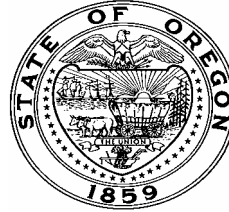


Representative Greg Macpherson

P R E S S R E L E A S E



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Contact: Karynn Fish (503.986.1438)

**Rep. Macpherson unveils new PERS proposal
Nonpartisan “Oregon Retirement Plan” offers blueprint for future public
retirement system**

SALEM— Salem—Rep. Greg Macpherson (D-Lake Oswego) unveiled a nonpartisan blueprint for a new retirement plan for public employees on Tuesday, and declared that the proposal meets the legislative PERS Committee’s requirement for a system that is “affordable, reliable, sustainable and simple.”

Macpherson, who serves on the House PERS Committee, outlined a proposal for a new system, called the Oregon Retirement Plan, that includes a “core defined-benefit” plan, paid by employers, and a companion “defined-contribution” plan, paid by members.

“This plan preserves the best features of both approaches,” said Macpherson, who is a lawyer with 25 years of professional experience in designing and running pension programs. “But it avoids the problems that created the present crisis in cost to employers and unfunded liability.”

Macpherson pointed out that many public employers now pay more than 20 percent of their payroll in PERS payments. The new plan would keep that cost down to slightly over eight percent for most employers.

“This is well within the ballpark for other public pension plans around the country,” Macpherson said.

The Oregon Retirement Plan would establish guaranteed pensions for retirees that pay them 45 percent of their final average salaries. The plan would also establish supplemental individual accounts, to which employees could contribute up to six percent of their salaries—a cost that employers could choose to pick up. The individual account would function much like a 401-K account. The combined accounts should provide retirees with between 64 and 73 percent of their working salaries.

The Governor’s office has expressed support for this approach to solving the long-term PERS problem, Macpherson said. “I have worked closely with the Governor’s office in developing this proposal. His people support the concept and direction. They agree that it’s the right vehicle for long-term PERS reform.”

Representative Macpherson will present details of the plan to the House PERS Committee this afternoon as a series of proposed amendments to House Bill 2008.

Attached is an information sheet that outlines key features of the Oregon Retirement Plan.