

## A RETIREMENT PLAN For Public Employees of Oregon

By HERMAN KEHRLI, Director Bureau  
of Municipal Research and Service  
University of Oregon

There are today many public employees in Oregon that have served faithfully for years in some city, county, or state department who because of old age, are no longer able or soon will not be able to carry the full responsibility of their jobs. Anyone who visits the city halls, the courthouses, and the various departments of the state government in Oregon will be told about employees who because of age or health or physical condition must be favored in the assignment of work or are not expected to do as much as formerly.

Oregon is far behind many other states of the Union in meeting the problem of the superannuated public employee. The Census Bureau's latest report on retirement systems for state and local government employees indicated that in January, 1942, 46 per cent of the state and local employees in the United States were members of a retirement system of some type. In Oregon only 7.6 per cent of the public employees of the state and local governments were members of a retirement system. Over 70 per cent of all state and local employees were covered in New York, Ohio, and California and more than 50 per cent of the public employees of Florida, Illinois, Maine, Maryland, Massachusetts, New Jersey, New Mexico, Pennsylvania, and Rhode Island were members of a retirement system. Public employees in Oregon that are today covered by some type of pension system include Portland firemen, Portland policemen, Portland teachers, part of the University of

Oregon faculty, circuit and supreme court judges, under a plan adopted in 1943—incidentally after seven supreme court judges had died in office—and Salem firemen under a plan approved by the voters of Salem in May.

There has apparently been a growing demand for retirement legislation in Oregon during the past 15 years. Prior to the war every session of the legislature considered a number of pension measures for public employees. Most of these measures would have provided pensions for some specialized group of public employees. Recognizing this demand, Governor Sprague on August 22, 1939, appointed a special committee to study the problem of public employee retirement. In calling that committee together, Governor Sprague said:

"The state and civil subdivisions and schools, for the most part, make no provision for retirement annuities for their employees, though that is now a requirement of industry. Government should not be laggard in this regard, and steps should be taken soon to establish some pension system for public service.

"There has been agitation for years for pensions for special classes of public service such as teachers, police and firemen. It has seemed to me wiser to approach the problem as a whole rather than piece meal; and to make a study as a base for a system of retirement annuities for all public employees instead of for special groups."

The majority of that committee, which was headed by Henry F. Cabell, then chairman of the highway commission, reported that:

"It is in the public interest that a statewide public employee retirement system be established to provide a retirement income for public employees of the state of Oregon and local governmental units thereof, and that a financially solvent and actuarially sound retirement system be established."