

To: Senate Committee On Labor and Business

From: Steven Demarest

RE: Support for SB 847

Date: March 7, 2025

Dear Chair Taylor, Vice-Chair Bonham, Members of the Committee:

My name is Steve Demarest. I am a retired PERS beneficiary, a past president of SEIU 503, and a former member of the PERS Board, where I served on the Board's Health Insurance Committee. Thank you for the opportunity to speak to the committee in support of SB 847 at the March 6 informational hearing.

The obvious intent of the current statutes is that \$60 in 1988 dollars would be provided as a subsidy to eligible retirees eligible for Medicare, that all active PERS members would be potentially eligible for that subsidy, and that all active PERS members who were state employees would be potentially eligible for a subsidy for pre-Medicare health insurance. That intent is not being satisfied currently.

After 36 years of rising premiums, the Medicare subsidy is \$60 in 2025 dollars, and the overwhelming majority of current active PERS members are not eligible for either insurance subsidy. SB 847 will restore the intent of the statute by raising the Medicare subsidy and extending eligibility for the subsidies to Oregon Public Service Retirement Plan members.

The proposed subsidies will be an important part of providing a fair and secure retirement. Some PERS retirees are low-income. The proposed subsidies will make a difference in affordability of insurance. The issue of costs to public employers has been raised. I point out that there is a cost to taxpayers for uninsured and underinsured Oregonians.

SEIU 503 represents over 72,000 Oregon workers. Our supreme governing body is a biennial legislative assembly. Its members are drawn from every sublocal and every corner of Oregon. Those members include PERS and non-PERS members. At the last assembly, the members overwhelmingly approved the legislative concepts in SB 847.

Thank you. I ask for your support of SB 847.