

# EXTREME. UNFAIR. ILLEGAL.

## PERS CUTS PROPOSALS



KEEP OREGON'S  
**PROMISE**

Some of the most powerful corporations in Oregon want to force public employees to make up for the PERS fund investment losses that happened in the recession.

Meanwhile, these same corporations pay the lowest corporate tax rate in the country.

### HERE IS WHAT THE BILLS WOULD DO:

#### **TAKE 6% OF SALARY AWAY FROM THE INDIVIDUAL ACCOUNT PROGRAM TO PAY PERS FUND INVESTMENT LOSSES**

- Eliminates the IAP program for new hires and reduces their retirement benefit by 31%.
- Cuts retirement benefits for public employees working today and changes the rules under which they were hired.
- Cuts compensation by 6 percent.
- Will face a lengthy and expensive court challenge. Taking public employee IAP account contributions to pay the state's investment losses is the equivalent of a taking of personal property for public purpose without just compensation.
- Breaks the promises made in 2003 when the IAP accounts were created. Rep. Knopp said at the time that those changes would be "fair, affordable and sustainable." He also said he would protect employee accounts.
- Will increase salary costs as employers scramble to try to hire qualified teachers, police, firefighters, nurses and other essential staff.

### **SENATE BILLS 559, 560 & 913 SPONSORS:**

#### **Chief Sponsors:**

Sen. Tim Knopp  
(R-Bend)

Sen. Jeff Kruse  
(R-Roseburg)

#### **Sponsors:**

Sen. Herman  
Baertschiger, Jr.  
(R-Grants Pass)

Sen. Brian Boquist  
(R-Dallas)

Sen. Ted Ferriolli  
(R-John Day)

Sen. Fred Girod  
(R-Stayton)

Sen. Bill Hansell  
(R-Athena)

Sen. Alan Olsen  
(R-Canby)

Sen. Kim Thatcher  
(R-Keizer)

Sen. Jackie Winters  
(R-Salem)

Rep. Mike Nearman  
(R-Independence)

## **CALCULATE RETIREMENT BENEFITS BASED ON AN ANNUAL SALARY OF \$100,000, REGARDLESS HOW MUCH ACTUAL SALARY IS**

- Breaks the deal made when people were hired.
- Reduces retirement benefits for current and future public employees
- Isn't indexed. In less than 20 years, \$100,000 salary will be worth about \$55,000 in today's dollars.
- It's illegal. The Supreme Court (Moro, 2015) has said that benefits already earned cannot be taken. This will not withstand court challenge.
- Hurts state's ability to attract and retain high-quality workers.
- Does not reduce the PERS unfunded liability.

## **CHANGES FINAL SALARY CALCULATION FROM A THREE-YEAR AVERAGE TO A FIVE-YEAR AVERAGE**

- Breaks the deal made when people were hired.
- Reduces retirement benefits for current and future public employees because people generally earn more the longer they are employed.
- It's illegal. The Supreme Court (Moro, 2015) has said that benefits already earned cannot be taken. This will not withstand court challenge.
- Hurts state's ability to attract and retain high-quality workers.
- Does not reduce the PERS unfunded liability.

## **GET INVOLVED TO PROTECT YOUR RETIREMENT**

Read how these proposals will affect public employees across the state.

Tell your fellow PERS members and contact your lawmakers to tell them that a promise is a promise.

Get involved at [keeporegonspromise.org](http://keeporegonspromise.org)



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PROMISE**