

1930

# STATE EMPLOYEES RETIREMENT SALARIES

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<p><b>5</b></p> <p><b>STATE EMPLOYEES RETIREMENT SALARIES. Assembly Constitutional Amendment 37.</b> Adds Section 22a to Article IV of Constitution. Empowers Legislature to provide for payment of retirement salaries to State employees, and prescribe requirements and conditions for retirement which shall include minimum period of services, minimum attained age and minimum contribution of funds by employees, but may prescribe lesser requirements for retirement because of disability; contribution rates, service periods and conditions, and amount of retirement salaries, fixed pursuant hereto shall be changed only by two-thirds vote of members elected to each house of Legislature.</p>	YES	
	NO	

(For full text of Measure, see page 7, Part II)

**Argument in Favor of Assembly Constitutional Amendment No. 37, Relating to Retirement Salaries for State Employees**

It is proposed by this amendment to authorize the Legislature to provide retirement salaries for State employees, payable from a fund to which the employees contribute. The reasons for a retirement salary system are convincing. It is advantageous to the State as employer, securing improvement of working personnel by a sure and just method of eliminating from active service, employees incapable because of disability or old age. Without a retirement system, aged and disabled employees are retained in active service while they "go through the motions." No other course is open because discharge of such an employee without adequate provision for his future is contrary to every instinct of humanity. Such employees, in the absence of a retirement system, are virtually retired on the job and their entire salaries are charged to the current budget. The State, therefore pays, though no retirement system is established, and pays without receiving those benefits of a retirement system which make it a sound investment.

A retirement system financed by a fund established during active service is the proper method of providing retirement at the end of normal service-life. It prevents stagnation which begets a department when avenues of advancement are closed to younger employees because of continued employment of those far beyond their best days, but whose long service has won the higher places. It helps to make state service a "life work" for the able man or woman who is attracted, yet who hesitates because there is no offer of financial independence in later life. It is of utmost importance to secure and hold the best possible type of em-

ployee and a retirement system can be of marked service in stabilizing the state's employed personnel and preventing losses which occur when trained, efficient employees leave because of superior opportunities elsewhere. It saves money for the taxpayer through elimination of waste of money paid aged employees; through stoppage of loss entailed by the slow pace forced upon other employees by aged workers; through gain in efficiency resulting from substitution of younger men; and by attraction to, and retention in, the State service of high grade employees.

A State Retirement Salary Commission has thoroughly investigated and declared that a sound retirement system will prove a "wise and timely investment for the people of California."

President Taft in advocating retirement salaries for federal employees declared, "Nothing will so much promote the economy and efficiency of the government as such a system."

As a governmental policy, the retirement salary system has proven itself in the federal government, several states, Territory of Hawaii, San Francisco, Los Angeles, numerous other municipalities, and foreign countries.

Some of the business corporations which provide retirement salaries for employees are the: New York Stock Exchange, Metropolitan Life Insurance Company, Pacific Gas and Electric Company, Southern Pacific Railroad Company, Standard Oil Company, Union Oil Company, Southern California Edison Company, United States Steel Corporation, and General Motors Corporation. We may be assured that these concerns employ such a system because it has proven a good business proposition and pays dividends.

**RAY WILLIAMSON,**  
Assemblyman, Twenty-sixth District.

**5 STATE EMPLOYEES RETIREMENT SALARIES. - Assembly Constitutional Amendment 37.** Adds Section 22a to Article IV of Constitution. Empowers Legislature to provide for payment of retirement salaries to State employees, and prescribe requirements and conditions for retirement which shall include minimum period of services, minimum attained age and minimum contribution of funds by employees, but may prescribe lesser requirements for retirement because of disability; contribution rates, service periods and conditions, and amount of retirement salaries, fixed pursuant hereto shall be changed only by two-thirds vote of members elected to each house of Legislature.

YES	
NO	

Assembly Constitutional Amendment No. 37—A resolution to propose to the people of the State of California an amendment to the constitution of the State of California by adding to article four thereof a new section to be numbered section 22a, relating to retirement salaries for state employees.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California, at its forty-eighth regular session commencing on the seventh day of January, 1929, two-thirds of all the members elected to each of the two houses voting in favor thereof, hereby proposes to the people of the State of California that the constitution of the State of California be amended by adding to article four thereof a new section to be numbered 22a and to read as follows:

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore the provisions

thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

**Sec. 22a.** The Legislature shall have power to provide for the payment of retirement salaries to employees of the state who shall qualify therefor by service in the work of the state as provided by law. The Legislature shall have power to fix and from time to time change the requirements and conditions for retirement which shall include a minimum period of service, a minimum attained age and minimum contribution of funds by such employees and such other conditions as the Legislature may prescribe, subject to the power of the Legislature to prescribe lesser requirements for retirement because of disability.

The rates of contribution and the periods and conditions of service and amount of retirement salaries fixed in pursuance of this section shall not be changed except by the vote of two-thirds of the members elected to each of the two houses of the Legislature.