

Good afternoon,

My name is Jay M. Osborne III. Currently, I am Oregon PERS Retirees, INC (OPRI) Board Chair. OPRI represents all Oregon PERS retirees and future retirees. I am also a member of Retired Oregon School Employees (ROSE) which is the retiree arm of Oregon School Employees Association (OSEA). OPRI, ROSE and OSEA are opposed to any reductions in PERS retirees' benefits. We hold that these proposals are unfair and illegal. If passed they will cost taxpayers millions of dollars in legal fees.

According to statistics posted on PERS by the Numbers, there are 113,464 current PERS retirees and beneficiaries. This number excludes folks who took the lump sum option. There are a total of 346,386 active, inactive and retirees in the PERS system, all of whom will be adversely affected by these proposed reductions in their promised, contractual benefits. Judging from the huge quantity of letters OPRI has received lately, PERS retirees will not take this assault lying down. Why, because this is not fair, it is illegal and will create a major hardship for many of these folks.

Please allow me a moment to tell you about my situation as an example of how the COLA cap would adversely affect my wife and my finances. I retired just one month shy of turning 66 years of age after working for North Clackamas School District 12 for about 30 years. I am a Tier I retiree who retired on money match. My wife is also a PERS retiree. She also retired on money match after working for Clackamas Community College for 15 years. She too is a Tier I retiree. Shortly after retiring she was awarded Social Security Disability, due to her numerous health issues. Taken together, our total PERS retirement benefit is very modest at \$3,700 a month. Before we retired, our combined income was nearly \$80,000 a year. In addition, our medical insurance premiums were paid by our respective employers.

The COLA cap would affect our income, in as much as my benefit after committing 30 years to my employer exceeds the proposed \$20,000 cap. Our medical deductions this year came to \$8,950, up from \$7,770 last year, which is more than a \$1,000 increase in medical expenses. Overtime, these expenses are likely to continue to increase while with a COLA cap, our income will diminish. Our children live out of state, if we had to move near them for health or care reasons, we would be further negatively impacted. Keep in mind that CPI is almost always greater than 2%, so even without a cap our purchasing power continues to decline, year after year. One would hope we have a decade or two left in this world, but at this rate we might not be able to afford to live a long life without resorting to public assistance.

Having read hundreds of letters and emails recently sent to me and to OPRI regarding the COLA cap and the elimination of the tax remedy for retirees living out of state, I realize my story isn't the most compelling by a long shot. Your proposal will have a serious impact on tens of thousands of PERS retirees and future retirees. I urge you to find another revenue resource. Do not put balancing the budget solely on the backs of public employees in the PERS system and PERS retirees. Remember we also pay any tax revenue increases, so for us this is a double whammy.

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