

# Important information about your retirement planning options



This letter is to inform you about some important legal changes to the City of Portland's Individual Account Program ("IAP") Retirement Pension Account. We encourage you to read this letter carefully and consider how these changes could affect your retirement saving strategy.

## PERS Senate Bill 1049, effective July 1, 2020 – IAP Redirect

Changes to the PERS System were passed into law by the state legislature in June, 2019. These changes affect county employees earning more than \$2,500 per month that are members of the PERS system.

## What are the changes associated with SB 1049

Currently, the City of Portland contributes an amount equal to 6% of your salary to your IAP Retirement Account. Beginning July 1, 2020, if you earn more than \$2,500 per month, a portion of the 6% IAP contributions will be redirected to a new "Employee Pension Stability Account" (EPSA). This will be used to pay for part of your future pension benefits.

- Tier 1/Tier2 employees: 2.5% of the IAP contribution will be redirected into the EPSA. The remaining 3.5% will continue to go to your existing IAP account.
- OPSRP employees: 0.75% of the IAP contribution will be redirected into the EPSA. The remaining 5.25% will continue to go to your existing IAP account.

## What options are available to you

1. PERS is currently updating its system to give you option for you to make an additional **after-tax** contribution (deducted by the City) in the amount shown above, to continue to have a full 6% contribution to your IAP. The City will send out a communication to employees when this option is available.

OR

2. You can make your own contributions into the **City of Portland 457 Deferred Compensation Plan** (Plan), administered by **Voya Financial**<sup>®</sup>. With this option, you don't have to wait for the SB 1049 voluntary contribution opportunity to be implemented in order to save for retirement. Under the Plan, you can contribute any amount you are financially comfortable with within IRS guidelines (rather than being limited to only 2.5% or 0.75%). Learn more about the Plan at [prime.beready2retire.com](http://prime.beready2retire.com).

For questions about enrolling in the Plan or making changes to your existing Plan account, please email your local Voya<sup>®</sup> representatives\* at [deferredcomp@lewis-stefani.com](mailto:deferredcomp@lewis-stefani.com) or call the local office at **(503) 937-0378** to schedule a phone appointment.

\* Investment adviser representative and registered representative of, and securities and investment advisory services offered through, Voya Financial Advisors, Inc. (member SIPC).

The Health & Financial Benefit Office strongly recommends that you review the information about SB 1049 on the PERS website at [www.oregon.gov/PERS/mem/pages/SB1049.aspx](http://www.oregon.gov/PERS/mem/pages/SB1049.aspx). Information will be updated regularly to remain current as changes are implemented.

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