

# 59th Oregon Legislative Assembly



The Oregon state capitol at night.

## Legislators study retirement

As the 59th Legislative Assembly gets under way and our 90 citizen legislators begin the work which will see them through the next several months, retirement improvements loom as a major issue for most public employes.

In this session of the legislature, OSEA will be supporting legislation introduced at the request of

### Capitol Commentary

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the Public Employes Retirement Conference (PERC). PERC is an organization comprised only of groups representing members of the retirement system. Its goal is to seek improvements in the system and to try to prevent the kind of disagreement and fractionalization that damaged the various retirement interests in the last session. If we work together, the likelihood of meaningful improvements is substantially greater.

The basic elements of the PERC bill are these:

(1) a 19 per cent ad hoc increase in payments to retirees;

(2) an increase from 2 per cent to 4 per cent in the allowable cost-of-living adjustment;

(3) a reduction from 15 years service to 10 years for the minimum of at least a \$100 payment;

(4) a reduction from 60 to 55 years of age for general service employes and from 55 to 50 for police and fire at which an individual may retire without actuarial reduction, and

(5) an increase from 1 per cent to 1.35 per cent for general service employes and from 1.35 per cent to 1.70 per cent for police and fire to the formula for determining the current service pension.

In addition legislation will be introduced to do the following:

(1) Eliminate sex discrimination in formulating annuity payments;

(2) Increase the number of additional units available to police and fire classifications from 8 to 16.

(3) Instead of using the "best three years out of the last ten", move to the last "12 months" to resolve current inequities.

The success of this legislation will depend largely on an upcoming report of the new actuaries (Millomen and Roberts) to the Public Employe Retirement Board.

On January 27, the actuaries are scheduled to make a preliminary report to the board which will discuss the potential costs of the proposed improvements in the system and a general analysis of integrity of the trust fund. At that time we will know considerably more about the potential for success in this session.