
The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

TEACHERS' RETIREMENT BOARD

FOR THE

YEAR ENDING DECEMBER 31, 1921

DEPARTMENT OF EDUCATION



BOSTON

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The Commonwealth of Massachusetts

DEPARTMENT OF EDUCATION.

PAYSON SMITH, *Commissioner of Education.*

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TEACHERS' RETIREMENT BOARD.

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Members of Board.

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DEPARTMENT OF EDUCATION.

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DIVISION OF VOCATIONAL EDUCATION.

DIVISION OF UNIVERSITY EXTENSION.

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TEACHERS' RETIREMENT BOARD.

MASSACHUSETTS AGRICULTURAL COLLEGE.

MASSACHUSETTS NAUTICAL SCHOOL.

BRADFORD DURFEE TEXTILE SCHOOL.

NEW BEDFORD TEXTILE SCHOOL.

LOWELL TEXTILE SCHOOL.

The Commonwealth of Massachusetts

DEPARTMENT OF EDUCATION,
TEACHERS' RETIREMENT BOARD, BOSTON, March 9, 1922.

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, 1921.

Respectfully yours,

PAYSON SMITH,
Chairman.

The Commonwealth of Massachusetts

EIGHTH ANNUAL REPORT OF THE TEACHERS RETIREMENT BOARD.

To the Honorable Senate and House of Representatives.

The Teachers' Retirement Board, in its report for the year ending Dec. 31, 1920, called attention to the fact that since 1917 there had been a decrease each year in the number of retirements, only 55 teachers having been retired in 1920. It is interesting to note that for the year 1921 more teachers were retired than in any previous year, with the exception of the year 1914, since the retirement system was established. There were 97 teachers retired during the past year, 11 of these teachers being retired on account of disability before attaining the age of sixty. The number retired at each age was as follows: At forty-six years, 1; forty-nine years, 1; fifty-one years, 2; fifty-four years, 1; fifty-five years, 3; fifty-seven years, 3; sixty years, 18; sixty-one years, 8; sixty-two years, 9; sixty-three years, 9; sixty-four years, 2; sixty-five years, 5; sixty-six years, 2; sixty-seven years, 4; sixty-eight years, 4; sixty-nine years, 2; seventy years, 23.

The retiring allowances granted to these teachers amounted to \$52,214.96, of which \$4,788.36 was derived from their own contributions.

There are four factors which contribute to the large increase in the retirements during the year 1921: first, the change in the retirement law giving teachers a more adequate retiring allowance; second, the decrease in the cost of living from the peak reached in 1920; third, the increase in the number of new teachers, making it unnecessary for the older teachers to defer retirement; fourth, the increase in the number of teachers eligible to retire caused by the deferred retirements in previous years.

The payments for the year to the retired teachers amounted to \$187,184.39, and on Dec. 31, 1921, the annual retiring allowances for the 487 retired members living amounted to \$240,569.28, of which \$229,460.90 is pension paid from State appropriations, and the balance is annuity derived from the contributions of members who paid assessments before retirement.

A change was made in the retirement law during the last session of the Legislature making the pension factors established May 12, 1920, apply to all teachers irrespective of the date of their retirement. This has resulted in increasing the pensions of most of the teachers who were retired prior to that date. The annual pensions of the 358 members now living who were retired prior to May 12, 1920, were increased from \$128,237.82 to \$166,213.22.

There are 790 members of the Retirement Association who, during the year 1922, will be eligible to retire at the age of sixty or over, and 16 who will be required to retire at the compulsory retirement age of seventy.

The changes in membership for the year ending Dec. 31, 1921, were as follows:—

Teachers who entered the service of the public schools for the first time, who were required to join the association	2,056
Teachers who served in Massachusetts prior to July 1, 1914, who joined by paying back assessments with interest	87
Former members of the association who re-entered the service of the public schools and who were reinstated as members in accordance with the provisions of the retirement law	318
Total	2,461
Members of the association who left the public school service	1,389
Members of the association who entered the service of the Commonwealth	9
Deaths:	
Members in active service	40
Retired members	18
	— 58
	— 1,456
Net increase in membership	1,005

There are now 13,638 active members of the Retirement Association, of which 5,110 are teachers who served in this State prior to July 1, 1914, and 8,528 are teachers who entered the service for the first time since that date.

The members' deposits for the year amounted to \$946,838.94, an increase of \$138,257.34 over the deposits received in 1920. Refunds amounting to \$167,236.91 were made to teachers who left the service of the public schools, and \$11,444.97 was paid to the estates of deceased members. The income over disbursements amounted to \$899,072.82. The gross assets on Dec. 31, 1921, were \$3,842,384.60, and the total liabilities were \$3,828,189.24, leaving a surplus of \$14,195.36.

In 1916 an amendment was made to the retirement law providing that the rate of interest to be credited to the accounts of the members must be substantially the rate earned. The rates of interest credited to the members' accounts have been as follows: —

	Per Cent.		Per Cent.
Dec. 31, 1914	3	Dec. 31, 1918	4
Dec. 31, 1915	3	Dec. 31, 1919	4
Dec. 31, 1916	4	Dec. 31, 1920	4½
Dec. 31, 1917	4	Dec. 31, 1921	4½

On Dec. 31, 1921, interest amounting to \$133,017.32 was credited to the accounts of the members in active service, and \$4,185.07 was credited to the accounts of members who had left the service without withdrawing their contributions.

The rate of assessment for the school year beginning July 1, 1921, was fixed by the Board at 5 per cent of the annual salary of each member, subject to the provision of the law, which requires that the minimum annual assessment shall be \$35 and the maximum annual assessment \$100. Notice has been given by the Board of its intention to continue this rate of assessment for the school year beginning July 1, 1922.

The Board has estimated that the following amounts will be needed for the fiscal year beginning Dec. 1, 1921: —

Pensions for members of Retirement Association	\$248,000 00
Reimbursement of cities and towns in accordance with section 16, chapter 32 of the General Laws	57,045 93
Expenses of administration	10,790 00
	<hr/>
Total	\$315,835 93

Respectfully submitted,

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

ANNUAL STATEMENTS

OF THE

CONDITION AND AFFAIRS

OF THE

TEACHERS' RETIREMENT SYSTEM OF THE
COMMONWEALTH OF MASSACHUSETTS .

ESTABLISHED JULY 1, 1914

STATEMENT FOR THE YEAR ENDING DEC. 31, 1921, MADE
TO THE INSURANCE COMMISSIONER BY THE SECRETARY OF THE TEACHERS' RETIREMENT BOARD.

INCOME.

Members' deposits	\$945,691 75
Deposits transferred from State Employees' Retirement Association	1,147 19
Interest received on investments (less \$9,266.14 accrued interest paid on securities purchased during the year)	135,708 62
Interest received on bank balances	568 90
Members' deposits used to purchase annuities \$37,563 93	
Interest on same 5,065 91	
	42,629 84
Net increase in book value of securities	7,188 42

Received from Commonwealth:

For payment of pensions for service prior to July 1, 1914	\$166,960 75
For payment of pensions for service subsequent to July 1, 1914	10,111 82
For reimbursement of cities and towns	47,059 33
For administration expenses	9,564 82
	233,696 72

Total income \$1,366,631 44

DISBURSEMENTS.

Deposits refunded, including interest, to members withdrawing from teaching service	\$167,236 91
Deposits refunded, including interest, to representatives of deceased members	11,444 97
Transferred to State Employees' Retirement Association for members who entered the State service	2,438 36
Members' deposits used to purchase annuities \$37,563 93	
Interest on same 5,065 91	
	42,629 84

Amount carried forward \$223,750 08

<i>Amount brought forward</i>		\$223,750 08
Payments to retired members:		
Pensions paid for service prior to July 1, 1914	\$166,960 75	
Pensions paid for service subsequent to July 1, 1914	10,111 82	
Annuities purchased by members' contributions	10,111 82	
	<hr/>	187,184 39
Reimbursement of cities and towns on account of pensions paid to teachers retired subsequent to July 1, 1914:		
Boston	\$45,528 89	
Brookline	499 92	
Wellesley	1,030 52	
	<hr/>	47,059 33
Administration expenses for calendar year 1921:		
Salaries of employees	\$7,957 73	
Sundry contingent expenses	1,607 09	
	<hr/>	9,564 82
Total payments		\$467,558 62
Income over disbursements		\$899,072 82
ASSETS.		
Investments, par value (Schedule A), \$3,835,179.08; amortized value		\$3,717,574 12
Cash		75,457 07
Accrued interest on investments		49,353 41
		<hr/>
Gross assets		\$3,842,384 60
LIABILITIES.		
Deposits of members in active service	\$3,253,968 47	
Regular interest credited to same	375,590 51	
	<hr/>	\$3,629,558 98
Deposits of members who have withdrawn from the service of the public schools without requesting a refund of the amount to their credit	\$91,500 08	
Regular interest credited to same	11,825 85	
	<hr/>	103,325 93
<i>Amount carried forward</i>		\$3,732,884 91

<i>Amount brought forward</i>	\$3,732,884 91
Due representatives of deceased members	4,789 09
Annuity reserve	90,494 24
Interest paid in advance	21 00
Surplus	14,195 36
	<hr/>
Total liabilities	\$3,842,384 60

MEMBERSHIP EXHIBIT.

Membership Dec. 31, 1920	13,120
Voluntary members admitted to Retirement Association during 1921	87
Teachers required by law to become members	2,056
Reinstated	318
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Total	15,581
Number deceased during the year 1921	58
Number left service	1,389
Transferred to State Employees' Retirement Associa- tion	9
	<hr/>
	1,456
	<hr/>
Membership Dec. 31, 1921	14,125

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, 1921, to the best of my knowledge and belief.

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

Subscribed and sworn to before me this fourteenth day of February, 1922.

J. HIRAM S. PEARSON,
Notary Public.

My commission expires Sept. 11, 1925.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1921, MADE
TO THE INSURANCE COMMISSIONER IN COMPLIANCE
WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 14,
OF CHAPTER 32 OF THE GENERAL LAWS.

INCOME.

Received from secretary of Teachers' Retirement Board	\$946,260 65
Transferred from retirement fund for State employees	1,147 19
Interest received on investments (less \$9,266.14 accrued interest paid on securities purchased during the year)	135,708 62
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Total receipts	\$1,083,116 46
Ledger assets Dec. 31, 1920	3,030,480 50
<hr/>	
Total	\$4,113,596 96

PAYMENTS.

Annuities	\$10,111 82
Deposits refunded to members withdrawing from the teach- ing service, and to representatives of deceased members	178,681 88
Transferred to retirement fund for State employees	2,438 36
Premium on securities purchased (less \$31,256.25 discount)	11,728 75
<hr/>	
Total payments	\$202,960 81
Balance	\$3,910,636 15

ASSETS.

Investments, par value (Schedule A)	\$3,835,179 08
Cash	75,457 07
<hr/>	
Total assets	\$3,910,636 15

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, 1921.

JAMES JACKSON,
Treasurer and Receiver-General.

Subscribed and sworn to before me this seventeenth day of January, 1922.

GEORGE B. WILLARD,
Notary Public.

COMPARATIVE MEMBERSHIP AND FINANCIAL STATEMENTS.

Membership Exhibit.

YEAR ENDING —	ENROLLED DURING YEAR.			MEMBERS IN ACTIVE SERVICE.			Re-tired during Year.	Mem-bers on Retired List.
	Volun-tary.	Com-pulsory.	Total.	Volun-tary.	Com-pulsory.	Total.		
Dec. 31, 1914 ¹	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
Dec. 31, 1920	137	2,123	2,260	5,237	7,474	12,711	55	409
Dec. 31, 1921	87	2,056	2,143	5,110	8,528	13,638	97	487

Financial Statement.

YEAR ENDING —	Deposits received during Year.	Pay-ments to Mem-bers with-drawn.	Pay-ments to Estate of De-cased Mem-bers.	PAYMENTS TO RE-TIRED MEMBERS.		Gross Assets.
				Annuity.	Pension.	
Dec. 31, 1914 ¹	\$113,153 34	\$17 50	—	\$0 60	\$18,412 74	\$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	129,274 75	2,199,645 49
Dec. 31, 1920	808,581 60	147,261 63	10,528 69	5,868 71	143,161 17	2,927,277 16
Dec. 31, 1921	946,838 94	167,236 91	11,444 97	10,111 82	177,072 57	3,842,384 60

¹ Six months' period. Date of establishment of system, July 1, 1914.

SCHEDULE A.

Bonds.

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1921.	Accrued Interest Dec. 31, 1921.
Akron, Ohio	4½	\$21,000 00	\$21,609 64	\$236 25
Akron, Ohio	5½	20,000 00	20,346 39	366 67
Ansonia, Conn.	4	20,000 00	20,000 00	400 00
Athol, Mass.	4	10,000 00	9,677 49	166 67
Belmont, Mass.	3½	3,000 00	2,694 69	8 75
Boston, Mass.	3½	77,000 00	69,532 48	253 75
Boston, Mass.	4	27,000 00	26,648 17	540 00
Bourne, Mass. (notes)	5¾	12,000 00	12,000 00	287 50
Bridgeport, Conn.	4½	38,000 00	39,148 23	712 50
Bristol, Conn.	5	40,000 00	43,317 40	333 33
Bristol, R. I.	3½	10,000 00	9,087 21	116 67
Brockton, Mass.	3½	9,000 00	8,611 87	84 58
Burrillville, R. I.	3½	6,000 00	5,586 47	70 00
Cambridge, Mass.	3½	54,000 00	49,191 94	799 17
Canton, Mass. (notes)	6	16,000 00	16,000 00	400 00
Cincinnati, Ohio	4½	41,500 00	40,914 62	840 00
Cincinnati, Ohio	5	75,000 00	76,914 79	1,875 00
Cleveland, Ohio	4½	85,000 00	89,211 82	1,237 50
Cleveland, Ohio	5	130,000 00	137,186 17	1,416 65
Cleveland, Ohio	5½	55,000 00	55,939 24	1,008 33
Cohasset, Mass. (notes)	5¾	24,000 00	24,000 00	57 50
Columbus, Ohio	4½	25,000 00	24,629 53	375 00
Cranston, R. I.	4	38,000 00	37,987 12	163 34
Dayton, Ohio	5	2,000 00	2,054 42	-
Dayton, Ohio	5½	25,000 00	27,512 25	114 58
Detroit, Mich.	5½	280,000 00	289,993 04	3,850 00
East Bridgewater, Mass. (notes)	4½	4,800 00	4,676 64	96 00
Fall River, Mass.	3½	31,000 00	28,716 38	501 66
Fall River, Mass.	4	25,000 00	23,636 71	333 33
Falmouth, Mass. (notes)	5	6,000 00	6,000 00	62 50
Flint, Mich.	5	10,000 00	10,095 61	145 83
Gardner, Mass.	4	10,000 00	9,747 61	66 67
Grand Rapids, Mich.	6	50,000 00	54,840 90	500 00
Hanover, Mass. (notes)	5¾	6,000 00	6,000 00	100 62

SCHEDULE A — *Continued.*

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1921.	Accrued Interest Dec. 31, 1921.
Hanover, Mass. (notes)	6	\$2,000 00	\$2,000 00	\$35 00
Holbrook, Mass. (notes)	4¾	1,000 00	976 40	7 92
Huntington, Mass. (notes)	5¾	3,000 00	3,000 00	71 87
Lewiston, Me.	4	7,500 00	7,225 96	150 00
Lexington, Mass.	4	9,000 00	8,846 44	60 00
Lynn, Mass.	3½	5,000 00	4,593 06	43 75
Malden, Mass.	4	26,000 00	24,242 81	511 45
Massachusetts State Highway	3	50,000 00	42,004 40	375 00
Medfield, Mass. (notes)	4½	2,000 00	1,920 13	12 76
Medford, Mass.	4	15,000 00	15,000 00	100 00
Metropolitan Park Loan, Series 2	4¾	80,000 00	80,000 00	1,700 00
Metropolitan Sewerage Loan, South	4½	26,000 00	26,000 00	390 00
Metropolitan Water	3	10,000 00	8,653 90	150 00
Metropolitan Water	3½	15,000 00	14,223 50	262 50
Metropolitan Water	4¼	33,000 00	33,000 00	701 25
State of Michigan	5¾	262,000 00	269,784 27	6,904 78
Middleborough, Mass.	4	4,000 00	3,889 19	26 67
Minneapolis, Minn.	4	7,000 00	7,000 00	70 00
Minneapolis, Minn.	4½	38,000 00	38,636 16	270 00
Natick, Mass.	4	27,000 00	27,070 99	450 00
Needham, Mass. (notes)	4½	1,400 00	1,312 21	—
New London, Conn.	3½	4,000 00	3,790 06	35 00
North Reading, Mass. (note)	6	6,300 00	6,300 00	21 00 ¹
Orange, Mass.	4	10,000 00	9,935 25	133 33
Peoria, Ill.	4½	10,000 00	10,058 01	225 00
Portland, Me.	3½	2,000 00	1,987 80	35 00
Revere, Mass. (notes)	4½	30,860 00	29,216 69	443 07
Revere, Mass. (notes)	5	2,000 00	1,962 32	8 32
St. Paul, Minn.	4	12,000 00	12,000 00	150 00
St. Paul, Minn.	4½	58,000 00	57,205 63	877 50
St. Paul, Minn.	5½	100,000 00	109,332 30	1,833 34
South Hadley, Mass.	4	1,000 00	985 87	20 00
Swampscott, Mass.	3½	20,000 00	18,190 10	233 34
Swampscott, Mass.	3.6	6,500 00	6,352 97	22 75
Taunton, Mass.	3½	3,000 00	2,729 32	8 75

¹ Interest paid in advance.

SCHEDULE A — *Concluded.*

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1921.	Accrued Interest Dec. 31, 1921.
Taunton, Mass.	4	\$4,000 00	\$3,966 67	\$63 33
Tisbury, Mass.	4	30,000 00	30,000 00	400 01
Toledo, Ohio	4½	1,000 00	1,062 50	22 50
United States Liberty Bonds	4¼	1,524,900 00	1,390,428 80	14,146 28
Wakefield, Mass. (notes)	6	10,000 00	10,000 00	250 00
Walpole, Mass. (note)	4½	419 08	404 51	3 14
Westfield, Mass.	3½	2,000 00	1,909 45	5 83
Whitman, Mass. (notes)	5½	10,000 00	10,000 00	143 62
Woonsocket, R. I.	3½	6,000 00	5,656 30	35 00
Woonsocket, R. I.	4½	58,000 00	59,443 88	217 50
Worcester, Mass.	3½	13,000 00	11,767 44	227 50
	-	\$3,835,179 08	\$3,717,574 12	\$49,353 41