

2007 Earnings Crediting

The PERS Board adopted the following earnings factors and reserve amounts for calendar year 2007 at its March 28, 2008 meeting:

Accounts

- Tier One Member Regular 7.97%*
- Tier Two Member Regular 9.47%
- Individual Account Program 9.46%
- Variable 1.75%

2007 Reserving

Reserve	Balance Before 2007 Crediting (millions)	Final 2007 Crediting Amount (millions)	Final Ending Reserve Balance (millions)
Contingency	\$295.3	\$357.9	\$653.2
Tier One Rate Guarantee	\$1,635.4	\$253.8	\$1,889.2
Tier One Accounts	\$6,722.6	\$536.4	\$7,259.0
Tier Two Accounts	\$727.6	\$68.9	\$796.5
Employer	\$15,666.0	1,484.3	\$17,150.3
Benefits In Force	\$ 22,586.9	\$2,139.9	\$24,726.8
OPSRP Pension	\$257.8	\$17.3	\$275.1

Reserve Additions	Final Crediting (millions)
Earnings to Contingency Reserve	\$357.9
Earnings to Tier One Rate Guarantee	\$253.8
TOTAL RESERVE ADDITIONS	\$611.7
Effect by Reserve	
Contingency Reserve	\$653.2
Rate Guarantee Reserve	\$1,889.3
RESERVE TOTALS	\$2,542.5

* The Oregon Supreme Court awarded fees and costs to the plaintiff's attorneys in the *Strunk* case in October 2007. The case restored annual earnings crediting at the assumed rate (currently 8 percent) to Tier One member regular accounts. At the direction of the Oregon Supreme Court, the attorneys representing Tier One members are entitled to \$1,394,566 to be paid from earnings that would otherwise be credited to Tier One members for 2007. After crediting 8 percent to Tier One regular accounts for 2007, a portion of that 8 percent was used to pay the attorney fees/costs as directed by the Oregon Supreme Court. The PERS Board approved a 2007 earnings crediting rate of 7.97 percent after subtracting from Tier One regular account earnings for the plaintiff's attorney fees/costs.