

# Oregon Retirement System is Reviewed by Director

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The State of Oregon has provided a retirement plan for its employees since July 1, 1946, and after 5 years of operation it is interesting to see how employer and employee are faring under it. Any retirement system which is financially sound is complex and therefore hard to understand in all its phases. This article is not intended to be exhaustive in its scope, but is written to bring to attention some of the matters which should be of interest to the 10,000 State employees who contribute their money to the Retirement Fund, as well as to the State administrators who are charged with contributing, in State funds, an equal share of the employees actual pension payments.

## Objective of the System:

The objective of the System as set forth in Section 14 of the 1945 Retirement Law is to provide, for the regular State employee, "a total service retirement allowance of approximately one-half his average salary during his last 5 years of service for employees with 30 or more years of membership in the system." For any employee entering the system after the age of 35 years, the objective is to provide a service retirement allowance proportionately reduced on the basis of his age when he first becomes a member of the system.

The Oregon law also proposes for regular classes of employees that retirement will be at age 65, with voluntary retirement with reduced pension permissible at age 60 after July 1, 1951.

## Problems of Early Compulsory Retirement:

During these first 5 years of opera-

tion, beginning July 1, 1946, and probably for several more to come, those employees who have been retired at 65 or more have received a very small retirement allowance. For current service in the first 5 years, the total monthly allowance would be \$18.32 for employees earning \$2,400 a year or more during the first 3 years and \$3,000 or more since. At present, current service of 1 year earns a monthly retirement allowance of \$4.16.

For employees who were in service prior to July 1, 1946 there is now granted an allowance of \$4.00 per month per year of prior service, limited to a maximum of \$80 per month. Prior to July 1, 1951 this was \$2.50 per month per year of prior service.

From the above, one sees that present retired employees may be receiving a monthly allowance of from practically nothing to a maximum of about \$98, the higher figure being for those who were employed for at least 20 years prior to July 1, 1946 and continuously since to June 30, 1951.

It can be appreciated that these amounts are not enough to support a retired employee in any degree of luxury, and in most cases compel him to go on charity, work elsewhere or scrape along the best he can.

Under our present system, one who is retired has the following reactions in most cases: a feeling of bewilderment, upset, worry, unrest, bitterness and uselessness. He questions why he was released while other "superannuated" employees have been kept on their jobs. He feels that maybe he is no longer of value, that his experience and judgment are not wanted or needed. He is forced to relative idleness