

SPECIAL ISSUE



THE COMMUNICATOR

FRIDAY, MARCH 29

TO ALL STAFF
FROM THE OFFICE OF THE PRESIDENT

IT HAS COME TO OUR ATTENTION THAT PERS FIXED AND VARIABLE FUNDS HAVE NOT EARNED ANY INTEREST DURING THE PAST YEAR. THE FOLLOWING EXPLANATION WAS OBTAINED FROM SALEM. THE 1971 LEGISLATURE ALLOWED THE RETIREMENT FUND TO INVEST 25 PERCENT OF THE FIXED INCOME FUND IN COMMON STOCK. STOCK MARKET LOSSES THIS YEAR WERE SO GREAT THAT THESE FIXED FUNDS DID NOT EARN ANY INTEREST. INVESTMENT OF THE REMAINING 75 PERCENT OF THE FIXED FUND IN "SAFER" ACCOUNTS WAS NOT SUFFICIENT TO OVERCOME THE LOSSES ON THE STOCK MARKET. THE VARIABLE FUNDS WERE ALL INVESTED IN COMMON STOCKS AND, THEREFORE, THE LOSS.

WE REGRET THIS HAPPENING BUT THE INVESTMENT OF THESE FUNDS IS CONTROLLED BY THE LEGISLATURE AND STATE TREASURER'S OFFICE.

- RAY NEEDHAM