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THE COMMONWEALTH OF MASSACHUSETTS

Dept of Education:
Teachers' retirement board

Thirty-seventh Annual Report of the Teachers' Retirement Board
for the period January 1, 1950, to December 31, 1950

The Legislature in 1950 made the following important amendments to the retirement law:

1. Under the provisions of Chapter 809 of the Acts of 1950, the maximum normal retirement allowance (Option (a) form of retirement allowance) is now 80% of the average salary for the two year period subsequent to June 30, 1932, when the salary was the highest. Prior to this amendment, the maximum was 80% of the average salary for the five year period subsequent to June 30, 1932, when the salary was the highest.

This Act also provides that the guaranteed minimum normal retirement allowance (Option (a) form of retirement allowance) shall be based on the average salary for the two year period subsequent to June 30, 1932, when the salary was the highest, instead of the average salary for the five year period preceding retirement which was the basis for the computation prior to the amendment. These two amendments will materially increase the retirement allowances of members retiring with long service. The guaranteed minimum normal retirement allowance applies only to members retiring at age sixty-five or over, who have 30 or more years of creditable service, and who have paid the deductions permitted on all salary in excess of \$2600, if any, for the period from July 1, 1937, to January 1, 1946, with accumulated interest.

2. Under the provisions of Chapter 670 of the Acts of 1950, if a member dies before being retired, or within thirty days following the date his retirement became effective, without an eligible beneficiary to receive the Member Survivor Allowance, and without a beneficiary, other than his spouse, to receive as a cash refund the total amount to his credit, and without having otherwise made disposition for his accumulated total deductions to any person other than his spouse, an election may be made by his spouse on a prescribed form filed with the Board within sixty days of the date of death of the member to either receive his accumulated total deductions in one sum as a cash refund, or to receive the Member Survivor Allowance, provided that said spouse and the deceased member were living together at the time of his death, or that the Board finds that they were living apart for justifiable cause other than desertion or moral turpitude on the part of the spouse. The law provides for two entirely different kinds of beneficiaries, as follows:

- (a) Under Section 11(2)(c), a member may appoint, and at any time change, a beneficiary to receive the amount due his estate from the retirement fund, in one sum, as a cash refund, with the provision that, if the beneficiary is not living at the time of the death of the member, the amount shall be paid to the legal representative of the member. NO PAYMENT CAN BE MADE UNDER THIS PROVISION OF THE LAW IF THE MEMBER DIES BEFORE RETIREMENT, AND IS SURVIVED BY A BENEFICIARY APPOINTED UNDER SECTION 12(2) Option (d), as explained in the following paragraph.

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- (b) Under Section 12(2) Option (d), a member may appoint, and at any time change, a Member Survivor Allowance beneficiary who, if such member dies before age fifty-five and before being retired, shall receive for life two-thirds of the yearly amount of the Option (c) form of retirement allowance to which such member would have been entitled had he attained age fifty-five at the time of his death and he had then retired, or if such member dies after attaining age fifty-five and before being retired, the eligible beneficiary shall receive for life two-thirds of the yearly amount of said Option (c) form of retirement allowance to which such member would have been entitled had his retirement taken place on the date of his death.

If a member is survived by a beneficiary appointed under this provision of the law, the payments which are made in accordance with Option (c) terminate on the death of the beneficiary, with no further payment from the funds of the System.

The beneficiary under this option may only be the spouse, child, father, mother, or unmarried, widowed, or divorced sister of the member. If a member appoints a sister as his beneficiary under this option, the appointment is terminated in case of her marriage prior to his death.

3. Under the provisions of Chapter 820 of the Acts of 1950, retirement allowances were increased \$100 effective from December 1, 1950, for members of the Teachers' Retirement System retired prior to November 1, 1949, who had fifteen or more years of creditable service, provided that such increase was not allowed for any member whose retirement allowance, exclusive of additional annuity, was \$2,000 or more, and no increase was allowed which would result in a member receiving a retirement allowance in excess of \$2,000, exclusive of additional annuity.

The law further limited the increases for members retired since January 1, 1946, by the provision that no retirement allowance, exclusive of additional annuity, shall exceed 80% of the average salary for the five year period after June 30, 1932, when the salary was the highest, with the further limitation for such members retired since January 1, 1946, who were retired on account of disability, that no retirement allowance shall be increased to an amount in excess of the retirement allowance payable under the law, with amendments, in effect on December 1, 1949.

There were 404 members who retired during the year. The annual retirement allowances of these members amounted to \$716,372.40, and of this amount \$160,792.44 was annuity derived from the deductions and interest to their credit at retirement and the balance, \$555,579.96, was pension payable from state appropriations. There were also 12 persons who became entitled to the Option (c) Member Survivor Allowance payments, their retirement allowances amounting to \$12,358.56, and of this amount \$4,282.32 was annuity and \$8,076.24 was pension.

On December 31, 1950, there were 3892 retired members living and their retirement allowances amounted to \$5,339,927.68, of which \$1,391,471.64 was annuity derived from the deductions and interest to their credit at retirement and \$3,948,456.04 was pension payable from state appropriations. On December 31, 1950, there were also 23 persons receiving Option (c) Member Survivor Allowance payments, their retirement allowances amounting to \$22,691.28, of which \$7,928.88 was annuity and \$14,762.40 was pension.

STATEMENT FOR THE YEAR ENDING DECEMBER 31, 1950, MADE TO THE
COMMISSIONER OF INSURANCE BY THE SECRETARY OF THE
TEACHERS' RETIREMENT BOARD

Income

Members' deposits		\$4,552,423.12
Deposits transferred from other Retirement Systems in the Commonwealth		16,450.99
Deposits transferred from Military Service Fund for members who retired		2,258.25
Members' accumulated total deductions and military service deductions used to purchase annuities		2,157,097.38
Interest received on investments (less \$27,670.70 accrued interest paid on securities purchased during the year)		1,692,683.27
Received from the Commonwealth:		
For payment of pensions to retired members	\$3,715,544.64	
For reimbursement of cities and towns	647,679.80	
For administration expenses	76,787.13	
For deficits as provided by Section 22 of Chapter 32 of the General Laws	<u>275,324.32</u>	
		<u>4,715,335.89</u>
Total income		\$13,136,248.90

Disbursements

Deposits refunded, including interest, to members withdrawing from teaching service		\$540,056.38
Deposits refunded, including interest, to estates of members who died before retirement		170,977.80
Balance of deposits and interest refunded to estates of deceased annuitants who elected a refund annuity		141,416.40
Transferred to other Retirement Systems in the Commonwealth		51,231.92
Members' accumulated total deductions and military service deductions used to purchase annuities		2,157,097.38
Investment expenses		70.83
Transferred to Pension Fund as provided by Section 22 of Chapter 32 of the General Laws		2,169.75
Net decrease in book value of securities		131,979.51
Payments to retired members:		
Pensions paid from funds appropriated by the Commonwealth	\$3,715,544.64	
Annuities paid from funds to the credit of retired members at the time of their retirement	<u>1,348,508.49</u>	
		5,069,953.13
Reimbursement of cities and towns on account of pensions paid to teachers retired subsequent to July 1, 1914:		
Boston	637,364.51	
Brookline	1,008.76	
Cambridge	3,816.21	
Milton	3,227.18	
Wellesley	<u>2,181.14</u>	
		647,679.80
Administration expenses for calendar year:		
Salaries of employees	64,896.10	
Sundry contingent expenses	<u>11,891.03</u>	
		<u>76,787.13</u>
Total payments		\$8,989,420.03
Income over disbursements		\$4,146,828.87

Assets

Investments, par value (Schedule A)	\$61,900,275.00	
amortized value		\$62,797,010.03
Cash		2,198,759.75
Accrued interest on investments		334,099.07
Due from the Commonwealth as provided by Section 22 of Chapter 32 of the General Laws		<u>308,726.82</u>
Gross assets		\$65,638,595.72

Liabilities

Deposits of members in active service	\$36,916,219.43	
Regular interest credited to same	<u>13,940,294.54</u>	\$50,856,513.97
Deposits of members who have withdrawn from the service of the public schools without requesting a refund of the amount to their credit	671,183.96	
Regular interest credited to same	<u>170,495.13</u>	841,679.09
Due representatives of deceased members		32,118.98
Annuity reserve and amount due estates of deceased annuitants		<u>13,908,283.68</u>
Total liabilities		\$65,638,595.72

Membership Exhibit

Membership December 31, 1949		25,830
Voluntary members admitted to Retirement System during 1950		39
Teachers required by law to become members		1,809
Reinstated		<u>505</u>
		28,183
Number deceased during the year	269	
Number left service	1,188	
Transferred to other Retirement Systems in the Commonwealth	<u>51</u>	
		<u>1,408</u>
Membership December 31, 1950		26,685

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, 1950.

A true statement, made under the penalties of perjury.

/s/ Clayton L. Lent
Secretary, Teachers' Retirement Board

STATEMENT FOR THE YEAR ENDING DECEMBER 31, 1950, MADE TO THE

COMMISSIONER OF INSURANCE BY THE SECRETARY OF THE

TEACHERS' RETIREMENT BOARD

TEACHERS' RETIREMENT MILITARY SERVICE FUND

Income

Received from cities and towns as provided by Chapter 708, Acts of 1941, and Chapter 419, Acts of 1943	\$14,452.81
Received from the Commonwealth as provided by Section 22 of Chapter 32 of the General Laws	1,741.87
Received from the Commonwealth as provided by Chapter 699, Acts of 1945	637.53
Interest received on investments	<u>9,055.00</u>
Total income	\$25,887.21

Disbursements

Transferred to Annuity Reserve Fund for members retired	2,258.25
Net decrease in book value of securities	254.20
Military assessments returned to cities and towns on account of members who have withdrawn their funds or died	17,812.98
Military assessments credited to Pension Fund on account of members who have withdrawn their funds or died	931.96
Returned to cities and towns unused balances of amounts contributed for military assessments	<u>10,437.47</u>
Total payments	\$31,694.86
Disbursements in excess of income	\$ 5,807.65

Assets

Investments, par value \$350,000.00	
Amortized value	\$354,626.32
Cash	49,460.03
Accrued interest on investments	450.20
Due from the Commonwealth as provided by Section 22 of Chapter 32 of the General Laws	<u>2,410.82</u>
Gross Assets	\$406,947.37

Liabilities

Deposits and interest to credit of cities and towns for payment of assessments of members who return from military service	\$19,078.27
Assessments and interest of members who have returned from military service	<u>387,869.10</u>
Total Liabilities	\$406,947.37

I hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Teachers' Retirement Military Service Fund of the Teachers' Retirement Board on the thirty-first day of December, 1950.

A true statement, made under the penalties of perjury.

/s/ Clayton L. Lent
Secretary, Teachers' Retirement Board

SCHEDULE A - ANNUITY SAVINGS FUND

UNITED STATES GOVERNMENT, STATE AND MUNICIPAL BONDS

Description	Rate (Per Cent)	Par Value	Amortized Value Dec. 31, 1950	Accrued Int. Dec. 31, 1950.
Akron, Ohio	4½	10,000.00	10,061.11	106.25
Akron, Ohio	5	15,000.00	15,345.67	187.50
Akron, Ohio	5½	30,000.00	30,000.00	825.00
Alabama, State of	4	40,000.00	39,504.68	533.33
Alabama, State of	4½	25,000.00	24,856.24	88.54
Alabama, State of	4½	110,000.00	112,261.10	412.50
Alabama, State of	4 3/4	45,000.00	46,028.15	712.50
Baltimore, Md.	4	50,000.00	49,925.17	833.33
Baltimore, Md.	5	380,000.00	388,609.94	4,750.00
Bayonne, N. J.	4½	50,000.00	50,272.61	562.50
Boston, Mass.	2 3/4	20,000.00	20,026.81	137.50
Boston, Mass.	3	420,000.00	477,202.37	1,050.00
Boston, Mass.	4	330,900.00	329,804.91	4,139.00
Boston, Mass.	4½	238,000.00	242,882.68	3,655.00
Boston, Mass.	4½	112,000.00	115,554.17	1,586.25
Boston, Mass.	4 3/4	1,315,000.00	1,377,840.67	18,050.00
Braintree, Mass.	3½	28,000.00	28,143.35	303.32
Bristol, Conn. (Reg.)	5	40,000.00	40,347.95	333.33
Brockton, Mass.	4	24,000.00	24,556.70	320.00
California, State of	4	71,000.00	71,199.14	1,412.11
California, State of	4½	110,000.00	110,831.15	2,311.52
Canton, Ohio	4½	50,000.00	50,389.78	750.00
Canton, Ohio	5½	10,000.00	10,065.53	45.83

Chelsea, Mass.	3½	44,000.00	45,407.08	641.66
Chelsea, Mass.	4	44,000.00	47,113.30	636.66
Cincinnati, Ohio	4½	125,000.00	126,676.53	468.75
Cleveland, Ohio	4½	17,000.00	17,710.82	153.75
Cleveland, Ohio	4 3/4	15,000.00	15,199.42	178.12
Cleveland, Ohio	5	80,000.00	84,871.97	1,583.33
Cleveland, Ohio	5½	12,000.00	12,565.37	220.00
Columbus, Ohio	4	43,000.00	43,295.20	716.67
Dallas, Texas	4½	40,000.00	39,993.61	425.00
Dallas, Texas	4½	90,000.00	89,971.18	1,500.00
Dayton, Ohio	4 3/4	17,000.00	17,362.46	201.87
Dayton, Ohio	5½	45,000.00	45,043.23	1,031.25
Denver, Colo.	4½	40,000.00	41,657.65	141.67
Des Moines, Iowa	5	25,000.00	27,574.60	104.17
Detroit, Mich.	4½	100,000.00	100,060.55	1,359.37
E. Chelmsford, Mass.	4	20,000.00	20,215.01	266.70
Elizabeth, N. J.	4½	14,000.00	14,023.19	148.75
Everett, Mass.	4	9,000.00	8,966.11	90.00
Fall River, Mass.	3½	34,000.00	33,596.30	317.92
Fitchburg, Mass.	2	55,000.00	54,869.02	550.00
Fort Worth, Texas	4½	55,000.00	55,432.94	973.96
Fort Worth, Texas	4 3/4	35,000.00	35,275.35	831.25
Fresno, Calif.	4½	120,000.00	129,429.27	2,685.00
Grand Rapids, Mich.	4	150,000.00	150,310.44	2,499.99
Hartford, Conn.	3½	9,000.00	8,854.35	157.50
Huntington, W. Va.	4½	68,000.00	68,435.39	---

Jersey City, N. J.	5	25,000.00	25,683.53	312.50
Jersey City, N. J.	5½	80,000.00	83,108.56	1,604.17
Lawrence, Mass.	2 3/4	26,000.00	26,110.09	59.59
Lawrence, Mass.	3½	19,000.00	19,342.16	221.66
Leominster, Mass.	5	32,000.00	32,428.27	266.64
Lewiston, Maine	4½	35,000.00	35,165.94	743.75
Long Beach, Calif.	4	95,000.00	105,939.33	316.67
Long Beach, Calif.	4½	5,000.00	5,044.41	88.54
Long Beach, Calif.	5	105,000.00	118,438.33	437.50
Los Angeles, Calif.	3 3/4	50,000.00	51,301.83	468.75
Los Angeles, Calif.	4½	280,000.00	292,088.82	2,756.25
Los Angeles, Calif.	4 3/4	97,000.00	98,685.83	1,903.94
Los Angeles, Calif.	5	46,000.00	48,147.83	958.33
Louisiana Port Commission	5	10,000.00	10,023.71	250.00
Louisiana, State of	5	18,000.00	18,447.54	370.83
Lynchburg, Va.	5	75,000.00	77,851.92	1,875.00
Lynn, Mass.	3 3/4	8,000.00	8,171.53	50.00
Malden, Mass.	3 3/4	9,000.00	9,142.95	168.75
Medford, Mass.	2½	2,000.00	1,999.76	20.83
Met Water	4	135,000.00	144,301.17	2,700.00
Minneapolis, Minn.	4	90,000.00	89,682.49	1,500.00
Minnesota, State of	4½	97,000.00	99,162.28	343.54
Minnesota, State of	4 3/4	150,000.00	151,747.11	593.75
Missouri, State of	4	5,000.00	5,133.39	33.33
Montgomery, Ala.	5	35,000.00	36,447.91	875.00
Nashville, Tenn.	4½	20,000.00	20,007.59	212.50
Nashville, Tenn.	4½	50,000.00	50,748.56	1,125.00

New Bedford, Mass.	3 $\frac{1}{2}$	2,000.00	1,991.19	35.00
New Bedford, Mass.	4	63,000.00	66,413.20	1,260.00
New Jersey, State of	4 $\frac{1}{2}$	20,000.00	20,171.43	450.00
New York, State of	4 $\frac{1}{2}$	600.00	608.63	9.00
Newark, N. J.	5 $\frac{1}{2}$	30,000.00	32,275.82	481.25
Newport News, Va.	4 3/4	50,000.00	51,028.83	1,187.50
Newport, R. I.	4	41,000.00	41,000.00	683.34
No. Carolina, State of	4 $\frac{1}{2}$	25,000.00	25,000.00	531.25
No. Carolina, State of	4 $\frac{1}{2}$	55,000.00	56,099.36	1,181.25
No. Carolina, State of	4 3/4	24,000.00	24,000.00	570.00
Norwalk, Conn.	3 3/4	20,000.00	18,405.67	156.24
Norwalk, Conn.	4	32,000.00	30,525.67	373.33
Pasadena, Calif.	4 $\frac{1}{2}$	25,000.00	25,461.21	468.75
Pasadena, Calif.	4 3/4	65,000.00	72,171.43	1,385.41
Pasadena, Calif.	5	5,000.00	6,101.24	41.67
Paterson, N. J.	4 $\frac{1}{2}$	100,000.00	100,484.47	2,125.00
Paxton, Mass.	4	37,000.00	37,949.12	616.65
Pennsylvania, State of	5	65,000.00	65,575.75	1,625.00
Pittsburgh, Pa.	4 $\frac{1}{2}$	15,000.00	15,406.48	318.75
Portland, Oregon	4 $\frac{1}{2}$	6,000.00	6,102.79	67.50
Providence, R. I.	4	211,000.00	207,380.38	2,197.78
Providence, R. I.	4 $\frac{1}{2}$	170,000.00	170,503.74	2,762.50
Providence, R. I.	4 $\frac{1}{2}$	125,000.00	128,945.87	2,343.75
Richmond, Va.	4 $\frac{1}{2}$	155,000.00	158,430.73	3,293.75
Richmond, Va.	4 $\frac{1}{2}$	290,000.00	299,833.13	6,525.00
Rochester, N. Y.	5	20,000.00	20,345.80	416.66

St. Paul, Minn.	4 1/2	129,000.00	129,878.62	2,330.42
St. Paul, Minn.	4 1/2	79,000.00	79,239.45	888.75
St. Paul, Minn.	5 1/2	112,000.00	112,461.28	2,163.34
San Bernardino, Calif.	4 1/2	86,000.00	87,413.21	1,066.04
San Diego, Calif.	4	109,000.00	114,074.30	2,180.00
San Diego, Calif.	4 1/2	25,000.00	28,757.89	93.75
San Diego, Calif.	5	80,000.00	87,410.64	1,583.33
San Francisco, Calif.	4 1/2	440,000.00	457,241.43	9,900.00
San Francisco, Calif.	5	100,000.00	107,574.30	1,916.67
San Francisco, Calif.	5 3/4	105,000.00	110,314.33	503.12
Santa Monica, Calif.	4 3/4	10,000.00	11,222.14	39.58
Santa Monica, Calif.	5	229,000.00	237,775.38	4,170.83
Scituate, Mass.	3 3/4	65,000.00	64,006.49	1,117.19
Seattle, Wash.	4 1/2	50,000.00	52,565.75	177.08
Seattle, Wash.	4 1/2	30,000.00	30,977.20	675.00
Springfield, Mass.	3 3/4	65,000.00	66,792.44	203.12
Tampa, Fla.	4	50,000.00	49,413.32	333.33
Tennessee, State of	5 1/2	25,000.00	29,551.51	687.50
U. S. Savings Bonds (Series G)	2 1/2	550,000.00	550,000.00	6,250.00
U. S. Treasury	2	3,411,000.00	3,417,083.77	13,467.48
U. S. Treasury	2 1/2	4,436,375.00	4,457,420.20	17,040.55
U. S. Treasury	2 1/2	34,329,000.00	34,801,434.46	87,488.53
U. S. Treasury	2 3/4	2,250,000.00	2,254,485.94	2,578.06
U. S. Treasury	2 7/8	329,400.00	330,101.59	2,762.15
U. S. Treasury	3	1,300,000.00	1,306,889.48	11,375.00
U. S. Investment(Series A)	2 1/2	460,000.00	460,000.00	2,875.00

Walpole, Mass.	3 $\frac{1}{2}$	10,000.00	9,007.45	145.84
Waterbury, Conn.	4 $\frac{1}{2}$	23,000.00	22,968.79	488.75
W. Newbury, Mass.	2 3/4	15,000.00	15,121.30	120.30
W. Virginia, State of	4 $\frac{1}{2}$	180,000.00	180,318.05	3,825.00
W. Virginia, State of	4 $\frac{1}{2}$	140,000.00	140,700.14	2,700.00

TOTAL 57,303,275.00 58,148,385.85 293,497.51

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PUBLIC UTILITY BONDS

Niagara Mohawk Power Corp. (Gen. Mort.)	2 3/4	200,000.00	203,540.50	2,750.00
Am. Tel & Tel	2 3/4	150,000.00	151,154.88	1,718.75
Detroit Edison Co.	2 3/4	100,000.00	102,236.53	916.67
Am. Tel & Tel Co.	2 5/8	100,000.00	97,285.92	1,312.50
N. E. Tel & Tel Co.	3	150,000.00	156,953.02	1,312.50
Pacific Gas & Electric Co.	3	125,000.00	130,370.51	312.50
Boston Edison Co.	2 3/4	200,000.00	205,163.83	1,375.00
Potomac Electric Power Co.	2 3/4	300,000.00	303,337.19	1,375.00
Consolidated Edison Co. of N.Y.	2 3/4	100,000.00	102,450.23	229.17
Dayton Power & Light Co.	2 3/4	100,000.00	102,578.24	687.50
Standard Oil Co. of N. J.	2 3/4	100,000.00	102,699.66	1,260.42
Georgia Power Co.	2 7/8	100,000.00	102,714.56	718.75
Cleveland Elec. Illuminating Co.	2 3/4	100,000.00	100,779.73	916.67
Central Maine Power Co.	3 1/8	247,000.00	250,437.92	643.23
Montana Power Co. (1st Mort.)	2 7/8	250,000.00	242,946.04	1,796.87
Mt. State Tel & Tel Co.	3 1/8	125,000.00	126,030.22	976.56
N. E. Power Co. (1st Mort.) Series B	3	500,000.00	504,686.92	7,500.00
N. J. Bell Tel Co.	3 1/8	250,000.00	257,550.50	3,580.73
N. Y. Tel Refunding Mort. Series E	3 1/8	250,000.00	253,347.77	3,255.21
Pacific Gas & Electric Co.	2 7/8	400,000.00	391,738.58	958.33
Pacific Tel & Tel Co.	3 1/2	250,000.00	256,466.88	2,708.33
Philadelphia Electric Co.	2 7/8	250,000.00	248,242.04	2,994.79
So. Western Bell Tel Co.	3 1/8	250,000.00	255,912.51	1,302.08
TOTAL		4,597,000.00	4,648,624.18	40,601.56
Total Securities - Schedule A		57,303,275.00	58,148,385.85	293,497.51
SCHEDULE A - GRAND TOTALS		61,900,275.00	62,797,010.03	334,099.07

SCHEDULE B - MILITARY SERVICE FUND

Description	Rate (Per Cent)	Par Value	Amortized Value Dec. 31, 1950	Accrued Int. Dec. 31, 1950
U. S. Treasury	2	14,000.00	14,067.05	11.67
U. S. Treasury	2 $\frac{1}{4}$	50,000.00	50,012.75	46.87
U. S. Treasury	2 $\frac{1}{2}$	286,000.00	290,546.52	391.66
TOTAL		350,000.00	354,626.32	450.20

WHITINGS
MUTUAL BOND
RAG CONTENT