

League of Oregon Cities

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equal 1/60 of the average salary, times the number of years of service. This means that an employee with 30 years of service would receive an annuity amounting to half salary. The California plan uses the 1/70 formula, which means that an employee with 35 years of service would receive half salary. Contributions are increased for employees engaged in hazardous occupations requiring retirement at an earlier age than the normal, so that they can build up their credits in a shorter period of time. The California system makes this type of provision for employees of police departments, fire departments, and the California State Patrol. The New York system classifies employees into five groups as follows: 1, clerical and administrative, 2, mechanics and laborers, 3, institutional, 4, firemen, and 5, policemen.

12 A large percentage of the workers of this country are now members of some public or private retirement system or are covered by the old age insurance provisions of the social security act. In view of the existence of a national policy designed to provide most private employees with a sufficient income to keep them off relief rolls after retirement, it would contribute to that national policy if every retirement system would keep contribution of employees who have been members of the system for a period of years, and would provide an annuity at retirement age. A person transferring to private employment or to public employment covered by another retirement system would not earn full pension rights either under the social security act or under the ordinary retirement system. By withholding his contributions and paying an annuity, the objectives of these other systems would be aided just as the Oregon system would be aided when employees covered under other systems with similar provisions became members of the Oregon system. The Federal retirement act for civil service employees has, for several years, provided that Federal civil service employees that have contributed to the Federal system for 5 years are no longer permitted to withdraw their contributions, but will receive a small annuity upon reaching age 62.

13 The primary objective of a retirement system for the point of view of the public or the employing agency, is to secure the retirement of persons who are no longer able to carry the responsibilities of their work. To achieve this objective, it is necessary to provide for the retirement also of employees who become permanently disabled prior to the normal age of retirement. A number of systems provide for full retirement of employees who become permanently disabled after 10 or 15 years of service.

14 The desire to "die in the harness," so prevalent among aged individuals, can be dealt with only through compulsory retirement, if one of the main objectives of a retirement system is to be fulfilled.

15 Most plans permit those employees who

Modern Merit System Practice

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Education Service, and as a vice president of the International Prison Congress. He has served also as instructor or faculty member in three outstanding institutions of higher learning. Mark Graves entered the New York State service as an examiner of accounts in 1907. He rose through the ranks by merit promotions and finally became State Tax Commissioner. He is president of the National Tax Association, a member of the Council of State Governments and a Director of the Albany Savings Bank.

REMOVAL OF THE INEFFICIENT

The old complaint that stagnating civil service employees cannot readily be removed applies to an outmoded period. Modern merit system practice provides for quick removal of inefficient, drowsy or insubordinate employees who have become unfit for continued service. The old idea of hedging the executive with restrictions and inhibitions against removals has given way to safe and sensible administrative control over removals, which assures fairness to the employee while not hamstringing the executive.

cannot be replaced readily, or who have unusual ability, to be employed past the compulsory retirement age at the request of the employing agency.

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