



A Union of Professionals
AFT-Oregon
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AFT-Oregon Inactive PERS Members

The American Federation of Teachers-Oregon believes that the legislature must take a closer look at any PERS changes that affect inactive PERS members. We believe that an inactive member is a faculty member on sabbatical or not teaching a class; a school support staffer out on disability; or even a long time PERS member who opted to switch to the Optional Retirement Plan (ORP) in the mid-1990's. We urge you not to punish these public servants by dismantling their retirement.

Below are some of the stories we have heard from members who could potentially be affected by any changes to inactive PERS:

Professor of History at the University of Oregon: I've spent 30 years at the UO. My first year of service was 1983-1984. I switched from PERS in 1996 because I liked the option of investing my contributions myself. But I also liked the idea of diversification and recognized that having investments of two different types, PERS and ORP, made financial sense. I had no idea that, seventeen years later, the legislature would target "inactive" PERS members, and attempt to breach its contract with an entire category of state employees. I'm concerned because, if the proposed changes to PERS are adopted by the legislature, I stand to lose a substantial amount of money. I have been making retirement plans based on the expectation that the state would honor its agreement.

Professor, Department of the History of Art and Architecture, University of Oregon: I came to the University of Oregon in 1980, and I continue to teach here as a full professor. As you know, in 1996, we faculty were given the option of remaining fully in PERS, or opting out of PERS for the Optional Retirement Program. I opted out, fearing ballot measures threatening PERS then being offered by Bill Sizemore. We who chose ORP were at the time guaranteed that we would be treated exactly the same way as those who choose to remain in PERS, suffering no penalties or asymmetrical treatment (such as a decrease in state contributions). Like many of my colleagues, I kept what I had built up in PERS, allowing those funds to grow over the years, but shifted future pension contributions to TIAA-CREF.

A year ago, I signed legally binding retirement papers with the U of O on the basis of certain assumptions. One of them was that I would be able to use the Money Match option when I end full-time teaching and begin to take PERS in 2015. If that option is taken away by the legislature, the retirement income that I projected having will be reduced by 50% or more.

Although I opted out of PERS in 1996, I am hardly an "inactive" employee of the state. I am very active indeed, I have devoted my professional life to the University and its students, and I urge you to reconsider and withdraw any proposal that would severely reduce the retirement I was promised, and to which I believe I am entitled. This is not how dedicated employees of the U of O or any other state agency should be treated.

Professor of Business, University of Oregon: I currently work full time at the University of Oregon. I contributed to PERS from 1983 to 1996. In 1996, however, a change in OUS gave us options for retirement. You could continue with PERS, you could move all of your PERS money to TIAA-CREF, for example, or you could keep your money in PERS and put all future contributions in TIAA-CREF. I left my money in PERS and made all subsequent retirement contributions to TIAA-CREF, which saved the state a great deal of money. According to PERS, now I am "inactive." If legislation is passed that eliminates the money match option for "inactive" PERS members, half of that money, which I have been counting on for my retirement, will be taken from me. In addition, because PERS changes fall under "emergency legislation," any changes are in effect immediately upon the Governor's signature of a bill that changes PERS, giving me no time or opportunity to adjust. It is grossly unfair to balance the state budget on the backs of only a few taxpayers, and it is grossly unfair, if not illegal, to change what I have been promised for many years just before I retire.

Professor of Costume Design, Department of Theater Arts, University of Oregon: I have dedicated my career to the University of Oregon and the State of Oregon, having taught here for 33 years, and planning to teach for two more, contributing to the education of hundreds of our citizens. My former students are teaching at other universities in the OUS, and contributing to the arts scene in cities from Portland to Ashland. I pay taxes and vote for taxes to support social programs and education, returning a portion of my income to the state for the benefit of us all.

I am considered to be "inactive" in PERS, though I have sixteen years of my retirement remaining in PERS from before I switched to the OPR. I started at the university in 1979 and have heard rumors of dismantling PERS as long as I have been here, so I opted out when I had the chance. I have regretted that choice ever since, because I know that my pension will be less than those who stayed in PERS, even without the proposed changes, but I was concerned that PERS would be dismantled by the time I retired. Now that I am indeed nearing retirement, I have learned about the proposal to remove the money match option from the calculations for my pension rendering the predictions are even worse. By joining the OPR program, I have already saved the state of Oregon from the liability of providing the interest on my retirement funds since 1996. Where is the logic in denying me the remaining pension that is half the responsibility the state would have owed, had I stayed in the system?

I met last week with the Benefits Advisor on campus to determine the difference in my pension if the money match were rescinded. If I retired now, which I am not ready to do, I would receive \$5276 from PERS per month. Without the money match, I would receive \$1092, an 80% drop in my income. At age 63, I have no opportunity to work additional years to make up a difference that dramatic. As a responsible citizen and servant of the state for over thirty years, I am devastated by this possible devaluation of my contribution and my future. If this proposal were to pass, I would be forced to retire immediately to avoid the catastrophic affect it would have on my pension.