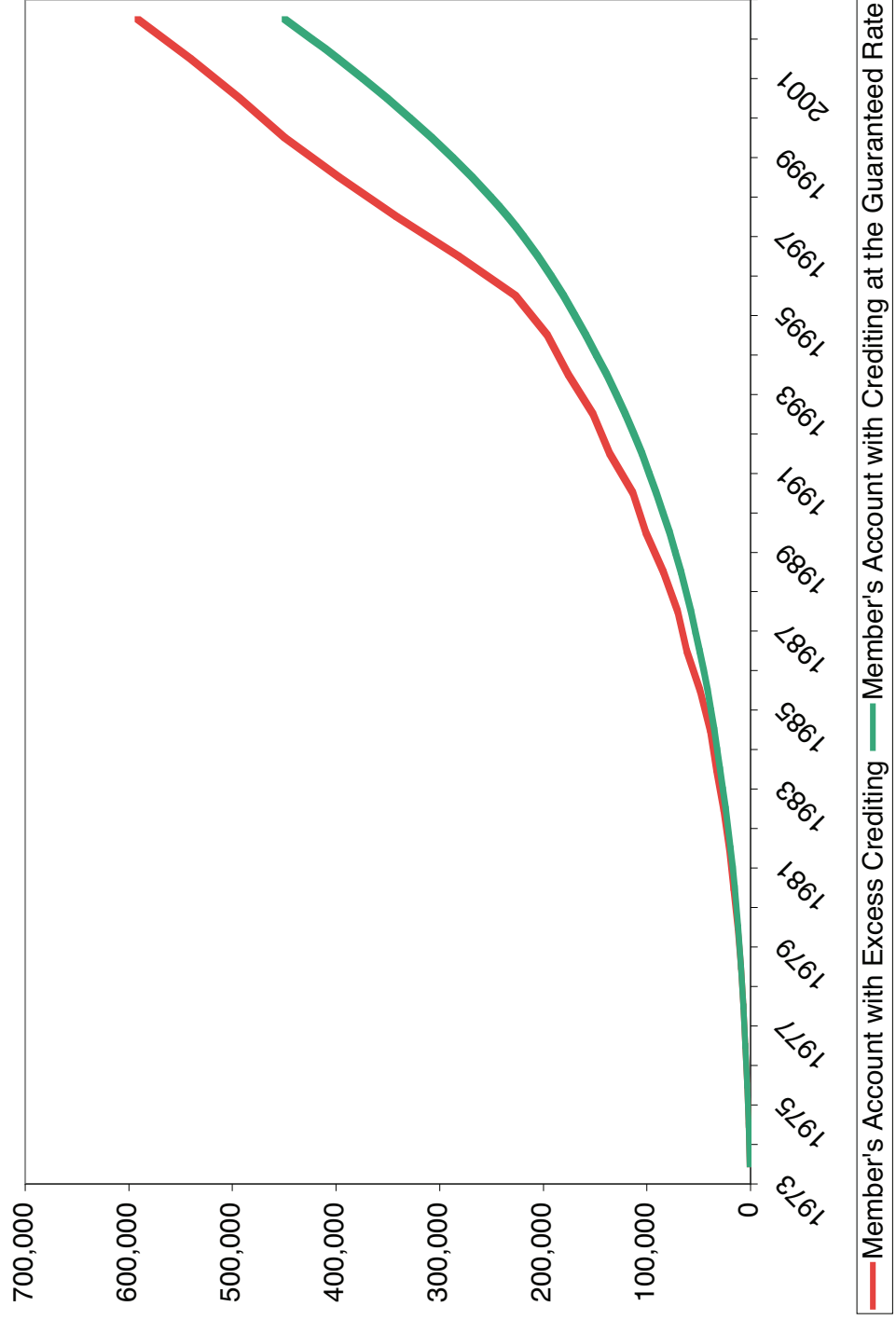


Figure 2-2: Illustrative PERS Tier I Member Account Under Actual Crediting and Crediting at the Guaranteed Rate of Return, 1973-2002 (Not Adjusted for Inflation)



Source: ECONorthwest

ASSUMPTIONS: Employee starts in 1973 earning \$36,000 (2005\$). The employee retires with 30 years of service and an ending salary of \$64,596 (2005\$). The credited account balance uses a 11.33 percent rate of return in 1999 as ordered by Marion County Judge Paul Lipscomb and upheld by the Oregon Supreme Court.

Under money match, the larger account balances yield larger pension payments in retirement. The illustrative member's payment starts at \$61,478 annually under money match and the Board's excess crediting policies—or 95