

FIRST REPORT

TO THE

GOVERNOR

OF THE

Connecticut,
TEACHERS' RETIREMENT BOARD

September 1, 1917 - December 31, 1921

FIRST REPORT

TO THE

GOVERNOR

PUBLICATION
APPROVED BY
THE BOARD OF CONTROL

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PRESS OF CONNECTICUT SCHOOL FOR BOYS

D. B. B.

TEACHERS' RETIREMENT BOARD

CHARLES L. AMES,
Term expires July 1, 1923

HAROLD E. CHITTENDEN,
Term expires July 1, 1925

BURTON MANSFIELD, *Chairman,*
Insurance Commissioner

ALBERT B. MEREDITH,
Commissioner of Education

EVERETT J. STURGES,
Bank Commissioner

EDWARD S. BOYD,
Secretary

DOROTHY M. SHANLEY,
Assistant Secretary

TEACHERS RETIREMENT BOARD

CHARLES J. AMES

1900-1901

BAROLD E. CHATTERJEE

1902-1903

HURTON WAINWRIGHT

1904-1905

ALBERT K. HARRINGTON

1906-1907

BURRITT J. HENNING

1908-1909

EDWARD S. BOYD

1910-1911

DONALD M. BRADLEY

1912-1913

TEACHERS' RETIREMENT BOARD REPORT

Provision has been made by the Legislature of 1921 for a detailed statement of the membership, retirements, withdrawals, investments, incomes and expenditures of the retirement association to be submitted annually to the Governor.

The Teachers' Retirement Board has the honor of submitting herewith the first report of the department covering the period between its establishment, September 1, 1917, and the year ending December 31, 1921. The retirement system was established by the General Assembly of 1917 for all public school teachers of the state with the exception of New Haven and New London. These two cities had in operation at the time of the passage of the act a pension system constituted by act of the general assembly and provision was made for their exemption from the state retirement law.

The retirement system is administered by the teachers' retirement board, which consists of five members including the insurance commissioner, the bank commissioner, the commissioner of education, and two members elected by the teachers of the association. The board serves without compensation employing a secretary, an assistant secretary, and clerks as are necessary for the operation of the law.

Membership in the association was optional for those teachers who had service in the public schools of Connecticut prior to September 1, 1917. The law provided that they might become members at any time thereafter by paying an amount equal to the total assessments with regular interest thereon, that they would have paid if they had joined the retirement association in September, 1917. An amendment to the law in 1919 allowed the city of New London to join the state system. The city paid five percent of the salaries for two years with interest, for all teachers who elected to join the association.

Since September 1, 1917, all teachers entering the public school service for the first time are required to become members of the association and be subject to a five percent deduction of their annual salaries, with a minimum assessment of twenty-five dollars and a maximum of one hundred dollars. A teacher on for-

mal leave of absence may, if he chooses, pay monthly assessments to the annuity fund during such leave of absence, and the period of time covered by assessments paid in this manner is construed as constituting actual service, provided the number of such monthly assessments paid in continuity shall not exceed the number payable in one school year. An absence caused by enlistment or draft in the United States Service is allowed for more than one year without being considered as breaking the continuity of service as a public school teacher.

It is the duty of school authorities of each district to deduct five percent from the salaries of all members and forward to the retirement board each month. When payment of same is delayed for more than thirty days after the time prescribed for payment, the amounts due are liable to interest at nine per centum per annum provided the minimum amount of interest of any such delayed payment shall be five dollars; and the proceeds of said interest charge are used to reimburse the account of each teacher deprived of interest by the delay and the balance is paid into the general fund of the retirement association. This requires not only that the board must see that these deductions are made and forwarded at the proper time but the number of teachers and individual accounts must always be kept up to date. All sums received are deposited monthly with the treasurer of the state, who invests the fund in accordance with the laws of the state governing the investment of savings bank funds.

A separate account is kept with each member of the association similar to a savings bank account. Interest as determined by the retirement board is credited on the last day of December of each year. The amounts thus accumulated are to be used at retirement to purchase an annuity on an actuarial basis. The rate of interest is substantially that which is earned by the funds of the association. An annual statement of his account is sent to each member showing his balance on hand the previous year, the amount received during the current year and the amount of interest credited to his account, with a brief statement of the membership and funds and a report of any changes which affect the administration of the law.

Endowed secondary schools and state institutions may upon application be classed as "public schools" and included in the retirement system for teachers at the discretion of the retire-

ment board. Teachers withdrawing from the service are allowed to withdraw their assessments with interest. Upon reappointment to the public school service a member who has had a refund of his assessments is obliged to be reinstated and return the amount with interest as determined by the Retirement Board. A number of teachers allow their contributions to remain at interest after withdrawing from service. A member's rights in the funds of the retirement system are exempt from taxation and from the operation of any laws relating to bankruptcy or insolvency, and cannot be attached or taken upon execution or other process of any court. No assignment of any right in or to said funds is valid. In case a member dies before retiring the amount of his contributions with compound interest to the date of his death is paid to his estate.

Any member of the retirement association may retire from service in the public schools after thirty-five years of service, twenty of which must have been in the state or upon attaining the age of sixty years with fifteen years of service in the state. The last five years of service before retirement must be consecutive in Connecticut. Retirement is compulsory at age seventy, unless special permission is granted by the retirement board to the employing board of education. A member of the retirement association whose service in the public schools of the state has covered a period of ten or more years, and who before attaining the age of sixty becomes permanently incapable of rendering satisfactory service as a teacher by reason of physical or mental disability as shown by examination, may with the approval of the retirement board be retired by the employing board of education

A teacher sixty-five years of age with forty years of service, twenty-five in the state, who retired from active service prior to June 30, 1917, is entitled to a pension of not less than three hundred dollars nor more than five hundred dollars per annum. Pensions are paid by check on the first day of each month in advance so long as a member lives.

The act provides that the board shall adopt the mortality tables to be used in the system for computing pensions. The McClintock Female Annuitants' table of Mortality at three and one-half percent adapted to monthly payments in advance was adopted upon the recommendation of the insurance commission-

er. Since organization the board has consulted Mr. John L. Laird, an actuary of the Connecticut General Life Insurance Company in regard to the computation of certain allowances.

The retirement allowance is made up of an annuity and a pension. The annuity is purchased according to the insurance tables by the amount of the teachers' contributions with accumulated interest to the fund and is based upon the age at retirement. The pension is paid from an appropriation from the state treasury and is equal to the annuity. A teacher may elect to receive an annuity of less amount, with the provision that on his death the annuity will be continued throughout the life of a person whom he shall designate at the time of his retirement.

Teachers in the service who are unable to make many contributions to the Annuity Fund before retiring, receive from the state the pension they would have received had they made thirty annual contributions, on their annual salary of the last five years preceding retirement with interest at three percent compounded annually. The minimum retiring allowance is three hundred dollars. A reserve fund for retired teachers was created in 1919 and provides for an amount to be set aside from the state treasury for each retired teacher. This amount is computed according to insurance tables and represents the amount necessary to care for the teacher so long as he shall live.

An annual report is made by the State Treasurer to the Insurance Commissioner for the state, exhibiting the financial condition of the retirement system on the thirty-first day of the preceding December and its financial transactions for the year ending at such date. The individual accounts of the association are audited semi-annually by the State Auditors.

The act creating the system provided for the appointment to the Retirement Board of the first representatives of the retirement association by the Governor. Mr. Horace D. Taft of Watertown and Mr. Henry T. Burr of Willimantic were appointed. During the year Mr. Burr withdrew from the teaching service of the state and Mr. H. O. Clough of Rockville was appointed to serve until July, 1919, on the Retirement Board. Mr. C. L. Ames, Principal of the Brown School, Hartford, was elected in 1919 to serve until July 1, 1923. Mr. H. E. Chittenden, Superintendent of Schools of Naugatuck, was elected July 1, 1921, to serve for four years in place of Mr. Taft.

There has been a cordial feeling of cooperation on the part of those upon whom the operation of the system has devolved. Few officials have been negligent in sending reports when due. There are many other retirement systems for teachers and a number of them are proving inadequate to their requirements because of insecure foundations. The system of this state is based upon a sound financial and actuarial basis and should prove itself for many years to come a solution of the problem for the retirement of teachers. On the whole there seems to be a general feeling of satisfaction on the part of the teachers and state in regard to the law.

BURTON MANSFIELD.
EVERETT J. STURGES.
ALBERT B. MEREDITH.
CHARLES L. AMES.
HAROLD E. CHITTENDEN.

REPORT ON THE TREATMENT OF ...

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- FRANK ...
- ALBERT ...
- CHARLES ...
- WALTER ...

ANNUAL STATEMENTS

and

STATISTICS

of the

CONNECTICUT TEACHERS' RETIREMENT

BOARD

September 1, 1917 - December 31, 1921

MEMBERSHIP EXHIBIT.

	1917	1918	1919	1920	1921
Voluntary members joining,	803	97	306	70	68
Compulsory members joining,	1646	1107	968	1085	1182
Retired during year,	19	26	23	19	31
Deceased,	1	15	3	26	9
Inactive accounts,	10	102	504	492	293
Withdrawing assessments,	5	352	519	675	610
Reinstated,	0	13	25	36	54

MEMBERSHIP AT END OF YEAR.

	Voluntary.	Compulsory.	Retired.	Total.
December 31, 1917,	1646	803	19	2468
December 31, 1918,	1603	1657	45	3305
December 31, 1919,	1730	2778	67	4575
December 31, 1920,	1761	3199	80	5040
December 31, 1921,	1726	3862	106	5694

	Receipts from teachers' salaries.	Refunds.	Annuities.	Pensions.
1917,	\$ 36,668.53	\$ 94.83	\$.63	\$ 813.00
1918,	126,092.05	10,041.52	46.37	11,700.34
1919,	200,700.05	22,456.83	140.87	18,736.44
1920,	268,408.51	44,229.29	371.83	26,958.10
1921,	349,602.05	58,012.40	779.28	34,703.85

STATE OF CONNECTICUT
Treasury Department.

Hartford, Conn., January 16, 1918.

To the Insurance Commissioner of the state of Connecticut:

The Treasurer of the State of Connecticut herewith files with the Insurance Commissioner of said State, in compliance with provisions of Section 10, Chapter 411, Public Acts of 1917, a sworn statement exhibiting the financial condition of the Retirement System on the 31st day of December, 1917, and its financial transactions for the period ending at such date, as follows:—

INCOME.	
Amount of members' deposits received from the Teachers' Retirement Board during the said period,	\$36,668.53
Interest on daily balances,	.
Interest from investments,	.
Total,	\$36,668.53
PAYMENTS.	
Amount paid annuitants and refunds,	95.46
Balance,	\$36,573.07
ASSETS.	
Investments, being subscriptions to U. S. Second Liberty Loan, 60% paid,	\$24,000.00
Cash on hand,	12,573.07
Total assets as per balance,	\$36,573.07

(Signed) F. S. CHAMBERLAIN,
Treasurer and Trustee.

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } SS.

Frederick S. Chamberlain, Treasurer of the State of Connecticut, being duly sworn, deposes and says that the foregoing statement is a full and correct exhibit of all the assets, income and disbursements, and of the financial condition of the Teachers' Retirement Board on December 31, 1917, together with the financial transactions of said Board for the period ending on said day.

Subscribed and sworn to before me this 18th day of January, 1918.

(Signed) LEWIS W. PHELPS,
Notary Public.

STATE OF CONNECTICUT
Treasury Department.

Hartford, Conn., February 20, 1919.

To the Insurance Commissioner of the state of Connecticut:

The Treasurer of the State of Connecticut herewith files with the Insurance Commissioner of said State, in compliance with provisions of Section 10, Chapter 411, Public Acts of 1917, a sworn statement exhibiting the financial condition of the Retirement System on the 31st day of December, 1918, and its financial transactions for the period ending at such date, as follows:—

January 1, 1918 to December 31, 1918.

RECEIPTS.

Cash Balance January 1, 1918,	.	.	.	\$12,573.07
Amount of Deposits,	.	.	.	126,092.05
Interest from Investments,	.	.	.	2,457.16
Temporary Receipts,	.	.	.	33,000.00
				\$174,122.28
Bonds on hand January 1, 1918,	.	.	.	24,000.00
				\$198,122.28

PAYMENTS.

Annuitants and Refunds,	.	.	.	\$10,091.24
Temporary Receipts,	.	.	.	33,000.00
Interest on bonds	.	.	.	205.01
				43,296.25
Balance,	.	.	.	\$154,826.03

ASSETS.

Subscription, Liberty Loan Bonds,	.	.	.	\$127,500.00
Cash on hand,	.	.	.	27,326.03
				\$154,826.03

(Signed) G. HAROLD GILPATRIC,
Treasurer and Trustee.

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } SS.

G. Harold Gilpatric, Treasurer of the State of Connecticut being duly sworn, deposes and says that the foregoing statement is a full and correct exhibit of all the assets, income and disbursements, and of the financial condition of the Teachers' Retirement Board on December 31, 1918, together with the financial transactions of said Board for the period ending on said day.

Subscribed and sworn to before me this 20th day of February, 1919.

(Signed) LEWIS W. PHELPS,
Notary Public.

STATE OF CONNECTICUT
Treasury Department.

Hartford, Conn., March 9, 1920.

To the Insurance Commissioner of the state of Connecticut:

The Treasurer of the State of Connecticut herewith files with the Insurance Commissioner of said State, in compliance with the provisions of Section 10, Chapter 411, Public Acts of 1917, a sworn, statement exhibiting the financial condition of the Retirement System on the 31st day of December, 1919, and its financial transactions for the period ending at such date, as follows: —

January 1, 1919 to December 31, 1919.

ANNUITY FUND.

CASH ACCOUNT.	RECEIPTS.	
Balance on hand, January 1, 1919,		\$27,326.03
Received from Secretary of the Board,		200,700.05
Interest on Investments,		9,682.21
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		\$237,708.29

	PAYMENTS.	
Annuitants and Refunds,		\$31,161.15
U. S. Bonds purchased, cost,		188,254.00
Accrued interest on Bonds,		2,000.45
Balance on hand, December 31, 1919,		16,292.69
		<hr/>
		\$237,708.29

	INVESTMENT ACCOUNT.	
Securities on hand, last report,		\$127,500.00
Securities purchased 1919, at cost,		188,254.00
		<hr/>
		\$315,754.00

PENSION FUND.		
CASH ACCOUNT.	RECEIPTS.	
From Secretary of Board, Appropriation,		\$235,671.81
Interest on Investments,		4,250.03
		<hr/>
		\$239,921.84

	PAYMENTS.	
Warrants drawn by Secretary,		\$10,730.40
U. S. Bonds purchased, cost,		205,096.00
Accrued interest on above bonds,		3,010.42
Cash on hand December 31, 1919,		21,085.02
		<hr/>
		\$239,921.84

	INVESTMENT ACCOUNT.	
U. S. Bonds on hand (Par value \$220,000) cost,		\$205,096.00

(Signed) G. HAROLD GILPATRIC,
Treasurer & Trustee.

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } SS.

G. Harold Gilpatric, Treasurer of the State of Connecticut being duly sworn, deposes and says that the foregoing statement is a full and correct

exhibit of all the assets, income and disbursements, and of the financial condition of the Teachers' Retirement Board on December 31, 1919, together with the financial transactions of said Board for the period ending on said day.

Subscribed and sworn to before me this 9th Day of March, 1920.

(Signed) EDWARD H. WILKINS,
Notary Public.

STATE OF CONNECTICUT
Treasury Department.

Hartford, Conn., January 20, 1921.

To the Insurance Commissioner of the state of Connecticut:

The treasurer of the State of Connecticut herewith files with the Insurance commissioner of said State, in compliance with provisions of Section 10, Chapter 411, Public acts of 1917, a sworn statement exhibiting the financial condition of the Retirement System on the 31st day of December, 1920, and its financial transactions for the period ending at such date, as follows:

January 1, 1920 to December 31, 1920.

ANNUITY FUND.

CASH ACCOUNT.	RECEIPTS.	
Balance on hand, January 1, 1920,		\$16,292.69
Received from Secretary of the Board,		268,408.51
Interest on Investments,		18,668.75
		<hr/>
		\$303,369.95

	PAYMENTS.	
Annuitants and Refunds,		\$45,111.98
United States Bonds purchased, cost,		203,629.63
Accrued interest on above bonds,		2,477.40
Balance on hand December 31, 1920,		52,150.94
		<hr/>
		\$303,369.95

	INVESTMENT ACCOUNT.	
U. S. Bonds on hand last report (par \$320,000.) cost,		\$315,754.00
U. S. Bonds purchased 1920, (Par \$235,000.) cost,		203,629.63
		<hr/>
		\$519,383.63

PENSION FUND.

CASH ACCOUNT.	RECEIPTS.	
Balance on hand, January 1, 1920,		\$21,085.02
From Secretary of Board, Appropriation,		70,522.38
Interest on Investments,		10,943.75
		<hr/>
		\$102,551.15

	PAYMENTS.	
Warrants drawn by Secretary,		\$26,958.10
U. S. Bonds purchased, cost,		47,951.82
Accrued interest on above bonds,		831.70
Cash on hand December 31, 1920,		26,809.53
		<hr/>
		\$102,551.15

REPORT OF THE TEACHERS' RETIREMENT BOARD

19

INVESTMENT ACCOUNT.	
U. S. Bonds on hand, last report (Par \$220,000.) cost,	\$205,096.00
U. S. Bonds purchased 1920 (Par \$55,000.) cost,	47,951.82
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	\$253,047.82

(Signed) G. HAROLD GILPATRIC,
Treasurer and Trustee.

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } SS.

G. Harold Gilpatric, Treasurer of the State of Connecticut, being duly sworn, deposes and says that the foregoing statement is a full and correct exhibit of all the assets, income and disbursements, and of the financial condition of the Teachers' Retirement Board on December 31, 1920, together with the financial transactions of said Board for the period ending on said day.

Subscribed and sworn to before me this 20th day of January, 1921.

(Signed) WALTER R. KING,
Notary Public.

STATE OF CONNECTICUT
Treasury Department.

Hartford, Conn, January 17, 1922.

To the Insurance Commissioner of the state of Connecticut:

The Treasurer of the State of Connecticut herewith files with the Insurance Commissioner of said state, in compliance with provisions of Section 10, Chapter 411, Public Acts of 1917, a sworn statement exhibiting the financial condition of the Retirement System on the 31st day of December, 1921, and its financial transactions for the period ending at such date, as follows:—

January 1, 1921 to December 31, 1921.

ANNUITY FUND.

CASH ACCOUNT.	RECEIPTS.	
Balance on hand, January 1, 1921,		\$52,150.94
Received from Secretary of Board,		349,602.05
Interest on Investments,		28,562.09
Bonds sold,		131,915.24
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		\$562,230.32

	PAYMENTS.	
Annuitants and Refunds,		\$59,503.70
Bonds purchased, cost,		428,685.73
Accrued interest on above bonds,		3,378.61
Balance on hand December 31, 1921,		70,662.28
		<hr/>
		\$562,230.32

INVESTMENT ACCOUNT.	
U. S. Bonds on hand as last report, cost,	\$519,383.63
U. S. & Municipal Bonds purchased, 1921, cost,	428,685.73
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	\$948,069.36
	131,915.24
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U. S. Bonds sold since last report,	\$816,154.12
Amount now invested in U. S. & Municipal bonds, (Par-\$890,000.) (Cost-\$816,154.12)	

PENSION FUND.

CASH ACCOUNT.

RECEIPTS.

Balance on hand January 1, 1921,	\$26,809.53
From Secretary of Board and Appropriation,	111,760.63
Interest on Investments,	13,387.50
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	\$151,957.86

PAYMENTS.

Warrants drawn by Secretary,	\$34,703.85
Bonds purchased, cost,	97,151.85
Accrued Interest on above bonds,	2,098.83
Cash on hand, December 31, 1921,	18,003.33
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	\$151,957.86

INVESTMENT ACCOUNT.

Bonds on hand last report, cost,	\$253,047.82
Bonds purchased, 1921, cost,	97,151.85
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	\$350,199.67

(Signed) G. HAROLD GILPATRIC,
Treasurer and Trustee.

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } SS.

G. Harold Gilpatric, Treasurer of the State of Connecticut, being duly sworn, deposes and says that the foregoing statement is a full and correct exhibit of all the assets, income and disbursements and of the financial condition of the Teachers' Retirement Board on December 31, 1921, together with the financial transactions of said Board for the period ending on said day.

Subscribed and sworn to before me this 18th Day of January, 1922.

(Signed) WALTER R. KING,
Notary Public.

