

Chair Taylor, Members of the Committee, my name is Stacie Crow, I am a managing member at Sambar Construction LLC. I believe a major issue being overlooked with SB 850 and its amendments is the retirement accounts and how SB 850 will negatively affect Open Shop Workers.

Below is a typical scenario of retirement accounts and how drastically Open Shop and Union workers pensions differ.

Retirement Comparison between a Non-Union and Union firm Employee

Prevailing wage workers in Oregon should not be mandated to go to Union only. The benefits offered by Non-union firms can far exceed those of a union firm. There should be a choice. Please consider this retirement income scenario on the benefit of being an Oregon Prevailing Wage Non-Union worker.

Typical scenario for Retirement Comparison between a Non-Union and Union firm Employee.

Assumptions for Both:

1. Starts at 30-years of age.
2. Retirement age of 62
3. Works 32 years.
4. 40 hours per week
5. OP-4 rate of \$45.26 + FB \$16.35

Assumptions Open shop benefit for OP-4:

1. \$8/hour 401k weekly contribution
  1. 40 hr. work week = \$320/week = 13% deferral
2. Salary Scale of 2% per year
3. Investment Rate of Return: 8%/year
4. 401k Balance at age 62: **\$2,986,590**
5. Assuming 4% distribution rate:
  1. **\$119,463** annual income
  2. **\$9,955/mo.**

Assumptions Union benefit for 701 Operator:

1. \$100 per month pension for each year worked assumed.
2. 32 years = **\$3,200** per month pension
3. **\$38,400** annual income
4. Employee-owned retirement account balance at age 62: **0, ZERO**

Summary of retirement benefits:

Non-Union

\$119,462 annual income  
\$9955 month income  
\$2,986,590 employee-owned 401k Balance

Union

\$38,400 annual income  
\$3,200 a month income  
\$ ZERO employee-owned retirement balance

Non-Union employees *own their retirement account*. They have the freedom to move to another type of employment and can take their 401k account with them.

In addition, Non-Union employees' families or beneficiaries receive the full account balance when death occurs with 401(k) accounts. They do not "go away" or only benefit a spouse.