

RETIREMENT NEWS YOU CAN USE!



2019 LEGISLATIVE SESSION UNDERWAY

With the 2019 Legislative Session now underway, legislators are setting their sights on new revenue. The state of Oregon is facing a \$623 million deficit to maintain current service levels, putting conversations about potential PERS savings back in the spotlight.

The ongoing debate around PERS has sparked a host of ideas on how to deal with the growing unfunded liability — now projected at over \$26 billion. Several proposals coming before the Legislature include capping the final salary used to calculate pen-

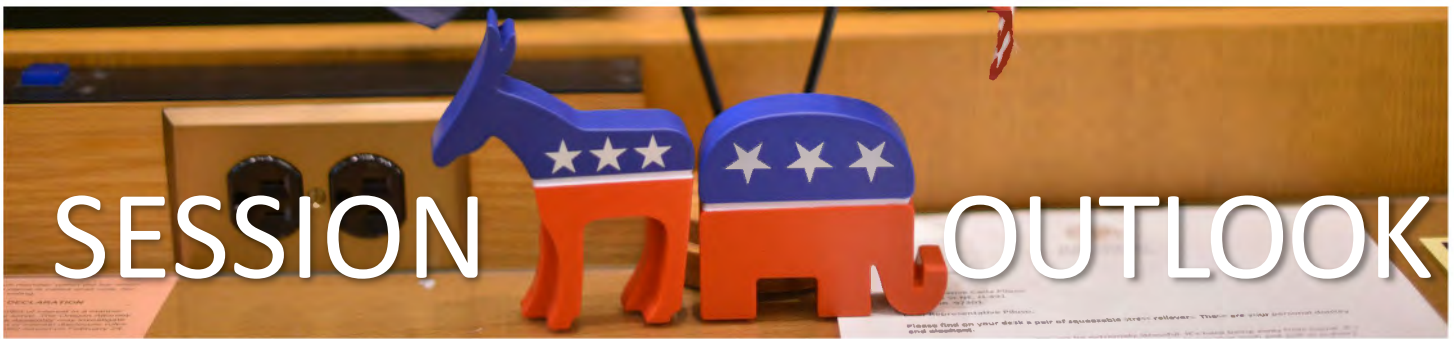
sion benefits, moving all future employees to a 401(k)-style defined contribution plan, and increasing business and corporate taxes and dedicating those revenues to reducing PERS pension costs.

As discussions concerning PERS continue, it is important to remember that current retiree benefits do not appear to be threatened.

The 2015 Oregon Supreme Court ruling on the *Moro vs. State of Oregon* case — which OPRI championed — protects current retiree benefits.

CONTINUED ON PG 2

2019 LEGISLATIVE SESSION PREVIEW



Among the 2,000 bills that have been introduced to date, several may get some traction in the legislature. **Here are some of the bills OPRI is watching:**

Senate Bill 148: Would allow public employees to elect to participate in the traditional pension program or to participate in an alternative individual account program similar to a 401(k) beginning July 1, 2020.

Senate Bill 149: Directs the PERS Board to study options for allowing retired members to be reemployed by participating public employer and for member and employer to make contributions to system to be applied against the unfunded liability.

Senate Bill 532: Requires both employers and employees to each contribute 3 percent of member's salary to an individual account program.

Senate Bill 533: Redirects employee contributions to PERS to be used to pay for pension or other retirement benefits payable to member or member's beneficiary accrued on or after January 1, 2020.

Senate Bill 641: Establishes the Oregon Public Service Retirement Plan which requires employers to contribute 10 percent to the account, while employees have the option of contributing an additional 2 percent.

Senate Bill 768: Exempts retired member of Public Employees Retirement System from limitations on reemployment if member is reemployed as teacher by school district or education service district.

House Bill 2288: Requires that a percentage of net lottery proceeds from sports betting games be applied to the PERS unfunded actuarial liability.

House Bill 5032: Appropriates moneys from the General Fund for deposit in School Districts Unfunded Liability Fund to reduce PERS costs.

OPRI MEMBERSHIP SURVEY

In January, OPRI conducted its annual membership survey, talking with a sample of over 600 of our members in order to better understand the different perspectives on PERS reform and make sure we are accurately representing the views of our members in the Legislature.

You can view the full survey results on our website, www.opri.org.

Do you believe that Oregon's Public Employee Retirement System has become a financial crisis for state and local governments and school districts?

YES

48%

NO

37%

NOT SURE

15%

Generally speaking, do you FAVOR or OPPOSE PERS reform proposals that would require future PERS retirees to make greater contributions to their own personal retirement accounts in order to reduce the PERS unfunded liability?

YES

43%

NO

29%

NOT SURE

28%

Do you FAVOR or OPPOSE a proposal that would cap the salary used to calculate pension benefits at \$100,000 for future retirees?

YES

55%

NO

30%

NOT SURE

15%

Do you FAVOR or OPPOSE a proposal that would eliminate the PERS pension program for future public employees and move to a 401(k)-style defined contribution plan for all future employees?

YES

15%

NO

63%

NOT SURE

22%

OPRI MEMBERSHIP SURVEY

Do you FAVOR or OPPOSE a proposal that would give current public employees a choice of staying with the PERS pension program or switching to a 401(k)-style defined contribution plan?

YES

58%

NO

28%

NOT SURE

14%

Do you FAVOR or OPPOSE a proposal that would require current public employees to contribute a portion of their salary that currently goes into their IAP Account into the pension in order to reduce the pension liability?

YES

28%

NO

29%

NOT SURE

43%

Do you FAVOR or OPPOSE a proposal that would increase business and corporate taxes and dedicate those revenues to reducing the PERS unfunded liability?

YES

42%

NO

39%

NOT SURE

19%

Generally speaking, would you FAVOR or OPPOSE legislation that would expand re-hire opportunities of PERS retirees by allowing them to work more than 1,039 hours per year for a public employer while still receiving PERS benefits?

YES

44%

NO

41%

NOT SURE

15%

OPRI Thanks Carol Fleming for 13 Years of Service

Back on August 19, 2005, when asked to do minutes in the absence of then Secretary-Treasurer Jack Solis, Carol Fleming never thought she'd still be doing them 13 years later. The long-time OPRI volunteer prepared the minutes for the last time at the Board's meeting on January 21st.

Carol began state service in 1970 at the University of Oregon Tongue Point Job Corps Center in Astoria. She then went on to positions in the

Executive Department, Commerce Department, and Health Division before retiring from the licensing board for counselors and marriage and family therapists in 2002.

She was initially encouraged by one of her former co-workers to join OPRI as it prepared for a court challenge. Both Carol and her husband were one of the 25,000 "window retirees" who had moneys deducted for the 1999 in-

vestment earnings "overpayments" and faced suspension of retiree COLAs - a legislative response to the 2002 Judge Lipscomb ruling in a case brought by local governments.

Having met some of OPRI's volunteer leaders when she was working, and then again through the organization, she appreciated

their watchdog efforts on behalf of PERS retirees and offered to help. Besides doing minutes, she served on the political action and newsletter review committees, as

well as helping with occasional administrative tasks.

Carol says OPRI works for her as a PERS retiree, so she felt she should do some work for it. Now, she says, it's time for newer and younger retirees to take their turn. She plans to continue enjoying a quiet retirement, other volunteer activities, and to keep walking.

OPRI would like to thank Carol for her 13 years of dedication to the organization and wishes her the best in her future endeavors.

Current Board of Directors

Jay Osborne, Chair

Bob Oleson, Vice-Chair

John Goodson, Board Member

Steven Kunke, Board Member

Helga Thompson, Board Member

Charles Luukinen, Board Member

Greg Monahan, Board Member

Under the current leadership of this Board of Directors, OPRI has succeeded in adding a large amount of money to OPRI's political action committee and operating funds in the last two years.

Put your Political Tax Credit to use

Help us continue to protect your rights and benefits in 2019!

www.opri.org



NEWSLETTER BY EMAIL

If you are receiving this newsletter by mail, we encourage you to consider electing to switch to email delivery. This way you can be sure of getting all communications from OPRI in a timely and convenient way, and it will allow OPRI to reduce the cost of postage — one of our major operational costs. You can be sure we have your email address by sending us a note at info@opri.org. Thanks for considering this option.

Oregon PERS Retirees, Inc. | PO Box 12945 | Salem, OR 97309 | 503-363-7084 | www.opri.org

The date above indicates when your membership is up for renewal. For more information, please visit www.opri.org or send a letter to: Oregon PERS Retirees Inc. | PO Box 12945 | Salem, OR 97309

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