

Retirement System Progress Report

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Progress, in assembling data, compiling and tabulating service records for use of the consulting actuary in establishing rates of employee and employer contributions to the Public Employees Retirement Fund, is in the main satisfactory.

As soon as the personnel questionnaires are received at the office of the Retirement System, they are segregated as to age, sex, occupation, rate of pay, length of service and employer department. Reports are tabulated and forwarded to the actuary where a force of actuarial computers perform various computations.

From these computations is evolved the rates necessary to accomplish the over-all objectives of the Public Employees Retirement Act. Obviously it is highly desirable that the information flow smoothly from the various departments, through the office of the system and on to the actuary.

Some departments by the very nature of their work experience a great deal more difficulty in assembling and checking their personnel records than do others. This is especially noticeable in those departments where a large portion of the employees work on a broken schedule.

Because the Retirement Act is quite broad in its scope and makes provisions for many contingencies it is only natural that some confusion exists concerning various of its phases. Probably the question most frequently asked is "When may I retire?" Regardless of present age no one may retire and receive retirement benefits prior to July 1, 1947.

Policemen and firemen after July 1, 1947 must retire at age 60 regardless of length of service and after June 30,

1951 they have the option of retiring at age 55 with reduced benefits.

Employees other than police or firemen after July 1, 1947 must retire at age 65 regardless of length of service and after June 30, 1951 may retire at age 60 with reduced benefits.

Another point about which there seems to be confusion is the method used in measuring future and prior service and the benefits to be derived therefrom. There is no membership in the system until July 1, 1946. At that time an employee must be filling a position normally requiring 600 hours or more of work each year in order to be eligible for membership. The retirement benefit for service after July 1, 1946 (future service) will be determined by contributions based on age and rate of pay. Prior service (service before July 1, 1946) is measured to the nearest full year or major fraction thereof. The retiring employee will receive \$2.50 per month for life for each year of prior service or major fraction thereof. The 600 hours per year which qualifies an employee for membership after July 1, 1946 appears to have no bearing on or connection with prior service. Twenty years is the maximum time for which prior service credits are allowed even though many employees have served longer. No one may retire and receive benefits unless at the time of retirement he is a member of the system which means that he must at that time be currently employed by an employer participating in the system at a job normally requiring 600 hours or more of work each year.

Political sub-divisions of the state with five or more employees qualified by the 600 hour provision are automatically included in the system, unless

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