

June 27, 2013

Sen. Ginny Burdick, Chair
Senate Committee on Finance and Revenue
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Re: Senate Bill 857

Dear Sen. Burdick:

I am writing to express my concern about the way proposed amendments to Senate Bill 857 affect PERS members who are inactive only because they became disabled while employed in a PERS-covered position. These amendments could significantly affect my wife, Mary Logan, who was diagnosed with a brain tumor in 2003 while serving as chair of the Adult Basic Skills department at Portland Community College's Southeast Center.

Because I only became aware of these amendments today, in the interest of time I am attaching a letter I sent to my state Senator, Sen. Rosenbaum, last month explaining Mary's situation in more detail. While that letter was sent when a different proposal affecting inactive PERS members was on the table, the basic principle involved is the same: while there might be a policy reason to differentiate between people currently employed in PERS-covered positions and those who left such positions voluntarily, it seems not only unfair, but cruel to penalize people who left public employment only because a disability rendered them unable to continue in that employment.

Several of the proposed amendments contain language like the following:

SECTION 2. (1) This section applies only to a member who:

(a) First established membership in the system before July 1, 2003, as described in ORS 238.300 (2)(b)(A);

(b) Was an inactive member for 36 consecutive months at any time preceding the member's effective date of retirement; and

(c) Did not complete at least 24 consecutive months as an active member after being an inactive member for 36 consecutive months as described in paragraph (b) of this subsection.

I would suggest adding the following provision, or something similar:

(d) Did not become inactive because of disability. A member shall be considered to have retired for disability, irrespective of whether the member has reached retirement age or claimed PERS retirement or disability benefits, if:

(A) the member became disabled while employed in a position covered by PERS,

(B) the member is receiving disability insurance payments from a private disability insurer, a government disability fund, or both, and

(C) the member has not been otherwise employed in any paying position since leaving a position covered by PERS.

Thank you very much,

A handwritten signature in black ink, appearing to read "Randy Tucker", with a long horizontal flourish extending to the right.

Randy Tucker
1719 SE 48th Ave.
Portland, OR 97215
(503) 481-9455

PS While I am a registered lobbyist, I hope it is clear that I am submitting this letter on my own behalf as a citizen and not on behalf of my employer.

ATTACHED: letter to Sen. Rosenbaum, dated May 16, 2013

From: tuckerlogan@comcast.net<<mailto:tuckerlogan@comcast.net>>
Date: May 16, 2013 11:22:04 PM PDT
To: sen.dianerosenbaum@state.or.us<<mailto:sen.dianerosenbaum@state.or.us>>
Cc: tuckerlogan@comcast.net<<mailto:tuckerlogan@comcast.net>>
Subject: Elimination of Money Match for PERS members on disability

Dear Sen. Rosenbaum:

I am writing to express concern about what I hope is an unintended impact of the proposal to eliminate Money Match for inactive PERS members. Specifically, the proposal could affect PERS members like my wife, Mary Logan, who left active public employment involuntarily due to disability but have not claimed a PERS disability retirement allowance and are not designated as disabled within the PERS system.

We are not PERS experts and are still learning about the implications of the proposed legislation and digging into some of the facts related to Mary's PERS status, but because the legislation seems to be moving quickly, here is our story as of right now.

Mary was diagnosed in November of 2003 with a brain tumor. She had surgery that month and another more aggressive surgery in May of 2004. Since then, she has been on various medications and has spent a significant amount of time managing her health.

At the time of her diagnosis, Mary was 44 years old and had a job she loved as the chair of the Adult Basic Skills department at Portland Community College's Southeast Center. After recovering from the surgery she tried to go back to work but found herself unable to adequately perform her job duties due to the cognitive effects she experienced after her second surgery. For that reason, she reluctantly retired in 2005 and began receiving disability payments from PCC's disability insurance company, UNUM. UNUM required Mary to apply for Social Security Disability Insurance. Her SSDI application was finally approved in 2009. Since that time, the responsibility for her disability payments has been shared by SSDI and UNUM. To our understanding, these disability payments will cease when Mary reaches retirement age.

In August of 2006 Mary applied for PERS disability payments. She has a letter from PERS dated November 9, 2006, which states, "Your application for a disability retirement allowance was approved on November 9, 2006 for non-duty related disability." However, on the advice of our financial advisor, who explained that PERS disability payments come out of the member's PERS account, Mary never actually selected a disability retirement option, nor did she claim or receive any PERS disability retirement payments. If she had, if I am not mistaken, she would have forfeited her eligibility for the Money Match option upon reaching retirement age. (She is now 53 years old and will not be eligible for even early retirement under PERS until September, 2014.)

Today, in light of the proposed legislation related to inactive PERS members, Mary called PERS to clarify her status and was told that according to PERS, she is not listed as disabled -- even though she left her work due to disability, she is receiving private and federal disability payments, and PERS itself approved her application for disability retirement payments. That

leaves her status as inactive. She was also told that it is too late to go back and change her status. (If I understand things correctly, this seems like a Catch-22: if you claim PERS disability you lose your eligibility for Money Match, but if you don't claim it, you lose your designation as disabled and are considered inactive.)

We need to further investigate why PERS does not consider Mary disabled, but right now it looks like the proposed legislation (to the extent that I understand it based on Governor Kitzhaber's comments on Wednesday) could eliminate Mary's eligibility for the Money Match retirement option when she reaches retirement age.

We certainly understand the difficult challenge the Legislature faces in balancing the budget while supporting the critical services needed to make our state prosperous, safe and livable and to take care of people in need. We are not opposed to reasonable reforms to PERS, and eliminating a benefit for those who voluntarily leave public employment seems like an option worth considering. However, eliminating that benefit for people who planned to continue in public employment, but lose their careers in public service due to illness that is no fault of their own, does not seem reasonable or fair.

Thank you very much for whatever you can do to address this concern, and thank you for the hard work you do every day on behalf of our community and the state.

Sincerely,
Randy Tucker
1719 SE 48th Ave.
Portland, OR 97215