

## OPERATING OUTLINE OF OREGON PUBLIC EMPLOYEES RETIREMENT ACT

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Note: Actuarial calculations will be based on this outline unless modifications are made necessary by legal interpretation. This outline is not intended to cover all phases of the Retirement Act but rather only those sections which affect the greater number of public employees and participating agencies.

### *Administration (Section 4-7)*

System is managed by Public Employees' Retirement Board of five persons appointed by Governor. Three of these are members of the System. Board appoints Executive Secretary.

### *Administrative Expenses (Section 11)*

Expenses to be charged against members and against employers in proportion to their contributions.

### *Membership (Section 8)*

All employes of State, State agencies and political subdivisions are covered, with the following exceptions:

1. Employes who are members of, or eligible for membership in any retirement system established by a public employer prior to July 1, 1946, (e.g. Portland, Police and Fire Systems) or in the T.R.F.A. (School District No. 1 Multnomah Co.) are excluded. These groups may come in only by "integration" of their systems with the State System.

2. Political subdivisions with less than 5 employes are excluded unless they elect to come in. (note: School Districts, regardless of size, must come in):

3. Political subdivisions with more than 5 employes (except school districts) may elect to stay out of System by notifying Board in writing not later than May 1, 1946.

4. Employes whose position normally requires less than 600 hours service per

year are excluded (except volunteer firemen by special arrangement).

5. Inmates of State institutions are excluded, also trainees in State Institutions.

6. Elected officials and persons appointed for a fixed term are excluded unless they elect to join System within 30 days.

7. If an individual employe has commenced to purchase a retirement annuity which his employer deems adequate, the employer and the Board may exempt him from the Act, and employer may make contributions toward cost of the annuity.

### *Contributions by Members (Section 14)*

1. Each member pays (by payroll deduction) a percentage of his compensation actuarially calculated to be sufficient to provide approximately one-half of the following service retirement benefit, which is the objective of the Act with respect to service after July 1, 1946.

a. For *policemen and firemen*: if not over 35 years of age when joining the System, a retirement allowance at age 60 of 50 per cent of salary; if over 35 years of age when joining the System, a retirement allowance at age 60 of 2 per cent of salary for each year served under the Act.

b. For miscellaneous employes (all except policemen and firemen): if not over 35 years of age when joining the System, a retirement allowance at age 65 of 50 per cent of salary; if over 35 years of age when joining the System, a retirement allowance at age 65 of 1 $\frac{2}{3}$  per cent of salary for each year served under the Act.