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University

Retirement System

of Illinois

eleventh annual report

Year ended August 31, 1952

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UNIVERSITY OF ILLINOIS AT
URBANA-CHAMPAIGN

EMPLOYERS

EASTERN ILLINOIS STATE COLLEGE CHARLESTON

ILLINOIS STATE NORMAL UNIVERSITY NORMAL

NORTHERN ILLINOIS STATE TEACHERS COLLEGE DE KALB

SOUTHERN ILLINOIS UNIVERSITY CARBONDALE

STATE GEOLOGICAL SURVEY URBANA

STATE NATURAL HISTORY SURVEY URBANA

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UNIVERSITY CIVIL SERVICE MERIT BOARD URBANA

UNIVERSITY OF ILLINOIS CHICAGO, SPRINGFIELD, URBANA

UNIVERSITY RETIREMENT SYSTEM URBANA

WESTERN ILLINOIS STATE COLLEGE MACOMB

**UNIVERSITY
RETIREMENT
SYSTEM
OF
ILLINOIS**

ELEVENTH ANNUAL REPORT YEAR ENDED AUGUST 31, 1952

ISSUED BY THE AUTHORITY

OF THE BOARD OF TRUSTEES

OF THE UNIVERSITY RETIREMENT SYSTEM OF ILLINOIS

URBANA, ILLINOIS

DECEMBER, 1952

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University Retirement System Office located at

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ANNUAL REPORT TO THE PARTICIPANTS:

In accordance with Section 6.2 (m) of the Act creating the University Retirement System of Illinois, and on behalf of its Board of Trustees, I am submitting herewith the Eleventh Annual Report of the Board. This Report contains a review of the activities during the Fiscal Year ended August 31, 1952, and shows the financial status, investment policy, and benefits available at that date, as well as statistical information which indicates the progress and growth of the System since it was established on September 1, 1941.

The Board of Trustees, on recommendation of a Committee of Participants, has concluded that certain changes in the Retirement Act are needed. These have been presented to the Pension Laws Commission of the State of Illinois and will be submitted to the General Assembly during the 1953 session. Some are liberalizing in character and will increase costs of the System; whereas others are restrictive and will tend to reduce costs. All are toward the goal of elimination of certain inequities now found in the Act. Information concerning these amendments is being supplied to Participants.

During the year the Board of Trustees reviewed all rules adopted by it since the creation of the System in 1941 and found that several changes were necessary because of amendments to the Retirement Act and passage of time. In order that you may be kept informed of the actions taken by the Board to supplement the provisions of the Retirement Act, these rules are contained in the body of this report.

A Report on the Actuarial Valuation of the System as of August 31, 1952, has been submitted by A. A. Weinberg, Con-

sulting Actuary, who also has aided in the preparation of the Statistical Tables. The accounts have been audited by George Rossetter and Company, Certified Public Accountants, and their report is included herein.

On behalf of the Board, I wish to thank the Participants and the various Employers covered by the University Retirement System for the splendid cooperation in submitting promptly the information necessary for the proper operation of the System.

This report was prepared by Edward S. Gibala, Secretary, under the general direction and supervision of Lloyd Morey, Comptroller.

C. Hobart Engle, *President*

**BOARD OF TRUSTEES
UNIVERSITY RETIREMENT SYSTEM
OF ILLINOIS**

RULES ADOPTED BY THE BOARD OF TRUSTEES

ARTICLE I

DEPENDENCY OF BENEFICIARIES

Sec. 1. Section 5.4 of the Retirement Act grants an Additional Death Benefit to a Beneficiary who “is in the opinion of the Board dependent on the Employee at the time of death.” For the purpose of this section, a dependent is defined as one who bears toward the Participant any one of the following relationships: wife; husband; son, daughter, or any other child toward whom the Participant stands *in loco parentis* and who is under twenty-one years of age or who is devoting substantially his full time to school work; or any parent, brother, sister, or other relative toward whose support the Participant contributes. As to such persons, no further evidence of dependency than one of the above relationships need be furnished.

Sec. 2. In all other cases the Board will determine dependency on the circumstances of the case.

Sec. 3. When a Participant has designated two or more Beneficiaries, if at the time of death, any of them are dependents, as defined above, the Additional Death Benefit is payable, but to only the dependent Beneficiaries.

Sec. 4. When a Death Benefit is payable to the estate of a Participant, if one or more of the persons sharing in the estate of the Participant are dependents, as defined above, it will be assumed that the estate is a dependent for the purpose of determining the amount of the benefit payable.

ARTICLE II

CREDITING INTEREST ON NORMAL, ADDITIONAL, AND CURRENT CONTRIBUTIONS

Sec. 1. At the end of each Fiscal Year, interest will be credited on all accounts resulting from Normal, Additional, and Current Contributions in accordance with Sections 2, 3, 4, and 5 hereof.

Sec. 2. Contributions credited to such accounts as a result of Earnings during any calendar month will be accumulated at

simple interest at the Prescribed Rate from the beginning of the succeeding calendar month to the end of the Fiscal Year.

Sec. 3. The balance in the account at the end of the preceding Fiscal Year will be credited with one year's interest.

Sec. 4. A Participant accepting a Separation Benefit shall be entitled to interest only to the date of termination of employment.

Sec. 5. The Prescribed Rate of Interest for the Fiscal Year beginning on September 1, 1949, shall be 3% and shall continue until further action.

ARTICLE III

ELECTION OF REVERSIONARY ANNUITIES

Sec. 1. If a Participant retiring on or after September 1, 1943, files at the Retirement Office an election of a Reversionary Annuity at least five years prior to the date on which the Retirement Annuity begins, no further evidence of his good health will be required.

Sec. 2. A Participant filing at the Retirement Office an election of a Reversionary Annuity after the date specified in Section 1 shall furnish such evidence of good health as shall be prescribed by the Medical Director.

Sec. 3. A Participant retiring on or after September 1, 1943, may revoke his election of a Reversionary Annuity at any time prior to 5 years before the date on which the Retirement Annuity begins.

Sec. 4. The election of a Reversionary Annuity will become operative automatically on the death of the Beneficiary prior to the date on which the Retirement Annuity begins.

ARTICLE IV

MAXIMUM RETIREMENT AND DISABILITY BENEFITS

Sec. 1. Except as provided in Sections 2 and 3 of this Article, the maximum Retirement and Disability Benefits payable by the University Retirement System to Participants whose Retire-

ment Annuities are provided in part by Supplemental, Current, or Service Annuities shall be as follows:

To a President	\$6000 per annum
To Deans and Other General Administrative Officers	4000 per annum
To all other employees retiring upon or becoming disabled during the year following:	
September 1, 1942	3100 per annum
September 1, 1943	3200 per annum
September 1, 1944	3300 per annum
September 1, 1945	3400 per annum
September 1, 1946	3500 per annum
September 1, 1947	3600 per annum
September 1, 1948	3700 per annum
September 1, 1949	3800 per annum
September 1, 1950	3900 per annum
September 1, 1951 and thereafter	4000 per annum

Sec. 2. If a Participant continues in Service beyond the date, when if he had then retired he would have received the maximum Annuity permitted by Section 1 hereof, he will be entitled to such Annuity in addition to the maximum under Section 1, as his own Accumulated Normal Contributions made after such date shall provide.

Sec. 3. A Participant who upon retirement is credited with Accumulated Additional Contributions shall be entitled to the Annuity such Contributions will provide in addition to the maximum Annuity permitted under Sections 1 and 2.

ARTICLE V

THE DETERMINATION OF PERQUISITES FURNISHED EMPLOYEES

Sec. 1. All maintenance, board, living quarters and personal laundry, and other allowances furnished to Employees participating in the Retirement System shall be reported as earnings by the Employer in all cases where the perquisites furnished are reported to the Commissioner of Internal Revenue as income

for Federal Income Tax purposes. The value placed on such perquisites shall be the same value as reported to the Commissioner of Internal Revenue.

ARTICLE VI

PAYMENT OF DISABILITY BENEFITS

IN CASES OF NERVOUS OR MENTAL ILLNESS

Sec. 1. When it appears from the evidence supplied to the Retirement System that the cause of disability of a Participant is a nervous or mental dysfunction, payment of benefits will be made in accordance with the following Sections:

Sec. 2. If the physicians who have examined the Participant state to the Board in writing that in their opinion, the Participant, notwithstanding his mental dysfunction, is capable of managing his own estate, the Board will pay the Disability Benefits directly to the Participant.

Sec. 3. If the physicians will not state that the Participant is capable of managing his own estate, and no Conservator or Guardian for the Participant's estate has been appointed, the Board will pay Disability Benefits to the person previously designated by the Participant as his Beneficiary, if in the opinion of the Board such payment will be in the best interest of the Participant.

Sec. 4. If under the circumstances set out in Section 3 it is the opinion of the Board that payment to the Beneficiary will not be in the best interests of the Participant, no Disability Benefits will be paid until a Conservator or Guardian has been appointed.

Sec. 5. In any case where a Conservator or Guardian for the estate of the Participant has been appointed, Disability Benefits will be payable only to such Conservator or Guardian.

ARTICLE VII

RULES ON THE DETERMINATION OF DISABILITY BENEFITS

Sec. 1. Subject to the maximum Disability Benefit permitted under Article IV hereof, and to Sections 2, 3, 4, and 5 of this Article, the amount of any monthly Disability Benefit shall be 50% of the monthly Earnings which would have been payable

to the Participant, under his existing contract, had he not become disabled.

Sec. 2. No Disability Benefit shall be payable during any month that a Participant receives or is entitled to receive compensation for services in excess of his Disability Benefit.

Sec. 3. No Disability Benefit shall be payable during any month that a Participant would have received no Earnings under his contract had he not become disabled.

Sec. 4. For the purpose of determining Disability Benefits, monthly Earnings shall include those which would have been received under a summer term contract during the period of its continuance, if performance under the contract has been entered upon at the time the disability occurs.

Sec. 5. For the purpose of determining Disability Benefits, monthly Earnings shall not include those expected to be received under any summer term contract upon which performance has not begun at the time the disability occurs.

Sec. 6. The recurrence of the same disability within 30 days after the termination of a former disability shall be treated as a continuance of the former disability. Hence another waiting period of 60 days as a condition of the payment of Disability Benefits shall not be required, and the monthly benefit for the period of the recurring disability shall be the same amount as that paid for the former disability regardless of any intervening change in earnings.

ARTICLE **VIII**

PREGNANCY AS A CAUSE OF DISABILITY

Sec. 1. The Retirement Act (Sec. 5.3) provides that any Participating Employee who, because of mental or physical disability arising from any cause, becomes unable to perform the duties of any assigned position, the earnings of which would be at least equal to the Disability Benefit payable hereunder, for any period exceeding 60 days shall be entitled to Disability Benefits.

Normal pregnancy shall not be considered a cause of disability rendering the Employee eligible for Disability Benefits under the above provision of the Retirement Act.

RESULTS OF OPERATIONS FOR 1951-52

INCOME

Total income of the System for the year was \$3,976,007 as compared with \$3,569,825 for the preceding Fiscal Year. This was an increase of \$406,182 or 11.4%.

The income of the System is derived from (1) Employee Contributions, (2) Employer Contributions from the State of Illinois and from Trust and Federal funds, and (3) Income from Investments.

1 Participation in the University Retirement System is required of every person whose employment has been certified by an Employer as permanent and continuous. The responsibility for determining who shall be considered a permanent and continuous Employee rests with each Employer; however, the following has been suggested by the Retirement Board to each Employer as a guide in making this determination:

Educational Staff

All persons of the rank of instructor or above and all full-time assistants (including library assistants), shall be required to participate unless individual circumstances establish the fact that they are on temporary service. (Visiting professors and persons employed to fill vacancies caused by leaves ordinarily would be eliminated.)

Part-time assistants shall not be required to participate, but may do so on representation by their superior officer that their employment is looked upon as permanent and continuous.

Administrative Staff

All administrative officers and their administrative assistants shall be required to participate in the same manner as the educational staff.

Nonacademic Employees

All Nonacademic Employees who, under the University Civil Service System of Illinois, are considered as being on permanent and continuous employment shall participate.

Under the existing Act, a person on leave of absence continues to participate fully in the benefits of the System and receives service credit even though he is not required to make Contributions during this period unless he receives compensation from his Employer. The Board has concluded that legislation should be proposed which would make such participation generally contingent on payment of Contributions to the System by any person on leave of absence without pay, except one on disability leave, in order to sustain benefits during such leave.

On August 31, 1952, the number of Participating Employees was 8068 as compared with 7802 on August 31, 1951. This is an increase of 3.4%. Of the 8068 Participating Employees on August 31, 1952, 4971 were male and 3097 were female.

The Employer deducts Employee Contributions at the rate of five per cent from the earnings payable to each Participant and pays this amount to the Retirement System. Such Contributions during the year amounted to \$1,834,469. This is 46.1% of the total income received during the year.

2 The State of Illinois, through appropriations to the various Employers covered by the System, makes Employer Contributions equal to an amount necessary to pay estimated benefits and expenses during a biennium plus an amount necessary to maintain reserves sufficient to meet the payment of benefits and expenses for the year following the biennium. Employers also make Contributions to the System from Trust and Federal funds under their control.

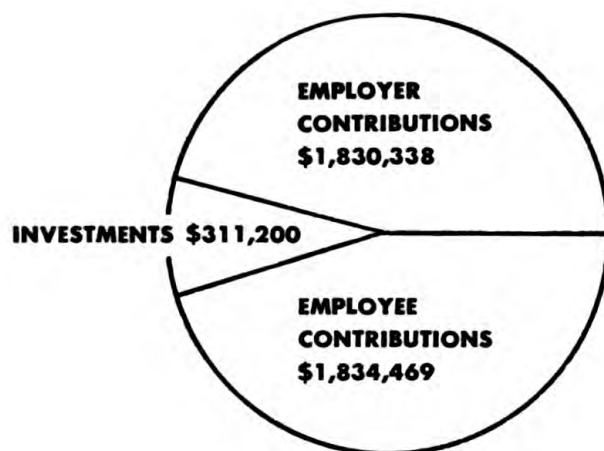
Employer Contributions during the year totaled \$1,830,338. This is 46% of the total income received during the year.

3 Income of the System in excess of the amount necessary to meet current obligations is promptly invested in good quality

medium-term and long-term bonds which qualify under the provisions of the Retirement Act. According to the Act, the investments in non-public obligations cannot exceed 60% of the total book value of all assets of the System at any time.

Income from investments during the year amounted to \$311,200. This is 7.9% of the total income received during the year.

SOURCE OF INCOME



EXPENDITURES

Total expenditures during the year were \$1,282,018 as compared with \$1,177,655 for the preceding Fiscal Year. This was an increase of \$104,363 or 8.9%. This increase in total expenditures is accounted for as follows:

1. Annuities increased \$88,643 or 19.9% over the amount paid for these benefits during the last Fiscal Year.
2. Separation Benefits increased \$44,460 or 15.6% over the previous year.
3. Disability Benefits increased \$16,422 or 6.1% over the previous year.
4. Administrative Expense increased \$6,614 or 10% over the previous year.
5. Death Benefit payments decreased \$51,971. This amount is 45% less than the Death Benefit payments during the previous Fiscal Year.

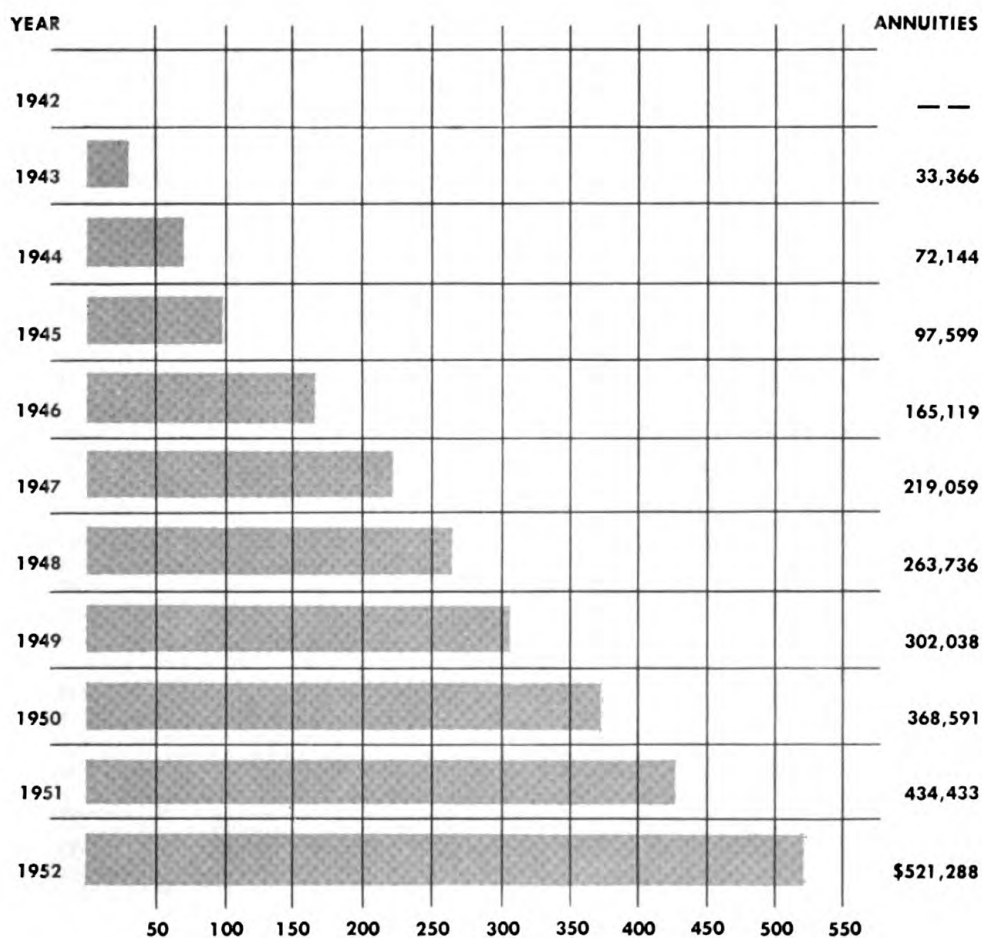
ANNUITIES

At the beginning of the year there were 302 persons receiving Retirement Annuities. During the year 63 participants retired and 15 Annuitants died, leaving 350 who were receiving Retirement Annuities on August 31, 1952. Retirement Annuity payments during the year amounted to \$521,288, as compared with \$434,433 for the Fiscal Year ended August 31, 1951. This is an increase of 19.9%.

At the end of the year 7 persons were receiving Reversionary Annuities. Reversionary Annuity payments during the year amounted to \$4,719.

At the end of the year, 32 Beneficiaries were receiving Beneficiary Annuities. Payments during the year for Beneficiary Annuities amounted to \$7,628.

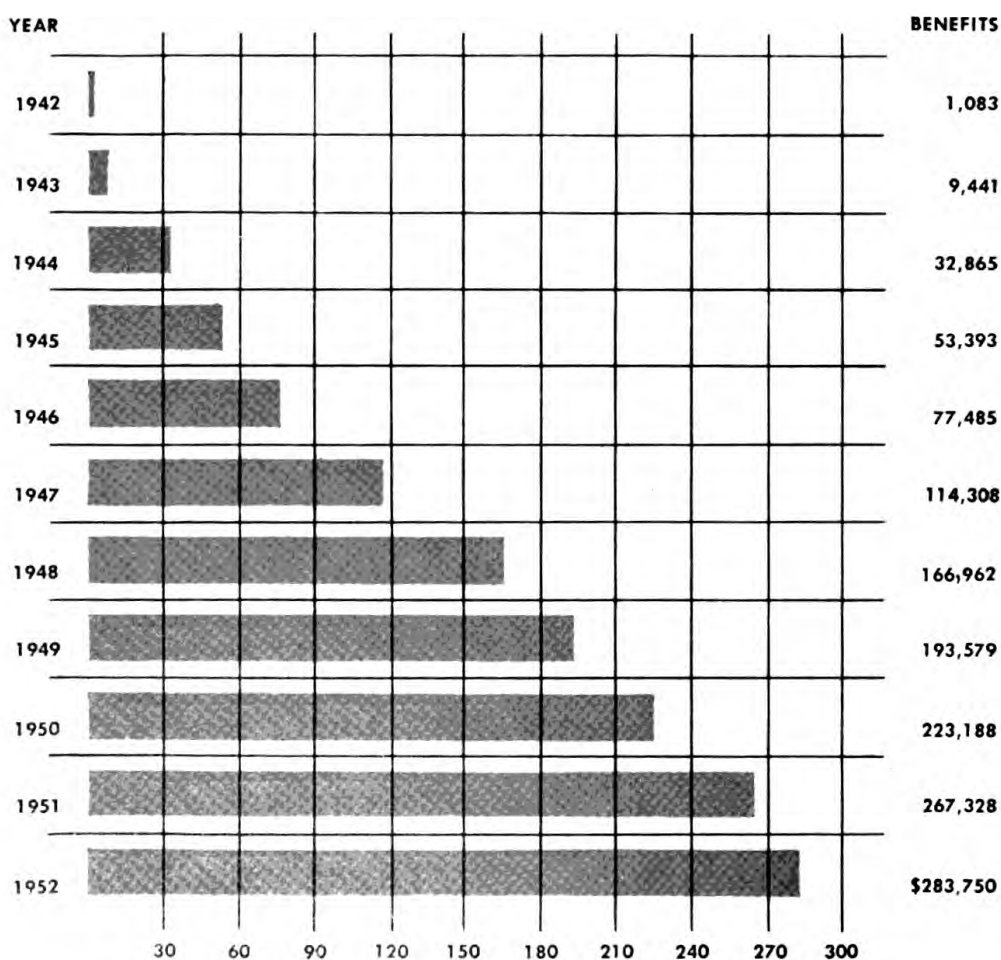
ANNUITIES PAID DURING YEARS ENDED AUGUST 31



DISABILITY BENEFITS

During the year 235 Participants received Disability Benefits as compared with 223 during the Fiscal Year ended August 31, 1951. Disability Benefit payments amounted to \$283,750 as compared with \$267,328 during the previous year. This is an increase of 6.1%.

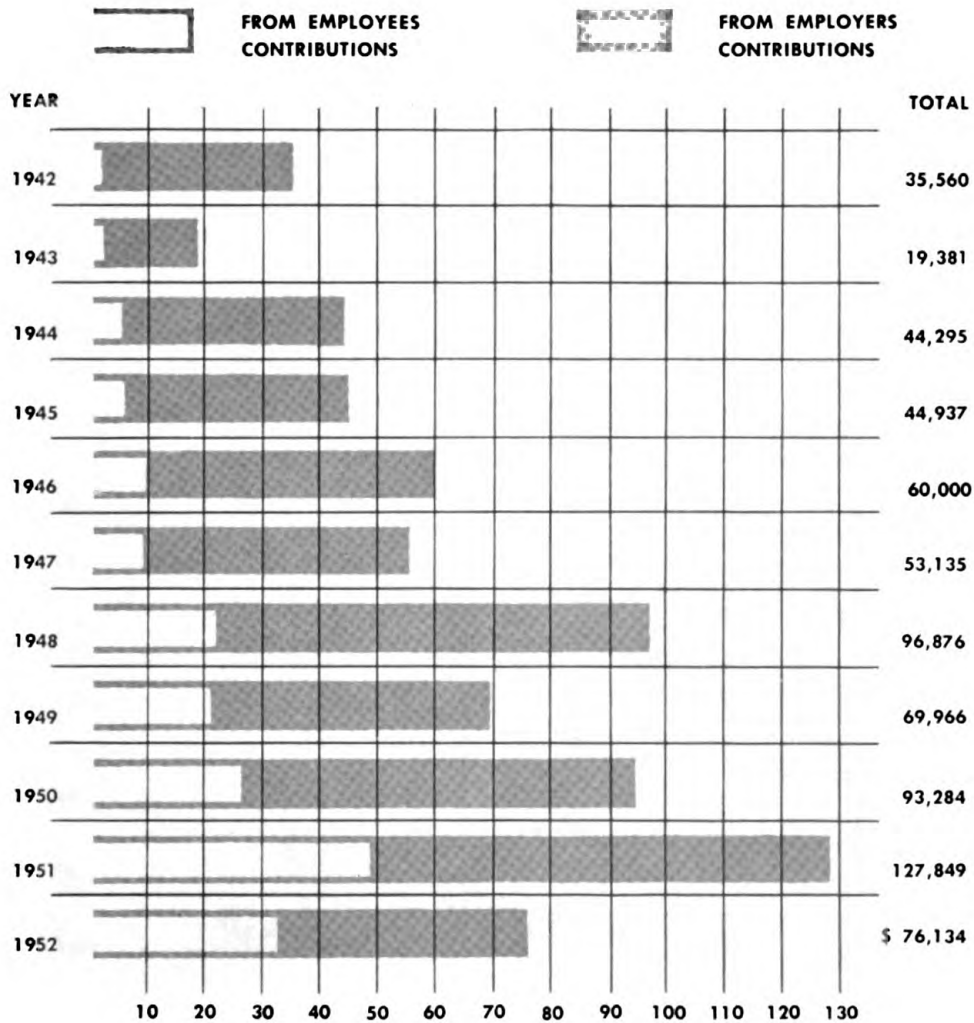
DISABILITY BENEFITS PAID DURING YEARS ENDED AUGUST 31



DEATH BENEFITS

Twenty-eight Participants and fifteen Annuitants died during the year. Death Benefits amounted to \$76,134 as compared with \$127,849 for the year ended August 31, 1951. This is a decrease of 40.5%. Of the total Death Benefits paid during the year ended August 31, 1952, \$43,978 was paid from Employer Contributions, and \$32,156 from Employee Contributions plus interest.

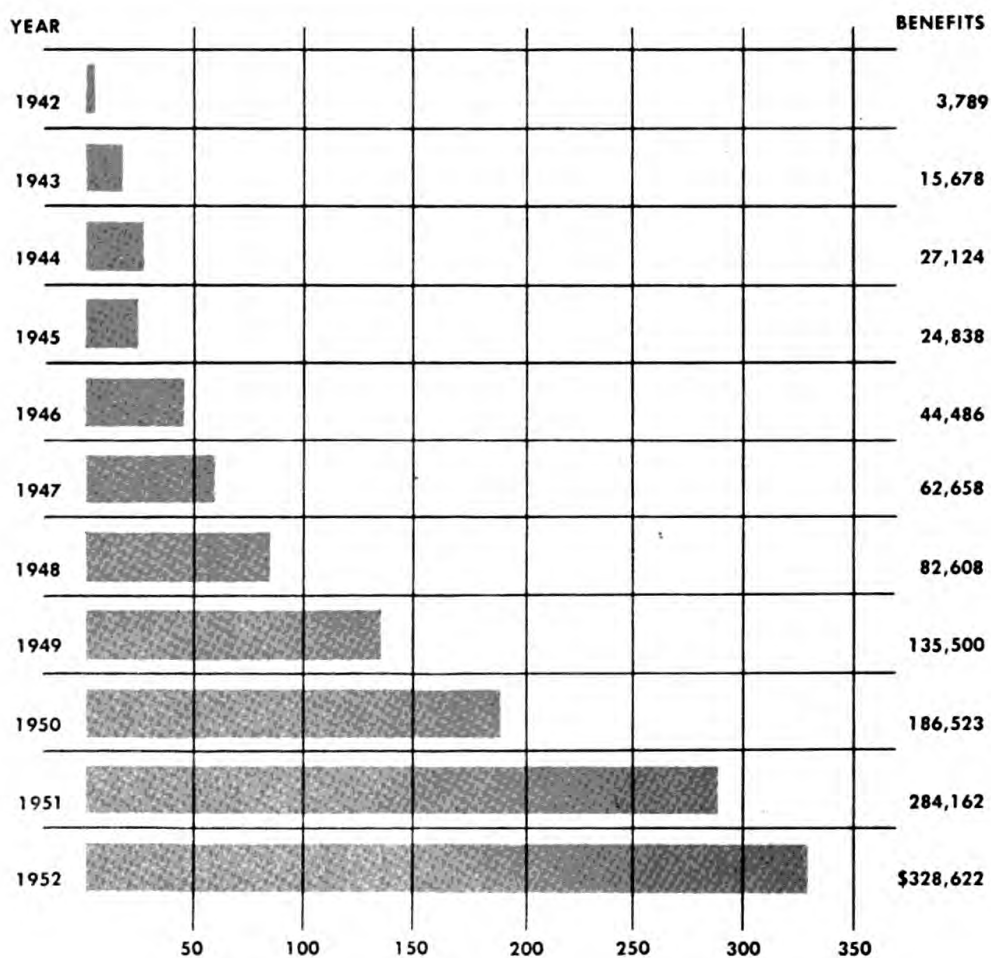
DEATH BENEFITS PAID DURING YEARS ENDED AUGUST 31



SEPARATION BENEFITS

A total of 1,250 Participants withdrew their Contributions from the System as compared with 1,410 for the year ended August 31, 1951. These withdrawals amounted to \$328,622, as compared with \$284,162 for the previous year. This is an increase of 15.6%.

SEPARATION BENEFITS PAID DURING YEARS ENDED AUGUST 31



ASSETS AND LIABILITIES

As of August 31, 1952, total assets were \$12,599,303. This represents an increase of \$2,723,295 or 27.6% over the previous year. Of the total assets, \$12,293,937 or 97.6% was represented by investments in bonds, \$42,684 or 0.3% in cash, and \$262,682 or 2.1% in receivables.

These assets represent the following accounts:

	AMOUNT	PERCENTAGE
Employee Contributions, held in trust for the benefit of each Employee	\$ 7,851,106	62.3
Reserves for Funded Annuities in Force	384,948	3.1
Reserve for Employer Contributions for Unfunded Annuities in Force	1,101,048	8.7
Reserves for Employer Contributions for Funded Current Annuities Accruing	1,123,965	8.9
Reserve for Additional Death Benefits	49,703	.4
Reserve for Disability Benefits	514,654	4.1
Reserve for Administrative Expenses	108,661	.9
Reserve for Variation in Mortality, Interest, and Turnover Experience	1,221,708	9.7
Miscellaneous Liabilities and Reserves	243,510	1.9
	<u>\$12,599,303</u>	<u>100.0</u>

INVESTMENTS

Investments owned by the System as of August 31, 1952, were as follows:

DESCRIPTION OF BONDS	PAR VALUE	AMORTIZED COST	MARKET VALUE
United States Government	\$ 4,956,000	\$ 4,975,870	\$ 4,928,000
Industrial Corporation	2,852,000	2,886,192	2,829,688
Public Utility	4,302,000	4,411,645	4,150,185
Railroad	20,000	20,230	18,600
	<u>\$12,130,000</u>	<u>\$12,293,937</u>	<u>\$11,926,473</u>

A detailed schedule of the above securities may be inspected at the office of the System in Urbana.

At the end of the year, the investment in non-public obligations was 58.1% of the total book value of assets at that date whereas the investment in public obligations was 39.5% of the total book value of the assets.

Income from investments during the year amounted to \$311,200 as compared with \$229,443 for the previous year. The average rate of return on the funds invested by the System during the past year of operation was 2.63% as compared with 2.59% for the previous year.

GEORGE ROSSETTER & CO.
CERTIFIED PUBLIC ACCOUNTANTS
FIRST NATIONAL BANK BUILDING · CHICAGO · 3

Board of Trustees,
University Retirement System of Illinois:

We have examined the balance sheet of the University Retirement System of Illinois as of August 31, 1952, and the related summary of reserves and income and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and summary of income and expenditures, on the basis set forth in the note thereto, present fairly the financial position of the University Retirement System of Illinois at August 31, 1952, and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GEORGE ROSSETTER & CO.

Chicago
December 12, 1952

BALANCE SHEET, August 31, 1952

ASSETS

Cash in banks

Accounts receivable

Accrued interest receivable

Investment in bonds — at amortized cost (market value: \$11,926,472.50)

Furniture and fixtures — carried at no value (cost: \$20,266.58)

LIABILITIES

Accounts payable

Benefits payable

Reserves, per Exhibit B:

Reserve for employee contributions

Other reserves:

Reserve for additional death benefits

Reserve for disability benefits

Reserve for funded retirement and reversionary annuities in force

Reserve for beneficiary annuities in force

Reserve for employer contributions for funded current annuities accruing

Reserve for employer contributions for unfunded current annuities (see note)

Reserve for employer contributions for supplemental annuities (see note)

Reserve for reciprocal benefits

Reserve for undistributed interest and gains on investments

Reserve for administrative expenses

Reserve for variations in mortality, interest, and turnover experience

STATEMENT OF CHANGES IN RESERVES for the Year Ended August 31, 1952

RESERVES	BALANCE, August 31, 1951	INCOME, per Exhibit C	INTEREST DISTRIBUTION
Reserve for employee contributions	\$6,270,202.93	\$1,833,106.01	\$204,407.13
Reserve for additional death benefits	333,358.90	166,324.41	
Reserve for disability benefits	171,911.51	383,953.46	
Reserve for funded retirement and rever- sionary annuities in force	219,296.54		8,332.21
Reserve for beneficiary annuities in force	84,837.40		2,676.45
Reserve for reciprocal benefits	Nil	7,846.77	
Reserve for employer contributions for funded current annuities accruing	900,240.73	200,197.68	29,072.09
Reserve for employer contributions for unfunded current annuities	70,651.21	88,035.00	
Reserve for employer contributions for supplemental annuities	550,410.54	627,855.00	
Reserve for undistributed interest and gains on investments	91,467.58	311,199.96	
Reserve for administrative expenses	429.13	82,425.30	
Reserve for annuities, benefits, and ad- ministrative expenses (as provided in Section 4.1(1)(e))	690,541.45	275,064.00	
Reserve for variations in mortality, inter- est, and turnover experience	440,718.04		
TOTAL	\$9,824,065.96	\$3,976,007.59	\$244,487.88

ADDITIONS		DEDUCTIONS		
TRANSFERS	EXPENDITURES, per Exhibit C	INTEREST DISTRIBUTION	TRANSFERS	BALANCE, August 31, 1952
	\$ 357,027.02		\$ 99,583.52	\$ 7,851,105.53
	35,087.46		414,892.54	49,703.31
242,539.00	283,750.11			514,653.86
101,302.16	36,584.79			292,346.12
12,716.27	7,628.06			92,602.06
	3,765.17			4,081.60
			5,544.37	1,123,966.13
117,856.00	51,653.00			224,889.21
132,017.00	434,123.99			876,158.55
		\$244,487.88		158,179.66
98,205.45	72,398.60			108,661.28
			965,605.45	Nil
780,990.00				1,221,708.04
\$1,485,625.88	\$1,282,018.20	\$244,487.88	\$1,485,625.88	\$12,518,055.35

SUMMARY OF INCOME AND EXPENDITURES
for the Year Ended August 31, 1952

INCOME:		
Employee contributions		\$1,833,106.01
Employer contributions:		
Additional death benefits	166,324.41	
Disability benefits	383,953.46	
Funded current annuities accruing	200,197.68	
Unfunded current annuities	88,035.00	
Supplemental annuities	627,855.00	
Administrative expenses	82,425.30	
Annuities, benefits, and administrative expenses (as provided in Section 4.1 (1)(e))	275,064.00	
Requirements for reciprocal benefits (as provided in Section 7.10)	6,484.00	1,830,338.85
Contributions transferred from other retirement systems under the provisions of the State Retirement Systems Reciprocal Act		1,362.77
Interest on bonds, plus accumulated discount, less amortized premiums		299,798.09
Gain on sale or redemption of bonds		11,401.87
TOTAL INCOME		\$3,976,007.59

EXPENDITURES:

Administrative expenses		\$ 72,398.60
Annuity payments:		
Retirement	521,288.31	
Reversionary	4,718.64	
Beneficiary	7,628.06	533,635.01
Benefit payments:		
Death	63,417.40	
Disability	283,750.11	347,167.51
Contributions refunded to employees upon separation from service		328,621.96
Contributions transferred to other retirement systems under the provisions of the State Retirement Systems Reciprocal Act		195.12
TOTAL EXPENDITURES		\$1,282,018.20
EXCESS OF INCOME OVER EXPENDITURES		\$2,693,989.39
REPRESENTED BY:		
Additions to (reductions* from) Employees' contributions (includes interest: \$204,407.13)		\$1,680,486.12
RESERVES:		
Additional death benefits		131,236.95
Disability benefits		100,203.35
Funded retirement and reversionary annuities in force (includes interest: \$8,332.21)		28,252.58*
Beneficiary annuities in force (includes interest: \$2,676.45)		4,951.61*
Reciprocal benefits		4,081.60
Employer contributions for funded current annuities accruing (includes interest: \$29,072.09)		229,269.77
Employer contributions for unfunded current annuities		36,382.00
Employer contributions for supplemental annuities		193,731.01
Interest earned in excess of interest distributed (includes gains on investments)		66,712.08
Administrative expenses		10,026.70
Annuities, benefits, and administrative expenses (as provided in Section 4.1 (1)(e))		275,064.00
TOTAL, AS ABOVE		\$2,693,989.39

Note to Financial Statements, August 31, 1952

At August 31, 1952, a determination was made of the reserve requirements on an actuarial basis for the stated benefits. Under the Act creating the System, the employers are obligated to contribute to employee retirement annuities, disability benefits, additional death benefits, and administrative expenses. Employer contributions are limited under the Act to amounts approximately corresponding to the amounts currently needed for the payment of benefits without regard for reserve requirements accruing or having accrued on an actuarial basis except for contributions relative to current annuities on earnings paid from federal and trust funds (which constitute a comparatively minor portion of total earnings of participants). This limitation has resulted in a substantial deficiency in accumulation of reserves and resources on an actuarial basis. The difference between reserve requirements on an actuarial basis and the reserves shown herein constitutes a deferred obligation of employers.

The actuarial determination of the System's reserve requirements as of August 31, 1952, indicated that, as of that date, there were unfunded requirements approximating \$32,000,000.00.

STATISTICAL TABLES

The Benefits paid by the System during the Fiscal Year ended August 31, 1952, and the number of Participating Employees at that date are reflected in the following tables.

RETIREMENT ANNUITIES**TABLE 1**

being paid at August 31, 1952
by length of service at date of retirement

LENGTH OF SERVICE AT RETIREMENT Years	AVERAGE MONTHLY PAYMENT			
	MALE		FEMALE	
	No.	Amount	No.	Amount
1-4	2	\$ 12	1	\$ 25
5-9	22	20	14	21
10-14	7	21	5	15
15-19	25	96	16	73
20-24	43	119	25	88
25-29	53	159	24	108
30-34	38	190	12	172
35-39	26	213	10	157
over 39	20	178	7	153
TOTAL	236		114	
AVERAGE MONTHLY PAYMENT		\$139		\$ 97

RETIREMENT ANNUITIES**TABLE 2**

being paid at August 31, 1952
by age at end of fiscal year

Age	AVERAGE MONTHLY PAYMENT			
	MALE		FEMALE	
	No.	Amount	No.	Amount
55-59	2	\$ 27	2	\$ 73
60-64	11	45	11	37
65-69	54	146	40	109
70-74	102	149	39	109
75-79	57	143	20	92
over 79	10	118	2	18
TOTAL	236		114	
AVERAGE MONTHLY PAYMENT		\$139		\$ 97

RETIREMENT ANNUITIES**TABLE 3**

payable at August 31, 1952, to annuitants who qualified for Rule 1 or Rule 2 classified by year of retirement

Retirement During Fiscal Year Ended August 31	AVERAGE MONTHLY PAYMENT			
	MALE		FEMALE	
	No.	Amount	No.	Amount
1943	16	\$117	3	\$103
1944	12	149	4	71
1945	8	156	4	107
1946	21	148	13	102
1947	21	145	2	93
1948	21	141	9	114
1949	18	166	13	122
1950	17	182	6	145
1951	30	197	12	126
1952	23	228	17	156
TOTAL	187		83	
AVERAGE MONTHLY PAYMENT		\$167		\$123

DISABILITY BENEFITS**TABLE 4**

being paid at August 31, 1952
by age at end of fiscal year

Age	AVERAGE MONTHLY PAYMENT			
	MALE		FEMALE	
	No.	Amount	No.	Amount
Under 40	1	\$140	2	\$134
40-44	2	171	3	128
45-49	5	168	6	108
50-54	9	139	8	127
55-59	15	157	15	132
60-64	27	137	24	120
Over 64	34	168	19	101
TOTAL	93		77	
AVERAGE MONTHLY PAYMENT		\$154		\$118

DEATH BENEFITS**TABLE 5**

during fiscal year
by length of service at date of death

Length of Service Years	AVERAGE AMOUNT OF DEATH BENEFIT			
	MALE		FEMALE	
	No.	Amount	No.	Amount
Under 1	..	\$	\$...
1-4	4	1,566	4	536
5-9	6	2,911	4	911
10-14	1	500	2	1,452
15-19	2	1,250	2	1,285
20-24	5	3,868	1	2,184
25-29	4	674	1	500
30-34	3	3,496	1	500
35-39	1	743
Over 39	2	843
TOTAL	27		16	
AVERAGE PAYMENT		\$2,257		\$ 949

DEATH BENEFITS**TABLE 6**

during fiscal year by age at date of death

Age At Death	AVERAGE AMOUNT OF DEATH BENEFIT			
	MALE		FEMALE	
	No.	Amount	No.	Amount
Under 40	1	\$4,597	1	\$ 187
40-44	1	3,190
45-49	2	2,990	2	1,581
50-54	2	2,705	1	364
55-59	3	4,093	2	796
60-64	2	5,000	1	610
65-69	6	1,660	7	1,147
70-74	7	1,113	1	743
Over 74	3	578	1	500
TOTAL	27		16	
AVERAGE PAYMENT		\$2,257		\$ 949

MALE PARTICIPATING EMPLOYEES***TABLE 7**

at August 31, 1952 by age at end of fiscal year

Age	No.	Average Annual Rate of Earnings	Average Contributions on Deposit
Under 20	4	\$2,800	\$ 31
20-24	115	2,929	208
25-29	575	3,830	365
30-34	824	4,495	550
35-39	752	5,233	923
40-44	693	5,639	1,188
45-49	636	5,801	1,407
50-54	492	6,005	1,672
55-59	386	5,742	1,756
60-64	327	5,912	2,015
Over 64	167	6,164	2,197
TOTAL	4,971		
		AVERAGE ANNUAL RATE OF EARNINGS \$5,216	
		AVERAGE CONTRIBUTIONS ON DEPOSIT	\$1,132

FEMALE PARTICIPATING EMPLOYEES***TABLE 8**

at August 31, 1952 by age at end of fiscal year

Age	No.	Average Annual Rate of Earnings	Average Contributions on Deposit
Under 20	59	\$1,955	\$ 61
20-24	468	2,464	144
25-29	490	2,889	273
30-34	347	3,197	372
35-39	307	3,592	604
40-44	345	3,769	733
45-49	334	4,075	944
50-54	288	3,876	1,026
55-59	246	4,005	1,153
60-64	155	4,065	1,271
Over 64	58	3,242	1,129
TOTAL	3,097		
		AVERAGE ANNUAL RATE OF EARNINGS \$3,383	
		AVERAGE CONTRIBUTIONS ON DEPOSIT	\$623

* Including Disability Benefit Recipients.

MALE PARTICIPATING EMPLOYEES***TABLE 9**

at August 31, 1952 by length of service at end of fiscal year

Length of Service Years	No.	Average Annual Rate of Earnings	Average Contri- butions on Deposit
Under 1	395	\$3,872	\$ 99
1-4	2,054	4,706	588
5-9	1,168	5,295	1,250
10-14	311	5,717	1,844
15-19	287	5,671	1,883
20-24	261	6,205	2,097
25-29	228	6,593	2,316
30-34	163	7,339	2,686
35-39	70	7,898	2,816
Over 39	34	7,569	2,958
TOTAL	4,971		
	AVERAGE ANNUAL RATE OF EARNINGS	\$5,216	
	AVERAGE CONTRIBUTIONS ON DEPOSIT		\$1,132

FEMALE PARTICIPATING EMPLOYEES***TABLE 10**

at August 31, 1952 by length of service at end of fiscal year

Length of Service Years	No.	Average Annual Rate of Earnings	Average Contri- butions on Deposit
Under 1	734	\$2,657	\$ 83
1-4	1,170	3,132	371
5-9	560	3,627	874
10-14	143	4,010	1,270
15-19	140	4,250	1,395
20-24	155	4,755	1,591
25-29	114	4,788	1,617
30-34	53	4,901	1,766
35-39	21	4,120	1,489
Over 39	7	4,812	1,729
TOTAL	3,097		
	AVERAGE ANNUAL RATE OF EARNINGS	\$3,383	
	AVERAGE CONTRIBUTIONS ON DEPOSIT		\$623

* Including Disability Benefit Recipients.

