

Chair Holvey and members of the House Business and Labor Committee

My name is Patricia O'Shea, I am a resident of NE Portland in House District 46. I am here today in support of HB 2867. I would like to prevent what happened to me to others who follow me.

I am a Tier 1 PERS employee. I retired at the end of 2004 and collected benefits seamlessly every year since. Until 2020. My benefits have included the tax remedy. (Note: My tax remedy for 2021 has already been reinstated. I am focusing exclusively on the total 2020 loss.)

It is urgent the problems in the laws that govern the application of the tax remedy MUST be fixed.

I learned this THE HARD WAY:

I have just lost several thousand dollars from the discontinuation of the tax remedy for the ENTIRE year 2020. In my case severe illness and being totally in the survival mode for many months is why I got so backed up on dealing with my paperwork. I was clueless that would trigger a loss of so much money.

I lost the ENTIRE YEAR of tax remedy. Even though I had been a full time resident of Oregon since 1979, (and own my home in Portland since 1990.) Even though I have paid taxes to the state of Oregon every year since 1980. Even though I had OVERPAID my taxes in 2018. (Note: I was delayed in filing officially for Oregon 2018. I had gotten an extension and sent a check \$1000 over what I could possibly owe. Later when I filed my refund from Oregon was \$1900.) Even though I had never even heard about needing to certify my residency. After all, I had been receiving benefits for years without ever being asked to do that before. Why should I expect a Dec. letter of such critical importance?

On March 15, 2021 I abandoned my final appeal to PERS for a hearing to contest my discontinued benefit after months of work and waiting. It was futile because I realized no allowances are made for individual problems or any delay in certifying residency in a timely way. The current law has caused considerable pain to a number of people and given no latitude to competent and caring people at PERS to use their professional discernment to do what is fair.

More allowance for individual circumstances that intrude on our lives should be factored.....like severe illness, or mail theft or whatever. Life happens, but there is no allowance made for reasonable problems that have led to non-compliance meeting deadlines. In my case the important December letter sent to me from PERS requiring certification of residency was lost then and never read by me. Nor was the Jan. 3 letter offering me 60 days to appeal the discontinuation. But importantly from PERS Deputy Director, I found out that no matter when someone responds to certify their residency (which is required to get the tax remedy) even if it Jan. 1 of that year or March 3—the end of the appeal window, the current law means they must lose their ENTIRE TAX REMEDY SUM for the entire year.

I wonder when so much money is at stake why PERS doesn't just give that person a call or email them or at least send that Dec. letter CERTIFIED to ensure it is seen. In my case, my letter was never seen until much later. I also wonder why people are offered an opportunity to appeal when in truth there is no chance to win.

Why did I give up? I concluded that the process was not going to yield a positive result. No one apparently has ever had their tax remedy reinstated if they have missed responding to that Dec. letter stating you must certify your residency in Oregon to be eligible. What if someone is traveling? Or comatose? Or their house has burned down? Moved else where in Oregon. Right now everybody loses a WHOLE year of tax remedy.

(Explanatory note: I had not been picked up by the Dept. of Revenue sweep in 2018, the current method used to ensure a retiree had paid Oregon taxes, though the state has over \$1000 extra money from me. There was no allowance for having tax extensions. The DOR sweep was the only method PERS uses.)

Another thing that I would like to challenge is why when an individual situation is understood and they fairly deserve the remedy, can there never be any RETROACTIVE payments?

As a PERS retiree who served the state of Oregon and held up my end of the bargain, I was entitled to this money as part of my Tier 1 PERS Retiree benefits. Truly, I don't feel what has happened is fair. The penalty far exceeds my "crime" in not being compliant with a deadline. I think retirees who have given years of high quality service to the state should be treated with heartfelt understanding, along with the necessary conforming to JUST laws. I hope you can make the happen by your support of HB 2867. I hope you will and continue to make other fixes as more are clearly necessary.

Thank you for listening and giving consideration to my thoughts.