

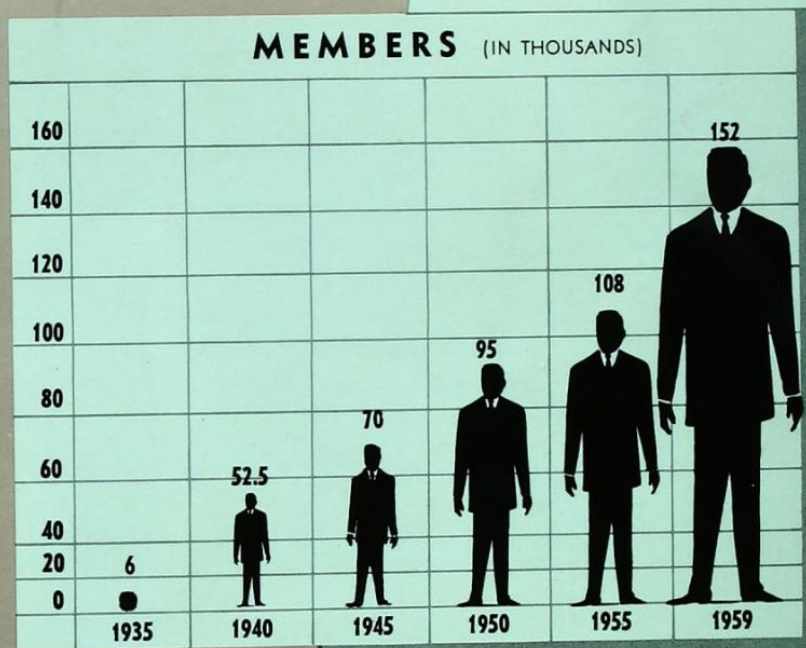
WE'VE GROWN UP

1935

25 YEARS OF
PROGRESS

1960

OHIO STATE
UNIVERSITY
JAN 4 1963
LIBRARY



**PUBLIC EMPLOYEES RETIREMENT SYSTEM
OF OHIO**

SILVER
ANNIVERSARY



1935 • 1960

DEDICATION

This silver anniversary report is dedicated to the men and women — public officials, legislators, public employees and interested citizens — who worked over the past quarter of a century to create and develop one of the best public employee retirement systems in the nation . . .

OHIO PUBLIC EMPLOYEES RETIREMENT BOARD

MISS ELMA A. WHITNEY, Chmn.
Miscellaneous Employees
Worthington

ROBERT D. McKEAN
Municipal Employees
Cleveland

FRED J. MORR
County Employees
Cincinnati

FRED J. SCHNEIDER

RAPHAEL HORWITZ
State Employees
Cincinnati

MARK McELROY
Attorney General

JAMES A. RHODES
Auditor of State

JAMES T. WELSH
Director
Ohio Personnel Department

HD 7090

03

1960



We've Grown up!

We are observing our 25th anniversary this year. We've grown up. Our Public

Employees Retirement System has come a long ways in a quarter of a century. From a faltering start in the nation's last bad business depression, the System has grown steadily. Not only has it grown in the number of members it serves and in the value of its assets but it has grown also in the depth and breadth of the protection it provides for its members.

Ohio's System now is generally recognized as one of the soundest and most progressive systems of its kind in the country. Its payments to members who have retired after years of public service compare favorably with those of any other state; are better than most. It is one of the few systems that pays survivor benefits to the dependents of members who die. It provides disability benefits for members who become totally disabled. It provides all the services that a good retirement system is supposed to provide.

During 1959, P.E.R.S., paid more than \$15 million in benefits, \$13.6 million of it to members who had retired because of age. Since the first benefit check was sent out in 1938, monthly benefit payments have amounted to a little less than \$100 million dollars.

Public employees and their employers — the state, the counties, the municipalities and other subdivisions — share in support of the system. Seven per cent of the pay of each employee-member is deducted every pay day and forwarded to the Retirement System. It goes into an individual account that is kept in the member's name. It is still the member's money, held in trust by the Retirement System. The member will get it back when he retires, either in a lump sum or in monthly benefit checks as long as he lives. If the member leaves public employment, all the money in his account will be refunded to him if he asks for it.

Employer contributions to the Retirement System are at a higher rate than the employee's, averaging about 8.5 per cent of payrolls. This higher rate for employers is necessary to provide survivor and disability benefits and to pay for prior and military service.



All the money that comes into the Retirement System is invested in interest-bearing bonds. Only bonds

issued by the United States Government, the State of Ohio and its subdivisions or AA corporation securities are purchased by the Retirement System. State law authorizes Ohio's retirement systems to invest also in common stocks or productive real estate and to lend money to the State Highway Department for advance purchases of rights-of-way. But our System has stuck to gilt-edge bonds.

Interest earned by these sound securities makes it possible for the Retirement System to pay larger benefits to our retired or disabled members and to the survivors of members who died. The interest is added to the contributions made by employees and employers to get the funds necessary to meet benefit payments. For example, a \$1,000 investment at 3%, compounded annually, will grow to \$2,000 in 23.5 years.

Our System operates on what the insurance business calls a sound actuarial reserve basis. This means we have funds available to meet all of our obligations at all times. When a member retires, a reserve is set aside to pay all the benefits under the payment plan the member has chosen. P.E.R.S. is financially sound. It does not have to depend on subsidies from a legislature to pay current benefits as the retirement systems in some states do.

Ohio's legislatures have acted frequently in the past 25 years to improve the retirement system and keep it abreast of the times. Trying to keep up with inflation is an unending job. The 103rd General Assembly increased benefits from 10 to 14 per cent at the 1959 session.

During 1959, the System paid \$15.8 million to 15,002 beneficiaries — either persons who retired or the survivors of members who died. More than \$7 million was refunded to persons who left Public Service. That money helped a lot of former public workers to pay the rent and buy groceries.



Pardon us, please, if we say that we are a little proud of the accomplishments of the Public Employees Retirement System and that we are confident that our valuable services to the public employees and employers of Ohio will continue.

BOARD

DDDES

LSH

partment

MAIN LIBRARY

YEARS OF PROGRESS

1935 State employees start depositing in the State Employees Retirement System which was created by an act of the 90th Ohio General Assembly in 1933.

1937 State makes its first employer contributions to the Retirement System.

1938 First retirement check paid; system broadened to include employees of counties, municipalities, health, park and conservancy districts; name changed to Public Employees Retirement System.

1941 Membership is made optional for elected officials; most join.

1945 State pays up delinquent contributions to put System on a sound actuarial reserve basis.

1947 Benefits are increased for those on retirement and minimum \$15 pension established.

1951 Survivor benefits provided; System becomes more valuable to younger members.

1955 Benefits increased; guaranteed minimum wage service credit formula goes in effect.

1957 Benefits in effect adjusted; service needed to qualify for disability benefits reduced from 10 to five years.

1959 Ten to 14% increase made in all benefits; Service needed for members to qualify their survivors for benefits reduced from three years to 18 months.



WHERE OUR RETIRANTS ARE:



CANADA 11

ITALY 9

NORWAY 1
W. GERMANY 1

PUERTO RICO 2

FROM THE BEGINNING . . .



The Great Depression of the Thirties had the country in its grip when the 90th Ohio General Assembly passed the bill that laid the foundation for Ohio's Public Employees Retirement System. Thousands of Ohioans were jobless; thousands were hungry and many state employees were gravely concerned about what was going to happen to them when they got too old to work. Public employees did not have a retirement system as the school teachers did. There were few nest eggs; prospects were dismal for many.

On June 30, 1933, Governor George White signed the Haynes-Best Bill and the State Employees Retirement System started to function under its provisions on January 1, 1935. Only state employees could be members at the start and at the end of its first year it had 6,022 members.

Now — 25 years later — there are 156,210 members, from Cincinnati to Conneaut and from Bryan to Belpre. Employees of all subdivisions of the state are members. All public employees who do not belong to other retirement systems are members of the Public Employees Retirement System of Ohio. The System has done much to stabilize public employment in the Buckeye State and to give workers in the various levels of Ohio's public service a pride in their jobs.

Starting back in 1925, a small group of state employees went to work on a plan of setting up a retirement system for state workers similar to the system that had been established for school teachers. The group, known as the "State Employees' Beneficial Association of Ohio", kept plugging away and sponsored a bill before the Legislature in 1931. It did not get any place. The sponsors were back at the next session. Senator William P. Haynes, of Coshocton, and Rep. Charles S. Best, of Columbus, were authors of the bill that was enacted into law in June of 1933, to become effective January 1, 1935.



The state did not contribute to the retirement system at the start. In 1937 the Legislature authorized the employer — the state — to make contributions and the first retirement check was sent out January 31, 1938. It was for \$106.07. Since then, 1,400,000 checks have been paid to 19,659 retirants or beneficiaries for a total of close to \$100 million. In addition, the Retirement System has refunded \$70 million to members who left public employment and wanted their money back.



The State Employees Retirement System looked so promising in its early days that other public workers sought similar protection. The System was broadened for the first time in 1938 to include employees of: counties, municipalities, public libraries, and health, park and conservancy districts. This increased membership by nearly 150 per cent. The Legislature also changed the name to The Public Employees Retirement System. In later years it was further broadened to include employees of all subdivisions of government in Ohio who were not already eligible for membership in other systems such as the teachers retirement system and police and firemen's pension system. Elected officials were given the right to join the system in 1941. The membership has grown from 6022 in 1935 to 156,210 in 1960.

As the System grew bigger it also got better. At nearly every session of the Legislature since 1935, the Retirement Act has been amended to improve the system. One of the most significant improvements came in 1951 when survivor benefits were provided. This has made the system more attractive to the younger employees for whom the day of retirement is a long way off.



The benefits paid by the system — retirement, survivor and disability — have increased steadily over the years as efforts were made to keep abreast of the times, a task made difficult by continuing inflation.

Today, at age 25, Ohio's Public Employees Retirement System is recognized as one of the best systems of its kind in the country. We want to keep it that way for another 25 years at least.



YOUR RETIREMENT BOARD (Reading from left to right)

JAMES T. WELSH
Director
Personnel Department

ROBERT D. MCKEAN
Municipal Employees
Cleveland

PHAEEL HORWITZ
State Employees
Cincinnati

FRED J. MORR *
County Employees
Cincinnati

MISS ELMA A. WHITNEY, Chairman
Miscellaneous Employees
Worthington

FRED L. SCHNEIDER
Executive Secretary

WILLIAM R. PALMER, SR.
State Auditor's Representative

JAMES A. RHODES
Auditor of State

GERALD J. CELEBREZZE
Attorney General's Representative

MARK McELROY
Attorney General

* Mr. Morr, auditor of Hamilton County, has served on the board continually since 1939. This is the longest tenure of a board member of any major retirement system in the nation.

A seven-member board runs the Public Employees Retirement System. Created by state law, the board makes final decisions on claims and determines how the System's money is to be invested. It employs an executive-secretary who directs the day-to-day operations of the system.

The board is composed of: the attorney general; the auditor of state; the director of state personnel and four employee members. These employee members represent the four groups of public employees who belong to the system: one for state employees; one for municipal employees; one for county employees and one for miscellaneous employees. This latter group includes employees of libraries, townships, the various districts — health, sanitary and conservancy — and metropolitan housing authorities. The employee members of the board are elected for four year terms by the employees they represent. The board meets once a month and its members serve without compensation.

The executive secretary directs a staff of 127 in conducting the day-by-day affairs of the system. The staff posts close to 2,000,000 entries of deposits a year; writes retirement checks to 15,000 retired members every month and makes 20,000 refunds a year to persons who leave public employment. It also provides consulting service to members who are ready to retire and answers all questions.

FORMER BOARD MEMBERS

HARRY E. NEAL, 1934-36
JOHN W. BRICKER, 1934-36
JOSEPH T. TRACY, 1934-36
RALPH EMMONS, 1934-35
JAMES C. WOODARD, 1934 and 37
W. B. FRANCIS, 1936-37
CHARLES J. MANNEY, 1936-39
HERBERT S. DUFFY, 1937-38, 1949-50

HAZEL HITE, 1938
EDWARD V. STOECKLEIN, 1938
CARL W. SMITH, 1938; 1946-47; 1950-57
THOMAS J. HERBERT, 1939-44
WILLIAM J. MALONEY, 1939-51
PAULINE REICH, 1939
GERTRUDE JONES, 1939-45 and 1948-49
JOSEPH T. FERGUSON, 1937-52
WILLIAM S. EVATT, 1941-45

MARIE A. NEWBERRY, 1941-45
HUGH S. JENKINS, 1945-48
JOHN C. WAIDNER, 1946-54
JANE ROBERTS, 1946
DOROTHY STROUSE, 1947-57
C. WILLIAM O'NEILL, 1951-56
LELAND S. DOUGAN, 1957-59
WILLIAM SAXBE, 1957-58

FORMER EXECUTIVE SECRETARIES

DALE W. STUMP, 1933-35

WILSON E. HOGE, 1936-43

Where Our
MEMBERS
Are ...

STATE
60,572
38.5%



MUNICIPAL
45,429
29%



STATE
4,998
40.5%

COUNTY
34,676
22.5%

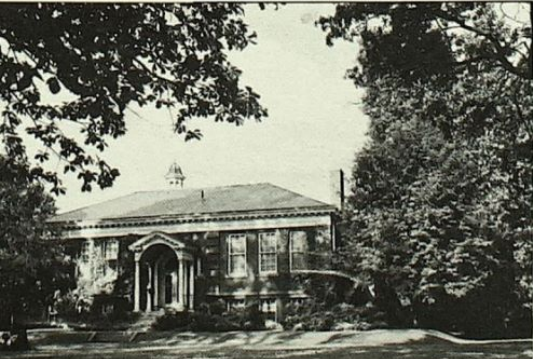


MUNICIPAL
3,853
31%

Where Our
RETIRANTS
Came From

COUNTY
2,574
21%

MISC.
15,533
10%



MISC.
903
7.5%

PORTFOLIO OF PERS INVESTMENTS

DECEMBER 31 1959

U S TREASURY BONDS	\$233 639 000.
FEDERAL LAND BANK	17 535 000
F N M A	600 000
UNIVERSITY DORMITORY REVENUE BONDS	1 355 000
STATE OF OHIO BONDS	300 000
COUNTY BONDS	468 000
MUNICIPAL GENERAL OBLIGATION BONDS	577 500
MUNICIPAL REVENUE BONDS	8 419 350
SCHOOL BONDS	26 517 150
TOWNSHIP BONDS	3 000
JOINT TOWNSHIP BONDS	40 000
CONSERVANCY DISTRICT BONDS	24 000
CORPORATION OBLIGATIONS AAA & AA	
INDUSTRIAL	
ALLIED CHEMICAL & DYE	50 000
ALUMINUM CO OF AMER	520 000
ATLANTIC REFINING CO	200 000
CATERPILLAR TRACTOR	280 000
GENERAL ELECTRIC CO	300 000
GENERAL MOTORS CORP	1 605 000
MINNEAPOLIS HONEYWELL	1 000 000
MINN MINING & MFG CO	1 000 000
NATIONAL STEEL CORP	915 000
PITTSBURG PLATE GLASS	150 000

SEARS ROEBUCK & CO
SHELL OIL CORPORATION
STANDARD OIL OF CALIF
STANDARD OIL N JERSEY
STANDARD OIL OF IND
STANDARD OIL OF OHIO
UNITED STATES STEEL

TOTAL INDUSTRIAL

TELEPHONE

AMER TEL & TEL CO
BELL TEL OF PENNA
CHESAPEAKE & POTOMAC
CINCI & SUB BELL TEL
DIAMOND STATE TEL
ILLINOIS BELL TEL CO
MICHIGAN BELL TEL CO
MOUNTAIN STATES T & T
NEW ENGLAND TEL & TEL
NEW JERSEY BELL TEL
NEW YORK TELEPHONE CO
NORTHWESTERN BELL TEL
PACIFIC TEL & TEL CO
SOUTHERN BELL T & T
S NEW ENGLAND TEL CO
SOUTHWESTERN BELL TEL
WISCONSIN TELEPHONE

TOTAL TELEPHONE

ELECTRIC UTILITY

ATLANTIC CITY ELEC CO
BOSTON EDISON CO
BROCKTON EDISON CO
CAMBRIDGE ELEC LIGHT
CENTRAL POWER & LIGHT
CLEVELAND ELEC ILLUM
COMMONWEALTH EDISON
CONN LIGHT & POWER CO
CONSOL EDISON OF N Y
DALLAS POWER & LIGHT
DAYTON POWER & LIGHT
DELAWARE POWER & LT
DETROIT EDISON CO
DUQUESNE LIGHT CO
EL PASO ELECTRIC CO
FLORIDA POWER & LIGHT
GULF STATES UTILITIES
HARTFORD ELEC LIGHT
HOUSTON LIGHT & POWER
IND & MICH ELEC TRIC
INDIANAPOLIS PR LT CO
IOWA POWER & LIGHT LT
KANS CITY POWER EDISON
METROPOLITAN ELEC CO
NARRAGANSETT LIGHT CO
N Y POWER & LIGHT CO
NORTH INDIANA PUB SER
OHIO EDISON COMPANY
PACIFIC GAS & ELEC CO
PENN ELECTRIC & COMPANY

PORTFOLIO OF PERS INVESTMENTS (CONT'D.)

DECEMBER 31 1959

1500000	PHILADELPHIA ELEC CO	3145000
1000000	POTOMAC ELEC POWER	750000
2200000	PUB SERV CO OF COLO	1650000
1000000	PUB SERV CO OF INDIANA	2025000
1000000	PUB SERV CO OF OKLA	500000
8750000	PUB SERV ELEC AND GAS	950000
6000000	SOUTHERN CALIF EDISON	2600000
10460000	SOUTHERN CALIF GAS CO	3000000
	SUBURBAN ELECTRIC CO	4000000
	TAMPA ELECTRIC CO	3000000
	TEXAS ELEC SERVICE	1286000
	TEXAS POWER & LIGHT	1050000
	UNION ELECTRIC OF MO	775000
5290000	UNION LIGHT HEAT & PR	2250000
3550000	VIRGINIA ELEC & POWER	325000
2000000	WESTERN MASS ELEC CO	400000
2445000	WISCONSIN POWER & LT	200000
525000	WISCONSIN PUBLIC SERV	600000
1100000		
3620000	TOTAL ELEC UTILITY	50184000
480000		
1620000	GAS UTILITY	
1375000		
5895000	CONSOL NATURAL GAS CO	2014000
6500000	NATIONAL FUEL GAS CO	875000
4200000		
10990000	TOTAL GAS UTILITY	2889000
200000		
4959000	ELECTRIC AND GAS UTILITY	
400000		
47499000	CINCI GAS & ELECTRIC	1400000
	LOUISVILLE GAS & ELEC	750000
500000	TOTAL ELECTRIC & GAS UTILITY	2150000
1500000		
50000	POWER UTILIT	
297000		
300000		
3203000	CONSUMERS POWER CO	650000
600000	DUKE POWER COMPANY	1150000
850000	NEW ENGLAND POWER CO	700000
6450000	NIAGARA MOHAWK POWER	1200000
400000	NORTHERN STATES POWER	2220000
635000	OHIO POWER COMPANY	1650000
750000	WEST PENN POWER CO	1100000
865000		
800000	TOTAL POWER UTILITY	8670000
400000		
1350000	WATER UTILITY	
715000		
750000	HACKENSACK WATER CO	100000
1775000		
1435000	TOTAL WATER UTILITY	100000
400000		
398000	PIPE LINE	
625000		
1000000	INTERSTATE OIL P L	200000
700000	SERVICE PIPE LINE CO	400000
230000		
600000	TOTAL PIPE LINE	600000
1250000		
2325000		
2000000		

	RAILROAD EQUIPMENT TRUST CERTIFICATE	
	CHESAPEAKE & OHIO RR	150
	CHI BURL & QUINCY RR	220
	CHI MILW ST PAUL PAC	14
	CHI ROCK ISLAND & PAC	54
	CINCI N ORL & TEX PAC	54
	DENVER & RIO GRANDE W	122
	GREAT NORTHERN RR	122
	GULF MOBILE & OHIO RR	197
	ILLINOIS CENTRAL RR	137
	LOUISVLE & NASHVLE RR	1220
	N Y CHI & ST LOUIS RR	224
	NORFOLK & WESTERN RR	59
	NORTHERN PACIFIC RR	169
	PENNSYLVANIA RAILROAD	150
	PITTSBURGH LAKE ERIE	28
	SEABOARD AIRLINE RR	18
	SOUTHERN PACIFIC RR	17
	SOUTHERN RAILWAY	7
	SPOK PORT & SEATTLE	15
	ST LOUIS SAN FRAN RR	8
	TEXAS & PACIFIC RR	2
	WABASH RAILROAD	8
	WESTERN MARYLAND RR	10
	TOTAL R R EQUIPMENT	258

	RAILROAD TERMINAL	
	CINCI UNION TERMINAL	
	KANS CITY TERMINAL RR	
	UNION TERMINAL DALLAS	
	TOTAL R R TERMINAL	1

	RAILROAD GENERAL	
	DET TOLEDO SHORE LINE	
	VIRGINIAN RAILWAY CO	
	TOTAL R R GENERAL	

	U S GOVT INSURED MERCHANT MARINE	
	AMER PRESIDENT LINES	
	GRACE LINE INC	
	PACIFIC FAR EAST LINE	
	TOTL U S GOVT INSURED MERCHANT MARINE	

TOTAL CORPORATE BONDS 15

TOTAL BOND PORTFOLIO \$44

Accrued Assets

CASH

Office Petty Cash	\$	20.
On Deposit with State Treasurer		754,132.

Total Cash			\$	754,1
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INVESTMENTS

Bonds - Par Value

U. S. Government	\$	251,774,000.
Corporate - Rated AA or higher		152,205,000.
Ohio Municipal		37,704,000.
Premiums		2,966,152.
Discounts		- 4,026,863.

Total Book Value of Bonds				440,622,28
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TOTAL FUND (LEDGER) ASSETS			\$	441,376,44
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Present value of employers' future payments to cover unfunded accrued pension liabilities (1)				126,260,97
---	--	--	--	------------

TOTAL ASSETS			\$	567,637,416
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(1) Estimate based upon Retirement S and Retirants and Beneficiaries val

BALANCE SHEET

1959

Accrued Liabilities and Reserves

MEMBERS' SAVINGS FUND

Total Accrued Liabilities	\$ 170,856,967.	
Unfunded Accrued Liabilities	<u>x</u>	
Funded Accrued Liabilities		\$ 170,856,967.

EMPLOYERS' ACCUMULATION FUND

Total Accrued Pension Liabilities for Members (1)	\$ 210,000,000.	
Unfunded Accrued Pension Liabilities	<u>125,949,175.</u>	
Funded Accrued Pension Liabilities		84,050,825.

ANNUITY & PENSION RESERVE FUND

Retirant and Beneficiary Liabilities (1)	\$ 136,505,828.	
Deficit due to insufficiency of appropriations for cost of living pension increases	<u>311,800.</u>	
Funded Accrued Annuity & Pension Liabilities		136,194,028.

SURVIVORS BENEFIT FUND

Total Accrued Liabilities and Reserves	\$ 37,733,397.	
Unfunded Accrued Liabilities	<u>x</u>	
Funded Accrued Liabilities and Reserves		37,733,397.

INCOME FUND

4,968,227.

EXPENSE FUND

32,074.

TOTAL FUND BALANCES

\$ 433,835,518.

RESERVES

Guarantee of Interest Requirements	\$ 175,500.	
Guarantee of Benefits	4,670,459.	
Mortality Contingencies	2,500,000.	
Guarantee of Investments	<u>194,964.</u>	
Total Reserves		7,540,923.

TOTAL LIABILITIES AND RESERVES FUNDED

\$ 441,376,441.

UNFUNDED ACTUARIAL ACCRUED PENSION LIABILITIES (1)

126,260,975.RETIREMENT SYSTEM'S TOTAL ACCRUED LIABILITIES
AND RESERVES

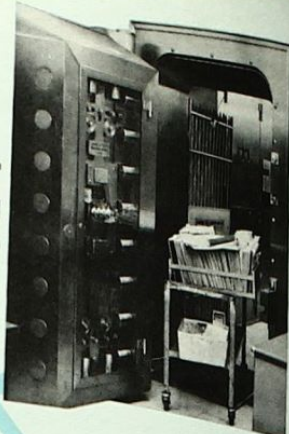
\$ 567,637,416.

Actuarial valuation as of December 31, 1957
of December 31, 1958.



(Bonds in State Treasurer's Office)

EMPLOYERS' ACCUMULATION FUND



(State Treasurer's Vault)

ANNUITY & PENSION RESERVE FUND



SURVIVOR BENEFIT FUND

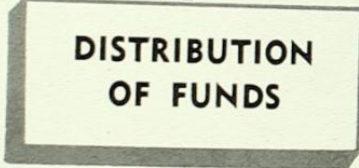


SURVIVORS



\$

DISTRIBUTION OF FUNDS



REFUNDS



RETIRED



DISABLED



FUND BALANCES... December 31, 1959...



Trust Accounts Of Members



Employer Contributions



Pension Payment Fund




Survivor Benefit Fund



Bond Income Fund



Special Reserves

 = \$ 10 MILLION



There were more than 156,000 of these ledger cards in our files at December 31, 1959. The number keeps going up every day as new members come into the system. There is a card for every member. The amounts of deductions from a member's pay are entered on his ledger card every month and a running total is kept. Keeping these accounts of members' savings in our System calls for nearly 2,000,000 postings a year.

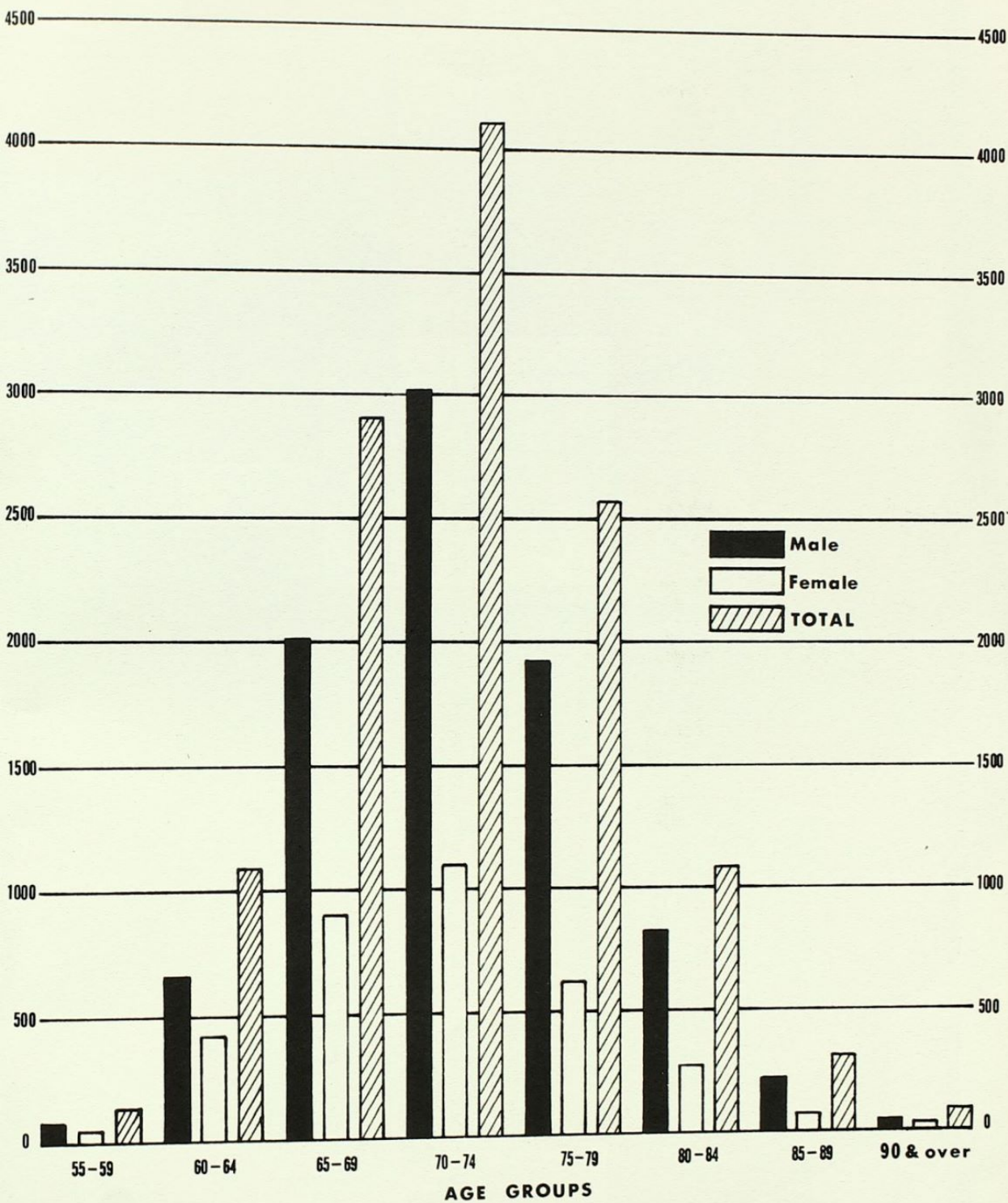
Once each year these member ledger cards and our general records are microfilmed and the films are stored in a safety deposit vault in a bank some distance from our headquarters.

PAYROLL PERIOD		CREDITS	EXPENSE	DEBITS	ACCUMULATED CONTRIBUTIONS
3-1-58					
MAR 31 '58		17.50			17.50*
APR 30 '58		18.10			35.60*
MAY 31 '58		17.94			53.54*
JUN 30 '58		18.40			71.94*
JUL 31 '58		17.50			89.44*
AUG 31 '58		19.24			108.68*
SEP 30 '58		21.03			129.71*
OCT 31 '58		18.45			148.16*
NOV 30 '58		19.00			167.16*
DEC 31 '58		17.77			184.93*
JAN 31 '59					184.93*
FEB 28 '59					184.93*
MAR 31 '59		20.37			205.30*
APR 30 '59		18.52			223.82*
MAY 31 '59		17.50			241.32*
JUN 30 '59		18.37			259.69*
JUL 31 '59		19.67			279.36*
AUG 31 '59		20.10			299.46*
SEP 30 '59		18.22			317.68*
OCT 31 '59		17.88			335.56*
NOV 30 '59		21.30			356.86*
DEC 31 '59		18.46			375.32*
JAN 31 '60		19.67			394.99*
FEB 29 '60		17.21			412.20*
MAR 31 '60		19.74			431.94*
APR 30 '60		21.67			453.61*
		22.30			475.91*
		21.95			497.86*

6903

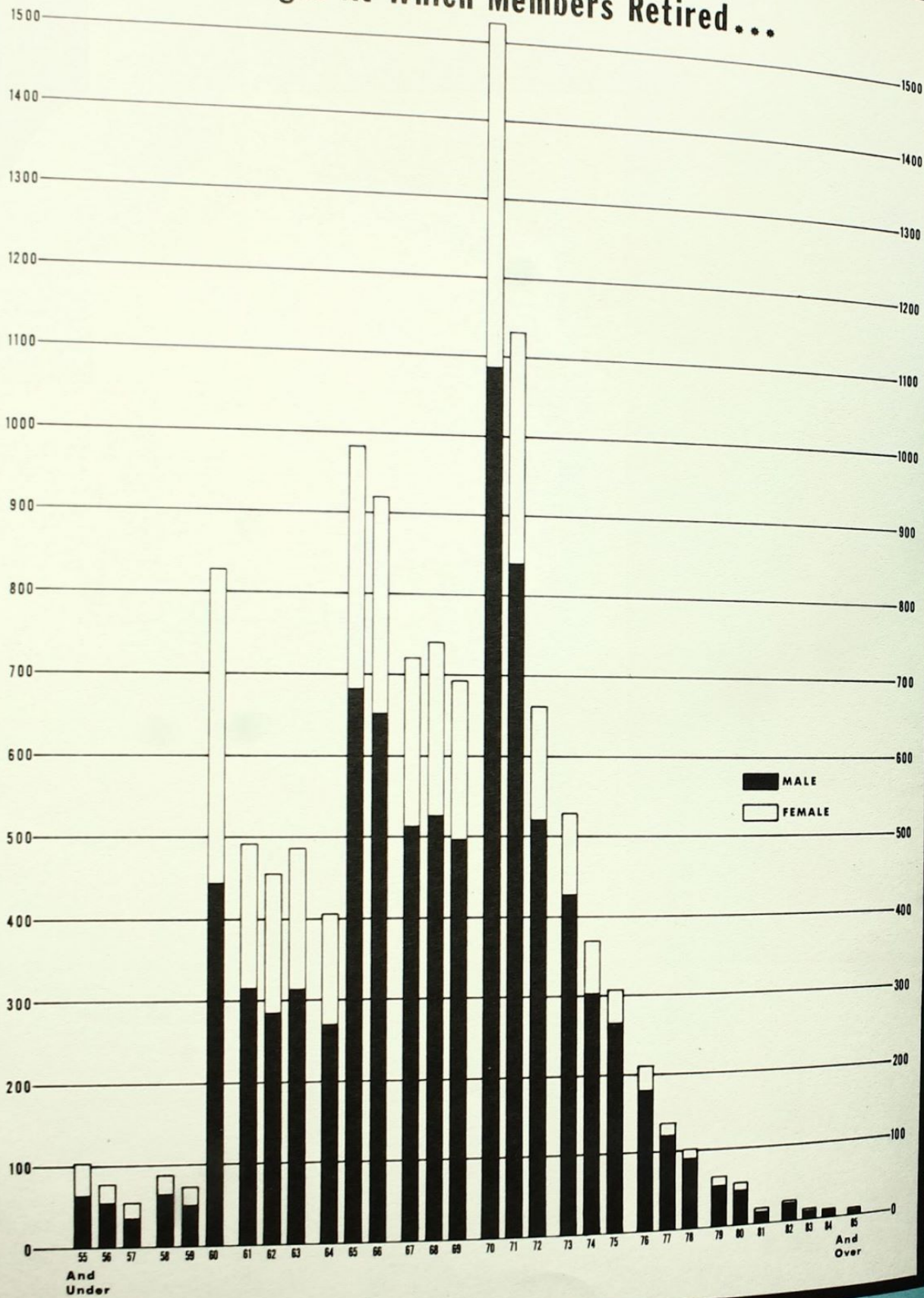
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250
200
150
100
50
0

Ages Of Retirants As Of December 31, 1959



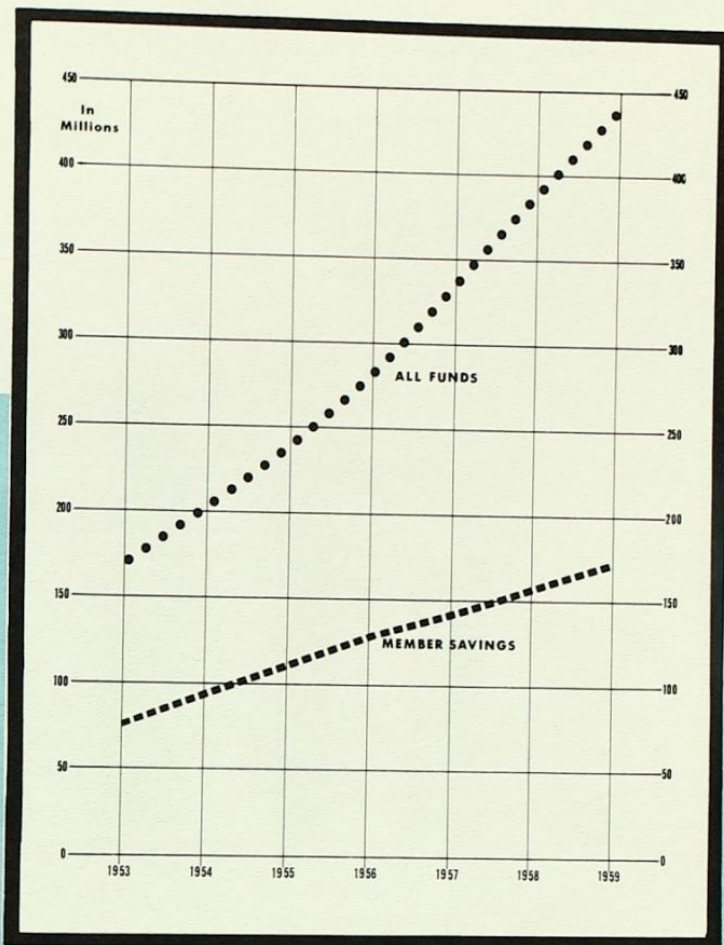
Number
Of
Retirees

Ages At Which Members Retired...



Growth of
Total Assets
and Members Savings

1953-
1959



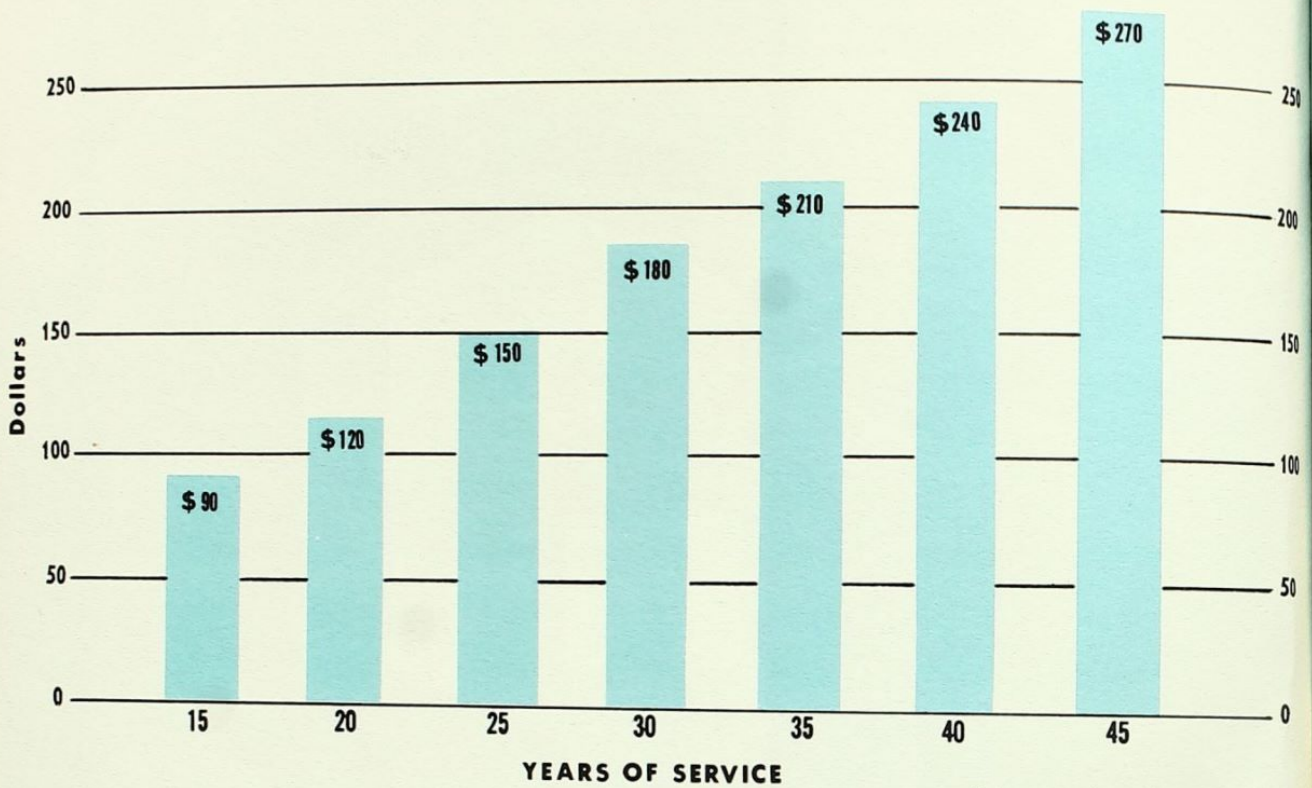
Growth Of Assets

1935 1940 1945 1950 1955 1959

50
40
30
20
10
In 100 Millions

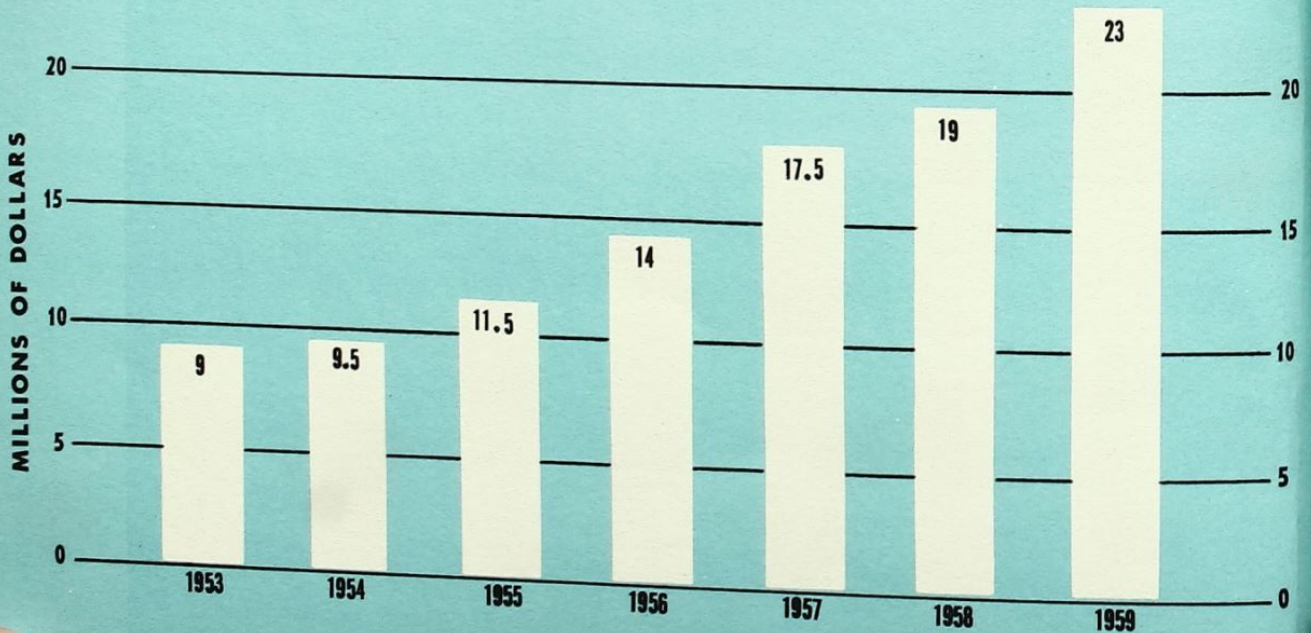


Minimum Monthly Benefit Increases with years of Service *



* Amounts based at age 65

Total benefits disbursed



A. G. GABRIEL & COMPANY
CONSULTING ACTUARIES
FIRST NATIONAL BUILDING
DETROIT 26, MICHIGAN

May 26, 1960

The Retirement Board
State of Ohio
Public Employees Retirement System
Columbus, Ohio

Ladies and Gentlemen:

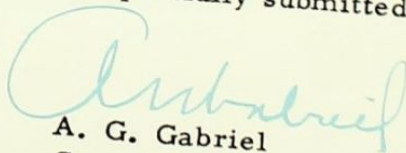
The results of an actuarial investigation of the experiences of the Retirement System and an actuarial valuation of the System's liabilities, made by us as of December 31, 1957, were submitted to you in our report dated March 10, 1959. We also made an actuarial valuation of the liabilities covering retirement allowances payable to retirants and beneficiaries on rolls December 31, 1958, together with an actuarial investigation of the mortality experienced by retirants and beneficiaries during 1958. The results of the valuation and investigation were submitted to you in our report dated October 6, 1959.

Used in making the valuations were:

- 1) An interest earning assumption of 2.5 per cent per annum, compounded annually.
- 2) The Combined Annuity Mortality Table, set back 2 years for men retirants and beneficiaries and 6 years for women retirants and beneficiaries.
- 3) Decrement probabilities and salary factors which were determined by the actuarial investigations. The decrement probabilities included withdrawal from service, death in service, retirement and death after retirement.

Based upon the aforementioned actuarial investigations and valuations, it is our opinion that the Public Employees Retirement System of Ohio is in sound financial condition, according to actuarial standards.

Respectfully submitted,



A. G. Gabriel
Consulting Actuary



Perky is the newest member of our staff. We made him up to be a friendly symbol of your Retirement System. He gets his name from the initials of the first three words of the System's name with "ky" tacked on for fun. He noses around to get information to pass on to you and he can get the answers to any questions you might have.

PUBLIC EMPLOYEES RETIREMENT SY
OF OHIO

35 EAST GAY ST.

COLUMBUS, OHIO

FOR
THE
YEAR

1961

Annual
Report

OF THE

PUBLIC EMPLOYEES RETIREMENT

OF OHIO



35 EAST GAY STREET **PERS** COLUMBUS

SYSTEM

HIO





The year 1961 was the biggest and best in the Public Employee Retirement System's 27 years of existence. We had more members and more retirants and beneficiaries than ever before; our income and our earnings on investments hit new highs.

This annual report tells the story. The letter of transmittal from the Board Chairman and a summary, with charts and graphs, provide all the information that most people are interested in. A dozen tables list all the details—down to the last penny.

This report follows the recommendations on annual reporting made by the Committee on Public Employee Retirement Administration of the Municipal Finance Officers Association of the United States and Canada.

The

PUBLIC EMPLOYEES RETIREMENT SYSTEM

OF OHIO

Annual Report

TO THE

MEMBERS AND PUBLIC OFFICIALS

FOR THE 27th CALENDAR YEAR . . . 1961

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1961

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*the
retirement
board*

ROBERT D. MCKEAN — Chairman
Elected Municipal Member
(Term Expires December 31, 1962)

RAPHAEL HORWITZ
Elected State Employee Member
(Term Expires December 31, 1962)

FRED J. MORR
Elected County Employee Member
(Term Expires December 31, 1965)

MARK MCELROY
Attorney General

JAMES A. RHODES
Auditor of State

ELMA A. WHITNEY
Elected Miscellaneous Group Member
(Term Expires December 31, 1965)

JAMES T. WELSH
Ohio Director of Personnel

Fred L. Schneider
Executive Secretary













J. Douglass Peters
Assistant Secretary

Norman E. Lust
Comptroller

A. G. Gabriel & Company
Consulting Actuaries

Moody's Investors Service
Investment Counsel

the highlights
of
1961

	1961	1960
Number of Members	161,097 	158,634 
Number of Service Retirants	16,487 	14,860 
Number of Disability Retirants	508 	382 
Number of Dependent Survivors	2311 	2008 
Investment Income	20.4 MILLION 	15.7 MILLION 
Assumed Interest Rate for Actuarial Valuation	3% 	2½% 



Public Employees Retirement System

35 East Gay Street, Columbus 15, Ohio

Fred L. Schneider,
Executive Secretary

J. Dou
Assist

To: Our Members, Public Officials and Employers

Your retirement system has completed another successful year of operation—its 27th. report for the calendar year 1961 is intended to serve both as an Annual Report, with a brief review of administrative developments, and as a summary of financial operations and actuarial computations of the System during the year. It is a supplement to the Annual Report to the membership that each member receives with his personal Statement of Account in February each year.

Briefly, these developments and operations were:

1. ADMINISTRATIVE DEVELOPMENTS

Membership Growth. As of December 31, 1961, the System had 161,097 members. This was a growth of 1.5% over 1960, 7.9% over 1959 and an increase of 9.5% since 1958.

Retirant and Beneficiary Growth. As of December 31, 1961 there were 19,306 retirants and beneficiaries receiving monthly benefits from P. E. R. S. The number increased 11% over 1960 and by 43% since 1958. In 1961 a total of \$23,319,082 was paid to retirants and beneficiaries. This was 18% more than in 1960 and 78% more than in 1958.

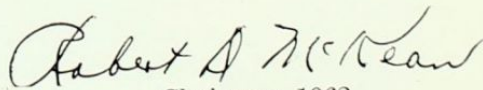
2. INVESTMENT EARNINGS.

The average yield from the investment of new money has continued at a relatively high level—4.65%. This, together with the exchange at high coupon rates of a sizable amount of U. S. Treasury Bonds purchased earlier, has brought about a steady increase in the over-all rate of return on the investment portfolio. At the end of 1961, the rate of return was 3.82%—up from 3.41% in 1959.

The Board is constantly alert to obtain the highest investment yields consistent with safety in the handling of funds entrusted to it.

3. FINANCIAL AND ACTUARIAL DEVELOPMENTS.

In September 1961 the Board adopted the Standard Annuity Mortality Table for use in determining the reserves for benefits being paid, and to be paid, retirants and beneficiaries. As a result of the favorable rate of investment earnings the System experienced, the Board increased the interest earning assumption to be used in computing the reserve liabilities of the System from 2.5% to 3%. It also instructed the actuary to make a re-evaluation on this basis. In addition, the Board authorized the transfer of substantial amount from the Income Fund.*


Chairman, 1962

*After the Actuarial Evaluation was received, the Board in March 1962, was able to reduce the rate for the State of Ohio, as employer, from 8.61% of covered payroll to 7.91%. The rate for covered units of local governments was reduced to 7.27%. Both reductions become effective in 1963. This action was the direct result of the higher interest assumption and the transfers from the Income Fund to the Employers' Accumulation Fund.

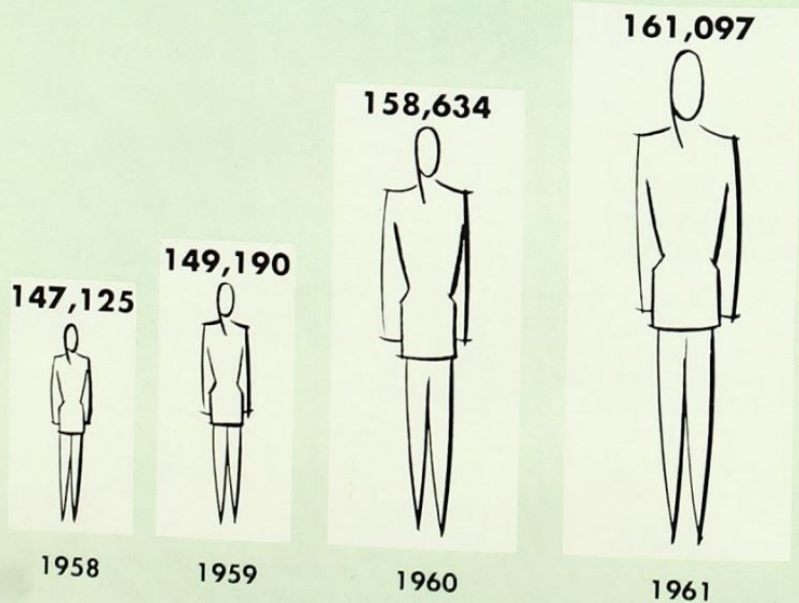
summary
of
operations

MEMBERSHIP

All employees and appointive officials of the State of Ohio and of all units of local government, except those of Boards of Education, are required by law to be members of the Retirement System. Membership is optional for elected officials and more than four out of five of all such officials have chosen to be members of the System.

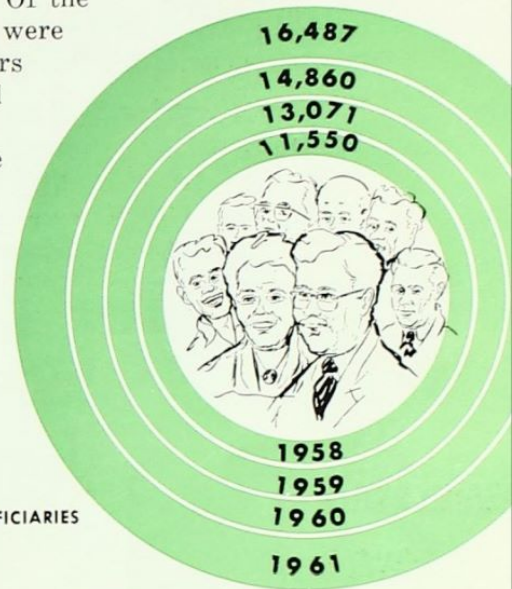
On December 31, 1961, the System had 161,097 members. This was an increase of 2463, or 1.5% over 1960 and 9.5% over 1958. Of the total membership, 145,460 were active, contributing members. The remaining 15,637 members have ended their covered employment but have left their contributions on deposit until they become old enough to be eligible for benefits.

MEMBERSHIP
GROWTH

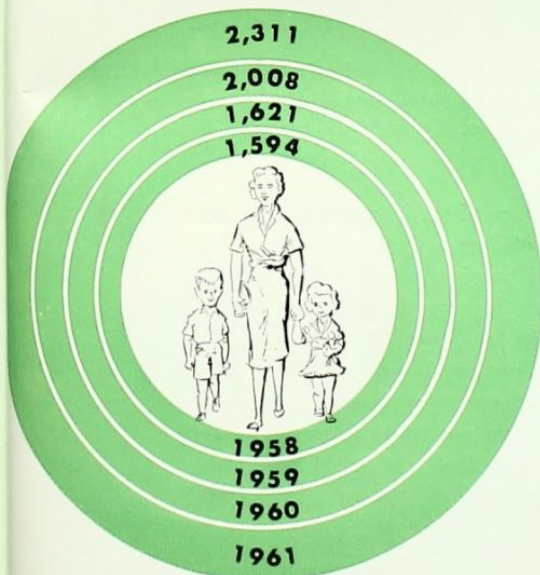


RETIRANTS, TOTALLY DISABLED AND SURVIVORS

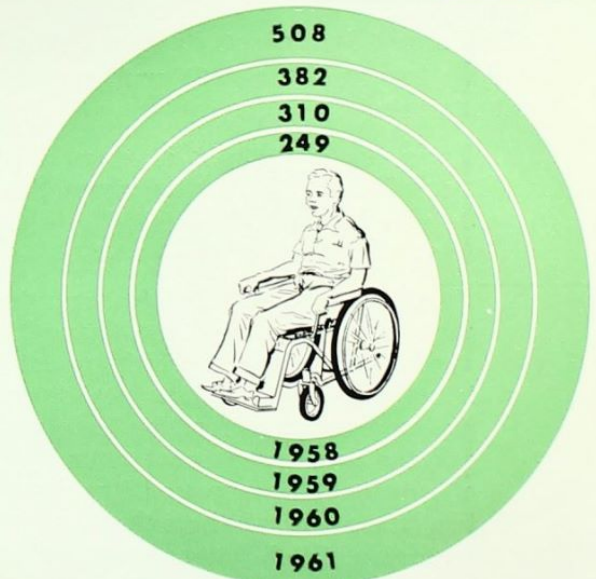
At the end of 1961 there were 19,306 retirants and beneficiaries receiving monthly benefits. This number is 11% greater than at the end of 1960 and 43% greater than on December 31, 1958. Of the 19,306 on the rolls on December 31, 1961, 508 were disabled members and 2311 dependent survivors of deceased members. The number of disabled members is 33% greater than in 1960 and 104% greater than the number receiving these benefits in 1958. The increase in 1961 over 1960 in the number receiving survivor benefits was 15%, and over 1958, 45%.



RETIRANTS AND BENEFICIARIES



SURVIVORS



TOTALLY DISABLED

INCOME

Investments. All money coming into the System, in excess of the amount needed to meet current obligations, is invested immediately in high grade bonds, stocks and Capehart mortgages.

All investments are authorized and limited by statute. Moody's Investors Service is the Board's Investment Counsel.

As of December 31, 1961 the Investment Account of the System was as follows:

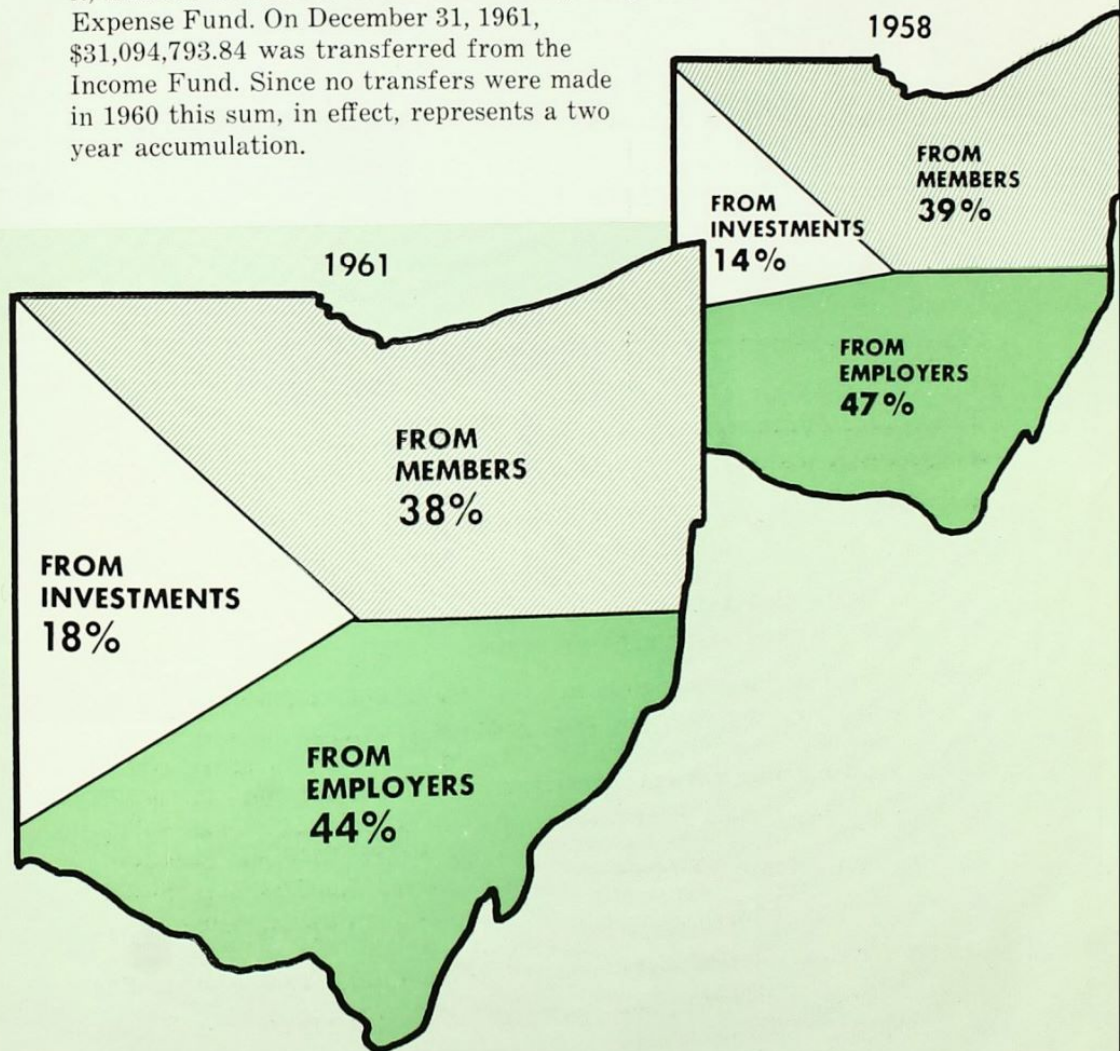
Type	Par Value	% of Total
High grade bonds	\$579,353,939.	97.726
Capehart mortgages	6,515,970.	1.099
State Highway rights of way	6,499,247.	1.096
Common stocks	429,030.	0.072
Cash	37,166.	0.007
Total	\$592,835,352.	100.00

The Retirement System gets its money from three sources: (1) payroll deductions from members; (2) employers' contributions and (3) earnings on investments.

1. *Seven per cent* of the earnings of all members is deducted from payrolls for retirement purposes. Payroll deductions from members in 1961 totaled \$42,777,163.91. This was 38% of the total income from all sources.
2. *Employers* are required to pay into the system a percentage of the compensation of all members which will be sufficient to provide funds for the benefits which are not paid for by the members' contributions, plus investment earnings. For the year 1961, the employer percentage for the State of Ohio, as employer, was 8.61 and for local government units 8.51 of covered payroll. Because of substantially increased investment income, the Board in September authorized the actuary to make an evaluation using 3% instead of 2½% interest assumption. At the end of 1961, the Board was considering a reduction in employer rates, providing the pending actuarial evaluation made such action possible.

The total received from all employers in 1961 was \$49,016,533.45. This was 44% of the total income.

Earnings from investments during the year were \$20,376,990.71. This was 18% of the total income. In 1958, it was only 14%. Investment earnings increased 28.5% from 1958 to 1961. The average purchase yield on investments made during 1961 alone was 4.64%. The average purchase yield for the entire portfolio was 3.82%. The law requires that all investment earnings go into the Income Fund. From it, interest is credited to all other funds, except the Expense Fund. On December 31, 1961, \$31,094,793.84 was transferred from the Income Fund. Since no transfers were made in 1960 this sum, in effect, represents a two year accumulation.



ASSETS, LIABILITIES AND RESERVES

As of December 31, 1961, total assets were \$592,835,352.00. This was an increase of \$79,030,743 or 15.38% over the previous year. Of the total assets \$579,353,939 or 97.73% was invested in high grade bonds; \$429,030.43 or 0.07% was in common stocks; \$13,015,217 or 2.19% was in Capehart mortgages and State Highway rights of way and \$37,166 or 0.007% was in cash, on deposit with the Treasurer of State.

A schedule of liabilities and reserves at December 31, 1961 is as follows:

	Amount	Percent
Contributions held in trust for the benefit of members	\$216,720,420.00	36.55
Reserves for future service Retirement Annuities	110,974,068.00	18.72
Reserves for future Survivor Annuities	13,026,526.00	2.20
Reserves for Disability Benefits	11,901,316.00	2.01
Reserves for Funded Annuities in force including statutory cost of living adjustments	187,217,376.00	31.58
Reserves for Beneficiary Annuities in force	26,665,523.00	4.50
Reserves for Survivor Annuities in force	11,517,030.00	1.94
Administrative Expense Fund	159,821.00	.03
Investment Income Fund	2,910,927.00	.49
Reserve for Guarantee of Interest	459,497.00	.08
Reserve for Guarantee of Benefits	6,152,547.00	1.04
Reserve for Guarantee of Investments	1,677,052.00	.28
Reserve for Mortality Contingencies	3,453,249.00	.58
Total	\$592,835,352.00	100.00

statement
of
actuary

A. G. GABRIEL & COMPANY
CONSULTING ACTUARIES
FIRST NATIONAL BUILDING
DETROIT 26, MICHIGAN

May 11, 1962

The Retirement Board
Public Employees Retirement System of Ohio
Columbus, Ohio

Ladies and Gentlemen:

The results of actuarial valuations of the System's liabilities covering active and inactive members as of June 30, 1960, and retirants and beneficiaries as of June 30, 1961 were submitted to you in our report dated March 12, 1962.

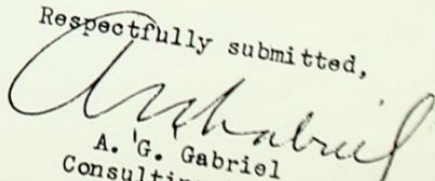
Used in making the valuations were:

- 1) An interest earning assumption of 3 per cent per annum, compounded annually. This was an increase from 2.5 per cent previously used.
- 2) The 1937 Standard Annuity Mortality Table for retirants and beneficiaries. This strengthens the mortality assumption over the Combined Annuity Mortality Table - set back 2 years, which was previously used.
- 3) Decrement probabilities and salary factors which were determined by actuarial investigations covering the System's experiences in the 2 year period from December 31, 1957 to January 1, 1960. The decrement probabilities included withdrawals from service, death in service, and retirement.

Based upon the aforementioned actuarial investigations and valuations, it is our opinion that the Public Employees Retirement System of Ohio is in sound financial condition, according to accepted actuarial standards.

AGG:MMB

Respectfully submitted,


A. G. Gabriel
Consulting Actuary

*What happened
to the money
PERS received
during 1961*

E. R. S. Received in 1961

From Members, Employers & Investment Income

Millions
of Dollars

Per Cent

\$112.

100.00

These Receipts Went

To Pay Monthly Benefits to Retirants & Beneficiaries

24.2

21.50

To Refund to Former Members

8.2

7.25

To Pay System Administrative Expenses

0.8

.75

To Buy Investments from which Future Benefits will be paid

79.0

70.50



REFUNDS TO
FORMER MEMBERS
7.25%

TO PAY
MONTHLY
BENEFITS
21.50%

SYSTEM
ADMINISTRATION
EXPENSE
0.75%
(3/4 of 1%)

PURCHASE
INVESTMENTS
FROM WHICH
FUTURE BENEFITS
WILL BE PAID
70.50%

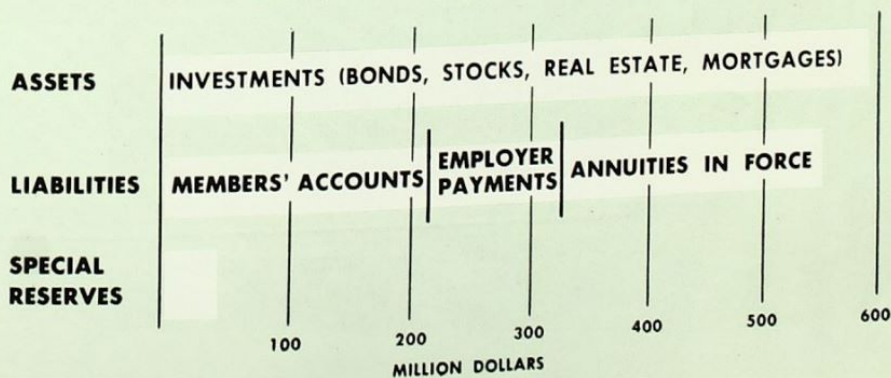
*statement of
assets, liabilities
and reserves*

at the close of the year ending December 31, 1961

ASSETS		
Cash		\$ 37,166.45
Investments at Amortized Cost (Par Value \$590,673,477.34)		592,798,186.02
TOTAL ASSETS		<u>\$ 592,835,352.47</u>
LIABILITIES AND RESERVES		
Member Contributions		\$ 216,720,420.42
Employer Retirement Liability (1)	\$ 187,416,579.03	
Unfunded Pension Liability (1)	76,442,511.00	
	<u> </u>	
Funded Employer Liabilities Annuities in Force		110,974,068.03
Retirement and reversionary annuities	\$ 187,370,823.12	
Disability retirements	11,901,316.08	
	<u> </u>	
Total	\$ 199,272,139.20	
Deduct: Statutory cost of living adjustments in excess of revenue	<u> </u>	
	153,447.40	
Total	\$ 199,118,691.80	
Beneficiary and survivor annuities	51,209,078.95	
	<u> </u>	
Total Annuities in Force		250,327,770.75
Other Reserves		
Administrative expense		159,821.27
Investment income		1,410,927.00
Interest reserve for 1962 retirants		1,500,000.00
Guarantee of interest requirements		459,497.00
Guarantee of benefits (2)		6,152,547.00
Mortality contingencies (2)		3,453,249.00
Guarantee of investments		1,677,052.00
		<u> </u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 592,835,352.47</u>

(1) Estimated from June 30, 1960 Actuarial Valuation.
(2) Pending Actuarial Determination of Accrued Liability.

1961



*comparative
statement PERS
benefit and
refund payments*

Year Ending Dec. 31	Retirement Annuity	Beneficiary Annuity	Survivor Annuity	Disability Benefits	Death Benefits	Cost of Living Benefits	Refunds to Members
1952	\$ 3,624,648.82	\$ 92,037.30		\$ 97,386.98	\$416,112.33		\$3,452,990.50
1953	4,075,678.33	118,273.00	\$ 88,002.48	119,819.40	542,149.77		4,263,789.18
1954	4,549,944.31	211,913.31	145,657.52	118,565.37	572,026.88		3,941,675.56
1955	5,242,483.74	296,348.93	202,043.86	115,574.09	607,546.19		5,333,245.79
1956	7,066,945.08	496,260.01	274,065.62	168,449.91	679,483.40		5,987,801.20
1957	8,907,454.83	680,682.32	345,229.65	240,224.66	682,146.04	\$ 170,871.96	6,554,935.40
1958	10,764,731.30	947,848.34	454,535.07	315,278.79	810,175.09	651,339.78	5,264,277.27
1959	12,846,186.20	1,194,478.10	564,294.82	392,319.00	766,401.29	815,608.24	7,338,480.95
1960	15,859,584.20	1,671,513.86	712,552.89	529,792.19	843,833.15	1,031,969.78	8,052,682.01
1961	18,764,272.28	2,023,004.47	866,454.84	717,904.32	849,171.21	947,445.96	8,166,495.38

5-Year Benefit Payment Recap

Year	Number Receiving	% Increase Over 1957	Amount Paid During Year	% Increase Over 1957
1957	11,362	—	\$10.3 Million	—
1958	12,393	+ 9.1%	\$13.1 Million	+ 27.2%
1959	15,002	+32.0%	\$14.8 Million	+ 43.7%
1960	17,250	+51.8%	\$19.8 Million	+ 92.2%
1961	19,306	+69.9%	\$23.3 Million	+126.2%

Note: Payout increase almost double the increase in number on rolls.



*summary of
administrative
expense*

1961

	Amount	Percent	Amount
Personal Services			
Salaries and wages	\$ 543,639.80		\$ 498,193.
Contract services	6,344.47		4,057.
Consultant fees	14,575.00		12,636.
Audit service	4,667.29		6,068.
Investigation service	1,042.19		912.
Medical examinations	3,939.25		2,451.
Total Personal Services	\$ 574,208.00	69%	\$ 524,319.
Contractual Services			
Light and power	\$ 4,163.33		\$ 2,142.
Printing and stationery	31,575.85		30,426.
Postage and cartage	21,967.11		21,386.
Telephone and telegraph	6,256.91		6,141.
Travel	8,820.71		6,415.
Equipment repair and maintenance	3,647.13		3,490.
Motor vehicle maintenance	2,412.69		1,369.
Rent	52,305.22		50,275.
Equipment rental	24,888.07		19,604.
Microfilm service	985.22		1,030.
Total Contractual Services	\$ 157,022.24	18%	\$ 142,283.0
Sundry Expenses			
Office supplies	\$ 14,938.66		\$ 10,745.2
Publications	1,006.83		596.4
Employer Contributions (PERS)	45,368.75		41,177.0
Bond charges	4,948.64		4,570.3
Workmen's Compensation	647.57		428.7
Insurance	531.81		
Miscellaneous	1,859.11		917.7
Total Sundry Expenses	\$ 69,301.37	8%	\$ 58,435.6
Capital Outlays			
Remodeling	\$ 1,411.32		\$ 12,489.6
Equipment purchases	40,267.92		24,921.1
Motor vehicle purchases	2,115.32		1,608.3
Total Capital Outlays	\$ 43,794.56	5%	\$ 39,019.1
TOTAL ADMINISTRATIVE EXPENDITURES	\$ 844,326.17		\$ 764,057.87

**1961
ADMINISTRATIVE
EXPENSE
DOLLAR**



**CONTRACTUAL
SERVICES**

**SUNDRY
ITEMS**

**CAPITAL
OUTLAYS**

**PERSONAL
SERVICES**

As of December 31, 1961

	Balance As of December 31, 1960	Add Purchases in 1961	Deduct Maturities
United States Treasury	\$240,139,000.00	*\$ 18,500,000.00	\$19,875,000.00
Federal Land Bank	17,535,000.00		200,000.00
N M A	1,575,000.00		
Municipal and Others			
University Dormitory Revenue	1,305,000.00		70,000.00
State of Ohio	291,000.00		7,000.00
County	468,000.00		20,000.00
Municipal General Obligation	545,500.00		21,500.00
Municipal Revenue	8,125,300.00		601,600.00
School	25,983,590.00		719,060.00
Joint Township	40,000.00		
Conservancy District	22,000.00		2,000.00
Total Municipal and Others	\$ 36,780,390.00		\$ 1,441,160.00
Corporate			
Industrial	10,860,000.00		
Telephone	71,549,000.00	20,400,000.00	6,355,000.00
Electric Utility	56,304,000.00	28,300,000.00	7,000.00
Gas Utility	4,939,000.00	11,583,000.00	
Electric and Gas Utility	25,391,000.00	8,375,000.00	144,000.00
Power Utility	12,920,000.00	8,675,000.00	
Water Utility	100,000.00		
Pipe Line	600,000.00		
Railroad Equipment Trust Certificates	27,178,000.00	191,000.00	861,000.00
Railroad Terminal Bonds	1,344,000.00		
Railroad General Bonds	882,000.00		
U.S. Government Insured Merchant Marine	1,610,000.00	400,000.00	18,000.00
Total Corporate	\$213,677,000.00	\$ 77,924,000.00	\$ 7,385,000.00
Trackage — Capehart	3,293,666.77	3,299,982.00	77,678.86
Estate — Highway right-of-way	469,830.00	6,029,417.00	
Stocks — Common (at cost)		429,030.43	
	\$513,469,886.77	\$106,182,429.43	\$28,978,838.86

500,000.00 Treasury Bonds exchanged for higher income producing
Treasury Bonds.

Balance As of December 31, 1961	Percent of Portfolio			
	1961	1960	1959	1958
\$238,764,000.00	40.42	46.77	52.89	55.47
17,335,000.00	2.93	3.42	3.97	4.45
1,575,000.00	.27	.31	.14	.13
1,235,000.00				
284,000.00				
448,000.00				
524,000.00				
7,523,700.00				
25,264,530.00				
40,000.00				
20,000.00				
<hr/>				
\$ 35,339,230.00	5.98	7.16	8.54	10.07
10,860,000.00				
85,594,000.00				
84,597,000.00				
16,522,000.00				
33,622,000.00				
21,595,000.00				
100,000.00				
600,000.00				
26,508,000.00				
1,344,000.00				
882,000.00				
1,992,000.00				
<hr/>				
\$284,216,000.00	48.13	41.61	34.46	29.88
6,515,969.91	1.10	.64		
6,499,247.00	1.10	.09		
429,030.43	.07			
<hr/>				
\$590,673,477.34	100.00	100.00	100.00	100.00

*summary
of
investments*

For the Year Ending December 31, 1961

	Amount	Percent of Portfolio
Bonds		
United States Treasury	\$238,764,000.00	40.42
Federal Land Bank	17,335,000.00	2.93
F N M A	1,575,000.00	.27
Municipal and Others		
University Dormitory Revenue	\$ 1,235,000.00	
State of Ohio	284,000.00	
County	448,000.00	
Municipal General Obligation	524,000.00	
Municipal Revenue	7,523,700.00	
School	25,264,530.00	
Joint Township	40,000.00	
Conservancy District	20,000.00	
	<hr/>	
Total Municipal and Others	35,339,230.00	5.98
Corporate		
Industrial	\$10,860,000.00	
Telephone	85,594,000.00	
Electric Utility	84,597,000.00	
Gas Utility	16,522,000.00	
Electric and Gas Utility	33,622,000.00	
Power Utility	21,595,000.00	
Water Utility	100,000.00	
Pipe Line	600,000.00	
Railroad Equipment		
Trust Certificates	26,508,000.00	
Railroad Terminal		
Bonds	1,344,000.00	
Railroad General Bonds	882,000.00	
U. S. Government Insured		
Merchant Marine	1,992,000.00	
	<hr/>	
Total Corporate	284,216,000.00	48.13
Mortgages — Capehart	6,515,969.91	1.10
Real Estate — Highway right-of-way	6,499,247.00	1.10
Stocks — Common (at cost)	429,030.43	.07
	<hr/>	
TOTAL INVESTMENTS	<u>\$590,673,477.34</u>	<u>100.00</u>

Summary of
changes in
reserves

	Balance January 1 1961	Income in Excess of Expenditures	Interest Distribution		Transfers		Actuarial Adjustments		Balance December 31 1961
			Additions	Deductions	Additions	Deductions	Additions	Deductions	
Member Contributions	\$192,308,415.94	\$33,762,321.32	\$ 1,846,794.21		\$11,197,111.05				\$216,720,420.42
Future Service Retirement Annuities	89,894,416.62	41,725,393.55	17,174,400.07		37,820,142.21				110,974,068.03
Future Survivor Annuities	14,387,658.87	6,147,700.00			7,508,832.51				13,026,526.36
Disability Benefits	8,434,754.79	717,904.32*	320,511.00		\$ 3,692,706.61		\$ 171,248.00		11,901,316.08
Retirement Annuities in Force	154,393,210.28	18,764,272.28*	5,046,042.00		43,999,749.12		2,696,094.00		187,370,823.12
Statutory Cost of Living Adjustments	349,441.34*	195,993.94							153,447.40**
Beneficiary Annuities in Force	19,713,284.42	2,023,004.47*	944,084.00		6,090,178.91		1,940,980.00		26,665,522.86
Survivor Annuities in Force	8,453,644.44	866,454.84*	407,758.00		2,683,758.13		838,324.00		11,517,029.73
Administrative Expenses	67,099.89	806,020.17*			898,741.55				159,821.27
Investment Income	13,594,064.12	20,376,990.71		\$30,221,079.28					2,910,927.00
Reserve for Guarantee of Interest	459,497.00						839,048.55		459,497.00
Benefits	4,670,459.00		1,482,088.00						6,152,547.00
Investments	194,964.00		1,482,088.00						1,677,052.00
Mortality Contingencies	7,582,581.00		1,517,314.00					\$5,646,646.00	3,453,249.00

\$513,804,609.03 \$79,030,743.44 \$30,221,079.28 \$30,221,079.28 \$57,365,134.32 \$57,365,134.32 \$5,646,646.00 \$5,646,646.00 \$592,835,352.47

*statement of
revenues
and expenditures*

REVENUES

Member Contributions		\$ 42,777,163.91
Employer Contributions		
Future Service		
Retirement Annuities	\$ 41,725,393.55	
Future Survivors' Annuities	6,147,700.00	
Future Cost of Living Benefits	1,143,439.90	
		<u>49,016,533.45</u>
Administrative Expenses		39,130.50
Interest on Bonds, plus Accumulated Discount less Amortized Premiums		19,795,750.86
Gains (Losses) on Sales or Redemption of Bonds		<u>581,239.85</u>
TOTAL REVENUES		<u>\$112,209,818.57</u>

EXPENDITURES

Benefit Payments		
Retirement Annuities	\$ 18,764,272.28	
Beneficiary Annuities	2,023,004.47	
Survivor Annuities	866,454.84	
Disability Benefits	717,904.32	
Death Benefits	849,171.21	
Cost of Living Benefits	947,445.96	
		<u>\$ 24,168,253.08</u>
Refunds to Members		8,166,495.88
Administrative Expenses		844,326.17
TOTAL EXPENDITURES		<u>\$ 33,179,075.13</u>
Revenues in Excess of Expenditures		<u><u>\$ 79,030,743.44</u></u>

*schedule
of investment
and income*

Year	Investments at Par	Interest Receipts
1950	\$ 90,769,590	\$ 1,983,799
1951	108,939,287	2,882,801
1952	133,237,760	2,950,614
1953	163,062,796	3,705,417
1954	203,558,830	4,744,668
1955	240,491,712	5,859,099
1956	282,238,591	6,769,762
1957	331,039,360	8,295,151
1958	385,246,810	10,260,665
1959	441,683,000	12,621,118
1960	513,469,887	15,482,623
1961	590,673,477	19,755,930

