



Oregon School Employees Association

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Chair Taylor and Members of the Committee:

My name is Tyler Shipman I am a government relations specialist with the Oregon School Employees Association (OSEA). Our association represents over 21,000 classified employees across the state of Oregon, which includes employees from K-12 public schools, education service districts (ESDs), community colleges, Head Starts, park and recreation districts and libraries. I am appearing today on behalf of OSEA to speak in opposition of Senate Bills (SB) 559 and 560.

SB 559 changes the Final Average Salary (FAS) calculation from three years to five years for Tier 1, Tier 2 and Oregon Public Service Retirement Plan (OPSRP) members. The existing accumulated sick leave provision would also be made consistent with the five year FAS calculation provisions. SB 560 would cap the FAS calculation at \$100,000 and stop employee contributions into the current Individual Account Program (IAP). These changes to PERS retirement benefits would adversely impact our members due to their low wages and already minimal retirement benefits.

The average salary of our membership is only \$24,133.61 a year. Using the average retirement benefit calculation from the Public Employee Retirement System (PERS) website, an employee earning this average salary in OPSRP, with 30 years of service, would receive a benefit of approximately \$905 per month. Our currently retiring members already do not earn a significant amount of money from their retirement. Reducing these benefits will push our future retiring members into a lower retirement payout that will leave them well below the poverty level.

Many of our members have chosen a career in education over other opportunities which would provide greater financial benefits. These members make this choice in an effort to better their community, the children in our education system and the state of Oregon. If this legislation is passed, some school employees may leave their work in public service, making it more difficult for districts to fill these positions. In turn, our education system will suffer due to an inability to attract and retain quality workers.

SB 559 and 560 are attempts to balance the current unfunded PERS liability on the backs of hardworking Oregonians. These employees' livelihood is already based on a meager wage, which they have accepted due to a promise from the state of Oregon of a secure PERS retirement benefit. A promise is a promise and to reduce their PERS benefits after they have invested years of service in public employment is an inexcusable breaking of that promise. OSEA cannot and will not support any legislation that results in a reduction of PERS benefits for any of our current hardworking members.

Thank you,

Tyler Shipman
Government Relations Specialist