Santa Cruz City Employes Go Under Social Security

By Jack Rannells

Disability provisions of the federal social security program for Santa Cruz city employes will become effective January 1.

To voters who approved the State Employes Retirement System (SERS) program in 1948, the fact that the civil servants also are covered by social security may come as a surprise.

The social security (Old Age, Survivors and Disability Insurance, or OASDI) program was not opened to local government employes until 1955.

In late 1957, with city council approval, Santa Cruz employes adopted the OASDI while amending the state retirement program.

The federal program supplements SERS retirement benefits, so that most of the 41 retired city employes are getting monthly checks from both the state and federal systems.

OASDI also includes survivor benefits, not provided under SERS.

These are the "take" aspects of retirement.

The impending OASDI disability coverage leads us into the "give" aspects. It is not effective until the employe has been insured for five years.

It will go into effect Monday because the employe's association and city each contributed $21,000 in 1957 to make the federal program retroactive to January 1, 1956.

The "employers" — or taxpayers — of Santa Cruz this fiscal year will kick in an estimated $153,000 to keep the combined retirement programs in motion. (See accompanying chart and article.)

The employes themselves are expected to contribute more than $120,000 in payroll deductions this year.

These totals have grown steadily since adoption of the original SERS program in 1948 due to the broadened coverage, more employes, and a higher wage base.

"Sure, retirement costs," said City Manager Peter Tedesco. "But if we didn't have it, we would have to pay higher wages so employes could take care of it themselves."

"And if the city is going to have a program, it must be adequate — more than a pittance."

What then are the benefits employes and taxpayers are buying?

RETIREMENT — There are separate SERS plans for general employes and police and firemen.

Let's take a hypothetical general employe, retiring at 65 after 35 years of employment. He has earned $250 a month throughout that time, with the exception of the past two when he got $300 and $350, respectively.

The basic SERS retirement benefit is 1/70 of the average salary for the highest (no maximum) three consecutive years. This is multiplied by years of service.

In our example, the benefit would be 1/70 of $300 (average of $250, $300 and $350) times 35 years, or $150.

The federal OASDI benefit is based on average salary since 1956, or $280. Under the regular social security scale, monthly benefits would be $94.50.

The imaginary employe would receive a tidy sum of $244.50 monthly from the two programs. Some find other work, but many find the supplementary plans adequate.

Police and firemen are not covered by OASDI. Their SERS program is geared to retirement at 55. They pay much higher rates but receive 50 per cent of the average of three highest consecutive years salary at that age.

Given the some salary as our other employe, the policeman would retire at 55 with $150 per month — half the average of $250-$300-$350.

These are gross simplifications.

Retirement before or after 65 years (55 for safety employes) modifies the basic benefit percentage.

There are optional SERS programs under which retired employes take reduced payments so that, after death, their beneficiaries continue to receive monthly checks.

SURVIVORS — SERS includes a $400 lump survivors benefit for retired employes. OASDI includes a $250 lump benefit — plus continued payments to qualified dependents.

DISABILITY — OASDI and SERS both offer disability benefits similar to retirement, with basic qualificatons.

LunchWagon MovesWhere Business Is

Los Angeles (AP).—The toot of a mobile lunch wagon, with its sandwiches and coffee, is increasingly common around the service stations, garages and industrial areas of southern California.

More than 750,000 workers grab their lunches on the run from these shiny sandwich counters. For 35 catering firms and hundreds of independent operators, business has been bustling.

The theory's simple: Go where the business is.

About 2000 wagons make their rounds every week day, following regular routes and developing customers who come to count on them for a sandwich, salad, pastry or hot dish.

Things are getting tougher all the time, though, say industry sources. That's because the field is starting to get crowded.

"Three to six years ago a man could build a good route in a month if he was lucky," says Eddie Greenberg, who did just that eight years ago. "Now, about all that's left are gas station stops and it takes a lot of them to pay."

The business has mushroomed into a number of sidelines. There are giants of the industry—huge catering houses with their own trucks. There are the one-truck independents struggling to get a foothold. There are the companies that build the compact $4000 to $8000 trucks with their bottled gas coffee makers, oven, iced sink and storage bins of stainless steel.

Some companies are strictly in the food end, manufacturing sandwiches, salads, hot dishes and baked goods and packaging them separately. Some smaller firms serve as wholesalers to trucks using their loading docks. One group of independent drivers has organized its own cooperative to supply some of their food at a saving they figure at 10 per cent.

The typical driver reaches the plant by 4 or 5 a.m., loads for two hours and is on his route by 7 a.m. Most of them quit shortly after lunch, although some make an afternoon coffee break call.

Board Against Planner Staying