OPRI Newsletter | Issue #36 | Winter 2020

RETIREMENT NEWS YOU CAN USE

SB 1049 brings changes to Work After Retirement rules

Changes to the PERS "Work After Retirement" rules took effect January 1, 2020. These changes are the result of the passage of SB 1049, the contentious PERS reform bill that narrowly passed the legislature in 2019.

SB 1049 was meant to simplify the rules for "Work After Retirement" by removing limitations. For the fiscal years of 2020 – 2024, the limitations on the number of hours most retirees can work while still receiving pension benefits - often referred to as the "1,039 rule" - was eliminated. This applies to Tier One, Tier Two, and OPSRP members. There are some restrictions that may apply for those who retired early, including having a complete break in all PERS-participating employment for at least six months before qualifying for unlimited work hours. Those who qualify could continue working full time for a PERS-participating employer and still receive their PERS pension benefits.

A recent survey shows that 50 percent of OPRI membership supports expanding re-hire opportunities for

CONTINUED ON PG 2

The Oregon PERS Retirees, Inc. (OPRI) is the state's largest organization that exists solely to protect the rights and benefits of Oregon's retired public employees. We serve retirees like you by monitoring PERS disbursements, advocating for you at the Legislature and, when necessary, defending you in court. To learn more, please visit our website: www.opri.org

PERS retirees (see OPRI Membership Survey on page 4 for more details).

It is important to note that employers may have other limitations on the number of hours that can be worked. Retirees should work directly with their employer on terms of employment.

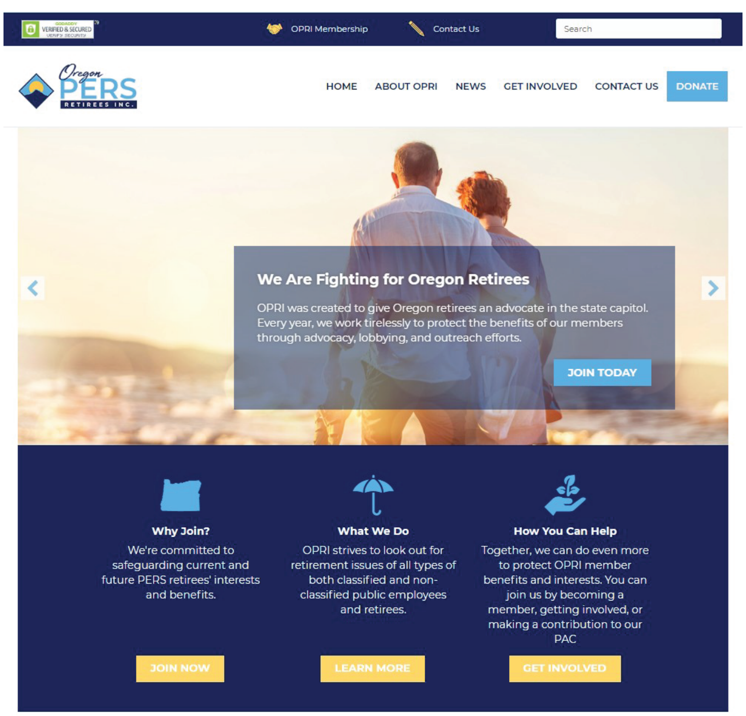
One example of this is with the Executive Branch of the state. A memo released in September by Katy Coba, State COO and DAS Director, stated that the Executive Branch would maintain the 1,039 hour limitation for retirees.

To learn more about these changes, visit: https://www.oregon.gov/pers/RET/Pages/SB1049-Changes-Work-After-Retirement.aspx

If you are employed as a PERS retiree for a PERS-participating employer in 2020-2024 (whether hired before, or during that time), you:

- May continue to receive your PERS retirement benefits (but not accrue any new retirement benefits);
- Receive wages from your employer; and
- Have no limitations* to the number of hours you can work.

Restrictions may apply if you retired early, and your employer may have other limitations.* ***Any decision on terms of employment is between you and your employer.*



OPRI launches new website

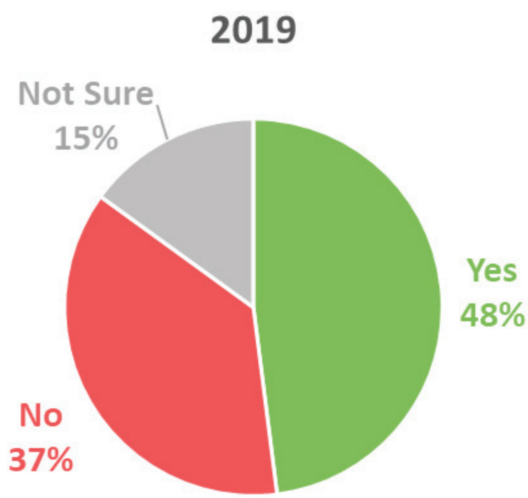
This summer, OPRI launched its new website, opri.org. The updated site offers up-to-date news and membership information that can be accessed both online and on mobile devices. The site also gives the ability to donate to the OPRI PAC online.

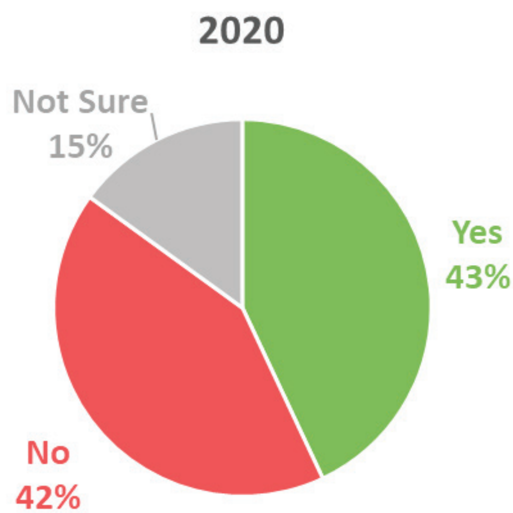
Visit opri.org to stay informed of important legislative updates, ways to get involved and proposed legislation through our updates and newsletters.

OPRI MEMBERSHIP SURVEY

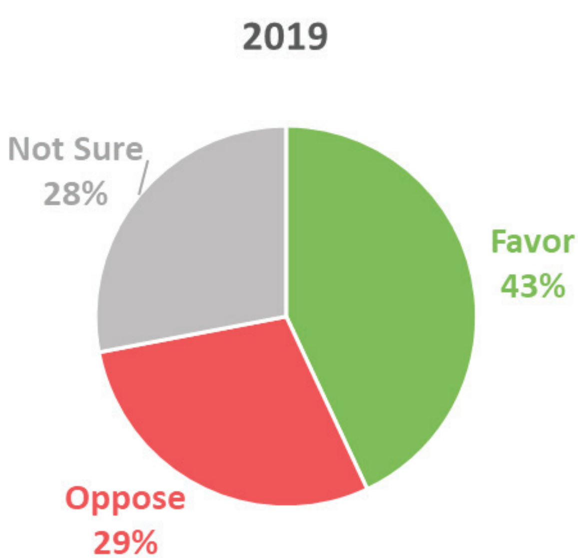
Each year, OPRI conducts a membership survey to better understand member perspectives on PERS reform and make sure we are accurately representing the views of our members in the Legislature. Below are the results of this year's survey. **You can view full survey results online at opri.org.**

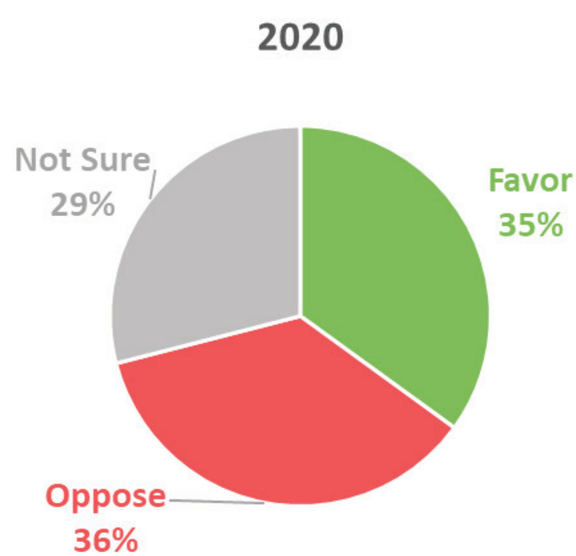
Do you believe that Oregon's Public Employees Retirement System has become a financial crisis for state and local governments and school districts?





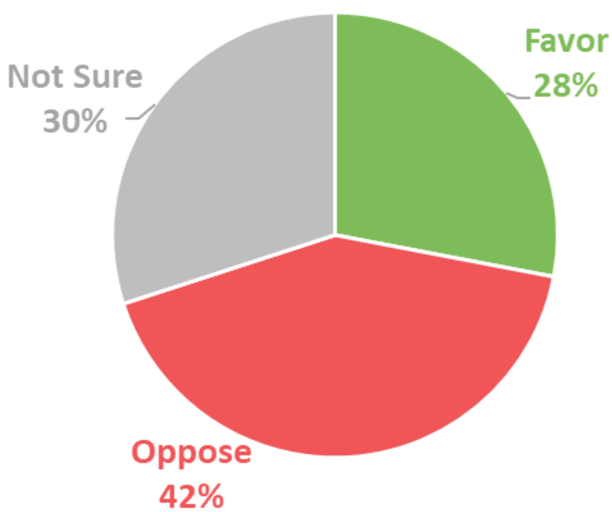
General speaking, do you FAVOR or OPPOSE PERS reform proposals that would require current public employees to make greater contributions to their own retirement benefits in order to reduce the PERS unfunded liability?



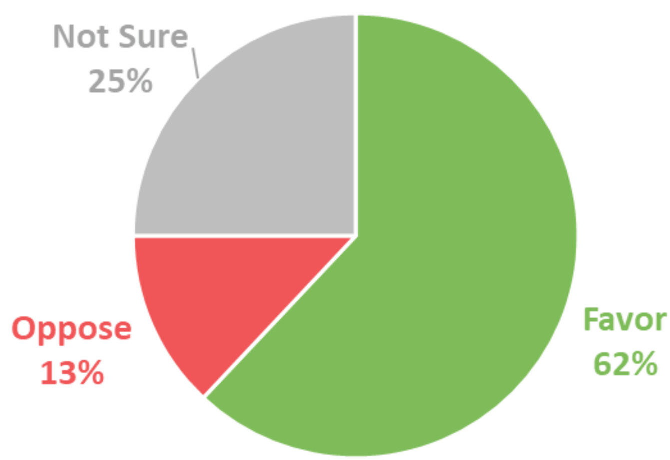


OPRI MEMBERSHIP SURVEY

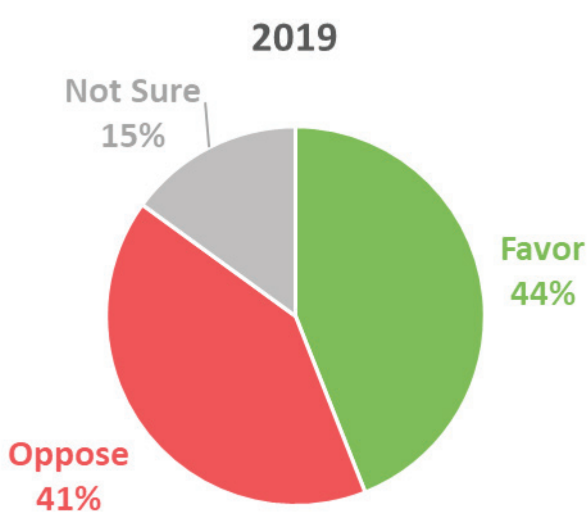
Do you FAVOR or OPPOSE Senate Bill 1049 that requires current Tier 1 and Tier 2 public employees to contribute 2.5% of their salary that currently goes into their individual IAP Account into the pension in order to reduce the pension liability?

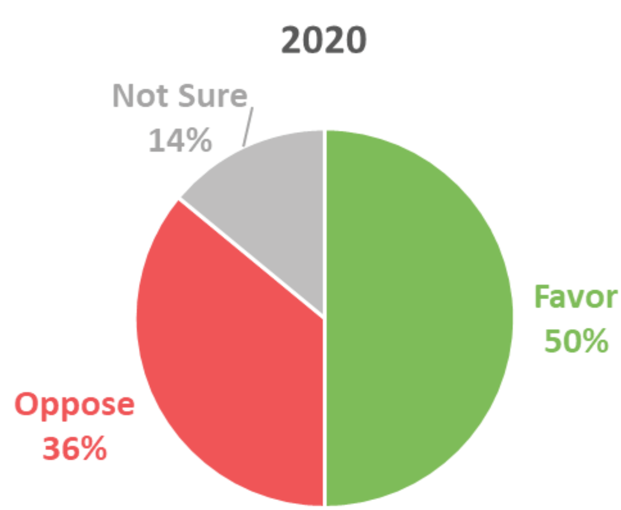


Do you FAVOR or OPPOSE your association, the Oregon PERS Retirees, joining with the public employee unions to challenge and overturn Senate Bill 1049 at the Oregon Supreme Court?



Generally speaking, do you FAVOR or OPPOSE legislation that would expand re-hire opportunities of PERS retirees by allowing them to work more that 1,039 hours per year for a public employer while still receiving PERS benefits?





Lawsuit alleges new PERS reform law unconstitutional

OPRI has joined with public employee unions in a lawsuit to challenge and overturn Senate Bill 1049. In August, nine public employee union members filed a lawsuit with the Oregon Supreme Court challenging the new law, stating that it unconstitutionally reduces pension benefits.

Senate Bill 1049 was signed into law in June after narrowly passing the both the Senate and the House with the bare minimum of votes necessary in both chambers. The law diverts a percentage of employee Individual Account Program (IAP) contributions – 2.5% for active Tier 1 and Tier 2, and 0.75% for active Tier 3 and Tier 4 – to go towards paying down the PERS pension debt. The bill also capped the Final Average Salary at $195,000. The lawsuit seeks to overturn these provisions, siting that it is a breach of contract.

OPRI's recent membership survey revealed that 62 percent of members support joining unions in the fight to overturn Senate Bill 1049 at the Oregon Supreme Court (see page 5 for survey results).

OPRI will continue to keep you updated on the progress of this lawsuit.

The passage of Senate Bill 1049 does not affect current retiree benefits. *Changes to benefits only impact current public employees and future retirees.*

PERS ballot initiatives withdrawn for 2020 election

The five potential "PERS Reform" ballot measures filed earlier this year have been withdrawn. Backers of the initiatives indicated that the passage of SB 1049 last session helped reduce the immediate crisis surrounding the system's debt, and that it would make more sense to see how things play out with the finances over the next few years rather than trying to tackle the PERS system during a presidential election.

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The date above indicates when your membership is up for renewal. For more information, please visit www.opri.org or send a letter to: Oregon PERS Retirees Inc. | PO Box 12945 | Salem, OR 97309

Current Board of Directors

Jay Osborne, Chair

Bob Oleson, Vice-Chair

John Goodson, Board Member

Helga Thompson, Board Member

Charles Luukinen, Board Member

Greg Monahan, Board Member

Under the current leadership of this Board of Directors, OPRI has succeeded in adding a large amount of money to OPRI's political action committee and operating funds in the last two years.

Put your Political Tax Credit to use

Help us continue to protect your rights and benefits in 2020

www.opri.org

NEWSLETTER BY EMAIL

If you are receiving this newsletter by mail, we encourage you to consider electing to switch to email delivery. This way you can be sure of getting all communications from OPRI in a timely and convenient way, and it will allow OPRI to reduce the cost of postage — one of our major operational costs. You can be sure we have your email address by sending us a note at info@opri.org. Thanks for considering this option.