

To: Senate Revenue Committee Members

From: Lois Hughes

RE: Support for HB 2089

Hello my name is Lois Hughes and I live in Portland, OR. I want to start by telling you a little about myself. I recently turned 70 years old. I'm retired and depend 100% on my Social Security income. In other words, I live in poverty and struggle to make ends meet. Less than 10 years ago, I would not have imagined this fate for myself.

I am proud of my background and my long work history. I started working at the age of 15 and never took time off except for short periods of time when each of my children were born. I raised three children on my own and taught each of them the value of hard work through example.

For the last 17 years of my career I worked for Tektronix as a well paid, highly respected global software implementation manager. I was in great shape for retirement. The retirement account managed by Tektronix had grown to more than \$400,000 and I planned to continue working until I turned 65. The plan changed when the bottom fell out of the economy.

The first devastating blow was the news that almost all of my retirement account was wiped out by mismanagement and economic collapse at Tektronix. The news got worse when Tektronix laid off 250 managers, including me. I was 64 and we were in the midst of the Great Recession so finding work was a challenge. After my 3-month severance ran out I decided to opt-in to Social Security instead of collect unemployment. It seemed like the right decision.

Unfortunately Social Security alone was not enough to cover my normal expenses. Remember, I had a six-figure income and the expenses to match including my mortgage and car payment. It didn't take long to fall behind. I had no choice but to file for bankruptcy but I really wanted to make good on my promises so I filed for Chapter 13, which allows you to set up a payment plan to clear your debts.

The monthly bankruptcy payment plan was \$900, much more than I could afford with my Social Security so I increased my effort to find work. I got a 6-month contract position with Nike followed by a 6-month contract position with Xerox. What I didn't know was that the income put me over the Social Security earning threshold meaning I owed taxes on all of the Social Security income I received during that timeframe. By the time I was contacted by the IRS and Oregon Department of Revenue I no longer had a job and was back to living on just Social Security.

Working with the IRS was easy. Once I told them my only income was Social Security they helped me qualify for uncollectable status. Working with the Oregon Department of Revenue was not so easy.

I reached out to the Oregon Department of Revenue to make arrangements for a payment plan or find out about qualifying for uncollectable status. The agent who was assigned to my case was very aggressive and not very helpful.

I told him the IRS had me on uncollectable status and I asked if that was possible with the state – he said no. I had to give him bank statements and write a justification for every expense. He asked about my assets and suggested I start selling things to pay off my debt. I had already lost my home and sold most of my personal belongings. The only thing I had left was an older car. When he suggested I should sell it to pay my debt I reached my breaking point. I don't cry often but I was so scared that I would lose what little I had left.

I contacted an attorney from HELPS, a nonprofit law firm that helps low-income seniors like me understand their rights. They explained that the state couldn't garnish my Social Security income. This was a relief but I couldn't help think what it would be like if I wasn't working with an attorney from HELPS.

That's why I am asking you to support HB 2089. Paying your fair share is the right thing to do and if I had any money to spare I would. Federal law put certain rules in place to help low-income seniors and disabled protect their Social Security. Oregon Department of Revenue should have a process in place to inform people like me of their rights.

I am fortunate. After I testified in support of a similar bill in the House an agent from the Department of Revenue contacted me to tell me they were going to settle my case. I want the same for everyone who finds themselves in the same circumstances as me. Please support HB 2089.