

The Commonwealth of Massachusetts

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ANNUAL REPORT  
OF THE  
BOARD OF RETIREMENT  
FOR THE  
YEAR ENDING NOVEMBER 30, 1930

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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, NOVEMBER 30, 1930.

To the Honorable Senate and House of Representatives:

The nineteenth 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 nineteen years, and the present fund consists of \$4,186,233.69, which has been deducted from the salaries or wages of the members, and \$1,094,577.04, 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, 1930, amounts to \$5,280,810.73.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1930, was \$254,025.00, and the gross assets on said date were \$5,610,997.33. 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, 1930, \$63,951.64 as an extra dividend at the rate of one and one-half per cent on the dollars standing to the credit of such accounts on September 30, 1929. Regular interest amounting to \$142, 672.82 was also credited to members' accounts during the year which plus \$63,951.64 (surplus) made a total distribution of interest amounting to \$206,624.46.

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: 1926,  $4\frac{3}{4}\%$ ; 1927,  $4\frac{3}{4}\%$ ; 1928,  $4\frac{3}{4}\%$ ; 1929,  $4\frac{1}{2}\%$ ; 1930,  $4\frac{1}{2}\%$ . 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 during the year ending December 31, 1930 were \$187,344.83, and the amount refunded to the heirs, estates or beneficiaries of deceased members was \$37,487.30. There was also paid during said year in annuities \$33,276.08 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 December 31, 1930, were 10,326; males, 5,833; females, 4,493. There are 256 accounts payable of former members who left the service between 1912-1930, inclusive, amounting to \$3,494.42.

The following statistics relate to the 44 employees who were retired during the year November 30, 1930.

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     | 39.00                     | 16                        | \$1,320                     | \$61.20         | \$233.40        | \$294.60                   |
| Accidental . . . . .                    | 1     | 70.00                     | 20                        | 1,897                       | 265.80          | 754.20          | 1,020.00                   |
| Retirements (Age and Service) . . . . . | 42    | 67.23                     | 27.93                     | 2,047                       | 165.30          | 477.21          | 642.51                     |
| Retirements with Spouse . . . . .       | —     | —                         | —                         | —                           | —               | —               | —                          |
| Total for year . . . . .                | 44    | 66.65                     | 27.47                     | \$2,026                     | \$165.22        | \$477.96        | \$643.18                   |

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). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum.

During the year ending November 30, 1930, 1,783 new employees have become members of the Association and 1,171 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 44 persons during the year; 20 by reason of reaching the age of seventy; 1 for ordinary disability; 1 for permanent disability resulting from accidental injury in line of duty; 1 under age sixty who had completed thirty-five years of service retired voluntarily; 21 between sixty and seventy years of age upon their request. The total of the retiring allowance of the 44 employees retired during the year ending November 30, 1930, is \$28,299.96. Of this amount, \$7,269.60 was annuity derived from the contributions made by the members before retirement and the balance of \$21,030.36 was pension paid from State appropriations. Three applications were approved for pensions to widows of members on account of the death of the husband from injuries received in line of duty amounting to annual payments of \$2,730.00.

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. Eleven payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$773.54.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1930  
(AGE NEAREST BIRTHDAY)

Widows not included

| Sex               | Under 60 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70  | Total |
|-------------------|----------|----|----|----|----|----|----|----|----|----|----|-----|-------|
| Males . . . . .   | 33       | 28 | 19 | 20 | 17 | 21 | 20 | 30 | 25 | 23 | 16 | 254 | 506   |
| Females . . . . . | 26       | 20 | 16 | 8  | 16 | 8  | 15 | 9  | 5  | 17 | 8  | 48  | 196   |
| Totals . . . . .  | 59       | 48 | 35 | 28 | 33 | 29 | 35 | 39 | 30 | 40 | 24 | 302 | 702   |

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 702, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 11. Since retirement 275 members and 5 non-members have died, so that retirement allowances are now being paid to 422 former employees. Of this number 160 were retired at the age of seventy or over; 211 were retired upon their request between sixty and seventy years of age; 14 were retired with 35 years of service under age sixty; 5 were wives retired at time of retirement of husbands; 21 were retired for ordinary permanent disability; 10 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.

TABLE 3

ANNUITIES GRANTED TO EMPLOYEES RETIRED DURING EACH YEAR  
ENDING NOVEMBER 30TH

(See Table 1 for average retirement allowance.)

| YEAR           | Age and Service<br>(15 or More Yrs.<br>Service) | PERMANENT<br>DISABILITY |            | Grand<br>Total | Average<br>Annuity of Mem-<br>bers Reti-<br>red Age<br>Service | Largest  | Total<br>in Force<br>November<br>30th |
|----------------|---|-------------------------|------------|----------------|--|----------|---------------------------------------|
|                |   | Ordinary                | Accidental |                |  |          |                                       |
|                |   | BASIS FOR RETIREMENT    |            |                |  |          |                                       |
| 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                             |
| 1929 . . . . . | 5,435 28  | 54 24                   | 469 92     | 5,959 44       | 145 35   | 290 04   | 30,835 16                             |
| 1930 . . . . . | 6,942 60  | 61 20                   | 265 80     | 7,269 60       | 165 30   | 321 00   | 36,260 51                             |

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, 1930, \$167,230.87 was paid as pensions to persons upon the retired list as compared with \$158,133.44 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, 1930, is \$481.93. The total annual retirement allowances of persons on the list November 30, 1930, is \$211,882.77, divided as follows: annuity, \$36,260.51; pensions, \$175,622.26 (widows' pensions, \$8,508.85, included).

The retirement system has 519 members who may voluntarily retire during the coming fiscal year; and 22 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 4% 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 \$8,300 in addition to the amount of pensions in force on November 30, 1930. The Board has requested an appropriation of \$183,800 to cover the cost of pensions for the year ending November 30, 1931.

TABLE 4

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1930, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

| Age          | No. | Age          | No. | Age          | No. | Age             | No. |
|--------------|-----|--------------|-----|--------------|-----|-----------------|-----|
| 39 . . . . . | 1   | 55 . . . . . | 3   | 68 . . . . . | 17  | 81 . . . . .    | 10  |
| 43 . . . . . | 1   | 56 . . . . . | -   | 69 . . . . . | 16  | 82 . . . . .    | 4   |
| 44 . . . . . | -   | 57 . . . . . | 1   | 70 . . . . . | 37  | 83 . . . . .    | 5   |
| 45 . . . . . | -   | 58 . . . . . | 3   | 71 . . . . . | 38  | 84 . . . . .    | 4   |
| 46 . . . . . | 2   | 59 . . . . . | 1   | 72 . . . . . | 32  | 85 . . . . .    | 5   |
| 47 . . . . . | -   | 60 . . . . . | 4   | 73 . . . . . | 32  | 86 . . . . .    | 2   |
| 48 . . . . . | -   | 61 . . . . . | 8   | 74 . . . . . | 22  | 87 . . . . .    | 1   |
| 49 . . . . . | -   | 62 . . . . . | 7   | 75 . . . . . | 20  | 88 . . . . .    | 1   |
| 50 . . . . . | -   | 63 . . . . . | 9   | 76 . . . . . | 26  | 89 . . . . .    | 1   |
| 51 . . . . . | 1   | 64 . . . . . | 8   | 77 . . . . . | 20  | 90 . . . . .    | 1   |
| 52 . . . . . | 1   | 65 . . . . . | 16  | 78 . . . . . | 12  | 91 . . . . .    | 1   |
| 53 . . . . . | -   | 66 . . . . . | 12  | 79 . . . . . | 16  | 92 . . . . .    | -   |
| 54 . . . . . | -   | 67 . . . . . | 12  | 80 . . . . . | 8   | 93 . . . . .    | 1   |
|              |     |              |     |              |     | Total . . . . . | 422 |

The average age of persons on the retired list is 71.81 years.

The expenses of the administration of the system for the year were: Salaries, \$10,247.50; contingent expenses, \$847.56; reimbursement to institutions for making deductions from members' salaries, etc., \$4,335.47. 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, 1912-1930 (NOV. 30TH)

| Year | Cost of Pensions, etc.  | Salaries, <sup>1</sup> Supplies, Reimbursement | Total (See Table 7) | No. of Pensioners | Year | Cost of Pensions, etc. | Salaries, <sup>1</sup> Supplies, Reimbursement | Total (See Table 7) | No. of Pensioners |
|------|-------------------------|--|---------------------|-------------------|------|------------------------|--|---------------------|-------------------|
| 1912 | \$5,343 71 <sup>2</sup> | \$5,082 66                                     | \$10,426 37         | 43                | 1922 | \$83,556 88            | \$10,937 70                                    | \$94,494 58         | 263               |
| 1913 | 17,376 31               | 6,619 37                                       | 24,195 68           | 75                | 1923 | 98,294 23              | 11,559 40                                      | 109,853 63          | 294               |
| 1914 | 24,955 18               | 7,996 22                                       | 32,951 40           | 98                | 1924 | 110,346 84             | 12,054 23                                      | 122,401 07          | 329               |
| 1915 | 30,433 91               | 8,999 45                                       | 39,433 36           | 118               | 1925 | 120,010 05             | 12,373 90                                      | 132,383 95          | 342               |
| 1916 | 36,753 81               | 9,725 32                                       | 46,479 13           | 138               | 1926 | 128,330 75             | 12,647 23                                      | 140,977 98          | 352               |
| 1917 | 43,944 47               | 9,421 15                                       | 53,365 62           | 163               | 1927 | 133,028 54             | 14,010 04                                      | 147,038 58          | 377               |
| 1918 | 50,094 87               | 9,074 21                                       | 59,169 08           | 174               | 1928 | 149,401 42             | 13,641 45                                      | 163,042 87          | 399               |
| 1919 | 56,052 47               | 10,289 20                                      | 66,341 67           | 197               | 1929 | 158,133 44             | 14,737 52                                      | 172,870 96          | 416               |
| 1920 | 63,125 37               | 11,786 93                                      | 74,912 30           | 210               | 1930 | 167,230 87             | 15,430 53                                      | 182,661 40          | 433               |
| 1921 | 72,301 18               | 10,790 65                                      | 83,091 83           | 243               |      |                        |  |                     |                   |

<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 1930 was \$4,335.

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

**LAWS PASSED BY THE GENERAL COURT DURING THE  
SESSION OF 1930 AMENDING OR REVISING THE  
GENERAL LAWS**

CHAPTER 335, ACTS OF 1930, REVISED PARAGRAPHS (2) A (B), 2 B (B) and F OF  
SECTION 5, CHAPTER 32, GENERAL LAWS.

These amendments changed the provisions of law so that a member might name more than one surviving beneficiary but not contingent beneficiaries. The proportion allotted to each beneficiary will only be paid in case of survivorship and any proportion not so payable will be paid to the deceased member's estate except that when the total of any such amount is under \$100 payment may be made to the person appearing the judgment of the Board entitled thereto. The acts of minors in making beneficiary appointments were also made valid but a minor must name a beneficiary or beneficiaries of his kindred.

**RECOMMENDATION FOR LEGISLATION.**

The State retirement law provides that a member may be on a leave of absence on account of sickness without breaking the continuity of his service, provided he is reinstated in the active service before the expiration of two years from the date of beginning of the leave of absence. A member who receives payments under the workmen's compensation law for two or more years is required to withdraw from the Retirement Association, and if he is re-employed after such absence no credit is allowed under the retirement law for the service between June 1, 1912, to the date of injury. The Board believes that the entire period of payment to an injured employee under the compensation law should not interfere with his membership in the Retirement Association and not break the continuity of his service. It is therefore recommended that the entire period of payments under the compensation law be a part of continuous service under the retirement law.

Respectfully submitted,

JOHN W. HAIGIS, *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) | Compulsory (age 70) | Retirement with Spouse                              |            | Non-members (Age 60 and Over) | Total Retired During Year (Dependents Excluded) | Active <sup>3</sup> and Suspense Accounts | RETIRED |         |
|        |                              |  |            | Members                       | Dependents <sup>1</sup> | Ordinary |  |                          |                     | Accidental Injuries received in performance of duty | Wife       |                               |   |   | Husband | Members |
| 1912   | *3,324                       | 12   | 327        | -                             | -                       | -        | 20   | 25                       | -                   | -   | -          | 45                            | 3,121   | 2   | 43      | -       |
| 1913   | 1,851                        | 21   | 568        | -                             | -                       | -        | 26   | 8                        | -                   | -   | -          | 36                            | 4,020   | 4   | 75      | -       |
| 1914   | 1,630                        | 19   | 820        | -                             | -                       | -        | 21   | 6                        | -                   | -   | -          | 28                            | 4,783   | 5   | 97      | 1       |
| 1915   | 1,686                        | 29   | 1,017      | -                             | -                       | -        | 14   | 8                        | -                   | -   | -          | 24                            | 5,399   | 4   | 117     | 1       |
| 1916   | 1,445                        | 30   | 1,339      | -                             | -                       | -        | 15   | 10                       | -                   | -   | -          | 28                            | 5,448   | 8   | 137     | 1       |
| 1917   | 1,361                        | 33   | 1,168      | -                             | -                       | -        | 18   | 14                       | 1                   | -   | -          | 36                            | 5,573   | 12  | 161     | 2       |
| 1918   | 1,360                        | 40   | 1,446      | -                             | -                       | -        | 14   | 6                        | 1                   | -   | -          | 24                            | 5,423   | 12  | 173     | 1       |
| 1919   | 1,910                        | 65   | 1,125      | -                             | -                       | -        | 15   | 11                       | 1                   | -   | -          | 31                            | 6,113   | 9   | 195     | 2       |
| 1920   | 1,679                        | 38   | 1,445      | -                             | -                       | -        | 14   | 10                       | 1                   | -   | -          | 28                            | 6,282   | 16  | 207     | 3       |
| 1921   | 1,752                        | 35   | 958        | -                             | -                       | -        | 3  | 18                       | 1                   | -   | -          | 44                            | 6,997   | 11  | 240     | 2       |
| 1922   | 2,014                        | 55   | 1,270      | -                             | -                       | -        | 22   | 12                       | 1                   | -   | -          | 37                            | 7,649   | 16  | 261     | 2       |
| 1923   | 1,616                        | 34   | 1,570      | -                             | -                       | -        | 2  | 19                       | 2                   | -   | -          | 48                            | 7,613   | 16  | 293     | 1       |
| 1924   | 1,971                        | 35   | 1,224      | -                             | -                       | -        | 28   | 16                       | 2                   | -   | -          | 51                            | 8,274   | 16  | 328     | 1       |
| 1925   | 1,781                        | 40   | 1,610      | -                             | -                       | -        | 9  | 21                       | 1                   | -   | -          | 35                            | 8,370   | 22  | 341     | 1       |
| 1926   | 1,867                        | 57   | 1,417      | -                             | -                       | -        | 1  | 17                       | 1                   | -   | -          | 37                            | 8,726   | 30  | 348     | 3       |
| 1927   | 1,820                        | 54   | 1,256      | -                             | -                       | -        | 17   | 20                       | 1                   | -   | -          | 45                            | 9,191   | 22  | 371     | 1       |
| 1928   | 1,770                        | 38   | 1,343      | -                             | -                       | -        | 14   | 24                       | 1                   | -   | -          | 40                            | 9,521   | 21  | 390     | 1       |
| 1929   | 1,757                        | 57   | 1,295      | -                             | -                       | -        | 18   | 17                       | 1                   | -   | -          | 41                            | 9,904   | 24  | 407     | 1       |
| 1930   | 1,783                        | 52   | 1,119      | -                             | -                       | -        | 1  | 20                       | 1                   | -   | -          | 44                            | 10,472  | 30  | 421     | 1       |
| Totals |                              |  |            | 12                            | 11                      | 38       | 15   | 282                      | 5                   | 6   | 702        | 280                           |   |   |         |         |

\*Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1930, Males, 5,762; Females, 4,454, plus 256 suspense accounts.

<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.

<sup>3</sup>Active Accounts are present employees and Suspense Accounts are unclaimed accounts of former members whose present address is unknown. Number of Suspense Accounts Dec. 31, 1930 were 256 — \$3,494.42.

TABLE 7  
ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN DISTRICT SERVICE

| YEAR           | PARK DIVISION    |                         |                     |          | Wellington Bridge | SEWER DIVISION |              | WATER DIVISION | TOTAL |
|----------------|------------------|-------------------------|---------------------|----------|-------------------|----------------|--------------|----------------|-------|
|                | Park Maintenance | Boulevards <sup>1</sup> | Charles River Basin |          |                   | North System   | South System |                |       |
| 1930 . . . . . | \$6,212 52       | \$932 71                | \$1,254 42          | \$201 03 | \$3,748 65        | \$2,757 41     | \$9,954 88   | \$25,061 02    |       |

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.

TABLE 8  
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH  
(<sup>1</sup>See Table 1 for Average Retirement Allowance)

| YEAR           | AMOUNT OF PENSIONS GRANTED                    |                                |  |                     |                          | TOTAL ANNUAL  |                     |                                |   |
|----------------|---|--------------------------------|--|---------------------|--------------------------|---|---------------------|--------------------------------|---|
|                | Account of Age and Service divided as follows |                                |  |                     |                          | Average Pension to Employees Retired for Age and Service <sup>1</sup> | Pensions            |                                | Annual 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 |   |
| 1926 . . . . . | \$8,249 90                                    | \$4,225 40                     | \$2,295 91                               | \$1,210 09          | -                        | \$435 87  | \$15,981 30         | \$10,203 60                    | \$127,156 66                                    |
| 1927 . . . . . | 9,098 01                                      | 5,269 73                       | 2,525 22                                 | 2,069 08            | \$1,836 00               | 423 70  | 20,798 04           | 7,959 68                       | 139,995 02                                      |
| 1928 . . . . . | 10,995 88                                     | 6,301 08                       | 1,413 80                                 | 3,350 36            | 2,100 00                 | 485 92  | 21,831 12           | 7,597 04                       | 153,429 10                                      |
| 1929 . . . . . | 9,374 38                                      | 6,169 92                       | 1,345 34                                 | 2,118 96            | -                        | 461 92  | 19,008 60           | 8,927 22                       | 162,380 48                                      |
| 1930 . . . . . | 10,365 24                                     | 8,037 84                       | 1,873 08                                 | 754 20              | 2,730 00                 | 477 21  | 23,760 36           | 10,728 58                      | 175,622 26                                      |

<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). (See Table 1.)  
 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 for less than twenty-five years of service. Any member retired with twenty-five or more years service after September, 1929, who paid 5% assessments will receive a retirement allowance not less than \$480.

TABLE 9  
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

| Year | Deposits Received During the Year | Interest and Surplus Credited to 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 |
|------|-----------------------------------|--|----------------------------------|------------------|--|-------------------------------------|----------------------|--------------|---|--------------|---|
|      |                                   |  | To Estate or Beneficiary         |                  | Deposits and interest 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  | \$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  | 159,122 78   | —   |
| 1914 | 132,142 37                        | 7,587 34   | 1,101 92                         | —                | 15,213 21  | 1,626 71                            | 204 98               | 267,786 14   | 10,075 86   | 232,380 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   | 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   | 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   | 687,823 90   | 1 1/2 %                                       |
| 1918 | 176,071 58                        | 27,648 72  | 6,575 11                         | —                | 63,374 85  | 7,407 79                            | 2,124 26             | 682,637 94   | 76,222 27   | 806,261 36   | 1 1/2 %                                       |
| 1919 | 224,562 91                        | 32,993 48  | 9,513 08                         | —                | 89,674 41  | 9,874 14                            | 3,058 87             | 825,887 84   | 101,467 13  | 988,821 53   | 1 1/2 %                                       |
| 1920 | 272,480 80                        | 42,463 44  | 7,496 99                         | \$400 59         | 99,219 03  | 12,248 85                           | 4,272 91             | 989,814 74   | 133,521 60  | 1,200,076 44 | 1 1/2 %                                       |
| 1921 | 308,478 58                        | 52,898 43  | 7,356 19                         | —                | 70,129 22  | 19,834 13                           | 5,900 70             | 1,210,501 20 | 176,809 61  | 1,489,063 57 | 1 1/2 %                                       |
| 1922 | 367,408 79                        | 65,325 45  | 10,162 12                        | —                | 87,389 80  | 20,200 24                           | 7,744 97             | 1,466,713 45 | 229,570 35  | 1,827,095 86 | 1 1/2 %                                       |
| 1923 | 404,690 87                        | 82,271 12  | 11,153 11                        | 945 23           | 140,923 79   | 25,626 21                           | 10,434 65            | 1,710,605 33 | 294,937 37  | 2,163,158 67 | 2 1/2 %                                       |
| 1924 | 443,704 72                        | 98,448 62  | 9,804 00                         | 2,745 83         | 127,692 04   | 31,684 58                           | 12,778 96            | 2,003,384 45 | 375,130 87  | 2,567,712 86 | 2 1/2 %                                       |
| 1925 | 474,821 44                        | 115,396 18   | 19,888 83                        | 3,299 23         | 191,446 16   | 27,720 65                           | 15,337 06            | 2,267,274 45 | 462,886 80  | 2,939,150 89 | 2 1/2 %                                       |
| 1926 | 510,791 24                        | 126,421 55   | 34,866 53                        | 2,145 53         | 207,183 07   | 31,281 36                           | 17,920 64            | 2,608,522 38 | 557,985 68  | 3,354,894 11 | 1 3/4 %                                       |
| 1927 | 562,073 45                        | 146,113 37   | 24,002 86                        | 3,231 31         | 176,068 64   | 42,262 31                           | 20,018 24            | 2,963,613 31 | 671,727 15  | 3,885,584 53 | 1 3/4 %                                       |
| 1928 | 596,918 82                        | 168,177 11   | 36,026 36                        | 3,081 79         | 186,691 10   | 46,795 19                           | 25,001 10            | 3,332,893 59 | 799,227 85  | 4,381,416 52 | 1 1/2 %                                       |
| 1929 | 624,882 19                        | 182,003 47   | 29,682 32                        | 2,418 12         | 200,955 78   | 51,439 12                           | 28,897 92            | 3,721,204 14 | 937,248 95  | 4,944,428 98 | 1 1/2 %                                       |
| 1930 | 693,636 33                        | 206,624 46   | 37,487 30                        | 3,971 84         | 187,344 83   | 62,310 53                           | 33,276 08            | 4,186,233 69 | 1,094,577 04  | 5,610,997 33 | 1 1/2 %                                       |

"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., 1929, 3 plus 1 1/2 equals 4 1/2%.



**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMON-  
WEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE  
1, 1912.**

STATEMENT FOR THE YEAR ENDING DEC. 31, 1930, MADE TO THE COMMISSIONER OF  
INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3,  
CHAPTER 32, GENERAL LAWS.

**INCOME**

|   |              |                      |
|---|--------------|----------------------|
| Members' deposits . . . . .   | \$693,636 33 |                      |
| Deductions for teachers' retirement board . . . . .   | 2,621 20     |                      |
|   | <hr/>        | \$696,257 53         |
| Interest received on investments (less \$8,040 04 accrued interest paid on securities purchased during the year) . . . . .                                |              | 222,201 38           |
| Members' deposits used to purchase annuities . . . . .  | \$44,285 42  |                      |
| Interest on same . . . . .  | 18,025 11    |                      |
|   | <hr/>        | 62,310 53            |
| Adjustment in book value of securities (amortized values) . . . . .   |              |                      |
| Securities sold (gain, selling price over cost) . . . . .   |              | 4,726 51             |
| Received from Commonwealth:   |              |                      |
| For payment of pensions for service prior to June 1, 1912 . . . . .   | \$118,222 60 |                      |
| For payment of pensions for service subsequent to June 1, 1912 . . . . .  | 35,135 89    |                      |
| 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 . . . . .  | 6,495 20     |                      |
| 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 . . . . . | 8,440 54     |                      |
| Under special legislative acts . . . . .  |              |                      |
| To cover loss in annuity reserve 12-31-29 . . . . .   |              |                      |
|   | <hr/>        | 168,494 23           |
| Credited to members' accounts:  |              |                      |
| Regular interest at 3% compounded semi-annually . . . . .   | \$142,672 82 |                      |
| Extra dividend at 1½% . . . . .   | 63,951 64    |                      |
|   | <hr/>        | 206,624 46           |
| Interest and dividend credited to annuity reserve . . . . .   |              | 10,556 91            |
| For reimbursement of State institutions . . . . .   | \$4,335 47   |                      |
| For salaries . . . . .  | 10,258 48    |                      |
| For expenses . . . . .  | 713 29       |                      |
|   | <hr/>        | 15,307 24            |
| Adjustment of refunds . . . . .   |              |                      |
| Total income . . . . .  |              | \$1,386,478 79       |
| Balance December 31, 1929 . . . . .   |              | 4,833,825 24         |
| Total . . . . .   |              | <hr/> \$6,220,304 03 |

**DISBURSEMENTS**

|   |                      |
|---|----------------------|
| Deposits refunded, including interest, to members withdrawing from service . . . . .  | \$187,344 83         |
| Deposits refunded, including interest, to representatives of deceased members . . . . .   | 37,487 30            |
| Adjustment of refunds . . . . .   | 51                   |
| Members' deposits plus interest used to purchase annuities . . . . .  | 62,310 53            |
| Pensions paid to retired members and to dependents of members who died from injuries received in course of employment . . . . . | 168,494 23           |
| Annuities paid to members from their contributions . . . . .  | 33,276 08            |
| Regular interest and extra dividend credited to members' accounts . . . . .   | 206,624 46           |
| Salaries and contingent expenses . . . . .  | 15,307 24            |
| Refunds to estates of three deceased annuitants who at the time of their retirement elected the refund annuity option . . . . . | 3,971 84             |
| Adjustment book value of securities (amortized values) . . . . .  | 12,689 46            |
| Deposits, Normal School to teachers' retirement board . . . . .   | 2,621 20             |
| Interest and dividend credited to annuity reserve . . . . .   | 10,556 91            |
| Total disbursements . . . . .   | <hr/> \$740,684 09   |
| Balance December 31, 1930 . . . . .   | 5,479,619 84         |
| Total . . . . .   | <hr/> \$6,220,304 03 |

**LEDGER ASSETS**

|  |                      |
|--|----------------------|
| Investments par value \$5,281,700; amortized value . . . . . | \$5,459,757 39       |
| Cash . . . . .   | 19,862 55            |
| Total ledger assets . . . . .                                | <hr/> \$5,479,619 94 |

**NON-LEDGER ASSETS**

|   |                      |
|---|----------------------|
| Accrued interest on investments . . . . .                         | \$75,344 43          |
| Deposits receivable from treasurers of institutions, etc. . . . . | 56,032 96            |
| Due from Commonwealth, net loss in annuity fund . . . . .         | .....                |
| Gross assets . . . . .  | <hr/> \$5,610,997 33 |

LIABILITIES

|   |                       |
|---|-----------------------|
| Deposits of members including \$56,032.96 in hand of agents of the Board . . . . .  | \$4,186,233 69        |
| Regular interest and extra dividends credited to members' accounts . . . . .  | 1,094,577 04          |
| Unpaid annuities due Dec. 31, 1930 . . . . .  | .....                 |
| Refunds due estates of deceased annuitants who at the time of their retirement elected the<br>refund annuity option . . . . . | .....                 |
| Annuity Reserve . . . . .   | 254,025 00            |
| Annuity reserve surplus . . . . .   | 676 04                |
| Surplus (undivided profits) . . . . .   | 75,485 56             |
| <b>Total liabilities . . . . .</b>  | <b>\$5,610,997 33</b> |

MEMBERSHIP EXHIBIT

|   |               |               |
|---|---------------|---------------|
| Members' accounts:  |               |               |
| Total December 31, 1929 . . . . .   | 9,945         |               |
| Admitted during the year . . . . .  | 1,837         |               |
|   | <u>11,782</u> |               |
| Members retired . . . . .   | 44            |               |
| Members deceased . . . . .  | 52            |               |
| Members left service . . . . .  | 1,104         |               |
|   | <u>1,200</u>  |               |
|   | 10,582        |               |
| Active accounts (members contributing on 2-31-30)   |               | 10,326        |
| Accounts payable (former employees not employed 12-31-30) amounting to \$3,494.42                             |               | 256           |
| <b>Total accounts 12-31-30 . . . . .</b>  |               | <b>10,582</b> |
| Retired members:  |               |               |
| Members retired December 31, 1929 . . . . .   |               | 406           |
| Members retired during year:  |               |               |
| Between 60-70 years age . . . . .   | 21            |               |
| At age 70 . . . . .   | 20            |               |
| With 35 years' service under age 60 . . . . .   | 1             |               |
| Ordinary disability . . . . .   | 1             |               |
| Accidental disability . . . . .   | 1             |               |
| With spouse . . . . .   | -             |               |
|   | <u>44</u>     |               |
| Retired members who died during year . . . . .  |               | 450           |
|   |               | <u>28</u>     |
| Members retired December 31, 1930 . . . . .   |               | 422           |
| Non-members:  |               |               |
| Pensions to widows account of death of husband from injuries received in<br>line of duty (12-31-29) . . . . . | 8             |               |
| Number granted to widows during year . . . . .  | 3             |               |
|   | <u>11</u>     |               |
| Widows deceased during year . . . . .   | 0             |               |
|   | <u>11</u>     |               |
| Total widows on list 12-31-30 . . . . .   |               | 12            |
| Under Sec. 5 (2) C (b) . . . . .  |               | <u>1</u>      |
|   |               | 12            |
| <b>Total on pension roll, December 31, 1930 . . . . .</b>   |               | <b>434</b>    |

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, 1930, to the best of our knowledge and belief.

CHARLES F. HURLEY  
ELIZABETH F. MOLONEY  
CLARENCE L. SCAMMAN } Board of Retirement.

Subscribed and sworn to before me this sixteenth day of February, 1931.

A. HARRIS PATON,  
Justice of the Peace.