

Civil Service - County

County Weighs Dropping Social Security

By **BRUCE McPHERSON**
Sentinel Staff Writer

Auditor Art Merrill has sent a letter to the board of supervisors recommending the county get out of the Social Security system, claiming the move would save the county at least \$100,000 a year.

At the same time, the auditor suggests that a final decision not be made on the matter until a vote is taken by county employees on the subject.

Presently, about 1,300 of the county's 1,400 employees are in the Social Security system of payroll deductions, including all except law enforcement personnel that have been excluded since the county started Social

Security in 1958.

Merrill said a major reason for the suggestion at this time is due to passage of SB 90 by the state legislature last session, which set limits on tax rates local governments and districts may levy.

"This is a pure dollars and cents recommendation from this office," Merrill said. "Our job is to make it known where they (supervisors) can save money.

"If it weren't for SB 90, we wouldn't bring this to the board now without an approval vote of the employees first."

Merrill then emphasized the importance of getting a feedback from county employees prior to a final decision, and ex-

plained his staff would be able to make presentations in May.

The necessity of bringing up the issue at this time, Merrill said, is that the Social Security fiscal matters run on a year beginning in April. It takes two years for an agency to get out of Social Security, so the first period it could be dropped is the quarter beginning April, 1975. In addition, if the board approves the auditor's recommendation at Tuesday's supervisors' meeting, it may rescind that action.

Merrill claimed that various benefits, such as survivorship, can be substituted for Social Security at a lower cost.

He also pointed to the fact

that this year Social Security payment limitations increased from \$9,000 to \$10,800 base and that they are scheduled to go up to \$12,000 in 1974. Also, the percentage rate of deduction has jumped.

He said individual savings could be realized with the switchover. For instance, a person making \$10,800 this year would bring home about \$40 more a month in salary money if the proposed substitute program were now in effect, Merrill said. He continued that an individual could retire at a minimum age 55 under a state retirement system, as compared to 62 or 65 under Social Security.

The county this year is paying about \$500,000 as its share of Social Security, the auditor continued.

Merrill pointed out that various other jurisdictions are getting out of Social Security, such as the Aptos, Scotts Valley and Live Oak Fire Districts. Last summer, the City of Santa

Cruz passed a resolution of intention to withdraw from Social Security, subject to a vote of city employees.

"County government is changing because it is now boxed into a tax rate with SB 90," Merrill said, which may result in a closer look at evaluating some programs.

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