

Testimony in Support of HB 2960

Respectfully Submitted by Joe Baessler., Political Director Oregon AFSCME

Chair Holvey, Members of the Committee my name is Joe Baessler and I work for Oregon AFSCME and our 24,000 members. I am writing in support of HB 2960. AFSCME believes in the necessity of a strong retirement. We spend a great of time talking about and defending pensions and doing everything we can to make sure our members don't retire into poverty. However, we can not only protect one group of workers. The vast majority of our membership has a retirement plan. We support HB 2960 not just for the few members that work in childcare and non-profits who would be affected but for the economic health of our entire state. Fewer and fewer jobs offer a pension these days and that is creating a crisis down the road as people retire. Student loans are growing and eating up people's savings and preventing them from saving any money until much later in life. This situation is leading many Oregonians to depend solely on Social Security. Our members don't want thousands or hundreds of thousands of Oregonians to be completely dependent on Social Security. That is the world we are headed to if we don't start to promote and encourage personal savings and make it easier for employers to help build pension plans for workers.

HB 2960 is not a complete solution but it moves us in the right direction. We believe that everyone that works for a living should have an employer sponsored retirement plan. As Treasurer Wheeler mentioned studies have shown that people associated their retirement with work and that is the best way to get them to save. We understand that mandating an employer sponsored plan would run afoul of federal law and be impractical. HB 2960 is therefore the most reasonable step in the right direction. A plan based on employment that is an opt-out system. It will be self-staining and the best way to get workers to contribute to their retirement. We believe this bill gives the board that would be formed the tools it needs to avert disaster. We hope that the board will choose simple easy to understand plans and make sure consumers understand their rights to opt-out and make it easy for people to engage in their own retirement.

We urge the Committee to support HB 2960 and help move Oregon away from the destructive future where the majority of its citizens are retiring into poverty. There are no other options and if we don't start this now we will not be in the right place in twenty years when it will be too late to start savings. Thank you for your time.