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Contact: Beckie Lee, Oregonians for Retirement Security; (503) 248-7099;
blee@easystreet.com

**Public Employees Retirement System On The Mend;
System has gone from about 70% to 90% funded**

Tigard, OR, 4/15/05 – Today, the Board of the Public Employees Retirement System (PERS) reviewed economic forecasts of the retirement system over the next ten years, including projected employer rates. Numbers were flying everywhere, but the bottom line is clear- PERS is looking better than many thought it was three years ago.

Just a few weeks ago, after the Supreme Court issued their decision to overturn the Legislature's cuts to workers retirement benefits, Governor Kulongoski reminded Oregonians that PERS has for the most part been fixed. He stated that due to a number of actions, the state has "put PERS on a sound financial path." Speaker Karen Minnis seconded that statement, saying recent reforms put "PERS on the track to fiscal stability."

"What we saw today were worst case scenarios and best case scenarios – and all in all, the system is in better shape than it was a few years ago," remarked BethAnne Darby from the Oregon Education Association after the Board meeting. "Both public and private pension programs were hurting because of the drastic downturn in the stock market a few years ago. The future is brighter today."

One measure of the health of a retirement system is at what percentage the system is funded. Figures presented at the PERS Board meeting today confirmed that the system has gone from about 70% funded in 2002 to now over 90% funded.

Pat West, a retired Salem Fire Fighter, was at Friday's PERS Board meeting. "I don't have a crystal ball. But anyone who read the paper a few days ago knows that the economy is improving and everything from the stock market to jobs are the on the rise. That's good news for all of us," he said.

The improved financial situation of PERS was not achieved by the stock market rebound alone. Reports today showed that workers across Oregon have paid the price themselves through reductions in their retirement benefits.

In another agenda item, PERS asked for \$3.9 million to implement the Supreme Court's recent decision that overturned the Legislature's cuts to workers retirement benefits.

The Legislature was warned before they made these cuts by the Attorney General and their own Legislative Counsel that they were most likely not legal. But the Legislature made the changes anyway. After spending money on a court battle and losing, the Legislature now has to spend almost \$4 million in staffing to undo the mistake and give workers back their benefits.

"I wish the Legislature would have listened to their own attorneys before they cut retirement benefits. They would have saved workers a lot of uncertainty and taxpayers millions of dollars," added West.

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