

Oregonians for Retirement Security

Representing more than 185,000 retired and active teachers, fire fighters, nurses, police officers, trades workers, state and local government employees, professors, engineers, and many more who are members of Oregon's Public Employee Retirement System (PERS).

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Court Protects Employees' Retirement: Overturns Governor and Legislature

Portland, OR, 3/8/05 – The Oregon Supreme Court ruled today that the state must keep its promise to workers, overturning major elements of the cuts the Legislature and Governor made to their retirement benefits last year. Public Employees Retirement System (PERS) members thanked the court for standing by the promise made to them when they started their jobs.

"Finally, for the first time in over a year and a half, someone stepped forward and said a deal is a deal. I don't agree with everything the court decided, but I do have a little more hope," said Larry Blumenstein, PERS member and Fire Fighter with the City of Salem. "PERS might not be perfect, but the Legislature and Governor went too far. It just wasn't right for the Legislature to be so careless with the promise I built my life on."

At a post-decision news conference Greg Hartman, who represented workers in this case, provided a legal analysis. "The Supreme Court unanimously held that the changes to the 8% guarantee were unconstitutional and that the withholdings of the COLA were a breach of the PERS contract. In a close 4-3 decision, the Court denied our other challenges primarily on narrow statutory grounds. The Court clearly upheld the statutory nature of the PERS contract."

"For a year and a half, since the Legislature made these cuts, nurses, teachers, fire fighters, and countless others have not known if they could count on their retirement. Today the Supreme Court decision upheld the promise made to the plaintiffs and the thousands of others they represent – and that was the right thing to do. The court didn't rule with employees in all cases, but they did say a deal is a deal," added Hartman.

Linda Johnson, a library technician, is one of the people most impacted by the Legislature's rollbacks to PERS. She shared what the cuts to PERS, and the lawsuit meant to her. "A year and a half ago the legislature cut my retirement benefits by over \$400 a month. If I can't depend on my retirement, what's going to happen to me? I don't

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know what they were thinking when they made these cuts, but I'm so grateful that somebody has stepped in and said it wasn't fair," she said.

Joining Linda and Larry was Susanna Rhodes, a nurse at Doernbecher Children's Hospital, and Lee Orton, an office specialist at the Oregon State Hospital. Both were nervously awaiting today's decision as their retirement benefits were cut by the Legislature.

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