

# Oregon Supreme Court Protects Employees' Retirement: Overturns Governor and Legislature

Yesterday, March 8<sup>th</sup>, the Oregon Supreme Court ruled that the state must keep its promise to workers, overturning major elements of the cuts the Legislature and Governor made to PERS members retirement benefits last year.

We didn't win everything yesterday, but we did win two major victories. Greg Hartman, attorney representing PERS members in this case, provided this analysis of the decision:

"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," said Hartman.

The Legislative changes that were upheld by a narrow vote of the court were the 6% diversion of employee contributions and changes to the actuarial tables.

The opinion is very long and complex and we will have more information to you in the next couple of weeks that answer your basic questions about this decision and what it means to you.

\_\_\_\_\_ (your union name) was part of statewide press blitz including a very well attended press conference in Portland.

At the press conference, PERS members spoke about how the court ruling impacted them. Speaking at the press conference were: Larry Blumenstein, a plaintiff in the case and a captain with the City of Salem Fire Department; Susanna Rhodes, also a plaintiff and a nurse at OHSU Doernbecher Childrens Hospital; Lee Orton, an office specialist at Oregon State Hospital in Portland; and Linda Johnson, a Library Technician at OHSU.

Also standing with the speakers at the press conference were Tom Clough, Laborers Local 483; Chuck Moffit, AFSCME; Robin Moffit, AFSCME; Mary Lewis, OEA; Launie Hitchcock, FOPPO; Les Hefler, OEA; Carol Booker, AFT; Karl Koenig, OSFCC; and Larry Evers, SEIU.

## **Quotable Quotes**

Below are just a few quotes from yesterday's press conference on the PERS decision...

"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. 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."

- Larry Blumenstein

"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."

-Greg Hartman, Attorney

"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 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."

-Linda Johnson

"I planned to retire in two and a half years. But then last year the Legislature cut my retirement by over \$2,000 a month. I was stunned. I stayed at OHSU because I was promised a retirement I could count on. The Legislature changed everything. Today the Court did the right thing. They recognized the Legislature went too far and stepped in to protect people like me."

-Susanna Rhodes

"I never knew until last year that the Legislature, or anyone, could cut my retirement. I didn't know they could take away what I had already earned. The Legislature's changes reduced my estimated retirement benefits by over \$400 a month. Today the court brought some balance back. They protected people who have worked long and hard and believed they had a deal. This really matters to me and my family --I appreciate the court standing up for me today."

-Lee Orton

### **Introducing Oregonians for Retirement Security!**

Taking the lead on the press conference yesterday was Oregonians for Retirement Security. The organization represents all of us who are members of PERS. Look for more information on Oregonians for Retirement Security soon. If you have any questions, please call Beckie Lee at (503) 248-7099 or email [blee@easystreet.com](mailto:blee@easystreet.com).