

SEVENTH ANNUAL REPORT
OF THE
BOARD OF TRUSTEES
OF THE
TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS

Successor to the
ILLINOIS STATE TEACHERS' PENSION
AND RETIREMENT FUND



TO THE
SUPERINTENDENT OF PUBLIC INSTRUCTION
FOR THE
YEAR ENDING JUNE 30, 1946

AUBREY J. HOLMES, Secretary
PENSION DOCUMENT NUMBER THIRTY-ONE

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**TEACHERS' RETIREMENT SYSTEM
OF THE
STATE OF ILLINOIS**

SPRINGFIELD, ILLINOIS, *September 3, 1946.*

HON. VERNON L. NICKELL,
*Superintendent of Public Instruction,
State of Illinois:*

DEAR SIR:

In compliance with Section 25-29 of the Teachers' Retirement System Act, we have the honor to submit to you the Seventh Annual Report of the Board of Trustees, Teachers' Retirement System of Illinois, successor to the Board of Trustees, Teachers' Pension and Retirement Fund, State of Illinois, for the year ending June 30, 1946.

Very respectfully,

AUBREY J. HOLMES,
Secretary, Board of Trustees,
Teachers' Retirement System,
of the State of Illinois.

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PART ONE
TEACHERS' RETIREMENT SYSTEM
of the
STATE OF ILLINOIS
HISTORICAL DEVELOPMENT OF THE SYSTEM

Until the original "Illinois State Teachers' Pension and Retirement Fund" was enacted into law on May 27, 1915, no general legal provision existed for granting pensions or other retirement benefits to the teachers in the public common schools in Illinois outside of Chicago and Peoria.

The 1915 law set up a state wide fund for the purpose of providing benefits in accordance with a specified plan. In substance this law provided that:

1. The Fund was to be administered by a separate Board of Trustees consisting of five members; two being ex-officio, and three being contributing teachers elected by all of the contributing teachers and annuitants.
2. Each person becoming a teacher in the public common schools of this State outside of Chicago and Peoria after July 1, 1915, was automatically included in the Fund; and, each person who on July 1, 1915, was a teacher in the public common schools of this State outside of Chicago and Peoria received the right to elect to be included at any subsequent date upon which application was specifically made.
3. Teachers were classified into three classes as follows:
Class 1: Teachers having taught ten or fewer years.
Class 2: Teachers having taught more than ten but not more than fifteen years.
Class 3: Teachers having taught more than fifteen year.
4. Each included teacher was required to contribute to the Fund the amounts indicated in the following table. The monthly contribution was payable each month for the first five months of the school year for all periods in the classes shown up to and including only the first ten years in third class.

| Class | Monthly Contribution | Full Year Contribution |
|---------|-------------------------|---------------------------|
| 1 | \$ 1.00 | \$ 5.00 |
| 2 | 2.00 | 10.00 |
| 3 | 6.00 | 20.00 |

5. The governing body of each included school district was required to withhold from the salary of each included teacher the amounts of contributions required by the law and to remit such amounts to the Fund.
6. The State was to contribute annually from the Common School Fund a sum equal to 1/10 of a mill on the assessed valuation of all taxable property to the State.

7. Teachers who had service credit prior to the date of inclusion in the Fund were required to make payments of amounts equal to the contributions which would have been made had they contributed to the Fund during such period of prior service, together with 4% simple interest until the date such amounts were paid. Only the last 25 years were considered for teachers electing to contribute after the first year of service.
8. Credit for service as a teacher was given for the following:
 1. All teaching in the public common schools of this State outside of Chicago and Peoria.
 2. All teaching in the public common schools in Chicago, Peoria, or in other states in the U. S. up to a maximum of 2/5 of total service credit or ten years in any event.
 3. Professional training of not to exceed one year after ten years of teaching.
9. The assets of the Fund were to be invested as one Fund by the Board of Trustees in mortgages, bonds or other securities, as township trustees were permitted to invest school funds under the law.
10. Retirement benefits were payable to teachers who had attained at least age 50 and who had completed 25 years of service as a teacher (at least 15 of which were included in public common schools in this State outside of Chicago and Peoria) and who had completed the payments of the required contributions.
11. The amount of the retirement benefit was \$400.00 per year for all persons.
12. Disability benefits were payable regardless of age only to teachers who were disabled after 15 years of service as a teacher (at least 3/5 of which were included in public common schools of the State outside of Chicago and Peoria) and were declared permanently disabled.
13. The disability benefit was an amount equal to \$16.00 for each year of service prior to disability.
14. Teachers ceasing to teach prior to beginning the 16th year of service were eligible, if application was made within six months of the date of separation from service, to a refund of 50% of the amount, without interest, which had been paid into the Fund by the teacher. Any teacher receiving such a refund was required to return it, plus interest, upon returning to service as a teacher.

On June 14, 1917, a law was enacted which created a subsidiary fund known as the "State Institutions Teachers' Pension and Retirement Fund". This law provided a system for teachers with State institutions (other than the University of Illinois) similar to that created in 1915 for teachers in the public common schools. A separate fund was established because the revenue for this Fund, in addition to teacher contributions, was derived from appropriations out of general State funds instead of from the State Common School Fund. This retirement fund was administered by the same trustee as the teachers' fund.

On June 28, 1919, the teachers' law was amended to provide that the three teacher trustees would be appointed by the Governor, rather than be elected by the participating teachers.

On June 30, 1921, the teachers' law was amended to provide service credit for service in the Army or Navy during the Spanish American or World War and for service in any State Institution (except the University of Illinois).

On June 5, 1927, the teachers' law was amended to include the teachers in Peoria.

During the following years, the assets of the Fund increased for a period and then began to decrease because of the increased payments to pensioners. Indications were that additional revenue would soon be required to meet the payments of current pensions. As a result, in July, 1933, the teachers' law was amended so as to increase the contributions of the teachers to the following amounts:

| Class | Monthly Contribution | Full Year Contribution |
|---------|----------------------|------------------------|
| 1 | \$ 2.00 | \$ 10.00 |
| 2 | 4.00 | 20.00 |
| 3 | 6.00 | 30.00 |

Provision was also made requiring additional payments for service prior to the amendment for teachers then in Classes 1 and 2, or such amount as to make contributions for such years equal to the revised scale.

In July of 1935, the institutions law was amended to increase contributions to amounts equal to those in the teachers fund and both laws were amended so as to require teachers in Class 3 on July 1, 1933, to also make the additional contributions for previous years to equal the revised scale, and to provide that any retired teacher having 25 or more years of service, who attained the age of 70, either in service or after retirement, upon the payment of \$200, plus 4% interest per annum, from July 1, 1935, to the date of payment, would receive an annuity of \$600.00 per year thereafter.

Even with the increased income from the State and from the teachers because of the 1933 and 1935 amendments, the pension roll continued to increase so rapidly, it again became evident that additional revenue would be required if payments of current pensions were to continue to be met in the future. Salary levels had also increased in many instances so that the amount of the benefits as fixed in 1915 became inadequate to retire many teachers. Furthermore, since 1915, many other States had enacted actuarially sound plans and precedents had been established for a more adequate type of teachers' retirement plan which (1) required higher contributions from the higher salaried teachers. (2) provided increased benefits for teachers contributing more or teaching for longer periods, and (3) provided benefits for regular retirements before 25 years of service. As a result, legislation was enacted which superseded the old teachers' law (but not the Institutions') as of July 1, 1939. The assets and liabilities of the old superseded fund were transferred to and assumed by the new system.

The provisions of the bill which was submitted to the Legislature in 1939 were the result of years of study and were sponsored by the Illinois Education Association. Certain amendments were added by the Legislators, which materially affected the benefits originally planned; but the basic plan was enacted into law. Further amendments were proposed in the 1941 session of the Legislature in an attempt to rectify the previous legislative changes, to provide more satisfactory benefits and to include the institution teachers in the more equitable and modern system. These amendments became law on July 21, 1941, and in substance accomplished the following:

1. Benefits for older teachers were increased by giving credit for service after age 60 up to 65.
2. The State Institutions' Fund was superseded, the teachers colleges being merged with the University Retirement System of Illinois and the other institutions were merged with the Teachers' Fund.
3. Certified Public Health nurses were included in the definition of Teacher.
4. The requirement for continuous service in the system before retirement was reduced from 10 years to 5 years.
5. A maximum upon the amount of retirement allowance of \$1500 per year was provided.

6. Refunds of amounts paid by teachers to the Fund after July 1, 1939, for prior service were provided in the event the teacher died after July 21, 1941, and before retirement.
7. Service credit was provided for teaching in Hawaii, Philippine Islands, etc., and for Army and Navy service during any war emergency of the U. S. for a period up to three years.
8. The time for non-contributors to elect to participate was extended until July 1, 1942.
9. Retired teachers who return to teaching prior to age 65 were permitted to re-enter the Fund and increase the annuity upon subsequent retirement.
10. A minimum of \$400.00 was provided after age 50 and 25 years of service for disabled teachers.
11. On July 1, 1945, an amendment was enacted into law, thus giving credit the same as teaching for any periods *immediately* following termination of service as a teacher at any time after January 1, 1941 and prior to July 1, 1947 with the military or naval forces of the United States or periods of rehabilitation training sponsored by the United States Government to prepare for reemployment as a teacher and for an additional period immediately thereafter of not to exceed one year until reemployment as a teacher. Earnings for such creditable periods are assumed to be at the rate earned by the teacher for the remainder of the school year in which military or naval service began and for each year thereafter are assumed to be at a rate 5% higher than the year before.

PART TWO

TEACHERS' RETIREMENT SYSTEM

SUMMARY OF PROVISIONS

Effective as of July 1, 1945

A. CREATION

A-1. OBJECTIVE

The purpose of the Teachers' Retirement System is to provide retirement allowances and other benefits for aged and disabled teachers.

A-2. NAME

The system is legally designated as the "Teachers' Retirement System of the State of Illinois."

A-3. EFFECTIVE DATE

The System officially became a law on July 19, 1939, although the provisions are so worded that the effective date is July 1, 1939. The 1941 amendments officially became law on July 21, 1941, although again the provisions are retroactive to July 1, 1941, and apply to all members of the new system. The 1943 amendments became effective on July 19, 1943. The 1945 amendments became effective July 1, 1945.

B. PARTICIPATION

B-1. TEACHERS INCLUDED

A teacher is defined as a teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse or librarian who teaches or is employed in the public common schools in school districts in the State of Illinois (outside of Chicago) or in the included institutions, on a full-time basis and who is duly certificated under the law as a teacher or public health nurse or who was a contributor to the Institutions' Fund sometime during the year immediately preceding September 1, 1941; and any county superintendents, assistant county superintendents, Superintendents of Public Instruction, or an executive in the office of the Superintendent of Public Instruction, or of certain related boards of the State of Illinois.

Every teacher as defined above (except those persons who had the right to elect to participate under the superseded teachers' law and who elected not to participate in this system) who is in the employment at some time after July 1, 1939 (a) of any school board in the State outside of Chicago, (b) of the State under the Superintendent of Public Instruction, or (c) of any of the included institutions, is automatically included in the system.

Teachers who had the right to elect not to participate and who have so elected prior to July 1, 1942, may thereafter at any time elect to participate, but no credit can be obtained for any service prior to July 1, 1939.

B-2. INSTITUTIONS INCLUDED

In addition to all common Public School Boards, outside of Chicago, the following institutions are specifically included within the system:

Illinois School for the Blind
Illinois School for the Deaf

Illinois State Training School for Boys
 Illinois State Training School for Girls
 Lincoln State School and Colony
 Dixon State Hospital
 Illinois Soldiers' and Sailors' Children's School
 Division of Visitation of Adult Blind
 Illinois State Penitentiary
 State Reformatory for Women at Dwight

C. SERVICE

C-1. CREDITABLE SERVICE

Employment considered as creditable service under the System includes only the following:

- (a) Service as a teacher as defined in B-1.
- (b) Service in a capacity essentially similar or equivalent to that of a teacher in the University of Illinois or in public common schools of Chicago, or of any state, other than Illinois) or territory, dependency or possession of the United States, for a period not in excess of 2/5 of the total creditable service of the teacher, or 10 years in any event.
- (c) Service in the armed forces of the United States during the Spanish-American War and World War I and for the period of not to exceed one year following discharge from either until reemployment as a teacher.
- (d) Periods immediately following termination of service as a teacher at any time after January 1, 1941 and prior to July 1, 1947 with the military or naval forces of the United States or periods of rehabilitation training sponsored by the United States Government to prepare for reemployment as a teacher and for an additional period immediately thereafter of not to exceed one year until reemployment as a teacher. Earnings for such creditable periods are assumed to be at the rate earned by the teacher for the remainder of the school year in which military or naval service began and for each year thereafter are assumed to be at a rate 5% higher than the year before.
- (e) Professional academic training, summer sessions not included, of not to exceed one year after ten years of service in public common schools and before July 1, 1939.

C-2. SERVICE CREDITS ALLOWED

Any service as a teacher under this System is credited to the teacher's account and should not otherwise be claimed by the teacher unless the teacher has forfeited such service credit by receiving a refund of contributions made to this System.

In order to obtain credit for any period of service defined in C-1, for which the teacher has not made contributions as required by this System, or which was forfeited by refund, the teacher must file a claim for such service upon becoming a member in this System and must make payments as required under Section D of this summary of provisions.

D. TEACHERS' CONTRIBUTIONS

D-1. MEMBERSHIP SERVICE

For all service after July 1, 1939, all teachers are required to contribute 4% of their total actual earnings received as a teacher, or computed earnings in the event of military service credit, provided such contribution shall not be less than \$30.00 nor more than \$100.00 in any one full year of service, or a prorata part thereof for service during a portion of a year.

Contributions are to be deducted currently from earnings at the time they are paid by the School Board, State, or Institution and forwarded to the Secretary of the System by remittance payable to the State Treasurer. However, if an employer fails to make such a deduction, the teacher is responsible for making the payment.

The amount of contribution applicable to any particular month will be determined in accordance with the following examples.

For members receiving a salary at the rate of \$750.00 or less for the school year, deductions will be \$30.00 per year, payable monthly. Example:

- 10 months school, deduction \$3.00 per month.
- 9½ months school, deduction \$3.16 per month.
- 9 months school, deduction \$3.33 per month.
- 8½ months school, deduction \$3.53 per month.
- 8 months school, deduction \$3.75 per month.

For members receiving an annual salary of more than \$750.00 but less than \$2,500.00 for the school year, deduction will be 4% of salary. Example:

- \$150.00 per month salary, deduction \$6.00.
- \$177.65 per month salary, deduction \$7.11.
- (4% of \$117.65 is \$7.106.)

For members receiving a salary at a rate of \$2,500.00 or more for the school year, deductions will be \$100.00 per year, payable monthly. Example:

- 10 months school, deduction \$10.00 per month.
- 9½ months school, deduction \$10.53 per month.
- 9 months school, deduction \$11.11 per month.
- 8½ months school, deduction \$11.75 per month.
- 8 months school, deduction \$12.50 per month.

Interest at the rate of 3% per annum compounded annually will be required on all payments for membership service not made when due and all payments must be made before retirement. The board will notify the individual of any amounts due.

QUESTION 1. Do all teachers earning more than \$2,500 per school year pay \$100 pension deduction?

ANSWER. No, not in every case. If a teacher earns less than the contracted salary rate, such teacher cannot pay \$100. The applied ruling is: 4% times \$2,500, times the actual earnings over contracted salary rate.

$$(4\% \times \$100.00 \times \frac{\text{actual earnings}}{\text{contracted salary rate}})$$

For example: If the contracted salary rate is \$3,000 per year, and the Clerk of the Board or Superintendent reports such teacher with actual earnings of \$2,500, then such teacher may pay only \$2,500 over \$3,000 of \$100, or \$83.33.

$$\frac{(2500 \times \$100.00, \text{ or } \$83.33)}{3000}$$

ADDITIONAL EXAMPLES

| Contracted Salary Rate | Actual Earnings as submitted to Retirement office by Clerk and County Superintendent | Correct Deductions | Years allowed toward retirement |
|------------------------|--|--------------------|---------------------------------|
| \$2700 | \$2400 | \$88.89 | 8/9 or .8888 |
| 4000 | 3000 | 75.00 | 3/4 or .7500 |
| 5000 | 2500 | 50.00 | 1/2 or .5000 |
| 2500 | 2000 | 80.00 | 4/5 or .8000 |

You will note in the above illustrations that teaching credit toward retirement is determined by dividing the actual earnings by the contracted

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salary rate. If the contracted salary rate is \$2,500, or less, the teacher pays four per cent on actual earnings received. A minimum of \$30 is required if the *annual salary rate* is \$750.00 or less.

Question 2. If the Clerk or Superintendent reports actual earnings of the teacher to be less than the contracted salary rate, then how much teaching credit does the teacher actually get?

Answer: We repeat, that actual annual teaching credit is obtained by dividing the reported *actual salary earnings* by the *contracted salary rate*.

Example: If a teacher's salary rate for the school year is \$2,000 and if the Clerk or Superintendent reports that actual earnings were only \$1,995, such teacher would receive credit for only \$1,995 over \$2,000 of a year, or .9975 years.

The reason we emphasize the above is a simple one. Many governing boards in the schools of Illinois pay their teachers for various unavoidable absences, whereas in other schools the teachers are docked, or are not paid for such absences.

We hasten to emphasize, however, that this is a policy matter that rests entirely with the governing school board and the particular teacher involved. The Teachers' Retirement System definitely has no choice or control in such situations and must give credit to the teacher on the basis of facts as submitted in the annual reports.

Occasionally, however, a teacher does request the Retirement office to give credit for a full teaching year, even though the facts, as submitted by the Clerk or Superintendent, or both, specifically indicate less than one full year by the small margin of perhaps one to ten days.

Again, we repeat, the Teachers' Retirement Office *must give credit in the ratio of actual salary earned to the contracted salary rate*, as officially and factually reported to the Retirement Office.

Contribution due under C-2 for claimed service after July 1, 1939 is an amount equal to that which would have been required under this System together with 3% compound interest until paid. If contributions were made to the Institutions Fund, the amount due is the difference between the amount which would have been required under this System and the amount contributed to the Institutions Fund. Eight years are allowed for the payment of amounts due under paragraph C-1 (d) after notice to the teacher of the amount due.

D-2. PRIOR SERVICE

For service prior to July 1, 1939, the required contributions are determined from the following table:

| | Per month | Per year |
|--------------------------------|--------------|-------------|
| First 10 years of service..... | \$2.00 | \$10.00 |
| Next 5 years of service..... | 4.00 | 20.00 |
| Next 10 years of service..... | 6.00 | 30.00 |

Payments for parts of a school year will be at the rate shown for each month or fraction thereof provided the total does not exceed the full year contribution and only the last 25 years prior to July 1, 1939 or date of prior settlement are considered. For the purposes of computing the amount due for prior service a teacher is assumed to have completed a total of 10, 15 or 25 years of creditable service at the end of the school year in which such totals are obtained.

Generally, any payments not made to this System or to the superseded Teachers' or Institutions' Systems concurrently with the service to which they are applicable are considered as delinquent and simple interest at the

rate of 4% per annum for all periods prior to July 1, 1939, and compound interest at the rate of 4% per annum thereafter will be charged from the date any unpaid contribution was due to the date payment thereof is received; provided that, for teachers who were contributors on July 1, 1933, interest to July 1, 1933 will be waived on one-half of the contributions due for the first 15 years of creditable service which precedes such date.

Contributions due under C-2 for claimed service prior to July 1, 1939 will be treated as delinquent and computed as indicated in the preceding paragraphs of this section.

E. BENEFITS

E-1. RETIREMENT ALLOWANCE

Any member may elect to retire at any time, provided the date so selected is not more than 30 days prior to the date the application for the allowance is received by the Board and provided the member shall at such time:

- (a) have attained at least 50 years of age.
- (b) have 15 or more years of creditable service of which at least the last 5 years shall be as a teacher in the public common schools of Illinois included in this System or for the Institutions of this State included in this System, or be in the services of the armed forces.
- (c) not be employed as a teacher in any school supported by public funds in any state.
- (d) not be receiving a retirement benefit from any other public school teacher's pension or retirement fund.
- (e) have made all payments of amounts due and is otherwise eligible for retirement.

Members are to be compulsorily retired by the School Board or Institution as of the end of the school year in which age 70 is attained. If a person teaches after age 70, contributions will be required but no increase in the retirement benefit will be allowed.

The amount of the retirement allowance will be the sum of the following:

- (a) an annuity equal in value to the accumulated contributions of the teacher to this System for service after July 1, 1939 with compound interest at 3% per annum.
- (b) an additional annuity equal to the amount determined in (a) above but not exceeding the amount which would have been so determined at age 65.
- (c) a pension equal to twice the annuity which would have been provided under (b) had the System been in effect during all creditable service prior to July 1, 1939, and had the interest rate been 4% per annum compounded annually. For all periods of service prior to July 1, 1929 a teacher is assumed to have earned annually an amount based upon a normally increasing salary scale which is in the ratio of actual earnings during the period from July 1, 1929 to July 1, 1939 to average earnings for all teachers in such period.
- (d) the additional amount, if any, necessary to bring the total to \$400.00 per year for any teacher retiring after 25 years of service.

Exhibits A, B and C indicate the approximate amounts of allowances for various typical combinations of age and service at retirement.

E-2. DISABILITY ALLOWANCE

Any member who, while in employment as a teacher in this System, becomes permanently incapacitated for further performance of duty (as determined by two disinterested physicians) and who has had 10 or more years of creditable service of which at least the last 5 years shall be as a teacher in the public common schools of Illinois (other than Chicago) or in the included institutions of this State or in service with the armed forces, is eligible to retire and receive a disability allowance.

The amount of the disability allowance will be the actuarial equivalent of the contributions of the teacher with interest, plus 90% of the retirement allowance which would have been provided from State funds had the teacher continued in service at the last rate of earnings until the minimum age at which the teacher would have been eligible to retire, subject to a minimum of \$200.00 per year in any event and \$400.00 per year after age 50 for teachers with 25 or more years of service.

E-3. DEATH BENEFIT

The estate, or the designated beneficiary if one is named, of a deceased member will be entitled to a death benefit equal to the sum of the accumulated contributions of the teacher for service after July 1, 1939 which includes interest at 3% compounded per annum plus, for death occurring after July 21, 1941, any payments, whether principal or interest, made since July 1, 1939 for service prior to July 1, 1939 without interest on any such payments.

E-4. REFUND

Any member who ceases to teach and who does not receive an annuity, will be entitled to a refund of all contributions made to this System or to either of the superseded Systems, without interest, which were not previously refunded, or forfeited because of prior refunds. Application must not be made prior to 4 months after ceasing to teach. If application is not made within 6 years, after ceasing to teach, the refund is paid to the teacher or to the legal representative if found. If the teacher or representative cannot be found, the refund is forfeited to the System.

E-5. OPTIONAL ALLOWANCE

Upon retirement, members may elect to receive an optional allowance of a reduced retirement annuity which will provide a refund of the excess, if any, of the value of the member's accumulated contributions for all service after July 1, 1939 including interest to retirement plus the corresponding credits from the State over the total payments of retirement allowance derived therefrom.

Exhibits D and E indicate the approximate allowances under the optional basis of settlement.

F. ADMINISTRATION

The System is administered by five trustees known as the Board of Trustees. The Superintendent of Public Instruction is an ex-officio member; the Governor appoints two members, one every even numbered year for a four-year term; and the included teachers elect two members, one every odd numbered year for a four-year term.

The trustees pass on all benefits and expenses to be paid. They make all investments of the assets of the System, with certain specific additional limitations, in the same manner as township trustees invest school funds under the law.

The State Treasurer is treasurer of the System and holds all cash and securities of the System.

G. BOARD MEETINGS

The Teachers' Retirement System Law provides that the Board of Trustees shall meet four times each year and may adopt by-laws and rules of administration. In conformity with the provisions of the law the Board of Trustees held meetings during the last fiscal year as follows:

August 25, 1945—Present: Vernon L. Nickell, M. H. Detweiler, Frank B. Young, Fred L. Biester and John W. Graham.

November 9, 1945—Present: Vernon L. Nickell, M. H. Detweiler, Fred L. Biester.

February 23, 1945—Present: Vernon L. Nickell, M. H. Detweiler, Fred L. Biester.

February 26, 1946—Present: Fred L. Biester, Frank B. Young, M. H. Detweiler, John W. Graham.

March 1, 1946—Present: Fred L. Biester, Frank B. Young, John W. Graham, M. H. Detweiler.

April 4, 1946—Present: Vernon L. Nickell, Fred L. Biester, M. H. Detweiler, John W. Graham.

April 11, 1946—Present: Vernon L. Nickell, John W. Graham, Fred L. Biester, M. H. Detweiler.

May 22, 1946—Present: Fred L. Biester, John W. Graham, M. H. Detweiler, Frank B. Young.

June 28, 1946—Present: Vernon L. Nickell, Fred L. Biester, M. H. Detweiler, John W. Graham.

May 25, 1946—Present: John W. Graham, M. H. Detweiler, Fred L. Biester.

PART THREE

OPINIONS OF THE ATTORNEY GENERAL RENDERED DURING THE OPERATION OF THE NEW ACT

1. A teacher who retired in 1936 under the old law, and who has been teaching again since September, 1938, and who will continue to teach under the new law, will be required to contribute to the new retirement system, four percent of each month's salary earned after the effective date of the new act. All teachers who retired under the old act and who afterwards, but before July 1, 1939, surrendered their retirement certificates and resumed teaching, and who continue to teach after July 1, 1939, are members of the new requirement system and must make contributions to the new retirement fund of four percent of their monthly salary earned after the effective date of the new act, the same as all other members.

2. A teacher who retired under the old act and who was receiving a pension thereunder on July 1, 1939, and resumes teaching in September, 1939, or at any time after July 1, 1939, will not thereby become a member of the new retirement system, and will not contribute four percent of his salary in like manner as other members. If such a teacher resumes teaching, he will make no further contributions, and when he again retires he will do so under the old act.

3. Disability annuitants who were retired for disability under the old act, but who have recovered from their disability and who resume teaching after July 1, 1939, thereby become members of the new retirement system and are required to make the contribution of four percent of their monthly salary.

4. A teacher may retire at any time within six years after he ceases to teach, provided he has not lost his membership in the interim, and is otherwise qualified. One need not necessarily be actually teaching when retirement is at hand, and in the event one stopped teaching at forty-five and asked for retirement under annuity at fifty he would be entitled to receive such annuity if no refund under the law had been paid, and he had not in any other manner lost his membership in the retirement system.

5. A "teacher-secretary" is one who possesses the qualifications of a teacher, including a teacher's certificate, and whose salary is paid out of the educational fund of the district in which he or she is employed, but who is doing secretarial or clerical work instead of teaching. Therefore, actual teaching is not required by such "teacher-secretary".

6. A substitute teacher comes under the provisions of the act if employed on a full time basis, and such a teacher receives credit for the full year as a teacher and must make the regular contributions of four percent, or not less than \$30.00 a year, to the fund, payable monthly. If, however, the substitute teacher is employed on a merely part time basis, and teaches but one week or less out of each month, and is paid only for the time actually spent in teaching, such a substitute is not a member of the system and is not required to contribute thereto, unless he or she is a person who has taught in the public schools included within the provisions of this retirement system on a full time basis up to an age determined by a general ruling of a local Board of Education, and who continues to be or is thereafter employed in such public common schools of this State on yearly contracts under a

reduced working load and a reduced monthly salary, in which event such person is a member of the retirement system and is entitled to full participation in the provisions of the act and is required to make full contributions to the Fund established thereunder.

7. A teacher who is employed to teach but one-half day each day of the school year would be considered a regular teacher, as she is employed upon an annual basis, her salary being paid monthly. In that case, she would be a member of the system and would be entitled to its benefits and required to make the contributions provided for in the act, the minimum of which amounts to \$30.00 for one full school year, payable monthly. A deduction of less than \$30.00 would be made only in a case where one teacher did not teach the full year. For example, if one teacher taught the first half of the year and another teacher the second half of the year, each would contribute four percent during the period taught, or a minimum of \$15 each.

8. In calculating the time allowed under the new act for service prior to July 1, 1939, on account of attendance at college, the rule provided for in the old law will prevail, and teachers who were subject to the provisions of the old act and contributors to the fund thereby created, are entitled to credit of one year, for college attendance, provided they completed ten years of teaching before the effective date of the new act.

9. If a teacher has taught twenty-five years under the old law, is a teacher on July 1, 1939, and not elected to be excluded, she comes under the new law automatically, and she is not required to teach any certain length of time after July 1, 1939. If she continues in good faith to teach after that date, or in good faith resumes teaching after that date, she makes contributions to the annuity fund provided for in the new act, and upon her retirement receives an annuity out of that fund, the amount of which depends upon the length of time she teaches after the effective date of the new act. As a practical matter, a contract to teach for any period less than a year would not be evidence of good faith. Such a teacher would also receive a pension for the twenty-five years of teaching service rendered prior to the effective date of the new act in consideration of her contributions to the fund provided for under the old act. A teacher who has taught and contributed to the pension fund created by the old act and who is included under the new act, may, if she is not eligible to receive an annuity obtain a refund at any time, provided application therefor is made not less than four months nor more than six years after ceasing to teach.

10. In the payment of contributions to an estate of a teacher, only contributions made under the new law are refunded.

11. A teacher who once retired under action of the Board of Trustees under the old law cannot return that money, say in June, 1939, thus attempting to cancel such retirement and then teach after July 1, 1939, retiring under the new act and securing its provisions, for the same reasons as given in No. 2.

12. Under the new act school nurses and librarians in service after July 1, 1939, are members of the system, if a certificate is held as a public health, nurse under the public health nursing act, issued by the Department of Registration and Education, and if employed by the Board of Education, and such person then classified as a teacher would be allowed prior service credit for time spent in such service prior to July 1, 1939, in which the status was the same as under the new law.

13. The provisions of the law that a teacher must retire at age seventy is constitutional, although it is provided by the Act that upon retirement he would be entitled only to the benefits available to him at seventy, yet being compelled to contribute to the Fund after seventy if teaching.

14. If a teacher has long served as an administrator of a school system and the Board of Education chooses to give him a position known as emeritus

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superintendent or principal, such person is considered a teacher in the service if paid a fixed monthly salary and he would be required to contribute as other teachers would and get the benefits of the contributions at retirement.

15. A teacher can not be given a leave of absence and retire either under disability or regular annuity, because such a leave of absence establishes a contradictory relation with the Board of Education and such must be surrendered before the teacher could receive any type of annuity.

16. In calculating the amount the teacher owes for service rendered prior to July 1, 1939, the principles of the old law will govern, requiring a payment of \$500 and interest for 25 or more years of service, and if the teacher has taught more than 25 years, or less than 25 years before July 1, 1939, in determining the amount due for such service the last years of service immediately preceding July 1, 1939, shall be considered as a basis for the calculation and under the terms of the prior law.

17. A teacher who has taught 15 or more years and has reached the age of 50 may retire on annuity, payable for life or in lieu of such annuity retirement obtain a refund of all her contributions.

18. In the payment of refunds the law provides that a teacher ceasing to teach shall receive a refund of all the amount paid in under the law in effect before July 1, 1939, as well as after that date, but this provision applies only to those who have taught under the new Act after July 1, 1939.

19. A teacher who has taught under the new law becomes a member of the new law if employed for the full year at a fixed salary and on ceasing to teach she is entitled to a refund of what has been paid under the old law, as well as the new, and this teacher can not secure a refund until all amounts are paid to the system as salary deductions required by the new Act.

20. A business manager in service after July 1, 1939, comes under the new law if a certificate to teach is held, and it is not material as to what the title is but it is a question of facts as to his duties. If he actually performs service of Superintendent or Assistant Superintendent, or supervisor, he comes under the new Act. The Board of Trustees inquiring as to the specific facts as to the title of teacher is moved according to the definition of Section 1-3 of the law.

21. A teacher may be given credit for service for teaching in the public schools of other states. This applies, of course, to the 48 states of the Union, and in addition to that the District of Columbia, the Territory of Alaska, and Hawaii, would likewise be considered states if teaching has been done in such places.

22. A teacher with considerable service in other states, as well as the State of Illinois can not retire on annuity in two states; that is, a teacher can not retire on annuity in the State of Illinois and at the same time be drawing annuity from a Teachers' Pension Fund in another state.

23. The estate of a teacher is entitled to a refund of amounts contributed while teaching after July 1, 1939, as well as any sums paid in for prior service which were paid after July 1, 1941, under the amendment to the new law.

24. By Resolution of Board of Trustees they may buy:

1. Bonds of State.
2. Bonds of Sanitary District of Chicago.
3. County Bonds.
4. Township Bonds.
5. Bonds of cities and school districts.
6. HOLC bonds.
7. Government Bonds.
8. Given like power as given to township trustees.
9. Given like power as given to trustees under wills.

25. Credit for teaching service in other states must be in the public schools under the same terms as to teaching in the public schools of Illinois.

26. A person who has filed a request for a refund and dies before the four months period has expired, and having such request for refund on file with the Board of Trustees, that request can not be considered as a refund—it must be treated as a Death Benefit Claim.

27. The term "Illinois State Penitentiary" does not include the State Reformatory for Women at Dwight. The latter is not considered a member of the Teachers' Retirement System. (This decision was later superseded by an Act of the General Assembly, thereby including Dwight with other institutions.

28. The rights or privileges to benefits which a person who was a member of the "State Institutions Teachers' Pension and Retirement Fund" may have had under said system are to continue, and when claims for such benefits are filed with the Board by persons who are not members, said claims shall be allowed, or disallowed, by said Board.

29. That a holder of a teaching certificate is not a teacher within the meaning of the Act until such a time as the holder of such a certificate is employed in the public school system of Illinois and that if the holder of a teacher's certificate entered the armed forces during World War No. 1 before rendering service as a teacher by being employed in the public school system of Illinois, the time spent in the armed forces cannot be counted in computing the service credit.

30. That the limitation of 40% of the appraised value, as to the purchase of mortgage investments, applies only to mortgages which are not insured. It, therefore, has no application to mortgages insured by the Federal Housing Administrator.

31. That teachers who are entitled to receive a teacher's annuity from any other public school teachers pension and retirement fund can not participate in the benefits provided by the Act under consideration. Such teachers are, therefore, excepted from general provisions of the Act and need not contribute to the fund as they can not receive any benefits. Furthermore, it would be a useless and unnecessary procedure to have said teachers contribute to the fund, and, then, at the expiration of this service, to make a refund of the amounts paid in.

32. It is clear that a nurse employed by a County, who does some work in the school system, is subject to the supervision of the County and could not be considered as being employed in the public school system. She is not employed by a school district, or a board of which the Superintendent of Public Instruction is ex-officio a member, and, therefore, that a county nurse does not come within the provisions of the Act.

33. That it is a question of fact to determine in the first instance whether or not the teachers in question are "executives". The determination of this question depends, of course, on the nature of the duties performed by them. If the teachers in question are performing the duties of an "executive" then they are entitled to membership in the "Teachers' Retirement System", otherwise they are not.

34. That it is optional with the teacher whether or not such detailed statement of former service is filed, and credit, therefore, claimed. If the teacher does not make any claim for former service, then the statement need not be filed. If the teacher claims any former service, then the detailed statement claiming such service must be filed in accordance with the statutes.

35. That if the teacher filed a detailed statement claiming prior service and made reimbursement to the Teachers' Retirement Fund, then such teacher, upon ceasing to teach and upon application, would be entitled to a refund in accordance with the provisions of Sub-section 7 (a) and (b) of paragraph 614.7, chapter 122, Illinois Revised Statutes 1941.

36. A teacher can not draw a pension if Emeritus Administrator or if employed in any capacity, and paid a fixed salary by any Board of Education. Such teacher would be required to contribute in such relationship and will get credit as teaching for the time for which salary is paid.

37. The Board of Trustees of the Teachers' Retirement System have only the power under the "Act concerning Powers of Trustees" in force July 1, 1935, as amended, as said Act provided at the time it was adopted by reference as applying to the powers of the Board of Trustees of the Teachers' Retirement System, and does not include any subsequent amendment or additions thereto.

38. A teacher when granted a pension must have ceased to teach and retired in good faith, and if she remains on a pension for one year or more such retirement is treated as having been in good faith, and she is not requested to return any pension paid her should she after that resume teaching. If she has not remained out of teaching for as much as one year but returns to teaching a few months after being granted a pension she has been asked as a legal matter to return pension paid her.

PART FOUR
TEACHERS' RETIREMENT SYSTEM
STATEMENT OF ASSETS AND LIABILITIES
June 30, 1946

ASSETS

| | | |
|---|-----------------|------------------------|
| Cash on Deposit with State Treasurer..... | | \$ 1,267,042.37 |
| Securities (Market Value) | | |
| Bonds | | |
| U. S. Governmentf. | \$9,838,184.98 | |
| Public Utilities..... | 4,779,412.27 | |
| Railroad..... | 406,589.64 | |
| Industrial..... | 491,530.82 | |
| | \$15,515,717.71 | |
| Savings and Loan shares insured by FDIC | 260,000.00 | 15,775,717.71 |
| Real Estate Mortgage Loans..... | 20,395.73 | |
| Less, Reserve for Loss..... | 2,940.00 | 17,455.73 |
| Real Estate Sold on Contract..... | 55,022.29 | 55,022.29 |
| Less, Reserve for Loss..... | | |
| Real Estate Owned..... | \$ 19,941.09 | * |
| Less, Reserve for Loss..... | 7,441.09 | 12,500.00 |
| Notes Receivable..... | | 1,440.00 |
| Accounts Receivable | | |
| Contributions (1945-46 fiscal year)..... | \$ 1,186,542.78 | |
| State of Illinois..... | 370,912.00 | |
| Accrued interest—bonds.... | \$ 76,899.25 | |
| loans.... | 223.09 | |
| contracts | 428.95 | |
| | \$ 77,551.29 | |
| Returned checks..... | 4,548.64 | |
| Sundry..... | 1,488.95 | 1,641,043.66 |
| Furniture and Fixtures..... | | 21,603.30 |
| Oil and Gas Rights..... | | 6.00 |
| Rentals in trust..... | | 20.87 |
| Deferred Charges | | |
| Office Supplies..... | | 1,090.89 |
| Total Assets..... | | \$18,792,942.82 |

LIABILITIES

| | | |
|--|----|------------|
| Annuities Payable | | |
| Accrued for the month of June, 1946..... | \$ | 5,501.41 |
| Refunds Payable..... | | 150,000.00 |
| Deferred Credits | | |
| Operation of Properties owned..... | | 1,288.16 |
| Expense Fund..... | | 60,000.00 |

| | | |
|--|-----------------|------------------------|
| Pension Payment Fund | | |
| Balance June 30, 1945 per previous audit.. | \$14,810,764.04 | |
| Salary Deductions for the year 1944-45 in excess of estimate at June 30, 1945..... | 263,571.41 | |
| Add Excess of Income over expenses for fiscal year ended June 30, 1946..... | 3,501,817.80 | 18,576,153.25 |
| Total Liabilities..... | | <u>\$18,792,942.82</u> |

**TEACHERS' RETIREMENT SYSTEM
STATEMENT OF INCOME AND EXPENSES**

For the Year Ending June 30, 1946

INCOME

| | | |
|---|------------|-----------------------|
| Salary Deductions..... | | \$2,403,063.49 |
| Military Service..... | | 26,663.99 |
| Back Assessments..... | | 302,941.86 |
| Added Assessments..... | | 20,200.00 |
| Taxes—Common School Fund..... | | 3,483,648.00 |
| Refunds Repaid..... | | 18,196.15 |
| Interest | | |
| Notes Receivable..... | \$ 2.50 | |
| Military Service..... | 1,122.68 | |
| Added Assessments..... | 8,578.21 | |
| Bonds (less amortization of bond premium) | 353,700.18 | |
| Real Estate Mortgage..... | 862.59 | |
| Real Estate Contracts..... | 2,224.22 | |
| Refunds repaid..... | 1,497.67 | 367,988.05 |
| Dividends on savings and loan shares..... | | 6,700.00 |
| Royalties on gas and oil rights..... | | 2,355.45 |
| Profit on Securities..... | | 28,588.50 |
| Profit on Real Estate sold..... | | 10,138.01 |
| Appropriation—State of Illinois..... | | 5,000.00 |
| Miscellaneous..... | | 214.86 |
| Total Income..... | | <u>\$6,675,698.36</u> |

EXPENSES

| | | |
|-------------------------------------|-----------------------|-----------------------|
| Benefits | | |
| Old Law..... | \$1,151,967.75 | |
| Age Retirement..... | 1,267,534.34 | |
| Disability..... | 68,484.96 | |
| Death..... | 4,908.22 | |
| | <u>\$2,492,895.27</u> | |
| Less Benefits returned..... | 9,552.15 | \$2,483,343.12 |
| Refunds..... | | 608,403.46 |
| General and Administrative | | |
| Payrolls..... | \$44,569.00 | |
| Office Expense..... | 6,462.58 | |
| Postage and express..... | 2,814.94 | |
| Telephone and telegraph..... | 321.69 | |
| Repair and rental of machines..... | 414.45 | |
| Professional services..... | 24,055.01 | |
| Security expense..... | 742.96 | |
| Travel..... | 1,350.20 | |
| Miscellaneous..... | 1,403.15 | 82,133.98 |
| Total Expenses..... | | <u>\$3,173,880.56</u> |
| Excess of income over expenses..... | | <u>\$3,501,817.80</u> |

NOTE.—This statement does not reflect actuarial reserves, these are shown on the following pages in the report of the Actuary.
The foregoing amounts have been certified to by Pearce & Granata, Certified Public Accountants.

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS
VALUATION BALANCE SHEET**

June 30, 1946

RESOURCES

ASSETS

| | | | |
|-----------------------------|-----------------|-----------------|-----------|
| Pension Payment Fund | | | |
| Balance..... | \$18,576,153.25 | | |
| Less Receivable State..... | 370,912.00 | | |
| Back Assessments due..... | 419,300.00 | \$18,624,541.25 | |
| <hr/> | | | |
| Expense Fund | | | |
| Audit Balance..... | | | 60,000.00 |

DEFERRED OBLIGATIONS

| | | | |
|------------------------------------|-----------------|------------------------|--|
| Total Requirements of State | | | |
| Prior Service..... | \$68,782,741.00 | | |
| Membership Service..... | 9,214,234.00 | | |
| Total..... | \$77,996,975.00 | | |
| Less Accumulations | | | |
| Available Assets..... | 5,984,363.25 | 72,012,611.75 | |
| Total Resources..... | | <u>\$90,697,153.00</u> | |

RESERVES

| | | | |
|-------------------------------------|----------------|------------------------|---------------|
| Annuity Payment Reserve | | | |
| New Law Retirements | | | |
| Teachers' Contributions.. | \$ 211,781.00 | | |
| State Requirements..... | 495,900.00 | 707,681.00 | |
| <hr/> | | | |
| New Law Disabilities | | | |
| Teachers' Contributions.. | 6,076.00 | | |
| State Requirements..... | 56,784.00 | 62,860.00 | \$ 770,541.00 |
| <hr/> | | | |
| Annuity Accumulation Reserve | | | |
| Teachers' Contributions..... | 12,422,321.00 | | |
| State Requirements..... | 8,661,550.00 | 21,083,871.00 | |
| <hr/> | | | |
| Pension Payment Reserve | | | |
| New Law Retirements | | | |
| Teachers' Contributions.. | \$ 79,706.00 | | |
| State Requirements..... | 13,919,208.00 | 13,998,914.00 | |
| <hr/> | | | |
| New Law Disabilities | | | |
| Teachers' Contributions.. | \$ 807.00 | | |
| State Requirements..... | 286,411.00 | 287,218.00 | |
| <hr/> | | | |
| Old Law Retirements..... | | | |
| Active Teachers | | | |
| Male Teacher Contribu- | | | |
| tions..... | \$1,467,884.00 | | |
| State Requirements..... | 12,609,191.00 | | |
| Female Teacher Contribu- | | | |
| tions..... | 4,115,674.00 | | |
| State Requirements..... | 27,510,934.00 | 45,703,683.00 | 68,782,741.00 |
| <hr/> | | | |
| Expense Reserve | | | |
| Prior Service Determinations..... | | | 60,000.00 |
| Total Reserves..... | | <u>\$90,697,153.00</u> | |

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STATEMENT OF BONDS AND STOCKS OWNED JUNE 30, 1946

Description
GOVERNMENT BONDS

| | | | |
|-------------------------------|------|-------------|--------------|
| U. S. Defense Bonds, Series G | 2½% | 8/1/53 | \$ 50,000.00 |
| U. S. Defense Bonds, Series G | 2½% | 3/1/54 | 50,000.00 |
| U. S. Defense Bonds, Series G | 2½% | 9/1/54 | 50,000.00 |
| U. S. Defense Bonds, Series G | 2½% | 3/1/55 | 100,000.00 |
| U. S. Defense Bonds, Series G | 2½% | 2/1/56 | 100,000.00 |
| U. S. Defense Bonds, Series G | 2½% | 3/1/57 | 100,000.00 |
| U. S. Defense Bonds, Series G | 2½% | 1/1/58 | 100,000.00 |
| U. S. Treasury | 2½% | 3/1/54 | 60,000.00 |
| U. S. Treasury | 2½% | 3/15/58 | 110,000.00 |
| U. S. Treasury | 2¼% | 6/15/59/62 | 650,000.00 |
| U. S. Treasury | 2½% | 6/15/62/67 | 200,000.00 |
| U. S. Treasury | 2½% | 12/15/63/68 | 2,000,000.00 |
| U. S. Treasury | 2½% | 6/15/64/69 | 820,000.00 |
| U. S. Treasury | 2½% | 12/15/64/69 | 1,000,000.00 |
| U. S. Treasury | 2½% | 3/15/65/70 | 900,000.00 |
| U. S. Treasury | 2½% | 3/15/66/71 | 1,600,000.00 |
| U. S. Treasury | 2½% | 6/15/67/72 | 350,000.00 |
| U. S. Treasury | 2½% | 6/15/67/72 | 322,000.00 |
| U. S. Treasury | 2½% | 9/15/67/72 | 1,000,000.00 |
| U. S. Treasury, Series C | .90% | 1/1/46 | 250,000.00 |

\$9,812,000.00

RAILROAD BONDS

| | | | |
|--------------------------|-----|---------|--------------|
| Chicago, Union Station | | | |
| Series G | 2⅞% | 7/1/63 | \$ 50,000.00 |
| Elgin Joliet and Eastern | | | |
| Ry., Series G | 2¼% | 3/1/70 | 100,000.00 |
| Great Northern Ry. | 3⅞% | 1/1/60 | 100,000.00 |
| Kansas City Term. Ry. | 2¾% | 10/1/74 | 150,000.00 |

\$400,000.00

INDUSTRIAL

| | | | |
|----------------------------|-----|---------|--------------|
| B. F. Goodrich Co. | 2¾% | 5/1/65 | \$200,000.00 |
| Inland Steel Co., Series F | 3% | 4/1/61 | 81,000.00 |
| Koppers Co. | 3% | 10/1/64 | 200,000.00 |

\$481,000.00

PUBLIC UTILITY BONDS

| | | | |
|------------------------------|-----|---------|--------------|
| Appalachian Electric Power | 3¼% | 12/1/70 | \$200,000.00 |
| Blackstone Valley Gas & | | | |
| Electric | 3% | 11/1/73 | 97,000.00 |
| Boston Edison Co., Series A | 2¾% | 12/1/70 | 25,000.00 |
| Buffalo Niagara Electric | | | |
| Corp. | 2¾% | 11/1/75 | 200,000.00 |
| Consumers Power Co. | 2⅞% | 9/1/75 | 100,000.00 |
| Central Illinois Public Ser- | | | |
| vice, Series A | 3⅞% | 10/1/71 | 200,000.00 |
| Cleveland Electric Illumina- | | | |
| tion Co. | 3% | 7/1/70 | 25,000.00 |
| Columbus & Southern Ohio | | | |
| Electric | 3¼% | 9/1/70 | 98,000.00 |
| Commonwealth Edison Co., | | | |
| Series L | 3% | 2/1/77 | 200,000.00 |
| Dayton Power & Light Co. | 2¾% | 10/1/75 | 100,000.00 |
| Delaware Power & Light | 3% | 10/1/73 | 200,000.00 |
| Houston Lighting & Power | | | |
| Co. | 2⅞% | 10/1/74 | 200,000.00 |

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| | | | |
|---|-------------------|---------|------------|
| Illinois Power Co..... | 2 $\frac{7}{8}$ % | 3/1/76 | 195,000.00 |
| Illinois Bell Telephone Co., Series A..... | 2 $\frac{3}{4}$ % | 1/15/81 | 25,000.00 |
| Iowa Power & Light Co.... | 3 $\frac{1}{4}$ % | 8/1/72 | 100,000.00 |
| Louisiana Power & Light... | 3% | 4/1/74 | 198,000.00 |
| Michigan Consolidated Co.. | 3 $\frac{1}{2}$ % | 3/1/69 | 100,000.00 |
| Narragansett Electric Co., Series A..... | 3% | 9/1/74 | 198,000.00 |
| New Jersey Power & Light Co..... | 3% | 3/1/74 | 100,000.00 |
| New York Power & Light Corp..... | 2 $\frac{3}{4}$ % | 3/1/75 | 200,000.00 |
| Northern States Power Co.. | 2 $\frac{3}{4}$ % | 10/1/75 | 150,000.00 |
| Ohio Edison Co..... | 3% | 9/1/74 | 25,000.00 |
| Ohio Power Co..... | 3 $\frac{1}{4}$ % | 10/1/68 | 100,000.00 |
| Oklahoma Gas & Electric Co. | 2 $\frac{3}{4}$ % | 2/1/75 | 200,000.00 |
| Pacific Gas & Electric Co... | 3% | 12/1/79 | 200,000.00 |
| Pennsylvania Electric Co... | 3 $\frac{1}{8}$ % | 9/1/73 | 100,000.00 |
| Philadelphia Electric Co.... | 2 $\frac{3}{4}$ % | 11/1/67 | 200,000.00 |
| Public Service Co. of Okla- homa..... | 2 $\frac{3}{4}$ % | 7/1/75 | 150,000.00 |
| Tennessee Gas & Transpor- tation Co..... | 2 $\frac{3}{4}$ % | 4/1/66 | 200,000.00 |
| Texas Electric Service Co.. | 2 $\frac{3}{4}$ % | 3/1/75 | 200,000.00 |
| Virginia Electric Power Co., Series E..... | 2 $\frac{3}{4}$ % | 3/1/75 | 200,000.00 |
| Wisconsin Power & Light Co..... | 3 $\frac{1}{4}$ % | 8/1/71 | 100,000.00 |

\$4,586,000.00

STOCK CERTIFICATES

| | |
|--|-------------|
| Guaranty Savings & Loan, Birmingham, Ala..... | \$ 5,000.00 |
| United Building and Loan, Fort Smith, Ark..... | 5,000.00 |
| Capitol Federal Savings & Loan, Denver, Colo... | 5,000.00 |
| First Federal Savings & Loan, Atlanta, Ga..... | 5,000.00 |
| Aurora Building and Loan, Aurora, Ill..... | 5,000.00 |
| Olympic Savings & Loan, Berwyn, Ill..... | 5,000.00 |
| Bloomington Savings & Loan, Bloomington, Ill... | 5,000.00 |
| Morton Park Federal Savings & Loan, Cicero, Ill. | 5,000.00 |
| Austin Federal Savings & Loan, Chicago, Ill..... | 5,000.00 |
| Chicago Federal Savings & Loan, Chicago, Ill.... | 5,000.00 |
| Home Federal Savings & Loan, Chicago, Ill..... | 5,000.00 |
| Lawn Savings & Loan, Chicago, Ill..... | 5,000.00 |
| Northwest Federal Savings & Loan, Chicago, Ill.. | 5,000.00 |
| Peoples Federal Savings & Loan, Chicago, Ill.... | 5,000.00 |
| Second Federal Savings & Loan, Chicago, Ill..... | 5,000.00 |
| Citizens Federal Savings & Loan, Chicago, Ill.... | 5,000.00 |
| Hinsdale Federal Savings & Loan, Hinsdale, Ill.. | 5,000.00 |
| Oak Park Federal Savings & Loan, Oak Park, Ill. | 5,000.00 |
| First Federal Savings & Loan, Wilmette, Ill..... | 5,000.00 |
| First Federal Savings & Loan, Gary, Ind..... | 5,000.00 |
| Central Savings & Loan, Chariton, Iowa..... | 5,000.00 |
| Insurance Plan Savings & Loan, Des Moines, Iowa | 5,000.00 |
| Polk County Federal Savings & Loan, Des Moines, Iowa..... | 5,000.00 |
| United Federal Savings & Loan, Des Moines, Iowa | 5,000.00 |
| Wichita Federal Savings & Loan, Wichita, Kans.. | 5,000.00 |
| First Federal Savings & Loan, Covington, Ky.... | 5,000.00 |
| Down River Federal Savings & Loan, Wyandotte, Mich..... | 5,000.00 |
| Twin City Federal Savings & Loan, Minneapolis, Minn..... | 5,000.00 |
| St. Paul Federal Savings & Loan, St. Paul, Minn. | 5,000.00 |

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| | |
|---|--------------|
| Home Federal Savings & Loan, Spring Valley, Minn. | 5,000.00 |
| Cass Federal Savings & Loan, St. Louis, Mo. | 5,000.00 |
| Farm and Home Savings & Loan, Nevada, Mo. ... | 5,000.00 |
| Community Federal Savings & Loan, Overland, Mo. | 5,000.00 |
| Piedmont Federal Savings & Loan, Winston Salem, N. C. | 5,000.00 |
| McKinley Federal Savings & Loan, Niles, Ohio. . | 5,000.00 |
| State Federal Savings & Loan, Tulsa, Okla. | 5,000.00 |
| Colonial Federal Savings & Loan, Philadelphia, Pa. . | 5,000.00 |
| East Girard Savings & Loan, Philadelphia, Pa. . . | 5,000.00 |
| North Philadelphia Federal Savings & Loan, Phila- delphia, Pa. | 5,000.00 |
| Penn Federal Savings & Loan, Philadelphia, Pa. . | 5,000.00 |
| Philadelphia Suburban Federal Savings & Loan, Philadelphia, Pa. | 5,000.00 |
| Quaker City Federal Savings & Loan, Philadelphia, Pa. | 5,000.00 |
| Fort Pitt Federal Savings & Loan, Pittsburgh, Pa. . | 5,000.00 |
| First Federal Savings & Loan, Sharon, Pa. | 5,000.00 |
| First Federal Savings & Loan, Watertown, S. D. . | 5,000.00 |
| Abilene Savings & Loan, Abilene, Texas. | 5,000.00 |
| Bankers Home Building and Loan, Galveston, Texas. | 5,000.00 |
| Franklin Federal Savings & Loan, Richmond, Va. | 5,000.00 |
| First Federal Savings & Loan, Fon du Lac, Wis. . | 5,000.00 |
| Beacon Federal Savings & Loan, Milwaukee, Wis. . | 5,000.00 |
| Empire Federal Savings & Loan, Milwaukee, Wis. | 5,000.00 |
| Safety Federal Savings & Loan, Kansas City, Mo. | 5,000.00 |
| | <hr/> |
| | \$260,000.00 |

PART FIVE

STATEMENT OF STATISTICAL FACTS

There are 40,000 active contributors to the fund covering all but public schools outside the city of Chicago.

On July 1, 1946, there were 4,406 drawing a pension, 383 having retired the current year.

During the year 117 annuitants have died.

| | |
|--------------------------------|-----|
| Retired under the Old Law..... | 103 |
| Retired under the New Law..... | 260 |
| Retired under Disability..... | 20 |
| Total Retired 1945-46..... | 383 |

SUMMARY OF RETIREMENTS JULY 1, 1915 TO JULY 1, 1946

| Year | Men | Women | Total |
|----------------|-----|-------|-------|
| 1915-1916..... | 84 | 227 | 311 |
| 1916-1917..... | 73 | 139 | 212 |
| 1917-1918..... | 48 | 127 | 175 |
| 1918-1919..... | 50 | 84 | 134 |
| 1919-1920..... | 53 | 95 | 148 |
| 1920-1921..... | 31 | 78 | 109 |
| 1921-1922..... | 32 | 84 | 116 |
| 1922-1923..... | 30 | 78 | 108 |
| 1923-1924..... | 39 | 74 | 113 |
| 1924-1925..... | 29 | 78 | 107 |
| 1925-1926..... | 45 | 84 | 129 |
| 1926-1927..... | 31 | 103 | 134 |
| 1927-1928..... | 45 | 88 | 133 |
| 1928-1929..... | 37 | 112 | 149 |
| 1929-1930..... | 49 | 95 | 144 |
| 1930-1931..... | 53 | 119 | 172 |
| 1931-1932..... | 54 | 131 | 185 |
| 1932-1933..... | 61 | 140 | 201 |
| 1933-1934..... | 62 | 156 | 218 |
| 1934-1935..... | 57 | 128 | 185 |
| 1935-1936..... | 74 | 131 | 205 |
| 1936-1937..... | 37 | 144 | 181 |
| 1937-1938..... | 55 | 228 | 283 |
| 1938-1939..... | 50 | 167 | 127 |
| 1939-1940..... | 113 | 385 | 498 |
| 1940-1941..... | 97 | 272 | 368 |
| 1941-1942..... | 121 | 324 | 445 |
| 1942-1943..... | 94 | 286 | 380 |
| 1943-1944..... | 143 | 298 | 441 |
| 1944-1945..... | 141 | 313 | 454 |
| 1945-1946..... | 112 | 271 | 383 |

ANNUITIES PAID BENEFICIARIES OF THE FUND, 1914-1946

| | |
|----------------|--------------|
| 1915-1916..... | \$ 8,528.08 |
| 1916-1917..... | 130,049.32 |
| 1917-1918..... | 224,395.18 |
| 1918-1919..... | 289,650.29 |
| 1919-1920..... | 342,045.78 |
| 1920-1921..... | 384,459.97 |
| 1921-1922..... | 424,528.33 |
| 1922-1923..... | 466,823.46 |
| 1923-1924..... | 502,143.22 |
| 1924-1925..... | 534,874.26 |
| 1925-1926..... | 566,349.73 |
| 1926-1927..... | 596,153.67 |
| 1927-1928..... | 639,622.91 |
| 1928-1929..... | 671,712.24 |
| 1929-1930..... | 708,327.03 |
| 1930-1931..... | 750,217.33 |
| 1931-1932..... | 790,368.54 |
| 1932-1933..... | 835,434.55 |
| 1933-1934..... | 896,525.96 |
| 1934-1935..... | 949,822.68 |
| 1935-1936..... | 1,004,371.42 |
| 1936-1937..... | 1,061,288.48 |
| 1937-1938..... | 1,260,506.61 |
| 1938-1939..... | 1,355,549.53 |
| 1939-1940..... | 1,423,590.90 |
| 1940-1941..... | 1,566,593.29 |
| 1941-1942..... | 1,895,248.51 |
| 1942-1943..... | 1,947,127.37 |
| 1943-1944..... | 2,091,276.49 |
| 1944-1945..... | 2,166,132.00 |
| 1945-1946..... | 2,683,043.97 |

