One of the actions taken by the State Legislature in the last days before adjournment was passage of Senate bill #6627 which suspends all existing retirement provisions, including the Optional Retirement Program, for new employees appointed on July 1, 1973 or thereafter.

A select committee is created by the legislation and charged to study all substantive and relevant aspects of the present public employee pension and retirement benefit systems and the efficacy of proposals relating thereto made by any previous commission (e.g., the Kinzel Commission) or governmental agency.

The committee is to hold hearings and to make a report to the Governor and the Legislature by July 15. A special session of the Legislature will then act upon this report and whatever retirement benefits are then enacted will be made retroactive to July first and will apply to all new employees.

As you know, the Education Law provides a 30 day period in which a new employee of State University may select any one of the three retirement programs. The recent legislation leaves uncertain whether the 30 day option period is suspended as of July first, and whether or not new employees will be required to make a choice within this time period, despite the possibility that benefits under the various programs may not be known. We have sought guidance and interpretation from appropriate agencies and have been advised that existing legislation provides no easily identifiable solution. We are bringing this situation to the attention of the select committee with the request that the option period may be extended until 30 days following the date new legislation becomes law.

Although it is not now possible to predict the outcome of these events, it does seem reasonable to anticipate that some changes in the existing retirement benefit program are likely. New employees should be made aware of this development.
Memorandum to Presidents
June 13, 1973

This memorandum addressed to:
Presidents, State-operated Campuses

Copies for information only sent to:
Deans, Statutory Colleges
Vice Provost Robert F. Risley
President Leland Miles