Many State Employe Bills Pass Legislature....

PERS Improvement Bill Will Boost Pensions 20% to 35%

Pension benefits paid to a 30 year employe will be boosted from 20 per cent to 35 per cent, depending upon salary, as the result of passage of House Bill 1397, a bill sponsored by OSEA the Public Employes Retirement Conference.

Two legislators who were among the most responsible for overhauling the Public Employes' Retirement System in 1967 carried the bill. Rep. Stafford Hansell (R-Hermiston) explained the provisions of HB 1397 to the House of Representatives, and Sen. Betty Roberts (D-Portland) spoke for its passage in the Senate. The bill got unanimous votes in both bodies.

Rep. Robert Elliott (R-Portland), Rep. Jack Ripper (D-Coos Bay), and Sen. Wallace Carson (R-Salem) were co-sponsors with Senator Roberts on the bill.

HB 1397 in its final form included all of the provisions written by OSEA and other cooperating employe groups in the original bill, plus further improvements suggested by PERS Executive Secretary James McGoffin in behalf of the Public Employes' Retirement Board.

Special PERS disability and survivor provisions for police and firemen are provided in a companion bill, HB 1849. HB 1397 makes these improvements:

- Changes the pension formula factor of .67 which is applied to the number of years of service and final average salary to .84. The change for police and firemen is from .92 to 1.15.
- Makes the highest three years of salary, instead of the highest five years, in the last 10 years of service, the final average salary.
- Removes the 25 year (for police and firemen) and 30 year (for other employes) limitation on the years of service since 1946 which can be counted for pension formula purposes. In addition, employes receive prior service credit for years before 1946.
- Removes half-year salary limitation on death benefit. That benefit is now the total of accumulated contributions or a half-year's salary, whichever is the lesser. It also gives freer range in naming beneficiaries.
- Allows an employe who has elected to put his contributions in the variable annuity program to cease contributing to the program at the end of a given year, but not to withdraw his contributions from the program. At present, the original choice to participate in the variable annuity program is irrevocable.
- Makes permanent the "three extra checks" or 25 per cent dividend payment to persons who retired before January 1, 1968.
- Provides a 12 per cent dividend increase for persons retiring between January 1, 1968 and December 31, 1971.
- Establishes a 1½ per cent per year cost-of-living adjustment for all retirees after the effective date of the law.

The new law will go into effect on January 1, 1972.

Payroll Deduction of Dues Now Guaranteed by Statute

Guarantee of payroll deduction for the dues of an organization certified by the Public Employe Relations Board as the representative of employes in a collective bargaining unit is provided by enactment of Senate Bill 280.

The bill grew out of a situation at the University of Oregon, in which a union representing employes in a small bargaining unit was denied payroll deduction of dues under present law because it was not one of the two organizations on the campus with the highest employe membership.

A section of SB 280 which provides that an employe may cease making deductions if there is no contract to the contrary has been interpreted by some as a type of union security provision.

However, no provision requires the employe to authorize a dues deduction in the first instance, and the meaning of "contract" is not defined.

OSEA's Long-Sought Medical Contribution Now a Reality

A $10 monthly state contribution toward employe medical-hospital group insurance premiums, which begins July 1, 1972, will be implemented through a new State Employes' Benefits Board created by House Bill 1462.

Members of the board will be the Governor or his designee, the director of the Department of General Services, the administrator of the Personnel Division and four persons representing state employes, appointed by the Governor.

In addition, one member of the Senate, appointed by the President, and one member of the House, appointed by the Speaker, will serve as advisory members, without a vote.

The board is directed by law to contract for four types of health benefit plans to offer employes. The contribution can be applied only to a plan offered by the board. The four types of health plans are:

- One that provides basic medical-hospital benefits as its primary feature.
- One that provides major-medical benefits as its primary feature.
- One that provides both basic and major-medical benefits.
- One that provides group hospital-medical-surgical benefits through a comprehensive group practice plan in its service area.

The legislation allows the board to approve more than one carrier for each type of plan but states that "the number of carriers shall be held to a minimum number consistent with adequate service to eligible employes and their family members."

The board, which will be under the chairmanship of the administrator of the Personnel Division, is expected to take several months to study plans, prepare specifications and invite bids for awarding of the contracts.

Attempt To Exempt Employes From Pay Benefits Thwarted

An attempt to make all State Fair employes ineligible for overtime and holiday pay was thwarted when an OSEA-opposed provision which would have placed seasonal and part-time employes in the exempt service was deleted from House Bill 1794 before its passage.

The bill as amended provides that overtime and holiday pay provisions of the Personnel Division rules shall not apply to "persons hired on a temporary basis at the Oregon State Fair during the period beginning five days before and ending five days after" the annual fair.

The State Fair Board announced during the session that it would close the fair on Labor Day if it had to pay double time and one-half to temporary employes on the holiday.

OSEA opposed placing seasonal and part-time employes in the exempt service because most of those employes work all year, and because of the precedent which might be set for similar employes in other agencies.

Straub Says Bill Means Higher Interest Earnings

Money contributed to the Public Employes' Retirement System by public employes will earn higher interest as the result of enactment into law of House Bill 1166, according to a prediction by State Treasurer Robert W. Straub.

The bill allows the Oregon Investment Council, of which Straub is chairman, to invest up to 25 per cent of PERS and Industrial Accident funds in common stocks. The previous statutory limitation was 10 per cent.

Straub and OSEA representatives who testified in favor of the bill said that balancing the PERS investment program with long-term investment in stocks would help to keep retirement benefits up with inflation.

Private Car Mileage Gets Hiked From 8 to 9-Cents

The maximum reimbursement rate for use of private cars on state business will be increased from 8 to 9-cents a mile on July 1 as the result of passage of House Bill 1234.

Introduced at the request of the Executive Department following recommendations of a management-employe task force, the bill also provides for establishment of a system for travel advances. The advances would not be limited to amount of salary due, and would not be deducted from pay checks.

The task force recommended that when the mileage reimbursement rate is increased, the reduced rate in the present rules for more than 1,000 miles in a month be deleted.

Credit Union Payments Get Payroll Deduction

A long-sought state payroll deduction for credit union savings and loan payments will become a reality on July 1, 1972 as the result of adoption of OSEA-sponsored Senate Bill 125.

The bill, introduced by Sens. Don Willner (D-Portland) and Kenneth Jernstedt (R-The Dalles) at the request of OSEA and the Oregon Credit Union League, will allow deductions for public employe credit unions to be paid to a central depository designated by participating credit unions.

The July 1, 1972 effective date was attached to the bill by a legislative committee to coordinate the new deduction program with an expected new state central payroll system.

Academics, Retirees Eligible For Unemployment Compensation

Two of OSEA's long-standing legislative objectives have been accomplished by passage of House Bill 1294, relating to unemployment compensation for academic employes and retired persons.

The bill removes sections of the law which stated that "employment" did not include persons in the unclassified service employed by the State System of Higher Education, and service for the state performed by a person retired under the Public Employes' Retirement System.

Academic employes will now be able to claim unemployment compensation if they have no contract which allows them to return to employment during the next term.

Persons retired under PERS will be able to use state service credits to qualify for compensation benefits if they are out of work and actively seeking and able to carry on employment.

New Rental Policies For State-Owned Housing Due

Rental prices for state housing provided to employes of various agencies will be scrutinized by the Department of General Services because of passage of Senate Bill 152.

The bill directs General Services to establish guidelines to set fair rental prices for all state housing. It was amended so it would not include dormitory facilities housing students and those units used primarily for sleeping purposes by employes of the Mental Health Division.

Determination of the net rental value of any employe-occupied, state-owned housing unit is designated by the bill to be a "personnel action." As such, it is subject to review by the Public Employe Relations Board if alleged to be arbitrary, improper or contrary to law.

SB 152 requires sale of some furnishings now provided in state-owned housing. An amendment adopted after a suggestion by OSEA provides a "first offering" of the furnishings to state employes now occupying the housing in which the furnishings are located.