

Retirement List Up to 900; 1500 Applications Awaited; Delays, Earnings Explained

In response to a request to Mr. Jerry Saylor, Executive Secretary of the Public Employees Retirement System, we are in receipt of a letter from him, the contents of which should be of interest to OSEA members. We quote from this letter as follows:

No Waiting Period

Members of the Retirement System retiring for super-annuation do not have to wait three months for their pension checks. In those cases where the application is in proper order, birth certificate or other confirmation of birth on file and a Separation Notice from the employer properly made out promptly, the check is mailed to the annuitant promptly on the first of the month when it is due. When a member reaches age 65, the Act provides that his retirement date shall be the first day of the month following the month in which he reaches age 65. If the three requirements noted in the above paragraph have been complied with, we place the member's name on the pension roll as of the first of the month following the month in which he reaches age 65 and such is due at the end of the month in which his retirement date became effective on the first. As an example: If a man reaches age 65 on August 15, the effective date of his retirement is September 1. If all the necessary conditions have been met, he goes on our pension roll as of September 1, with his first check due him on October 1. Your question about the three months' delay may have been occasioned by the fact that members being retired for disability are required by the terms of the Act to wait 90 days after the disability has been established before receiving a pension check.

Current Payments

Currently we are paying almost 900 superannuation pensions, which average about \$40.00 per month. We have 11 active disability cases with a few more being processed, those receiving pensions averaging \$41.50 per month. I will not attempt to give you the approximate ratio of disability payments to the full pension since there are too many variable factors in what you term full pension to permit me to be accurate. Different rates of pay, time off from work, various contribution rates at the option of the employee, and other factors make an accurate estimate of full pension almost impossible.

Pension Fund Status

The pension fund now has approximately five million dollars invested in United States government bonds and a few thousand dollars invested in school warrants. It is entirely too early to determine the actual experience to the actuarial estimates made when the Act first became operative. As a matter of fact, it will be several years before the experience can constitute a reasonably accurate yardstick. So far we have been able to secure interest earnings in excess of the rate of interest assumed in setting up our contribution rates. There does not appear to be the remotest possibility that interest earnings would be offset or nullified by operation costs. In the first place, we are not spending anywhere near the amount of money for expenses which our rates provide for such use. You must remember that interest earnings are computed on the balance in the individual's own funds, while expenses are a certain per cent of his annual contributions. Purely for an easy example, let us assume that our expenses required 2 percent of all the