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The Commonwealth of Massachusetts

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ANNUAL REPORT

OF THE

TEACHERS' RETIREMENT BOARD

FOR THE

YEAR ENDING DECEMBER 31, 1922

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DEPARTMENT OF EDUCATION



PUBLICATION OF THIS DOCUMENT  
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**DEPARTMENT OF EDUCATION**

STATE HOUSE, BOSTON

PAYSON SMITH, *Commissioner of Education*

**Members of Advisory Board**

THE COMMISSIONER OF EDUCATION, *Chairman, ex officio*

Term expires

1922. A. LINCOLN FILENE, 426 Washington Street, Boston  
1922. THOMAS H. SULLIVAN, Slater Building, Worcester  
1923. SARAH LOUISE ARNOLD, Riverbank Court, Cambridge  
1923. MRS. ELLA LYMAN CABOT, 1 Marlborough Street, Boston  
1924. ARTHUR H. LOWE, Fitchburg  
1924. WALTER V. McDUFFEE, Central High School, Springfield

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GEORGE H. VARNEY, *Business Agent*  
THOMAS J. GREEHAN, *Chief Clerk*

**Teachers' Retirement Board**

CLAYTON L. LENT, *Secretary*

**Members of Board**

PAYSON SMITH, *Chairman*, STATE HOUSE, BOSTON  
HARRY SMALLEY, FALL RIVER  
ELLEN A. STILLINGS, LOWELL

**Department of Education**

DIVISION OF ELEMENTARY AND SECONDARY EDUCATION AND NORMAL SCHOOLS  
DIVISION OF VOCATIONAL EDUCATION  
DIVISION OF UNIVERSITY EXTENSION  
DIVISION OF IMMIGRATION AND AMERICANIZATION  
DIVISION OF PUBLIC LIBRARIES  
DIVISION OF THE BLIND  
TEACHERS' RETIREMENT BOARD  
MASSACHUSETTS AGRICULTURAL COLLEGE  
MASSACHUSETTS NAUTICAL SCHOOL  
BRADFORD-DURFEE TEXTILE SCHOOL, FALL RIVER  
LOWELL TEXTILE SCHOOL  
NEW BEDFORD TEXTILE SCHOOL

## The Commonwealth of Massachusetts

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DEPARTMENT OF EDUCATION,  
TEACHERS' RETIREMENT BOARD, BOSTON, March 9, 1923.

*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, 1922.

Respectfully yours,

PAYSON SMITH,  
*Chairman.*

## The Commonwealth of Massachusetts

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

*To the Honorable Senate and House of Representatives.*

In accordance with the provisions of Section 16, Chapter 15 of the General Laws, the members of the Retirement Association in November, 1922, elected Mr. Harry Smalley of Fall River to serve on the Retirement Board for the term of three years from Dec. 1, 1922. Mr. Smalley has been a member of the Board since 1914.

The active membership of the Retirement Association was increased during the year 1922 by 947. There are now 14,585 active members, of which 5,044 are teachers who served in this State prior to July 1, 1914, and 9,541 are teachers who entered the service for the first time since that date.

The contributions received from the members of the Association for the year 1922 amounted to \$1,046,090.27. This is the first time that the assessments for one year have exceeded a million dollars. The income over disbursements amounted to \$992,947.51. The gross assets on Dec. 31, 1922, were \$4,854,410.54, and the total liabilities were \$4,817,020.31, leaving a surplus of \$37,390.23.

During the year refunds amounting to \$205,779.69 were made to members who left the service of the public schools of Massachusetts. Of this amount, \$188,114.57 was contributions and the balance of \$17,665.12 was interest which had been credited by the Retirement Board. Since the establishment of the system, members who have left the service have withdrawn \$815,839.48 and \$73,325.57 has been paid to the estates of deceased members. Many teachers who are not now teaching in this State have left their contributions with interest on deposit, as they expect to again teach in Massachusetts.

Ninety-three teachers retired during the year 1922, their annual retiring allowances amounting to \$54,260.12. Of this amount, \$5,230.68 was annuity derived from the contributions made by the members before retirement and the balance was pension paid from State appropriations. The retirements for the year were as follows: on account of disability before attaining age 60, 11; voluntary retirements, ages 60 to 69, 65; compulsory retirements at age 70, 17. On Dec. 31, 1922, there were 558 retired teachers living. The annual retiring allowances for these teachers amount to \$283,677.92, of which \$267,814.94 is pension paid from State appropriations and \$15,862.98 is annuity.

The following statistics relate to the 93 teachers who were retired during the year 1922:

	Cases.	Average Age at Retirement.	Average Length of Service.	Average Salary Last 5 Years.	Average Annuity.	Average Pension.	Average Retiring Allowance.
Disability cases . . . . .	11	52.9	28.77	\$1,177 19	\$29 97	\$297 65	\$327 62
Retirements at age 60 or over . . . . .	82	65.3	37.46	1,330 72	59 77	557 99	617 76
Total for year . . . . .	93	63.8	36.43	\$1,312 56	\$56 24	\$527 20	\$583 44

The law establishes a maximum pension of \$500 for persons retiring at the age of 60, and as the expectation of life decreases as the age increases the maximum pension for persons retiring at age 65 is \$603.96 and for persons retiring at the age of 70, the maximum pension is \$754.24. Of the 82 teachers retired during the past year at the age of 60 or over, 46 received the maximum pension for their age at the time of retirement.

Persons who served prior to the establishment of the Retirement System on July 1, 1914, retiring at the age of 60 or at any time thereafter, with fifteen years of service in the public schools of this State, the last five of which are continuous, are guaranteed a minimum retiring allowance (annuity plus pension) of \$400. There were 15 members granted the minimum retiring allowance during the past year.

Under the present provisions of the retirement law, teachers retiring on account of disability before age 60 usually receive very small retiring allowances. The amendment to the law permitting retirement on account of disability before age 60 was made in 1917. Since that time, 65 teachers have been retired for permanent disability. The smallest disability pension which has been granted is \$168.32 and the largest is \$530.24, the average being \$269.32.

There are 833 members of the Retirement Association who during the year 1923 will be eligible to retire at the age of 60 or over, 12 of whom will be required to retire at the compulsory age of 70.

Teachers retiring at the age of 60 or over who wish to receive credit for service in the public schools of Massachusetts prior to July 1, 1914, must have at the age of 60 or at some time thereafter, fifteen years of service in the public schools of Massachusetts, the last five of which must be continuous. The law provides that periods of leave of absence or sickness of one month or more shall not be counted as service, but, subject to the approval of the Retirement Board, such periods of absence will not be considered as breaking the continuity of the service. The Retirement Board has adopted a rule approving until further notice the following two kinds of absence occurring during the last five years of service.

1. All periods of absence or leave of absence caused by sickness, no consecutive absence amounting to more than two years.

2. All periods of leave of absence for causes other than sickness, amounting in the aggregate to not more than one year, provided that the final period of leave of absence terminates at least six months prior to the date of retirement.

Periods of absence not covered above will be approved if the merits of the case in the judgment of the Retirement Board justify the approval.

The rate of assessment for the school year beginning July 1, 1922, was fixed by the Board at 5% 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, 1923.

The Board has estimated that the following amounts will be needed for the fiscal year beginning Dec. 1, 1922:

Pensions for members of the Retirement Association	\$291,500 00
Reimbursement of cities and towns in accordance with Sec. 16, Chapter 32 of the General Laws	73,049 09
Expenses of administration	10,850 00
Total	\$375,399 09

Respectfully submitted,

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

ANNUAL STATEMENTS OF THE CONDITION AND AFFAIRS OF  
THE TEACHERS' RETIREMENT SYSTEM OF THE COMMON-  
WEALTH OF MASSACHUSETTS, ESTABLISHED JULY 1, 1914.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1922, MADE TO THE INSUR-  
ANCE COMMISSIONER BY THE SECRETARY OF THE TEACHERS'  
RETIREMENT BOARD.

INCOME.	
Members' deposits . . . . .	\$1,046,090 27
Deposits transferred from State Employees' Retirement Association . . . . .	740 29
Interest received on investments (less \$6,400.15 accrued interest paid on secur- ities purchased during the year) . . . . .	178,984 97
Interest received on bank balances . . . . .	305 02
Members' deposits used to purchase annuities . . . . .	\$40,655 57
Interest on same . . . . .	5,868 42
	46,523 99
Net increase in book value of securities . . . . .	12,168 62
Received from Commonwealth:	
For payment of pensions for service prior to July 1, 1914 . . . . .	\$231,002 33
For payment of pensions for service subsequent to July 1, 1914 . . . . .	14,077 61
For reimbursement of cities and towns . . . . .	56,590 87
For administration expenses . . . . .	10,422 49
	312,093 30
Total income . . . . .	\$1,596,906 46
DISBURSEMENTS.	
Deposits refunded, including interest, to members withdrawing from teaching service . . . . .	\$205,779 69
Deposits refunded, including interest, to representatives of deceased members Transferred to State Employees' Retirement Association for members who entered the State service . . . . .	24,228 31 1,256 05
Members' deposits used to purchase annuities . . . . .	\$40,655 57
Interest on same . . . . .	5,868 42
	46,523 99
Payments to retired members:	
Pensions paid for service prior to July 1, 1914 . . . . .	\$231,002 33
Pensions paid for service subsequent to July 1, 1914 . . . . .	14,077 61
Annuities purchased by members' contributions . . . . .	14,077 61
	259,157 55
Reimbursement of cities and towns on account of pensions paid to teachers retired subsequent to July 1, 1914:	
Boston . . . . .	\$55,268 38
Brookline . . . . .	137 09
Wellesley . . . . .	1,185 40
	56,590 87
Administration expenses for calendar year 1922:	
Salaries of employees . . . . .	\$8,153 47
Sundry contingent expenses . . . . .	2,269 02
	10,422 49
Total payments . . . . .	\$603,958 95
Income over disbursements . . . . .	\$992,947 51

## ASSETS.

Investments, par value (Schedule A), \$4,768,979.08; amortized value . . . . .	\$4,709,108 30
Cash . . . . .	76,870 40
Accrued interest on investments . . . . .	68,431 84
	<hr/>
Gross assets . . . . .	\$4,854,410 54

## LIABILITIES.

Deposits of members in active service . . . . .	\$4,035,107 89
Regular interest credited to same . . . . .	526,069 88
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Deposits of members who have withdrawn from the service of the public schools without requesting a refund of the amount to their credit . . . . .	\$104,816 22
Regular interest credited to same . . . . .	15,350 55
	<hr/>
Due representatives of deceased members . . . . .	120,166 77
Annuity reserve . . . . .	6,393 83
Surplus . . . . .	129,281 94
	<hr/>
Surplus . . . . .	37,390 23
	<hr/>
Total liabilities . . . . .	\$4,854,410 54

## MEMBERSHIP EXHIBIT.

Membership Dec. 31, 1921 . . . . .	14,125
Voluntary members admitted to Retirement Association during 1922 . . . . .	127
Teachers required by law to become members . . . . .	2,048
Reinstated . . . . .	360
	<hr/>
Total . . . . .	16,660
Number deceased during the year 1922 . . . . .	78
Number left service . . . . .	1,433
Transferred to State Employees' Retirement Association . . . . .	6
	<hr/>
	1,517
	<hr/>
Membership Dec. 31, 1922 . . . . .	15,143

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, 1922, to the best of my knowledge and belief.

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

Subscribed and sworn to before me this thirtieth day of January, 1923.

LLOYD A. FOYE,  
*Notary Public.*

STATEMENT FOR THE YEAR ENDING DEC. 31, 1922, 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 . . . . .	\$1,046,395 29
Transferred from retirement fund for State employees . . . . .	740 29
Interest received on investments (less \$6,400.15 accrued interest paid on securities purchased during the year) . . . . .	178,984 97
Premium on securities sold . . . . .	6,621 95
<b>Total receipts . . . . .</b>	<b>\$1,232,742 50</b>
Ledger assets Dec. 31, 1921 . . . . .	3,910,636 15
<b>Total . . . . .</b>	<b>\$5,143,378 65</b>

## PAYMENTS.

Annuities . . . . .	\$14,077 61
Deposits refunded to members withdrawing from the teaching service, and to representatives of deceased members . . . . .	230,008 00
Transferred to retirement fund for State employees . . . . .	1,256 05
Premium on securities purchased (less \$6,251.70 discount) . . . . .	52,187 51
<b>Total payments . . . . .</b>	<b>\$297,529 17</b>
Balance . . . . .	\$4,845,849 48

## ASSETS.

Investments, par value (Schedule A) . . . . .	\$4,768,979 08
Cash . . . . .	76,870 40
<b>Total assets . . . . .</b>	<b>\$4,845,849 48</b>

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, 1922.

JAMES JACKSON,  
*Treasurer and Receiver-General.*

Subscribed and sworn to before me this seventeenth day of January, 1923.

GEORGE B. WILLARD,  
*Notary Public.*

## COMPARATIVE MEMBERSHIP AND FINANCIAL STATEMENTS.

*Membership Exhibit.*

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
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
Dec. 31, 1922 . . . . .	127	2,048	2,175	5,044	9,541	14,585	93	558

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



## Financial Statement.

YEAR ENDING —	Deposits received during Year.	Pay-ments to Members with-drawn.	Pay-ments to Estates of De-cased Members.	PAYMENTS TO RE-TIRED MEMBERS.		Gross Assets.
				Annuity.	Pension.	
Dec. 31, 1914 <sup>1</sup>	\$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
Dec. 31, 1922	1,046,830 56	205,779 69	24,228 31	14,077 61	245,079 94	4,854,410 54

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

## SCHEDULE A.

## Securities (Bonds and Notes).

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1922.	Accrued Interest Dec. 31, 1922.
Akron, Ohio	4½	\$21,000 00	\$21,528 23	\$236 25
Akron, Ohio	5½	20,000 00	20,221 53	366 67
Ansonia, Conn.	4	20,000 00	20,000 00	400 00
Athol, Mass.	4	10,000 00	9,693 80	166 67
Baltimore, Md.	5	100,000 00	114,076 35	1,250 00
Belmont, Mass.	3½	3,000 00	2,717 96	8 75
Boston, Mass.	3½	77,000 00	69,901 72	253 75
Boston, Mass.	4	27,000 00	26,686 04	540 00
Bourne, Mass. (notes)	5½	9,000 00	9,000 00	215 62
Bridgeport, Conn.	4½	38,000 00	39,000 88	712 50
Bristol, Conn.	5	40,000 00	43,266 11	333 33
Bristol, R. I.	3½	10,000 00	9,174 43	116 67
Brockton, Mass.	3½	9,000 00	8,675 33	84 58
Burrillville, R. I.	3½	6,000 00	5,602 89	70 00
Cambridge, Mass.	3½	54,000 00	49,569 07	799 17
Canton, Mass. (notes)	6	12,000 00	12,000 00	300 00
Cincinnati, Ohio	4½	41,500 00	40,936 92	840 00
Cincinnati, Ohio	5	75,000 00	76,856 00	1,875 00
Cleveland, Ohio	4½	92,000 00	96,226 80	1,316 25
Cleveland, Ohio	5	130,000 00	136,981 77	1,416 65
Cleveland, Ohio	5½	55,000 00	55,906 55	1,008 33
Cohasset, Mass. (notes)	5½	18,000 00	18,000 00	43 12
Columbus, Ohio	4½	25,000 00	24,637 58	375 00
Columbus, Ohio	5	100,000 00	109,112 50	416 66
Cranston, R. I.	4	37,000 00	36,993 69	161 67
Dayton, Ohio	5	2,000 00	2,051 97	50 00
Dayton, Ohio	5½	25,000 00	27,407 11	114 58
Detroit, Mich.	5	10,000 00	10,271 34	41 67
Detroit, Mich.	5½	280,000 00	289,820 46	3,850 00
E. Bridgewater, Mass. (notes)	4	4,800 00	4,735 06	96 00
Fall River, Mass.	3½	65,000 00	58,380 70	819 58
Fall River, Mass.	4	25,000 00	23,701 08	333 33
Flint, Mich.	5	10,000 00	10,082 05	145 83
Gardner, Mass.	4	10,000 00	9,801 49	66 67
Grand Rapids, Mich.	6	50,000 00	54,690 70	500 00
Hanover, Mass. (notes)	5½	6,000 00	6,000 00	100 62
Holbrook, Mass. (notes)	4½	1,000 00	986 16	7 92
Huntington, Mass. (notes)	5½	2,500 00	2,500 00	59 90
Lewiston, Maine	4	7,500 00	7,255 07	150 00
Lexington, Mass.	4	9,000 00	8,898 40	60 00
Lynn, Mass.	3½	5,000 00	4,625 10	43 75
Malden, Mass.	4	26,000 00	24,289 25	511 45
Mass. State Highway	3	50,000 00	42,697 52	375 00
Medford, Mass.	4	15,000 00	15,000 00	100 00
Medfield, Mass. (notes)	4½	2,000 00	1,942 80	12 76

SCHEDULE A — *Concluded.*

DESCRIPTION.	Rate (Per Cent).	Par Value.	Amortized Value Dec. 31, 1922.	Accrued Interest Dec. 31, 1922.
Metropolitan Water . . . . .	3	\$10,000 00	\$8,702 56	\$150 00
Metropolitan Water . . . . .	3½	15,000 00	14,267 88	262 50
State of Michigan . . . . .	4½	50,000 00	51,645 90	1,125 00
State of Michigan . . . . .	5¾	262,000 00	269,554 30	6,904 78
Middleborough, Mass. . . . .	4	4,000 00	3,916 19	26 67
Minneapolis, Minn. . . . .	4	7,000 00	7,000 00	70 00
Minneapolis, Minn. . . . .	4½	18,000 00	18,553 23	270 00
State of Missouri . . . . .	5	300,000 00	321,771 81	12,500 00
Natick, Mass. . . . .	4	27,000 00	27,032 87	450 00
Needham, Mass. (note) . . . . .	4½	1,400 00	1,326 17	-
New Bedford, Mass. . . . .	3½	2,000 00	1,709 25	35 00
New Bedford, Mass. . . . .	4	3,000 00	2,789 37	60 00
New London, Conn. . . . .	3½	4,000 00	3,801 78	35 00
Newton, Mass. . . . .	4	65,000 00	64,507 46	883 33
New York State . . . . .	4½	600 00	617 09	9 00
Peoria, Ill. . . . .	4½	5,000 00	5,014 71	112 50
Providence, R. I. . . . .	4	50,000 00	50,000 00	333 33
Providence, R. I. . . . .	4½	125,000 00	133,628 80	2,343 75
Revere, Mass. (notes) . . . . .	4½	30,860 00	29,538 17	443 07
Revere, Mass. (notes) . . . . .	5	2,000 00	1,977 34	8 32
St. Paul, Minn. . . . .	4	12,000 00	12,000 00	150 00
St. Paul, Minn. . . . .	4½	58,000 00	57,211 97	877 50
St. Paul, Minn. . . . .	5½	100,000 00	109,187 84	1,833 34
South Hadley, Mass. . . . .	4	1,000 00	992 78	20 00
Swampscott, Mass. . . . .	3½	20,000 00	18,315 83	233 34
Swampscott, Mass. . . . .	3.6	6,500 00	6,411 88	22 75
Taunton, Mass. . . . .	3½	3,000 00	2,750 10	8 75
Taunton, Mass. . . . .	4	1,000 00	971 83	3 33
Tisbury, Mass. . . . .	4	30,000 00	30,000 00	400 01
Toledo, Ohio . . . . .	4½	1,000 00	1,058 90	22 50
Toledo, Ohio . . . . .	5	25,000 00	26,155 30	520 83
U. S. Liberty Bonds . . . . .	4¼	1,524,900 00	1,396,377 73	14,146 28
U. S. Treasury Certificates . . . . .	4¼	259,000 00	258,699 28	2,293 23
Wakefield, Mass. (notes) . . . . .	6	5,000 00	5,000 00	125 00
Walpole, Mass. (note) . . . . .	4½	419 08	409 38	3 14
Waterbury, Conn. . . . .	4¼	21,000 00	20,653 76	446 25
Westfield, Mass. . . . .	3½	2,000 00	1,924 59	5 83
Whitman, Mass. (note) . . . . .	5½	5,000 00	5,000 00	-71 81
Woonsocket, R. I. . . . .	3½	6,000 00	5,687 02	35 00
Woonsocket, R. I. . . . .	4½	58,000 00	59,200 00	217 50
Worcester, Mass. . . . .	3½	13,000 00	11,842 82	227 50
		\$4,768,979 08	\$4,709,108 30	\$68,431 84