

The Commonwealth of Massachusetts

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ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1928

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Department of Treasurer and Receiver-General



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# The Commonwealth of Massachusetts

## REPORT

Division of Board of Retirement,  
State House, Boston, December 31, 1928.

*To the Honorable Senate and House of Representatives:*

The seventeenth annual report of the Board of Retirement is herewith presented for your consideration.

No change in the personnel of the Board occurred during the year.

The contributory law has been in operation since January 1, 1912, approximately seventeen years, and the present fund consists of \$3,332,893.55, which has been deducted from the salaries or wages of the members, and \$799,227.84, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1928, amounts to \$4,132,121.39.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1928, was \$189,304.00, and the gross assets on said date were \$4,381,416.52. 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 to active accounts on June 30, 1928, \$57,188.94 as an extra dividend at the rate of one and three quarters per cent on the dollars standing to the credit of such accounts on September 30, 1927. Regular interest amounting to \$110,988.17 was also credited to members' accounts during the year which plus \$57,188.94 (surplus) made a total distribution of interest amounting to \$168,177.11.

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: 1924, 5%; 1925, 5%; 1926, 4 $\frac{3}{4}$ %; 1927, 4 $\frac{3}{4}$ %; 1928, 4 $\frac{3}{4}$ %. 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 accumulated savings refunded to members who left the service were \$186,691.10, and the amount refunded to the heirs, estates or beneficiaries of deceased members was \$36,626.36. There was also paid during said year in annuities \$25,001.10 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was 3,324, and the contributing members on November 30, 1928, were 9,263; males, 5,265; females, 3,998. There are 258 accounts payable of former members who left the service between 1912-1928, inclusive, amounting to \$4,823.43.

The following statistics relate to the 40 employees who were retired during the year November 30, 1928:

TABLE I

|                               | Cases | Average Age at Retirement | Average Length of Service | Average Salary Last 5 Years | Average Annuity | Average Pension | Average Retiring Allowance |
|-------------------------------|-------|---------------------------|---------------------------|-----------------------------|-----------------|-----------------|----------------------------|
| Disability, Ordinary . . .    | 1     | 60.00                     | 22.00                     | \$1,314.95                  | \$44.88         | \$245.64        | \$290.52                   |
| Accidental . . .              | 1     | 70.00                     | 17.00                     | 1,400.00                    | 179.64          | 520.36          | 700.00                     |
| Retirements at age 60 or over | 38    | 68.30                     | 28.10                     | 1,878.55                    | 143.87          | 485.92          | 629.79                     |
| Total for year . . .          | 40    | 68.12                     | 27.68                     | \$1,852.49                  | \$142.29        | \$480.77        | \$623.06                   |

When a member is retired he receives a retirement allowance. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto during service) plus **Pension** (paid by the State).

During the year ending November 30, 1928, 1,770 new employees have become members of the Association and 1,400 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 40 persons during the year; 24 by reason of reaching the age of seventy;

1 for ordinary disability; 1 for permanent disability resulting from accidental injury in line of duty; (0) under age sixty who had completed thirty-five years of service retired voluntarily; and 14 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 40 employees retired during the year ending November 30, 1928, is \$24,922.84. Of this amount, \$5,691.72 was annuity derived from the contributions made by the members before retirement and the balance of \$19,231.12 was pension paid from State appropriations. Three widows of members were granted annual pensions amounting to \$2,100.00 on account of the death of the husband from injuries received in line of duty. The widows' pension is paid for life or until remarriage.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1928  
(AGE NEAREST BIRTHDAY)

Widows not included

| Sex               | Under 60 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70  | Total |
|-------------------|----------|----|----|----|----|----|----|----|----|----|----|-----|-------|
| Males . . . . .   | 29       | 27 | 17 | 17 | 14 | 17 | 18 | 28 | 22 | 21 | 13 | 220 | 443   |
| Females . . . . . | 24       | 19 | 15 | 7  | 16 | 8  | 13 | 7  | 4  | 14 | 6  | 41  | 174   |
| Totals . . . . .  | 53       | 46 | 32 | 24 | 30 | 25 | 31 | 35 | 26 | 35 | 19 | 261 | 617   |

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 617, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 8. Since retirement 221 members and 5 non-members have died, so that retirement allowances are now being paid to 391 former employees. Of this number 147 were retired at the age of seventy or over; 198 were retired upon their request between sixty and seventy years of age; 12 were retired with 35 years of service under age sixty; 4 were wives retired at time of retirement of husbands; 21 were retired for ordinary permanent disability; 8 were retired for permanent accidental disability because of such injuries received in the line of duty; 1 non-member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed.

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 member's 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. Eight payments are now being made under this act. The largest payment to a widow is \$936.00; the average is \$722.35.

TABLE 3

ANNUITY DATA DURING EACH YEAR ENDING NOVEMBER 30TH

(See Table 1 for average retirement allowance.)

| YEAR           | At Age 60 to 70 with 15 or More Yrs. Service | PERMANENT DISABILITY |            | Grand Total | Average Annuity of Members Retired 60-70 | Largest | Total in Force November 30th |
|----------------|--|----------------------|------------|-------------|--|---------|------------------------------|
|                |  | Ordinary             | Accidental |             |  |         |                              |
|                |  | 1924 . . . . .       | \$3,442 74 |             |  |         |                              |
| 1925 . . . . . | 2,878 45                                     | 194 77               | 52 56      | 3,125 78    | 95 95                                    | 185 95  | 16,362 93                    |
| 1926 . . . . . | 3,694 85                                     | 66 85                | 103 40     | 3,865 10    | 115 46                                   | 219 32  | 18,783 50                    |
| 1927 . . . . . | 4,396 75                                     | 257 60               | 200 78     | 4,855 13    | 118 83                                   | 231 08  | 22,453 01                    |
| 1928 . . . . . | 5,467 20                                     | 44 88                | 179 64     | 5,691 72    | 143 87                                   | 272 76  | 26,800 91                    |

At retirement a member receives a retirement allowance. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto while employed) plus **Pension** (paid by State).

During the year ending November 30, 1928, \$149,401.42 was paid as pensions to persons upon the retired list as compared with \$133,028.54 for the previous year. The largest retirement allowance being paid to an individual is \$2,250.00 composed of an annuity paid from the savings of the retired member of \$260.64 and a pension paid by the State of \$1,989.36. The average retirement allowance paid to the persons on the list November 30, 1928, is \$443.81. The total annual retirement allowances of persons on the list November 30, 1928, is \$180,230.01, divided as follows: annuities, \$26,800.91; pensions, \$153,429.10 (widows' pensions, \$5,778.85, and 2 extra pensions by legislative act amounting to \$920.00, included).

The retirement system has 447 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 47 under sixty years of age who have completed thirty-five years of service; and 21 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 5% 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 \$8,450 in addition to the amount of pensions in force on November 30, 1928. The Board has requested an appropriation of \$161,500 to cover the cost of pensions for the year ending November 30, 1929.

TABLE 4

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1928, ACCORDING TO AGE LAST BIRTHDAY

| Age | No. | Age | No. | Age | No. | Age   | No. |
|-----|-----|-----|-----|-----|-----|-------|-----|
| 40  | -   | 53  | 2   | 66  | 12  | 79    | 11  |
| 41  | 1   | 54  | -   | 67  | 11  | 80    | 7   |
| 42  | -   | 55  | 1   | 68  | 15  | 81    | 7   |
| 43  | -   | 56  | 2   | 69  | 23  | 82    | 6   |
| 44  | 1   | 57  | 1   | 70  | 34  | 83    | 5   |
| 45  | -   | 58  | 3   | 71  | 33  | 84    | 2   |
| 46  | -   | 59  | 5   | 72  | 27  | 85    | 2   |
| 47  | -   | 60  | 7   | 73  | 23  | 86    | 2   |
| 48  | -   | 61  | 7   | 74  | 30  | 87    | 1   |
| 49  | 1   | 62  | 4   | 75  | 24  | 88    | 2   |
| 50  | 1   | 63  | 11  | 76  | 15  | 89    | 1   |
| 51  | -   | 64  | 9   | 77  | 21  | 90    | -   |
| 52  | -   | 65  | 10  | 78  | 10  | 91    | 1   |
|     |     |     |     |     |     | Total | 391 |

The average age of persons on the retired list is 71.34 years.

The expenses of the administration of the system for the year were: Salaries, \$9,313.80; contingent expenses, \$827.65; reimbursement to institutions for making deductions from members' salaries, etc., \$3,500.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

TABLE 5

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1928

| Year | Cost of Pensions, etc.  | Salaries, <sup>1</sup> Supplies, Reimbursement | Total       | No. of Pensioners | Year | Cost of Pensions, etc. | Salaries, <sup>1</sup> Supplies, Reimbursement | Total       | No. of Pensioners |
|------|-------------------------|--|-------------|-------------------|------|------------------------|--|-------------|-------------------|
| 1912 | \$5,343 71 <sup>2</sup> | \$5,082 66                                     | \$10,426 37 | 43                | 1921 | \$72,301 18            | \$10,790 65                                    | \$83,091 83 | 243               |
| 1913 | 17,576 31               | 6,619 37                                       | 24,195 68   | 75                | 1922 | 83,556 88              | 10,937 70                                      | 94,494 58   | 263               |
| 1914 | 24,955 18               | 7,996 22                                       | 32,951 40   | 98                | 1923 | 98,294 23              | 11,559 40                                      | 109,853 63  | 294               |
| 1915 | 30,433 91               | 8,999 45                                       | 39,433 36   | 118               | 1924 | 110,346 84             | 12,054 23                                      | 122,401 07  | 329               |
| 1916 | 36,753 81               | 9,725 32                                       | 46,479 13   | 138               | 1925 | 120,010 05             | 12,373 90                                      | 132,383 95  | 342               |
| 1917 | 43,944 47               | 9,421 15                                       | 53,365 62   | 163               | 1926 | 128,330 75             | 12,647 23                                      | 140,977 98  | 352               |
| 1918 | 50,094 87               | 9,074 21                                       | 59,169 08   | 174               | 1927 | 133,028 54             | 14,010 04                                      | 147,038 58  | 377               |
| 1919 | 56,052 47               | 10,289 20                                      | 66,341 67   | 197               | 1928 | 149,401 42             | 13,641 45                                      | 163,042 87  | 399               |
| 1920 | 63,125 37               | 11,786 93                                      | 74,912 30   | 210               |      |                        |  |             |                   |

<sup>1</sup> The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1928 was \$3,500.

<sup>2</sup> Cost for 6 months. (First pension was paid 6-1-1912.)

LAWS PASSED BY THE GENERAL COURT DURING THE SESSION OF  
1928 AMENDING OR REVISING THE GENERAL LAWS

CHAPTER 248, ACTS OF 1928, REVISED PARAGRAPH 8, SECTION 2, CHAPTER 32,  
GENERAL LAWS

The present provisions of said paragraph permits a member of the Retirement Association under age sixty who has rendered fifteen or more years of service to retire, if after examination by a physician he is found by the Board to be permanently disabled for performance of duty; provided such disability is not the result of his own vicious habits or misconduct. The retirement allowance in case of retirement for ordinary disability is to be computed by the same method used in computing the retirement allowance of persons retired between ages sixty to seventy.

A member is protected in case of ordinary permanent disability (not temporary disability) after he has completed at least fifteen years of service even though he is under the usual retirement age (sixty to seventy) otherwise required by the law.

SECTION 2 OF SAID CHAPTER ADDS A NEW PARAGRAPH (11) TO SAID SECTION 2.

This paragraph defined the word "injuries" as used in paragraphs 9 and 10 of the retirement law. Under this definition the benefit and protection of the retirement allowance may only be paid to members who received "injuries" resulting in permanent disability or death, which are the natural and proximate results of an accident occurring in the performance and within the scope of duty, and without fault of the member. The paragraph also provides that payments on account of permanent accidental disability or death shall not date earlier than the date of receipt by the Board of the written application for accidental injury benefits.

CHAPTER 251-1928

THIS ACT AMENDED CHAPTER 29, OF THE GENERAL LAWS, BY ADDING AFTER  
SECTION 9 A NEW SECTION 9A

This act provides for an annual system of reimbursement by the cities and towns of the Metropolitan District of the sum paid to retired employees of the Metropolitan District Commission, or its predecessors, under the State retirement law. Employees of the Metropolitan District Commission, or its predecessors, have been classified for retirement purposes with State employees, and the entire cost of their retirement allowances have in the past been paid from State appropriations. Beginning with the year 1929 and each year thereafter the sum assessed upon the cities and towns of the Metropolitan District shall be an amount equal to the total pensions paid to retired employees, or their dependents, of said District Commission during the year ending on the preceding November 30th. The amount of assessments when paid shall become a part of the general revenue of the Commonwealth. Section 2 of this act provides for an assessment upon the Metropolitan District for the total cost of pensions paid by the State to retired employees, or their dependents, of the Metropolitan District for the six years prior to December 1, 1927. The amount of assessments for this period (\$100,143.65) became a part of the general revenue of the Commonwealth by assessments levied in 1928 upon the cities and towns comprising the Metropolitan District.

Respectfully submitted,

WILLIAM S. YOUNGMAN, *Chairman*,  
ELIZABETH F. MOLONEY.  
CLARENCE L. SCAMMAN.

TABLE 6  
Comparative Statement of Membership, as of November 30.

| YEAR   | Members Admitted during Year | REFUNDS  |            | NUMBER PENSIONS                                       |          |   |                          |                        |           | MEMBERSHIP                    |   |              |                          |           |                |                           |
|--------|------------------------------|--|------------|---|----------|---|--------------------------|------------------------|-----------|-------------------------------|---|--------------|--------------------------|-----------|----------------|---------------------------|
|        |                              | Number to Beneficiaries or Estates of Deceased Members | All Others | PERMANENT DISABILITY OR DEATH                         |          | 35 or More Years' Service Under Age 60 <sup>2</sup> | Voluntary (age 60 to 70) | Retirement with Spouse |           | Non-members (Age 60 and Over) | Total Retired During Year (De- pendants Ex- cluded) | Contributing | RETIRED                  |           |                |                           |
|        |                              |  |            | Accidental In- juries received in performance of duty | Ordinary |   |                          | Wife                   | Hus- band |                               |   |              | De- ceased Em- ploy- ees | Mem- bers | Non- Mem- bers | De- pendants <sup>1</sup> |
| 1912   | *3,324                       | 12   | 327        | -   | -        | -   | 20                       | 25                     | -         | -                             | 45  | 3,121        | 2                        | 43        | -              | -                         |
| 1913   | 181                          | 21   | 568        | -   | -        | -   | 26                       | 8                      | -         | -                             | 36  | 4,020        | 4                        | 75        | -              | -                         |
| 1914   | 1,522                        | 19   | 820        | -   | 1        | -   | 21                       | 6                      | -         | -                             | 28  | 4,783        | 5                        | 97        | 1              | -                         |
| 1915   | 1,630                        | 29   | 1,017      | 3   | 2        | -   | 13                       | 8                      | -         | -                             | 24  | 5,399        | 4                        | 117       | 1              | -                         |
| 1916   | 1,686                        | 30   | 1,339      | 2   | 3        | -   | 18                       | 10                     | -         | -                             | 36  | 5,448        | 8                        | 137       | 1              | -                         |
| 1917   | 1,445                        | 33   | 1,168      | 1   | 1        | -   | 18                       | 14                     | 1         | 1                             | 24  | 5,423        | 12                       | 161       | 2              | -                         |
| 1918   | 1,361                        | 33   | 1,168      | 3   | 1        | -   | 14                       | 6                      | 1         | 1                             | 24  | 5,423        | 12                       | 173       | 1              | -                         |
| 1919   | 1,360                        | 40   | 1,446      | 3   | 2        | -   | 15                       | 11                     | 1         | 1                             | 28  | 6,113        | 16                       | 207       | 2              | -                         |
| 1920   | 1,910                        | 65   | 1,125      | 2   | 1        | -   | 14                       | 10                     | 1         | 1                             | 44  | 6,997        | 11                       | 240       | 3              | -                         |
| 1921   | 1,679                        | 38   | 1,445      | 1   | 1        | -   | 14                       | 18                     | 1         | 1                             | 37  | 7,649        | 16                       | 261       | 2              | -                         |
| 1922   | 1,752                        | 55   | 958        | 1   | 1        | -   | 22                       | 12                     | -         | -                             | 48  | 8,274        | 16                       | 293       | 1              | -                         |
| 1923   | 2,014                        | 35   | 1,270      | 2   | 2        | -   | 22                       | 19                     | -         | -                             | 51  | 8,370        | 16                       | 328       | 1              | -                         |
| 1924   | 1,616                        | 34   | 1,570      | 4   | 4        | -   | 22                       | 16                     | -         | -                             | 35  | 8,726        | 22                       | 341       | 1              | 3                         |
| 1925   | 1,971                        | 35   | 1,224      | 4   | 4        | -   | 9                        | 21                     | -         | -                             | 37  | 8,726        | 30                       | 348       | 1              | 3                         |
| 1926   | 1,781                        | 40   | 1,610      | 2   | 1        | -   | 14                       | 17                     | -         | -                             | 45  | 9,191        | 22                       | 371       | 1              | 5                         |
| 1927   | 1,867                        | 57   | 1,417      | 3   | 3        | -   | 17                       | 20                     | -         | -                             | 40  | 9,521        | 21                       | 390       | 1              | 8                         |
| 1928   | 1,820                        | 54   | 1,256      | 5   | 5        | -   | 14                       | 24                     | -         | -                             | 45  | -            | -                        | -         | -              | -                         |
| 1928   | 1,770                        | 57   | 1,343      | 1   | 1        | -   | 14                       | 24                     | -         | -                             | 45  | -            | -                        | -         | -              | -                         |
| Totals |                              | 8  | 8          | 37  | 13       | 304   | 245                      | 4                      | 6         | 617                           | 226   | -            | -                        | -         | -              | -                         |

\* Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1928, Males, 5,388; Females, 4,133.

<sup>1</sup> Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

<sup>2</sup> Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

TABLE 7

Assessments upon Metropolitan District to Reimburse the State for Pensions paid to Employees retired from the Metropolitan District Service.

| YEAR | PARK DIVISION    |                         |                     |                   | SEWER DIVISION |               | WATER DIVISION | Total       |
|------|------------------|-------------------------|---------------------|-------------------|----------------|---------------|----------------|-------------|
|      | Park Maintenance | Boulevards <sup>1</sup> | Charles River Basin | Wellington Bridge | North System   | South System. |                |             |
|      | 1928             | \$23,287 36             | \$2,475 53          | \$7,722 25        | \$1,801 71     | \$7,766 45    | \$11,175 02    | \$46,143 65 |

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

<sup>1</sup> An equal amount was paid by the State.

<sup>2</sup> Reimbursement in 1928 covered the cost of pensions for the six years prior to December 1, 1927.

TABLE 8

Pension Data during Each Year ending November 30th.

| YEAR | AMOUNT OF PENSIONS GRANTED   |                                |  |                     | TOTAL ANNUAL   |                     |  |              |  |
|------|--|--------------------------------|--|---------------------|--|---------------------|--|--------------|--|
|      | Account of Age and 15 or More Years of Service divided as follows: |                                |  |                     | Permanent Disability or Death Resulting from Accidental Injuries |                     | Average Pension to Employees Retired Age 60 to 70 <sup>1</sup> |              | Pensions in Force Nov. 30th <sup>2</sup> |
|      | (A) Service Prior to June 1 1912                                   | (B) Service after June 1, 1912 | (C) To make Minimum Retirement Allowance | Pensions to Members | Pensions to Widows, etc.   | Granted during Year | Released by Deaths during Year                                 |              |  |
| 1924 | \$9,796 88   | \$3,729 08                     | \$3,601 79                               | \$597 64            | —  | \$349 96            | \$6,317 64   | \$113,594 83 |  |
| 1925 | 6,232 46   | 3,287 32                       | 2,144 27                                 | 757 44              | \$1,424 25   | 356 15              | 6,061 61   | 121,378 96   |  |
| 1926 | 8,249 90   | 4,225 40                       | 1,210 09                                 | 2,069 08            | —  | 435 87              | 15,981 30  | 127,156 66   |  |
| 1927 | 9,098 01   | 5,269 73                       | 2,525 22                                 | 520 36              | 1,836 00   | 423 79              | 20,798 04  | 139,995 02   |  |
| 1928 | 10,995 88  | 6,301 08                       | 1,413 80                                 | —                   | 2,100 00   | 485 92              | 21,331 12  | 153,429 10   |  |

<sup>1</sup> At retirement a member receives a retirement allowance. A retirement allowance is composed of two parts: Pension (paid by the State) plus Annuity (paid from contributions plus interest credited to the members' account during his service).

Members began to contribute from salary or wages June 1, 1912. Contributions plus interest purchase an annuity at retirement and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-1912 is paid by the state.

<sup>2</sup> Additional pensions, if any, by special act of Legislature included. If the sum of pensions (A plus B) added to the Annuity (paid from member's savings plus interest additions) does not exceed \$300, the State pays an additional pension (C) to make a minimum retirement allowance of not less than \$300.

TABLE 9  
Comparative Financial Statement as of December 31st.

| YEAR | Deposits Received During the Year | Interest and Surplus Credited Members' Accounts During the Year | Refunds of Deposits and Interest |                  |                                | ANNUITIES   |                                     | Contributing Members |              | Reserve for Payment of Annuities to Retired Members | Gross Assets | Rate of Surplus Credited to Members' Accounts |
|------|-----------------------------------|---|----------------------------------|------------------|--------------------------------|---|-------------------------------------|----------------------|--------------|---|--------------|---|
|      |                                   |   | Estate of Beneficiary            |                  | To Member Who Left the Service | Deposits and interests of Members Retired during Year to Purchase | Paid During Year to Retired Members | Net Deposits         | Net Interest |   |              |   |
|      |                                   |   | Before Retirement                | After Retirement |                                |   |                                     |                      |              |   |              |   |
| 1912 | \$54,737 11                       | \$278 74  | \$22 73                          | —                | \$1,352.23                     | \$149 60  | \$3 67                              | \$53,212 55          | \$278 74     | \$149 53  | \$53,831 61  | —   |
| 1913 | 108,255 86                        | 2,630 88  | 354 54                           | —                | 6,966 58                       | 926 65  | 81 79                               | 153,296 68           | 2,833 58     | 1,042 59  | 159,122 78   | 1 1/5%  |
| 1914 | 132,142 37                        | 7,587 34  | 1,101 92                         | —                | 15,213 21                      | 1,626 71  | 204 98                              | 267,786 14           | 10,075 86    | 2,524 89  | 282,380 79   | 1 1/2%  |
| 1915 | 140,750 10                        | 10,681 48   | 2,541 65                         | —                | 23,911 50                      | 2,588 71  | 430 12                              | 380,253 02           | 19,799 34    | 4,889 50  | 410,455 26   | 1 1/2%  |
| 1916 | 151,663 02                        | 18,196 52   | 2,819 27                         | —                | 40,319 47                      | 4,803 73  | 846 24                              | 485,953 61           | 35,890 02    | 8,602 71  | 549,954 50   | 1 1/2%  |
| 1917 | 169,200 46                        | 23,370 72   | 4,532 00                         | —                | 50,844 19                      | 6,857 23  | 1,450 64                            | 596,946 60           | 55,511 06    | 14,596 19   | 687,823 90   | 1 1/2%  |
| 1918 | 176,071 58                        | 27,648 72   | 6,575 11                         | —                | 83,334 85                      | 7,407 79  | 2,124 26                            | 682,637 94           | 76,222 27    | 20,092 37   | 806,261 36   | 1 2/5%  |
| 1919 | 224,562 91                        | 32,983 48   | 9,513 08                         | —                | 69,674 41                      | 9,874 14  | 3,058 87                            | 825,887 84           | 101,467 13   | 27,688 53   | 988,821 53   | 1 2/5%  |
| 1920 | 272,480 80                        | 42,465 44   | 7,496 99                         | \$400 59         | 99,219 03                      | 12,248 85   | 4,272 91                            | 989,814 74           | 133,521 60   | 36,666 25   | 1,200,076 44 | 1 3/4%  |
| 1921 | 308,478 58                        | 52,898 43   | 7,356 19                         | —                | 70,122 22                      | 19,834 13   | 5,900 70                            | 1,210,591 20         | 176,809 61   | 51,825 63   | 1,489,063 57 | 1 3/4%  |
| 1922 | 367,408 79                        | 65,325 45   | 16,162 12                        | —                | 87,389 89                      | 20,299 24   | 7,744 97                            | 1,466,713 45         | 229,570 35   | 67,075 58   | 1,827,095 86 | 1 3/4%  |
| 1923 | 404,690 87                        | 82,271 12   | 11,153 11                        | —                | 100,623 79                     | 25,626 19   | 10,434 65                           | 1,710,605 33         | 294,937 37   | 82,740 33   | 2,163,158 67 | 2%  |
| 1924 | 443,704 72                        | 98,448 62   | 9,804 00                         | 945 23           | 140,932 04                     | 31,684 58   | 12,778 96                           | 2,003,384 45         | 375,130 87   | 103,211 44  | 2,567,712 86 | 2%  |
| 1925 | 474,821 44                        | 115,396 18  | 19,888 83                        | 2,745 83         | 127,692 04                     | 31,684 58   | 15,337 06                           | 2,267,374 35         | 462,386 80   | 121,120 00  | 2,939,150 89 | 2%  |
| 1926 | 510,791 24                        | 126,421 55  | 34,866 53                        | 3,299 23         | 191,446 16                     | 27,720 66   | 17,920 64                           | 2,608,522 38         | 557,985 68   | 135,742 00  | 3,354,894 11 | 1 3/4%  |
| 1927 | 562,073 45                        | 146,113 37  | 24,602 86                        | 3,231 31         | 176,068 64                     | 42,262 31   | 20,618 24                           | 2,963,613 57         | 671,727 15   | 161,737 00  | 3,855,584 53 | 1 3/4%  |
| 1928 | 596,918 82                        | 168,177 11  | 36,626 36                        | 3,081 79         | 186,691 10                     | 46,795 19   | 25,001 10                           | 3,332,893 55         | 799,227 84   | 189,304 00  | 4,381,416 52 | 1 3/4%  |

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months' periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i. e., 1928, 3 plus 1 3/4 equals 4 3/4%.



Notice.—The figures given in this statement are on the basis of the year ending December thirty-first

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

STATEMENT FOR THE YEAR ENDING DEC. 31, 1928, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

### INCOME

|   |              |                |
|---|--------------|----------------|
| Members' deposits . . . . .   | \$596,918.82 |                |
| Deductions for teachers' retirement board . . . . .   | 2,063.00     |                |
|   |              | \$598,981.82   |
| Interest received on investments (less \$5,623.21 accrued interest paid on securities purchased during the year) . . . . .                                |              | 175,038.66     |
| Members' deposits used to purchase annuities . . . . .  | \$35,105.92  |                |
| Interest on same . . . . .  | 11,689.27    |                |
|   |              | 46,795.19      |
| Adjustment in book value of securities (amortized values) . . . . .   |              |                |
| Securities sold (gain, selling price over cost) . . . . .   |              |                |
| Received from Commonwealth:   |              |                |
| For payment of pensions for service prior to June 1, 1912 . . . . .   | \$109,651.66 |                |
| For payment of pensions for service subsequent to June 1, 1912 . . . . .  | 26,391.48    |                |
| For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association . . . . .                                       | 200.00       |                |
| For payment of pensions to members retired for permanent accidental injuries . . . . .  | 4,927.67     |                |
| For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment . . . . . | 6,648.01     |                |
| Under special legislative acts . . . . .  | 1,120.00     |                |
|   |              | \$148,938.82   |
| To cover loss in annuity reserve 12-31-27 . . . . .   |              | 1,284.85       |
| Credited to members' accounts:  |              |                |
| Regular interest at 3% comp. semi-annually . . . . .  | \$110,988.17 |                |
| Extra dividend at 1¾% . . . . .   | 57,188.94    |                |
|   |              | 168,177.11     |
| For reimbursement of State institutions . . . . .   | \$3,500.00   |                |
| For salaries . . . . .  | 9,327.67     |                |
| For expenses . . . . .  | 868.83       |                |
|   |              | 13,696.50      |
| Adjustment of refunds . . . . .   |              |                |
| Total income . . . . .  |              | \$1,152,912.95 |
| Balance December 31, 1927 . . . . .   |              | 3,761,930.90   |
| Total . . . . .   |              | \$4,914,843.85 |

### DISBURSEMENTS

|   |              |                |
|---|--------------|----------------|
| Deposits refunded, including interest, to members withdrawing from service. . . . .   | \$186,691.10 |                |
| Deposits refunded, including interest, to representatives of deceased members . . . . .   | 36,626.36    |                |
|   |              | \$223,317.46   |
| Adjustment of refunds . . . . .   |              | 9.42           |
| Members' deposits used to purchase annuities . . . . .  | \$35,105.92  |                |
| Interest on same . . . . .  | 11,689.27    |                |
|   |              | 46,795.19      |
| Pensions paid to retired members and to dependents of members who died from injuries received in course of employment . . . . . |              | \$148,938.82   |
| Annuities paid to members from their contributions . . . . .  |              | 25,001.10      |
| Regular interest and extra dividend credited to members' accounts . . . . .   |              | 168,177.11     |
| Salaries and contingent expenses . . . . .  |              | 13,696.50      |
| Refunds to estates of 3 deceased annuitants who at the time of their retirement elected the refund annuity option . . . . .     |              | 3,081.79       |
| Adjustment book value of securities (amortized values) . . . . .  |              | 6,390.46       |
| Deposits, Normal School to teachers' retirement board . . . . .   |              | 2,063.00       |
| Total disbursements . . . . .   |              | \$637,470.85   |
| Balance December 31, 1928 . . . . .   |              | 4,277,373.00   |
| Total . . . . .   |              | \$4,914,843.85 |

### LEDGER ASSETS

|   |                |
|---|----------------|
| Investments, par value \$4,118,200; amortized value . . . . . | \$4,272,266.38 |
| Cash . . . . .  | 5,106.62       |
|   | \$4,277,373.00 |

### NON-LEDGER ASSETS

|   |                |
|---|----------------|
| Accrued interest on investments . . . . .                         | \$55,982.74    |
| Deposits receivable from treasurers of institutions, etc. . . . . | 45,270.19      |
| Due from Commonwealth, net loss in annuity fund . . . . .         | 2,790.59       |
| Gross assets . . . . .  | \$4,381,416.52 |

## LIABILITIES

|  |                |                |
|--|----------------|----------------|
| Deposits of members including \$45,270.19 in hand of agents of the Board . . . . .   | \$3,332,893.55 |                |
| Regular interest and extra dividends credited to members' accounts . . . . .   | 799,227.84     |                |
| Unpaid annuities due Dec. 31, 1928 . . . . .   | 79.11          |                |
| Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option . . . . . |                |                |
| Annuity reserve . . . . .  | \$189,304.00   |                |
| Annuity reserve surplus . . . . .  |                |                |
| Surplus (undivided profits) . . . . .  |                | 189,304.00     |
|  |                | 59,912.02      |
| Total liabilities . . . . .  |                | \$4,381,416.52 |

## MEMBERSHIP EXHIBIT

|  |  |       |        |
|--|--|-------|--------|
| Members' accounts:   |  |       |        |
| Total December 31, 1927 . . . . .  |  |       | 9,229  |
| Admitted during the year . . . . .   |  |       | 1,756  |
|  |  |       | 10,985 |
| Members retired . . . . .  |  | 39    |        |
| Members deceased . . . . .   |  | 56    |        |
| Members left service . . . . .   |  | 1,314 |        |
|  |  |       | 1,409  |
|  |  |       | 9,576  |
| Plus adjustment of refunds previous year . . . . .   |  |       | -      |
|  |  |       | 9,576  |
| Active accounts (members contributing on 12-31-28) . . . . .   |  |       | 9,318  |
| Accounts payable (former employees not employed 12-31-28) . . . . .  |  |       | 258    |
| Total accounts 12-31-28 . . . . .  |  |       | 9,576  |
| Retired members:   |  |       |        |
| Members retired December 31, 1927 . . . . .  |  |       | 372    |
| Members retired during year:   |  |       |        |
| Between 60-70 years age . . . . .  |  | 13    |        |
| At age 70 . . . . .  |  | 24    |        |
| With 35 years' service under age 60 . . . . .  |  | -     |        |
| Ordinary disability . . . . .  |  | 1     |        |
| Accidental disability . . . . .  |  | 1     | 39     |
|  |  |       | 411    |
| Retired members who died during year . . . . .   |  |       | 21     |
| Members retired December 31, 1928 . . . . .  |  |       | 390    |
| Non-members:   |  |       |        |
| Pensions to widows account of death of husband from injuries received in line of duty (12-31-27) . . . . . |  |       | 5      |
| Number granted to widows during year . . . . .   |  |       | 3      |
|  |  |       | 8      |
| Widows deceased during year . . . . .  |  |       | 0      |
| Total widows on list 12-31-28 . . . . .  |  |       | -      |
| Special Legislative act . . . . .  |  |       | 8      |
| Under Sec. 5 (2) C (b) . . . . .   |  |       | 1      |
| Total on pension roll, December 31, 1928 . . . . .   |  |       | 399    |

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, 1928, to the best of our knowledge and belief.

WILLIAM S. YOUNGMAN }  
 ELIZABETH F. MOLONEY } *Board of Retirement.*  
 CLARENCE L. SCAMMAN }

Subscribed and sworn to before me this nineteenth day of February, 1929.

FRANCIS O. P. CARLSON,  
*Justice of the Peace.*