

## Oregon earns national award from PlanSponsor magazine

*by Bend\_Weekly\_News\_Sources*

### PERS named as Public Plan Sponsor of the Year

PlanSponsor magazine has recognized the Oregon Public Employees Retirement System (PERS) for closing its \$17 billion dollar pension-funding gap. The national publication has named PERS as its Public Plan Sponsor of the Year. The announcement was made in the cover story of the magazine's February issue.

"OPERS made tough decisions and confronted the issues head on," says Nevin E. Adams, Editor-in-Chief of PlanSponsor magazine. The magazine recognized both the bold PERS system reforms and the \$60 billion retirement fund investment by the Office of the State Treasurer and the Oregon Investment Council. In 2003 the PERS system was facing a \$17 billion dollar unfunded actuarial liability. Because of PERS reform, good investment returns, and pension obligation bond investments the PERS system now has a \$1.75 billion dollar surplus. "Oregon has a long history of innovative and prudent investing," says State Treasurer Randall Edwards. "I'm proud of the state for receiving this honor, and I credit a great team effort by the Oregon Investment Council and the investment staff in the State Treasurer's Office." The retirement system was able to take advantage of good investment earnings because of the 2003 PERS reforms approved by the state legislature and brokered by Governor Ted Kulongoski. The Governor called the award a "great honor for Oregon." He added, "It recognizes our collective effort to reform our public retirement system to deliver fairness and sustainability for both Oregon taxpayers and PERS members, while maintaining a defined benefit program." Oregon PERS Executive Director Paul Cleary says Oregon took a different approach from other states with similar pension shortfalls. "One of the things that distinguishes our reforms is that we applied changes to existing members rather than just prospectively," he said. "We are also recouping overpayments made to about a third of our retirees."

In its cover story, PlanSponsor quoted a number of financial experts who said Oregon had found a way to preserve traditional pension benefits while at the same time making hard choices to keep the plan viable. Ron Schmitz, Chief Investment Officer for the State Treasurer's Office, said, "We have a willingness to be a pioneer." The retirement system fund investment has a higher than average allocation in private equity and real estate investments and that benefited returns. Staff of the Oregon Public Employee Retirement System and the Oregon Investment Council will receive the honor at PlanSponsor's annual Awards for Excellence banquet on March 29th in New York City. The article is available online at [http://www.plansponsor.com/pdfs/OregonTrail\\_rfn.pdf](http://www.plansponsor.com/pdfs/OregonTrail_rfn.pdf)

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