

Legislative Education Day

March 5-6, 2017 • State Capitol • Salem, Oregon



Public Employees Retirement System (PERS)

Overview: The Oregon School Employees Association (OSEA) opposes any changes to PERS that would result in higher employee costs or reduced retirement benefits for its members.

OSEA opposes Senate Bill (SB) 559

Relating clause: Changes calculation of final average salary for purposes of PERS to use five years of salary instead of three years for salary paid on and after Jan. 1, 2018; directs Public Employees Retirement Board to recalculate employer contribution rates to reflect savings attributable to act.

This bill would:

- Alter the final average salary calculation from three years to five years for Tier 1, Tier 2 and Oregon Public Service Retirement Plan (OPSRP) members
- Make the existing accumulated sick leave provision consistent with the five-year final average salary calculation provisions
- Adversely impact OSEA members due to their low wages and minimal retirement benefits
 - The average salary of OSEA's membership is only \$24,133.61 a year; using the average retirement benefit calculation from the PERS website, an employee with 30 years of service earning this salary in OPSRP would receive a benefit of approximately \$905 per month
 - The livelihood of OSEA members is already based on a meager wage that they have accepted due to a promise from the state of a secure PERS benefit
 - A promise is a promise; to reduce PERS benefits after OSEA members have invested years of service in public employment is an inexcusable breaking of that promise

OSEA opposes Senate Bill (SB) 560

Relating clause: Redirects employee contributions made by member of system from individual account program to account to be used to pay for member's pension or other retirement benefits accrued on or after Jan. 1, 2018.

This bill would:

- Beginning in 2018, cap the annual salary used to calculate final average salary at \$100,000 for purposes of PERS
- Direct the Public Employees Retirement Board to recalculate employer contribution rates to reflect savings attributable to act

For more information, contact OSEA Government Relations Specialists: Soren Metzger, 971-283-1184, soren@osea.org; and Tyler Shipman, 503-508-5203, tylers@osea.org