Retiring Soon? Don't Before You Check New Law

State employes who plan to retire during the next four months should carefully check the provisions of the new retirement law passed by the 1971 Legislature.

Staying on the job a few extra days or weeks could make a big difference in the amount of retirement benefits they receive.

The new law goes into effect January 1, 1972. But it is not necessary to work into the 1972 calendar year to get the increased benefits, according to the Public Employes' Retirement System.

In order to have retirement benefits computed under the new law, employes who have reached age 65 (or age 60 for police or firemen) must work at least one day during the month of December, the PERS says.

Retirement benefits for an employe who terminates at 5:00 p.m. on December 1 would become effective January 1, 1972 and therefore would be computed under the new law.

However, employes **who have not reached age** 65 (or age 60 for police and firemen) should stay on the job at least through December 16, the PERS warns.

Employes who retire prior to reaching compulsory retirement age and before December 16 will not be allowed to count salary earned during 1971 in computing their final average salary to determine their pension. That could make a substantial difference in the amount of the pension, the PERS says.

In short: employes who have reached compulsory retirement age must work at least one day during December to qualify for increased retirement benefits; employes who have not reached compulsory retirement age must work at least through December 16 to qualify for increased pensions.

Detailed information may be obtained from the PERS, 669 State Office Building, Portland, 97201, telephone 229-5824.

Decision to Invest in Stocks May Be Changed Later

State employes who decide to invest a portion of their retirement contributions in the stock market will no longer be irrevocably committed to that decision after January 1, 1972.

That's the date a new law goes into effect which will permit members of the Public Employes' Retirement System to discontinue participation in the variable annuity program.

The "variable annuity portion" of the PERS fund is invested in common stocks and short term bonds; the "fixed portion" is invested in long term bonds and mortgages. Under present law, a decision to participate in the variable annuity program is irrevocable.

PERS members may discontinue participation in the variable program only by informing the Retirement Board in writing of their intent. Cancellation will become effective at the end of the calendar year in which it is filed. After that date no further current contributions would be invested in the variable annuity account.

The amount of contributions the member had already invested in the variable annuity program would remain in the variable account, however. A decision to discontinue participation will effect only future current contributions.

At a later date a member could again elect to participate in the variable program by filing notice with the Retirement Board. Participation would begin on the first day of the next year.

Speedier Refund of Retirement Contributions Permitted

A new law will soon enable the Public Employes' Retirement System to speed up refunds of retirement contributions to employes who leave state service.

In addition, the same law will act as a deterrent to employes who quit their jobs for only a few days for the express purpose of drawing a refund of their PERS contributions.

Delay of refund checks in the past has usually been blamed on the law that requires the PERS to wait 30 days before it can issue the checks, and the slowness of some state agencies to forward notices of separation to the PERS.

The new law, which goes into effect on September 9, does away with the 30 day wait and requires state agencies to transmit the notice of separation "forthwith" to the PERS.

In addition, the new law authorizes the PERS to deny or recover a contribution refund if the employe does not remain absent from the payroll for a calendar month following the month in which he separates from service.

If an employe does not fulfill that requirement, he would be required by law to repay the amount of the refund to his PERS account before he could be rehired to his job.

Age or Health No Barrier for Insurance

Regardless of age, health, or physical condition, OSEA members may enroll for medical-hospital, major-medical, life and income protection insurance without providing evidence of insurability during the Association's open-enrollment period.

It will begin September 1 and end October 6. Coverage will become effective November 1.

The only restrictions placed on enrolling for any or all of the group plans are: (1) the applicant must be a member of OSEA, and (2) he must be employed an average of 20 hours a week.

OSEA's basic medical-hospital insurance is offered through Blue Cross of Oregon. There is no waiting period for coverage of any pre-existing condition, except pregnancy, for those who enroll for the insurance during the open period.

Blue Cross offers two basic medical-hospital group plans, A and B. Plan A pays for doctor home and office visits; Plan B does not. Hospital and other doctor benefits are the same under both plans.

OSEA's Board of Directors, at its July 24 meeting, approved an increase in monthly premiums for the basic medical-hospital insurance which will hike rates from 21 per cent to 24 per cent, depending upon the type of coverage. There will be no increase in benefits.

A six-month delay in instituting the new state contribution to employe medical-hospital insurance was blamed for most of the increase by Donald G. Olds, OSEA's insurance manager.

He said it was widely expected that the new state-paid benefit would begin on January 1, 1972. However, a shortage of funds delayed implementation until next July 1. Blue Cross actuaries had projected the rates in 1970 using the January 1 date, he said.

In addition, Olds said, Blue Cross added major-medical coverage to the OSEA contract in 1969 at the same rates that had been in effect for two years previous to that date. "Spiraling hospital and doctor costs have combined to make the old rates very inadequate," he said.

Olds told the board that Blue Cross is certain its actuarial projections are accurate. However, if the company collects premiums in excess of claims paid through June 30 of next year, it will refund premiums to the insured members.

Among the benefits of the medical-hospital plan, Olds listed the following: daily hospital room allowance, $44 for a maximum of 120 days; intensive room care, $88; surgical schedule, $800; and most hospital extras are paid in full.

Monthly premiums for the medical-hospital insurance under Plan A will be increased by the following amounts: single male, $9.80 to $11.82; single female, $11.60 to $14.06; two persons, $21.90 to $26.47; and family, $26.55 to $32.08.

Monthly rates for the medical-hospital insurance under Plan B will be boosted by the following amounts: single male, $7.85 to $9.38; single female, $9.35 to $11.25; two persons, $17.50 to $20.97; and family, $21.95 to $26.33.

OSEA's $20,000 major-medical override insurance plan also is offered through Blue Cross. Under that plan, there is a three month "previous treatment clause" for pre-existing or chronic illnesses.

"The clause means pre-existing or chronic illnesses will not be covered until the insured is free from treatment by a physician for three consecutive months," Olds said.

"Major-medical insurance is designed to provide protection against the high cost of more serious illnesses or injuries," he noted. He said the plan begins when the basic medical-hospital benefits stop, and a member has paid $100 out-of-pocket expenses during the calendar year.

In order to be eligible for major-medical insurance, OSEA members must be insured under the Association's basic medical-hospital plan paid by payroll deduction.

Olds listed the following monthly rates for the major-medical insurance: employe (male or female), $2.07; two persons, $4.57; and family, $5.49.

OSEA's life and income protection insurance plans are offered through the Standard Insurance Company.

The life insurance benefit is determined by the insured's monthly salary; the premium is determined by his age.

Benefits range from $6,000 for those earning under $400 per month to $14,400 for those earning $1,100 and more per month. Monthly premiums range from $1.50 to $46.30.

Both benefits and premiums for income protection insurance depend upon the insured's monthly salary. Benefits range from $55 to $100 per week for a maximum of 26 weeks; monthly premiums range from $3.50 to $6.40.

For an off-the-job accident, income protection benefits begin on the first day of treatment by a doctor. For an off-the-job illness, benefits begin on the 15th day after treatment by a physician.

The income protection insurance also provides female members of OSEA with a $150 maternity benefit after they have been insured for 10 months.