Local & State

DELVING INTO OREGON'S PUBLIC EMPLOYEES RETIREMENT SYSTEM

Oregon PERS: Going beyond the average payment reveals context

ByTed Sickinger

: How much does the average PERS recipient receive per month?

:The average member henefit is a number that gets thrown around a lot in debate over the pension system. But it's not a very useful yardstick to measure the generosity or adequacy of the benefits earned by PERS members.

Here's why: The calculation includes everyone who vests in the retirement plan, whether they worked in the public sector for five years or 45. And the distribution of members receiving benefits is stacked at the low end, meaning there are a whole lot of people receiving pretty measly monthly checks, perhaps because they worked only a few years in the public sector or worked part time. The upper end of the distribution, meanwhile, is very sparsely populated. That distribution pulls both the average and median benefit figures lower. The numbers are still valid. But they need

If you look at the pool of people who retired between 1990 and 2017, their initial benefit averages out to \$2,390 a month, or about \$28,680 a year, according to the pension system's most recent salary replacement study. For the Class of 2017, the average retiree pulled down \$3,036 a month, or about \$36,432 annually. By comparison, the average retiree in 1990 received \$1,186 or \$14,232 a year.

The median starting pension benefit from the same pool of retirees between 1990 to 2017 — meaning half got more, half less — was \$1,919 a month, or \$23,028 a year. For 2017 alone, the median starting benefit was \$2,577 a month, or \$30,924 annually. The median years of service among 2017 retirees was 26, and the median age was 62.

As noted, the numbers represent starting benefits, without subsequent cost of living increases. Someone who retired in 1990 — if they're still alive today — has since seen their benefit increase by 75 percent due to cost of living increases, which are typically 2 percent a year, compounding.

Finally, the number only represents a member's pension benefits, the defined benefit portion of the retirement system. They don't include a supplemental defined contribution plan funded by annual employee contributions, which for most employees are actually paid by employers. That system only kicked in after 2003 but will provide more significant benefits the longer a member has been contributing to it. PERS members also get, and along with employers, pay into social security, which public employees in a variety of other states don't.

So, what's a better proxy for PERS benefits? PERS' annual "replacement ratio study" delves deeper into this subject. The last one, delivered in May, looked at a population of 94,770 retirees drawn from the 189,647 retirements recorded from January 1990 through December 2017. In order to keep the pool comparable, the study excluded a variety of beneficiaries, such as survivors, alternate payees, lump-sum recipients, and members outside the normal retirement plan, such as legislators and judges.

More importantly, it also examines benefits for career employees, those with 30 years or more of service. That's the easiest way to measure those numbers against the legislature's stated goal of providing career employees with pension benefits that are 50 to 60 per-

cent of their final salary. The average starting benefit for a 30-year employee retiring within the 1990 to 2017 period was \$3,713 per month, or \$44,556 a year. That was equal to 78 percent of their final average salary. That number is well above the legislature's 50 to 60 percent goal, largely because it includes a cohort of employees who enjoyed outsized benefits because the system's lucrative money match formula paired

with generous earnings crediting to their pension accounts by the PERS board in the 1980s and 1990s.

The average salary replacement ratio peaked in 2000 at 100 percent of final average salary, or just north of \$50,000 a year. Following legislative reforms in 2003, the replacement ratios have drifted back down. For 2017 alone, the average benefit for a 30-year member was \$3,628 per month, or \$43,536. That pencils out to 53 percent of final average salary.

One other caveat: "Final average salary" is not based on a member's last year of pay. Rather, it's the average of a member's three highestearning years in public service. For employees included in this survey, that number is inflated by a number of factors, including overtime, unused sick and vacation time, as well as the 6 percent contribution employees are required to make to a supplemental individual retirement account. The system actuary estimates that the inclusion of unused sick leave boosts employees' final average salaries by 3 to 7 percent, based on the type of employee. Unused vacation — only a factor for Tier 1 employees, hired before 1996 — can add another 1 to 4 percent. The 6 percent retirement contribution counts as final salary for everyone in the study.

SAFETY

Continued from Page 1A LATCH stands for Lower Anchors and Tethers for

Children. These are found in newer vehicles, in the crease of the back seat.

Another issue is the limit of the LATCH system. After the combined weight of the child and car seat reaches 65 pounds, the seat needs to be secured with the vehicle's seat belt, not the LATCH anchors.

However, even when the weight requires the seat belt system, Wachtel said parents should still secure the seat using the top tether, which secures to a clip on the back of the back seat.

The technicians know car seats can be tricky to install. To be certified, they are required to install all different types of seats in a variety of vehicles. Every two years they must complete six credit hours, participate in one community event, and be evaluated on the installation of each type of seat (rear-facing only, rear-facing convertible, forward-facing with harness, booster, and installation using LATCH).

"Every vehicle is different, and every seat," said Lynn Scarfo, a technician who works as an RN in the birth center at St. Alphonsus Medical Center in Baker City.

Every car seat comes with a manual detailing the proper installation and vehicle manuals include instructions as well.

There are also Oregon laws to consider:

- As of May 2017, infants must ride rear-facing until they reach the age of 2 regardless of height or weight.
- Child passengers must be restrained in child safety seats until they weigh 40 pounds or reach the upper weight limit for the car seat.
- Children over 40 pounds must use a child seat with harness or a booster until they are 4 feet, 9 inches tall or 8 years old, as long as the



All safety seats have a decal with detailed instructions on properly installing and using the seat.

adult seat belt fits correctly. "It depends on the kid and

the car," Wachtel said. For a proper fit, the lap belt must lie snugly across the upper thighs, not the stomach, and the shoulder belt should lie snug across the shoulder and chest and not cross the neck or face.

Although there is not a law regarding how long children should ride in the back seat, the national best practice recommendation is through

Another common issue with seats is that caregivers will add cushioning around the child. This is only OK if the piece comes with the car seat, which means it has been tested for safety in crash scenarios.

"Some manufacturers have approved items you can purchase," said Billie Jo Deal, Region 5 transportation safety

Deal is a seat technician, and administers ODOT's child passenger safety grants which help agencies provide car seats for low-income

Although not part of a law, the technicians warn against other additions near the car seat, such as mirrors that allow the driver to see a child in the rearview mirror.

The problem is that in the case of a collision, anything in the vehicle can become a projectile. Deal said even light items can be dangerous when force comes into play, which is calculated by multiplying weight and speed.

Expiration

Car seats and boosters do expire, usually within six to 10 years of the manufacture

"The expiration date will be stamped on the plastic," Deal

Some brands also carry a warning of "Do not use after..." with the date of expiration.

Car seat checks

In addition to the free clinics, technicians are available to check seats by appointment. They especially encourage expectant parents to schedule a visit to ensure a proper seat installation.

For an appointment, call Wachtel at 541-524-2014, or Scarfo at 541-524-7747.

coordinator with ODOT. Fall in love with Cruising! October is National Plan A Cruise Month! **New Deals Every Week. Baker Valley Travel** 541 523 9353

LOCAL BRIEFING

Two locals graduate from Pacific Univ.

FOREST GROVE — James Bachman and Ronald Christensen have earned doctorates in pharmacy from Pacific University.

Prescription drug take back event Oct. 27

The Baker City Police Department, in collaboration with the Drug Enforcement Administration, will accept unwanted or expired prescription drug pills and patches on Saturday, Oct. 27, from 10 a.m. to 2 p.m. at the Police Department, 1768 Auburn Ave.

Police can't accept liquids, needles or sharps of any kind. The service is free and anonymous.

More information is available by calling Phoebe Wachtel, the department's administrative assistant, at 541-524-2014, extension 20, or Lynn Magnuson, evidence technician, at 541-524-2014, extension 29.

GRANTS

Continued from Page 1A Here are the projects that were funded for 2018-19:

- \$130 to fund a unit on owls titled "Owl Pellets" project for first-graders in McKenzie Dyer's Brooklyn Primary classroom.
- \$79 to fund a nature unit titled "Cricket Habitat" in Cynthia Norton's kindergarten class at Brooklyn.
- \$400 to fund a Science, Technology, Engineering and Mathematics (STEM) cart to include "Insect larva" kits, books and consumable materials for the cart for Karen Tannehill's first-grade class at Brooklyn.
- \$789.91 to fund a "Ukulele Project" for

Russell Carpenter's music program at Haines Elementary School.

- \$842.20 to fund school-wide alternative seating for the "Rocking Chairs" project requested by Haines second-grade teacher Angela Willison.
- \$1,800 to fund a sixth-grade geology unit to include a trip for about 15 students to the Mount St. Helens Volcano Camp with South Baker Intermediate School teacher Mandie Rose.

The students traveled to Mount St. Helens on Sunday and returned to Baker City today.

• \$1,799.99 to be used to purchase "Sphero Robotic Ball Kits" for Kathryn Colton's computer coding class at Baker Middle School.

COUNCIL

Continued from Page 1A

"We believe that the Elkhorn Industrial Park has the potential to provide the necessary land for us to continue to grow our business in Baker City, rather than a larger market," Hindman wrote

He is proposing to build a 5,000-square-foot warehouse in the industrial park. Hindman wants to buy land in the southeast corner of the park.

He wrote that the company employs himself and his wife along with "three warehouse employees and other remote employees. Our need for employees will increase as we: 1) double the size of our warehouse to 5000 square feet; and, (2) expand our product offerings and product lines."

Hindman is proposing to pay the city \$22,537 for the property, which equates to \$16,331 per acre.

That's a higher per-acre rate than two existing busi nesses paid — Cutters Edge, \$10,225 per acre, and Powder River Precision, \$12,333 per acre. Those properties were originally bought by the Baker Industrial Resource Commission and given to Baker County.

The remaining 65 acres of industrial land are owned

The City Council previously set a maximum price of \$40,000 per acre to give city staff and the city's economic development contractor, Greg Smith, flexibility to negotiate with prospective tenants.

Councilors will also consider reducing the charge to Peekaboo Enterprises for connecting to the city's water and sewer systems. Based on the city's normal formula, based on the

street footage of the proposed development, the water and sewer charges would be \$17,005.

However, a city ordinance allows the city to reduce by half the utility charges in cases when councilors believe that doing so would benefit the city. That would trim Peekaboo's utility connection cost to \$8,502.50.

City Manager Fred Warner Jr. said the city also confirmed Friday that it has received two state grants to extend buried power lines and fiber optic cable throughout the industrial park. The power grant is \$121,000, and the fiber optic grant is \$137,000. Those utilities will be installed next spring, which is also when Hindman proposed to build a warehouse.

In other business Tuesday, councilors will:

• Consider awarding a bid for rebuilding an asphalt apron at the Baker City Airport. This is the second phase of a project that started in 2017.

The city has received a grant from the Federal Aviation Administration that pays 90 percent of the cost, and a state grant that pays the remainder.

Mike Becker General Contractor of La Grande submitted the lowest of three bids, at \$1,294,755.

The work is slated to begin next summer.

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