

DEMOCRATIC PARTY OF LANE COUNTY

Platform Committee

3/16/2017

RESOLUTION 2017.11

A resolution of the Democratic Party of Lane County

Relating to the Oregon PERS

WHEREAS, Oregon PERS has a substantial unfunded liability, and money to make up for that comes from budgets of current public employers, leaving fewer funds to employ necessary workers, thus limiting available government services; and

WHEREAS, Oregon courts have been clear that PERS reforms cannot change benefits already accrued by public employees, and nearly 2/3 of PERS liabilities come from current retirees whose benefits cannot be changed; and

WHEREAS, Oregon voters and Oregon legislators are exceedingly unlikely to pass substantial new revenue measures if the PERS issue is not addressed; and

WHEREAS, PERS employees with high incomes have the financial capacity to supplement their retirement income by directing current income towards retirement, and providing a guaranteed retirement income greater than the Oregon median household income is not necessarily in the taxpayers best interest; and

WHEREAS, PERS changes should not adversely affect those with low to moderate income, and especially not any employee with an income less than the Oregon median income; and

WHEREAS, fewer than 4% of state workers have incomes greater than \$100,000, and no k-12 or community college teachers have incomes greater than \$100,000 for regular school year duties; and

WHEREAS, PERS retirees are eligible for social security, which forms a reasonable supplement to a retiree's PERS benefit; and

WHEREAS, any delays in addressing possible changes to benefits for PERS employees moving forward will increase future PERS liabilities;

THEREFORE be it resolved that the Democratic Party of Lane County urges the Oregon legislature, in the 2017 session, to:

SECTION 1. Consider limiting the salary used to calculate pensions. A \$100,000 cap has been suggested and is not unreasonable. Any cap needs to be indexed for inflation.

SECTION 2. In order to not decrease benefits already accrued, a transition rule for current employees something like the following could be considered – the greater of (a) benefits accrued at the time the reform goes into effect if employee were to begin collecting at age they retire, or (b) calculations at the time of retirement with the cap in place.

SECTION 3. Resist redirecting a portion of the PERS “member employee contribution” away from member IAP accounts for low income PERS employees. Redirecting a portion of the IAP contributions for those with incomes high enough that they would not be covered by a union contract that requires a salary increase in response to PERS pickup decrease could be considered.

SECTION 4. Other PERS changes that do not change benefits already accrued and do not decrease current benefits for low income PERS employees should be considered.

SECTION 5. Our considered opinion on this matter shall be communicated to our Lane County legislative delegation.

**Resolved by the Central Committee of the Democratic Party of Lane County,
Assembled in Eugene, Oregon, March 16, 2017**

Signed:

X _____ . X _____ .

Chris Wig

Celine Swenson-Harris

Chair

Secretary