

ANALYSIS OF RETIREMENT ACT

(Continued from Page 4)

8. All employees who are already members of a retirement system are exempted from membership in the statewide system until such time as their system is integrated into the statewide system.

9. Upon request of the governing board of a city or rural fire protection district, volunteer fire-fighters may become members of the system and receive such benefits as are agreed upon by the governing body and the retirement board.

IV. How Financed

1. CURRENT AND FUTURE SERVICE

a. Employees Contributions:

After July 1, 1946, covered employees will contribute a percentage of their salary which is actuarially determined to be sufficient to provide an annuity of approximately one-fourth of average salary for the last five years of employment for employees with 30 or more years of service for ordinary occupations and with 25 years of service for police officers and firemen. For employees becoming members of the system when over 35 years of age, contribution rate to be fixed at a percentage calculated to provide one-thirtieth or one-twenty-fifth, respectively, of the annuity for each year of service.

(1) An employee earning more than \$200 per month may elect to contribute only on the first \$200 of his salary, in which case his retirement benefits will be reduced accordingly.

(2) An employee whose rate of contribution exceeds 5 per cent of salary may elect to contribute only 5 per cent of his salary.

b. Employer Contribution:

After July 1, 1946, covered employing agencies will contribute a percentage of regular salaries actuarially determined to be sufficient to match the contributions of employees at retire-

ment age and to provide disability benefits.

(1) Employer contributions will be on the first \$200 of any monthly salary only.

2. PRIOR SERVICE

a. After July 1, 1947, the employing agencies will make an additional contribution for prior service which is actuarially determined to provide employees who are in service on July 1, 1946, a retirement allowance on account of prior service equal to \$2.50 per month for each year of prior service up to 20 years.

(1) Prior service cost to be amortized over a 30-year period.

(2) All school districts will contribute for prior service at a uniform rate.

3. A separate account will be kept for each employee who contributes to the system.

V. What Benefits

1. Retirement allowance.

a. Ordinary employees who contribute to the system for 30 years or more will receive a retirement allowance actuarially based on their accumulated contributions matched by the contributions of the employer and which will amount to a total allowance of approximately one-half of the average salary during the last five years of service prior to reaching age 65.

b. Police officers, firemen, etc., as above 25 years and age 60.

c. Employees who reach retirement age with less than 30 or 25 years of membership, respectively, will receive approximately one-thirtieth or one-twenty-fifth, respectively, of the ob-

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