



HB2647, HB2786, HB3130, HB2838:

PERS Bills that Add Costs and Administrative Complications

Testimony for House Committee on Business and Labor – Jody Wiser – 4.3.2019

Tax Fairness Oregon undertook an in-depth study of PERS 3-years ago. We've learned that Oregon's public pension plan is one of the biggest but also most complex structures in the nation. A good portion of that complexity came from legislative decisions that seem prudent at the time, but in time only led to more complex problems. In other words, the Unfunded Actuarial Liability was not an immaculate conception.

Based on the current conditions of the system and the active conversations taking place in this body to return PERS to a solid funded status, we oppose bills that add costs to PERS employer members and complexity to the agency that administers the system.

We strongly urge you give full attention to the analyses of PERS' senior policy director. **Bills like these that ask for changes in employee status will increase payroll costs, increase lifetime benefits and add to the local share of the UAL.** Many of you will find it difficult to take that message home! Some decisions you make do put the system in jeopardy. Reemployment of retirees has many benefits to public entities but the length of and disparities among the list of exceptions makes us wonder if we need an Exception Closet Cleaning.

The Oregon Legislature is the plan sponsor and you have the right to legislate benefits. But Tax Fairness Oregon is asking you to land on the side of less complexity and no benefit increases for the moment. **Until the legislature has resolved the current funding status of PERS, it is not prudent to be adding either complications or costs that may "create a deeper hole both fiscally and administratively in the long term"** (Keith Olineck, 2.20.19).

We read the bills and follow the money