

Chapter 239

Retirement Plans for School District Employees

DEFINITIONS

239 002 Definitions

ORGANIZATION AND ADMINISTRATION

239 102 Teachers' retirement fund association
239 104 Plan of organization; school board approval
239.106 Approval of plan by teachers
239 108 Adoption and revocation of bylaws
239 110 Election of incorporators
239 112 Duties of incorporators; election of trustees
239 114 Notice of meetings
239 116 Board of trustees is governing body
239.118 Powers and duties of board of trustees
239 120 Officers of the association
239.122 Employes of the association
239 124 Annual report
239.126 Annual audit
239 128 Additional audit; statement of default;
remedies against delinquent associations
239 130 School board expenses

MEMBERSHIP

239.202 Membership generally
239.204 Membership prior to January 1, 1944
239 206 Eligibility to membership of certain non-
member teachers employed prior to 1944

SERVICE RETIREMENT BENEFITS

239.302 Funds to be maintained
239 304 Expense fund
239 306 Annuity fund
239.308 Pension fund
239 310 Contributions to annuity fund by members
239 312 Deductions from salary, direct payment
239 314 Election to receive refunding annuity
239 316 Election to provide annuity at age other
than 65
239.318 Members entitled to make election
239.320 Number of times election may be exercised
239 322 Adjustment of contribution differential
after election of annuity plan
239 324 Schedules fixed by trustees subject to ap-
proval of school board
239 326 Consideration of findings of actuary
239.328 Factors which determine the schedule
239 330 Limitations on rates
239 332 Rates fixed to make equal annual payments
239 334 Payment of deficiencies due to stoppage of
salary
239 336 Payment of deficiencies by teachers who
were members prior to January 1, 1944;
payment of regular assessments by such
members
239 338 Termination of employment prior to retire-
ment; refund of credits
239 340 Death of member prior to retirement; re-
fund of credits
239 342 Retirement on application, effective date of
retirement
239 344 Payment of benefits from annuity fund on
retirement

239 346 Amount of retirement pension from pension
fund
239 348 Retirement pension increased to \$50 per
month for certain active members upon
purchase of additional annuity
239.350 Retirement pension increased to \$50 per
month for certain retired members upon
purchase of additional annuity
239 352 Method of payment of additional annuity
purchased pursuant to ORS 239.348 or
239 350
239 354 Additional retirement pension for certain
active members without purchase of
additional annuity
239 356 Additional retirement pension for certain
retired members without purchase of
additional annuity
239.358 Dates and method of payments to retired
members
239.360 Use of excess credits at retirement
239 362 Payment of benefits on re-employment
239 364 Disposal of unused credits on death of re-
tired member who has elected a refunding
annuity

DISABILITY BENEFITS

239.402 Meaning of disability
239.404 Determination of disability
239 406 Filing of disability certificate
239.408 Eligibility for disability benefits
239 410 Refund of credits to members not eligible
for benefits
239 412 Payment of annuity to disabled member
239.414 Amount of disability pension for members
who are under 40 at the time of joining
the association
239 416 Amount of disability pension for members
who were over 40 at the time of joining
the association
239 418 Additional disability pension for certain
retired members
239 420 School board payments to pension fund to
pay disability pensions
239.422 Continuing vested disability benefits
239 424 Method of pension payments
239 426 No disability payments while member re-
ceives other payments from school dis-
trict, 60 day waiting period
239 428 Date and manner of disability benefit pay-
ments
239.430 Re-examinations; filing of results
239 432 Refusal to be re-examined; discontinuation
of disability payments; disposal of unused
credits
239.434 Removal of disability; discontinuation of
disability payments; disposal of unused
credits
239 436 Restoration of benefits to member employed
after removal of disability
239 438 Death of disability pensioner receiving re-
funding annuity, payment of unused
credits to beneficiary

ADDITIONAL SERVICE RETIREMENT AND DISABILITY BENEFITS		239 710	Authority to enter into agreement extending federal social security benefits to members
239 460	Additional service retirement and disability benefits for certain members	239 715	Requirements of agreement
239 465	Method of payment of additional contributions and additional benefits	239 720	Effect of agreement on maximum benefits payable from teachers' retirement fund association
EXEMPTION OF BENEFITS		239 725	Federal social security contributions by school district and teachers, effect on contributions to and benefits from teachers' retirement fund association
239.502	Exemptions from taxation	PENALTIES	
239.504	Exemption from execution and debts	239 990	Penalties
COVERAGE OF MEMBERS UNDER FEDERAL SOCIAL SECURITY ACT			
239.705	Declaration of policy regarding federal social security coverage for members of teachers' retirement fund association		

CROSS REFERENCES

Public employees' retirement generally, Ch 237	239.705
Retirement of teachers upon reaching age 65, 342 330	Public employees' generally, extension of federal social security benefits to, 237 410 to 237 520

DEFINITIONS

239.002 Definitions. As used in this chapter, unless the context requires otherwise

(1) "Association" means a teachers' retirement fund association organized pursuant to this chapter in a school district as defined in this section

(2) "Schedule of assessments and contributions" means a compilation of all mathematical and financial factors necessary to determine the assessments or contributions to be paid by each member of an association. It includes the amount of reserves which a member is required to create with the association in order to provide annuities at retirement in accordance with the provisions of this chapter. It also includes a statement of the mortality and interest rates assumed in calculating the reserves and a statement of the interest rate which it is assumed will be credited to the account of a member from the effective date of the schedule to the date of retirement

(3) "School board" means the board of directors of a school district as defined in this section

(4) "School district" means any district having more than 10,000 children of school age

(5) "Teachers" includes superintendents, supervisors and principals, as well as instructors in the employ of school districts as defined in this section.

239.004 to 239.100 [Reserved for expansion]

ORGANIZATION AND ADMINISTRATION

239.102 Teachers' retirement fund association. (1) The teachers employed in a school district may, with the consent and approval of the school board, establish an association to be known as teachers' retirement fund association, which shall have duties, powers and privileges as provided in this chapter and in the general laws of this state

(2) Any plan for the establishment of an association shall include a provision for incorporation pursuant to the laws governing the organization of religious, charitable and educational corporations, except as otherwise provided in this chapter.

239.104 Plan of organization; school board approval. (1) Whenever the teachers in a school district desire to avail themselves of the privileges of this chapter, they shall formulate a plan for the incorporation and organization of an association, and the collection and disbursement of the funds for the benefit of retired teachers in the district

(2) This plan shall be submitted to the school board for approval. When the plan is approved by the school board, the association so established and incorporated may receive, collect, invest, loan and disburse funds in accordance with the plan

239.106 Approval of plan by teachers. No association shall be incorporated or commence to collect and disburse funds until the plan proposed by the teachers is approved in writing by a majority of all the teachers in employ of the school district. At the time of incorporation, there shall be filed with the articles of incorporation an affidavit made by the clerk of the school district to the effect that a majority of the teachers have approved in writing the formation of the association

239.108 Adoption and revocation of by-laws. (1) The association may from time to time adopt bylaws, consistent with this chapter, amending or amplifying the plan formulated under ORS 239.104. The bylaws shall be adopted by the association subject to the approval of the school board and shall be effective after the date of approval

(2) The school board may at any time, upon 90 days' written notice to the board of trustees of the association, withdraw its approval of any bylaw previously approved, in which case such bylaws shall be of no effect after the date when a certified copy of the withdrawal of approval is filed by the school board with the board of trustees after a lapse of the 90 day period of notice

239.110 Election of incorporators. When the plan has been approved by the school board, a meeting of the teachers qualified to be members of the association shall be called by the board, to be held at such time and place as the board may appoint, for the purpose of selecting three or more persons to act as incorporators and trustees of the association until it is fully organized

239.112 Duties of incorporators; election of trustees. (1) The incorporators shall execute and file articles of incorporation as

by law provided, and shall receive and act upon applications for membership in such association until 300 members have been elected

(2) Thereupon the incorporators shall call a meeting of the members elected, to be held at such time and place as they shall designate. At this meeting the corporation shall be fully organized by the election of trustees and other officers, and adoption of bylaws for the government of the association. The trustees elected at the meeting shall be successors of the incorporators selected at the meeting provided for in ORS 239.110

239.114 Notice of meetings. (1) Notice of the meetings under ORS 239.110 and 239.112 shall be given five days before such meeting by posting the same in three public places within the district

(2) Notice of the meeting of the teachers under ORS 239.110 shall be signed by the clerk of the school district

(3) Notice of the meeting under ORS 239.112 shall be signed by the incorporators or a majority

239.116 Board of trustees is governing body. The management and administration of the affairs of the association, under a plan formulated pursuant to this chapter and under the bylaws adopted by the association, shall be vested in a board of trustees of seven members elected by the members of the association

239.118 Powers and duties of board of trustees. The board of trustees shall have the following powers and duties:

(1) To formulate bylaws for submission to the association for adoption

(2) To fix from time to time, subject to approval by the school board, the schedules of assessments or contributions to be paid into the annuity fund by members of the association

(3) To provide for the payment of retirement annuities and pensions and disability retirement annuities and pensions to members of the association to whom such payments become payable under this chapter, subject to the bylaws adopted by the association and approved by the school board

(4) To invest and reinvest moneys paid into the annuity fund by members of the association, and to do all things necessary and

desirable to the proper investment, management and safekeeping of the funds.

(5) To determine, before the time that a member of the association has attained the retirement age prescribed by this chapter, whether the reserve created with the assessments or contributions paid by the member into the annuity fund is sufficient, with interest credited thereon, to provide the annuity prescribed by this chapter

(6) To determine, before the time that a member becomes disabled as defined in this chapter, whether the reserve created with the assessments or contributions paid by the member into the annuity fund is sufficient, with interest credited thereon, to meet the requirements of this chapter with respect to the schedule of assessments or contributions to be maintained to provide the prescribed annuity at retirement age.

(7) To provide, in compliance with the bylaws of the association, the manner in which deficiencies in the reserves under subsections (5) and (6) of this section shall be made up by a member

(8) To appropriate annually out of the annuity fund to the expense fund, in the manner prescribed in this chapter, the funds to be used in paying the costs and expenses of administering and managing the affairs of the association.

(9) To hire, with the approval of the school board, actuaries and accountants

(10) To prepare and submit to the school board an annual report

(11) To administer the business and affairs of the association and to perform any and all functions required by this chapter

(12) To receive, hold, sell, mortgage and otherwise dispose of real and personal property, either by gift or purchase or in any other lawful ways, and also to loan and invest the funds of the association in such manner as the officers of the association may deem best and as may be provided by its articles of incorporation and bylaws

239.120 Officers of the association. (1) The board of trustees shall elect the officers of the association. They shall be members of the board of trustees and active members of the association

(2) The officers shall be a president, a vice president, a secretary and a treasurer

(3) The officers shall be elected in the manner and for such terms as determined by the bylaws adopted by the association with the approval of the school board.

239.122 Employees of the association. The board of trustees may hire and define the duties of an executive secretary and such other employees as it deems necessary to properly administer and manage the affairs of the association

239.124 Annual report. The association shall, on or before April 1 of each calendar year, prepare and file with the school board a complete annual report of the finances and affairs of the association, containing among other things the following:

(1) The name of each active member, the amount of the reserve of each active member on the records of the association, the monthly assessments and contributions being paid by each active member, and the amount of the deficiency if any in the reserve of each active member under ORS 239 336

(2) The name of each retired member who retired at the retirement age pursuant to this chapter, the date on which the member retired, the age of the member at retirement, the amount of the reserve credited to the member on the records of the association at retirement and the amount of the annuity which the reserve will provide for the member.

(3) The name of each member who has retired on account of disability, pursuant to this chapter, the date on which the member retired, the amount of the reserve of the member when disability was certified and the amount of the annuity which the reserve will provide for the member

(4) The amount of each monthly annuity and pension payment made to each member who has retired at the retirement age pursuant to this chapter

(5) The amount of each monthly disability annuity and pension payment made to each member who has retired on account of disability pursuant to this chapter

(6) A statement setting forth separately the aggregate amounts paid during the calendar year, immediately preceding the date on which the annual report is filed, and the aggregate amounts estimated to be paid in the calendar year in which the annual report is filed, for retirement annuities, disability retirement annuities, retirement pensions and disability retirement pensions.

(7) The schedule fixed to determine the assessments or contributions to be paid by the members of the association

(8) A statement setting forth the total

costs and expenses of administering and managing the association during the calendar year immediately preceding the date on which the annual report is filed

(9) A statement estimating the costs and expenses of administering and managing the association for the calendar year in which the annual report is filed

(10) A statement listing the total assets of the association as of the last day of the calendar year immediately preceding the date on which the annual report is filed

239.126 Annual audit. (1) On or before April 1 of each calendar year, the board of trustees of the association shall cause the books, records and accounts of the association to be audited by a certified public accountant selected annually by the board of trustees and the school board, and equally responsible to both boards

(2) A copy of the audit report, certified by the accountant, shall be filed with the school board, together with the annual report. The annual audit shall cover the calendar year immediately preceding the date of the filing of the annual report and shall contain a statement of the assets of the association reflecting acquisition costs and an estimate of fair market value, and a statement of the liabilities of the association, as of the close of the calendar year.

(3) The cost of completing the annual audit and of preparing the audit report shall be divided equally between the association and the school district

239.128 Additional audit; statement of default; remedies against delinquent associations. (1) The school board may require the certified public accountant to make such additional audit or examination of the assets, liabilities and affairs of an association, in addition to the annual report, as the board deems necessary. The cost of the audit shall be divided equally between the association and the school district

(2) On or before July 1 of each calendar year, the school board shall file with the association a statement specifying the acts, practices or procedures of the association alleged to be illegal

(3) If the association fails, within 90 days after receiving a statement of default, to make good the default or rectify the non-compliance with law, the school board may bring suit in the circuit court of the county in which the school district is located for a declaratory judgment and decree to establish

the rights, duties and obligations of the association with respect to the illegal acts, practices or procedures and for such relief, mandatory or otherwise, as the court shall adjudge or decree

(4) Concurrently with or as an alternative to the remedies in subsection (3) of this section, the school board may withhold the payment of all or any part of any further moneys payable by it to the association under this chapter until the default is rectified or until the association complies with law in the particulars certified by the board.

(5) The remedies provided in this section are not exclusive of any other right or remedy which the school board may have to enforce the provisions of this chapter

239.130 School board expenses. The school board of a school district in which an association has been organized pursuant to this chapter may expend from the general fund of the school district such sums of money as are necessary for the payment of attorneys, actuaries, physicians, surgeons, clerk hire and such other costs and expenses as are incurred by the school board in the performance of its powers and duties under this chapter in the enforcement of its provisions

239.132 to 239.200 [Reserved for expansion]

MEMBERSHIP

239.202 Membership generally. Any teacher who, as a result of an election by the school board, accepts employment for a period of one year or more after January 1, 1944, in a school district in which an association has been organized pursuant to this chapter, and whose total possible years of service in the school district after so accepting employment prior to reaching the age of compulsory retirement as prescribed by law is not less than 20 full school years, shall be deemed to have applied for membership in and been elected a member of such association and shall be subject to the provisions of, and entitled to the benefits under, the plan administered by the association; provided, that any teacher who is a member of the Public Employees' Retirement System and who, after July 15, 1949, accepts employment in the school district, may elect to remain a member of the Public Employees' Retirement System or become a member of the association, but if the election is not made within 60 days after the teacher is

elected by the school board to teach in the district, he shall automatically remain a member of the Public Employees' Retirement System. The election shall be made by giving written notice to the Public Employees' Retirement Board, the school board and the board of trustees of the association. The association shall, immediately upon the school board's election of a teacher to teach in the school district, inform him of his right to exercise an election as provided in this section

239.204 Membership prior to January 1, 1944. All members of any association organized prior to January 1, 1944, pursuant to chapter 280, Oregon Laws 1911, as amended, shall remain members of the association subject to the provisions of this chapter, provided, that any person who was a member prior to January 1, 1944, and who, prior to July 1, 1944, withdrew by written notice of intention so to do, is ineligible for membership in the association

239.206 Eligibility to membership of certain nonmember teachers employed prior to 1944. Any teacher who was on July 1, 1929, employed by a school district in which an association had been organized pursuant to chapter 280, Oregon Laws 1911, as amended, and who was on that date eligible to become a member of the association, and who on January 1, 1944, was employed by such school district and had been continuously so employed since July 1, 1929, and who is not a member of the association, may become a member by complying with the provisions of this chapter and by paying into the annuity fund the amount necessary to create a reserve sufficient, when increased by the amount of assessments and contributions which the member will be required to pay into the annuity fund between the date of becoming a member and the date of retirement, to provide at the retirement age an annuity in the amount prescribed by this chapter, and by applying for such membership on or before September 1, 1953. Any such teacher who fails to apply for membership in such association on or before September 1, 1953, shall thereafter be ineligible for membership in such association. The association shall adopt bylaws to prescribe the time and manner of paying such amount into the annuity fund [Amended by 1953 c 265 §3]

239.208 to 239.300 [Reserved for expansion]

SERVICE RETIREMENT BENEFITS

239.302 Funds to be maintained. An association organized under this chapter shall create and maintain an expense fund, an annuity fund and a pension fund as provided in this chapter

239.304 Expense fund. The expense fund shall consist of such amounts as are annually appropriated from the annuity fund by the board of trustees of the association, and shall be used exclusively to defray the costs and expenses of administering and managing the affairs of the association. The board of trustees in making such appropriation each year shall take into account a deficit or surplus in the fund from the preceding year

239.306 Annuity fund. The annuity fund shall consist of all of the assets of the association except the expense fund and the pension fund, and shall include the assessments or contributions paid to the association by the members

239.308 Pension fund. The pension fund shall consist of amounts paid by the school board as follows

(1) The school board shall levy and collect annually, as part of the taxes levied and collected for school purposes, a tax sufficient in the aggregate, together with all fines, penalties and forfeitures collected or received by the school district from teachers or other employees of the school district for violation of any rule, regulation or law adopted or enacted for the government of such teachers and employees, to pay to each member of the association who has attained the age of 60 years or over and has been retired a pension as provided in this chapter.

(2) Upon certification as of the due date thereof by the board of trustees of the association, the school board shall pay into the pension fund monthly, out of the taxes levied and collected and other moneys collected for that purpose, the monthly pension payments currently due to retired members of the association

239.310 Contributions to annuity fund by members. Each member shall pay into the annuity fund assessments or contributions, in compliance with schedules fixed by the board of trustees and approved by the school board, sufficient in the aggregate to provide a straight annuity at age 65 as follows

(1) To each member who was, on July 1, 1929, under the age of 45 years, an annuity of \$37 50 per month for life

(2) To each member who had, on July 1, 1929, attained the age of 45 years and was under the age of 55 years, an annuity of \$25 per month for life

(3) To each member who had, on July 1, 1929, attained the age of 55 years, an annuity of \$17 50 per month for life

239.312 Deductions from salary; direct payment. The school board shall deduct from the salary due each member of the association employed in the school district the amounts due, under the provisions of this chapter, as assessments or contributions and the amounts due as payments required on account of any deficiency, upon certification of such amounts by the board of trustees of the association. The amounts deducted shall be paid by the school board to the association for deposit in the annuity fund. However, a member may pay assessments or contributions directly to the association in larger sums or at more frequent intervals than are required by the schedule of assessments or contributions

239.314 Election to receive refunding annuity. (1) A member at any time prior to retirement may, by written application filed with the association, elect to receive the straight annuity under ORS 239 310 with the added provision that if the member dies before receiving annuity payments equal to the amount to his credit on the books of the association at the time of his retirement, there shall be paid to a beneficiary named by the member or to his estate the excess of such amount over the annuity payments received. Such annuity is referred to in this chapter as a refunding annuity

(2) In the event that a member elects to receive a refunding annuity, the member shall pay into the annuity fund the amount of the appropriate assessments or contributions as provided in schedules fixed by the board of trustees with the approval of the school board.

239.316 Election to provide annuity at age other than 65. At any time prior to retirement, a member may elect whether the assessments or contributions shall be paid into the annuity fund, in accordance with schedules fixed by the board of trustees and approved by the school board, in amount sufficient in the aggregate to provide an

annuity upon attaining the age of 60 years or any later age up to and including 65 years

239.318 Members entitled to make election. Any member of an association organized pursuant to chapter 280, Oregon Laws 1911, as amended, is entitled to exercise the elections provided in this chapter. In so electing he shall be subject to all the requirements of this chapter with respect to the payment of assessments or contributions in compliance with this chapter

239.320 Number of times election may be exercised. A member may, prior to retirement, exercise the elections provided for in ORS 239 314 and 239 316 as many times as he desires

239.322 Adjustment of contribution differential after election of annuity plan. (1) If the reserve of a member in the annuity fund is less than the amount required to provide the annuity which the member has elected to receive, the amount of such deficiency arising after January 1, 1944, on schedules fixed pursuant to this chapter, shall be paid into the annuity fund at the time the election is exercised or at the time and in the manner provided in the bylaws of the association.

(2) If the reserve of a member in the annuity fund is more than the amount required to provide the annuity which the member has elected to receive, the amount of such excess shall be held in the reserve as part of the amount available to provide the member with an annuity at the time he retires

239.324 Schedules fixed by trustees subject to approval of school board. The schedule determining the assessments or contributions which shall be paid into the annuity fund by members of the association after January 1, 1944, shall be fixed by the board of trustees in the manner provided in ORS 239 326 to 239 332 and shall be subject to the approval of the school board

239.326 Consideration of findings of actuary. An accredited actuary shall be selected annually by the board of trustees and approved by the school board. The chosen actuary shall be responsible to both the board of trustees and the school board. The board of trustees shall fix the schedules in compliance with sound actuarial practice and after consideration of the findings of the actuary

239.328 Factors which determine the schedule. In calculating the assessments or contributions to be paid by the members there shall be taken into account

- (1) Age and sex of members
- (2) Capital gains and losses realized and incurred on the investment of the annuity fund
- (3) The actual current and actuarially anticipated costs of retirement annuities and disability retirement annuities payable to retired members or to become payable to members on retirement
- (4) The costs and expenses of the association payable out of appropriations from the annuity fund.

239.330 Limitations on rates. The schedule rates shall not be more than is needed to

- (1) Meet the actual current and actuarially anticipated costs of retirement annuities and disability retirement annuities payable or to become payable to retired members
- (2) Recapture the excess of capital losses over capital gains incurred or reasonably anticipated on the investment of the annuity fund
- (3) Pay the costs and expenses of administration and management payable out of appropriations from the annuity fund
- (4) Create a surplus in the annuity fund which shall not exceed 15 percent of the fair market value of the total assets of the association which constitute the annuity fund.

239.332 Rates fixed to make equal annual payments. The rates of assessments or contributions to be paid by each member of the association shall be so fixed that a member shall pay equal and annual payments which in the aggregate, with interest credited thereon, total the reserve necessary to pay to the member at retirement the annuity prescribed by this chapter.

239.334 Payment of deficiencies due to stoppage of salary. If a member is deficient in his payment of assessments or contributions, due to leave of absence or sick leave which has occasioned the stoppage of salary, the member shall make up the deficiency within a period computed by the allowance of two years for each calendar year or fraction of a calendar year that the member was on such leave of absence or sick leave.

239.336 Payment of deficiencies by teachers who were members prior to January 1, 1944; payment of regular assessments by

such members. Any active member of an association organized pursuant to this chapter, who became a member of the association prior to January 1, 1944, and whose reserve in the annuity fund on that date is less than would have been accumulated by him if he had paid assessments or contributions in accordance with the full schedules previously adopted by the association for the annuity elected by the member, shall pay into the annuity fund the amount of such deficiency at such time and in such amounts, either before or at retirement, as is provided by the by-laws of the association. In addition to any payments required on account of such deficiency, such members shall pay regular assessments or contributions from and after January 1, 1944, in the same amount as if no deficiency existed, as provided by the full schedules adopted from time to time pursuant to the provisions of this chapter.

239.338 Termination of employment prior to retirement; refund of credit. If, prior to retirement, the employment of a member of the association in the school district is terminated, his membership in the association shall terminate and there shall be refunded to him the amount standing to his credit on the books of the association, including interest thereon to the date the employment is terminated.

239.340 Death of member prior to retirement; refund of credits. If any member of the association dies before attaining the age of retirement specified by this chapter, there shall be refunded to the beneficiary named by the deceased member or to his estate the full amount of the sums standing to the credit of the member, including interest credited thereon.

239.342 Retirement on application; effective date of retirement. Any member of the association after attaining the age of 60 years shall, on written application to the board of trustees and the school board, be retired from service and be entitled to receive the annuity and pension payments provided in this chapter commencing as follows:

(1) If the member was performing his duties as a teacher on the date of filing the application, then from the last day of the school term immediately following the date of filing application.

(2) If the member was not performing his duties as a teacher on the date of filing the application, then from the date of filing application.

239.344 Payment of benefits from annuity fund on retirement. A member, after retirement under ORS 239 342, shall receive from the annuity fund either a straight annuity or a refunding annuity, in accordance with his election, as provided in this chapter.

239.346 Amount of retirement pension from pension fund. A member, after retirement under ORS 239 342, shall receive from the pension fund a pension as follows:

(1) To each member who, on July 1, 1929, was under the age of 45 years, a pension of \$37 50 per month for life.

(2) To each member who, on July 1, 1929, had attained the age of 45 years and was under the age of 55 years, a pension of \$50 per month for life.

(3) To each member who, on July 1, 1929, had attained the age of 55 years, a pension of \$57 50 per month for life.

239.348 Retirement pension increased to \$50 per month for certain active members upon purchase of additional annuity. An active member of the association who is under 65 years of age on June 30, 1949, may qualify to receive a pension of \$50 per month for life from the pension fund after retirement at the age of 60 years or over by giving written notice thereof, prior to July 2, 1949, to the school board and the board of trustees of the association and by paying assessments and contributions, in compliance with the schedule of assessments or contributions, which in the aggregate are sufficient to provide an annuity at retirement and for life of \$37 50 per month plus \$1 per month for each calendar year or fraction thereof which will elapse after June 30, 1949, to and including the date on which the member attains the age of 65 years; provided no member is required to provide an annuity in excess of \$50 per month to qualify for the \$50 pension provided in this section.

239.350 Retirement pension increased to \$50 per month for certain retired members upon purchase of additional annuity. A retired member of the association who was under the age of 65 years on June 30, 1949, and who retired after June 30, 1944, at the age of 60 years or over may qualify to receive a pension of \$50 per month for life from the pension fund after June 30, 1949, by giving written notice thereof, prior to July 2, 1949, to the school board and the board of trustees of the association and by

paying into the annuity fund prior to that date assessments and contributions which in the aggregate shall be sufficient to provide an annuity after June 30, 1949, and for life, of \$37.50 per month plus \$1 per month for each calendar year or fraction thereof which will elapse from the date on which the member retired to and including the date on which the member attains the age of 65 years

239.352 Method of payment of additional annuity purchased pursuant to ORS 239.348 or 239.350. The assessments or contributions required under ORS 239 348 or 239 350 shall be computed on the basis of a straight annuity. However, if such member elects to receive a refunding annuity pursuant to ORS 239 314 and has paid the assessments or contributions sufficient to provide such refunding annuity, he shall be paid after retirement and for life a refunding annuity in the amount per month which the reserve standing to the credit of the member on the records of the association shall provide him in accordance with schedules fixed by the board of trustees of the association with the approval of the school board

239.354 Additional retirement pension for certain active members without purchase of additional annuity. Each active member of the association who was under the age of 65 years on June 30, 1949, and who has not elected to pay into the annuity fund assessments and contributions in accordance with the requirements of ORS 239 348 shall be paid a monthly pension out of the pension fund, in addition to the pension of \$37 50 per month provided for in ORS 239.346, in an amount computed by deducting from \$12 50 the sum of \$1 for each calendar year and fraction of a calendar year which will elapse from June 30, 1949, to and including the date on which the member attains the age of 65 years, provided the additional pension payment so computed shall in no event be in excess of \$11 per month

239.356 Additional retirement pension for certain retired members without purchase of additional annuity. (1) Each retired member of the association who was under the age of 65 years on June 30, 1949, and who retired after June 30, 1944, at the age of 60 years or over and who has not elected to pay into the annuity fund assessments and contributions in accordance with the requirements of ORS 239 350 shall be paid a

pension of \$11 per month from the pension fund in addition to the pension of \$37.50 per month provided in ORS 239.346.

(2) Each retired member of the association who retired for service and who had attained the age of 65 years prior to July 2, 1949, shall be paid a pension of \$11 per month for life after June 30, 1949, in addition to the monthly pension provided in ORS 239 346

239.358 Dates and method of payments to retired members. The annuity and pension payments provided for in this chapter shall be paid to a retired member of the association as follows

(1) On the first day of the calendar month following the date of retirement there shall be paid to the retired member an amount equal to that percentage of the full annuity and pension payments that the member is entitled to receive each month which the number of days intervening between the date of retirement and the first day of the first calendar month following the date of retirement bears to the total number of days in the calendar month in which retirement occurs

(2) On the first day of each calendar month, following the date of the first payment as prescribed in subsection (1) of this section, there shall be paid to the retired member for life the full annuity and pension payments which the retired member is entitled to receive each month under the provisions of this chapter

(3) Immediately after the date on which a retired member dies, there shall be paid to the estate of the deceased member an amount equal to that percentage of the full annuity and pension payments that the deceased member was entitled to receive each month while living which the number of days intervening between the last day of the calendar month immediately preceding the date of death and the day following the date of death bears to the total number of days in the calendar month in which death occurred. However, if the first payment made to such member exceeded the amount required to be paid under subsection (1) of this section, the excess shall be deducted from any amount due under this subsection.

(4) If any member of the association who has retired pursuant to this chapter, dies prior to the date on which the first annuity and pension payments are payable as provided in this section, then there shall be

paid to the estate of the deceased member an amount equal to that percentage of the full annuity and pension payments that the deceased member was entitled to receive each month under the provisions of this chapter, which the number of days intervening between the date of retirement and the day following the date of death bears to the total number of days in the calendar month in which retirement occurred

239.360 Use of excess credits at retirement. The excess of the amount standing to the credit of a member on the books of the association at retirement, including interest credited thereon to the date of retirement, over the amount necessary to provide to the member on the date of retirement a straight or refunding annuity in the amount prescribed by this chapter, in accordance with the election of the member, shall be refunded to the member on retirement or shall be used to provide a larger annuity to the member, as the member may elect

239.362 Payment of benefits on reemployment. Any member of an association who is retired under this chapter is entitled to receive the monthly annuity and pension payments for life, regardless of whether the member is employed after the date of retirement as a teacher or otherwise. However, if the retired member is employed by the school district in which the association is organized, no pension payments shall be made for the period of such employment

239.364 Disposal of unused credits on death of retired member who has elected a refunding annuity. On the death of a retired member who has elected to receive a refunding annuity, there shall be paid to the beneficiary named by the deceased member or to his estate, the excess of the sums credited to the member on the books of the association at the time of his retirement, including interest credited thereon to the date of retirement, over the annuity payments received by the deceased member.

239.366 to 239.400 [Reserved for expansion]

DISABILITY BENEFITS

239.402 Meaning of disability. A member of the association is disabled, within the meaning of that term as used in this chapter, when, as a result of illness or accident, he is, and probably will be during the remainder

of his life, unable to perform his duties as a school teacher

239.404 Determination of disability. (1) The fact of existence of disability shall be established by findings of the school board. The board of medical examiners shall consist of three doctors licensed to practice medicine in this state, to be selected by the school board

(2) The board of medical examiners shall prepare and file with the school board, with respect to each member of the association who is examined by the board for the purpose of ascertaining the ability of a member to perform his duties as a school teacher, a report setting forth the facts as to the physical and mental condition of the member examined and containing the recommendation of the board of medical examiners as to whether the school board should or should not find the member disabled.

(3) The total costs and expenses of examination and re-examination of members of an association incurred by the school board for the purpose of establishing or determining the existence of disability, with respect to retirement of a member on account of disability, shall be paid by the school district in which the association is organized

239.406 Filing of disability certificate.

(1) If the school board finds that a member examined is disabled, it shall prepare and file with the board of trustees of the association a report setting forth the findings and the facts upon which the findings were based and certify such disability to the board of trustees

(2) The report and certificate of disability shall be filed by the school board with the board of trustees within a period of 30 days after the filing of the medical report by the board of medical examiners with the school board

(3) The fact of disability of a member, for the purposes of this section, shall be accepted by the board of trustees of the association as established on the date on which the certificate is filed with them

(4) The provisions of ORS 239.402 to 239.406 shall not affect the rights of any teacher under the teachers' tenure law

239.408 Eligibility for disability benefits. If, after January 1, 1944, any member of the association under the age of 60 years is certified disabled as provided in ORS

239 406 and has completed not less than 1800 days of actual teaching service as a regularly appointed teacher in the school district prior to the date of the certification of disability, the member is entitled to the disability retirement annuity and disability retirement pension payments provided for in this chapter.

239.410 Refund of credits to members not eligible for benefits. If a member of the association has not completed, on the date of the certification of disability, 1800 days of actual teaching service as a regularly appointed teacher in the school district, no disability retirement annuity or pension payments shall be made to the member, but there shall be refunded to the member the amount standing to the credit of the member on the books of the association, including interest credited thereon to the date of the certification of disability.

239.412 Payment of annuity to disabled member. If a member of the association has, on the date of certification of disability, completed 1800 days of actual teaching service as a regularly appointed teacher in the school district, there shall be paid to the member for as long as he lives and the disability continues a straight or refunding annuity, as he shall have elected, in the amount per month which the amount standing to the credit of the member on the books of the association, including interest credited thereon to the date of the certification of disability, shall provide him, in accordance with schedules fixed by the board of trustees with the approval of the school board.

239.414 Amount of disability pension for members who were under 40 at the time of joining the association. If a member of an association was, on the date of joining the association, not older than 40 years of age, last birthday, and becomes entitled to a disability retirement pension under ORS 239 408, the amount of such pension shall be determined by the proportion of the disability coverage period, which is defined as the period between the date on which the member completes 1800 days of actual teaching service as a regularly appointed teacher in the school district and the date on which the member will attain the age of 60 years, which has elapsed prior to the date of certification of disability, as follows:

(1) If at the date of certification of disability, less than one-fifth of the disability

coverage period has elapsed, the disability retirement pension shall be \$57 50 per month for as long as the member lives and the disability continues

(2) If at the date of certification of disability, one-fifth of the disability coverage period, but less than two-fifths of such period, has elapsed, the disability retirement pension shall be \$52 50 per month for as long as the member lives and the disability continues

(3) If at the date of certification of disability, two-fifths of the disability coverage period, but less than three-fifths of such period, has elapsed, the disability retirement pension shall be \$47.50 per month for as long as the member lives and the disability continues

(4) If at the date of certification of disability, three-fifths of the disability coverage period, but less than four-fifths of such period, has elapsed, the disability retirement pension shall be \$42 50 per month for as long as the member lives and the disability continues

(5) If at the date of certification of disability, four-fifths or more of the disability coverage period has elapsed, the disability retirement pension shall be \$37.50 per month for as long as the member lives and the disability continues

239.416 Amount of disability pension for members who were over 40 at the time of joining the association. If a member joins the association at an age older than 40 years, last birthday, and becomes entitled to a disability pension under ORS 239 408, the amount of such pension shall be \$35 per month plus a sum equal to \$2 50 multiplied by the number equal to the difference between 60 years and the age of the member, last birthday, at the date of certification of disability.

239.418 Additional disability pension for certain retired members. Each retired member of the association who retired on account of disability prior to July 1, 1949, shall be paid a pension of \$11 per month after June 30, 1949, and for as long as the member lives and the disability continues, in addition to the disability pension provided for in ORS 239.414 and 239 416.

239.420 School board payments to pension fund to pay disability pensions. The school board shall pay into the pension fund, from time to time, out of the taxes levied and

collected and other moneys collected for the purposes of this chapter, and upon certification of the board of trustees of the association, the monthly disability retirement pension payments currently due to members of the association who have retired on account of disability

239.422 Continuing vested disability benefits. Any member of the association who retired on account of disability prior to January 1, 1944, shall receive disability annuity and pension payments in the monthly amount which he was receiving prior to that date

239.424 Method of pension payments. A member of the association who has been retired on account of disability in accordance with this chapter shall receive from the association disability retirement annuity and pension payments in the manner provided in ORS 239 426 and 239 428.

239.426 No disability payments while member receives other payments from school district; 60 day waiting period. No disability retirement annuity or pension payments shall be made for any period in which a member is receiving any other payments from the school district for sick leave, salary or otherwise, or in any event for a period of 60 days after the date on which the certificate of disability is filed by the school board with the board of trustees of the association. If disability is found not to exist during the 60 day period, no disability retirement annuity or pension payments shall be made by reason of the filing of a certificate of disability

239.428 Date and manner of disability benefit payments. (1) On the first day of the first calendar month following the date on which the 60 day period under ORS 239 426 expires, there shall be paid to the retired member an amount equal to that percentage of the full disability retirement annuity and pension payments that the member is entitled to receive for a full year of disability under this chapter, which the number of days intervening between the date of the filing of the certificate of disability by the school board and the first day of the first calendar month following the date of the expiration of the 60 day period bears to the total days in the calendar year in which the 60 day period expired

(2) On the first day of each calendar

month, following the date of the first payment under subsection (1) of this section, there shall be paid to the retired member for as long as he lives and the disability continues, the full disability retirement annuity and pension payment which the retired member is entitled to receive each month under this chapter.

(3) Immediately after the date on which a retired member dies, or the date on which a certificate is filed by the school board with the board of trustees of the association stating that the previously established disability of a retired member no longer exists, there shall be paid to the estate of the deceased member, or to the member whose previously established disability is found to no longer exist, as the case may be, an amount equal to that percentage of the full disability retirement annuity and pension payments that the member was entitled to receive each month under this chapter, which the number of days intervening between the last day of the last preceding calendar month prior to the date of death or removal of disability, as the case may be, and the day following the date of death or the day following the filing of the certificate certifying removal of disability, as the case may be, bears to the total number of days in the calendar month in which the retired member died or a certificate is filed stating that disability no longer exists.

239.430 Re-examinations; filing of results. (1) A member of an association who has been retired on account of disability may, while under the age of 65 years, be required by the school board to be re-examined by the board of medical examiners, or by such other physicians as the board of medical examiners shall designate

(2) The board of medical examiners, or other examining physician, when directed so to do by the school board, shall prepare and file with the school board a report on the re-examination setting forth the facts as to the physical and mental condition of the retired member examined and the recommendation of the board of medical examiners as to whether the school board should or should not find that the previously established disability still exists

(3) If the school board finds that the previously established disability of a retired member no longer exists, the board shall prepare and file with the board of trustees of the association a certificate to that effect

(4) The fact of removal of disability shall be accepted by the board of trustees as established on the date on which the certificate is filed with it

239.432 Refusal to be re-examined; discontinuation of disability payments; disposal of unused credits. If any member retired on account of disability, while under the age of 60 years, refuses to submit to medical examinations by the board of medical examiners, or by a physician designated by the board of medical examiners, his disability retirement pension payments shall be discontinued until the withdrawal of such refusal. If the refusal continues for one year, all rights to disability pension payments shall be forfeited and he shall elect whether the excess of the amount standing to his credit on the books of the association, including interest credited thereon to the date when the disability was first certified, over the aggregate disability retirement annuity payments received by him, shall be refunded to him or remain in the annuity fund to his credit to provide him with an annuity

239.434 Removal of disability; discontinuation of disability payments; disposal of unused credits. The disability retirement annuity and pension payments under this chapter shall cease on the date on which a certificate of disability removal is filed by the school board with the board of trustees and the excess of the amount standing to the credit of the member on the books of the association, including interest credited thereon to the date of retirement because of disability, over the aggregate disability retirement annuities received by the member shall remain in the annuity fund to his credit to provide an annuity for him at retirement

239.436 Restoration of benefits to member employed after removal of disability. If a member who has been retired on account of disability returns to the employ of the school district as a teacher at the time of the removal of disability and pays into the annuity fund, from the date of return to the date of retirement as specified in this chapter, the full schedule of assessments or contributions fixed in compliance with this chapter, he shall be entitled to receive the full retirement pension payments provided in this chapter in the same manner as if his employment in the school district had not been interrupted by the disability retirement

239.438 Death of disability pensioner receiving refunding annuity; payment of unused credits to beneficiary. If a member who has been retired on account of disability pursuant to this chapter dies, and if he had elected to receive a refunding annuity, as provided in ORS 239 412, there shall be paid to the beneficiary named by the deceased member or to his estate, the excess of the amount standing to the credit of the member on the books of the association, including interest credited thereon to the date of retirement, over the disability retirement annuity payments received by him

239.440 to 239.455 [Reserved for expansion]

ADDITIONAL SERVICE RETIREMENT AND DISABILITY BENEFITS

239.460 Additional service retirement and disability benefits for certain members.

(1) Whenever in any school district in this state in which there has been organized an association pursuant to the provisions of this chapter, the teachers who are active members of the association shall approve the same by majority vote in writing and the board of directors of said school district shall consent thereto by resolution, there shall be paid to members of said association annuity and pension benefits as in this section provided. In the event the schedules of assessments and contributions to the annuity fund, and the schedules of annuity and pension benefits, as provided for in this section, are approved by the active members of the association and are consented to by the board of directors of the school district, as herein provided, they shall at the same time provide the date on which said schedules shall go into effect, which said date shall not be later than July 1, 1954, and shall be the "effective date" wherever said term is used in this section.

(2) An active member of the association who on the effective date is under the age of 65 years, and who shall retire on or after the effective date at the age of 60 years or over, and who has qualified to receive a pension of \$50 per month pursuant to the provisions of ORS 239 348, and who elects to pay into the annuity fund assessments and contributions, in addition to the assessments and contributions required by ORS 239 302 to 239 336 and as required by ORS 239 348, which in the aggregate shall

be sufficient at retirement to provide an additional annuity in amount of \$2.50 per month for each calendar year or fraction of a calendar year which will elapse from and after the effective date to and including the date on which said member shall attain the age of 65 years, shall receive out of the pension fund at and after the effective date of this Act and for so long as said member shall live, in addition to the pension of \$37.50 as provided by ORS 239 346, plus the increased pension provided for by ORS 239 348, a pension of \$25 per month; provided, however, that no active member shall be required to provide an annuity in excess of \$75 per month in order to qualify for the maximum amount of increased pension payable out of the pension fund pursuant to the provisions of ORS 239 348 and pursuant to the provisions of this section

(3) An active member of the association who on the effective date is under the age of 65 years, and who shall retire on or after the effective date at the age of 60 years or over, and who has not qualified to receive a pension of \$50 per month pursuant to the provisions of ORS 239 348, and who at any time within 60 days after the effective date shall elect to qualify for a pension of \$50 per month as provided for in ORS 239 348, and who elects to pay into the annuity fund assessments and contributions, in addition to the assessments and contributions required by ORS 239 302 to 239 336 and as required by ORS 239 348, which in the aggregate shall be sufficient at retirement to provide an additional annuity in amount of \$2 50 per month for each calendar year or fraction of a calendar year which will elapse from and after the effective date to and including the date on which said member shall attain the age of 65 years, shall receive out of the pension fund at and after the effective date of this Act and for so long as said member shall live, in addition to the pension of \$37 50 provided by ORS 239 346, plus the increased pension provided for by ORS 239 348, a pension of \$25 per month; provided, however, that no active member shall be required to provide an annuity in excess of \$75 per month in order to qualify for the maximum amount of increased pension payable out of the pension fund pursuant to the provisions of ORS 239.348 and pursuant to the provisions of this section

(4) An active member of the association who on the effective date is under the age of 65 years, and who shall retire on or

after the effective date at the age of 60 years or over, and who at the time of retirement at the age of 60 years or over has not qualified, and does not then qualify under subsection (3) of this section, to receive a pension of \$50 per month pursuant to the provisions of ORS 239 348, shall receive a monthly pension out of the pension fund, in addition to the pension of \$37 50 per month provided for in ORS 239 346, and in addition to the increased pension provided for in ORS 239 354, in an amount computed by deducting from \$25 the sum of \$2 50 for each calendar year and fraction of a calendar year which will elapse from and after the effective date to and including the date on which said member shall attain the age of 65 years, which said increased pension shall be paid to each said member out of the pension fund from and after the effective date and for so long as said member shall live

(5) A member of the association who on July 1, 1949, was under the age of 65 years, and who retired or will retire at any time on or after July 1, 1949, on account of disability, in accordance with the provisions of ORS 239 402 to 239 438, shall receive a pension out of the pension fund, at and after the effective date, in addition to the pension provided for in ORS 239 414 to 239 418, of \$12 50 per month, which said pension shall be so paid for so long as said member shall live and said disability shall continue [1953 c 301 §1]

239.465 Method of payment of additional contributions and additional benefits.

(1) An active or retired member who is required by the provisions of ORS 239 460 to pay into the annuity fund additional assessments and contributions as a condition to the right to receive an increased pension thereunder shall pay into the annuity fund the assessments and contributions therein specified in addition to all assessments and contributions required by ORS 239 302 to 239 336 and as required by ORS 239.348 Likewise, the board of directors of the school district shall pay into the pension fund, in accordance with the provisions of ORS 239 308, the amounts necessary to pay the increased pension payments which become due and payable to retired members of the association pursuant to the provisions of ORS 239 460

(2) Unless the provisions of ORS 239.460 are in conflict therewith, all of the provisions of ORS 239.302 to 239 336, shall be applicable with respect to assessments

and contributions paid pursuant to ORS 239 460, except that in the event that a member shall elect to receive a refunding annuity then said member shall pay into the annuity fund the amount of assessments and contributions, as provided in schedules fixed by the board of trustees of the association with the approval of the board of directors of the school district, sufficient in the aggregate to provide a refunding annuity in amount as provided in ORS 239 310 and 239 314, plus the amount of assessments and contributions required under ORS 239 348, and required under ORS 239 460, computed on the basis of a straight annuity, and there shall be paid to said member, after his or her retirement, and for so long as he or she shall live, a refunding annuity in an amount each month which the reserve standing to the credit of the member on the records of the association, including interest thereon to the date of the retirement of said member, shall provide him or her in accordance with schedules fixed by the board of trustees of the association with the approval of the board of directors of the school district

(3) Pension and annuity payments due and payable to a retired member of the association pursuant to ORS 239.460 shall be paid at the times and in the manner as specified in ORS 239 342 and 239 358 to 239 364, and, likewise, assessments and contributions paid into the annuity fund pursuant to ORS 239 460 shall be subject to refund as provided in ORS 239 338, 239 340 and 239.360.

(4) Unless the provisions of ORS 239 460 are in conflict therewith, all of the provisions of ORS 239 402 to 239 438 shall be applicable with respect to pension payments made out of the pension fund on account of disability pursuant to subsection (5) of ORS 239 460 [1953 c 301 §2]

239.470 to 239.500 [Reserved for expansion]

EXEMPTION OF BENEFITS

239.502 Exemptions from taxation. The following benefits paid pursuant to ORS 239 002 to 239 500 are exempt from state, county and municipal taxes, including, but not limited to, inheritance taxes, estate taxes and taxes imposed on or measured by net income.

(1) Pension and annuity payments after retirement on account of age

(2) Pension and annuity payments after retirement on account of disability.

(3) Refunds paid to members of the association and death benefits paid to their beneficiaries and estates

239.504 Exemption from execution and debts. Any annuity or money due or payable to a member of the association pursuant to ORS 239.002 to 239 500 or the articles of incorporation or bylaws of the association is exempt from execution and is not liable for the debts or liabilities of the member

239.506 to 239.700 [Reserved for expansion]

COVERAGE OF MEMBERS UNDER FEDERAL SOCIAL SECURITY ACT

239.705 Declaration of policy regarding federal social security coverage for members of teachers' retirement fund association. In order to extend to members of a teachers' retirement fund association organized, and existing on July 21, 1953, pursuant to the provisions of this chapter, and to the dependents and survivors of such members, the basic protection accorded to others by the Old Age and Survivors Insurance System embodied in title 2 of the Federal Social Security Act, it hereby is declared to be the policy of this state that, subject to the provisions of ORS 239 705 to 239 725 and not otherwise, such action may be taken by the members of such association, and by the board of directors of the school district in which such association has been so organized and so exists, as to provide such protection to members of the association on as broad a basis as is on July 21, 1953, or is, at any time after July 21, 1953, permitted under the applicable provisions of the Old Age and Survivors Insurance System embodied in title 2 of the Federal Social Security Act, and such action by the members of said association, and by the board of directors of said school district, at any time on or after July 21, 1953, hereby is expressly authorized [1953 c 695 §1]

239.710 Authority to enter into agreement extending federal social security benefits to members. Whenever, in any school district in this state in which there has been organized, and on July 21, 1953, there exists, a teachers' retirement fund association pursuant to the provisions of this chapter, the members of the association, and the board

of directors of the school district, shall approve the same in the manner provided in the Federal Social Security Act, then the board of trustees of the association and the board of directors of the school district acting jointly, and such officer or agency of the State of Oregon as is designated by the law of this state so to act, shall negotiate and execute on behalf of the association an agreement, or modification of such agreement, with the Federal Social Security Administrator [Secretary of Health, Education and Welfare], or his designated agent or successor, for the coverage of members of the association under the Old Age and Survivors Insurance System embodied in title 2 of the Federal Social Security Act, in conformity with the provisions of section 218 thereof, or in conformity with the provisions of any other section or sections of said federal Act which permits such coverage of employes of a state or any political subdivision thereof, and in conformity with the applicable federal regulations adopted pursuant to said sections of the federal Act; provided that no such agreement or modification of an agreement shall be executed unless and until the board of directors of the school district shall have approved the terms and execution of said agreement or modification of an agreement [1953 c 695 §2]

239.715 Requirements of agreement.

The agreement authorized by ORS 239.710 shall contain terms and provisions, and shall be executed in accordance with the requirements of this section, as follows

(1) The agreement shall contain such terms and conditions as are necessary to conform to all of the requirements of section 218 of the Federal Social Security Act and any amendments thereto, or to conform to all of the requirements of any other section or sections of said federal Act which on July 21, 1953, or at any time after July 21, 1953, permits coverage, under the Old Age and Survivors Insurance System embodied in title 2 of the Federal Social Security Act, of employes of a state or any political subdivision thereof, and to conform with all of applicable federal regulations adopted pursuant to said section of the federal Act

(2) The approval of the agreement, or any modification of an agreement, by vote of the members of the association, and the consent of the board of directors of the school district thereto, shall be conducted

and obtained in accordance with the requirements of the applicable provisions of the federal Act.

(3) The agreement, or a modification of an agreement, shall be effective with respect to services performed after the effective date specified in such agreement or modification, or if such date be not so specified then the agreement or a modification of an agreement shall be effective with respect to services performed on and after the first day of the calendar year in which such agreement or modification is executed as herein provided and agreed to by the Federal Social Security Administrator [Secretary of Health, Education and Welfare], or if the applicable federal law shall specify the earliest date with respect to which such agreement or modification may be effective, then the agreement or modification of an agreement shall be effective with respect to services performed after said date so specified in the applicable federal Act.

(4) The agreement, and any modification of an agreement, shall provide such coverage as is permitted under the federal Act to the members of the association who are eligible for such coverage pursuant to the federal Act, and who are active members of the association on or at any time after the first day of the calendar year in which the agreement or any modification of an agreement is executed hereunder and is agreed to by the Federal Social Security Administrator [Secretary of Health, Education and Welfare]. [1953 c.695 §3]

239.720 Effect of agreement on maximum benefits payable from teachers' retirement fund association. In the event that an agreement or a modification of an agreement is executed as herein provided, and is agreed to by the Federal Social Security Administrator [Secretary of Health, Education and Welfare], whereby coverage under the Old Age and Survivors Insurance System of the Federal Social Security Act is extended to members of the association on a basis as broad as is permissible under the applicable federal law, then the combined service or disability pension and annuity benefits to be paid thereafter pursuant to ORS 239.002 to 239.504 to any member of the association who accepts the obligations and benefits of such agreement or modification, shall not exceed a basis as broad as that permitted, upon retirement at age 65, under the Public Employees' Retirement System of the State

of Oregon at the time said agreement, or modification of agreement, becomes effective. [1953 c 695 §3]

239.725 Federal social security contributions by school district and teachers; effect on contributions to and benefits from teachers' retirement fund association. In the event that an agreement, or modification of an agreement is executed as herein provided, and is agreed to by the Federal Social Security Administrator [Secretary of Health, Education and Welfare], whereunder coverage is obtained for members of the association pursuant to the Old Age and Survivors Insurance System embodied in title 2 of the Federal Social Security Act, then the board of trustees of the association, and the board of directors of the school district, are authorized, directed and empowered as follows

(1) The board of directors of the school district shall levy and collect annually, as part of the taxes levied and collected annually for school purposes, a tax in sufficient amount in the aggregate to pay the contributions required of an employer under the provisions of section 1410 of the Federal Internal Revenue Code, and as required by the agreement, or any modification of an agreement, entered into pursuant hereto, and to remit said amount so levied and collected to the appropriate federal or state officer or agency in accordance with the requirements of applicable federal law

(2) The board of directors of the school district shall reduce the amounts to be paid

into the pension fund of the association so as to comply with the requirements of ORS 239.705 to 239.725, and the pension benefits payable thereafter shall be reduced accordingly

(3) The board of trustees of the association, by and through the board of directors of the school district as now provided by law, shall withhold from salaries otherwise payable to members such amounts currently as are sufficient in the aggregate to pay the contributions required of employees under the provisions of section 1400 of the Federal Internal Revenue Code, and as required by the agreement, or any modification of an agreement, entered into pursuant hereto, and to remit said amounts so withheld and collected to the appropriate federal or state officer or agency, in accordance with the requirements of applicable federal law.

(4) The board of trustees of the association shall reduce the contributions to be paid by the members to the association so as to comply with the requirements of ORS 239.705 to 239.725, and the annuity benefits payable to a member thereafter, at and after retirement on account of age or disability, shall be reduced accordingly [1953 c 695 §4]

PENALTIES

239.990 Penalties. Violation of the provisions of this chapter for which a specific penalty is not provided is a misdemeanor.