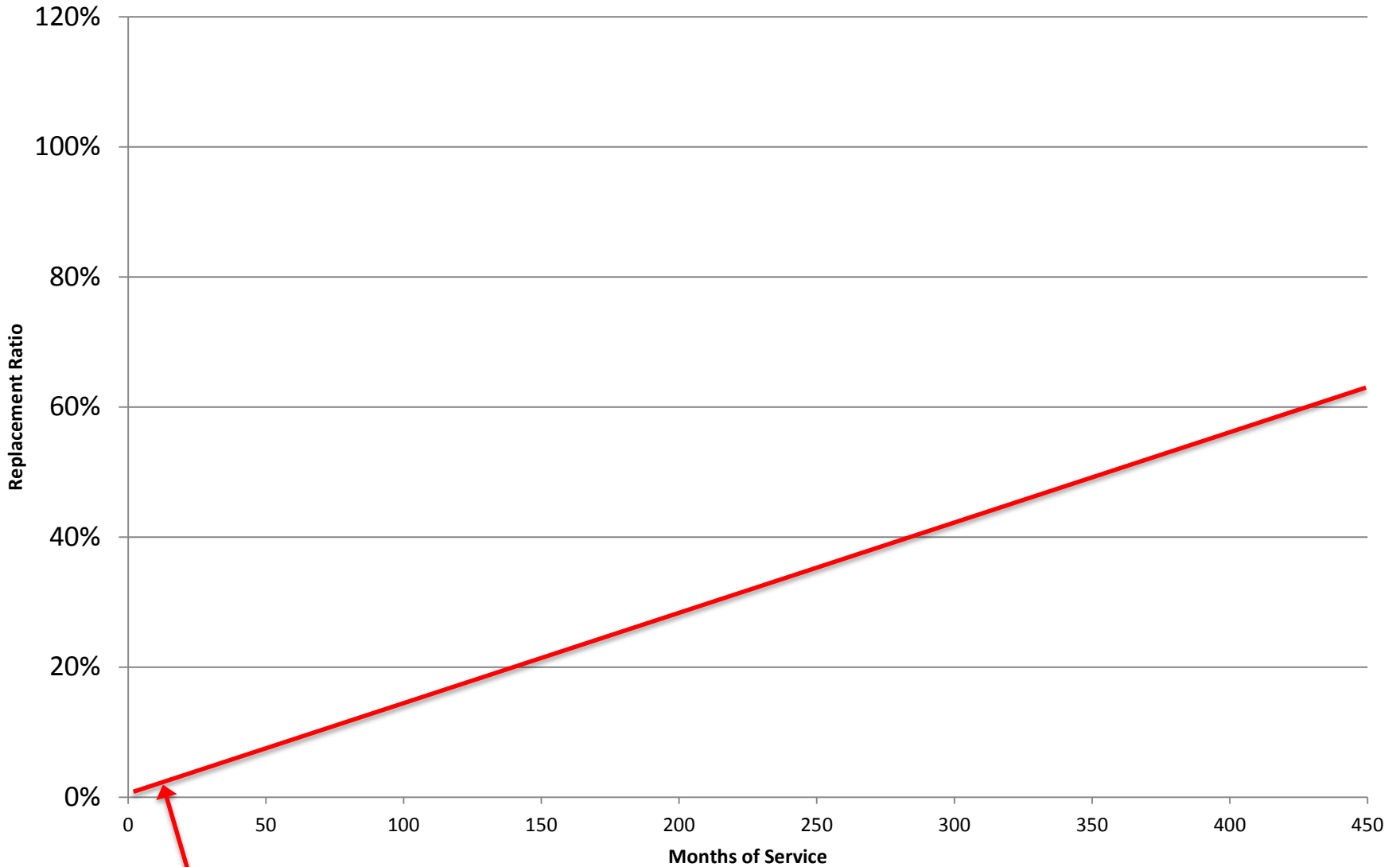


PERS: How did we get here?

Different Ways to Run into Trouble with a Public Pension System

1. Design an expensive program
2. Defer or delay contributions to fund the system – regardless of its generosity

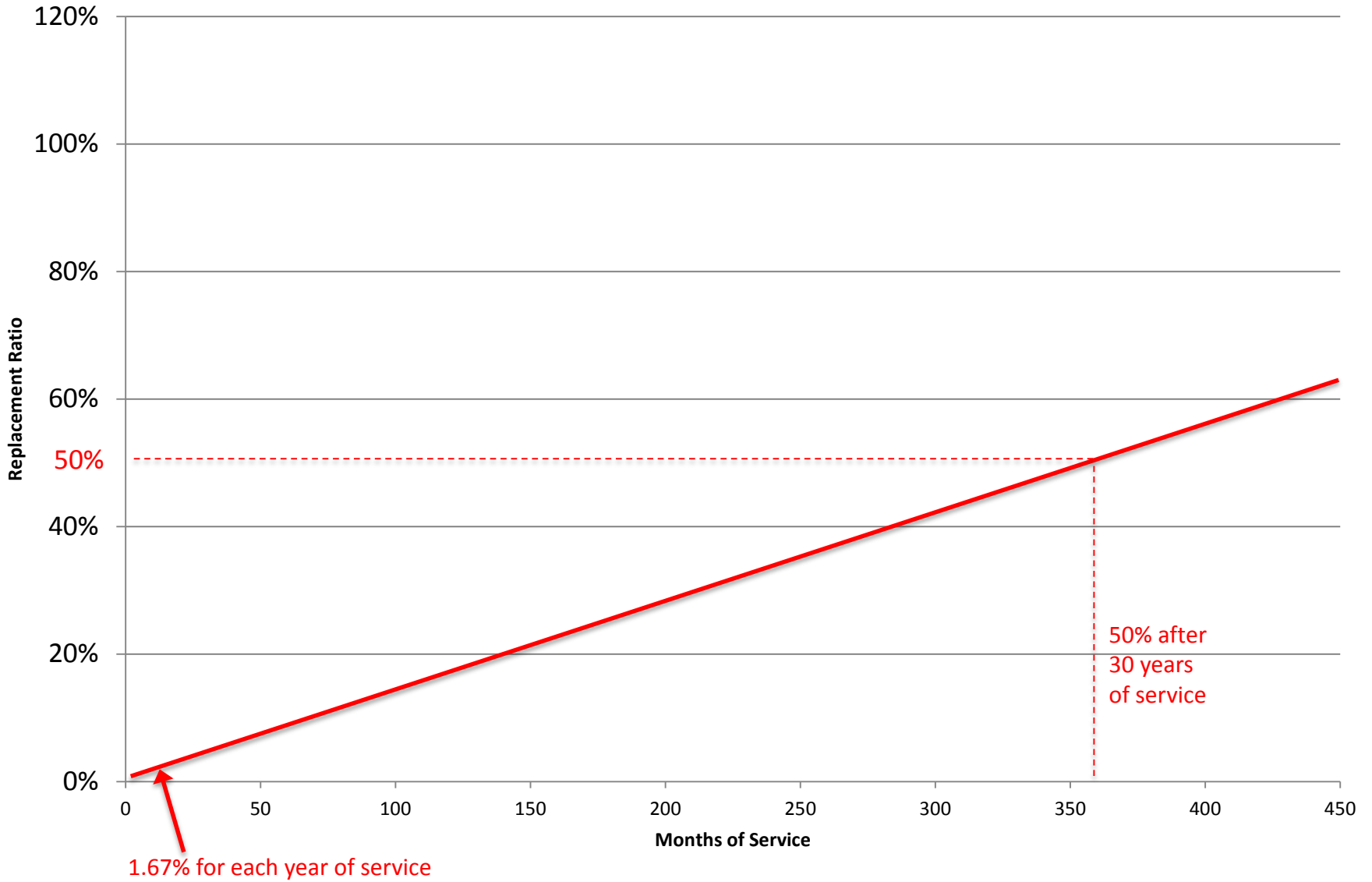
How the Tier 1 Full Formula Works



1.67% for each year of service

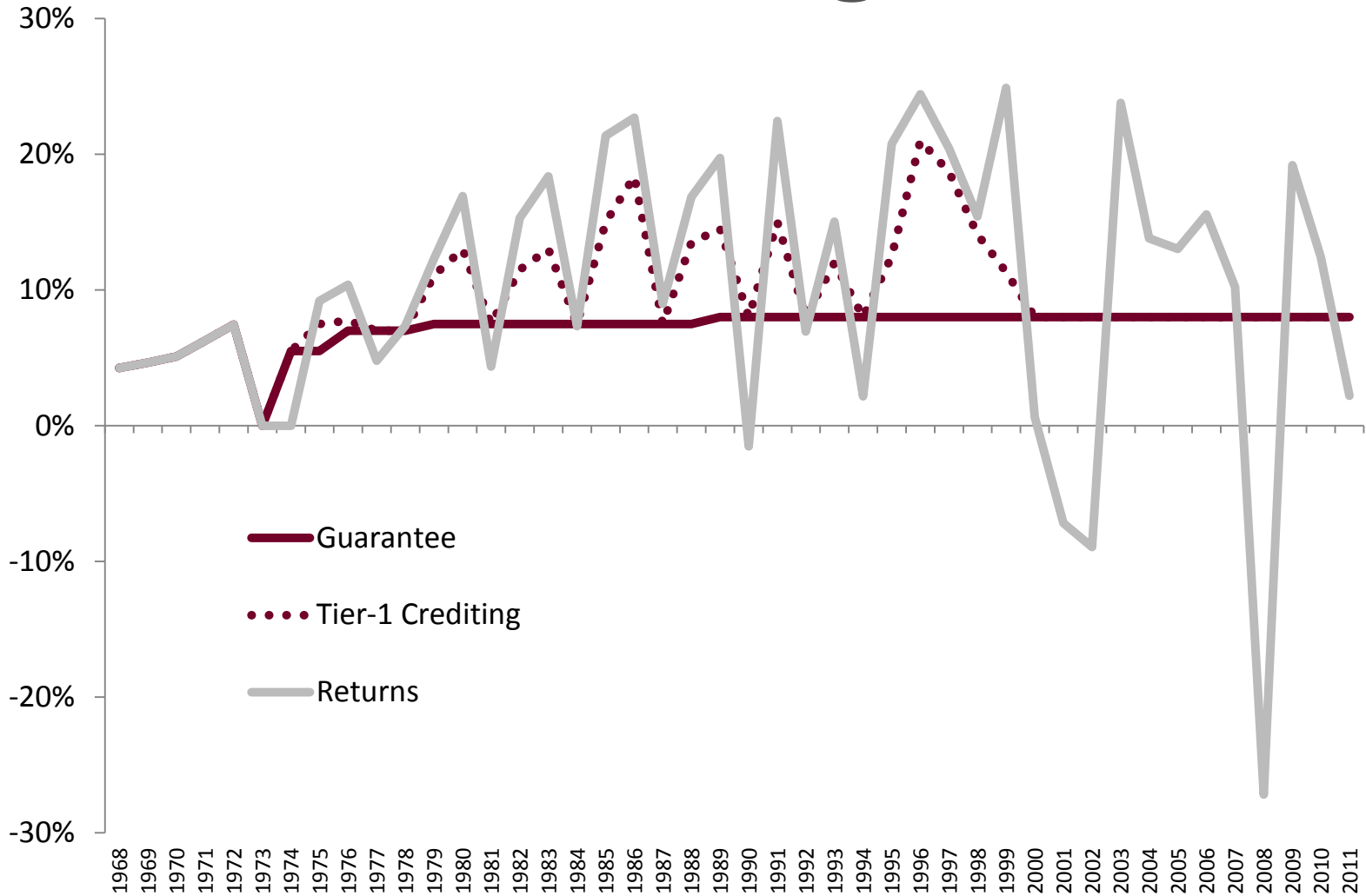
Note: Police and fire receive 2% per year of service.

How the Tier 1 Full Formula Works



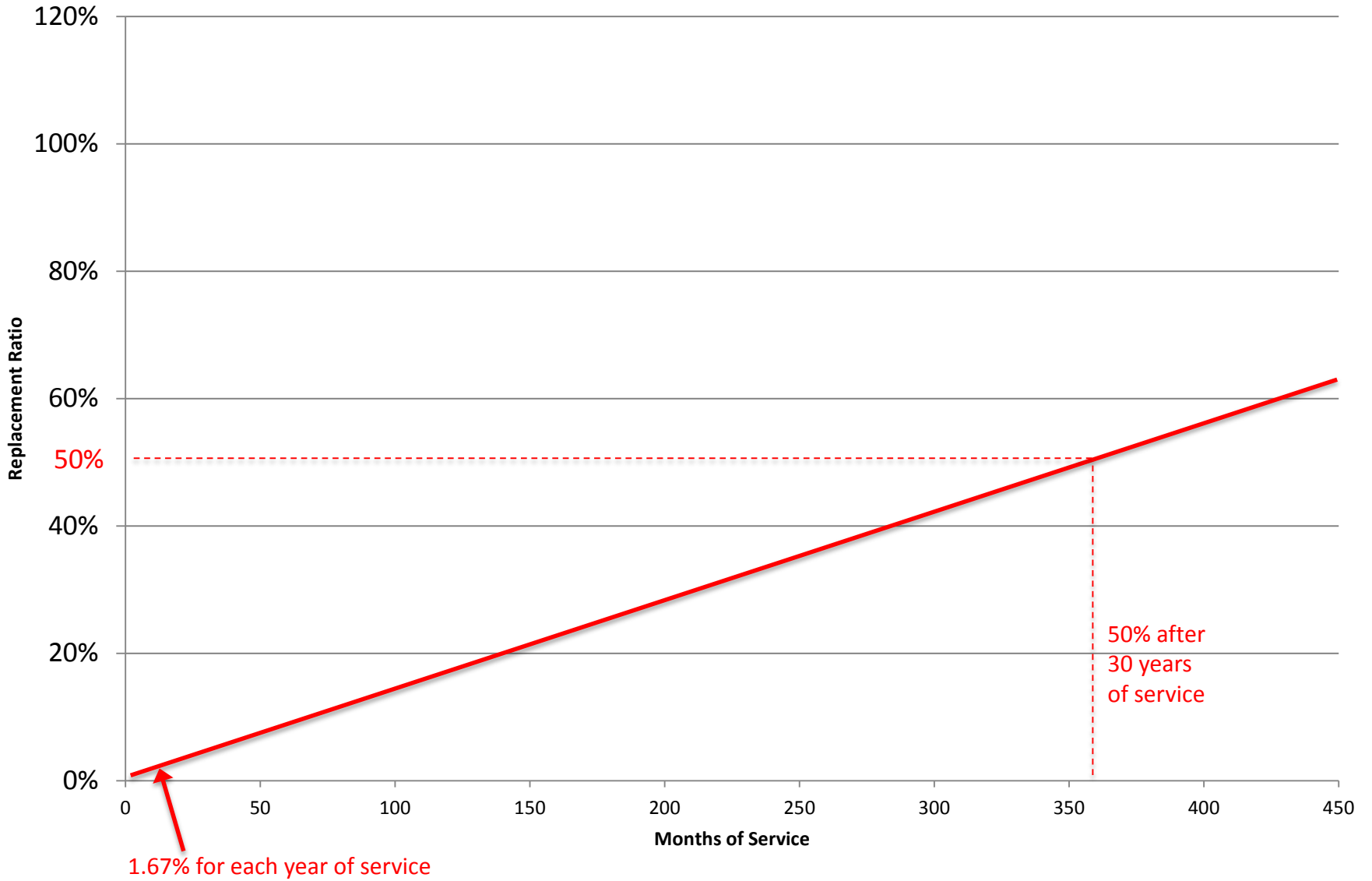
Note: Police and fire receive 2% per year of service.

Guaranteed Rates and Excess Crediting

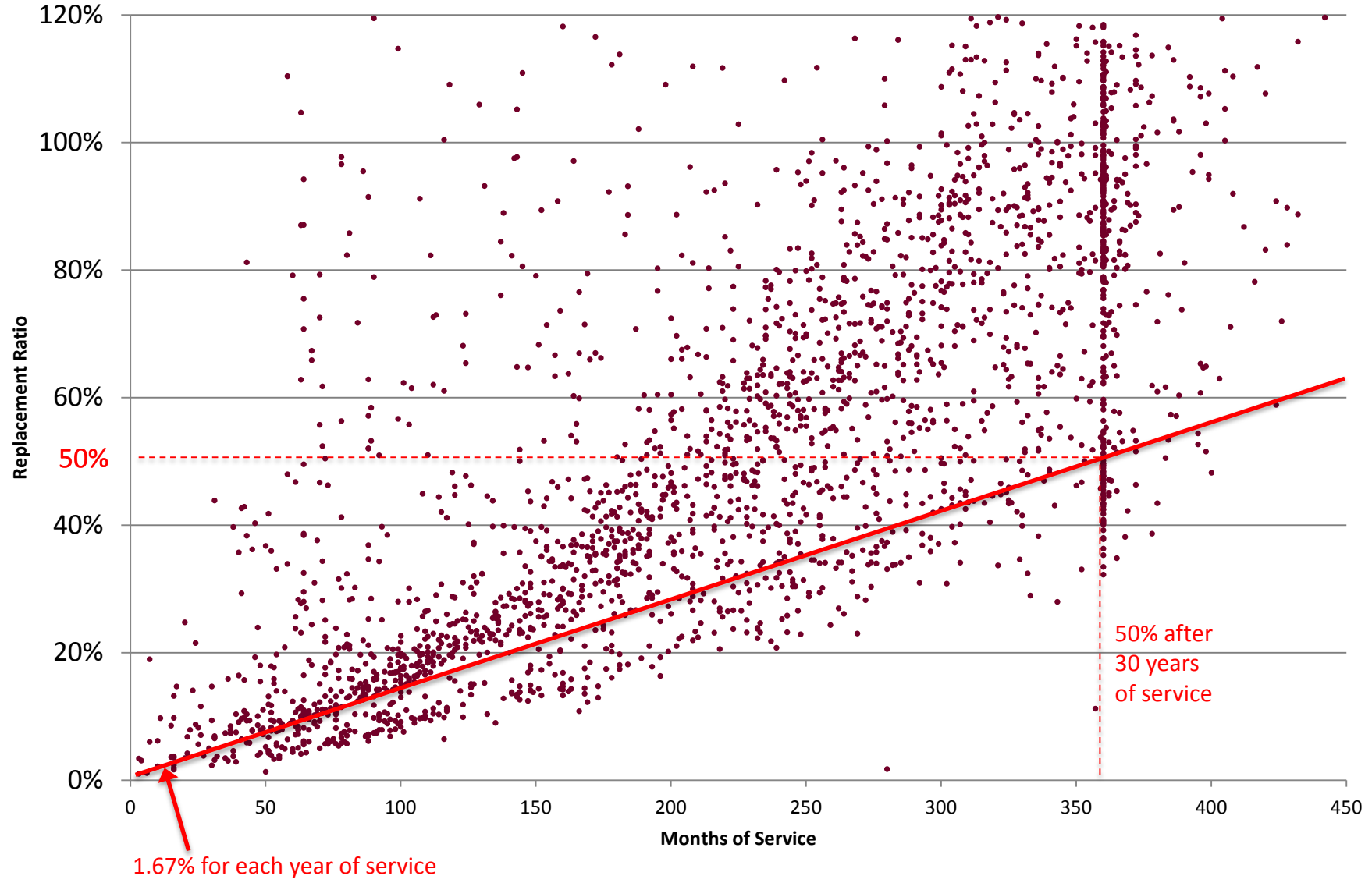


Source: PERS by the Numbers (2012) page 14

How the Tier 1 Full Formula Works

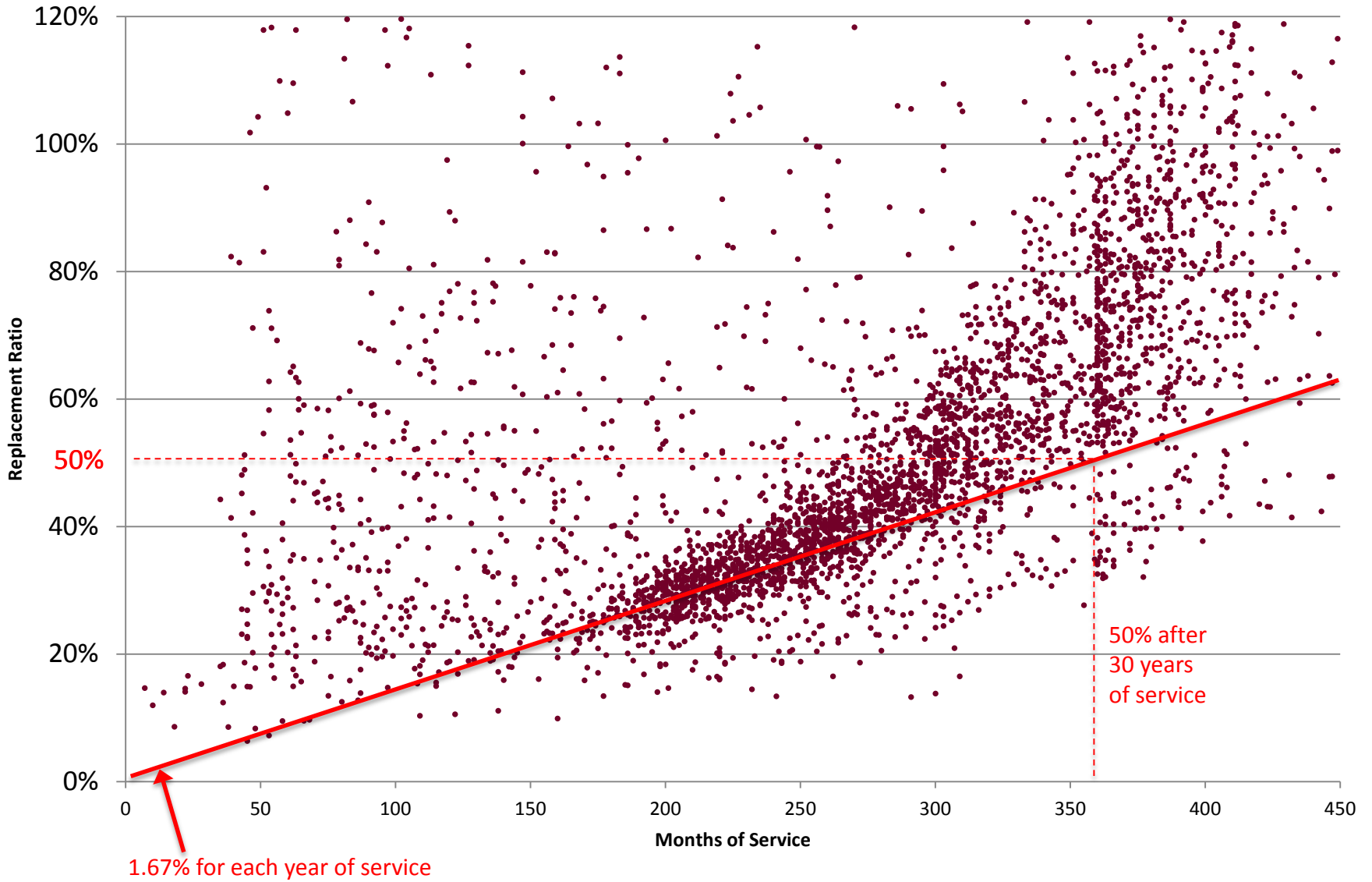


Replacement Ratios for Tier One Beneficiaries Who Retired in 2000



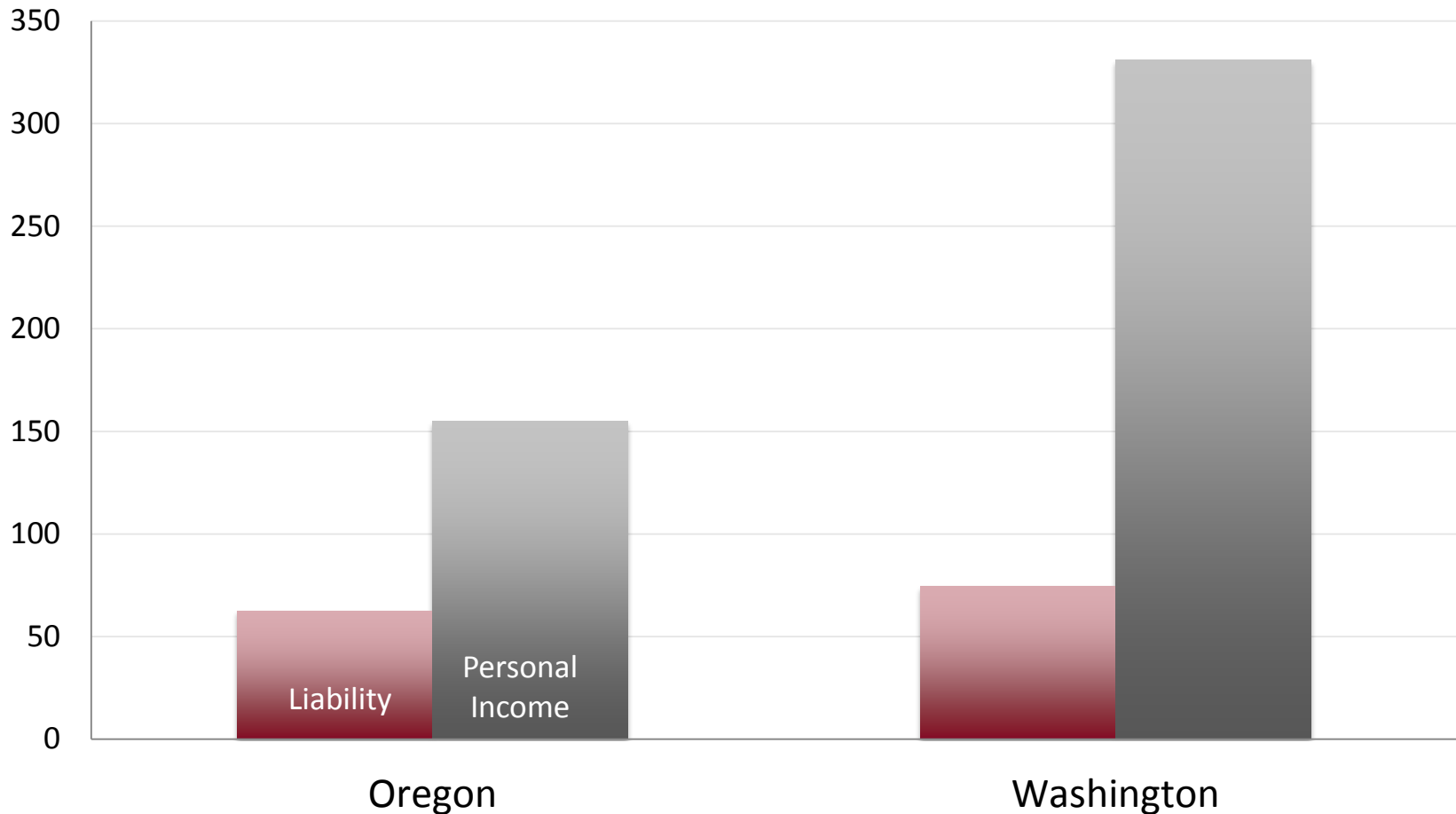
Source: ECONorthwest analysis of data available through PERS and the Oregonian

Replacement Ratios for Tier One Beneficiaries Who Retired in 2012



Two States, Two Economies, Similar Liabilities

**Public Pension Liability and Personal Income (in Billions)
Oregon and Washington, 2013**



Source: Pew 2015 and BEA.