

The Retirement Act

FORTY-THIRD LEGISLATIVE ASSEMBLY
—REGULAR SESSION

REENGROSSED

House Bill No. 344

(As Amended)

Introduced by Representatives VAN DYKE, THOMAS, FRISBEE, MOORE and MANLEY WILSON and Senators McKENNA and PAUL PATTERSON and read first time February 3, 1945.

A BILL

For an act establishing a system of retirement and of benefits at retirement or death for certain officers and employes of the state and its political subdivisions; providing for the integration of other similar systems with this system; providing for the costs of the system; appropriating money therefor; and providing a savings clause.

Be It Enacted by the People of the State of Oregon:

Section 1. This act shall be known as the public employes retirement act.

Section 2. As used in this act

(1) the term "public employer" means the state, one of its agencies or one of its political subdivisions;

(2) the term "employee" includes, in addition to employes, public officers, but not persons employed as independent contractors.

(3) the term "volunteer fire-fighter" means a fire-fighter whose position normally requires less than 600 hours of service per year.

(4) the term "salary" means the remuneration paid an employe in cash out of the funds of a public employer in return for his services to the employer, plus the monetary value, as determined by the public employes retirement board, of whatever living quarters, board, lodging, fuel, laundry and other advantages the employer furnishes him in return for his services.

(5) the term "annuity" means payments for life derived from contributions made by a member as provided in this act.

(6) the term "pension" means annual payments for life derived from contributions by one or more public employers.

(7) the term "continuous service" means service not interrupted for more than five years.

Section 3. A system of retirement and of benefits at retirement or death for employes of public employers is hereby established and shall be known as the public employes retirement system. Any similar system being operated by a public employer at the time this act takes effect may be integrated into this system as hereinafter provided.

Section 4. (1) The governing authority of the system shall be a board of five persons appointed by the governor and known as the public employes retirement board.

(2) The board shall have (a) the powers and privileges of a corporation and (b) the power and duty, subject to the limitations of this act, of managing the system.

(3) The board (a) shall, at its first meeting each year, designate one of its mem-

bers to serve as chairman of the board for the remainder of the year and until his successor is designated and takes that office; (b) shall arrange for actuarial service for the system; (c) shall employ an executive secretary as hereinafter provided; (d) shall create such other positions as it deems necessary to sound and economical administration of the system, which positions the executive secretary shall fill by appointment; and (e) shall, with the approval of the budget director, fix the salaries of all persons employed for purposes of administering the system.

(4) The attorney general shall be the legal advisor of the board.

(5) A member of the board shall receive no compensation for his services as such, but shall be reimbursed from the public employes retirement fund for expenses incidental to his rendering those services.

Section 5. (1) Of the five members of the board, two shall be citizens (a) who have resided in the state for two years immediately preceding their appointment to the board and (b) neither of whom (i) is an employe of a public employer during his term of office on the board or (ii) has been such an employe for two years immediately preceding his appointment to the board.

(2) The other three of the first five members of the board shall be persons who would be eligible for membership in the system if it were established at the time of their appointment. All successors of any of the three shall be members of the system.

(3) Of the first five members of the board, the governor shall designate one to serve until July 1, 1946, one until July 1, 1947, one until July 1, 1948, one until July 1, 1949, and one until July 1, 1950. Except as this section otherwise provides, a member of the board other than one of these five shall serve for five years and until his successor is appointed and takes office. Each member of the board shall have the same qualifications as this act prescribes for his predecessor.

(4) A member of the board who is not one of its first five members and who is required to be a member of the system in order to be a member of the board shall be appointed from a list of five members of the system which its membership nominates, in accordance with a system of nominations prescribed by the governor, for membership on the board.

(5) In the event that a member of the board fails to complete the term of office previously provided for him in this section the governor shall appoint a person to succeed him as a member of the board for the unexpired portion of the term.

Section 6. Subject to the limitations of this act the board shall, from time to time, establish rules and regulations for transacting its business and administering the system. No such rule shall have effect, however, until 10 days after all the following conditions are substantially met:

(1) A copy of the rule, in the form in which the board proposes it, shall be delivered, within 30 days after the board proposes it, to the budget director and to all public employers participating in the system.

(2) As soon as such an employer receives