge member is considered to have no surviving spouse (see “Prenuptial and Ante-Nuptial Agreements” on page 14).

The law specifically provides death benefits for the surviving spouse or former spouse, but it is important to have a current beneficiary designation on file with PERS in case there is no surviving spouse or former spouse at the time of your death.

The Judge Member Program automatically provides a life pension for your spouse equal to two-thirds of the benefit amount you were receiving at the time of death.

Benefits for a Surviving Spouse

You may elect to provide additional benefits to your surviving spouse's pension above the standard two-thirds pension benefit, up to but not exceeding a 100 percent continuation of your benefits, by electing to receive a reduced retirement allowance before receiving your first retirement check (ORS 238.565(4)). Please ask PERS to calculate these additional options when you send an estimate request.

Benefits for a Former Spouse

You may elect at any time to have all or a portion of your pension benefits that would be paid to your surviving spouse paid to a former spouse upon your death. Your former spouse will receive benefits throughout his or her lifetime. At the time you choose to make the election, your current spouse must provide written consent to the election.

If you:

- do not have a surviving spouse at the time of your death, your former spouse will receive a life pension for only that part of the pension you specify in the election.
- have a surviving spouse and you elected to have the entire pension paid to the former spouse when you die, your surviving spouse will receive no benefit.
- elected to have a portion of your benefit paid to a former spouse, your surviving spouse will receive that portion of the pension not paid to the former spouse until the former spouse's death, at which time all pension benefits cease.

Pre-nuptial and Ante-nuptial Agreements

In regard to death benefits payable either before or after your retirement, you will be considered to have died with no surviving spouse if (1) you have entered into a pre-nuptial or ante-nuptial agreement that provides that your spouse shall have no right or claim to a surviving spouse's pension (ORS 238.565(6)(a)) and (2) a copy of either the pre-nuptial or ante-nuptial agreement has been filed with PERS before your death (ORS 238.565(6)).

The Board is not liable for payment to a non-spouse beneficiary if the pre-nuptial or ante-nuptial agreement was revoked and the Board was not notified.

Death Certificate Required

A member or representative of your family must call PERS at 503-598-7377 and report your death as soon as possible. PERS will request a photocopy of the death certificate.

Death Benefits before Retirement

Plan A Surviving Spouse Life Pension

If you have six or more years of service as a judge, die before retiring, and are not an inactive member performing *pro tem* service, your surviving spouse will receive a monthly life pension. The amount will be equal to two-thirds of the service retirement allowance you would have received under Plan A had you retired on the date of death (ORS 238.565(2)(a)).

Plan B Surviving Spouse Life Pension

If you are performing *pro tem* service under Plan B and die before retiring, your surviving spouse will receive a monthly life pension equal to two-thirds of the retirement allowance you would have received under Plan B had you retired on the date of death (ORS 238.565(2)(b)).

No Surviving Spouse

If you have six or more years of service as a judge, die before retiring, and have no surviving spouse, your beneficiary will receive a lump sum equal to the amount credited to your account on the date of your death (ORS 238.565(2)(d)). If you did not file a designation of beneficiary, the amount credited to your account on the date of your death will be paid to your estate.

Surviving Spouse Ineligible for Pension

If you die before retiring and served less than six years as a judge, your surviving spouse is not entitled to a pension. Instead, your surviving spouse will receive a lump sum equal to the amount credited to your account on the date of your death (ORS 238.565(2)(e)).

Death Benefits after Retirement

Member Benefits Stop at Death

The benefits due your beneficiaries when you die after retirement will be determined by the decisions you made at the time of retirement. A member or representative of your family must call PERS at 503-598-7377 or toll free at 888-320-7377 and report your death as soon as possible. PERS will request a photocopy of the death certificate. When a retired member dies, PERS stops the member's benefit payments. Any payments issued after you die must be returned to PERS.

After your death, PERS will notify any beneficiaries in writing of benefit eligibility. If no payments are due, PERS will notify the family in writing.

Surviving Spouse Life Pension

When you die after retiring, your surviving spouse will receive a life pension payable monthly. The pension will equal two-thirds of the retirement allowance you were receiving or were entitled to receive on the date of death unless you elected to provide additional

benefits to your surviving spouse or have a prenuptial or ante-nuptial agreement on file with PERS (see page 14 for more information).

Death of a Surviving Spouse

If your surviving spouse who was receiving a pension from your benefit account dies and there is a remaining balance in your account, your beneficiary will receive a lump-sum payment equivalent to the difference between your remaining retirement account balance and what has been paid in your retirement allowance and your surviving spouse's pension benefits (ORS 238.565(3)(b)).

No Surviving Spouse

When you die after retiring and have no surviving spouse and the total amount you received as retirement allowance totals less than the amount credited to your account on the date of retirement, your beneficiary will receive a lump-sum amount equal to the difference between the total amount received as retirement allowance and the amount credited to your account (ORS 238.565(3)(c)).

Unpaid Accrued Retirement Allowance

Any accrued retirement allowance due to you that is unpaid at the time of your death will be paid:

- first to your surviving spouse; or
- if there is no surviving spouse, then to your beneficiary; or
- if there is no surviving spouse and no beneficiary, then to the personal representative of your estate; or
- if none of the above apply and your estate will not be probated, then according to the purposes and in the manner provided in ORS 238.390(4) and ORS 238.565(5).

Health Insurance

Eligibility

As a retired judge member, you are eligible for health insurance for yourself, your spouse, and your eligible dependents under all plans offered through the PERS Health Insurance Program (ORS 238.410).

You are eligible to enroll in a PERS-sponsored plan within 90 days of your effective retirement date. You may also enroll at any time if you have been covered by another group health plan for two years immediately preceding enrollment. (In this case, you should enroll before your current coverage ends.) The enrollment form is located at <http://www.pershealth.com/members/forms.shtml>.

You may elect to have health insurance payments deducted from your monthly retirement payments by completing the Payment Option form found at <http://www.pershealth.com/members/forms.shtml>.

Health Insurance Administration

For information concerning enrollment eligibility or premiums, call the PERS Health Insurance Program at 503-224-7377 or 800-768-7377 (toll free). You may also write to the PERS Health Insurance Program at PO Box 40187, Portland, OR 97240-0187.

Retirement Health Insurance Account

The Oregon Legislature has established a Retirement Health Insurance Account from which PERS pays a monthly contribution toward the cost of a PERS-sponsored health insurance plan for eligible retired members (ORS 238.420).

Eligible PERS retirees receive a contribution of up to \$60 that is applied to their monthly health plan premium. In general, to be eligible for this contribution, you must:

- be enrolled in Medicare Part A (hospital) and Part B (medical),
- have a minimum of eight years of qualifying service time as a PERS member,
- be enrolled in a PERS-sponsored health plan, and
- receive a PERS retirement allowance.

Spouses and dependents are not eligible for this subsidy while you are living. Your surviving spouse may be eligible for this subsidy if your spouse is:

- enrolled in Medicare Parts A and B,
- enrolled in a PERS-sponsored health plan, and
- receiving a retirement allowance or benefit from PERS.

Retirement Health Insurance Premium Account

You are eligible for the Retirement Health Insurance Premium Account (RHIPA) if you **are not** Medicare eligible. ORS 238.415 requires the PERS Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by state employees who are not retired. The average difference is then paid to qualified retired state employees.

The percentage of the payment applied toward your premium is based on the length of time you participated in PERS. For example, if you have 30 or more years of PERS-qualifying service, you will receive 100 percent of the average payment, while a judge member with eight years of service will receive 60 percent.

You are qualified to receive this benefit if you (1) had eight or more years of qualifying service in the system at the time of retirement or (2) are receiving a disability pension calculated as if you had eight or more years of qualifying service but are not eligible for federal Medicare coverage.

Your non-Medicare eligible surviving spouse or dependent is eligible to receive the subsidy if he or she is (1) receiving a retirement benefit or allowance from PERS or (2) insured at the time you died and you retired on or after September 29, 1991.

Summary of Plan A and Plan B

	Plan A ¹	Plan B
Fully vested	After making contributions in each of five calendar years.	After making contributions in each of five calendar years.
Restrictions		Must serve as a <i>pro tem</i> judge without compensation for 35 days a year for a period of five years—Oregon Supreme Court must approve your application for Plan B. If you serve more than 35 days, you may carry over the additional days to fulfill <i>pro tem</i> service obligation in future years.
Eligible retirement age for full benefits	65	60
Monthly amount of the life pension²	Cannot exceed 65 percent of final average salary (FAS). Benefits are reduced 8 percent for each year you retired prior to age 65 (e.g., if you retire at age 60, your benefits will be reduced 40 percent).	Cannot exceed 75 percent of final average salary (FAS).
Monthly retirement benefit based on³	Final average salary, creditable service time (CST), and a statutory percentage.	Final average salary, creditable service time (CST), and a statutory percentage.

1. Before reaching age 60, you must pick a retirement plan. If you fail to do so, you will default to Plan A at retirement.
2. See pages 7–8 for information on how PERS calculates the benefit.
3. There are special calculation provisions for judges who had more than 28 years of judge service as of September 27, 1987.

**Investment
Earnings and
Distributions**

Year	Regular Account				Variable Account Actual %
	Tier One			Tier Two	
	Assumed Rate %	Actual %	Credited %	Actual %	
6/30/47		0.50	0.50	-	
6/30/48		1.24	1.24	-	
6/30/49		1.74	1.74	-	
6/30/50		1.88	1.88	-	
6/30/51		1.97	1.97	-	
6/30/52		1.88	1.88	-	
6/30/53		2.35	2.35	-	
6/30/54		2.15	2.15	-	
6/30/55		2.11	2.11	-	
12/31/55		1.08	1.08	-	
12/31/56		2.11	2.11	-	
12/31/57		2.31	2.31	-	
12/31/58		2.41	2.41	-	
12/31/59		2.60	2.60	-	
12/31/60		3.00	3.00	-	
12/31/61		3.29	3.29	-	
12/31/62		3.62	3.62	-	
12/31/63		3.68	3.68	-	
12/31/64		3.85	3.85	-	
12/31/65		3.86	3.86	-	
12/31/66		3.92	3.92	-	
12/31/67		4.11	4.11	-	
12/31/68		4.25	4.25	-	
12/31/69		4.65	4.65	-	
12/31/70		5.09	5.09	-	7.47
12/31/71		6.27	6.27	-	9.47
12/31/72		7.46	7.46	-	13.87
12/31/73		0.00	0.00	-	-16.39
12/31/74	5.50	0.00	5.50	-	-18.16
12/31/75	7.00	9.19	7.50	-	18.94
12/31/76	7.00	10.38	7.75	-	18.58
12/31/77	7.00	4.79	7.00	-	-2.62
12/31/78	7.00	7.37	7.00	-	7.03
12/31/79	7.50	12.32	11.09	-	20.40
12/31/80	7.50	16.92	13.00	-	29.94
12/31/81	7.50	4.37	7.50	-	-2.25
12/31/82	7.50	15.31	11.50	-	22.39
12/31/83	7.50	18.37	13.00	-	23.12
12/31/84	7.50	7.33	7.50	-	4.00
12/31/85	7.50	21.38	15.00	-	27.99
12/31/86	7.50	22.70	18.37	-	18.98
12/31/87	7.50	9.00	7.50	-	4.54
12/31/88	7.50	16.86	13.50	-	18.62
12/31/89	8.00	19.74	14.50	-	26.84
12/31/90	8.00	-1.53	8.00	-	-7.84
12/31/91	8.00	22.45	15.00	-	35.05
12/31/92	8.00	6.94	8.00	-	10.54
12/31/93	8.00	15.04	12.00	-	12.65
12/31/94	8.00	2.16	8.00	-	-1.76
12/31/95	8.00	20.78	12.50	-	29.92
12/31/96	8.00	24.42	21.00	24.42	21.06
12/31/97	8.00	20.42	18.70	20.42	28.87

Year	Regular Account				Variable Account
	Tier One			Tier Two	
	Assumed Rate %	Actual %	Credited %	Actual %	Actual %
12/31/98	8.00	15.63	14.10	13.63	21.45
12/31/99	8.00	24.89	11.33	21.97	28.83
12/31/00	8.00	0.63	8.00	0.54	-3.24
12/31/01	8.00	-7.36	8.00	-6.66	-11.19
12/31/02	8.00	-8.22	8.00	-8.93	-21.51
12/31/03	8.00	23.79	8.00	22.00	34.68
12/31/04	8.00	13.80	8.00	13.27	13.00
12/31/05	8.00	14.13	8.00	13.74	8.29
12/31/06	8.00	15.57	8.00	15.45	15.61

Important PERS Addresses and Telephone Numbers

Please telephone or address your correspondence to the proper PERS division as indicated on this and the following pages.

Public Employees Retirement System (PERS) Headquarters—Tigard

11410 SW 68th Parkway
Tigard, OR 97223

503-598-PERS (7377)
888-320-7377 (toll free)
503-603-7766 (TTY)
503-598-0561 (fax)

www.oregon.gov/pers

Mailing Address

P.O. Box 23700
Tigard, OR 97281-3700

Counseling Center, Portland Area

11410 SW 68th Parkway, Tigard
503-603-7799

PERS Salem Office and Oregon Savings Growth Plan (OSGP)

800 Summer Street NE, Suite 200
Salem, OR 97301

503-378-3730
800-365-8494 (OSGP only)
503-378-4942 (TTY)
503-378-5888 (fax)

www.oregon.gov/pers/osgp/index.shtml

PERS Insurance Program

P.O. Box 40187
Portland, OR 97240-0187

503-224-7377
800-768-7377 (toll free)
503-765-3452 (fax) or 888-393-2943 (fax)

www.pershealth.com

Judge Member Coordinator

503-431-8225

Customer Services

Customer Service 24-Hour Self-Service Line

503-598-7377
888-320-7377 (toll free)

- Personal account information
- Frequently asked questions
- Forms
- Publications

Tigard Customer Service

503-598-7377
888-320-7377 (toll free)

E-mail: customer-service.pers@state.or.us

M–F, 8:30 a.m.–5 p.m.

- General PERS information
- Member information
- Retiree information
- Disability information
- Death benefits information

Divorce Unit

503-603-7604
M–F, 8 a.m.–5 p.m.

- Support obligations

Employer Representatives

503-603-7788
888-320-7377 (toll free)
503-603-7626 (fax)
M–F, 8 a.m.–5 p.m.

E-mail: pers.edx.support@state.or.us

www.oregon.gov/pers/emp/contact_us.shtml

Requesting Information

Your file is confidential. If you request information on your account or authorize other individuals to do so, please submit your request in writing, with your signature. Facsimiles and photocopies will not be accepted.

