



HONORING YOUR PUBLIC SERVICE THROUGH SECURE RETIREMENT BENEFITS

TARGET-DATE FUNDS: REDUCING YOUR INVESTMENT RISK AS YOU AGE

YOUR OREGON PERS RETIREMENT BENEFITS

The Individual Account Program (IAP) is an account balance-based benefit for all active Oregon PERS members. This benefit is in addition to your Oregon PERS pension benefit (Tier One, Tier Two or Oregon Public Service Retirement Plan [OPSRP]). Currently, 6% of your salary (whether contributed by you or paid by your employer) goes into your IAP.

Since the inception of the IAP in 2004, the money in every IAP account had been invested the same way, for every person, at every age. That means people nearing retirement age have had the same investment risk profile as younger workers.

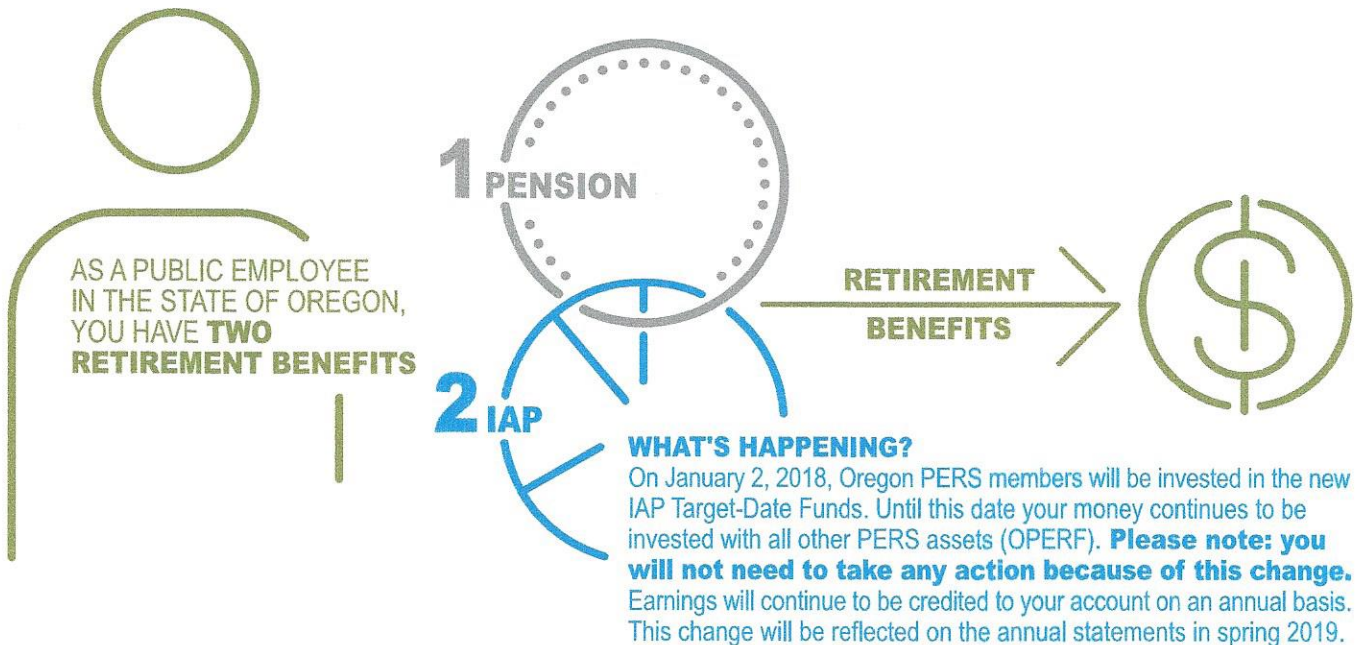
The Oregon Investment Council (OIC) is committed to providing an effective investment program to PERS members. Therefore, the OIC is moving forward with an investment change that will gradually reduce the market risk exposure in your IAP as you get closer to retirement.

On January 2, 2018, Oregon PERS members will be invested in the new IAP Target-Date Funds. IAP accounts will shift from the current one-size-fits-all

format to customized target-date funds that are designed for Oregon public employees. This enhanced approach will maintain the objective of the IAP program to achieve the highest total returns, while incurring an appropriate level of risk in addition to recognizing that risk levels should vary based on age. **The change will be automatic and you don't need to do a thing.**

Money in your IAP will be shifted to a target-date fund that is chosen based on your year of birth. For example, if you were born between 1973 and 1977, you will be in the IAP 2040 Target-Date Fund. Investments in each fund will adjust over time to reduce investment risk—and potential losses in market downturns. In your early working years, the emphasis is on growth in order to build your retirement account balance. As you move toward retirement, the investments in the fund gradually shift, becoming more conservative to help protect against market fluctuations.

As with your investments today, investments in the IAP will not be guaranteed. Your account balance can be more, or less than the original amount you contributed.



WHAT ARE TARGET-DATE FUNDS?

A target-date fund typically has a date in its name—this is called the fund's "target date." The target date is near when you turn 65, may expect to retire and begin withdrawing from your account. A target-date fund adjusts its investments over time. If you're in your early working years, the emphasis of the fund is on growth in order to build savings. As you move toward retirement, the investments of the fund gradually evolve, becoming more conservative to help protect against market fluctuations—and it all happens automatically.

HOW DO TARGET-DATE FUNDS BENEFIT YOU?

The investment mix of the target-date funds considers the various risks that you face as your retirement nest egg grows. These risks include shortfall risk (not having enough money at retirement), longevity risk (outliving your money), inflation risk (your savings could lose purchasing power), and market risk (the possibility of experiencing losses due to the overall performance of the financial markets).

Why is this so important? A target-date fund balances growing your money against reducing risk exposure as you approach retirement.

With a target-date fund, your money is spread across many different investment types in the fund. This approach gives you access to diverse asset-class opportunities that include stocks, bonds and other investments—all in one strategy.

Each of the IAP Target-Date Funds will continue to have some money invested in the Oregon Public Employees Retirement Fund (OPERF), which is managed by the OIC. The proportion of OPERF will vary, depending on the age of the people in each fund.

BIRTH YEAR	TARGET DATE FUND
In 1993 or after	IAP 2060 Target-Date Fund
Between 1988 and 1992	IAP 2055 Target-Date Fund
Between 1983 and 1987	IAP 2050 Target-Date Fund
Between 1978 and 1982	IAP 2045 Target-Date Fund
Between 1973 and 1977	IAP 2040 Target-Date Fund
Between 1968 and 1972	IAP 2035 Target-Date Fund
Between 1963 and 1967	IAP 2030 Target-Date Fund
Between 1958 and 1962	IAP 2025 Target-Date Fund
Between 1953 and 1957	IAP 2020 Target-Date Fund
In 1952 or before	Retirement Allocation Fund

You will be placed into the applicable IAP Target-Date Fund, based on the year you were born. This change to your IAP will not impact the pension part of your retirement benefits.



Reminder: you will not need to take any action because of this change.

For more information:

You may visit www.oregon.gov/pers to learn more about your retirement benefits. Visit www.oregon.gov/iap for specific information about PERS investments. You may also access your IAP through iap.voya.com.

Questions about retirement benefits may be directed to PERS Member Services at 888-320-7377. Representatives are available Monday–Friday 8:30 a.m. to 5:00 p.m. (Pacific Time).

Questions about PERS investments may be directed to Oregon State Treasury, Investment Division at 503-431-7900.