

Analysis of Retirement Act

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I. *When Effective*

1. The act becomes effective on July 1, 1945, except those parts of it pertaining to membership in the retirement system and contributions to the retirement fund, which takes effect July 1, 1946.

2. The governor will appoint a board of five members on or shortly after July 1, 1945. This board will employ an executive secretary and an actuary to make necessary preliminary studies and arrangements.

3. Contributions by employees and employer agencies will begin with the first payroll after July 1, 1946. State and local agencies will be notified before budget-making time in the spring as to the exact percentage of salaries that will have to be contributed by both the employing agencies and the employees that are covered.

4. Provisions of the act with reference to prior service do not become effective until July 1, 1947, and contributions to provide prior service benefits will not be required until after July 1, 1947.

5. There is no action required by a governmental agency this spring or until after the retirement board has organized and has requested personnel information from the agency to serve as the basis for actuarial studies and for setting up the necessary records.

II. *How Administered*

1. The act creates the public employees' retirement board of five persons appointed by the governor.

2. Executive secretary and actuary to be appointed by the board.

3. Administrative expense to be provided by pro rata deductions from contributions of employees and employer agencies participating in the system.

III. *Who Participates*

1. The employees of all state agencies are automatically covered.

2. The employees of all school districts are automatically covered, except certificated school teachers who are members of, or who have voluntarily excluded themselves from, the Portland teachers retirement system.

3. The employees of all local subdivisions employing five or more regular employees, except school districts, are automatically covered, except that the governing board of any such local subdivision can by a majority vote taken before May 1, 1946, exclude itself and its employees from the system.

4. The employees of all local subdivisions employing less than five regular employees, except school districts, are automatically exempted unless the governing body of the subdivision requests that they be covered.

5. Employees of excluded subdivisions who are not members of a previously established retirement system may be covered at any time by a majority vote of the governing board of the subdivision.

6. All employees who regularly work more than 600 hours a year for a covered agency or subdivision and who are not members of an existing retirement system automatically become members of the system.

7. Elected officials or appointive officers with fixed terms are exempted from membership but may become members of the system upon application to the retirement board within 30 days after taking office, or, if already in office, within 30 days after July 1, 1946.

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