

# SIXTH ANNUAL REPORT

OF THE

# TEACHERS' RETIREMENT BOARD

FOR THE

YEAR ENDING DECEMBER 31, 1919



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# The Commonwealth of Massachusetts

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TEACHERS' RETIREMENT BOARD,  
BOSTON, April 12, 1920.

*To the Honorable Senate and House of Representatives.*

GENTLEMEN:— I transmit to you herewith, for the use of the Legislature, the annual report of the Teachers' Retirement Board for the year ending Dec. 31, 1919.

Respectfully yours,

PAYSON SMITH,  
*Chairman.*



# The Commonwealth of Massachusetts.

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## SIXTH ANNUAL REPORT OF THE TEACHERS' RETIREMENT BOARD.

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*To the Honorable Senate and House of Representatives.*

In accordance with the provisions of chapter 350, General Acts of 1919, the Teachers' Retirement Board has been placed in the Department of Education, and consists of three members, namely, the Commissioner of Education, a member of the Retirement Association elected for a term of three years by the association, and one other person whom the two members above designated shall annually choose. Mr. Harry Smalley of Fall River, who has served on the Retirement Board since it was organized in 1914, was elected by the members to serve for three years. Miss Ellen A. Stillings of Lowell, who served on the Retirement Board for a term of three years from Nov. 1, 1916, has been chosen as the third member.

During the year 1919 there were 1,771 teachers, who entered the service of the public schools for the first time, who were required to join the Retirement Association, and 94 teachers, who served in the public schools of Massachusetts prior to July 1, 1914, who voluntarily joined the association by paying their back assessments with interest.

Under the provisions of the retirement law a former member of the Retirement Association shall, on re-entering the service of the public schools, be reinstated in the Retirement Association. There were 313 teachers reinstated in 1919.

The withdrawals, deaths and transfers to the Retirement Association for State employees numbered 1,373, leaving a net increase in membership for the year of 805.

On Dec. 31, 1919, there were 11,602 active members, of whom 5,283 were teachers who were in service prior to July 1, 1914, and 6,319 were teachers who entered the service for the first time since that date.

The deposits received in 1919 from the members of the association amounted to \$578,891.19. The payments for the

year to teachers who have left the public school service were \$118,921.10, and \$14,284.32 was paid to the estates of deceased members. The income over disbursements amounted to \$544,863.55, the gross assets are now \$2,199,645.49, and the total liabilities are \$2,178,487.54, leaving a surplus of \$21,157.95.

Retiring allowances were granted to 58 teachers in 1919; of these, 8 were retired on account of disability, and 8 were obliged to retire, having attained the age of seventy. The payments for the year to the retired members amounted to \$133,734.10, of which \$4,060.53 was derived from the members' own contributions. On Dec. 31, 1919, there were 380 retired teachers living, and their annual retiring allowances amounted to \$141,894.56.

The Board has estimated that the following amounts will be needed for the fiscal year beginning Dec. 1, 1919: —

Pensions for members of Retirement Association, . . .	\$148,000 00
Reimbursement of cities and towns in accordance with the provisions of section 13 of the retirement law, . . .	34,948 61
Expenses of administration, . . . . .	8,290 00
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	\$191,238 61

#### RECOMMENDATIONS FOR LEGISLATION.

##### I.

Paragraph (7), section 6, chapter S32, Acts of 1913, as amended by chapter 197, General Acts of 1915, allows a member of the Teachers' Retirement Association credit for service rendered to the Commonwealth, provided he was a member of the State Employees' Retirement Association at the time he entered the service of the public schools. Any contributions which such a person may have had to his credit in the Retirement Association for State employees are transferred to the teachers' annuity fund.

A person entering the service of the public schools will not receive credit for service rendered to the Commonwealth unless he is a member of the Retirement Association for State Employees at the time he becomes a member of the Teachers' Retirement Association. This is unfair, as the person may have been employed by the Commonwealth prior to the date the Retirement Association for State employees was established, and he may never have had the option of joining the State association.

A member of the Teachers' Retirement Association receives credit for all periods of public school service, and should also receive credit for all periods of service rendered to the Commonwealth, unless the teacher had the option of joining the State Employees' Retirement Association and refused to become a member.

Paragraph (7), section 6, chapter 832, Acts of 1913, should therefore be amended so that there will be no discrimination.

## II.

A person employed principally as a teacher in the public schools, but also employed by the Commonwealth, who is a member of the Teachers' Retirement Association, can pay assessments based only upon the salary received for public school service.

A person employed principally by the Commonwealth may be a member of both the Retirement Association for State Employees and the Teachers' Retirement Association, and upon retirement he will be entitled to a retiring allowance under the two systems.

A person who is not a member of the two associations would, upon retirement, receive a retiring allowance based only on his public school service if a member of the Teachers' Retirement Association, or a retiring allowance based on his State service if a member of the State Employees' Retirement Association.

Legislation should be passed so that a person can be a member of only one association, and receive credit for his total service.

## III.

The teachers' retirement law provides that a member may voluntarily retire at age sixty and must retire at age seventy. There is nothing in the law which definitely prohibits the employment in the public schools of a person between the ages of sixty and seventy who has been retired. The law, however, makes no provision for the reinstatement as an active member of the association of such a person, and it was probably never intended that a retired member sixty years of age or over should re-enter the public school service of Massachusetts. The Retirement Board therefore recommends that a new paragraph

be added to section 6, chapter 832, Acts of 1913, prohibiting the employment in the public schools of a retired member sixty years of age or over.

#### IV.

Under the provisions of chapter 494, Acts of 1914, teachers employed by the city of Boston in vocational schools operating under chapter 471, Acts of 1911, and continuation schools operating under chapter 805, Acts of 1913, became eligible to membership in the State Teachers' Retirement Association. The act was passed because these teachers were not considered to be public school teachers, and therefore they were not entitled to the benefits of the pension system for Boston public school teachers.

Chapter 311, General Acts of 1919, requires cities and towns that accept the provisions of the act to establish continuation schools prior to Sept. 1, 1920, and makes such schools, when established, a part of the public school system. The city of Boston accepted the provisions of this act, and as the Boston continuation schools are now operating under chapter 311, General Acts of 1919, instead of under chapter 805, Acts of 1913, and as the teachers are now public school teachers, the Attorney-General on Dec. 22, 1919, in an opinion rendered to the Teachers' Retirement Board, recommended that legislation be passed to determine whether these teachers shall remain members of the State system or be transferred to the Boston system.

As the Boston public school teachers do not come under the State retirement system, it would seem advisable that the continuation school teachers in the future be members of the Boston pension system, except that persons now employed in the continuation schools who are members of the State retirement system should be given the option of continuing their membership in the State system in lieu of joining the Boston system. It is therefore recommended that legislation be passed to provide for the Boston continuation school teachers in the above manner.

Respectfully submitted,

PAYSON SMITH, *Chairman.*  
HARRY SMALLEY.  
ELLEN A. STILLINGS.



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ANNUAL STATEMENTS  
OF THE  
CONDITION AND AFFAIRS  
OF THE  
TEACHERS' RETIREMENT SYSTEM OF THE  
COMMONWEALTH OF MASSACHUSETTS.

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ESTABLISHED JULY 1, 1914.

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STATEMENT FOR THE YEAR ENDING DEC. 31, 1919, MADE  
TO THE INSURANCE COMMISSIONER BY THE SECRETARY  
OF THE TEACHERS' RETIREMENT BOARD.

INCOME.

Members' deposits, . . . . .	\$578,580 79
Deposits transferred from State Employees' Retirement Association, . . . . .	310 40
Interest received on investments (less \$5,351.38 accrued interest paid on bonds purchased during the year), . . . . .	73,717 74
Interest received on bank balances, . . . . .	285 75
Discount on investments, . . . . .	33,653 48
Members' deposits used to purchase annuities, \$14,089 41	
Interest on same, . . . . .	1,246 18
	15,335 59

Received from Commonwealth:—

For payment of pensions for service prior to July 1, 1914, . . . . .	\$125,613 04
For payment of pensions for service subsequent to July 1, 1914, . . . . .	4,060 53
For reimbursement of cities and towns, . . . . .	29,769 55
For administration expenses, . . . . .	6,972 57
	166,415 69

Total income, . . . . . \$868,299 44

DISBURSEMENTS.

Deposits refunded, including interest, to members withdrawing from teaching service, . . . . .	\$118,921 10
Deposits refunded, including interest, to representatives of deceased members, . . . . .	14,284 32
Transferred to State Employees' Retirement Association for members who entered the State service, . . . . .	4,418 66
Members' deposits used to purchase annuities, \$14,089 41	
Interest on same, . . . . .	1,246 18
	15,335 59

*Amount carried forward,* . . . . . \$152,959 67

*Amount brought forward,* . . . . . \$152,959 67

Payments to retired members:—

Pensions paid for service prior to July 1, 1914, . . . . .	\$125,613 04	
Pensions paid for service subsequent to July 1, 1914, . . . . .	4,060 53	
Annuities purchased by members' contributions, . . . . .	4,060 53	
	<hr/>	133,734 10

Reimbursement of cities and towns on account of pensions paid to teachers retired subsequent to July 1, 1914:—

Boston, . . . . .	\$28,241 89	
Brookline, . . . . .	799 92	
Pittsfield, . . . . .	21 86	
Wellesley, . . . . .	705 88	
	<hr/>	29,769 55

Administration expenses for calendar year 1919:—

Salary of secretary, . . . . .	\$2,263 33	
Salaries of regular clerks, . . . . .	2,884 99	
Extra clerks, . . . . .	319 00	
Printing, . . . . .	581 12	
Postage, . . . . .	429 96	
Stationery and office supplies, . . . . .	228 86	
Travel and telephone, . . . . .	248 70	
Miscellaneous, . . . . .	16 61	
	<hr/>	6,972 57

Total payments, . . . . . \$323,435 89

Income over disbursements, . . . . . \$544,863 55

ASSETS.

Investments, par value (Schedule A), \$2,094,500; amortized value, . . . . .	\$2,080,401 33
Cash, . . . . .	92,583 95
Accrued interest on investments, . . . . .	26,660 21
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Gross assets, . . . . .	\$2,199,645 49

## LIABILITIES.

Deposits of members in active service, . . . . .	\$1,905,108 94	
Regular interest credited to same, . . . . .	167,149 78	
	<hr/>	\$2,072,258 72
Deposits of members who have withdrawn from the service of the public schools without requesting a refund of the amount to their credit, . . . . .	\$57,347 41	
Regular interest credited to same, . . . . .	5,742 91	
	<hr/>	63,090 32
Due representatives of deceased members, . . . . .		2,021 01
Annuity reserve, . . . . .		41,117 49
Surplus, . . . . .		21,157 95
		<hr/>
Total liabilities, . . . . .		\$2,199,645 49

## MEMBERSHIP EXHIBIT.

Membership Dec. 31, 1918, . . . . .		11,177
Voluntary members admitted to Retirement Association during the year 1919, . . . . .		94
Teachers required by law to become members, . . . . .		1,771
Reinstated, . . . . .		313
		<hr/>
Total, . . . . .		13,355
Number deceased during the year 1919, . . . . .	71	
Number left service, . . . . .	1,284	
Transferred to State Employees' Retirement Associa- tion, . . . . .	18	
	<hr/>	1,373
Membership Dec. 31, 1919, . . . . .		11,982

I hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Teachers' Retirement System of the Commonwealth of Massachusetts on the thirty-first day of December, 1919, to the best of my knowledge and belief.

CLAYTON L. LENT,  
*Secretary, Teachers' Retirement Board.*

Subscribed and sworn to before me this seventeenth day of February, 1920.

PETER F. J. CARNEY,  
*Notary Public.*

My commission expires July 23, 1920.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1919, MADE  
TO THE INSURANCE COMMISSIONER IN COMPLIANCE  
WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 11,  
CHAPTER 832, ACTS OF 1913.

## INCOME.

Received from secretary of Teachers' Retirement Board, . . . . .	\$578,866 54
Transferred from retirement fund for State employees, . . . . .	310 40
Interest on bonds (less \$5,351.38 accrued interest), . . . . .	73,717 74
Discount, . . . . .	33,653 48
Balance on hand Dec. 31, 1918, . . . . .	204,720 40
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Total receipts, . . . . .	\$891,268 56

## PAYMENTS.

Annuities, . . . . .	\$4,060 53
Deposits refunded to members withdrawing from the teaching service, and to representatives of deceased members, . . . . .	133,205 42
Transferred to retirement fund for State employees, . . . . .	4,418 66
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Total payments, . . . . .	\$141,684 61

## ASSETS.

Bonds and notes, par value (Schedule A), . . . . .	\$2,094,500 00
Cash, . . . . .	92,583 95
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Total assets, . . . . .	\$2,187,083 95

I hereby certify that the above statement is a correct exhibit of the financial condition of the Teachers' Retirement System of the Commonwealth of Massachusetts on the thirty-first day of December, 1919.

CHARLES L. BURRILL,  
*Treasurer and Receiver General.*

Subscribed and sworn to before me this twenty-first day of January, 1920, at 9.30 A.M.

GEORGE B. WILLARD,  
*Notary Public.*

## COMPARATIVE MEMBERSHIP AND FINANCIAL STATEMENTS.

*Membership Statement.*

YEAR ENDING —	ENROLLED DURING YEAR.			MEMBERS IN* ACTIVE SERVICE.			Retired during Year.	Members on Retired List.
	Voluntary.	Compulsory.	Total.	Voluntary.	Compulsory.	Total.		
Dec. 31, 1914, <sup>1</sup>	6,185	1,187	7,372	6,037	1,170	7,207	130	129
Dec. 31, 1915,	142	1,562	1,704	5,954	2,472	8,426	66	186
Dec. 31, 1916,	99	1,591	1,690	5,822	3,619	9,441	46	226
Dec. 31, 1917,	103	1,659	1,762	5,676	4,571	10,247	77	287
Dec. 31, 1918,	80	1,902	1,982	5,453	5,386	10,839	65	338
Dec. 31, 1919,	94	1,771	1,865	5,283	6,319	11,602	58	380

*Financial Statement.*

YEAR ENDING —	Deposits received during Year.	Payments to Members withdrawn.	Payments to Estates of Deceased Members.	PAYMENTS TO RETIRED MEMBERS.		Gross Assets.
				Annuity.	Pension.	
Dec. 31, 1914, <sup>1</sup>	\$113,153 34	\$17 50	-	\$0 60	\$18,412 84	\$113,499 59
Dec. 31, 1915,	336,679 34	2,096 21	\$706 94	136 71	56,473 29	457,910 14
Dec. 31, 1916,	376,998 65	32,066 91	2,402 29	542 97	75,608 38	824,105 89
Dec. 31, 1917,	437,222 85	52,973 13	3,921 69	1,304 34	91,244 45	1,242,582 53
Dec. 31, 1918,	477,475 66	89,486 40	5,808 36	2,785 10	111,058 04	1,680,036 81
Dec. 31, 1919,	578,891 19	118,921 10	14,284 32	4,060 53	129,673 57	2,199,645 49

<sup>1</sup> Six months' period. Date of establishment of system, July 1, 1914.

## SCHEDULE A.

*Bonds.*

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1919.	Accrued Interest Dec. 31, 1919.
Akron, Ohio, . . . . .	4½	\$26,000	\$26,789 68	\$288 75
Akron, Ohio, . . . . .	5½	20,000	20,579 01	366 67
Ansonia, Conn., . . . . .	4	20,000	20,000 00	400 00
Athol, Mass., . . . . .	4	10,000	9,646 88	166 67
Belmont, Mass., . . . . .	3½	3,000	2,651 30	8 75
Boston, Mass., . . . . .	3½	33,000	30,374 57	125 42
Boston, Mass., . . . . .	4	24,000	23,631 22	480 00
Bridgeport, Conn., . . . . .	4½	43,000	44,464 01	806 25
Bristol, R. I., . . . . .	3½	10,000	8,924 71	116 67
Brockton, Mass., . . . . .	3½	9,000	8,493 81	84 58
Burrillville, R. I., . . . . .	3½	6,000	5,555 55	70 00
Cambridge, Mass., . . . . .	3½	54,000	48,487 40	799 17
Canton, Mass. (notes), . . . . .	5	63,000	63,000 00	524 97
Chicago, Ill., . . . . .	4	11,000	11,000 00	220 00
Cincinnati, Ohio, . . . . .	4½	41,500	40,873 07	840 00
Cleveland, Ohio, . . . . .	4½	85,000	89,623 85	1,237 50
Cleveland, Ohio, . . . . .	5	80,000	80,997 06	583 32
Columbus, Ohio, . . . . .	4½	25,000	24,614 49	375 00
Cranston, R. I., . . . . .	4	38,000	37,974 22	163 34
Dayton, Ohio, . . . . .	5	52,000	54,445 17	1,300 00
Dayton, Ohio, . . . . .	5½	25,000	27,708 65	114 58
Des Moines, Iowa, . . . . .	4	13,000	12,984 58	86 67
Essex County, Mass., . . . . .	4	5,000	5,000 00	16 67
Fall River, Mass., . . . . .	3½	31,000	28,359 83	501 66
Fall River, Mass., . . . . .	4	25,000	23,516 25	333 33
Falmouth, Mass. (notes), . . . . .	5	24,000	24,000 00	250 00
Fitchburg, Mass., . . . . .	4	10,000	9,971 11	66 67
Flint, Mich., . . . . .	4¼	6,000	6,153 75	63 75
Flint, Mich., . . . . .	5	10,000	10,120 85	145 83
Gardner, Mass., . . . . .	4	10,000	9,646 99	66 67
Gloucester, Mass., . . . . .	3½	10,000	9,850 10	87 50
Indianapolis, Ind., . . . . .	4	50,000	48,782 09	1,000 00
Jackson, Mich., . . . . .	4½	26,000	27,126 26	195 00
Kennebec, Me., . . . . .	3½	36,000	34,513 99	210 00
Lawrence, Mass., . . . . .	4	13,000	12,946 75	260 00



SCHEDULE A — *Continued.*

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1919.	Accrued Interest Dec. 31, 1919.
Lewiston, Me., . . . . .	4	\$7,500	\$7,171 53	\$150 00
Lexington, Mass., . . . . .	4	10,000	9,747 24	66 67
Lowell, Mass., . . . . .	4	3,000	2,997 57	20 00
Lynn, Mass., . . . . .	3½	5,000	4,533 10	43 75
Malden, Mass., . . . . .	4	26,000	24,155 90	511 45
Medford, Mass., . . . . .	4	15,000	15,000 00	100 00
Metropolitan Water, . . . . .	3	10,000	8,562 75	150 00
Metropolitan Water, . . . . .	3½	15,000	14,139 84	262 50
Middleborough, Mass., . . . . .	4	4,000	3,838 89	26 67
Minneapolis, Minn., . . . . .	4	7,000	7,000 00	70 00
Minneapolis, Minn., . . . . .	4½	38,000	38,877 04	270 00
Natick, Mass., . . . . .	4	27,000	27,143 01	450 00
New London, Conn., . . . . .	3½	4,000	3,767 96	35 00
New York State, . . . . .	4½	231,000	247,754 33	4,657 50
Peabody, Mass., . . . . .	3½	5,000	4,971 08	65 62
Peabody, Mass., . . . . .	4	3,000	2,992 33	50 00
Peoria, Ill., . . . . .	4½	10,000	10,168 06	225 00
Portland, Me., . . . . .	3½	2,000	1,941 72	35 00
Racine, Wis., . . . . .	4½	16,000	16,980 14	180 00
Rochester, N. Y., . . . . .	4½	5,000	5,063 13	103 12
Rutland, Vt., . . . . .	4	5,000	4,913 79	33 33
St. Louis, Mo., . . . . .	4	25,000	25,000 00	250 00
St. Paul, Minn., . . . . .	4	12,000	12,000 00	150 00
St. Paul, Minn., . . . . .	4½	83,000	82,095 21	690 00
South Hadley, Mass., . . . . .	4	1,000	972 98	20 00
Springfield, Mass., . . . . .	3½	10,000	9,825 57	116 67
Stoughton, Mass., . . . . .	4	1,000	993 76	3 33
Swampscott, Mass., . . . . .	3½	20,000	17,955 19	233 34
Swampscott, Mass., . . . . .	3.6	6,500	6,242 90	22 75
Syracuse, N. Y., . . . . .	4	25,000	24,002 28	502 78
Taunton, Mass., . . . . .	3½	23,000	20,948 00	67 08
Taunton, Mass., . . . . .	4	4,000	3,953 36	63 33
Toledo, Ohio, . . . . .	4½	1,000	1,069 29	22 50
Tisbury, Mass., . . . . .	4	30,000	30,000 00	400 01
United States Liberty Bonds, . . . . .	4¼	328,000	312,358 84	3,205 19
Waterville, Me., . . . . .	3½	10,000	9,447 53	145 83

SCHEDULE A — *Concluded.*

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1919.	Accrued Interest Dec. 31, 1919.
Westfield, Mass., . . . .	3½	\$2,000	\$1,881 11	\$5 83
Whitman, Mass. (notes), . . . .	5½	20,000	20,000 00	287 24
Woonsocket, R. I., . . . .	3½	6,000	5,598 61	35 00
Woonsocket, R. I., . . . .	4	20,000	20,000 00	133 33
Woonsocket, R. I., . . . .	4½	58,000	59,903 70	217 50
Worcester, Mass., . . . .	3½	13,000	11,626 39	227 50
	-	\$2,094,500	\$2,080,401 33	\$26,660 21