

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

TEACHERS' RETIREMENT BOARD

FOR THE

Year Ending December 31, 1924

Department of Education

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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

- 1926. SARAH LOUISE ARNOLD, Lincoln
- 1926. Mrs. ELLA LYMAN CABOT, 101 Brattle Street, Cambridge
- 1927. ARTHUR H. LOWE, Fitchburg
- 1927. WALTER V. McDUFFEE, Central High School, Springfield
- 1925. A. LINCOLN FILENE, 426 Washington Street, Boston
- 1925. THOMAS H. SULLIVAN, Slater Building, Worcester

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

ELIZABETH F. WASSUM, SPRINGFIELD

The Commonwealth of Massachusetts

ELEVENTH ANNUAL REPORT OF THE TEACHERS' RETIREMENT BOARD.

To the Honorable Senate and House of Representatives:

Miss Ellen A. Stillings of Lowell, who has served on the Retirement Board since November, 1916, terminated her membership on December 31, 1924. She has been succeeded by Miss Elizabeth F. Wassum, principal of the Homer Street School, Springfield.

During the year 1924, there were 2,029 teachers who entered the service of the public schools of this State for the first time and in accordance with the provisions of the law, they were enrolled as members of the Retirement Association. There were 80 teachers who served in Massachusetts prior to July 1, 1914, who became members by paying their back assessments with interest. In accordance with the provisions of Chapter 263, Acts of 1924, 24 teachers who served in Massachusetts prior to July 1, 1914, who have not joined the Retirement Association, are accumulating in the Retirement Fund the amount necessary for membership. The deposits of these teachers amount to \$3,113.48. These teachers are to be enrolled as members when they have accumulated the full amount of their back assessments with interest.

On December 31, 1924, there were 16,088 active members of the Retirement Association of whom 4,844 are teachers who served in Massachusetts prior to July 1, 1914, and voluntarily joined the Association, and 11,244 are teachers who entered the service of this State for the first time since that date and were required to join.

The members' deposits for the year amounted to \$1,232,127.74, an increase of \$112,205.79 over the deposits received in 1923. Refunds amounting to \$288,913.07 were made to teachers who left the service of the public schools and \$26,240.89 was paid to the estates of deceased members.

Since the establishment of the Retirement System, members who have left the service have withdrawn \$1,367,270.06 and \$134,842.59 has been paid to the estates of deceased members.

The income over disbursements amounted to \$1,176,549.01. The gross assets on December 31, 1924, were \$7,109,106.44 and the total liabilities were \$7,027,278.65, leaving a surplus of \$81,827.79.

Interest at the rate of 4½% was credited to the accounts of the members on December 31, 1924. The interest credited to the accounts of teachers in active service amounted to \$255,231.08, and \$7,715.43 was credited to the accounts of members who have left the service without withdrawing their contributions.

Ninety-two teachers retired during the year 1924, their annual retiring allowances amounting to \$60,461.12. Of this amount, \$7,310.04 was annuity derived from 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, 5; voluntary retirements, ages 60 to 69, 59; compulsory retirements at age 70, 28. On December 31, 1924, there were 667 retired teachers living. The annual retiring allowances for these teachers amount to \$357,831.12 of which \$331,250.62 is pension paid from State appropriations and \$26,580.50 is annuity.

The following statistics relate to the 92 teachers who were retired during the year 1924:

	Number of Retirements.	Average Age at Retirement.	Average Length of Service.	Average Salary Last 5 Years.	Average Annuity.	Average Pension.	Average Retiring Allowance.
Retirements before age 60 on account of disability	5	56.20 yrs.	27.40 yrs.	\$1,523 45	\$42 67	\$347 08	\$389 75
Retirements at age 60 or over, without credit for prior service ¹	1	63.00 yrs.	12.00 yrs.	-	13 76	13 76	27 52
Retirements at age 60 or over, with credit for prior service ¹	86	65.69 yrs.	38.16 yrs.	1,626 77	82 36	597 70	680 06

¹ Teachers who served in Massachusetts prior to July 1, 1914, who have at the time of retirement 15 years of service in this State, the last 5 of which are continuous, receive a pension from the State based on their total service.

There are 974 members of the Retirement Association who during the year 1925 will be eligible to retire at the age of 60 or over, 30 of whom will be required to retire at the compulsory age of 70.

The rate of assessment for the school year beginning July 1, 1924, 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, 1925.

The Board has estimated that the following amounts will be needed for the fiscal year beginning December 1, 1924:

Pensions for members of the Retirement Association	\$352,000 00
Reimbursement of cities and towns in accordance with Sec. 16, Chapter 32 of the General Laws	95,012 51
Expenses of administration	11,530 00
Total	\$458,542 51

RECOMMENDATIONS FOR LEGISLATION.

Changing the Definition of "Teacher" in the Teachers' Retirement Law

It appears that under the present provisions of the Teachers' Retirement Law, a person who is employed on a part-time basis, who served in the public schools

of the Commonwealth prior to July 1, 1914, may voluntarily join the Retirement Association, and all new teachers serving on a part-time basis are required to be members of the Association.

These provisions make it possible for a part-time teacher, who has served but a few hours a week, to retire and receive the minimum retiring allowance of \$400, which is the amount allowed teachers who are employed on a full-time basis. In the case of part-time teachers, the retiring allowance might exceed the annual salary received while in service.

Persons employed as supervisors and teachers of adult alien education are not now eligible to membership in the Retirement Association.

To remedy these conditions, it is necessary that the definition of "Teacher" in the Teachers' Retirement Law be changed so as to exclude from the Retirement Association all persons not employed on a full-time basis and include in the Retirement Association teachers and supervisors of adult alien education.

Respectfully submitted,

PAYSON SMITH, *Chairman.*
HARRY SMALLEY.
ELIZABETH F. WASSUM.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1924, MADE TO THE
INSURANCE COMMISSIONER BY THE SECRETARY OF THE
TEACHERS' RETIREMENT BOARD.

INCOME

Members' deposits		\$1,232,127	74
Deposits of teachers who are accumulating the amount due for membership		3,113	48
Deposits transferred from State Employees' Retirement Association		730	60
Interest received on investments (less \$10,844.67 accrued interest paid on securities purchased during the year)		272,665	64
Members' deposits used to purchase annuities	\$54,530	31	
Interest on same	10,772	22	
		65,302	53
Net increase in book value of securities		8,863	71
Received from Commonwealth:			
For payment of pensions for service prior to July 1, 1914	\$287,700	80	
For payment of pensions for service subsequent to July 1, 1914	23,102	21	
For reimbursement of cities and towns	79,313	18	
For administration expenses	10,355	18	400,471 37
Total income		\$1,983,275	07

DISBURSEMENTS.

Deposits refunded, including interest to members withdrawing from teaching service		\$288,913	07
Deposits refunded, including interest, to estates of members who died before retirement		25,027	44
Balance of deposits and interest refunded to estates of deceased annuitants who elected a refund annuity		1,213	45
Transferred to State Employees' Retirement Association for members who entered the State service		2,695	99
Members' deposits used to purchase annuities	\$54,530	31	
Interest on same	10,772	22	
		65,302	53

Payments to retired members:

Pensions paid for service prior to July 1, 1914	\$287,700 80	
Pensions paid for service subsequent to July 1, 1914	23,102 21	
Annuities purchased by members' contributions	23,102 21	
		333,905 22

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

Boston	\$77,556 46	
Brookline	873 32	
Wellesley	883 40	
		79,313 18

Administration expenses for calendar year 1924:

Salaries of employees	\$8,911 54	
Sundry contingent expenses	1,443 64	
		\$ 10,355 18

Total payments	\$ 806,726 06
Income over disbursements	\$1,176,549 01

ASSETS.

Investments, par value (Schedule A)	\$6,906,460.00;	
amortized value		\$6,939,015 54
Cash		79,749 89
Accrued interest on investments		90,341 01
Gross assets		\$7,109,106 44

LIABILITIES.

Deposits of members in active service	\$5,694 630 00	
Regular interest credited to same	926,547 01	
		\$6,621,177 01
Deposits of teachers who are accumulating the amount due for membership	3,113 48	
Regular interest credited to same	14 17	
		3,127 65
Deposits of members who have withdrawn from the service of the public schools without requesting a refund of the amount to their credit	\$156,510 71	
Regular interest credited to same	28,542 21	
		185,052 92
Due representatives of deceased members		5 391 09
Annuity reserve		212,529 98
Surplus		81,827 79
Total liabilities		\$7,109,106 44

MEMBERSHIP EXHIBIT.

Membership Dec. 31, 1923	15,904
Voluntary members admitted to Retirement Association during 1924	80
Teachers required by law to become members	2,029
Reinstated	359
Total	18,372

Number deceased during the year 1924	82	
Number left service	1,527	
Transferred to State Employees' Retirement Association	8	
		1,617
Membership Dec. 31, 1924		16,755

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, 1924, to the best of my knowledge and belief.

CLAYTON L. LENT

Secretary, Teachers' Retirement Board.

Subscribed and sworn to before me this twenty-seventh day of January, 1925.

PETER F. J. CARNEY

Notary Public.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1924, MADE TO THE SECRETARY OF THE TEACHERS' RETIREMENT BOARD IN COMPLIANCE WITH THE PROVISIONS OF PAR. 5, SEC. 14, CHAPTER 32, OF THE GENERAL LAWS.

INCOME.

Received from secretary of the Teachers' Retirement Board	\$1,235,241 22
Transferred from Retirement Fund for State Employees	730 60
Interest received on investments (less \$10,844.67 accrued interest paid on securities purchased during year)	272,665 64
Premium on securities sold	462 50
Total receipts	\$1,509,099 96
Ledger assets December 31, 1923	5,864,452 23
Total	\$7,373,552 19

PAYMENTS.

Annuities	\$ 23,102 21
Balance of deposits and interest refunded to estates of deceased annuitants who elected a refund annuity	1,213 45
Deposits refunded to members withdrawing from the teaching service and to estates of members who died before retirement	313,940 51
Transferred to Retirement Fund for State Employees	2,695 99
Premium on securities purchased (less \$1,812.50 discount)	46,390 14
Total payments	\$ 387,342 30
Balance	\$6,986,209 89

ASSETS.

Investments, par value, (Schedule A)	\$6,906,460 00
Cash	79,749 89
Total assets	\$6,986,209 89

I hereby certify that the above 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, 1924.

JAMES JACKSON,

Treasurer and Receiver General.

Subscribed and sworn to before me this thirteenth day of January, 1925.

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 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	333
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
Dec. 31, 1923	84	2,030	2,114	4,934	10,362	15,296	81	608
Dec. 31, 1924	80	2,029	2,109	4,844	11,244	16,088	92	667

Financial Statement.

YEAR ENDING—	Deposits Received during Year.	Interest Credited during Year to Members' Accounts.	Interest Credited to Annuity Reserve.	Deposits with Interest of Retiring Members Used to Purchase Annuities.	Annuity Reserve for Payment of Annuities to Retired Members.	Gross Assets.
Dec. 31, 1914 ¹	\$ 113,153 34	\$ 217 20		\$ 120 85	\$ 108 41	\$ 113,499 59
Dec. 31, 1915	336,400 40	7,369 17	\$ 53 41	3,162 78	3,187 89	457,910 14
Dec. 31, 1916	375,919 85	22,504 79	192 34	4,179 83	7,017 09	824,105 89
Dec. 31, 1917	436,866 96	37,996 54	501 86	10,662 28	16,876 89	1,242,582 53
Dec. 31, 1918	476,984 64	54,068 60	869 93	12,585 45	27,597 69	1,680,036 81
Dec. 31, 1919	578,580 79	71,470 87	1,358 88	15,335 59	41,117 49	2,199,645 49
Dec. 31, 1920	806,536 26	106,283 35	2,162 28	18,145 19	53,544 77	2,927,277 16
Dec. 31, 1921	945,691 75	141,775 11	3,140 42	42,629 84	90,494 24	3,842,384 60
Dec. 31, 1922	1,046,090 27	181,122 42	4,855 87	46,523 99	129,281 94	4,854,410 54
Dec. 31, 1923	1,119,921 95	224,070 96	6,599 64	50,272 15	162,483 88	5,910,775 86
Dec. 31, 1924	1,232,127 74	270,455 71	8,413 48	65,302 53	212,529 98	7,109,106 44

YEAR ENDING—	Refunds to Members Who Have Left the Service.	Payments to Estates of Deceased Members.	PAYMENTS TO RETIRED MEMBERS.		Reimbursement of Cities and Towns for Pensions Paid to Teachers under Local Systems.	Expenses of Administration.	Total Cost to the State.
			Annuity.	Pension.			
Dec. 31, 1914 ¹	\$ 17 50		\$.60	\$ 18,412 74		\$ 6,696 24	\$ 25,108 98
Dec. 31, 1915	2,096 21	\$ 706 94	136 71	56,473 29		7,377 57	63,850 86
Dec. 31, 1916	32,066 91	2,402 29	542 97	75,608 38	\$ 9,304 28	6,303 89	91,216 55
Dec. 31, 1917	52,973 13	3,921 69	1,304 34	91,244 45	16,811 40	6,874 86	114,930 71
Dec. 31, 1918	89,486 40	5,808 36	2,785 10	111,058 04	23,995 87	6,413 18	141,467 09
Dec. 31, 1919	118,921 10	14,284 32	4,060 53	129,274 75	29,769 55	6,972 57	166,415 69
Dec. 31, 1920	147,261 63	10,528 69	5,868 71	143,161 17	34,948 61	8,184 89	186,294 67
Dec. 31, 1921	167,236 91	11,444 97	10,111 82	177,072 57	47,059 33	9,564 82	233,696 72
Dec. 31, 1922	205,779 69	24,228 31	14,077 61	245,079 94	56,590 87	10,422 49	312,093 30
Dec. 31, 1923	262,517 51	35,276 13	17,962 11	280,300 32	73,027 16	10,044 36	363,371 84
Dec. 31, 1924	288,913 07	26,240 89	23,102 21	310,803 01	79,313 18	10,355 18	400,471 37

¹ 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, 1924.	Accrued Interest Dec. 31, 1924.
Akron, Ohio	4½	\$ 21,000 00	\$ 21,355 38	\$ 236 25
Ansonia, Conn.	4	20,000 00	20,000 00	400 00
Athol, Mass.	4	10,000 00	9,728 57	166 67
Baltimore, Md.	5	175,000 00	193,859 56	2,500 00
Belmont, Mass.	3½	3,000 00	2,767 91	8 75
Boston, Mass.	3½	77,000 00	70,691 14	253 75
Boston, Mass.	4	22,000 00	21,722 66	440 00
Bourne, Mass. (Notes)	5¾	3,000 00	3,000 00	71 87
Bridgeport, Conn.	4½	38,000 00	38,688 11	712 50
Bristol, Conn.	5	40,000 00	43,156 43	333 33
Bristol, R. I.	3½	10,000 00	9,361 79	116 67
Brockton, Mass.	3½	7,000 00	6,787 61	67 08
Burrillville, R. I.	3½	6,000 00	5,637 76	70 00
Cambridge, Mass.	3½	54,000 00	50,376 91	799 17
Canton, Mass. (Notes)	6	4,000 00	4,000 00	100 00
Cincinnati, Ohio	4½	41,500 00	40,984 78	840 00
Cincinnati, Ohio	5	75,000 00	76,729 71	1,875 00
Cleveland, Ohio	4½	92,000 00	95,753 79	1,316 25
Cleveland, Ohio	4¾	225,000 00	239,720 40	7,520 81
Cleveland, Ohio	5	95,000 00	101,630 06	1,208 32
Cleveland, Ohio	5½	55,000 00	55,835 74	1,008 33
Cohasset, Mass. (Notes)	5¾	6,000 00	6,000 00	14 37
Columbus, Ohio	4½	25,000 00	24,654 82	375 00
Columbus, Ohio	5	100,000 00	108,306 98	416 66
Cranston, R. I.	4	20,000 00	20,000 00	133 33
Dayton, Ohio	5	2,000 00	2,046 71	50 00
Dayton, Ohio	5½	25,000 00	27,181 87	114 58
Detroit, Mich.	4½	75,000 00	77,982 65	1,218 75
Detroit, Mich.	5	10,000 00	10,235 61	41 67
Detroit, Mich.	5½	280,000 00	289,447 55	3,850 00
Dubuque, Ia.	4½	25,000 00	25,000 00	281 25
Fall River, Mass.	3½	65,000 00	58,947 97	819 58
Fall River, Mass.	4	25,000 00	23,838 73	333 33
Flint, Mich.	5	20,000 00	20,858 29	374 99
Gardner, Mass.	4	10,000 00	9,916 98	66 67
Grand Rapids, Mich.	4½	125,000 00	130,531 70	2,343 75
Grand Rapids, Mich.	6	50,000 00	54,366 15	500 00
Hanover, Mass. (Notes)	5¾	2,000 00	2,000 00	33 54
Huntington, Mass. (Notes)	5¾	1,500 00	1,500 00	35 94
Lansing, Mich.	4½	75,000 00	76,077 40	1,668 75
Lewiston, Me.	4	7,500 00	7,317 37	150 00
Lynn, Mass.	3½	5,000 00	4,693 63	43 75
Malden, Mass.	4	26,000 00	24,388 58	511 45
Medfield, Mass.	4½	1,000 00	983 05	6 38
Medford, Mass.	4	15,000 00	15,000 00	100 00
Metropolitan Water	3	10,000 00	8,804 98	150 00
State of Michigan	4½	150,000 00	153,194 62	1,500 00
State of Michigan	5¾	312,000 00	326,928 32	8,222 49
Middleboro, Mass.	4	4,000 00	3,974 19	26 67
Milwaukee, Wis.	4½	50,000 00	51,533 69	1,125 00
Minneapolis, Minn.	4	12,000 00	11,824 91	120 00
Minneapolis, Minn.	4½	23,000 00	23,628 28	345 00
State of Minnesota	4¾	100,000 00	98,583 30	1,593 75
State of Minnesota	4½	25,000 00	25,634 44	515 62
State of Minnesota	4¾	400,000 00	419,124 69	2,691 67
State of Missouri	4½	174,000 00	177,104 61	1,027 50
State of Missouri	5	320,000 00	340,438 90	5,333 33
Needham, Mass.	4½	1,400 00	1,356 63	-
New Bedford, Mass.	3½	2,000 00	1,720 01	35 00
New Bedford, Mass.	4	3,000 00	2,795 03	60 00
New London, Conn.	3½	4,000 00	3,826 67	35 00
Newton, Mass.	4	65,000 00	64,566 59	833 33
New York State	4½	600 00	616 77	9 00
Providence, R. I.	4	50,000 00	50,000 00	333 33
Providence, R. I.	4¼	75,000 00	74,823 30	1,328 12
Providence, R. I.	4½	125,000 00	133,442 80	2,343 75
Revere, Mass. (Notes)	4½	21,860 00	21,152 61	304 33
St. Louis, Mo.	4½	235,000 00	241,109 27	2,643 75
St. Paul, Minn.	4	12,000 00	12,000 00	150 00
St. Paul, Minn.	4½	158,000 00	158,810 86	2,002 50
St. Paul, Minn.	5½	100,000 00	108,877 04	1,833 34
So. Norwalk, Conn.	4¾	10,000 00	10,000 00	70 83
Swampscott, Mass.	3½	20,000 00	18,585 18	233 34
Taunton, Mass.	3½	3,000 00	2,794 61	8 75
Taunton, Mass.	4	1,000 00	978 54	3 33

SCHEDULE A—*Concluded.*

Tisbury, Mass.	4	30,000 00	30,000 00	400 01
Toledo, Ohio	4½	1,000 00	1,051 28	22 50
Toledo, Ohio	5	25,000 00	26,004 26	520 83
U. S. Liberty Bonds	4¼	1,339,900 00	1,229,539 51	11,853 06
U. S. Treasury Certificates	4¼	750,200 00	748,063 46	6,642 39
U. S. Treasury Notes	4¾	100,000 00	100,000 00	1,385 42
Wareham, Mass.	4¼	24,000 00	24,000 00	127 50
Waterbury, Conn.	4¼	21,000 00	20,666 03	446 25
Westfield, Mass.	3½	2,000 00	1,956 94	5 83
Woonsocket, R. I.	3½	6,000 00	5,752 47	35 00
Woonsocket, R. I.	4½	58,000 00	58,682 39	217 50
Worcester, Mass.	3½	13,000 00	12,004 01	227 50
		<u>\$6,906,460 00</u>	<u>\$6,939,015 54</u>	<u>\$90,341 01</u>