

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

Year Ending November 30, 1924

Department of Treasurer and Receiver-General



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Publication of this Document
approved by the
Commission on Administration and Finance

The Commonwealth of Massachusetts

REPORT

Division of Board of Retirement,
State House, Boston, November 30, 1924.

To the Honorable Senate and House of Representatives.

The thirteenth annual report of the Board of Retirement for the year ending November 30, 1924, is herewith presented for your consideration.

The personnel of the Board remained unchanged during the year.

The contributory law has been in operation since January 1, 1912, approximately thirteen years, and the present fund consists of \$1,971,536.06, which has been deducted from the salaries or wages of the members, and \$343,000.42, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on November 30, 1924, amounts to \$2,314,536.48.

The annuity reserve for the payment of annuities to members on the retired list December 31, 1924, was \$103,211.44, and the gross assets on said date were \$2,567,712.86. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$2.00 to each \$100 of each account as it stood on September 30, 1923; the total thus credited amounted to \$36,159.50.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1920, 4¾%; 1921, 4¾%; 1922, 4¾%; 1923, 5%; 1924, 5%. The annuity Fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof.

The membership of the Retirement Association when it was first organized was 3324, and the membership on November 30, 1924, was 8273.

During the year, 1971 new employees have become members of the Association and 1259 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 51 persons during the year,—16 by reason of reaching the age of seventy, 4 for ordinary disability, 1 for permanent disability resulting from accidental injury in line of duty, 1 with thirty-five or more years of service under age 60, and 29 between sixty and seventy years of age upon their own request. The total of the retiring allowances of the 51 employees retired during the year 1924 is \$21,351.89. Of this amount, \$3,626.50 was annuity derived from the contributions made by the members before retirement and the balance was pension paid from State appropriation.

The following statistics relate to the 51 employees who were retired during the fiscal year 1924.

	Cases.	Average Age at Retirement.	Average Length of Service.	Average Salary Last 5 Years.	Average Annuity.	Average Pension.	Average Retiring Allowance.
Disability cases	5	55	20	\$1,339	\$37.00	\$325	\$362
Retirements at age 60 or over	46	67	25	1,628	75.00	350	447
Total for year	51	65	25	\$1,492	\$71.00	\$347	\$419

The number of employees who have been granted a retirement allowance since the law became operative June 1, 1912, is 461. Since retirement 127 annuitants and 5 non-members have died, so that retirement allowances are now being paid to 329 former employees. Of this number 114 were retired at the age of seventy or over; 16 were retired for permanent disability either ordinary or accidental; 1 non-member who was over fifty-five years of age when the retire-

ment law was passed, was retired upon the request of the department in which he was employed; and 198 were retired upon their request between sixty and seventy years of age.

Present Ages and Number of Persons who are receiving a Retirement Allowance.

AGE.	No.	AGE.	No.	AGE.	No.	AGE.	No.
40	1	53	1	66	9	79	11
41	-	54	2	67	10	80	3
42	-	55	2	68	18	81	5
43	-	56	3	69	14	82	2
44	-	57	3	70	37	83	2
45	1	58	2	71	30	84	1
46	-	59	5	72	19	85	1
47	-	60	5	73	25	86	1
48	-	61	8	74	17	87	2
49	1	62	6	75	18	88	-
50	-	63	9	76	9	89	1
51	-	64	9	77	12		
52	-	65	15	78	9	Total	329

The average age of persons on the retired list is 67.93 years.

During the year ending November 30, 1924, \$110,348.44 was paid as pensions to persons upon the retired list as compared with \$98,245.27 for the previous year. The largest retirement allowance being paid to an individual is \$1,363.00. The average retirement allowance paid to the persons on the list December 1, 1924 is \$385.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the members' rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. One payment is now being made under this act.

The accumulated savings refunded to members who left the service were \$128,464.12 and the amount refunded to the heirs or estates of deceased members was \$9,906.51.

The retirement system has 357 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 19 under sixty years of age who have completed thirty-five years of service; and 20 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$7,400. in addition to \$116,952.57, the amount of pensions in force on November 30, 1924.

The expenses of the administration of the system for the year were: Salaries \$8,371.39; contingent expenses, \$683.08; reimbursement to institutions for making deductions from members' salaries, etc., \$2,999.76. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

The Board believes that the State contributory law should allow credit for the service of an employee to a county when immediately prior to entering the service of the State, he was employed by a county where he was provided with a contributory or non-contributory form of county pension law. The Board favors legislation provided the county shall pay the total cost of the pension for the service rendered solely to the county, and in the case where the salary was received in part from the State and in part from the county, that each shall pay the cost of the pension in the same proportion as the salary was paid during the period of employment, and that the amount of pension shall be computed according to the formular provided in the State contributory law.

Respectfully submitted,

JAMES JACKSON, *Chairman.*
WARREN A. MERRILL.
JOHN E. FISH, M. D.

Recapitulation of Pension Cost under Non-contributory and Contributory Pension Systems Fiscal Year ending November 30.
(Chapter 32, General Laws.)

YEAR.	NON-CONTRIBUTORY.						CONTRIBUTORY.			
	Judges (Sections 61 to 67).	Court Officers and Messengers (Section 66).	POLICE.		Retired Women Cleaners (Section 74) (Superintendent of Buildings).	Prison Officers (Sections 46 to 48).	Veterans, Civil War ³ (Sections 49 to 55).	VETERANS.	Teachers, Public Day Schools of Mass. ¹ (Sections 6 to 19 and 32 to 33).	State Employees (Sections 1 to 5 and 32 to 38).
			Metro-politan Park (Sections 62 to 73).	Department of Public Safety (Section 68).				Spanish and World Wars (Sections 56 to 60).		
1914	\$19,434 68	-	\$ 1,940 50	\$ 750 00	-	\$ 9,709 46	\$59,755 30	-	\$ 18,412 74 2	\$ 24,918 58
1915	31,404 72	-	2,266 25	750 00	-	12,453 56	64,674 33	-	56,473 29	30,433 91
1916	30,539 92	-	2,532 00	1,539 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	63,542 01	-	108,055 85	43,944 47
1918	40,929 44	-	5,806 21	875 00	-	17,688 55	59,871 84	-	135,053 91	49,890 50
1919	39,062 45	-	7,872 30	875 00	\$1,156 00	18,203 63	58,370 69	-	159,044 30	56,052 47
1920	49,400 00	-	9,486 88	1,878 22	1,248 00	20,425 73	65,652 11	-	178,109 78	63,159 09
1921	56,812 35	-	13,385 24	6,613 23	1,272 00	22,506 11	72,485 42	-	224,131 90	73,341 89
1922	54,438 69	-	13,280 04	7,905 00	1,976 64	25,086 11	74,612 30	\$ 750 00	301,670 81	83,599 89
1923	56,540 00	-	14,998 44	7,235 00	2,400 00	28,386 18	67,046 34	937 36	353,327 48	98,245 27
1924	50,550 00	\$228 39	16,018 99	7,024 99	2,088 46	28,189 35	63,514 93	1,700 00	390,116 19	110,348 44
								\$936 00		

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.
³ Includes veterans at Soldiers' Home.

Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems

YEAR.	NON-CONTRIBUTORY.						CONTRIBUTORY.			
	Judges.	Court Officers and Messengers. ¹	POLICE.		Retired Women Cleaners (Superintendent of Buildings).	Prison Officers.	Civil War.	VETERANS.	Public Day School Teachers, as of December 31.	State Employees.
			Metro-politan Park.	Department of Public Safety.				Spanish and World Wars Retired by:		
1923	\$6,318 75	-	\$756 80 (21)	\$1,170 83 (6)	\$300 00 (7)	\$781 16 (37)	\$834 23 (79)	State. \$850 00 (2) Met. District. -	\$518 99 (608)	\$332 28 (296)
1924	6,318 75 (8)	\$232 00 (2)	793 20 (23)	1,170 83 (6)	300 00 (6)	768 14 (36)	849 68 (69)	State. \$500 00 (2) Met. District. \$936 00 (1)	536 48 (667)	335 21 (329)

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), minimum, \$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.
¹ Pensions paid by the State and by the several counties in the same proportion as the salaries were paid at the time of retirement.

Comparative Financial Statement, as of November 30.

YEAR.	Annuity Reserve for Payment of Annuities to Retired Members (Dec. 31.)	Net Accumulated Deposits and Interest.	Deposits received during Year.	Interest credited Members' Accounts during Year. ¹	REFUNDS. ²			PAID TO RETIRED MEMBERS.			Expense of Administration ³
					Payments to Estates of Deceased Members.	All Others.	Annuities.	PENSIONS FOR SERVICE.			
								Prior to June 1, 1912.	After June 1, 1912.		
1913	\$ 1,042 59	\$ 144,271 66	\$105,438 37	\$ 1,227 73	\$ 354 54	\$ 6,540 04	\$ 72 24	\$17,503 97	\$ 72 34	\$ 6,619 37	
1914	2,524 89	265,060 87	130,667 73	5,901 06	915 90	13,983 79	189 74	24,728 84	189 74	7,396 22	
1915	4,889 50	385,530 94	139,394 66	8,926 22	2,674 81	23,057 30	405 53	30,027 98	405 93	8,999 45	
1916	8,602 71	512,240 80	157,684 94	16,342 68	2,644 37	39,164 70	802 69	35,870 07	802 69	9,725 32	
1917	14,596 19	638,013 12	161,902 50	21,680 12	4,195 44	49,355 91	1,393 80	42,550 67	1,393 80	9,421 15	
1918	20,092 37	745,986 87	176,678 34	26,088 53	5,689 65	83,400 69	2,064 01	47,826 49	2,064 01	9,074 21	
1919	27,688 53	909,670 37	227,661 17	30,923 50	10,819 89	69,785 17	2,969 94	53,082 53	2,969 94	10,289 20	
1920	36,666 25	1,087,916 28	262,235 04	39,870 06	7,496 99	101,888 03	4,171 00	58,937 94	4,231 15	11,786 93	
1921	51,825 63	1,343,677 90	304,107 72	49,168 17	7,282 50	69,186 12	5,739 11	66,458 97	5,859 16	10,790 65	
1922	67,075 58	1,645,229 77	361,510 91	61,103 73	15,662 35	84,861 03	7,582 20	75,908 83	7,631 06	10,937 70	
1923	82,740 32	1,949,443 21	402,467 11	77,897 77	11,624 07	140,359 66	10,235 23	87,291 50	10,384 56	11,539 40	
1924	103,211 44	2,314,536 48	443,189 88	93,110 94	9,906 51	128,464 12	12,542 28	97,440 94	12,907 50	12,054 23	

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.	REFUNDS.		RETIRED FOR PERMANENT DISABILITY.			NUMBER RETIRED.					MEMBERSHIP.		
	Members Admitted during Year.	Number of Deceased Members.	PAYMENTS ACCOUNT INJURIES RECEIVED IN PERFORMANCE OF DUTY.		Ordinary.	35 or More Years Service Under Age 60. ²	Voluntary (Age 60 to 70).	Compulsory (Age 70).	Non-members (Age 60 and Over).	Total Rethired During Year (Dependents Excluded).	Agtive.	RETIRED	
			Members.	Dependents. ¹								Deceased.	Liv- ing.
1912	181	12	-	-	-	-	20	25	-	45	3,121	3	42
1913	1,522	21	-	-	-	-	26	8	2	36	4,020	3	75
1914	1,630	19	-	-	-	-	21	7	-	28	4,783	5	98
1915	1,686	29	-	-	3	-	13	8	-	24	5,399	3	119
1916	1,445	30	-	-	2	-	15	10	1	28	5,448	9	138
1917	1,361	33	-	-	1	1	19	14	1	36	5,573	9	165
1918	1,360	40	-	-	2	-	16	6	-	24	5,423	15	174
1919	1,910	65	-	-	-	1	16	11	1	31	6,113	9	196
1920	1,679	38	-	-	1	-	15	11	1	28	6,282	15	209
1921	1,752	35	-	-	2	2	23	18	1	44	6,997	12	241
1922	2,014	55	-	-	1	1	23	12	-	38	7,648	16	263
1923	1,616	34	-	-	2	2	23	19	-	48	7,612	16	295
1924	1,971	35	(1)	(1)	(22)	(8)	(259)	(165)	(6)	(461)	8,273	(132)	329

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

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty. ² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

NOTICE.—All other figures given in this report are on the basis of the State fiscal year ending November thirtieth.

ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMONWEALTH OF MASSACHUSETTS. CON- TRIBUTIONS BEGAN JUNE 1, 1912.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1924, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME.

Members' deposits	\$443,704 72
Interest received on investments (less \$3,843.41 accrued interest paid on securities purchased during the year)	96,382 55
Members' deposits used to purchase annuities	\$25,128 68
Interest on same	6,555 90
	31,684 58
Adjustment in book value of securities (amortized values)	1,713 15
Securities sold (gain, selling price over cost)	
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$96,348 04
For payment of pensions for service subsequent to June 1, 1912	13,148 31
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	1,838 60
To cover loss in annuity reserve 12-31	
	111,334 95
Credited to members' accounts:	
Regular interest at 3% comp. semi-annually	\$62,289 12
Extra dividend at 2%	36,159 50
	98,448 62
For reimbursement of State institutions	\$2,999 76
For salaries	8,353 70
For expenses	767 45
	12,120 91
Total income	\$ 795,389 48
Balance December 31, 1923	2,106,853 45
Total	\$2,902,242 93

DISBURSEMENTS.

Deposits refunded, including interest, to members withdrawing from service	\$127,692 04
Deposits refunded, including interest, to representatives of deceased members	9,804 00
Adjustment of refunds	10 20
Members' deposits used to purchase annuities	\$25,128 68
Interest on same	6,555 90
	31,684 58
Payments to retired members:	
Pensions paid for service prior to June 1, 1912	\$96,348 04
Pensions paid for service subsequent to June 1, 1912	13,148 31
For payment of minimum pension to employees over age 55 on June 1, 1912, who did not join retirement association	1,838 60
Annuities purchased by members' contributions	12,778 96
	124,113 91
Regular interest and extra dividend credited to members' accounts	98,448 62
Salaries and contingent expenses	12,120 91
Refunds to estates of 2 deceased annuitants who at the time of their retirement elected the refund annuity option	2,745 83
Adjustment book value of securities (amortized values)	451 53
	\$ 407,071 62
Balance December 31, 1924	2,495,171 31
Total	\$2,902,242 93

LEDGER ASSETS.

Investments, par value \$2,445,475; amortized value	\$2,490,220 50
Cash	4,950 81
	\$2,495,171 31

NON-LEDGER ASSETS.

Accrued interest on investments	34,277 36
Deposits receivable from treasurers of institutions, etc.	36,738 13
Due from Commonwealth, net loss in annuity fund	1,526 06
Gross assets	\$2,567,712 86

LIABILITIES.

Deposits of members including \$36,738.13 in hand of agents of the Board	\$2,040,122 58	
Regular interest and extra dividends credited to members' accounts	375,130 97	
Unpaid annuities due Dec. 31, 1924		
Refunds due estates of 2 deceased annuitants who at the time of their retirement elected the refund annuity option		2,095 35
Annuity reserve	\$103,211 44	
Annuity reserve surplus		103,211 44
Surplus (undivided profits)		47,152 52
Total liabilities		\$2,567,712 86

MEMBERSHIP EXHIBIT.

Contributing members:		
Membership December 31, 1923	7,599	
Admitted during the year	2,038	
		9,637
Members retired	52	
Members deceased	34	
Members left service	1,242	
		1,328
Membership December 31, 1924		8,309
Retired members:		
Members retired December 31, 1923	293	
Members retired during year	52	
		345
Members deceased		15
		330
Membership December 31, 1924		330
Non-members:		
To widow or child of deceased member	1	
Special Legislative act	1	
Under Sec. 5 (2) C (b)		
Total on pension roll, December 31, 1924		333

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1924, to the best of our knowledge and belief.

JOHN E. FISH, M.D.,
WARREN A. MERRILL, } *Board of Retirement.*

Subscribed and sworn to before me this fifteenth day of February, 1925.

FRANCIS B. GARDNER,
Justice of the Peace.