

Good afternoon Chairman Schauer and members of the Government and Veterans Affairs committee, my name is Dana Henry, and I am a Compliance Officer with the office of State Tax Commissioner and a voter in District 7. I am here today advocating as a millennial for the defined benefit plan, our pension.

I am the daughter of two public high school educators in Southern Oregon. I grew up in a very middle class family, and I can distinctly remember eating peanut butter and jelly sandwiches in the month of September just waiting for that first paycheck of the year to come on October 1st. My parents selected a career path to serve, educate, and grow generations of young people sacrificing a larger salary, for a guaranteed pension at the time of retirement.

My parents were able to retire and currently live on their pensions through Oregon PERS. I graduated from college the same year that my dad retired from teaching. I have a unique perspective being an older millennial in that I graduated at the start of the great recession right as I entered the professional workforce, while also watching my family exit the workforce as the market crashed and flipped upside down.

I saw 90% of my life's savings disappear in just 3 months' time as I attempted to be responsible investing in my first IRA. I saw the parents of my fellow classmates who couldn't retire because they lost six figures in their 401ks which made leaving the workforce impossible and forced them to work much longer than they had planned. But I also saw my father be able to retire with dignity and security on his own terms knowing that his pension was guaranteed when he exited the classroom for the last time.

My husband and I are both North Dakota transplants that moved here sight unseen at the start of the pandemic in 2020. We have no family here and no ties to the area. We strictly came for the benefits package and the defined benefit plan/pension offered by the State.

The benefits package in my opinion is one of the best recruiting and retention tools that the State of North Dakota has at its disposal to bring talent to serve the citizens of this great state.

HB 1040 currently seeks to close the pension plan to new hires and exclusively opens a defined contribution plan to them. This bill has an actuarial cost of 5.5 BILLION dollars over the next 20.5 years, but does not bind any funding requirements to future legislatures.

We are in the predicament we are today with the defined benefit plan because the 2011 legislature chose not to follow through with the recommended four 1% increases to keep the plan on track. I do not trust that 5 future legislatures will continue to fund the plan in order to keep my pension intact. They say that this change will have no effect on my future, but I don't like these odds. When you have no additional funds coming into a plan, but have distributions going out to retirees if the returns on those funds don't cover those payments, especially as we are facing another recession, it is in fact my pension payout 30 years down the road that will be impacted and are at risk. I urge a do not pass on house bill 1040.

SB 2239 however, aims to invest in our current pension plan and preserve the benefit for less than \$1 Billion (18% of the cost of the House plan) placing it on a course to be fully funded in 30 years. This is the more fiscally responsible plan and the better choice for employees now and in the future.

As the experts continually note, pensions are an efficient use of taxpayer dollars. Let's listen to them and pass SB 2239. It continues to offer the defined benefit plan to all and opens an expanded option if employees decide they want a more portable 401k option with a defined contribution plan. Please pass Senate Bill 2239.

Thank you for your time and diligence as you review this very important matter for state retirees as well as current and future employees.

Sincerely,
Dana Henry