

State of Oregon
State Agency PERS COST Summary
2009-11 & 2011-13

2011-13 Estimated State Agency Payroll

2009-11 Salaries and Wages = \$5,850,731,907 (\$825,251,701 = Total PERS expenses, 2009-11)
(Source: Legislative Fiscal Office)

Assumed growth in State payroll expense = 3.75% (Assumptions: 2.75% inflation + 1% Real Wage Growth)
(Source: PERS Actuary)

$\$5,850,731,907 \times .0375 = \$219,402,446.51$ (Assumed increase in State payroll for 2011-13.)

$\$5,850,731,907 + 219,402,446.51 = \$6,070,134,353.51$ (Total anticipated State payroll for 2011-13.)

2011-13 Estimated State Agency PERS Calculations

$\$6,070,134,353.51 \times .098 = \$594,873,167$ (9.8% for 2011-13 State's employer contribution rate)

$\$6,070,134,353.51 \times .06 = \$364,208,061$ (6% Employee's IAP paid by State for State employees.)

$\$6,070,134,353.51 \times .0595 = \underline{\$361,172,994}$ (5.95% paid by State on Pension Obligation Bonds.)

$(9.8\% + 6\% + 5.95\% = 21.75\%) = \$1,320,254,222$ (Total anticipated PERS costs for 2011-13)

$\$1,320,254,222 - 825,251,701 = \mathbf{\$495,002,251}$ (Additional PERS costs for 2011-13 State Budget)

Note: "The rate components are as follows: 9.8% (2011-13 employer contribution rate) + 6.0% (member IAP contribution) + 5.95% (POB service cost)." "... a **21.75% total cost basis.**"
(Source: PERS Administration—3-11-2010 Email to Rep. Richardson—emphasis added.)