

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. 78

An ordinance providing for a retirement system for Multnomah County employees; repealing Ordinance Nos. 12, 13, 27, 30, 32, 34, 40, 42, 43, 47, 49, 50, 66, 72 and 75; and all other matters pertaining thereto.

Multnomah County ordains as follows:

Section 1. Purpose and Policy.

The Board hereby acknowledges that there are numerous ordinances which relate to the retirement system for Multnomah County, and that it desires to have one comprehensive retirement ordinance which preserves to all persons in the County service the rights provided for under 7.50 of the County Charter.

Section 2. Multnomah County Retirement Board.

- A. The retirement system for Multnomah County shall be administered by the Multnomah County Retirement Board.
- B. The Multnomah County Retirement Board shall be composed of seven members.
 1. Three members shall be appointed by and from the Board of County Commissioners who shall serve at the pleasure of that Board.
 2. Three members shall be regular employees of the County who shall serve for a term of three years or until their successors are elected and qualified.

These three members shall be nominated at a meeting of the County employees and then elected by ballot to be distributed to all County employees under regulations adopted by the Board of County Commissioners.

3. One member shall be elected for a term of four years from a majority of the other six members and shall not be an officer or employee of the County.
- C. The retirement board may promulgate and enforce such rules and regulations as it deems necessary and proper for the administration of the retirement system.

Section 3. Persons Eligible to Participate.

- A. All persons in the County service, except those who enter the county service at any time after the first day of the month following his 50th birthday, shall be eligible to participate in the Multnomah County Retirement System.
- B. Within the meaning of this ordinance, the following persons are deemed to be in the County service, provided they are required to render service to the County not less than 35 hours per week, exclusive of vacation, sick leave, and bona fide leaves of absence.
1. Persons holding elective offices of the County, including the District Attorney, whether or not their entire salaries are paid by the County.

2. Regular employees of the County, including non-elected officers, official court reporters, circuit court bailiffs, and deputy district attorneys, although their entire salaries have not been paid by the County, provided that such deputy district attorneys receive more than 50 percent of their salaries from the County.

Section 4. Retirement.

- A. Retirement if incapacitated. The Board of County Commissioners shall retire from active service such old and infirm employees who by reason of long and faithful service of not less than 15 years' continuous service are, in the judgment of the Retirement Board, incapacitated for further service.
- B. Compulsory retirement; Compulsory retirement age; Continuation in Service; Eligibility; Withdrawal of contribution.
 1. Any employee who has attained the age of 65 years shall be retired effective the first day of the month following his 65th birthday unless the employee shall request that he be continued in service and his continuation in service is approved by his appointing power and confirmed by the Board of County Commissioners.
 2. The request for continuation in service shall be made by the employee at least 60 days and not

more than 75 days before his effective date of retirement in writing to his appointing power. If the request is approved, the employee shall be so notified in writing by the appointing power.

3. The continuation of service under subsection 2 of this section shall be for a period of one year only, and for each additional year a new request must be made and approved. No employee shall be continued in service after he has attained the age of 72 years.
4. Any person who, on January 1, 1966, is employed by the County and will not by reason of age, length of County service or insufficient years of continuous service be eligible to receive any benefits from the retirement system on his retirement, may at any time apply for and receive out of the employees' retirement fund the actual amount of his contributions without interest and shall not thereafter be required to contribute to the retirement fund.
5. Any person who on December 31, 1963, was employed by the County and was participating in the retirement system existing at the time and who was compelled to retire on that date by reason of having attained the age of 65 years and who had not withdrawn his contributions to the retirement fund and who at

the time of retirement had not less than 14 years of continuous service with the County, shall be paid from the retirement fund for the rest of his life such monthly sums as he would have received at the time of his retirement had he then completed 15 years of continuous service with the County. If any person as defined in this subsection shall require additional employment credits for maximum social security benefits, he shall be continued in employment for sufficient time to earn such benefits.

C. Voluntary early retirement.

1. Any person in the County service who has attained the age of 55, with not less than 15 years of continuous service with the County, shall have the option to elect to voluntarily retire from the County service any time after the first day of the month following his 55th birthday, provided that any employee with 15 years of continuous employment and participation in the retirement system may, at any time after reaching the age of 40 years, terminate his employment and vest his accrued rights to monthly retirement pay, calculated as of the date of termination. Such person may, at any time after reaching the age of 55, apply for and receive said monthly retirement

pay as so calculated, based on the percentage table set forth in subsection F of Section 9.

2. Application for early retirement under the provisions of subsection 1 of this section will be submitted to the Retirement Board at least thirty (30) days and not more than forty-five (45) days before the desired effective date of retirement.

Section 5. Membership of Elective Officers.

- A. Persons holding elective offices of the County, including the District Attorney, whether or not their entire salaries are paid by the County, shall participate in the retirement system as hereinafter provided. Persons who so participate are not subject to compulsory retirement for incapacity or age under Section 4.
- B. A person holding an elective office of the County after having elected not to participate in the system and after having received a refund of his salary deductions and contributions is not entitled to any benefits under the system for service in an elective capacity or to be reinstated to participation in the system as an elective official while he continuously holds an elective office of the County. However, if he ceases to hold an elective office of the County and thereafter assumes an elective office of the County, he is again entitled to participate in the retirement system, but he is not entitled to previous County

service credit under Section 11.

Section 6. County Retirement Fund.

- A. All contributions by employees shall be placed in a fund to be known as the Employees Retirement Fund.
- B. All balances in this Fund, including monies contributed by the County under Section 13, shall be used only for the purposes of the retirement system, provided that an amount equal to not more than three percent (3%) of the previous year's gross contributions of employees and the County may be appropriated and spent for such clerical and administrative assistance in the administration of the system as shall be deemed necessary by the Retirement Board and approved by the Board of County Commissioners.

Section 7. Employee Contribution Rate.

- A. There shall be deducted each month from the gross monthly salary of each participating employee an amount, to be determined by July 1 of each year, as the employees' contribution to the Retirement Fund.

Section 8. Elective Officer's Contribution.

There shall be deducted each month from the gross monthly salary of each person holding an elective office of the County and participating in the system a sum equal to the sum deducted from the salary of a regular employee, as that person's contribution to the Employees' Retirement Fund.

Section 9. Amount of Retirement Pay.

- A. Any employee who retires under Section 4, and who has completed at least 15 years of continuous employment by the County shall be paid from the Retirement Fund for the rest of his life a monthly sum equal to one and one-half percent of his average gross monthly salary paid by the County during the forty-eight (48) months immediately preceding his retirement, multiplied by the total number of calendar years of continuous employment by the County. Any person so retiring, including persons retiring under subsection A, Section 4, shall be compensated from the Multnomah County General Fund for accumulated sick leave at the time of retirement on the following basis: One-tenth (1/10th) of a day's salary shall be paid for every day accumulated up to sixty (60) days, except that there shall be no compensation made to those employees who have accumulated less than thirty (30) days sick leave; and one-fifth (1/5th) of a day's salary shall be paid for every day accumulated over sixty (60) days, but not more than one hundred eighty (180) days.
- B. As used in subsection A of this section, "years of continuous employment" means successive periods of 12 months' duration during which the employee has been required to render service to the County not less than 35 hours per week, exclusive of vacation,

sick leave, and bona fide leave of absence, and except as provided in subsection B of Section 12.

- C. The provisions of subsection A of this section shall apply to any employee retiring after January 1, 1966, and nothing in this section shall affect in any way the person who has retired prior to that date.
- D. Any person retiring after January 1, 1966, who is eligible for payment under subsection A of this section shall be paid at least \$65 per month, plus \$3.50 per month for each year of continuous service in excess of 15 years, or \$100 per month, whichever is more, excepting those who have elected early retirement or have exercised joint annuity options under this section.
- E. Any employee who elects voluntary retirement under Section 4, subsection C, and who has completed at least 15 years of continuous service with the County and is over the age of 62 years shall be paid from the retirement fund for the rest of his life a monthly sum equal to one and one-half (1-1/2) percent of his average gross monthly salary paid by the County during the 48 months immediately preceding his retirement, multiplied by the total number of years and monthly fraction thereof of continuous service with the County.
- F. Any employee who elects voluntary retirement under Section 4, subsection C, and who has completed at

least 15 years of continuous service with the County and is under the age of 62 years shall be paid from the retirement fund for the rest of his life a monthly sum equal to one and one-half (1-1/2) percent of his average gross monthly salary paid by the County during the 48 months immediately preceding his retirement, multiplied by the total number of years and monthly fraction thereof of continuous service with the County, multiplied by the early equivalent age factor set forth in the following table:

PERCENTAGE OF RETIREMENT EARNED - NORMAL RETIREMENT AGE 62

Month of Age Past Age Last Birthday	55	56	57	58	59	60	61
0	.5687	.6132	.6623	.7164	.7764	.8429	.9171
1	.5724	.6173	.6668	.7214	.7819	.8491	.9240
2	.5761	.6214	.6713	.7264	.7875	.8553	.9309
3	.5798	.6255	.6758	.7314	.7930	.8615	.9378
4	.5835	.6296	.6803	.7364	.7986	.8676	.9447
5	.5872	.6337	.6848	.7414	.8041	.8738	.9816
6	.5909	.6377	.6893	.7464	.8096	.8800	.9585
7	.5947	.6418	.6939	.7514	.8152	.8862	.9655
8	.5984	.6459	.6984	.7564	.8207	.8924	.9724
9	.6021	.6500	.7029	.7614	.8263	.8985	.9793
10	.6058	.6541	.7074	.7664	.8318	.9047	.9862
11	.6095	.6582	.7119	.7714	.8374	.9109	.9931

G. Annuity option. In lieu of the retirement benefits otherwise payable under this ordinance, prior to retirement an employee may elect the actuarial equivalent of the retirement benefits in the form of a smaller monthly benefit with the provisions that upon his death, after monthly payments have begun, all or one-half of this lesser amount may be continued for the life of any person designated by him as a joint annuitant.

1. An employee who elects to exercise this right of option as set forth in this section must specify the name of the person who is to be the joint annuitant and the portion of his retirement benefit (all or one-half) to be continued to the joint annuitant. At the time of election, the employee must furnish proof of the age of the joint annuitant and any additional information required by the Retirement Board. The Retirement Board may require evidence of the good health of the employee, but no such evidence of good health will be required if this option is elected more than two years prior to the employee's retirement date. An employee whose retirement date is prior to July 1, 1970, may elect this option without evidence of good health.

2. Except as otherwise provided in this section,

neither the designated joint annuitant nor the portion of the retirement benefit payable to the joint annuitant may be changed, nor may the election of the option be cancelled without the consent of the Retirement Board unless the request for such change or cancellation is made at least two years prior to the employee's retirement date. Consideration will be given to a request for a change or cancellation of this option within two years of the employee's retirement date only when the joint annuitant furnishes evidence of good health satisfactory to the Retirement Board, and any determination by the Retirement Board on such requests shall be final.

3. The consent of the designated joint annuitant will not be required where any such change or cancellation as provided in subsection 2 of this section is made.
4. If either the employee or the joint annuitant dies before the employee's retirement, the election of the option will be automatically cancelled. If the joint annuitant dies before the employee's retirement, the employee, upon retirement, will receive the full retirement benefit; or he may, subject to the conditions of this section, choose another joint annuitant.

5. If the joint annuitant dies after the employee's retirement date, the employee's benefits will continue in the same amount as was payable prior to the joint annuitant's death.

Section 10. Retirement Pay for Certain Employees.

- A. Employees who have retired prior to July 1, 1949, shall continue to receive retirement pay from the general fund of the County based on rates as follows:
 1. After 15 years, inclusive, of continuous employment by the County, the monthly rate of retirement pay shall be not less than \$37.50 per month.
 2. For each year after 16 years of continuous service with the County, the retirement pay shall be increased by not less than \$2.50 per month for each additional year of continuous service prior to retirement, but in no case shall the retirement pay for employees retired prior to July 1, 1949, exceed \$100 per month.
- B. Employees retiring after July 1, 1949, whether by reaching the compulsory age of retirement or because of disability shall receive at least \$100 per month excepting those who have elected early retirement or have exercised joint annuity options.

Section 11. Retirement Pay for Certain Elected Officials.

- A. Any person who held an elective office of the County on or after January 1, 1966, who served the County in

an elective or non-elective capacity or combination thereof for not less than 10 years, who has either attained the age of 65 years or has become, in the opinion of the Retirement Board, incapacitated for further service, who is no longer serving the County in any capacity and who, at the time he ceased to serve the County, was participating in the system as an elective official, shall upon application therefor, be paid from the employees' retirement fund a monthly amount calculated as follows: Compute the average gross monthly salary paid by the County during the 60 months of his County service immediately preceding his ceasing to serve the County and, having arrived at his average gross monthly salary, take one and one-half percent (1-1/2%) thereof and multiply the sum so ascertained by the total number of calendar years of his County service.

- B. In determining the amount of County service by a person under subsection A of this section, County service by that person in an elective capacity before he begins to participate in the system as an elective official shall be included if that person pays into the employees' retirement fund within six months after the date he begins to so participate an amount equal to the amount that would have been deducted from his gross monthly salary if he had so participated during

that previous service.

- C. In determining the amount of County service by a person under subsection A of this section, County service by that person in a non-elective capacity before he begins to participate in the system as an elective official, without regard to any period of separation from County service, shall be included if that person pays into the employees' retirement fund within six months after the date he begins to so participate any amount previously withdrawn by him on his separation from County service under subsection A of Section 12. For purposes of this subsection, previous County service in a non-elective capacity includes only successive periods of 12 months' duration during which the person was required to render service to the County not less than 35 hours per week, exclusive of vacation, sick leave and bona fide leave of absence, and except as provided in subsection B of Section 12.
- D. Payments into the employees' retirement fund under subsections B and C of this section shall be considered contributions or salary deductions for purposes of the application of Section 12 to persons holding elective offices of the County and participating in the system.

Section 12. Refunds to Separated Employees and Restoration

Upon Reentry.

- A. Any employee who, while living, is separated from the County employment for any reason whatsoever shall be refunded upon demand the actual amount of his contribution or salary deductions under Section 7 without the addition of interest, upon the employee executing and delivering to the Retirement Board in writing a waiver of all rights to which the employee might be entitled under this ordinance, within the period of two years. The refund shall be paid by the County by warrant drawn on the employees' retirement fund upon notification from the Retirement Board. At the end of such two-year period, if such waiver has not been executed and delivered, such monies shall revert to the Retirement Fund.
- B. Whenever, within five years after he is separated from all service entitling him to membership in the system, an employee who had withdrawn the amount credited to him re-enters the service of an employer participating in the system, his rights in the system which were forfeited by the withdrawal shall be restored upon his repaying to the Board within one (1) year after re-entering the service of his employer, the full amount so withdrawn.
- C. If an employee dies prior to retirement, such salary deductions shall be paid to a beneficiary previously designated by the employee. If such employee does

not designate a beneficiary, then in that event such salary deductions shall be paid to those who would be entitled to receive such amount under the laws of descent and distribution of the State of Oregon in cases where a person dies intestate.

- D. If any employee dies after retirement and before he has received the full amount of money he had contributed to the fund, the remaining balance of his contributions to the employees' retirement fund shall be paid to such beneficiary as he shall name, or if none, then to those who would be entitled to receive such amount under the laws of descent and distribution of the State of Oregon in cases where a person dies intestate.

Section 13. County Contribution to Fund.

- A. The County shall contribute each year into the Retirement Fund an amount to be determined by Board order, but in any event, not less than six percent (6%) of the salary paid by the County to each participating employee during the preceding calendar year. (1)
- B. The County shall place its contribution in the retirement fund not later than March 1 of each year.

Section 14. Actuarial Report on Retirement System.

At least once every four years the Board of County

(1) County has, through collective bargaining, increased its contribution to the Fund in an amount equal to two percent (2%) in lieu of wage increases.

Commissioners shall cause a competent actuary familiar with public systems of retirement and death benefits to prepare a report evaluating the current and prospective assets and liabilities of the system and indicating its current and prospective financial condition. In preparing the report, the actuary shall investigate the mortality, disability, service and other experiences of the members of and employers' participation in the system, shall state fully the condition of the system, and shall make such recommendations as he deems advisable to facilitate administering it properly. The Board shall publish and distribute a summary of the report to all the department heads and Retirement Board members, and the cost of such actuarial reports shall be paid from the employees' retirement fund.

Section 15. Investment of Fund.

- A. The Retirement Board or its duly authorized agent may invest monies in the employees' retirement fund in the following classes of securities:
1. Bonds or evidences of indebtedness that are direct obligations of, or secured by the full faith and credit of, any state of the United States or the District of Columbia.
 2. Bonds or evidence of indebtedness that are direct general obligations of any country, incorporated city, incorporated school district or incorporated district in any state of the United States where there exists the power to

levy taxes for the prompt payment of principal and interest on such bonds or evidences of indebtedness, provided such issuer has not defaulted in the payment of principal or interest on any of its bonds or evidences of indebtedness within 10 years prior to the time of purchase under authority of this subsection.

3. Corporate bonds, including utility and railroad bonds, issued by an authority within or outside this state and rated at the time of purchase under authority of this subsection in one of the three highest grades by a recognized investment service organization that has been regularly engaged for a period of 10 years or more in rating or grading bonds.
4. Real property mortgages insured or guaranteed by the Federal Government or any agency thereof.
5. Convertible bonds of any company, association or corporation. The selection of these securities will follow the rule for investing as prescribed for the investment of common stocks as hereinafter set forth in subsection 6.
6. Common stocks of any company, association or corporation. In investing and re-investing monies in common stocks and in acquiring, retaining, managing and disposing of the investments of

common stocks, there shall be exercised the judgment and care under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard subject to subsection C of this section, there may be acquired, retained, managed and disposed of the investments of the common stock, every kind of investment which men of prudence, discretion and intelligence acquire, retain, manage and dispose of for their own account.

- B. The combined amortized value of the bonds or evidences of indebtedness designated in paragraphs 1, 2 and 3 of subsection A of this section, in which the fund is invested, shall not exceed at any time one-half of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment. Not more than five percent of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment may be invested in the obligations of a single, primary obligor designated in such paragraphs.
- C. Monies of the employees' retirement fund may be

invested in the stocks of any companies, association or corporation, and not more than fifty percent (50%) of the total funds of the employees' retirement fund may be invested in common stocks. Also, no more than ten percent (10%) of the common stocks portion of the portfolio can be invested in one commitment.

Section 16. Retirement of Former Employees of Multnomah County Fair Association.

An employee who was employed full time for at least ten consecutive years by the Multnomah County Fair Association and after January 1, 1950, when the County of Multnomah took over the Multnomah County Fair, was employed by Multnomah County and who has reached the age of retirement before January 1, 1964, shall be retired and shall be paid from the employees' retirement fund an amount not less than \$65.00 per month.

Section 17. Repeal of Prior Ordinances.

- A. Ordinances numbered 12, 13, 27, 30, 32, 34, 40, 42, 43, 47, 49, 50, 66, 72 and 75 are repealed on the effective date of this Ordinance; however, all rights, benefits and privileges, including time in service and credit for contributions of persons in county service under state law prior to adoption of Ordinance No. 12, and under the Ordinances hereby repealed, are continued under this Ordinance.
- B. Members of the Retirement Board are continued pursuant to the terms of their appointment or election.

C. County and employee contributions existing on the effective date of this Ordinance shall be continued until changed pursuant to this Ordinance.

Section 18. Adoption.

This Ordinance, being necessary for the health, safety and welfare of the people of Multnomah County, shall take effect on the thirtieth day after its adoption, pursuant to Section 5.50 of Charter of Multnomah County.

ADOPTED THIS 27th day of December, 1973, being the date of its Second reading before the Board of County Commissioners of Multnomah County, Oregon.

BOARD OF COUNTY COMMISSIONERS

By William A. Beaman
Chairman