

Legislative Highlights

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The last few days of the Legislative session are, for many agencies and organizations, the most anxious days. It is during those days that unwanted measures may pop unexpectedly out of a committee or a favorite bill may be left behind at adjournment. At this writing the OSEA program is virtually completed. There are however, many bills still in committee that are of vital importance to state employees.

Most of the bills amending the retirement law in which OSEA is primarily interested have passed through both houses and are awaiting the signature of the governor. These bills include House Bill 638 (substitute for SB 131) which provides for the payment of \$4.00 per year per month for prior service to a maximum of 20 years. This bill carries an emergency clause and will become effective on July 1, 1951. This provision will apply also to those who have been retired from the state service and the increase from \$2.50 to \$4.00 should be reflected in the retirement check for July.

Senate Bills 97 and 98 were bills introduced at the request of the retirement board but carried amendments of interest to OSEA. SB 97 provides for the participation in the state system by employees in annexed political sub-divisions; sets up a formula through which political sub-divisions, other than school districts, may withdraw from the state system. There is protection provided for those employees of a political sub-division who have already retired and those who do not wish to withdraw from the system. The bill provides that all administrative costs are to be paid from the investment earnings. This procedure will affect a saving to both employee and employer.

A new formula for computing years of employment is set up by this measure as follows, "For employment before the employee established membership in the Public Employees Retirement System, a member shall be considered to have been employed for one year for each year of prior service credit allowed, and for any minor fraction of a year of continuous service as certified by this employer for which no prior service credit was granted. After having established membership in the Public Employees Retirement System a member shall be considered to have been employed one year for each 12-months period or major fraction thereof during which time he received compensation for employment which entitled him to membership in the system, as evidenced by pay-roll records. For the purpose of determining a member's eligibility for disability benefits, no leave of absence after an employee ceases to work for any participating employer shall be considered other than accumulated sick leave not in excess of 90 days."

Senate Bill 98 provides for an assistant executive secretary to the retirement board; clarifies the procedure for withdrawing contributions at severance. Members should keep in mind that under this amendment the withdrawal of contributions cancels all rights in the system including prior service credit. Present retired members of the system under the unmodified or non-optional plan may now withdraw in a lump sum all monies remaining to their credit (both employee and employer contributions) if their monthly allowance has been \$5.00 or less. This amendment reads as follows: "Any member of the system whose total retirement allowance