

## Donna Chittenden

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**From:** Donna Chittenden  
**Sent:** Wednesday, March 1, 2023 3:16 PM  
**To:** Karen Jefferis; Naomi Crow; William Blood; Carrie Toth; Jen Flores; Lori O'Hollaren; Hiroe Sorter; Joe Coleman; Stacy Williams-Wright; Tash O'Brien; Sherri Nelson; Tom Johnston; Ellen Coughran; Leslie Wolgamott; Tiffany Yep; Srithip Prime; Renee Dorjahn; Lauren Hope; Ray Sykes; Della Green; Evey Lennon; Justin Demsky; Leeann Ford; Melynn Bates; Julia Cohalan; Shari Powell; Jennifer LaBelle; Kelly Pembleton; Jennifer Burton; Angie Peatow; Amy Grainger; Dave Landrum; Carol Hardy; Volga Koval; Holly Syljuberget; Sorin Dragoiu; Cindy Hetrick; Cherokee Staples; Holly Brown; Jim Slattery; Yousef Alrahmani; Cesca Blythe; Lisa Howard; Sandy Goodell; Dan Shepard; Drew Anderson; Adee Shekar  
**Cc:** BRP.Staff.List  
**Subject:** Correction: FY24 Beginning Budget - PERS Side Account Information

Dear RU Budget Partners,

This email adjusts previous guidance regarding PERS Side Account repayment schedules.

In calendar year 2022 the state of Oregon made available to PERS employers a 25% match for establishing a PERS side account. Investing in the side account pre-pays some portion of the employers PERS liability and increases the system's overall funded status. After careful evaluation the University of Oregon elected to invest in a PERS side account as an investment from the internal bank recognizing that the 25% state match and anticipated investment returns would yield a substantial net savings to the university. This side account will be drawn down over 20 years and will reduce the institutions annual PERS payments on behalf of employees. This investment was made during early FY23 and savings of 2.11% on PERS Tier I/II and OPSRP rates are included in the FY24 blended OPE calculations.

The blended OPE rates for FY24 and beyond include savings from a PERS Side Account that the university established during FY23. In order to fund this investment a portion of the savings realized by units across campus must be used to repay the Internal Bank. The savings generated by the PERS Side Account is in excess of this repayment amount, creating a net savings for all units because of this investment. All fund groups will have a new OPE like charge applied to all non-Student/GE salary and wages except for grant funds, restricted gifts and plant funds. The new OPE charge will be less than the savings generated from the PERS Side Account creating a net benefit to all impacted units. Because the employee type composition is different for each Fund Type, the repayment percentage varies between Fund types. These are outlined in the table below:

<b>Fund Type</b>	<b>Description</b>	<b>Bank Repayment</b>	<b>Projected FY24 Salary/Wages (AT 61-64)</b>	<b>Repay %</b>
11	E&G	3,064,946	243,750,702	1.26%
12	Designated Ops	116,457	7,419,962	1.57%
13	Service Center	262,206	13,890,256	1.89%
15	Internal Bank	2,752	240,319	1.15%
21	Housing	236,721	12,847,535	1.84%
22	Student Services	113,304	5,410,566	2.09%
23	Athletics	278,554	35,122,147	0.79%
24	Health Center	122,279	8,276,309	1.48%
25	Parking	8,139	472,968	1.72%
29	Other Aux	7,345	389,853	1.88%

Each month a JV will be executed charging each index with pay activity a rate by Fund Type beginning in FY24. For budgeting purposes please include this additional OPE in your FY24 planning, on account code 10906.

If a fund reaches its repayment type before the end of the fiscal year their charges will be stopped. If a fund does not reach its full repayment it will be charged the remaining balance.

Cheers  
Stuart

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