



Tell the truth, Bob!

■ Many of the things that state Representative Bob Tiernan, R-Lake Oswego, has been saying about PERS — on the record — simply are not true.



What Bob says . . .

"If you look at salary increases from 1979 to 1992, you'll see that they're (public employees) actually 150, 170% above that which the average Oregonian was getting or the consumer prices were getting and therefore the argument that they somehow substitute this for an increase and that we've had a permanent decrease is not true."

September 13, 1993

"The taxpayers are paying and public employees are receiving three times the pension contribution and benefit than those received by the average working Oregonian."

September 13, 1993

". . . many public employees are retiring at or predicted to retire at greater monthly benefits than their final average salary — some as high as 150% of their final average salary"

Letter to "Dear Fellow Legislators," May 19, 1993

"(RE: Sick leave credit) That's a practice I have never heard about. I've been a labor employment attorney for the last 12 years and I have never heard of that practice in any other state or the federal government."

September 13, 1993

"Keep in mind this initiative does not lessen the retirement system benefit."

September 13, 1993

"All it says is you're getting three times as much as anybody else, pay a portion of it just like every other state and federal employee does."

September 13, 1993

What we know . . .

From 1979 to 1993, pay raises for OPEU-represented state workers increased by 68% versus an increase of 85% in the cost of living — a loss of buying power of 17%.

Sources • Bureau of Labor Statistics' Portland CPI for All Urban Consumers
• OPEU/SEIU Local 503 Collective Bargaining Agreements

A typical defined-benefit pension plan in the private sector provides a benefit based on 1.5% to 2% of final average salary for each year of service. In PERS, the benefit is based on 1.67% of final average salary for each year of service. Most larger private employers provide both defined benefit and defined contribution retirement plans. This is the case for a majority of Oregon employers of 500 or more employees. The problem is that most small businesses provide no retirement benefits at all, thus bringing down the average for all employers.

Sources • 1991 Wage and Benefit Survey of Oregon Businesses (Towers Perrin)
• The Wyatt Company

Only 9 of 13,032 retirees who retired since 1988 (the date these statistics became available) receive a benefit higher than their final average salary. None retired with a benefit as high as 150% of final average salary.

Source • PERS

Forty-three of the 50 states compensate their employees for unused sick leave upon retirement. Some credit unused sick leave toward service for purposes of computing retirement benefits. Others pay a percentage of the unused sick leave. Also, one of the federal government's two retirement plans (the Civil Service Retirement Plan) uses sick leave to adjust service credits for retirement.

Sources • Workplace Economics' 1990 State Employee Benefit Survey
• Public Pension Coordinating Council (1992)

Tiernan's initiative cuts retirement benefits in two ways. It repeals credit for unused sick leave (which will reduce benefits by 5% to 14%). Also, by repealing the 6% pickup, it will reduce final average salary by 6%, thereby reducing benefits by 6%.

Source • PERS

102 of 475 public pension plans responding to a survey pay all or some of their employees' contributions.

Source • Public Pension Coordinating Council (1992)