**Accumulated Deductions**—The total employee contributions deducted from a member’s salary and credited to the person’s PERA account. This does not include interest or employer contributions.

**Actuarial**—Relating to the work of an actuary. Computations using compound interest, mortality tables, and other factors in the field of actuarial science are called actuarial computations.

**Actuary**—A person professionally trained in the technical and mathematical aspects of insurance, pensions, and related fields. The actuary estimates how much money must be contributed to a pension fund each year to support the benefits that will become payable in the future, as well as how much a benefit recipient is expected to receive monthly following retirement.

**Alternate Payee**—The former spouse in a marriage dissolution who will receive a portion of the PERA member’s pension benefits upon the member’s termination of employment and application for benefits.

**Annuity**—The annual payment of a pension made through regular monthly distributions.

**Beneficiary**—The person or persons named to receive a refund of accumulated deductions in the account of a deceased member or retiree. The designation of a spouse as beneficiary is automatically revoked upon the dissolution or annulment of a marriage.

**Court order**—See Judgment and Decree and Divorce Decree.

**Current spouse**—The person legally married to the PERA member.

**Deferred pension**—A monthly payment at retirement age made to a member who has terminated public service before reaching that age. This requires the member be vested at the time of termination and that the accumulated member deductions remain in the fund.

**Defined Benefit Plan (DBP)**—A pension plan in which benefits are based on a set formula. The PERA Basic, Coordinated, Correctional and Police and Fire plans are all defined benefit plans in which pension benefits are based on years of allowable service, highest five consecutive years’ average salary, and age at retirement.

**Defined Contribution Plan (DCP)**—A plan in which benefits at retirement are based on returns on investments of employee deductions and employer contributions (less administrative costs). PERA administers a DCP for elected officials, publicly-employed physicians, and ambulance service personnel.

**Designated Survivor**—A person, not necessarily a spouse, selected by the member at the time of retirement or disability to collect 25, 50, 75, or 100 percent of the benefit received by the member upon his or her death.

**Dissolution**—Termination of a formal or legal bond.

**Divorce decree**—The legal dissolution of marriage by court order.

**Employer contributions**—The statutory percentage of employees’ salary paid to PERA by the employer. Except for Defined Contribution Plan members, employer contributions are not placed in an individual member’s account and are never refundable. Instead, they are placed in the pension fund, invested, and used to fund future benefits for a member who qualifies for monthly payments.

**Former spouse**—The person from whom the PERA member is legally divorced.
Judgment and Decree—The determination of a court in a marriage dissolution, filed by the court administrator’s office.

Local relief association—A municipal police or firefighters relief association established to provide pension and other benefits to police officers and firefighters employed by the city. Before consolidation with PERA, relief associations operated independently. After consolidation, PERA administers their benefit plans. Members may continue participation under the bylaws of the local plan or elect the benefit package of the PERA Police and Fire plan.

Marital portion—The portion of a member’s service credit during which the member and former spouse were legally husband and wife (or an adjusted marital period as determined by the court).

Pension benefits—Monthly payments made to a member who has retired or become disabled.

PERA member—A public employee who has met eligibility requirements for a PERA pension plan and from whose earnings deductions are paid to PERA. Membership ends at termination of public employment.

Post-retirement increases—Pensions increases are awarded every January 1. Increases are specified by statute and may vary from year to year based upon the funding levels of PERA’s retirement plans.

Present value—For the purposes of PERA law, the member’s accumulated salary deductions plus interest. For actuarial purposes, present value may mean the value in present-day dollars of payments the member is expected to receive in future retirement benefits. This is based on Internal Revenue Service mortality tables.

Qualified Domestic Relations Order (QDRO)—Assignment of benefits to the former spouse of a plan participant under federal ERISA law. Although PERA is exempt from the federal QDRO rules, we will accept similar language if it conforms with PERA law.

Single-life Benefit—A personal lifetime monthly payment which ceases on the death of the retired or disabled member.

Surviving Spouse—A spouse legally married to the member at the time of the member’s death.

Survivor Option Benefits—Benefits payable over the lifetimes of a retiree or disabled member and an individual, not necessarily the spouse, designated as the survivor. The monthly benefit to the former member is actuarially reduced to provide for this continuing payment. If a survivor option is to be elected, then upon the death of the member, the named survivor will begin to receive a monthly benefit of 25, 50, 75, or 100 percent (whichever was selected) of the amount paid to the retired or disabled member.