

**Senator Tim Knopp**  
**Senate District 27**

**Senator Betsy Johnson**  
**Senate District 16**



**For Immediate Release**

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**Legislators Release Legal Opinion on Constitutionality of  
Possible PERS Solutions**

Salem, Ore. -Oregon's Legislative Counsel has released a [legal opinion](#) on the constitutionality of possible Public Employees Retirement System (PERS) reforms. Of the reforms analyzed, seven were deemed likely constitutional.

Senator Betsy Johnson (D-Scappoose) and Senator Tim Knopp (R-Bend) are spearheading the Bipartisan PERS Solutions Work Group. Any Oregonian interested in pursuing fair, constitutional PERS reform is invited to participate. Invitations have also been sent to a broad, bipartisan coalition of school administrators, local government officials, and labor and business groups representing a variety of interests across the state.

"This legal opinion gives us a great foundation as we gather Oregonians around the state in our Bipartisan PERS Solutions Work Group to consider the best way to start fixing the nearly \$22 billion PERS unfunded liability," said Senators Knopp and Johnson. "We no longer want to hear that there are no solutions. Oregonians want fair, constitutional solutions to our PERS crisis and working together, we will find them."

The PERS reform options deemed likely constitutional by Legislative Counsel include:

- Cap the final average salary calculation at \$100,000 per year;
- Use a market rate for Money Match annuities;
- Ensure all PERS members contribute to their benefit by redirecting member

contributions into an account to help pay for their future retirement;

- Stop unfair pension enhancement by preventing future unused vacation and sick leave from artificially inflating final average salary calculations;
- Spread the final average salary calculation over five instead of three consecutive years;
- Move all new employees to a defined contribution plan requiring employers to match the 6% employee contribution into the Individual Account Program; and
- Allow full bargaining regarding government payment of employee PERS contributions and limiting agreements to five-year periods.

The PERS actuary, Milliman, is evaluating the financial impacts of these proposals. If implemented, these reforms would not affect benefits already accrued by current PERS members.

"We now have a solid place to start conversations on real, fair PERS reform, and we're ready to get to work," said Senators Knopp and Johnson. "We invite any Oregonian interested in solving our PERS crisis to join us."

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