
The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1920

DEPARTMENT OF TREASURER AND RECEIVER-GENERAL



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BOARD OF RETIREMENT.

JAMES JACKSON, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.

The Commonwealth of Massachusetts

DIVISION OF BOARD OF RETIREMENT,
116 STATE HOUSE, BOSTON, March 7, 1921.

HON. BENJAMIN L. YOUNG, *Speaker of the House of Representatives, State House, Boston, Mass.*

DEAR SIR:— I transmit to you herewith, for the use of the Legislature, the annual report of the Board of Retirement for the year ending Nov. 30, 1920.

Very truly yours,

JAMES JACKSON,
Chairman, Board of Retirement.

The Commonwealth of Massachusetts

REPORT.

DIVISION OF BOARD OF RETIREMENT,
116 STATE HOUSE, BOSTON, March 7, 1921.

To the Honorable Senate and House of Representatives.

The Board of Retirement presents for your consideration its ninth annual report.

On Dec. 1, 1919, there were 6,113 members of the Retirement Association. On Dec. 1, 1920, there were 6,282. During the year 1,679 have joined the association, and 1,483 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 28 have been retired, 11 by reason of reaching seventy years of age, 1 for permanent disability, 15 upon their own request at the age of sixty or over, and 1 as a non-member of the association upon recommendation of the department in which he was employed.

By deducting from the whole number enrolled those who have died, who have resigned, and who have been retired, we find a net gain in membership of 169.

Since the law became operative on June 1, 1912, 280 employees have been retired, and 68 annuitants and 3 non-members have died since retirement, so that retirement allowances are now being paid to 209 former employees. Of this number, 70 were retired at the age of seventy or over, 8 for permanent disability, 3 non-members for the good of the service upon request of the departments in which they were employed, and 128 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1920, as pensions was \$63,159.09 as compared with \$56,052.47 during the year ending Dec. 1, 1919.

The largest amount payable to any individual was \$1,200. The number of those who received a retirement allowance of one-half the average cash salary for the ten years preceding retirement was 50. The average retirement allowance paid to the whole number who benefited by the system during the year was \$333.97.

During the year an examination of the annuity fund was made by the Massachusetts Insurance Department in accordance with the law, and a distribution of the surplus to the individual accounts of members authorized. The total credited amounted to \$14,055.42, and was equal to \$1.75 on each \$100 of each account as it stood on Sept. 30, 1919.

The accumulated savings refunded to members who left the service were \$101,888.03, and the amount refunded to the heirs or estates of deceased members was \$7,496.99.

The retirement system has 267 members who may voluntarily retire at the age of sixty or over during the next fiscal year, 17 under sixty years of age who have completed thirty-five years of service, and 19 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted its estimates for appropriation upon experience that it has gained that 7 per cent of the voluntary eligibles will retire. This will require about \$4,680 in addition to \$66,477.87, the amount of pensions in force on Nov. 30, 1920.

The expenses of the administration of the system for the year were: salaries, \$8,343.80; contingent expenses, \$1,022.45; reimbursement to institutions for making deductions from members' salaries, etc., \$2,420.68. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

RECOMMENDATIONS FOR LEGISLATION.

The Board recommends the following amendments to the State Retirement Act (chapter 32, General Laws, sections 1 to 5, inclusive): —

The law regarding the eligibility of officials appointed by the Governor for fixed terms to membership in the Retirement

Association has been subject to varied interpretations. The Board has established rules under which certain facts would determine whether these officers of the Commonwealth would become members of the association, but has had considerable difficulty to administer the provisions of the law and the rules prescribed when there appears to be a legal difference of opinion in the matter. A section should be provided in the law to establish definitely the status of such officials with respect to their membership in the Retirement Association.

Section two, paragraph three, of chapter thirty-two of the General Laws is hereby amended by adding at the end of said paragraph the following: — An official under fifty-five years of age when appointed or reappointed by the governor for a fixed term of years may, if his sole employment is in the service of the commonwealth, become a member of the retirement association by making written application for membership within one year from the date of his original appointment or subsequent reappointment to the same office. An official who is a member of the retirement association shall not receive credit for any period of service which he may have rendered as an official from June first, nineteen hundred and twelve, to the dates of his appointment or reappointment which immediately preceded his membership in the retirement association; and when he is enrolled upon application he shall continue to be a member of the association until retired, or until he ceases to be an official or employee of the commonwealth, provided, that officials who are members of the association when this act takes effect may, upon written application to the board within six months after said date, withdraw their membership and their accounts in the association.

The Retirement Act prescribes a certain age beyond which no person subject to its provisions should remain in the service of the Commonwealth. The law makes it a mandatory function of the Board and empowers them with full authority to retire all members of the association at age seventy. It prescribes also that certain individuals who were too old to become members of the association when they were employed shall not remain in the service after reaching age seventy, but it does not give the Board any authority to enforce this provision and restrain any violations thereof. The law should give the Board an effective way to see that its provisions have only one interpretation affecting all, and a section similar to

the one now in the civil service law should be provided in the retirement law to accomplish the desired results.

Section thirty-five of chapter thirty-two of the General Laws is hereby amended by adding at the end of said paragraph the following:— If, in the judgment of the board of retirement, a person is appointed or employed in the service in violation of the provisions of sections one to five, inclusive, of this chapter, or in violation of any rules or regulations of the board consistent with the provisions of said sections, the board shall after written notice to the appointing or employing officer or officers, and to such persons, notify in writing the treasurer and auditor or other disbursing officer of the commonwealth; and the payment of any salary or compensation to such person shall be illegal and shall cease at the expiration of one week after the latter notice. It shall be unlawful for the treasurer, auditor or other disbursing officer of the commonwealth to draw, sign or issue, or to authorize the drawing, signing or issuing of, any warrant, or to make payment of any salary or compensation to the person so found by the board to be illegally employed.

The legislative action necessary to embody the above recommendations has been submitted by this Board in a draft of a bill.

JAMES JACKSON, *Chairman.*
CARL A. RAYMOND.
JOHN E. FISH, M.D.

Comparative Financial Statement, as of November 30.

YEAR.	Net Accumulated Deposits.	Yearly Deposits.	Interest credited Members' Accounts. ¹	REFUNDS. ²			AMOUNT EXPENDED.			Expense of Administration. ³
				Deaths.	All Others.	Annuities.	PENSIONS.			
							Prior.	Subsequent.		
1912.	\$46,430 70	\$47,500 76	—	\$1,343 21	\$2 29	\$5,341 42	\$2 29	\$5,082 66		
1913.	144,271 66	105,438 37	\$1,227 73	6,540 04	72 34	17,503 97	72 34	6,610 37		
1914.	265,060 87	130,667 73	5,901 06	13,983 70	189 74	24,798 84	189 74	7,996 22		
1915.	385,530 94	139,394 66	8,926 22	23,057 50	402 63	30,027 98	405 53	8,999 45		
1916.	512,240 80	157,684 94	16,342 68	39,104 70	802 69	35,870 07	802 69	9,725 32		
1917.	638,013 12	161,902 50	21,680 12	49,355 91	1,393 80	42,550 67	1,393 80	9,421 15		
1918.	745,986 87	176,678 34	26,088 53	83,400 66	2,064 01	47,826 49	2,064 01	9,074 21		
1919.	909,670 37	227,661 17	30,923 50	108,819 89	2,969 54	53,082 53	2,969 54	10,289 20		
1920.	1,087,916 28	262,285 04	39,870 06	101,888 03	4,171 00	58,437 94	4,221 15	11,786 93		

¹ Includes surplus.

² Includes interest accumulations.

³ Includes salaries, contingent expenses and reimbursement to State institutions.

Comparative Statement of Membership, as of November 30.

YEAR.	Admitted during Year.	REFUNDS.			NUMBER RETIRED.			MEMBERSHIP.			Accounts payable. ¹
		Death.	All Others.	Disability.	Voluntary.	Compulsory.	Non-members.	Active.	RETIRED.		
									Mortality.	Net Pensioners.	
1912.	181	12	327	—	20	25	—	3,121	3	42	—
1913.	1,522	21	568	—	26	8	2	4,030	2	75	—
1914.	1,630	19	820	—	21	7	—	4,783	5	98	17
1915.	1,686	29	1,017	3	13	8	—	5,399	3	119	27
1916.	1,445	30	1,339	2	15	10	1	5,448	9	138	55
1917.	1,389	33	1,168	1	16	14	1	5,573	9	165	53
1918.	1,360	40	1,446	2	20	6	—	5,365	15	174	57
1919.	1,910	65	1,125	2	17	11	1	5,969	9	196	144
1920.	1,679	38	1,445	1	15	11	1	6,282	15	209	126

Membership, Feb. 1, 1912, 3,324.

¹ Unclaimed accounts of members who have left the service.

Recapitulation of Yearly Pension Cost under Non-contributory and Contributory Pension Systems. (Chapter 32, General Laws).

YEAR.	NON-CONTRIBUTORY.					CONTRIBUTORY.		
	Judges (Sections 61 to 67).	POLICE.		Retired Women Clean- ers (Sec- tion 74).	Prison Officers (Sections 46 to 48).	Veterans, Civil War (Sec- tions 49 to 55).	Public Day School Teach- ers' (Sec- tions 1 to 5 and 32 to 38).	State Em- ployees (Sections 1 to 5 and 32 to 38).
		Metropolitan Park Com- mission (Sec- tion 62 to 73).	District (Sec- tion 68).					
1913.	\$14,779 44	\$1,738 75	\$750 00	-	\$7,923 60	\$58,305 54	-	\$17,576 31
1914.	19,434 68	1,940 50	750 00	-	9,709 46	59,755 30	-	24,918 58
1915.	31,404 72	2,296 25	750 00	-	12,453 56	64,674 33	56,473 29	30,433 91
1916.	30,539 92	2,532 00	1,599 12	-	14,766 64	65,160 10	84,912 66	36,672 76
1917.	35,610 50	4,598 01	1,213 71	-	16,100 00	63,592 01	108,558 62	43,944 47
1918.	40,929 44	5,806 21	875 00	-	17,688 55	59,871 84	135,537 45	49,890 50
1919.	39,062 45	7,872 30	875 00	\$1,156 00	18,203 63	58,370 69	158,456 81	56,052 47
1920.	49,400 00	9,486 88	1,878 22	1,248 00	20,425 73	65,632 11	178,109 78	63,159 09

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

¹ Reimbursement to cities and towns for the pensions they paid to retired teachers included. ² Pension payment began July 1, 1914.

Comparison of Average Payments to Persons retired under Non-contributory and Contributory Pension Systems, as of November 30.

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.		
	Judges.	POLICE.		Prison Officers.	Veterans.	Public Day School Teach- ers, as of December 31.	State Em- ployees.
		Metropolitan Park Commission.	District.				
1919.	\$6,428 66 (7)	\$614 59 (14)	\$875 00 (1)	\$732 42 (25)	\$692 88 (88)	\$373 41 (380)	\$328 65 (196)
1920.	6,225 00 (8)	656 43 (19)	1,118 73 (4)	729 19 (30)	748 13 (93)	385 01 (409)	333 97 (200)

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, and the annuities paid from members' contributions.

Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement) and who were retired before May 12, 1920, minimum, \$300; those retired after said date, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date.