

The Commonwealth of Massachusetts

ANNUAL REPORT
OF THE
BOARD OF RETIREMENT
FOR THE
YEAR ENDING NOVEMBER 30, 1935

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT
STATE HOUSE, BOSTON, November 30, 1935.

To the Honorable Senate and House of Representatives:

The twenty-fourth annual report of the Board of Retirement for the year 1935 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, twenty-four years, and the present fund consists of \$6,862,321.44, which has been deducted from the salaries or wages of the members, and \$2,160,370.52 which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of contributing members amounts to \$9,022,691.96.

The annuity reserve for the payment of annuities to members on the retired list is \$610,317.00 and the gross assets are \$9,755,840.00. The Board with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1935, \$95,068.78 as an extra dividend at the rate of one and one-quarter per cent on the dollars standing to the credit of such accounts on September 30, 1934. Regular interest amounting to \$249,096.20 was also credited to members' accounts during the year which plus \$95,068.78 (surplus) made a total distribution of interest amounting to \$344,164.98.

The interest derived from the investment of the annuity fund has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1931, 4½%; 1932, 4½%; 1933, 4½%; 1934, 4½%; 1935, 4¼%. The annuity fund is invested in securities which are a legal investment for the sinking funds of the Commonwealth (Chap. 29, G.L., Sec. 38, as amended), these being principally the obligations of certain States and political subdivisions thereof. The savings plus accumulated interest refunded to members who left the service during the year was \$256,827.39 and the amount refunded to the heirs, estates or beneficiaries of members who died before retirement was \$62,433.08, and after retirement was \$16,337.25. There was also paid during said year in annuities \$82,283.24 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) 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, 1935 were 13,135; males, 7,429; females, 5,706. There are 278 accounts payable to former members who left the service between 1912-1935 inclusive, present address unknown, amounting to \$8,030.79 and 24 accounts payable to estates or beneficiaries of deceased members amounting to \$7,168.89.

TABLE 1
STATISTICS RELATING TO EMPLOYEES RETIRED DURING YEAR ENDING
NOVEMBER 30, 1935

	Cases	Average Age at Retirement	Average Years of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary	1	58	28	\$1,793 00	\$131 16	\$202 20	\$333 36
Accidental	6	58	22	1,731 48	139 70	666 62	806 32
Retirement under 60 with 35 or more years service	—	—	—	—	—	—	—
Retirements (Age 60-70 Inc.)	72	68	27	2,220 02	237 36	454 29	691 65
Retirements with Spouse	—	—	—	—	—	—	—

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. Special provision is made for retirement under age 60 with 35 or more years of service.

During the year ending November 30, 1935, 1965 new employees became members of the Association and 1078 left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 79 persons during the year; 44 by reason of reaching the age of 70; 1 for ordinary disability; 6 for permanent disability resulting from accidental injury in line of duty; 28 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 79 employees retired during the year ending November 30, 1935 is \$54,970.08. Of this amount, \$18,059.40 was annuity derived from the contributions made by the members before retirement and the balance of \$36,910.68 was pension paid from State appropriations. Two applications were approved for pensions amounting to \$1,230.00 to widows of members on account of the death of the husband from injuries received in line of duty.

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. Eighteen payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$750.26.

TABLE 2
TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1935
(AGE NEAREST BIRTHDAY)
Widows not included

Sex	Age												Total
	Under 60	60	61	62	63	64	65	66	67	68	69	70	
Males	45	32	26	27	21	26	28	40	29	33	27	388	722
Females	35	30	18	12	21	11	21	16	7	25	15	95	306
Totals	80	62	44	39	42	37	49	56	36	58	42	483	1,028

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 1,022 members and 6 non-members and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 18. Since retirement 444 members and 5 non-members have died, so that retirement allowances are now being paid to 579 former employees. Of this number 251 were retired at the age of seventy or over; 260 were retired upon their request between sixty and seventy years of age; 14 were retired with 35 years of service under age sixty; 8 were wives retired at time of retirement of husband; 23 were retired for ordinary permanent disability; 22 were retired for permanent accidental disability because of such injuries received in the line of duty. In addition 1 non-member who was over fifty-five years of age when the retirement law was passed and who was retired upon the request of the department in which he was employed is now receiving the minimum payment.

TABLE 3

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1935, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
44	1	57	5	70	57	83	8
45	1	58	2	71	49	84	10
46	--	59	1	72	50	85	4
47	--	60	6	73	45	86	6
48	1	61	7	74	33	87	--
49	--	62	11	75	28	88	2
50	1	63	12	76	37	89	1
51	3	64	13	77	18	90	2
52	--	65	13	78	23	91	2
53	1	66	17	79	16	92	--
54	1	67	9	80	11	93	1
55	1	68	19	81	14		
56	2	69	21	82	13		
						Total . . .	578

The average age of persons on the retired list is 72.15 years.

During the year ending November 30, 1935, \$259,743.44 was paid as pensions to persons upon the retired list as compared with \$238,592.03 for the previous year and in addition the State paid \$9,447.06 covering the net loss to maintain the annuity reserve on December 31, 1934. The largest retirement allowance being paid to an individual is \$2,232.00 composed of an annuity paid from the savings of the retired member of \$374.64 and a pension paid by the State of \$1,857.36. The average retirement allowance paid to retired employees on the list November 30, 1935 is \$599.50. The total annual retirement allowances of persons on the list November 30, 1935 is \$357,446.15, divided as follows; annuity, \$87,717.52; pension, \$269,728.63 (widows' pensions included, \$13,504.81).

The retirement system has 871 members who may voluntarily retire during the coming fiscal year; and 41 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 for the amount of appropriations 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 \$14,300.00 in addition to the amount of pensions \$269,700.00 in force on November 30, 1935. The Board has requested an appropriation of \$284,000.00 to cover the cost of pensions for the year ending November 30, 1936.

TABLE 4

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1935, (NOV. 30TH)

Year	Cost of Pensions, etc.	Salaries ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners	Year	Cost of Pension, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1924	110,346 84	12,054 23	122,401 07	329
1913	17,576 31	6,619 37	24,195 68	75	1925	120,010 05	12,373 90	132,383 95	342
1914	24,955 18	7,996 22	32,951 40	98	1926	128,330 75	12,647 23	140,977 98	352
1915	30,433 91	8,999 45	39,433 36	118	1927	133,028 54	14,010 04	147,038 58	377
1916	36,753 81	9,725 32	46,479 13	138	1928	149,401 42	13,641 45	163,042 87	399
1917	43,944 47	9,421 15	53,365 62	163	1929	158,133 44	14,737 52	172,870 96	416
1918	50,094 87	9,074 21	59,169 08	174	1930	167,230 87	15,430 53	182,661 40	433
1919	56,052 47	10,289 20	66,341 67	197	1931	178,078 55	15,841 10	193,919 65	438
1920	63,125 37	11,786 93	74,912 30	210	1932	190,429 64	15,696 81	206,126 45	464
1921	72,301 18	10,790 65	83,091 83	243	1933	217,182 66	15,283 33	232,465 99	513
1922	83,556 88	10,937 70	94,494 58	263	1934	245,227 03	14,706 05	259,933 08	550
1923	98,294 23	11,559 40	109,853 63	294	1935	269,190 50	15,733 52	284,924 02	597

¹The 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 1935 was \$4,195.00.

² Cost for 6 months. (First pension was paid 6-1-1912.)

The expenses of the administration of the system for the year were: Salaries, \$9,888.70; contingent expenses, \$1,649.82; reimbursement to institutions for mak-

ing deductions from members' salaries, etc., \$4,195.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system (See foot note Table 4).

TABLE 5
ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR
PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN
DISTRICT SERVICE
Year 1935

PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
Park Maintenance	Boulevards ¹	Charles River Basin	Wellington Bridge	North System	South System		
\$7,874 91	\$2,700 26	\$3,631 07	\$522 03	\$6,830 67	\$6,878 47	\$19,338 46	\$47,775 87

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.

¹An equal amount was paid by the State without Reimbursement. The first reimbursement was made in 1928, covering 1922-1927 inclusive. 1932, \$28,361.58; 1933, \$31,413.58; 1935, \$39,179.43.

The annual cost of pensions as given in table 4 is the gross cost of all pensions including the amount paid to employees retired from the service of the Metropolitan District Commission. The net cost of pensions paid to employees retired from the direct service of the Commonwealth is the difference between the amount stated in table 4 and the reimbursement made to the state in the following year as given in table 5. The reimbursement in 1935 covers the cost for 1934.

Respectfully submitted,

CHARLES F. HURLEY, *Chairman*
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M.D.

SOME FACTS ABOUT THE CONTRIBUTORY RETIREMENT LAW FOR STATE EMPLOYEES.

Membership—The Law has been in operation since January 1, 1912. The system is contributory and accumulates an amount which at retirement provides a part and ultimately in most cases one-half of the total retirement benefit. The Law compels each permanent employee of the State or Metropolitan District Commission to save systematically for retirement purposes, and when he retires the State rewards his thrift by creating a fund equal to the sum he has provided for himself, thereby increasing his account 100% and dividing the cost of retirement benefit equally between the State and the employee, with the exception that the State pays in addition the cost of administration expenses. The system is contractual and the employee has the right to retire but he also may be retired with the approval of the Board of Retirement upon the request of the head of the department in which he is employed.

Assessments—Every member of the Retirement Association except some employed prior to June 1, 1918 is required to pay 5% of the salary he receives up to but not exceeding \$35.00 per week, but in no case shall the annual maximum assessment exceed \$91.00 per year. The assessments plus interest represent the compulsory savings account to the credit of each member. In case of death or resignation before retirement, the total contributions plus interest are refunded to the employee, his estate or beneficiary as the case may be.

REQUIREMENTS FOR RETIREMENT

1. Any time between ages 60 and 70 with 15 or more years service.
2. Any age with 15 years service for ordinary permanent disability.
3. Any age with 35 years service.
4. Compulsory retirement at age 70.

5. Any time after membership in retirement association for permanent disability resulting from an injury received in an accident while in the discharge of duty without fault of the member.

DEATH BENEFIT

If an accidental injury received by a member in the discharge of his duty results in his death, his widow will receive during her widowhood a pension of one-half the member's rate of salary at the time of the injury, or, if there is no widow the amount is paid for the benefit of a child or children under sixteen years of age.

ANNUAL RETIREMENT ALLOWANCE

Each retired member receives an annual income called *Retirement Allowance* which is guaranteed for life without change. *The Retirement Allowance consists of Two Parts:—Annuity and Pension.* ANNUITY—The annuity is purchased on the basis of regular life insurance tables by the amount which the retiring member has to his credit in the annuity fund. A member has a choice *At the time of Retirement* of taking (a) life annuity or (b) cash refund annuity, and he must then choose the one best suited to his particular case. If the annuitant lives to receive annuity payments equal to the purchase price the income will continue throughout the life time of the annuitant irrespective of how long he may live thereafter.

(a) *Life Annuity.* This form of annuity gives the largest life income provided by the law. It is paid for life and all payments cease upon death.

(b) *Cash Refund Annuity.* The annuity payments under this form are payable for life and if the member dies before the sum of the annuity payments which he has received equals the amount of his account used to purchase the annuity at the date of his retirement the difference will be paid in one sum to his estate or his beneficiary as the case may be. The annuity payments under this form are less than under option (a).

TABLE 6

ANNUITIES PURCHASED BY EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE

(See Table 1 for average retirement allowance for 1935)

YEAR	BASIS FOR RETIREMENT			TOTAL ANNUITIES			ANNUITIES PAID NOV. 30TH	
	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Granted During Year	Released by Deaths During Year	In Force November 30th	*Average Annuity on Said Date	Largest Annuity on Said Date
		Ordinary	Accidental					
1931 .	\$5,318 52	\$87 24	\$109 80	\$5,515 59	\$1,861 79	\$39,914 28	\$94 36	\$334 56
1932 .	10,526 60	90 60	578 16	11,195 36	2,684 75	48,424 89	107 61	388 80
1933 .	17,113 68	237 96	497 64	17,849 28	2,982 98	63,291 19	127 60	404 76
1934 .	14,322 48	92 16	141 24	14,555 88	3,082 07	74,765 00	137 94	433 32
1935 .	17,190 04	131 16	738 20	18,059 40	5,106 88	87,717 52	152 29	471 36

The Retirement Association was organized June 1, 1912 and the Annuities cover only the period of service during which the Employee was a contributing member since said date.

*The Average Retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

PENSION

The Pension is a definite amount guaranteed for life without change in amount. It is paid from State appropriations and is equal to the annuity under option (a) to which the member was entitled from his own account. In order to make this annual payment, the State must create a fund as large as the member provides for himself. The employee and the State will each provide one-half of the Retirement Allowance Benefit. The pension is not reduced if the member chooses the option (b) annuity.

SUMMARY

To arrive at the cost or amount of retirement benefits, the figures quoted in table 6 must be combined with the figures quoted in table 7.

TABLE 7

TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE.
(See Table 1 for Average Retirement Allowances for 1935)

YEAR	ANNUAL PENSIONS GRANTED						Total Pensions			Pensions Paid on Nov. 30th
	Account of Age and Service divided as follows			Permanent Disability or Death Resulting from Accidental Injuries			Released by Deaths during Year	In Force Nov. 30th	* Average Pension on said Date	
	(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				
1931	\$5,176 92	\$6,085 92	\$1,045 80	\$1,511 76	—	\$13,820 40	\$9,771 60	\$179,671 06	\$399 96	\$1,989 36
1932	15,600 67	12,103 92	1,258 76	2,308 08	—	31,266 43	12,226 55	198,710 94	419 16	1,989 36
1933	16,442 28	19,440 00	1,318 44	2,248 08	\$2,192 52	41,641 32	11,543 00	228,809 26	436 32	1,857 36
1934	9,219 36	16,448 28	1,437 48	1,156 44	1,573 44	29,835 00	10,805 24	247,839 02	432 51	1,857 36
1935	11,724 36	19,475 04	1,711 56	3,999 72	1,230 00	38,140 68	16,251 07	269,728 63	447 21	1,857 36

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 member's account during his service. (See Table 1.) A retirement allowance is composed of two parts; PENSION (paid by the State) plus ANNUITY (paid from contributions plus interest credited to the member's account during his service. (See Table 1.) A retirement allowance is composed of two parts; PENSION (paid by the State) plus ANNUITY (paid from contributions plus interest credited to the member's account during his service. (See Table 1.)

Members began to contribute from salary or wages June 1, 1912, and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member without refund provisions. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-12 is paid by the State.

If the sum of pensions (A plus B) added to the ANNUITY (paid from member savings plus interest additions) does not exceed \$300, the State pays the 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 after September, 1929, with twenty-five or more years service, who paid 5% assessments for all service will receive a retirement allowance not less than \$480.

*The average retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

TABLE 8
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	NUMBER PENSIONS										MEMBERSHIP										
	REFUNDS			PERMANENT DISABILITY OR DEATH			35 or More Years' Service Under Age 60 ²		Voluntary (age 60 to 70)		Compulsory (age 70)	Retirement with Spouse		Non-members (Age 60 and Over)	Total Retired During Year (Deaths Excluded)	Active ³ and Accounts Payable		RETIRED			
	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	All Others	Accidental Injuries received in performance of duty		Ordinary	Members	De- pend- ent ¹	Members	De- pend- ent ¹	Wife	Hus- band	Wife	Hus- band	Mortality	Living	Non-Mem- bers	De- pend- ent ¹	Members	De- pend- ent ¹	
				Members	De- pend- ent ¹																Members
Totals	1912—	1925	incl.	2	3	27	12	260	184	4	—	—	—	6	495	8,370	153	341	1	3	
1926	1,867	57	1,417	2	3	27	1	14	17	—	—	—	—	—	37	8,726	30	348	1	8	
1927	1,820	54	1,256	3	2	5	—	17	20	—	—	—	—	—	45	9,191	22	371	1	5	
1928	1,770	57	1,343	1	3	1	—	14	24	—	—	—	—	—	40	9,521	21	390	1	8	
1929	1,757	38	1,295	3	3	1	1	18	17	1	—	—	—	—	41	9,964	23	407	1	8	
1930	1,783	52	1,119	1	3	1	1	21	20	—	—	—	—	—	44	10,472	30	421	1	11	
1931	2,271	73	960	2	2	1	—	10	18	—	—	—	—	—	32	11,678	27	426	1	11	
1932	1,904	70	891	3	—	2	1	21	28	1	—	—	—	—	56	12,565	30	452	1	11	
1933	1,325	67	1,189	4	3	4	—	25	50	—	—	—	—	—	83	12,551	37	498	1	14	
1934	1,383	78	1,151	2	2	1	1	43	27	2	—	—	—	—	76	12,639	31	543	1	16	
1935	1,965	73	1,065	6	2	1	—	28	44	—	—	—	—	—	79	13,437	44	578	1	18	
Totals				29	18	47	17	471	449	9	0	6	1,028	449	—	—	—	—	—	—	—

Retirement association organized Feb. 1, 1912 with membership 3,324.

Active membership Nov. 30, 1935—males 7,429; females 5,706; a/c payable including deceased former members, etc., 302.

¹Payments 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.

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

³Active Accounts are present employees and Accounts payable are unpaid accounts of deceased members and unclaimed accounts of former members whose present address is unknown.

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		To Member Who Left the Service	Deposits and Interest 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	—	\$1,852 23	\$149 60	\$3 67	\$53,212 55	\$278 74	\$149 53	\$53,831 61	—
1913	108,255 86	2,630 58	354 54	—	6,966 58	926 65	81 79	153,296 68	2,833 58	1,042 59	159,122 78	1 1/2%
1914	132,142 37	7,537 34	1,101 92	—	15,213 21	1,626 71	204 98	207,786 14	10,075 86	2,524 89	282,350 79	1 1/2%
1915	140,750 10	10,631 48	2,541 65	—	28,911 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	76,232 27	20,092 37	806,261 36	1 1/2%
1919	224,562 91	32,993 48	9,513 08	—	69,674 41	9,874 14	3,058 87	835,887 84	101,467 13	27,688 53	988,891 53	1 1/2%
1920	272,480 80	42,465 44	7,496 99	\$400 59	99,219 03	12,243 53	4,272 91	959,591 74	133,521 60	30,666 25	1,200,076 44	1 1/2%
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 1/2%
1922	367,408 79	65,323 45	16,162 12	—	87,389 89	20,229 24	7,744 97	1,466,713 45	229,570 35	67,075 58	1,827,095 86	1 1/2%
1923	404,690 87	82,271 12	11,153 11	945 23	140,923 79	25,626 19	10,434 65	1,710,605 33	294,937 37	83,740 33	2,163,158 67	2%
1924	443,704 72	98,448 62	9,804 00	2,745 83	127,692 04	31,634 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	3,299 23	191,446 16	27,790 65	15,337 06	2,267,274 35	462,386 80	121,120 00	2,939,150 89	2%
1926	510,791 24	126,431 55	34,866 53	2,145 53	207,183 07	31,281 36	17,920 64	2,608,522 88	557,985 68	135,742 00	3,354,894 11	1 1/2%
1927	562,073 45	146,113 37	24,602 86	3,231 31	176,068 64	42,282 31	20,618 24	2,963,613 57	671,727 15	161,737 00	3,855,584 53	1 1/2%
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 15	799,227 84	189,304 00	4,381,416 52	1 1/2%
1929	624,882 19	182,003 47	39,682 32	2,418 12	200,955 78	51,439 12	23,397 92	3,721,204 13	937,248 95	215,171 00	4,944,428 98	1 1/2%
1930	633,636 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	234,025 00	5,610,997 33	1 1/2%
1931	755,755 11	234,775 26	50,229 31	3,409 63	166,541 46	46,722 56	38,603 79	4,727,428 48	1,283,131 89	271,792 00	6,370,972 95	1 1/2%
1932	824,097 14	266,778 29	47,112 25	7,942 71	166,287 09	102,417 35	44,852 45	5,311,481 85	1,482,494 49	339,409 00	7,239,416 02	1 1/2%
1933	862,657 19	298,859 06	67,137 94	10,964 14	214,461 47	142,126 18	57,293 18	5,839,167 06	1,691,137 83	437,796 00	8,079,423 69	1 1/2%
1934	858,048 39	331,042 70	64,455 18	8,566 12	271,297 96	134,113 62	70,547 21	6,335,886 34	1,926,285 17	520,715 00	8,889,477 42	1 1/2%
1935	900,031 62	334,164 98	62,433 08	16,337 25	256,827 39	155,262 06	82,283 24	6,862,321 44	2,160,370 52	610,317 00	9,755,840 32	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., 1935, 3 plus 1 1/4 equals 4 1/4%.

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

STATEMENT FOR THE YEAR ENDING DEC. 31, 1935, MADE TO THE COMMISSIONER
OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5,
SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$900,330 60	
Less transfer from annuity reserve	298 98	\$900,031 62
Interest received on investments (less \$9,532.24 accrued interest paid on securities purchased during the year)		395,237 65
Members' deposits used to purchase annuities	\$103,706 02	
Interest on same	51,556 04	
Adjustment in book value of securities (amortized values)		155,262 06
Securities sold (gain, selling price over cost)		3,296 50
Received from Commonwealth:		
For payment of pensions for service prior to June 1, 1912	\$145,698 61	
For payment of pensions for service subsequent to June 1, 1912	89,418 36	
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	13,967 92	
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	12,609 63	
To cover loss in annuity 12-31-34		261,894 52
Credited to members' accounts:		9,447 06
Regular interest at 3% compounded semi-annually	\$249,096 20	
Extra dividend at 1¼%	95,068 78	
Interest and dividend credited to annuity reserve		344,164 98
Administration expenses:		24,034 00
For reimbursement of State institutions	\$4,195 00	
For salaries	10,047 41	
For expenses	1,738 90	
Adjustment of refunds		15,981 31
Total income		\$2,109,349 70
Balance December 31, 1934		8,677,611 45
Total		\$10,786,961 15

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$256,827 39	
Deposits refunded, including interest, to representatives of deceased members	62,433 08	
Adjustment of refunds	2 30	
Members' deposits plus interest used to purchase annuities		155,262 06
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	261,894 52	
Annuities paid to members from their contributions	82,283 24	
Regular interest and extra dividend credited to members' accounts	344,164 98	
Salaries and contingent expenses	15,981 31	
Refunds to estates of deceased annuitants who at the time of their retirement elected the refund annuity option	16,337 25	
Adjustment book value of securities (amortized values)	28,358 38	
Interest and dividend credited to annuity reserve	24,034 00	
Total disbursements	\$1,247,578 51	
Balance December 31, 1935		9,539,382 64
Total		\$10,786,961 15

LEDGER ASSETS

Investments par value \$9,168,757.15; amortized value	\$9,519,500 06
Cash	19,882 58
Total ledger assets	\$9,539,382 64

NON-LEDGER ASSETS

Accrued interest on investments	\$139,710 31
Deposits receivable from treasurers of institutions, etc.	68,830 42
Due from Commonwealth, net loss in annuity fund	7,916 95
Gross assets	\$9,755,840 32

LIABILITIES

Deposits of members including \$68,830.42 in hand of agents of the Board . . .	\$6,862,321 44
Regular interest and extra dividends credited to members' accounts . . .	2,160,370 52
Unpaid annuities due Dec. 31, 1935
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option . . .	1,786 34
Annuity reserve . . .	610,317 00
Annuity reserve (special)
Surplus (undivided profits) . . .	121,045 02
Total liabilities . . .	\$9,755,840 32

MEMBERSHIP EXHIBIT

Members' accounts:		
Active members December 31, 1934 . . .		12,352
Accounts payable (Deaths inc.) . . .		306
Admitted during 1935 . . .		1,960
		<u>14,618</u>
Deduct:		
Members retired . . .	78	
Members deceased . . .	72	
Members left service . . .	992	
		<u>1,142</u>
Accounts closed during year . . .		1,142
Plus accounts payable . . .		278
" " " A/c deaths . . .		25
		<u>1,445</u>
Active accounts (members contributing on 12-31-35) . . .		13,173
Accounts payable (former employees not employed 12-31-35) amounting to (\$8,030 79) to estate, etc., of deceased members . . . (\$7,168 89)		278
		24
Retired members:		
Members retired December 31, 1934 . . .		547
Members retired during 1935:		
Between 60-70 years age . . .	27	
At age 70 . . .	46	
With 35 years' service under age 60 . . .	—	
Ordinary disability . . .	—	
Accidental disability . . .	5	
With spouse . . .	—	
		<u>78</u>
Retired members who died during year . . .		625
		<u>44</u>
Members retired December 31, 1935 . . .		581
Non-members:		
Pensions to widows account of death of husband from in- juries received in line of duty (12-31-34) . . .	16	
Number granted to widows during year . . .	2	
		<u>18</u>
Widows deceased during year . . .	0	
Total widows on list 12-31-35 . . .		18
Pensioners under Sec. 5 (2) C (b) . . .		1
		<u>19</u>
Total on pension roll, December 31, 1935 . . .		600

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, 1935, to the best of our knowledge and belief.

CHARLES F. HURLEY }
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

Subscribed and sworn to before me this fourteenth day of February, 1936.

A. HARRIS PATON,
Justice of the Peace.

SECURITIES DECEMBER 31, 1935

BONDS

DESCRIPTION	RATE PERCENT	PAR VALUE
U. S. Treasury	4 $\frac{1}{4}$	\$197,200.00
U. S. Treasury	4 $\frac{1}{4}$	81,800.00
U. S. Treasury	3 $\frac{1}{4}$	18,700.00
U. S. Treasury	2 $\frac{7}{8}$	11,000.00
U. S. American Treasury	2 $\frac{3}{4}$	8,000.00
Akron, Ohio	6	16,000.00
" " Refunding	5 $\frac{1}{2}$	90,000.00
" " " "	5	4,200.00
" " " "	5	50,000.00
" " " "	4 $\frac{3}{4}$	25,000.00
" " " "	4 $\frac{1}{2}$	25,000.00
" " " "	4 $\frac{1}{4}$	25,000.00
Alabama, State of	4 $\frac{1}{2}$	20,000.00
" " " "	4 $\frac{1}{4}$	25,000.00
Atlantic City, N. J.	4 $\frac{1}{2}$	29,000.00
Baltimore, Md.	5	100,000.00
Barre, Vt.	4	56,000.00
Barrington, R. I.	4	7,000.00
Bayonne, N. J.	5	10,000.00
" " " "	4 $\frac{1}{2}$	110,000.00
" " " "	4 $\frac{1}{4}$	29,000.00
Berlin, N. H.	4 $\frac{1}{2}$	20,000.00
Birmingham, Ala.	5	50,000.00
" " " "	4 $\frac{1}{2}$	59,000.00
Boston, Mass.	5	1,000.00
" " " "	4 $\frac{1}{2}$	15,000.00
" " " "	4 $\frac{1}{4}$	95,000.00
" " " "	4	164,000.00
" " " "	3 $\frac{3}{4}$	10,000.00
" " " "	3 $\frac{1}{2}$	148,000.00
Boston Met. District	4 $\frac{3}{4}$	300,000.00
" " " "	3	50,000.00
Bridgeport, Ct.	5	10,000.00
" " " "	4 $\frac{3}{4}$	8,000.00
Bristol, Ct.	5	20,000.00
" " " "	4 $\frac{1}{2}$	11,000.00
Brockton, Mass.	4 $\frac{1}{4}$	5,000.00
" " " "	4	21,000.00
Burrillville, R. I.	3 $\frac{1}{2}$	15,000.00
Calif. State of	4	25,000.00
Cambridge, Mass.	5	10,000.00
" " " "	4 $\frac{1}{2}$	30,000.00
" " " "	4 $\frac{1}{4}$	20,000.00
" " " "	3 $\frac{1}{2}$	10,000.00
" " " "	2 $\frac{1}{2}$	20,000.00
Camden, N. J.	5 $\frac{1}{2}$	5,000.00
Canton, Ohio	6	20,000.00
" " " "	5 $\frac{1}{2}$	39,000.00
" " " "	5	35,000.00
" " " "	4 $\frac{1}{4}$	16,000.00
Chelsea, Mass.	4 $\frac{1}{4}$	15,000.00
" " " "	4	5,000.00
Cincinnati, Ohio	5	75,000.00
" " " "	4 $\frac{1}{2}$	37,000.00
Cleveland, Ohio	5 $\frac{1}{2}$	63,000.00
" " " "	5	61,000.00
" " " "	4 $\frac{3}{4}$	101,000.00
" " " "	4 $\frac{1}{2}$	45,000.00
Columbus, Ohio	5 $\frac{1}{2}$	11,000.00
" " " "	5	40,000.00
" " " "	4 $\frac{1}{2}$	69,000.00
" " " "	4	36,000.00
Cranston, R. I.	4 $\frac{1}{2}$	44,000.00
" " " "	4 $\frac{1}{4}$	32,000.00
" " " "	4	50,000.00
Dallas, Texas	4 $\frac{1}{2}$	195,000.00
Danbury, Ct.	3 $\frac{1}{2}$	5,000.00
Dayton, Ohio	6	25,000.00
" " " "	5	35,000.00
" " " "	4 $\frac{3}{4}$	16,000.00
" " " "	4 $\frac{1}{2}$	58,000.00
" " " "	4	10,000.00
Dennis, Mass.	4	10,000.00
Denver, Colo.	4 $\frac{1}{4}$	30,000.00
Des Moines, Iowa	5	38,000.00
" " " "	4 $\frac{1}{2}$	50,000.00
" " " "	4	5,000.00

P.D. 99

DESCRIPTION	RATE PERCENT	PAR VALUE
Detroit, Mich.	5 $\frac{1}{4}$	5,000.00
" " "	5	9,000.00
" " Refunding, Series A.	5	35,000.00
" " "	4 $\frac{1}{2}$	45,000.00
" " Refunding, Series A.	4 $\frac{1}{2}$	30,000.00
" " Refunding, Series B.	3 $\frac{1}{4}$	1,525.00
" " Refunding, Series C	3 $\frac{1}{4}$	3,717.15
Dover, N. H.	4 $\frac{1}{4}$	8,000.00
Elizabeth, N. J.	4 $\frac{1}{4}$	40,000.00
Everett, Mass.	4 $\frac{1}{4}$	10,000.00
" " "	4	16,000.00
Fall River, Mass.	4 $\frac{1}{4}$	15,000.00
" " "	4	5,000.00
" " "	3 $\frac{1}{2}$	7,000.00
Flint, Mich.	5	8,000.00
" " "	4 $\frac{1}{2}$	30,000.00
" " "	4 $\frac{1}{4}$	4,000.00
" " Refunding	3	875.00
Fort Worth, Texas	5	25,000.00
" " "	4 $\frac{1}{2}$	17,000.00
Framingham, Mass.	4 $\frac{1}{4}$	20,000.00
" " "	4	4,000.00
Fresno, Calif.	4 $\frac{1}{2}$	30,000.00
Grand Rapids, Mich.	4 $\frac{1}{2}$	62,000.00
Hamilton, Ohio	5 $\frac{1}{2}$	3,000.00
Haverhill, Mass.	3 $\frac{3}{4}$	5,000.00
Holyoke, Mass.	4	29,000.00
Houston, Texas	5	12,000.00
" " "	4 $\frac{1}{2}$	25,000.00
Illinois, State of	4	25,000.00
Ipswich, Mass.	3 $\frac{1}{4}$	2,340.00
Jersey City, N.J.	5 $\frac{1}{2}$	85,000.00
" " "	5	50,000.00
" " "	4 $\frac{3}{4}$	10,000.00
Kansas, State of	4 $\frac{1}{2}$	50,000.00
Lawrence, Mass.	5 $\frac{3}{4}$	50,000.00
Leominster, Mass.	5	64,000.00
Lewiston, Me.	4 $\frac{1}{4}$	30,000.00
Lima, Ohio, Refunding	6	2,000.00
Long Beach, Calif.	4 $\frac{3}{4}$	25,000.00
" " "	4 $\frac{1}{2}$	17,500.00
Lorain, Ohio, Refunding	6	8,250.00
Lorain, Ohio	5	5,000.00
" " "	4 $\frac{1}{2}$	7,000.00
Los Angeles, Calif.	6	25,000.00
" " "	5	158,000.00
" " " Harbor	4 $\frac{3}{4}$	10,000.00
" " "	4 $\frac{3}{4}$	20,000.00
" " "	4 $\frac{1}{4}$	25,000.00
Louisiana, State of	5	37,000.00
" " "	4 $\frac{1}{2}$	25,000.00
" " " (Port Com)	5	133,500.00
" " "	4 $\frac{3}{4}$	5,000.00
Louisville, Ky.	4 $\frac{1}{2}$	5,000.00
Lowell, Mass.	2 $\frac{1}{4}$	28,000.00
Ludlow, Mass.	4	23,000.00
Lynchburg, Va.	5	25,000.00
Lynn, Mass.	5	15,000.00
" " "	4 $\frac{1}{4}$	15,000.00
" " "	4	80,000.00
" " "	3 $\frac{3}{4}$	5,000.00
" " "	3 $\frac{3}{4}$	72,000.00
" " "	3 $\frac{1}{2}$	5,000.00
Malden, Mass.	4 $\frac{1}{4}$	4,000.00
" " "	3 $\frac{1}{4}$	13,000.00
Mass. Add. Water Loan	4	50,000.00
Maynard, Mass.	3 $\frac{3}{4}$	40,000.00
Medford, Mass.	4 $\frac{1}{2}$	46,000.00
" " "	4	15,000.00
" " "	3 $\frac{1}{2}$	12,000.00
" " "	3	8,000.00
Methuen, Mass.	4 $\frac{1}{2}$	12,000.00
Met. Add. Water Loan	4	50,000.00
Michigan, State of	5 $\frac{3}{4}$	122,000.00
" " "	5	48,000.00
Michigan Highway	4 $\frac{1}{2}$	100,000.00
Michigan, State of	4 $\frac{1}{2}$	54,000.00
Minneapolis, Minn.	4 $\frac{3}{4}$	73,000.00
" " "	4 $\frac{1}{2}$	20,000.00
" " "	4	34,000.00
Minnesota, State of	4 $\frac{3}{4}$	170,000.00
" " "	4 $\frac{1}{2}$	50,000.00
" " "	4 $\frac{1}{4}$	25,000.00
Missouri, State of	5	55,000.00
" " "	4 $\frac{1}{4}$	25,000.00
Montgomery, Ala.	5	15,000.00
Muskegon, Mich.	4 $\frac{1}{2}$	30,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
Muskegon, Mich.	4	35,000.00
Nashville, Tenn.	5	8,000.00
Newark, N.J.	5½	10,000.00
" " "	4½	10,000.00
New Bedford, Mass.	4	32,000.00
" " "	3¾	10,000.00
New Jersey, State of	5	23,000.00
" " "	4½	80,000.00
Newport, R.I.	4½	15,000.00
" " "	4¼	15,000.00
Newton, Mass.	4	2,000.00
New York, State of	4½	3,000.00
No. Carolina, State of	5	30,000.00
Norwalk, Ct.	4	1,000.00
Oakland, Calif.	4¾	52,000.00
Oregon, State of	5	10,000.00
" " "	4½	60,000.00
" " "	4¼	20,000.00
Pawtucket, R.I.	4½	10,000.00
" " "	4¼	10,000.00
Peabody, Mass.	4	7,000.00
Penn. State of	5	80,000.00
Philadelphia, Pa.	4¼	25,000.00
Pittsfield, Mass.	4¼	3,000.00
Portland, Ore.	5	5,000.00
" " "	4½	46,000.00
" " Maine	4¼	25,000.00
Providence, R.I.	4½	25,000.00
" " "	4¼	35,000.00
" " "	4	19,000.00
Quincy, Mass.	4¼	5,000.00
" " "	2¾	25,000.00
Reading, Pa.	4	23,000.00
Reading, Mass.	4	10,000.00
Revere, Mass.	4	16,000.00
Richmond, Va.	5	44,000.00
" " "	4½	25,000.00
" " "	4¼	50,000.00
Rochester, N.Y.	4½	50,000.00
San Antonio, Texas	5½	25,000.00
" " "	5	10,000.00
San Bernardino, Calif.	4¼	21,500.00
San Diego, Calif.	5	67,000.00
" " "	4½	15,000.00
" " "	4¼	20,000.00
San Francisco, Calif.	5¾	60,000.00
" " "	5	105,000.00
" " "	4½	175,000.00
" " " (City and County)	5	10,000.00
Santa Monica, Calif.	5	92,000.00
" " "	4½	51,000.00
Seattle, Wash.	5	58,000.00
" " "	4½	40,000.00
Somerville, Mass.	4	38,900.00
Springfield, Mass.	3¾	73,000.00
St. Louis, Mo.	4½	70,000.00
" " "	4¼	30,000.00
Stoughton, Mass.	3¾	5,000.00
St. Paul, Minn.	5½	40,000.00
" " "	4½	29,000.00
" " "	4¼	56,000.00
" " "	4	25,000.00
Stamford, Ct.	4¼	10,000.00
Superior, Wis.	4½	14,000.00
Swampscott, Mass.	4	6,000.00
Tacoma, Wash.	4½	34,000.00
Taunton, Mass.	4½	18,000.00
" " "	4	10,000.00
Tennessee, State of	5¼	5,000.00
" " "	4¾	50,000.00
" " "	4¼	20,000.00
" " "	4½	20,000.00
Toledo, Ohio	5	18,500.00
" " "	4¾	44,000.00
" " "	4½	19,000.00
Trenton, N.J.	5	17,000.00
" " "	4½	20,000.00
Walpole, Mass.	4½	5,000.00
Waltham, Mass.	5	34,000.00
" " "	4¼	6,000.00
" " "	4	22,000.00
" " "	3¾	20,000.00
" " "	2½	8,000.00
Warwick, R.I.	4	6,000.00
" " Town of	4	26,000.00
Washington, State of	4	25,000.00
Waterbury, Ct.	4½	10,000.00
" " "	4¼	5,000.00
West Virginia, State of	4½	14,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
West Virginia, State of	4 1/4	145,000.00
" " " "	4	21,000.00
Weymouth, Mass.	4 1/2	5,000.00
" " " "	3 3/4	5,000.00
Wheeling, West Va.	5	75,000.00
" " " "	4	15,000.00
Wilmington, No. Carolina	5	25,000.00
" " " "	4 1/2	58,000.00
Woburn, Mass.	3	45,000.00
Woonsocket, R.I.	6	5,000.00
" " " "	5	5,000.00
" " " "	4 1/2	17,000.00
Youngstown, Ohio	6	3,000.00
" " " "	5 1/2	20,000.00
" " " "	5	15,000.00
" " " "	4 1/2	20,000.00

NOTES

Blandford, Mass.	4 1/4	14,500.00
Dracut, Mass. Water Sup. Dist.	5 1/4	2,000.00
Leyden, Mass.	4 1/4	2,250.00
Pembroke, Mass.	3 1/2	24,000.00
Revere, Mass.	4 1/4	42,000.00
Scituate, Mass.	4 1/2	18,500.00

\$9,168,757.15

RECAPITULATION BY MATURITIES

Within five years.....	\$1,631,915.00
Between five and fifteen years.....	5,029,600.00
Between fifteen and thirty years.....	2,402,242.15
Over thirty years.....	105,000.00
	<u>\$9,168,757.15</u>