

ing authorities and the State Budget Director, the Director "(meaning the director of civil service)" shall prepare and recommend to the commission a compensation plan for all employees in the classified service. Such compensation plan shall include, for each class or position, a minimum and maximum rate, and such intermediate rates as is considered necessary or equitable. In establishing such rates, consideration shall be given the prevailing rates of pay for the services performed, and for comparable services in public and private employment, living costs, maintenance or other benefits received by employees, and the state's financial condition and policies."

The Civil Service Commission by its director did a very fine job in promulgating the compensation plan for the biennium beginning July 1, 1949, and recommended its adoption by the Governor, and followed through by presenting facts and figures to the legislative committees.

The Association through its employed personnel and legislative committee put forth every effort to secure the appropriation necessary to make the plan effective, and generally speaking, it was successful. It is my belief that the salaries and wages for State employees are close to "parity pay", the goal that we have been striving for throughout the years. I wish to say to you in all sincerity that I do not believe that this would ever have been accomplished had it not been for the Oregon State Employees Association.

Recommendation:

It is my recommendation that a salary and wage committee be appointed to work with our employed staff for the purpose of following the trend of salaries and wages being paid in other government agencies and private industry so that such information will be available to the Board of Directors at all times.

Retirement

In accordance with resolutions adopted at the 1948 General Council, the legislative committee and our

staff of employees presented amendments to the 1949 Legislature to improve and liberalize our retirement law. The principal amendments were: credit for all prior service, increase in prior service credits from \$2.50 to \$4.00 per month, providing for State matching up to \$4,200 annually.

We were successful in obtaining an increase in the matching by the State up to a basis of \$3,000 of the employee's annual earnings. This, however, over the normal period of amortization means that a retired State employee may receive as much as \$125 per month retirement pay, whereas the ceiling under the old law was \$100 per month. While this might seem to be insignificant, yet we must realize that in the majority of cases it actually means an increase of 25%.

There is some school of thought that more benefits should accrue to the surviving spouse in the event of death of the employee while still employed and prior to retirement age. As you know, the present law provides merely for a refund to the surviving spouse or other beneficiary in the amount paid in by the employee, plus interest, less administrative costs. The younger group particularly would like to have the law amended to provide for a monthly pension to a surviving widow or disabled widower, in case of death prior to retirement.

There will no doubt be a resolution presented by Chapter No. 20, of which I am a member, on this subject.

Recommendation

It is my recommendation that the resolution if presented be given very careful and thorough study as it is my understanding that there are many retirement laws that are much more liberal in case of death to an employee before retirement age.

It is my further recommendation that we renew our efforts at the coming session of the Legislature to secure an increase in prior service credits for employees who were in the service of the State prior to July 1, 1946. I am inclined to believe that there is more justification for an increase in prior service credits for the twenty-year period rather than for all prior