COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

January 13, 1943

His Excellency
Arthur H. James
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Governor James:

In compliance with the Act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System, as amended, we respectfully submit the following report:

Section 4, subsection 9 of said Act provides:

> "Section 4. (9) The retirement board shall prepare and have published, annually, financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State Employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the office of the Secretary of the Commonwealth, of the State Insurance Department, and of the head of each department, for use of the State Employes and the public."

On November 30, 1942, the number of members in this System was 30,372; the par value of the Fund's investments was $30,114,000.00 and the total assets of the Fund, including the present worth of future appropriations receivable from the Commonwealth was $41,757,825.46 as of May, 1942.

(continued)

The number of annuitants was 1422, classified as:

Superannuation annuitants	886
Disabled annuitants	147
Involuntary retirement beneficiaries	382
Pennsylvania Motor Police Death Benefit	7

From June 1, 1939 to November 30, 1942 the Board:

(a) Certified 24,457 new members;

(b) Approved for payment $5,153,544.47 to 23,500 members who had terminated their employment with the Commonwealth and applied for return of their contributions;

(c) Approved 353 applications for retirement allowances.

During the present administration the quinquennial evaluation and annual evaluations required by law was submitted by Mr. George ... Huggins, of Philadelphia, the Actuary of the System. They have been the basis of our budget requests.

The Valuation Balance Sheet for the fiscal year ending May 31, 1942 follows.

(continued)

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1942

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

Account Balances

Member's Annuity Savings Account		$17,659,709.44
Member's Annuity Reserve Account		2,134,665.88
State Annuity Reserve Account Number Two		3,481,417.05
Contingent Reserve Account	$6,759,070.59	
Less - Adjustment	24,514.26	6,734,556.33
State Annuity Reserve Account .	400,980.74	
Plus - Adjustment	24,514.26	425,495.00
Annuities due and unpaid		4,054.46
Reserve for outstanding checks		392.56
Accounts payable		369.84
Pennsylvania Motor Police Account		365,526.24
Total Account Balances		$30,806,186.80

Present Value of Future Appropriations

State Annuity Reserve Account Number Two	$9,634,904.95	
Contingent Reserve Account.....	1,204,240.67	
Excess of required reserves over balance in Member's Annuity Reserve Account....	32,661.12	
Excess of required interest credits over net available interest earnings	79,831.92	
Total Present Value of Future Appropriations		$10,951,638.66
Total Account Balances and Present Value of Future Appropriations		$41,757,825.46

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1942

LIABILITIES

Member's Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated..... $17,659,709.44

Member's Annuity Reserve Account

Present value of Members' annuities payable to member now on annuity roll because of:

Superannuation.....	$1,313,160.00
Disability.....	177,353.00
Withdrawal.....	676,814.00
Total.....	$2,167,327.00

State Annuity Reserve Account Number Two

Present value of State annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation	$6,762,013.00	
Disability	96,056.00	
Withdrawal - Active	334,653.00	
Withdrawal - Inactive	9,050.00	$7,202,972.00

(b) Now on annuity roll:

Superannuation	$4,127,007.00	
Disability	208,942.00	
Withdrawal	1,576,741.00	$5,913,350.00

Total..... $13,116,322.00

(continued)

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYEES' RETIREMENT SYSTEM

as of

MAY 31, 1942

LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members:

Not on annuity roll but who may receive annuities in the future because of:

Superannuation	$5,390,701.00	
Disability	725,777.00	
Withdrawal - Active	1,816,179.00	
Withdrawal - Inactive	6,120.00	
Total		$7,938,797.00

State Annuity Reserve Account

Present value of State Annuities payable to new members:

Now on annuity roll because of:

Superannuation	146,790.00	
Disability	225,682.00	
Withdrawal	53,023.00	
Total		$ 425,495.00

Miscellaneous Liabilities

Annuities due and unpaid	4,054.46	
Reserve for outstanding checks	392.56	
Accounts payable	369.84	
Pennsylvania Motor Police Account	365,526.24	
Interest creditable to account balances	79,831.92	
Total		$ 450,175.02
Total Reserves and Miscellaneous Liabilities		$41,757,825.46

Note: The foregoing balance sheet shows the balances in the various accounts as disclosed by the Board's records and the Actuary's computation of all liabilities to the members' of the System together with the present value of future appropriations receivable from the Commonwealth under the provisions of the Retirement Act.

(continued)

RECEIPTS AND DISBURSEMENTS

Year Ending

May 31, 1942

RECEIPTS		
Members Contributions	$ 3,047,980.30	
Interest on Investments	1,029,146.76	
State's Contributions State Annuity Reserve Account Number 2	600,050.00	
State's Contributions Contingent Reserve Account	967,962.32	
State's Contributions Pennsylvania Motor Police Account	75,000.00	
Income from Real Estate	22,243.55	
Profit on Sale of Investments	8,851.13	$ 5,751,234.06
DISBURSEMENTS		
Members Withdrawals (6794)	1,479,117.07	
Superannuation Payments	815,761.68	
Disability Payments	72,956.63	
Involuntary Payments	233,453.90	
Pennsylvania Motor Police Death Payments	6,083.71	
Expense on Real Estate	25,025.48	
Accrued Interest on Investments Purchased	32,901.31	
Premiums Paid	64,645.00	2,729,944.78
Excess of Receipts over Disbursements		3,021,289.28
Cash Balances May 31, 1941	3,500,246.28	
Investments May 31, 1941	22,877,200.00	
Real Estate May 31, 1941	446,066.98	26,823,513.26
		29,844,802.54
Cash Balances May 31, 1942	403,835.56	
Investments May 31, 1942	28,994,900.00	
Real Estate May 31, 1942	446,066.98	29,844,802.54

The following is a summary of the investments:

General State Authority	$ 9,968,000.00	34.4%
United States Treasury	9,440,000.00	32.6%
All other Pennsylvania Muncipal and County Bonds	9,586,000.00	33.0%
	$28,994,000.00	100.0%

The Funds of the System have been invested with the approval of the Governor and the legality of all investments determined by the Attorney General of the Commonwealth: Act of June 27, 1923, P. L. 858, Section 6, subsection 1, Administrative Code, Art. VII, Section 701, subsection F, Act April 25, 1929, P. L. 723.

The Board has purchased the maximum allowed under the United States Treasury ruling, of United States Defense Bonds, Series "G", which during the year 1942 was $100,000.00. The Fund owns United States Defense Bonds amounting to $150,000.

On January 8, 1938 the General State Authority embarked on a program of public buildings covering eighty projects to be financed in part by grants of the Federal Emergency Administration of Public Works and in part by a bond issue of $55,000,000.

The State Employes Retirement Board and Public School Employes Retirement Board agreed with the State Authority to take all such bonds at par.

From time to time this program has been extended and amplified by resolutions of the General State Authority. amending or supplementing the original resolution authorizing the bond issue. These amending and supplementing resolutions, under the terms of the original agreement and resolution authorizing the bonds, were subject to the consent of the two Retirement Boards. Such consent was given.

(continued)

At the present time the program of the General State Authority authorizes the issuance of not exceeding $73,250,000 of such bonds, in part to be used for furnishing the buildings constructed by the authority and installing therein fixed equipment and other improvements, all designed to provide structures suitably equipped for operation by the board or department in charge. Under the terms of the bond resolutions, and as of December 15, 1942, $12,959,000 of the temporary bonds issued were retired, leaving at that date $50,317,000 outstanding in temporary bonds.

By resolution adopted by the General State Authority on January 4, 1943, and with the consent of the State Employes' Retirement Board given on January 5, 1934 and the consent of the Public School Employes Retirement Board given on January 11, 1943, $50,000,000 of such temporary bonds will be exchanged for $50,000,000 of permanent registered bonds. Of this amount, $43,350,000 will be payable over a period of twenty-five years starting December 15, 1942 $2,000,000 representing bonds issued for furnishings will be amortized over the period of seven years starting June 15, 1943 and $2,650,000 will be payable over a period of Twenty-four and one half years starting August 1, 1943 but will be callable on ninety days notice, if or when the General State Authority is authorized to sell, or compelled to surrender, to the United States of America the institution known as Butler Tuberculosis Hospital.

The remaining part of the program is held in suspense until necessary materials are released from priority restrictions imposed by the war emergency.

With the permanent bonds there will be delivered to the boards the final opinion of Saul, Ewing, Remick and Saul upon the validity and marketability of the issue and the opinion of the Department of Justice upon the validity

(continued)

of the purchase.

The intervening purchases of temporary bonds have been covered by interim opinions by Saul, Ewing, Remick & Saul and the Department of Justice as to these factors.

Acts 116 and 117 of the General Assembly, Approved July 3, 1941 supplementing the Act creating the State Employes' Retirement System, provide that members who enter active military service may contribute to the State Employes' Retirement Fund. This is a departure from the established method of paying contributions into the Fund and creates individual transactions not contemplated by existing administrative organization. It has been recommended by the Board, however, in the interest of employes absent in military service. Approximately 2,000 members have elected to pay into the Fund their stated contributions while absent in military service.

On November 23, 1942, the Supreme Court decided the cases of DOM v. STATE EMPLOYES' RETIREMENT BOARD and DEMMING v. STATE EMPLOYES' RETIREMENT BOARD in favor of the plaintiffs.

These decrees resulted in judgments of $13,615.71 and $8,589.98 respectively with further payments of $91.17 per month during the life of Sophia Demming. They also introduce a new factor into the future computation of rates of member contributions and State appropriations.

Respectfully submitted,

Adrian Bonnelly

A. Boyd Hamilton

Marion Margery Scranton

G. Harold Wagner

S. M. R. O'Hara Chairman
State Employes' Retirement Board

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES ' RETIREMENT BOARD
HARRISBURG

December 27, 1943

His Excellency
Edward Martin
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Governor Martin:

In compliance with the Act 331 of June 27, 1923, P. L. 858, creating the State Employes' Retirement System, as amended, we respectfully submit the following report:

Section 4, subsection 9 of this Act provides:

"The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said report to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

On May 31, 1943, the number of members in this System was 28,707; the par value of the Fund's investments was $31,359,000.00 and the total assets of the Fund, including the present worth of future appropriations receivable from the Commonwealth was $44,984,738.03 as of May 31, 1943.

(continued)

The following is a summary of the investments:

General State Authority	$9,605,000.00	30.6
United States Treasury	7,660,000.00	24.4
All other Pennsylvania Municipal and County Bonds	14,094,000.00	45.0
	31,359,000.00	100.0%

The Funds of the System have been invested with the approval of the Governor and the legality of all investments determined by the Attorney General of the Commonwealth as set forth in the Act of June 27, 1923, P. L. 858, Section 6, subsection 1; The Administrative Code, Art. VII, Section 701, subsection F; and the Act of April 25, 1929, P. L. 723.

The number of annuitants was 1446, classified as:

Superannuation annuitants	899.
Disabled annuitants	155.
Involuntary retirement beneficiaries	384.
Pennsylvania State Police Death Benefit	8.

From June 1, 1942, to May 31, 1943 the Board:

(a) Certified 5,155 new members;

(b) Approved for payment $1,724,942.21 to 6,867 members who had terminated their employment with the Commonwealth and applied for return of their contributions;

(c) Approved 85 applications for retirement allowances.

The Valuation Balance Sheet for the fiscal year ending May 31, 1943 follows.

(continued)

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1943

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Members' Annuity Savings Account		$19,394,896.23
Members' Annuity Reserve Account		2,275,149.23
State Annuity Reserve Account Number Two		3,375,478.65
Contingent Reserve Account	$7,525,508.52	
Plus - Adjustment	6,965.08	7,532,473.60
State Annuity Reserve Account	$ 527,071.08	
Less - Adjustment	6,965.08	520,106.00
Annuities due and unpaid		10,002.53
Reserve for outstanding checks		392.64
Accounts payable		146.81
Pennsylvania State Police Account		450,051.82
Total Account Balances		$33,558,697.51

Present Value of Future Appropriations

State Annuity Reserve Account Number Two	$9,595,830.35	
Contingent Reserve Account	1,859,197.40	
Total		$11,455,027.75
Less - Excess of balance in Member's annuity Reserve Account over Required Reserves	28,987.23	
Net Present Value of Future Appropriations		$11,426,040.52
Total Account Balances and Present Value of Future Appropriations		$44,984,738.03

(continued)

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1943

LIABILITIES

Members' Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated..... $19,394,896.23

Members' Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$1,320,208.00	
Disability.....	198,968.00	
Withdrawal.....	726,986.00	
Total....;.....		2,246,162.00

State Annuity Reserve Account Number Two

Present value of State annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation.....	$6,699,566.00	
Disability.....	96,439.00	
Withdrawal - Active..	323,480.00	
Withdrawal-Inactive..	88,554.00	$7,208,039.00

(b) Now on annuity roll because of:

Superannuation.....	$3,942,518.00	
Disability.....	205,514.00	
Withdrawal.....	1,615,238.00	5,763,270.00

Total.....$12,971,309.00

(continued)

[illegible]

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1943

LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members:

Not on annuity roll but who may receive annuities in the future because of:

Superannuation	$6,520,335.00	
Disability	839,491.00	
Withdrawal - Active	1,976,961.00	
Withdrawal - Inactive	54,884.00	
Total		$9,391,671.00

State Annuity Reserve Account

Present value of State annuities payable to new members:

Now on annuity roll because of:

Superannuation	$ 162,653.00	
Disability	277,439.00	
Withdrawal	80,014.00	
Total		$ 520,106.00

Miscellaneous Liabilities

Annuities due and unpaid	$ 10,002.53	
Reserve for outstanding checks	392.64	
Accounts payable	146.81	
Pennsylvania State Police Account	450,051.82	
Total		$ 460,593.80

Total Reserves and Miscellaneous Liabilities $44,984,738.03

(continued)

RECEIPTS AND DISBURSEMENTS

Year Ending

May 31, 1943

RECEIPTS		
Members Contributions	$ 3,083,517.40	
Interest on Investments	1,136,573.55	
State's Contributions State Annuity Reserve Account Number 2	600,050.00	
State's Contributions Contingent Reserve Account	644,677.69	
State's Contributions Pennsylvania State Police Account	75,000.00	
Income from Real Estate	25,525.17	
Profit on Sale of Investments	47,560.00	$ 5,612,903.81
DISBURSEMENTS		
Members Withdrawals (6867)	1,724,942.21	
Superannuation Payments	857,820.63	
Disability Payments	79,727.94	
Involuntary Payments	228,929.78	
Pennsylvania State Police Death Payments	6,815.97	
Expense on Real Estate	7,817.28	
Accrued Interest on Investments Purchased	37,418.98	
Premiums Paid	40,993.90	2,984,466.69
Excess of Receipts over Disbursements		2,628,437.12
Cash Balances May 31, 1942	403,835.56	
Investments May 31, 1942	28,994,900.00	
Real Estate May 31, 1942	446,066.98	29,844,802.54
		32,473,239.66
Cash Balance May 31, 1943	668,172.68	
Investments May 31, 1943	31,359,000.00	
Real Estate May 31, 1943	446,066.98	32,473,239.66

(continued)

Respectfully submitted,

(Signed) Adrian Bonnelly

(Signed) Marion Margery Scranton

(Signed) A. Boyd Hamilton

(Signed) G. Harold Wagner

(Signed) C. M. Morrison Chairman
State Employes' Retirement Board

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

December 27, 1944

His Excellency
Edward Martin
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Governor Martin:

In compliance with the Act 331 of June 27, 1923, P. L. 858, creating the State Employes' Retirement System, as amended, we respectfully submit the following report:

Section 4, subsection 9 of this Act provides:

"The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State Employes' pensions and annuities, and said retirement board shall submit said report to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

On May 31, 1944, the number of members of this System classed as contributors, was 26,626 and the number of pensioners was 1,451, a total of 28,077; while the total assets of the Fund amounted to $49,834,286.26 of which $37,455,384.38 was represented by cash and invested assets and $12,378,901.88 represents the present worth of future contributions receivable from the Commonwealth and other contributing agencies.

The following is a summary of the par value of the bonds owned:

General State Authority.....	$ 9,205,000.00	25.7%
United States Treasury.....	$16,060,000.00	44.9
All other Pennsylvania Municipal and County Bonds...	$10,519,500.00	29.4
	$35,784,500.00	100.0%

The Funds of the System have been invested with the approval of the Governor and the legality of all investments determined by the Attorney General of the Commonwealth as set forth in the Act of June 27, 1923, P. L. 858, Section 6, subsection 1; The Administrative Code, Art. VII, Section 701, subsection F; and the Act of April 25, 1929, P. L. 723.

The annuitants on the roll as of May 31, 1944 were as follows:

	Nos.	Annuities
Superannuation annuitants	903	$799,395.49
Disabled annuitants	158	83,645.96
Involuntary retirement beneficiaries	390	227,766.11
Total.....	1,451	$1,110,807.56

In addition there were 8 beneficiaries receiving Pennsylvania State Police Death Benefits.

From June 1, 1943 to May 31, 1944 the Retirement Board:

(a) Certified 3,820 new members;

(b) Approved for payment $1,249,940.03 to 4,115 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 114 applications for retirement allowances.

The Valuation Balance Sheet for the fiscal year ending May 31, 1944 follows:

ANNUAL VALUATION BALANCE SHEET

OF

STATE EMPLOYES' RETIREMENT SYSTEM

AS OF

MAY, 31, 1944

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

A S S E T S

Cash			
Available		$ 503,630.59	
Closed or restricted depositories.....		41,375.00	545,005.59
Investments			
Bonds unmatured.....		$35,763,500.00	
Bonds matured.....		21,000.00	
Premiums paid on investments owned.....	576,721.04		
Less - Reserve for amortization	314,452.28	262,268.76	
Total.....			36,046,768.76
Real Estate.....			372,504.84
Accrued Interest			
Investments.....		338,761.06	
Bank Balances		418.38	339,179.44
Member's deductions - not yet transmitted.....			127,617.41
Interest due and unpaid.....			21,825.00
Rent due and unpaid.....			70.00
Prepaid insurance.....			2,413.34
Due from Commonwealth.....			422,604.44
Total.....			$37,877,988.82
Present value of future appropriations S.A.R.A. #2.....		$ 9,823,674.53	
Present value of future appropriations C.R.A.....		2,132,622.91	11,956,297.44
Total Assets and Present Value of Future Appropriations.....			$49,834,286.26

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1944

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Members' Annuity Savings Account		$21,604,964.43
Members' Annuity Reserve Account		2,417,773.00
State Annuity Reserve Account Number Two		3,399,486.47
Contingent Reserve Account		8,363,448.09
State Annuity Reserve Account		577,818.00
Annuities due and unpaid		6,269.42
Reserve for outstanding checks		1,235.52
Accounts payable		1,581.55
Pennsylvania State Police Account		602,124.73
Reserve for investment contingencies		403,287.61
Total Account Balances		$37,877,988.82
Present value of future appropriations S.A.R.A.#2	$9,823,674.53	
Present value of future appropriations C.R.A.	$2,132,622.91	11,956,297.44
Total Account Balances and Present value of future appropriations		$49,834,286.26

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1944

ACTUARIAL RESERVES AND OTHER LIABILITIES

Members' Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated	$21,604,964.43

Members' Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation	$1,471,146.00
Disability	204,133.00
Withdrawal	742,494.00
Total	2,417,773.00

State Annuity Reserve Account Number Two

Present Value of State annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation	$7,418,495.00	
Disability	94,232.00	
Withdrawal-Active	314,067.00	
Withdrawal-Inactive	135,476.00	$7,962,270.00

(b) Now on annuity roll because of:

Superannuation	$3,963,685.00	
Disability	209,828.00	
Withdrawal	1,587,378.00	5,760,891.00

Total	$13,723,161.00

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1944

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members:

Not on annuity roll but who may receive annuities in the future because of:

Superannuation	$7,444,664.00	
Disability	853,184.00	
Withdrawal - Active	2,118,455.00	
Withdrawal - Inactive	79,768.00	
Total		$10,496,071.00

State Annuity Reserve Account

Present value of State Annuities payable to new members:

Now on annuity roll because of:

Superannuation	$ 213,429.00	
Disability	288,106.00	
Withdrawal	76,283.00	
Total		577,818.00

Miscellaneous Liabilities

Annuities due and unpaid	$ 6,269.42	
Reserve for outstanding checks	1,235.52	
Accounts payable	1,581.55	
Pennsylvania State Police Account	602,124.73	
Reserve for investment contingencies	403,287.61	
Total		1,014,498.83
Total Reserves and Miscellaneous Liabilities		$49,834,286.26

CASH RECEIPTS AND DISBURSEMENTS

Year ending May 31, 1944

RECEIPTS		
Member's contributions.....	$ 3,066,892.62	
Interest on investments.....	1,178,011.77	
Appropriations credited to M.A.R.A.	32,661.12	
Appropriations credited to S.A.R.A.#2	1,237,870.96	
Appropriations credited to C.R.A.....	625,521.37	
Appropriations credited to P.S.P.....	75,000.00	
Appropriations credited to General Account.....	79,831.92	
Income from real estate.....	15,778.60	
Premiums on sale of bonds.....	456,394.53	$ 6,767,962.89
DISBURSEMENTS		
Members withdrawals.....	1,249,940.03	
Superannuation payments.....	854,875.26	
Disability payments.....	89,961.00	
Involuntary payments.....	252,755.75	
P.S.P. payments.....	9,273.96	
Expense on real estate.....	12,085.39	
Accrued interest on bonds purchased..	9,745.73	
Premiums paid on bonds purchased.....	60,555.00	2,539,192.12
Excess of Receipts over Disbursements.....		4,228,770.77
Cash balance - May 31, 1943.....	$ 668,172.68	
Bonds - Par Value May 31, 1943.....	31,359,000.00	
Real Estate - May 31, 1943.....	446,066.98	32,473,239.66
Total.....		36,702,010.43
Cash balance - May 31, 1944.....	$ 545,005.59	
Bonds - Par Value - May 31, 1944.....	35,784,500.00	
Real Estate - May 31, 1944.....	372,504.84	36,702,010.43

Respectfully submitted,

Adrian Bonnelly

Marion Margery Scranton

A. Boyd Hamilton

G. Harold Wagner

C. M. Morrison, Chairman
STATE EMPLOYES' RETIREMENT BOARD

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

March 1, 1946

His Excellency
Edward Martin
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Sir:

In compliance with the Act of June 27, 1923, P. L. 853, creating the State Employes' Retirement System and amendments thereto,

Section 4, subsection 9 of which provides:

> "The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State Employes' pensions and annuities, and said retirement board shall submit said report to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

the following report is respectfully submitted.

On May 31, 1945, the number of members of this System classed as contributors, was 28,624 and the number of pensioners was 1,474, a total of 30,098. The total assets of the Fund amounted to $55,413,505.42 of which $39,533,405.61 represents the book value of bonds owned and $1,970,125.67 is cash in banks, a total of $41,503,531.28. $13,385,507.54 represents the present value of future contributions receivable from the

His Excellency, Edward Martin

Commonwealth and other contributing agencies, together with the net interest deficiency of $668,313,69, a total of $14,053,821.23. The Retirement Fund now owns no real estate, having disposed of the one property formerly owned. The following is a summary of the par value of the bonds owned:

General State Authority	$ 8,798,000.00	22.4
United States Treasury	21,260,000.00	54.1
All other Pennsylvania Municipal and County Bonds	9,236,000.00	23.5
	$39,294,000.00	100.0%

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P.L. 858, Section 6, subsection 1: The Administrative Code, Art. VII, Section 701, subsection F; and the Act of April 25, 1929, P.L. 723.

The annuitants on the roll as of May 31, 1945, and the amounts of their annuities were as follows:

	Nos.	Annuities
Superannuation annuitants	922	$ 825,783.64
Disabled annuitants.....	166	90,942.11
Involuntary retirement beneficiaries.	386	228,115.84
Total	1,474	$1,144,841.59

In addition there were 9 beneficiaries receiving Pennsylvania State Police Death Benefits.

From June 1, 1944 to May 31, 1945 the Retirement Board:

(a) Certified 5,352 new members:

(b) Approved for payment $951,260.44 to 2912 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 126 applications for retirement allowances.

The Valuation Balance sheet for the fiscal year ending May 31, 1945 follows:

His Excellency, Edward Martin

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1945

ASSETS INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			
Available		$ 1,936,825.67	
Closed or restricted depositories		33,300.00	$ 1,970,125.67
Investments			
Bonds unmatured		$39,265,000.00	
Bonds matured		29,000.00	
Premiums paid on investments owned	- $426,444.33		
Less - Reserve for amortization	- 187,038.72	239,405.61	
Total			39,533,405.61
Interest Due and Accrued			
Investments		$ 333,376.61	
Bank Balance		413.24	
Due and unpaid		26,575.00	360,364.85
Other Assets			
Members' contributions in transit			162,997.66
Prepaid Insurance			1,204.09
Due from Commonwealth -			
(a) Interest deficiency	$733,495.08		
Less overage in M.A.R.A.	65,181.39	$ 668,313.69	
(b) Present value of future appropriations S.A.R.A. #2		9,590,539.31	
(c) Present value of future appropriations C.R.A.		3,126,654.54	13,385,507.54
Total assets including present value of future appropriations			$55,413,505.42

His Excellency, Edward Martin

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1945

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Members' Annuity Savings Account		$24,540,073.25
Members' Annuity Reserve Account		2,579,900.00
State Annuity Reserve Account Number Two		4,393,651.69
Contingent Reserve Account		9,187,355.46
State Annuity Reserve Account		677,839.00
Annuities due and unpaid		3,340.53
Reserve for outstanding checks		1,285.49
Pennsylvania State Police Account		699,872.11
Reserve for investment contingencies		612,444.04
Total account balances		42,696,311.57
Present value of future appropriations:		
S.A.R.A. #2	$9,590,539.31	
C.R.A.	3,126,654.54	12,717,193.85
Total account balances and present value of future appropriations		$55,413,505.42

His Excellency, Edward Martin

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1945

ACTUARIAL RESERVES AND OTHER LIABILITIES

Members' Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated $24,540,073.25

Members' Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$1,608,130.00
Disability.....	216,795.00
Withdrawal.....	754,975.00
Total.....	$ 2,579,900.00

State Annuity Reserve Account Number Two

Present value of State annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation.....	$7,800,923.00	
Disability.....	93,021.00	
Withdrawal - Active.....	304,343.00	
Withdrawal - Inactive.....	118,843.00	$8,317,130.00

(b) Now on annuity roll because of

Superannuation.....	$3,922,300.00	
Disability.....	196,772.00	
Withdrawal.....	1,547,989.00	5,667,061.00

Total.....$13,984,191.00

His Excellency, Edward Martin

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1945

ACTUARIAL RESERVE AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$8,641,354.00	
Disability	999,435.00	
Withdrawal - Active	2,574,624.00	
Withdrawal - Inactive	98,597.00	
Total		$12,314,010.00

State Annuity Reserve Account

Present value of State annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 284,203.00	
Disability	304,776.00	
Withdrawal	88,910.00	
Total		$ 677,889.00

Pennsylvania State Police Account

Total		699,872.11

Other Liabilities

Annuities due and unpaid	$ 3,840.53	
Reserve for outstanding checks	1,285.49	
Reserve for investment contingencies	612,444.04	
Total		617,570.06
Total actuarial reserves and other liabilities		$55,413,505.42

His Excellency, Edward Martin

CASH RECEIPTS AND DISBURSEMENTS

Year ending May 31, 1945

RECEIPTS

Members' contributions	$3,367,504.83	
Interest on Bonds	1,235,197.41	
Income from Real Estate	3,020.00	
Premium on sale of Bonds	274,256.64	
State contributions - M.A.R.A.	117,346.00	
State contributions - S.A.R.A. #2	1,216,000.00	
State contributions - C.R.A.	625,638.71	
State contributions - P.S.P.	75,000.00	$ 6,918,963.59

DISBURSEMENTS

Members' withdrawals	$ 951,260.44	
Superannuation payments	944,372.23	
Disability payments	85,610.69	
Involuntary payments	276,609.99	
P.S.P. payments	11,985.48	
Expense on real estate	5,828.97	
Accrued interest on bonds purchased	16,253.36	
Premium paid on bonds purchased	12,422.35	
Real estate charged off books	42,504.84	
Bond charged off books	10,000.00	2,356,848.35
Total receipts over disbursements		$ 4,562,115.24
Cash balance - May 31, 1944	$ 545,005.59	
Bonds - May 31, 1944	35,784,500.00	
Real Estate - May 31, 1944	372,504.84	36,702,010.43
Total		$41,264,125.67
Cash balance - May 31, 1945	$ 1,970,125.67	
Bonds - May 31, 1945	39,294,000.00	$41,264,125.67

His Excellency, Edward Martin

Respectfully submitted,
STATE EMPLOYES' RETIREMENT BOARD

C. H. Morrison, Chairman

R. A. Cox

For Ramsey S. Black

Adrian Bonnelly

Marion Margery Scranton

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

January 15, 1947

His Excellency
John C. Bell
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Sir:

In compliance with the Act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System and amendments thereto,

Section 4, subsection 9 of which provides:

> "The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State Employes' pensions and annuities, and said retirement board shall submit said report to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

the following report is respectfully submitted.

On May 31, 1946, the number of members of this System classed as contributors, was 28,139 and the number of pensioners was 1,552, a total of 29,691. The total assets of the Fund amounted to $65,404,673.83 of which $44,370,302.46 represents the book value of bonds owned and $440,978.12 is cash in banks, a total of $44,811,280.58. $18,319,110.01 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies, together with "Due from Commonwealth" M.A.R.A., $279,946.20 and the net interest deficiency of $1,293,871.46, a total of

His Excellency, John C. Bell

$19,892,927.67. The Retirement Fund now owns no real estate, having disposed of the one property formerly owned. The following is a summary of the par value of the bonds owned:

United States Treasury	$37,760,000.00	85.5%
All other Pennsylvania Municipal and County Bonds.....	6,396,000.00	14.5
	$44,156,000.00	100.0%

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P.L. 858, Section 6, subsection 1: The Administrative Code, Art. VII, Section 701, subsection F; and the Act of April 25, 1929, P. L. 723.

The annuitants on the roll as of May 31, 1946, and the amounts of their annuities were as follows:

	Nos.	Annuities
Superannuation annuitants	971	$ 887,223.10
Disabled annuitants	183	96,607.53
Involuntary retirement beneficiaries..	398	229,677.79
Total.....	1,552	$1,213,508.42

In addition there were 5 beneficiaries receiving Pennsylvania State Police Death Benefits.

From June 1, 1945, to May 31, 1946, the Retirement Board:

(a) Certified 3,898 new members:

(b) Approved for payment $2,573,613.61 to 7,216 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 171 applications for retirement allowances.

The Valuation Balance sheet for the fiscal year ending May 31, 1946, follows:

His Excellency, John C. Bell

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1946

ASSETS INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			
Available		$428,967.75	
Closed or restricted depositories		12,010.37	$440,978.12
Investments			
Bonds unmatured		44,130,000.00	
Bonds matured		26,000.00	
Premiums paid on investments owned	$393,404.32		
Loss - Reserve for amortization	179,101.86	214,302.46	
Total			44,370,302.46
Interest Due and Accrued			
Investments		430,322.55	
Bank Balance		933.80	
Due and unpaid		30,875.00	462,131.35
Other Assets			
Member's contributions in transit			238,334.23
Due from Commonwealth -			
(a) Interest deficiency		1,293,871.46	
(b) M. A. R. A.		279,946.20	1,573,817.66
Present value of future appropriations S.A.R.A. #2		10,930,070.85	
Present value of future appropriations C.R.A.		7,389,039.16	18,319,110.01
Total assets including present value of future appropriations			$65,404,073.33

His Excellency, John C. Bell

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31,1946

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Members' Annuity Savings Account		$26,200,771.16
Members' Annuity Reserve Account		3,256,653.00
State Annuity Reserve Account Number Two		4,710,901.15
Contingent Reserve Account		10,347,404.84
State Annuity Reserve Account		925,100.00
Annuities due and unpaid		3,269.60
Reserve for outstanding checks		517.41
Pennsylvania State Police Account		784,577.99
Casualty Premium Tax Credit to P.S.P.		117,222.18
Reserve for investment contingencies		739,146.49
Total account balances		$47,085,563.82
Present value of future appropriations:		
S.A.R.A. #2	$10,930,070.85	
C.R.A.	7,389,039.16	18,319,110.01
Total account balances and present values of future appropriations		$65,404,673.83

His Excellency, John C. Bell

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1946

ACTUARIAL RESERVES AND OTHER LIABILITIES

Members' Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated $26,200,771.16

Members' Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$2,179,899.00
Disability	243,297.00
Withdrawal	833,457.00
Total	3,256,653.00

State Annuity Reserve Account Number Two

Present value of state annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation	$8,674,034.00	
Disability.....	85,403.00	
Withdrawal - Active...	212,235.00	
Withdrawal - Inactive	27,875.00	$8,999,547.00

(b) Now on annuity roll because of:

Superannuation	$4,797,349.00	
Disability	201,474.00	
Withdrawal	1,642,602.00	6,641,425.00

Total..... $15,640,972.00

His Excellency, John C. Bell

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1946

ACTUARIAL RESERVE AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of state annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	14,350,428.00	
Disability	1,218,267.00	
Withdrawal - Active	2,151,991.00	
Withdrawal - Inactive	15,758.00	
Total		17,736,444.00

State Annuity Reserve Account

Present value of state annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	437,790.00	
Disability	377,359.00	
Withdrawal	109,951.00	
Total		925,100.00

Pennyslvania State Police Account

Total		784,577.99

Other Liabilities

Casualty Premium Tax Credit P.S.P.	117,222.18	
Annuities due and unpaid	3,269.60	
Reserve for outstanding checks	517.41	
Reserve for investment contingencies	739,146.49	
Total		860,155.68
Total actuarial reserves and other liabilities		65,404,673.85

His Excellency, John C. Bell

CASH RECEIPTS AND DISBURSEMENTS

Year ending May 31, 1946

RECEIPTS		
Members' contributions	$3,800,905.69	
Interest on bonds	1,072,105.48	
Premium on sale of bonds	171,962.41	
State contributions - S.A.R.A. #2	931,100.00	
State contributions - C.R.A.	1,088,590.43	
State contributions - P.S.P.	50,000.00	
Casualty Premium Tax Creditable to P.S.P.	117,222.18	
Prepaid Insurance	1,204.09	
Redeposit of checks	21.53	$7,233,111.81
DISBURSEMENTS		
Members' withdrawals	2,573,613.61	
Superannuation payments	897,109.54	
Disability payments	94,564.43	
Involuntary payments	248,821.36	
P.S.P. payments	14,479.57	
Investment expense	284.85	
Accrued interest on bonds purchased	31,612.01	
Premium paid on bonds purchased	38,984.38	
Check issued in lieu of outdated checks	789.61	3,900,259.36
Total receipts over disbursements		$ 3,332,852.45
Cash balance - May 31, 1945	$ 1,970,125.67	
Bonds - May 31, 1945	39,294,000.00	41,264,125.67
Total		$44,596,978.12
Cash balance - May 31, 1946	$ 440,978.12	
Bonds - May 31, 1946	44,156,000.00	
Total		$44,596,978.12

In accordance with Section 4 of the State Employes' Retirement Law, the fourth quinquennial investigation covering the period June 1, 1940, to May 31, 1945, has been made by the actuary of the retirement fund. The complete report is on file in the office of the Secretary of the Board.

His Excellency, John C. Bell

On the basis of the findings and the recommendations of the actuary, the Retirement Board has adopted higher rates for determining the reserves required to provide the benefits outlined under the retirement plan. The higher basis of reserves is necessary principally to provide for the increasing longevity among the members of the Retirement System and an anticipated lower rate of withdrawal from service.

Respectfully submitted,
STATE EMPLOYES' RETIREMENT BOARD

C. H. Morrison, Chairman

E. A. Cox

Adrian Bonnelly

Ramsey S. Black

L. M. Scranton

1947
C. 2

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

November 10, 1947

His Excellency
James H. Duff
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Sir:

The following report is respectfully submitted in compliance with the Act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System and amendments thereto,

Section 4, subsection 9 which provides:

> "The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State Employes' Pensions and Annuities, and said retirement Board shall submit said report to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employees and the public."

On May 31, 1947, the number of members of this System classed as contributors was 32,191 and the number of pensioners was 1,625, a total of 33,816. The total assets of the Fund amounted to $74,829,283.58 of which $49,555,412.93 represents the book value of bonds, $100 the book value of stocks and $729,535.95 is cash in banks, a total of $50,285,048.88. $22,053,368.18 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies. The assetitem of $1,768,326.96 includes two items, $1,566,922.19 and $201,404.77. The first

His Excellency, James H. Duff

item is the amount required to suplement the actual earnings on the invested reserve funds to provide the credits at the regular interest rate of 4% on the several account balances for the years ending May 31, 1945, 1946 and 1947. The second item is the amount required to increase the balance in the Members' Annuity Reserve Account up to the required reserve.

As of May 31, 1947, the Members' Annuity Savings Account was $29,745,277.85. This is made up of members' contributions and interest thereon. Adding to this the Members' Annuity Reserve Account of $3,599,335.43, there is a combined total of 33,344,613.28 accumulated from members' contributions.

The following is a summary of the par value of the bonds owned:

United States Treasury... . ..	$43,245,000.00	87.8%
All other Bonds - Pennsylvania Municipal and County.....	5,989,000.00	12.2
	$49,234,000.00	100.0%

The balance in the account representing the premiums paid on bonds purchased less the reserve for the amortization of such premiums is $321,412.93. This brings the par values of the bonds up to a total book value of $49,555,412.93.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P. L. 858, Section 6, subsection 1: The Administrative Code, Art. VII, Section 701, subsection F; and the Act of April 25, 1929, P. L. 723.

The annuitants on the roll as of May 31, 1947, and the amounts of their annuities were as follows:

	Nos.	Amounts of Annuities
Superannuation annuitants	1,026	$1,002,915.49
Disabled annuitants....	192	100,130.37
Involuntary retirement beneficiaries.	407	238,462.42
Total.....	1,625	$1,341,508.28

In addition there were 5 beneficiaries receiving Pennsylvania State Police Benefits.

From June 1, 1946, to May 31, 1947, the Retirement Board:

(a) Certified 8,415 new members:

(b) Approved for payment $1,764,067.97 to 5,154 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 178 applications for retirement allowances.

The valuation balance sheet for the fiscal year ending May 31, 1947 follows:

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1947

ASSETS INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			
Available		$719,116.95	
Closed or restricted depositories		10,419.00	$ 729,535.95
Investments			
Bonds unmatured		$49,211,000.00	
Bonds matured		23,000.00	
Premiums paid on investments owned	$ 514,431.90		
Less - Reserve for amortization	193,018.97	321,412.93	
Stock		100.00	
Total			$49,555,512.93
Interest Due and Accrued			
Investments			$ 503,239.91
Other Assets			
Members' contributions in transit			$ 219,299.65
Due from Commonwealth -			
(a) Interest deficiency		$ 1,566,922.19	
(b) M. A R. A		201,404.77	$ 1,768,326.96
Present Value of future appropriations			
S.A.R.A. #2		11,395,217.32	
C.R.A.		10,658,150.86	$22,053,368.18
Total assets including present value of future appropriations			$74,829,283.58

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1947

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Members' Annuity Savings Account.....		29,745,277.85
Members' Annuity Reserve Account		3,670,794.00
State Annuity Reserve Account Number Two.....		4,962,265.68
Contingent Reserve Account.....		11,724,278.14
State Annuity Reserve Account.....		1,020,463.00
Annuities due and unpaid.....		41,026.28
Reserve for outstanding checks....		849.72
Casualty Premium Tax Credit to P.S.P.....		1,429.44
Pennsylvania State Police Account.....		873,128.84
Reserve for investment contingencies.....		736,402.45
Total account balances.....		52,775,915.40
Present value of future appropriations:		
S.A.R.A. #2...	11,395,217.32	
C.R.A....	10,658,150.86	22,053,368.18
Total account balance and present values of future appropriations.....		74,829,283.58

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1947

ACTUARIAL RESERVES AND OTHER LIABILITIES

Members' Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated	$29,745,277.85

Members' Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation..	$2,560,562.00	
Disability.....	254,188.00	
Withdrawal	856,044.00	
Total.....		$ 3,670,794.00

State Annuity Reserve Account Number Two

Present Value of state annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:			
Superannuation.	9,080,729.00		
Disability.....	85,609.00		
Withdrawal Active.....	204,009.00		
Withdrawal Inactive.....	40,449.00	$9,410,796.00	
(b) Now on annuity roll because of:			
Superannuation.	5,078,842.00		
Disability.....	198,655.00		
Withdrawal.....	1,669,190.00	6,946,687.00	
Total			16,357,483.00

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1947

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of state annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$18,417,809.00	
Disability	1,511,815.00	
Withdrawal - Active	2,390,666.00	
Withdrawal - Inactive	62,139.00	
Total		22,382,429.00

State Annuity Reserve Account

Present value of state annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	515,875.00	
Disability	404,378.00	
Withdrawal	100,210.00	
Total		1,020,463.00

Pennsylvania State Police Account

Total		873,128.84

Other Liabilities

Casualty Premium Tax Credit P.S.P.	1,429.44	
Annuities and Refunds under Option 1 due and unpaid	41,026.28	
Reserve for outstanding checks	849.72	
Reserve for investment contingencies	736,402.45	
Total		779,707.89
Total Actuarial Reserves and other Liabilities		24,829,283.58

His Excellency, James H. Duff

CASH RECEIPTS AND DISBURSEMENTS

Year ending May 31, 1947

RECEIPTS		
Members' contributions	$ 4,721,876.30	
Interest on bonds	1,236,284.99	
Premium on sale of bonds	3,220.00	
State contributions - S.A.R.A. #2	940,828.00	
State contributions - C.R.A.	1,122,464.42	
State contributions - P.S.P.	50,000.00	
State contributions - M.A.R.A.	150,000.00	
State contributions - operating account	378,022.00	
Casualty premium Tax Creditable to P.S.P.	108,748.00	
Redeposit of checks	332.31	8,711,836.02
DISBURSEMENTS		
Members' withdrawal refunds	1,764,067.97	
Superannuation allowances	993,427.57	
Disability allowances	100,840.13	
Involuntary allowances	296,934.53	
P.S.P. allowances	17,279.56	
Accrued interest on bonds purchased	38,369.87	
Premium paid on bonds purchased	133,945.33	
Investment expense	313.23	3,345,178.19
Total receipts over disbursements		5,366,657.83
Cash balance - May 31, 1946	440,978.12	
Bonds owned - May 31, 1946	44,156,000.00	44,596,978.12
Total		49,963,635.95
Cash balance - May 31, 1947	729,535.95	
Bonds owned - May 31, 1947	49,234,000.00	
Stocks owned - May 31, 1947	100.00	
Total		49,963,635.95

In accordance with Section 4 of the State Employes' Retirement Law, the fourth quinquennial investigation covering the period June 1, 1940, to May 31, 1945, has been made by the actuary of the retirement fund. The complete report is on file in the office of the Secretary of the Board.

His Excellency, James H. Duff

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five year period. On the basis of such experience the rates of members contributions, reserves and appropriation askings are determined. The experience of the Retirement Fund especially as revealed by the last five year study showed marked increases in the longevity of active members, as well as the pensioners and other annuitant lives.

It has been necessary, therefore, for the Retirement Board to adopt higher rates for determining the reserves required to provide the benefits payable to members and beneficiaries now on the retirement roll, and to be paid in the future to those members who are not yet on the pension roll.

For like reasons it has been necessary for the Retirement Board to adopt a new set of rates of contribution, effective June 1, 1948, applicable to State employes who become members of the Retirement System on and after that date. These rates are not applicable retroactively to those already carrying membership in the Retirement System.

Respectfully submitted,
STATE EMPLOYES' RETIREMENT BOARD

C. M. Morrison, Chairman

R. A. Cox

Adrian Bonnelly

Ramsey S. Black

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

November 10, 1948

His Excellency
James H. Duff
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Sir:

The following report is respectfully submitted in compliance with the Act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System and amendments thereto,

Section 4, subsection 9 which provides:

> "The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State Employes' Pensions and Annuities, and said retirement Board shall submit said report to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employees and the public."

On May 31, 1948, the number of members of this System classed as contributors was 37,303 and the number of pensioners was 1,734, a total of 39,037. The total assets of the Fund amounted to $87,138,530.41 of which $56,432,348.69 represents the book value of bonds, $100 the book value of stocks and $789,709.48 is cash in banks, a total of $57,222,158.17. $26,402,180.22 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies. The asset item of $2,680,643.02 includes two items, $2,349,137.43 and $331,505.59. The first

His Excellency, James H. Duff

item is the amount required to supplement the actual earnings together with the accrued interest on the invested reserve funds to provide the credits at the regular interest rate of 4% on the several account balances for the years ending May 31, 1945, 1946, 1947 and 1948. The second item is the amount required to increase the balance in the Member's Annuity Reserve Account up to the required reserve.

As of May 31, 1948, the Member's Annuity Saving Account was $34,432,458.78. This is made up of members' contributions and interest thereon. Adding to this the Member's Annuity Reserve Account of $3,920,446.18, there is a combined total of $38,352,904.96 accumulated from members' contributions.

The following is a summary of the par value of the bonds owned:

United States Treasury Bonds...	$48,310,000.00	86.1%
Pennsylvania Municipal and County Bonds.....	7,269,000.00	13.0
New York Municipal Bonds.....	500,000.00	0.9
	$56,079,000.00	100.0%

The balance in the account representing the premiums paid on bonds purchased less the reserve for the amortization of such premiums is $353,348.69. This brings the par values of the bonds up to a total book value of $56,432,348.69.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P. L. 858, Section 6, Subsection 1: The Administrative Code, Art. VII, Section 701, Subsection F; and the Act of April 25, 1929, P. L. 723.

His Excellency, James H. Duff

The annuitants on the roll as of May 31, 1948, and amounts of their annuities were as follows:

	Nos.	Amounts of annuities
Superannuation annuitants.....	1,102	$1,084,988.05
Disabled annuitants.....	213	116,402.24
Involuntary retirement beneficiaries....	419	241,731.37
Total.....	1,734	$1,443,121.66

In addition there were 7 beneficiaries receiving Pennsylvania State Police benefits.

From June 1, 1947 to May 31, 1948, the Retirement Board:

(a) Certified 9,831 new members;

(b) Approved for payment $1,542,990.71 to 5,268 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 180 applications for retirement allowances.

The valuation balance sheet for the fiscal year ending May 31, 1948 follows:

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1948

ASSETS INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$ 789,709.48
Investments			
Bonds unmatured		$56,059,000.00	
Bonds matured		20,000.00	
Premiums paid on investments owned	$562,816.13		
Less - Reserve for amortization	209,467.44	353,348.69	
Stock		100.00	
Total			$56,432,448.69
Interest Due and Accrued			
Investments			$ 573,395.78
Other Assets			
Members' contributions in transit			$ 260,153.22
Due from Commonwealth...			
(a) Interest deficiency		$ 2,349,137.43	
(b) M. A. R. A.		331,505.59	$ 2,680,643.02
Present Value of future appropriations			
S.A.R.A. #2		$11,790,467.56	
C.R.A.		14,611,712.66	$26,402,180.22
Total assets including present value of future appropriations			$87,138,530.41

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1948

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Members' Annuity Savings Account		$34,432,458.78
Members' Annuity Reserve Account		4,050,547.00
State Annuity Reserve Account Number Two		5,361,769.44
Contingent Reserve Account		13,591,684.34
State Annuity Reserve Account		1,310,311.00
Annuities due and unpaid		66,031.43
Reserve for outstanding checks		1,193.70
Pennsylvania State Police Account		1,196,316.53
Reserve for investment contingencies		726,037.97
Total account balances		$60,736,350.19
Present value of future appropriations:		
S.A.R.A. #2	11,790,467.56	
C.R.A.	14,611,712.66	26,402,180.22
Total account balance and present values of future appropriations		$87,138,530.41

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1948

ACTUARIAL RESERVES AND OTHER LIABILITIES

Member's Annuity Saving Account

Present value of benefits on account of which salary deductions have been accumulated.....$34,432,458.78

Member's Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$2,871,133.00	
Disability.....	281,784.00	
Withdrawal.....	897,630.00	
Total.....		$ 4,050,547.00

State Annuity Reserve Account Number Two

Present Value of State annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation....	$9,843,026.00	
Disability.....	84,471.00	
Withdrawal Active.	189,945.00	
Withdrawal Inactive.	37,275.00	$10,154,717.00

(b) Now on annuity roll because of:

Superannuation....	$5,130,275.00	
Disability.....	194,911.00	
Withdrawal.....	1,672,334.00	$ 6,997,520.00
Total.....		$17,152,237.00

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1948

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$23,466,409.00	
Disability	1,857,672.00	
Withdrawal - Active	2,836,261.00	
Withdrawal - Inactive	43,055.00	
Total		$28,203,397.00

State Annuity Reserve Account

Present value of State annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 691,157.00	
Disability	496,161.00	
Withdrawal	122,993.00	
Total		$ 1,310,311.00

Pennsylvania State Police Account

Total		$ 1,196,316.53

Other Liabilities

Annuities and Refunds under Option 1 due and unpaid	$ 66,031.43	
Reserve for outstanding checks	1,193.70	
Reserve for investment contingencies	726,037.97	
Total		$ 793,263.10
Total Actuarial Reserves and other Liabilities		$87,138,530.41

His Excellency, James H. Duff

CASH RECEIPTS AND DISBURSEMENTS

Year ending May 31, 1948

RECEIPTS		
Members' contributions	$ 5,609,051.17	
Interest on bonds	1,372,987.71	
Dividends on stock	500.00	
Premium on sale of bonds	2,700.00	
State contributions - S.A.R.A. #2	1,106,050.00	
State contributions - C.R.A.	1,771,551.43	
State contributions - P.S.P.	75,000.00	
Casualty premium Tax Creditable to P.S.P.	116,423.74	
Redeposit of checks	343.98	$10,054,608.03
DISBURSEMENTS		
Members' withdrawal refunds	1,542,990.71	
Superannuation allowances	1,102,397.07	
Disability allowances	106,818.38	
Involuntary allowances	252,800.00	
P.S.P. allowances	35,473.31	
Accrued interest on bonds purchased	36,610.69	
Premium paid on bonds purchased	61,625.52	
Investment expense	298.92	
Closed bank deposit charged off	10,419.00	3,149,434.50
Total receipts over disbursements		$ 6,905,173.53
Cash balance - May 31, 1947	$ 729,535.95	
Bonds owned - May 31, 1947	49,234,000.00	
Stock owned - May 31, 1947	100.00	49,963,635.95
Total		$56,868,809.48
Cash balance - May 31, 1948	$ 789,709.48	
Bonds owned - May 31, 1948	56,079,000.00	
Stock owned - May 31, 1948	100.00	
Total		$56,868,809.48

In accordance with Section 4 of the State Employes' Retirement Law, the fourth quinquennial investigation covering the period June 1, 1940, to May 31, 1945, has been made by the actuary of the Retirement Fund. The complete report is on file in the office of the Secretary of the Board.

His Excellency, James H. Duff

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five year period. On the basis of such experience the rates of members contributions, reserves and appropriation askings are determined. The experience of the Retirement Fund especially as revealed by the last five year study showed marked increases in the longevity of active members, as well as the pensioners and other annuitant lives.

It has been necessary, therefore, for the Retirement Board to adopt higher rates for determining the reserves required to provide the benefits payable to members and beneficiaries now on the retirement roll, and to be paid in the future to these members who are not yet on the pension roll.

For like reasons it has been necessary for the Retirement Board to adopt a new set of rates of contribution, effective June 1, 1948, applicable to State Employes who become members of the Retirement System on and after that date. These rates are not applicable retroactively to those already carrying membership in the Retirement System.

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

C. M. Morrison, Chairman

R. A. Cox

Adrian Bonnelly

Ramsey S. Black

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

November 23, 1949

His Excellency
James H. Duff
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Sir:

The following report is respectfully submitted in compliance with the Act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System and amendments thereto,

Section 4, subsection 9 which provides:

> ""The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State Employes' Pensions and Annuities, and said retirement board shall submit said report to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employees and the public."

On May 31, 1949, the number of members of this System classed as contributors was 39,455 and the number of pensioners was 1,816, a total of 41,271. The total assets of the Fund amounted to $99,527,691.00 of which $56,747,654.69 represents the book value of bonds, $8,500,000.00 represents the book value of mortgage, $100 the book value of stocks and $936,153.98 in cash in banks, a total of $66,183,908.67. $30,556,504.94 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies. The asset item of $1,758,793.61

His Excellency, James H. Duff

includes two items, $1,716,081.98 and $42,711.63. The first item is the amount required to supplement the actual earnings together with the accrued interest on the invested reserve funds to provide the credits at the regular interest rate of 4% on the several account balances for the years ending May 31, 1947, 1948 and 1949. The second item is the amount required to increase the balance in the Members' Annuity Reserve Account up to the required reserve.

As of May 31, 1949, the Members' Annuity Saving Account was $40,585,518.58. This is made up of members' contributions and interest thereon. In addition, there is the Members' Annuity Reserve Account of $4,215,184.00.

The following is a summary of the book values of the investments of the Fund including the bonds at their par values:

United States Treasury Bonds.....	$47,065,000.00	72.5%
Pennsylvania Municipal and County Bonds.....	6,848,500.00	10.5
New York Municipal Bonds...	500,000.00	0.8
Pennsylvania Turnpike Bonds.....	2,000,000.00	3.1
Pennsylvania State College 1st Mortgage.....	8,500,000.00	13.1
Stock.....	100.00	-
	$64,913,600.00	100.0%

The balance in the account representing the premiums paid on bonds purchased less the reserve for the amortization of such premiums is $334,154.69. This brings the above book values of the investments up to the total book value of $65,247,754.69.

His Excellency, James H. Duff

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P. L. 858, Section 6, Subsection 1: The Administrative Code, Art. VII, Section 701, Subsection F; and the Act of April 25, 1929, P. L. 723.

The annuitants on the roll as of May 31, 1949 including the survivor beneficiaries and amounts of their annuities were as follows:

	Nos.	Amounts of annuities
Superannuation....	1,146	$1,111,051.57
Disability.....	231	129,468.19
Withdrawal..	439	260,712.18
Total.....	1,816	$1,501,231.94

In addition there were 7 beneficiaries receiving Pennsylvania State Police benefits.

From June 1, 1948 to May 31, 1949, the Retirement Board:

(a) Certified 7,734 new members;

(b) Approved for payment $1,710,198.88 to 5,574 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 239 applications for retirement allowances.

The valuation balance sheet for the fiscal year ending May 31, 1949 follows.

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1949

ASSETS INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			936,153.98
Investments			
Bonds unmatured (par value)		$56,395,500.00	
Bonds matured (par value)		10,000.00	
Premiums paid on investments owned	$550,725.91		
Less - Reserve for amortization	216,571.22	334,154.69	
Stock		100.00	
Mortgage loan first lien		8,500,000.00	
Total			65,247,754.69
Interest Due and Accrued			
Investments			732,498.78
Other Assets			
Members' contributions in transit			295,985.00
Due from Commonwealth			
(a) Interest deficiency		$ 1,716,081.98	
(b) M.A.R.A.		42,711.63	1,758,793.61
Present Value of future appropriations			
S.A.R.A. #2		$12,480,275.84	
C.R.A.		*18,076,229.10	30,556,504.94
Total assets including present value of future appropriations			$99,527,691.00

*Includes $591,406.26 with interest @ 4% from November 16, 1946 due from the Administrative Fund in connection with State annuity credits to State Employes loaned to the Federal Government as provided in Supplement of 1947 Act No. 172 (P.L. 377)

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1949

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Members' Annuity Savings Account		$40,585,518.58
Members' Annuity Reserve Account		4,215,184.00
State Annuity Reserve Account Number Two		5,470,169.16
Contingent Reserve Account		15,626,692.90
State Annuity Reserve Account		1,499,149.00
Annuities due and unpaid		20,598.94
Reserve for outstanding checks		1,947.79
Pennsylvania State Police Account		1,551,925.69
Total account balances		$68,971,186.06
Present value of future appropriations:		
S.R.R.A. #2	$12,480,275.84	
C.R.A.	18,076,229.10	30,556,504.94
Total account balance and present value of future appropriations		$99,527,691.00

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1949

ACTURIAL RESERVES AND OTHER LIABILITIES

Members' Annuity Saving Account

Present value of benefits on account of which salary deductions have been accumulated.....$40,585,518.58

Members' Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation	$3,999,455.00	
Disability	289,137.00	
Withdrawal	926,592.00	
Total.....		4,215,184.00

State Annuity Reserve Account Number Two

Present Value of State annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation	$10,701,953.00	
Disability	82,333.00	
Withdrawal Active	174,725.00	
Withdrawal Inactive	41,386.00	$11,000,397.00

(b) Now on annuity roll because of:

Superannuation	$ 5,031,207.00	
Disability	179,798.00	
Withdrawal	1,739,043.00	6,950,048.00
Total.....		17,950,445.00

His Excellency, James H. Duff

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1949

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$28,470,433.00	
Disability	2,116,372.00	
Withdrawal - Active	3,073,789.00	
Withdrawal - Inactive	42,328.00	
Total		$33,702,922.00

State Annuity Reserve Account

Present value of State annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 793,548.00	
Disability	552,035.00	
Withdrawal	153,566.00	
Total		1,499,149.00

Pennsylvania State Police Account

Total		1,551,925.69

Other Liabilities

Annuities and Refunds under Option 1 due and unpaid	$ 20,598.94	
Reserve for outstanding checks	1,947.79	
Total		1, 22,546.73
Total Actuarial Reserves and other Liabilities		$99,527,691.00

His Excellency, James H. Duff

CASH RECEIPTS AND DISBURSEMENTS

Year Ending May 31, 1949

RECEIPTS

Members' contributions.....	$ 7,011,009.15	
Interest on bonds	1,507,833.09	
Interest on mortgage.....	30,054.64	
Dividends on stock.....	1,000.00	
Premium on sale of bonds.....	65,747.03	
State contributions - S.A.R.A. #2.....	1,107,979.00	
State contributions - C.R.A.....	1,797,058.83	
State contributions - Operating Account	694,071.00	
State contributions - P.S.P.....	75,000.00	
Casualty premium tax creditable to P.S.P.	127,067.23	
Redeposit of checks.....	754.09	$12,417,574.06

DISBURSEMENTS

Members' withdrawal refunds.....	$ 1,710,198.88	
Superannuation allowances.....	1,187,093.94	
Disability allowances..	116,503.36	
Involuntary allowances.....	300,165.81	
P.S.P. allowances.....	70,021.14	
Accrued interest on bonds purchased....	27,129.02	
Premium paid on bonds purchased.....	25,308.47	
Investment expense.....	208.94	3,436,629.56
Total receipts over disbursements.....		$ 8,980,944.50
Cash balance May 31, 1948.....	$ 789,709.48	
Bonds owned May 31, 1948 (par value)...	56,079,000.00	
Stock owned May 31, 1948.....	100.00	56,868,809.48
Total.....		65,849,753.98
Cash balance May 31, 1949.....	$ 936,153.98	
Bonds owned May 31, 1949 (par value)...	56,413,500.00	
Mortgage owned May 31, 1949.....	8,500,000.00	
Stock owned May 31, 1949.....	100.00	
Total.....		$65,849,753.98

His Excellency, James H. Duff

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five-year period. On the basis of such experience the rates of members contributions, reserves and appropriation askings are determined.

The experience of the Retirement Fund especially as revealed by the fourth quinquennial evaluation for the period ending May 31, 1945 showed marked increases in the longevity of active members, as well as the pensioners and other annuitant lives. It has been necessary, therefore, for the Retirement Board to adopt higher rates for determining the reserves required to provide the benefits payable to members and beneficiaries now on the retirement roll, and to be paid in the future to those members who are not yet on the pension roll.

For like reasons it has been necessary for the Retirement Board to adopt a new set of rates of contribution, effective June 1, 1948, applicable to State Employes who become members of the Retirement System on and after that date. These rates are not applicable retroactively to those already carrying membership in the retirement system.

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

Gene D. Smith, Chairman

R. A. Cox

Adrian Bonnelly

Charles R. Barber

Katharine G. Murdock

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

Pennsylvania State Library
Doc

November 10, 1950

His Excellency
James H. Duff
Governor, Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Sir:

The following report is respectfully submitted in compliance with the Act of June 27, 1923, P.L. 848, creating the State Employes' Retirement System and amendments thereto,

Section 4, subsection 9 which provides:

"The retirement board shall publish annually a report showing the condition of the various funds created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning State Employes' Pensions and Annuities, and said retirement board shall submit said report to the Governor of the Commonwealth of Pennsylvania and shall file copies in the offices of the Secretary of State, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

On May 31, 1950, the number of members of this System [illegible] contributors was 43,485 and the number of pensioners was [illegible], a total of 45,423. The total assets of the fund amounted to [illegible] of which $79,253,819.94 is in cash and investments as follows: [illegible] the book value of bonds; $13,500,000.00 is the book value of a mortgage; $100 is the book value of stocks and $837,[illegible] is the cash in banks. An asset item of $1,722,245.87 includes two items, $1,622,[illegible] and $[illegible]. The first item is the amount required to supplement the earnings [illegible] on the invested reserve funds in order to provide the credits on the regular interest rate of 4% on the account balances for the year ending May 31, 19[illegible] and 1950. The second item is the amount required to increase the balance in the Member's Annuity Reserve Account up to the required reserve.

In addition there is $2,800,083.68 due from the Public School Employes Retirement Fund on account of the transfers under Acts 560 and 561.

Of this, $1,687,511.[illegible] has been paid as of [illegible]

The remaining asset item of $30,3[illegible] for 57 [illegible] value of future contributions receivable from the [illegible] tributing agencies.

As of May 31, 1950, the Member's Annuity [illegible] $49,318,058.58. This is made up of members' contributions [illegible] credits thereon. In addition, there is the [illegible] of $4,764,676.00.

The following is a summary of the values of [illegible] Fund including the bonds at their cost values [illegible] of the total holdings.

United States Treasury Bonds	[illegible]	[illegible]
Pennsylvania Political and County Bonds	[illegible]	[illegible]
New York Municipal Bonds	[illegible]	[illegible]
Pennsylvania Turnpike Bonds	[illegible]	[illegible]
Pennsylvania State College 1st Mortgage	[illegible]	[illegible]
Stock	[illegible]	[illegible]
Total	[illegible]	[illegible]

The balance in the account representing the premium [illegible] investments purchased less the reserve for the amortization of [illegible] $437,356.35. This brings the above par values of the investments [illegible] total book value of $79,416,201.35.

The funds of the Retirement System have been invested [illegible] with the Act of June 27, 1923, P. L. 858, Section 6, Subsection [illegible] ministrative Code, Art. VII, Section 701, Subsection [illegible] and the [illegible] 25, 1929, P. L. 723.

The annuitants on the roll as of May 31, 1950 [illegible] beneficiaries and the amounts of their annuities were as follows:

	Nos.	Amount of Annuities
Superannuated	1,247	[illegible]
Disability	240	[illegible]
Retirement	[illegible]	[illegible]
Total	[illegible]	[illegible]

In addition there were 6 beneficiaries receiving [illegible] Police Benefits.

From June 1, 1949 to May 21, 1955, the Retirement Board

(a) Certified 9,668 new members;

(b) Approved for payment $1,719,[illegible] to [illegible] who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 227 applications for supplement allowance.

The valuation balance sheet for the fiscal year ending May 31, 1954 follows:

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1950

ASSETS INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$ 637,418.5[illegible]
Investments			
Bonds unmatured (par value)		$64,462,[illegible]45.00	
Bonds matured (par value)		16,000.00	
Premiums paid on investments owned	$665,539.51		
Less- Reserve for amortization	228,183.16	437,356.35	
Stock		100.00	
Mortgage loan first lien		13,500,000.00	
Total			78,416,[illegible]
Interest Due and Accrued			
Investments			912,566.[illegible]
Other Assets			
Members' contributions in transit			407,340.[illegible]
Due from Commonwealth			
(a) Interest deficiency		$ 1,622,792.89	
(b) M.A.R.A.		110,552.98	1,733,[illegible]
Present value of future appropriations and amounts due from Public School Employes' Retirement Fund			
S.A.R.A. #2		$15,257,303.28	
C.R.A.		25,919,181.97	41,176,485.25
Total assets including present value of future appropriations			$123,[illegible],558.08

Note: The amounts due from the Public School Employes' Retirement Fund on account of the members who transferred to the State Employes' Retirement Fund under Acts 560 and 561 are as follows: (a) Contingent Reserve Account $1,687,521.89 (paid September 25, 1950) and (b) [illegible] Account Number [illegible] $1,112,561.79, Total [illegible]

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Member's Annuity Savings Account		[illegible]
Member's Annuity Reserve Account		[illegible]
State Annuity Reserve Account Number Two		[illegible]
Contingent Reserve Account		[illegible]
State Annuity Reserve Account		[illegible]
Annuities due and unpaid		[illegible]
Reserve for outstanding checks		[illegible]
Pennsylvania State Police Account		[illegible]
Total account balances		$42,307,072.37
Present value of future appropriations and amounts due from the Public School Employes' Retirement Fund.		
S.A.R.A. #2	$15,257,303.28	
C.R.A.	25,919,181.97	[illegible]
Total account balances and present value of future appropriations and amounts due		[illegible]

[illegible]

[illegible] 1, 19[illegible]

[illegible]

Member's Annuity [illegible]

Present value of benefits on account of [illegible]
salary deductions [illegible] accumulated [illegible]

Member's Annuity Reserve Account

Present value of [illegible] annuities
payable to members now on annuity roll
because of:

Superannuation	$3,523,809.00
Disability	500,015.00
Withdrawal	946,852.00
Total	[illegible]

State Annuity Reserve Account Number Two

Present value of State annuities
payable to original members:

(a) Not on annuity roll but who may
receive annuities in the future
because of:

Superannuation	$10,343,837.00	
Disability	97,641.00	
Withdrawal Active	211,230.00	
Withdrawal Inactive	25,590.00	$13,678,298.00

(b) Now on annuity roll because of:

Superannuation	$ 5,446,264.00	
Disability	182,131.00	
Withdrawal	1,627,065.00	7,255,460.00

Total [illegible]

[illegible]

as of

[illegible] 31, 1950

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$38,961,[illegible]	
Disability	2,324,[illegible]	
Withdrawal - Active	3,557,324.00	
Withdrawal - Inactive	47,042.00	
Total		[illegible]

State Annuity Reserve Account

Present value of State annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 1,091,856.00	
Disability	593,953.00	
Withdrawal	185,381.00	
Total		1,871,[illegible]

Pennsylvania State Police Account

Total		[illegible]

Other Liabilities

Annuities and Refunds under Option 1 due and unpaid	64,906.54	
Reserve for outstanding checks	1,730.46	
Total		66,637.[illegible]
Total Actuarial Reserves and other Liabilities		$123,483,559.[illegible]

CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDING MAY 31, 1950

Receipts		
Members' contributions	$ 9,594,120.36	
Interest on bonds	1,555,[illegible]	
Interest on mortgage	38[illegible]	
Dividend on stock	1,000.00	
Premium on sale of bonds	[illegible]	
State contributions - S.A.R.A. #2	1,[illegible]	
State contributions - C.R.A.	3,01[illegible]	
State contributions - Operating account	2[illegible]29.00	
State contributions - P.S.P.	50,000.00	
Casualty premium tax creditable to P.S.P.	175,346.09	
Redeposit of checks	44.08	[illegible]
Disbursements		
Members' withdrawal refunds	$ 1,719,314.8[illegible]	
Superannuation allowances	1,3[illegible]74.56	
Disability allowances	130,142.32	
Involuntary allowances	280,972.53	
P.S.P. allowances	88,099.57	
Accrued interest on bonds purchased	69,577.89	
Premium paid on bonds purchased	135,863.64	
Investment expenses	306.94	
Reserve outstanding checks	211.41	3,821,214.[illegible]
Total receipts over disbursements		$12,966,709.61
Cash balance May 31, 1949	$ 936,153.98	
Bonds owned May 31, 1949 (par value)	56,413,500.00	
Mortgage owned May 31, 1949	8,500,000.00	
Stock owned May 31, 1949	100.00	65,849,753.98
Total		78,816,463.59
Cash balance May 31, 1950	$ 837,618.59	
Bonds owned May 31, 1950 (par value)	64,478,745.00	
Mortgage owned May 31, 1950	13,500,000.00	
Stock owned May 31, 1950	100.00	
Total		78,816,463.59

In accordance with the Act under which the State [illegible] ment System is being administered extensive studies of the mortality [illegible] vice experience of the retirement system are made at the end of each [illegible] period. On the basis of such experience the rates of members contributions, reserves and appropriation askings are determined.

The experience of the Retirement Fund especially as revealed by the fourth quinquennial evaluation for the period ending May 31, 1945 [illegible] marked increases in the longevity of active members, as well as the pensioners and other annuitant lives. It has been necessary, therefore, for the Retirement Board to adopt higher rates for determining the reserve required to provide the benefits payable to members and beneficiaries now on the retirement roll, and to be paid in the future to those members who are not yet on the pension roll.

For like reasons it has been necessary for the Retirement Board to adopt a new set of rates of contributions, effective June 1, 1948, applicable to State Employes who become members of the Retirement System on and after that date. Those rates are not applicable retroactively to those already carrying membership in the retirement system.

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

Gene D. Smith, Chairman

R. A. Cox

Adrian Bonnelly

Charles R Barber

Katharine G. Murdock

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD

HARRISBURG

October 25, 1951

His Excellency
John S. Fine, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

FINANCIAL STATEMENT AS OF MAY 31, 1951

Dear Sir:

The following report is respectfully submitted in compliance with the Act of June 27, 1923, P.L. 858, creating the State Employes' Retirement System and amendments thereto.

Section 4, subsection 9 provides:

> "The retirement board shall prepare and have published, annually, a financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of the Commonwealth, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

Herewith please find the valuation balance sheet of the Retirement Fund as of May 31, 1951, with the accompanying comments.

On May 31, 1951, the number of members of this System classed as contributors was 44,267 and the number of pensioners was 2,068, a total of 46,335.

The total assets of the fund amounted to $136,770,988.58 of which $92,349,638.49 was in investments and cash as follows:

Book value of bonds.....	$75,708,950.15
Book value of mortgage loan.....	16,300,000.00
Book value of stocks.....	100.00
Cash in banks.....	340,588.34
Total.....	$92,349,638.49

The asset item of $2,699,325.76 includes two items, $2,500,070.54 and $199,255.22. The first item is the amount required to supplement the actual net earnings on the invested reserve funds in order to provide the credits at the regular interest rate of 4% on the account balances for the years ending May 31, 1949, 1950 and 1951. The second item is the amount required to bring the balance in the Member's Annuity Reserve Account up to the required reserve.

Interest accrued on investments amounts to $786,169.45 and members' contributions in transit amount to $399,402.75.

The remaining asset item of $40,536,452.13 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies.

As of May 31, 1951, the Member's Annuity Savings Account was $56,484,288.72. This is made up of members' contributions and interest credits thereon at the rate of 4% compounded annually. In addition, there is the Member's Annuity Reserve Account of $5,439,528.00. These are very significant items.

The following is a summary of the values of the investments of the fund including the bonds at their par values and the corresponding percentages of the total holdings.

United States Treasury Bonds.....	$64,815,000.00	70.8%
Pennsylvania Municipal and County Bonds.....	5,903,500.00	6.5
New York Municipal Bonds.....	500,000.00	0.5
Pennsylvania Turnpike Bonds.....	4,000,000.00	4.4
Pennsylvania State College 1st Mortgage.....	16,300,000.00	17.8
Stock.....	100.00	-
Total.....	$91,518,600.00	100.0%

The balance in the account representing the premiums paid on bonds purchased less the reserve for the amortization of such premiums is $490,450.15. This brings the above par values of the investments up to the total book value of $92,009,050.15.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P.L. 858, Section 6, subsection 1: the Administrative Code, Article VII, Section 701, subsection F; and the Act of April 25, 1929, P.L. 723.

The annuitants on the roll as of May 31, 1951 including the survivor beneficiaries and the amounts of their annuities were as follows:

	Nos.	Amounts of Annuities
Superannuation	1,323	$1,414,807.70
Disability	270	160,212.74
Withdrawal	475	289,213.82
Total	2,068	$1,864,234.26

In addition there were 8 beneficiaries receiving special benefits under the State Police Retirement System.

From June 1, 1950 to May 31, 1951, the Retirement Board:

(a) Certified 8,571 new members;

(b) Approved for payment $2,761,261.64 to 8,612 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 256 applications for retirement allowances.

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five-year period. On the basis of such experience the rates of members' contributions, reserves and appropriation askings are determined.

The experience of the Retirement Fund as revealed by the fifth quinquennial evaluation for the period ending May 31, 1950 showed some further increases in the longevity of active members, as well as the pensioners and other annuitant lives. However, no change is required in the rates of members' contributions adopted for members entering the Retirement System on and after June 1, 1948, nor in the factors used in converting such members' accumulated deductions into members' annuities.

Increasing current deficits arise from the use of the original factors in the case of those entering prior to June 1, 1948. Deficits also arise because the rate of earnings on the invested reserves is inevitably lower than the 4% guaranteed rate.

Because of reductions in the rate of withdrawal from service and changes in the retirement rate, as well as some other changes in the experience which, however, are of minor effect, it has been necessary to adopt reserve factors in the case of the active members, who are the future annuitants, which on the whole require the maintenance of somewhat higher reserves.

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1951

ASSETS INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$ 340,588.34
Investments			
Bonds unmatured (par value)		$75,209,500.00	
Bonds matured (par value)		9,000.00	
Premiums paid on bonds owned	$671,758.11		
LESS - Reserve for amortization	181,307.96	490,450.15	
Stock		100.00	
Mortgage loan first lien		16,300,000.00	
Total			92,009,050.15
Interest Accrued			
Investments			786,169.45
Other Assets			
Members' contributions in transit			399,402.75
Due from Commonwealth -			
(a) Interest deficiency		$ 2,500,070.54	
(b) Member's Annuity Reserve Account		199,255.22	2,699,325.76
Present value of future appropriations -			
State Annuity Reserve Account #2		$15,498,440.94	
Contingent Reserve Account		25,038,011.19	40,536,452.13
Total assets including present value of future appropriations			$136,770,988.58

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1951

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Member's Annuity Savings Account	$ 56,484,288.72
Member's Annuity Reserve Account	5,439,528.00
State Annuity Reserve Account #2	6,955,818.06
Contingent Reserve Account	23,003,164.81
State Annuity Reserve Account	2,362,585.00
Annuities and refunds under Option #1 due and unpaid	22,576.23
Reserve for outstanding checks	1,884.21
State Police Retirement System	1,964,691.42
Total account balances	$ 96,234,536.45

PRESENT VALUE OF FUTURE APPROPRIATIONS

State Annuity Reserve Account #2	$15,498,440.94	
Contingent Reserve Account	25,038,011.19	
Total present value		40,536,452.13
Total account balances and present value of future appropriations		$136,770,988.58

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES RETIREMENT SYSTEM

as of

MAY 31, 1951

ACTUARIAL RESERVES AND OTHER LIABILITIES

Member's Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated.....$56,484,288.72

Member's Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$3,991,854.00	
Disability.....	422,926.00	
Withdrawal.....	1,024,748.00	
Total.....		$ 5,439,528.00

State Annuity Reserve Account #2

Present value of State annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation.....	$14,257,399.00	
Disability.....	97,038.00	
Withdrawal - Active...	92,312.00	
Withdrawal - Inactive.	54,760.00	$14,501,509.00

(b) Now on annuity roll because of:

Superannuation.....	$ 6,009,225.00	
Disability.....	253,957.00	
Withdrawal.....	1,689,568.00	7,952,750.00
Total.....		$22,454,259.00

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1951

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of State annuities payable to new members -		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$43,133,641.00	
Disability	2,409,976.00	
Withdrawal - Active	2,430,516.00	
Withdrawal - Inactive	67,043.00	
Total		$48,041,176.00

State Annuity Reserve Account

Present value of State annuities payable to new members -		
Now on annuity roll because of:		
Superannuation	$ 1,279,411.00	
Disability	831,017.00	
Withdrawal	252,157.00	
Total		2,362,585.00

State Police Retirement System

Total		1,964,691.42

Other Liabilities

Annuities and refunds under Option #1 due and unpaid	$ 22,576.23	
Reserve for outstanding checks	1,884.21	
Total		24,460.44
Total actuarial reserves and other liabilities		$136,770,988.58

CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDING MAY 31, 1951

Receipts

Members' contributions	$ 8,936,357.86	
Interest on bonds	2,094,524.82	
Interest on mortgage	598,666.66	
Dividend on stock	1,000.00	
Premium on sale of bonds	116,122.98	
State contributions -		
(a) State Annuity Reserve Account #2	2,153,841.79	
(b) Contingent Reserve Account	4,132,786.75	
(c) State Police Retirement System	50,000.00	
Redeposit of checks	153.75	$18,083,454.61

Disbursements

Members' withdrawal refunds	$ 2,761,261.64	
Superannuation allowances	1,531,548.22	
Disability allowances	144,160.85	
Involuntary withdrawal allowances	313,152.85	
Pennsylvania State Police allowances	119,376.10	
Accrued interest on bonds purchased	104,629.63	
Premium paid on bonds purchased	66,242.20	
Investment expenses	358.37	5,040,729.86
Total receipts over disbursements		$13,042,724.75
Cash balance May 31, 1950	$ 837,618.59	
Bonds owned May 31, 1950 (par value)	64,478,745.00	
Mortgage loan May 31, 1950	13,500,000.00	
Stock owned May 31, 1950	100.00	78,816,463.59
Total		$91,859,188.34
Cash balance May 31, 1951	$ 340,588.34	
Bonds owned May 31, 1951 (par value)	75,218,500.00	
Mortgage loan May 31, 1951	16,300,000.00	
Stock owned May 31, 1951	100.00	
Total		$91,859,188.34

His Excellency, John S. Fine

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

Gene D. Smith, Chairman

R. A. Cox

Adrian Bonnelly

Charles R. Barber

Katharine G. Murdock

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

October 20, 1952

His Excellency
John S. Fine, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

FINANCIAL STATEMENT AS OF MAY 31, 1952

Dear Sir:

The following report is respectfully submitted in compliance with the Act of June 27, 1923, P.L. 858, creating the State Employes' Retirement System and amendments thereto.

Section 4, subsection 9 provides:

> "The retirement board shall prepare and have published, annually, a financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of the Commonwealth, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

Herewith please find the valuation balance sheet of the Retirement Fund as of May 31, 1952, with the accompanying comments. (Pages 4-7)

On May 31, 1952, the number of members of this System classed as contributors was 44,952 and the number of pensioners was 2,274, a total of 47,226.

The total assets of the fund amounted to $163,069,372.70 of which $107,349,643.96 was in investments and cash as follows:

Book value of bonds.....	$90,113,456.19
Book value of mortgage loan	16,300,000.00
Book value of stocks	100.00
Cash in banks	936,087.77
Total	$107,349,643.96

The asset item of $2,020,636.11 is made up of two items, $1,837,339.57 and $183,346.54. The first item is the amount required to supplement the actual net earnings on the invested reserve funds in order to provide the credits at the regular interest rate of 4% on the account balances for the years ending May 31, 1951 and 1952. The second item is the amount required to bring the account balances up to the required reserves.

Interest accrued on investments amounts to $867,344.88 and members' contributions in transit amount to $431,229.93.

The remaining asset item of $52,400,467.82 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies.

As of May 31, 1952, the Member's Annuity Savings Account was $63,242,052.61. This is made up of members' contributions and interest credits thereon at the rate of 4% compounded annually. In addition, there is the Member's Annuity Reserve Account of $6,427,067.00. These are very significant items.

The following is a summary of the investments of the fund including the bonds at their par values and the corresponding percentages of the total holdings.

United States Treasury Bonds	$ 82,760,000.00	77.7%
Pennsylvania Municipal and County Bonds	1,007,500.00	0.9
New York Municipal Bonds	500,000.00	0.5
Pennsylvania Turnpike Bonds	4,000,000.00	3.8
State Public School Authority Bonds....	1,945,000.00	1.8
Pennsylvania State College 1st Mortgage	16,300,000.00	15.3
Stock	100.00	-
Total	$106,512,600.00	100.0%

The amount of $99,043.81 represents the net accrual of discount on bonds owned. This brings the par values of the investments down to the net book value of $106,413,556.19.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P.L. 858, Section 6, subsection 1: the Administrative Code, Article VII, Section 701, subsection F: and the Act of April 25, 1929, P.L. 723.

The annuitants on the roll as of May 31, 1952 including the survivor beneficiaries and the amounts of their annuities were as follows:

	Nos.	Amounts of annuities
Superannuation.....	1,469	$1,686,371.85
Disability.....	288	180,290.18
Withdrawal.....	517	338,533.89
Total.....	2,274	$2,205,195.92

In addition there were 7 beneficiaries receiving special benefits under the State Police Retirement System.

From June 1, 1951 to May 31, 1952, the Retirement Board:

(a) Certified 7,555 new members;

(b) Approved for payment $2,982,984.85 to 7,191 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 311 applications for retirement allowances.

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five-year period. On the basis of such experience the rates of members' contributions, reserves and appropriation askings are determined.

The experience of the Retirement Fund as revealed by the fifth quinquennial evaluation for the period ending May 31, 1950 showed some further increases in the longevity of active members, as well as the pensioners and other annuitant lives. However, no change was required in the rates of members' contributions adopted for members entering the Retirement System on and after June 1, 1948, nor in the factors used in converting such members' accumulated deductions into members' annuities.

Increasing current deficits arise from the use of the original factors in the case of those entering prior to June 1, 1948. Deficits also arise because the rate of earnings on the invested reserves is inevitably lower than the 4% guaranteed rate.

Because of reductions in the rate of withdrawal from service and changes in the retirement rate, as well as some other changes in the experience which, however, are of minor effect, it has been necessary to adopt reserve factors in the case of the active members, who are the future annuitants, which on the whole require the maintenance of somewhat higher reserves.

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1952

ASSETS, INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$936,087.77
Investments			
Bonds unmatured (par value)		$90,205,500.00	
Bonds matured (par value)		7,000.00	
Net accrual of discount on bonds owned		(-) 99,043.81	
Stock		100.00	
Mortgage loan first lien		16,300,000.00	
Total			106,413,556.19
Interest Due and Accrued			
Investments			867,344.88
Other Assets			
Members' contributions in transit			431,229.93
Due from Commonwealth -			
(a) Interest deficiency -			
Year - 1951	$ 877,270.54		
Year - 1952	960,069.03	$ 1,837,339.57	
(b) Members' Annuity Reserve Account		166,422.79	
(c) State Annuity Reserve Account #2		9,201.63	
(d) State Annuity Reserve Account		7,722.12	2,020,686.11
Present value of future appropriations -			
State Annuity Reserve Account #2		$19,785,805.09	
Contingent Reserve Account		32,614,662.73	52,400,467.82
Total assets, including present value of future appropriations			$163,069,372.70

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1952

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Member's Annuity Savings Account	$ 63,242,052.61
Member's Annuity Reserve Account	6,427,067.00
State Annuity Reserve Account #2	7,159,106.91
Contingent Reserve Account	27,237,933.27
State Annuity Reserve Account	3,128,820.00
Annuities and refunds under Option #1 due and unpaid	24,469.72
Reserve for outstanding checks	1,935.62
Pennsylvania State Police Benefit Account	3,447,519.75
Total account balances	$110,668,904.88

PRESENT VALUE OF FUTURE APPROPRIATIONS

State Annuity Reserve Account #2	$19,785,805.09	
Contingent Reserve Account	32,614,662.73	
Total present value		52,400,467.82
Total account balances and present value of future appropriations		$163,069,372.70

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1952

ACTUARIAL RESERVES AND OTHER LIABILITIES

Member's Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated.....$ 63,242,052.61

Member's Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$4,769,655.00	
Disability.....	482,250.00	
Withdrawal.....	1,175,162.00	
Total.....		6,427,067.00

State Annuity Reserve Account #2

Present value of state annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation.....	$17,551,481.00	
Disability.....	104,322.00	
Withdrawal - active.....	100,199.00	
Withdrawal - inactive.....	90,928.00	$17,846,930.00

(b) Now on annuity roll because of:

Superannuation.....	$ 6,919,084.00	
Disability.....	242,788.00	
Withdrawal.....	1,936,110.00	9,097,982.00
Total.....		26,944,912.00

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

MAY 31, 1952

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of state annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$54,281,315.00	
Disability	2,554,046.00	
Withdrawal - active	2,863,198.00	
Withdrawal - inactive	154,037.00	
Total		$ 59,852,596.00

State Annuity Reserve Account

Present value of state annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 1,762,496.00	
Disability	979,824.00	
Withdrawal	386,500.00	
Total		3,128,820.00

Pennsylvania State Police Account

Total		3,447,519.75

Other Liabilities

Annuities and refunds under Option 1 due and unpaid	$ 24,469.72	
Reserve for outstanding checks	1,935.62	
Total		26,405.34
Total actuarial reserves and other liabilities		$163,069,372.70

CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDING MAY 31, 1952

Receipts

Members' contributions	$8,865,954.13	
Interest on bonds	2,218,191.59	
Interest on mortgage	652,000.00	
Dividend on stock	1,000.00	
Premium on sale of bonds	211,268.71	
State contributions -		
(a) State Annuity Reserve Account #2	1,236,000.00	
(b) Contingent Reserve Account	4,316,876.16	
(c) Pennsylvania State Police Benefit Account	50,000.00	
(d) Interest Deficiency Operating Account	1,622,800.00	
Casualty Premium Tax - P.S.P.	1,305,481.44	
Redeposit of checks	51.41	
Accrual of discount on bonds purchased	533,406.25	$ 21,013,029.69

Disbursements

Members' withdrawal refunds	$ 2,982,984.85	
Superannuation allowances	1,735,218.86	
Disability allowances	169,728.55	
Involuntary withdrawal allowances	310,059.25	
Pennsylvania State Police allowances	140,009.05	
Accrued interest on bonds purchased	85,377.83	
Investment expenses	151.87	5,423,530.26
Total receipts over disbursements		$15,589,499.43

Cash balance - May 31, 1951	$ 340,588.34	
Bonds owned - May 31, 1951 (par value)	75,218,500.00	
Mortgage loan- May 31, 1951	16,300,000.00	
Stock owned - May 31, 1951	100.00	91,859,188.34
Total		$107,448,687.77

Cash balance - May 31, 1952	$ 936,087.77	
Bonds owned - May 31, 1952 (par value)	90,212,500.00	
Mortgage loan - May 31, 1952	16,300,000.00	
Stock owned - May 31, 1952	100.00	
Total		$107,448,687.77

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

Gene D. Smith, Chairman

R. A. Cox

Adrian Bonnelly

Charles R. Barber

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

October 27, 1953

His Excellency
John S. Fine, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

FINANCIAL STATEMENT AS OF MAY 31, 1953

Dear Sir:

The following report is respectfully submitted in compliance with the act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System and amendments thereto.

Section 4, subsection 9 provides:

> "The retirement board shall prepare and have published, annually, a financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of the Commonwealth, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

Herewith please find the valuation balance sheet of the Retirement Fund as of May 31, 1953, with the accompanying comments. (Pages 4-7)

On May 31, 1953, the number of members of this System classed as contributors was 45,772 and the number of pensioners was 2,563, a total of 48,335.

The total assets of the fund amounted to $182,249,892.41 of which $119,190,753.41 was in investments and cash as follows:

Book value of bonds.....	$102,879,429.58
Book value of mortgage loan	15,800,000.00
Book value of stocks	100.00
Cash in banks	511,223.83
Total	$119,190,753.41

The asset item of $3,393,956.36 is made up of two items, $2,950,067.16 and $443,889.20. The first item is the amount required to supplement the actual net earnings on the invested reserve funds in order to provide the credits at the regular interest rate of 4% on the account balances for the years ending May 31, 1951, 1952 and 1953. The second item is the amount required to bring the account balances up to the required reserves.

Interest accrued on investments amounts to $917,288.55 and members' contributions in transit amount to $551,110.64.

The remaining asset item of $58,196,783.45 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies.

As of May 31, 1953, the Member's Annuity Savings Account was $70,780,364.81. This is made up of members' contributions and interest credits thereon at the rate of 4% compounded annually. In addition, there is the Member's Annuity Reserve Account of $7,683,286.00. These are very significant items.

The following is a summary of the investments of the fund including the bonds at their par values and the corresponding percentages of the total holdings.

United States Treasury Bonds.....	$ 81,807,075.42	69.0%
Pennsylvania Municipal and County Bonds	4,009,500.00	3.4
New York Municipal Bonds	500,000.00	0.4
Pennsylvania Turnpike Bonds	5,500,000.00	4.6
State Public School Authority Bonds ..	11,030,000.00	9.3
Pennsylvania State College 1st Mortgage	15,800,000.00	13.3
Stock	100.00	-
Total	$118,646,675.42	100.0%

The balance in the account representing the premiums paid on bonds purchased less the reserve for the amortization of such premiums is $32,854.16. This brings the above par values of the investments up to the total book value of $118,679,529.58.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P. L. 858, Section 6, subsection 1: the Administrative Code, Article VII, Section 701, subsection F: and the Act of April 25, 1929, P. L. 723.

The annuitants on the roll as of May 31, 1953 including the survivor beneficiaries and the amounts of their annuities were as follows:

	Nos.	Amounts of annuities
Superannuation....	1,695	$2,051,924.46
Disability.....	313	204,144.83
Withdrawal.....	555	378,885.83
Total	2,563	$2,634,955.12

In addition there were 6 beneficiaries receiving special benefits under the State Police Retirement System.

From June 1, 1952 to May 31, 1953, the Retirement Board:

(a) Certified 7,946 new members;

(b) Approved for payment $3,185,836.36 to 7,094 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 403 applications for retirement allowances.

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five-year period. On the basis of such experience the rates of members' contributions, reserves and appropriation askings are determined.

The experience of the Retirement Fund as revealed by the fifth quinquennial evaluation for the period ending May 31, 1950 showed some further increases in the longevity of active members, as well as the pensioners and other annuitant lives. However, no change was required in the rates of members' contributions adopted for members entering the Retirement System on and after June 1, 1948, nor in the factors used in converting such members' accumulated deductions into members' annuities. Because of reductions in the rate of withdrawal from service and changes in the retirement rate, as well as some other changes in the experience which, however, are of minor effect, it has been necessary to adopt reserve factors in the case of the active members, who are the future annuitants, which on the whole require the maintenance of somewhat higher reserves.

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1953

ASSETS, INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$511,223.83
Investments			
Bonds unmatured (par value)		$102,840,575.42	
Bonds matured (par value)		6,000.00	
Premium paid on bonds owned	$106,171.32		
Less: Reserve for amortization	73,317.16	32,854.16	
Stock		100.00	
Mortgage loan first lien		15,800,000.00	
Total			$118,679,529.58
Interest Due and Accrued			
Investments			917,288.55
Other Assets			
Members' contributions in transit			551,110.64
Due from Commonwealth -			
(a) Interest deficiency -			
Year - 1951	$877,270.54		
Year - 1952	960,069.03		
Year - 1953	1,112,727.59	$2,950,067.16	
(b) Member's Annuity Reserve Account		290,994.05	
(c) State Annuity Reserve Account #2		83,372.67	
(d) State Annuity Reserve Account		69,522.48	3,393,956.36
Present value of future appropriations -			
State Annuity Reserve Account #2		$20,654,142.45	
Contingent Reserve Account		37,542,641.00	58,196,783.45
Total assets, including present value of future appropriations			$182,249,892.41

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1953

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Member's Annuity Savings Account	$ 70,780,361.81
Member's Annuity Reserve Account	7,683,286.00
State Annuity Reserve Account #2	7,217,228.55
Contingent Reserve Account	29,595,444.00
State Annuity Reserve Account	4,452,379.00
Annuities and refunds under Option #1 due and unpaid....	9,835.83
Reserve for outstanding checks	2,059.67
Pennsylvania State Police Benefit Account	4,282,161.10
Total account balances	$124,053,108.96

PRESENT VALUE OF FUTURE APPROPRIATIONS

State Annuity Reserve Account #2	$20,654,142.45	
Contingent Reserve Account	37,542,641.00	
Total present value		58,196,783.45
Total account balances and present value of future appropriations		$182,249,892.41

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1953

ACTUARIAL RESERVES AND OTHER LIABILITIES

Member's Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated $70,780,364.81

Member's Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$5,782,696.00
Disability	548,327.00
Withdrawal.....	1,352,263.00
Total	7,683,286.00

State Annuity Reserve Account #2

Present value of state annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation.....	$17,249,686.00	
Disability	93,325.00	
Withdrawal-active.....	88,840.00	
Withdrawal-inactive...	93,048.00	$17,524,899.00

(b) Now on annuity roll because of:

Superannuation.....	$ 8,199,877.00	
Disability	234,600.00	
Withdrawal.....	1,941,995.00	10,376,472.00

Total 27,901,371.00

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1953

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of state annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$61,318,419.00	
Disability	2,856,928.00	
Withdrawal - active	2,839,097.00	
Withdrawal - inactive	123,641.00	
Total		$ 67,138,085.00

State Annuity Reserve Account

Present value of state annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 2,751,313.00	
Disability	1,127,515.00	
Withdrawal	573,551.00	
Total		4,452,379.00

Pennsylvania State Police Benefit Account

Total		4,282,461.10

Other Liabilities

Annuities and refunds under Option 1 due and unpaid	$ 9,885.83	
Reserve for outstanding checks	2,059.67	
Total		11,945.50
Total actuarial reserves and other liabilities		$182,249,892.41

CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDING MAY 31, 1953

Cash balance - May 31, 1952	$ 936,087.77	
Bonds owned - May 31, 1952 (par value)	90,212,500.00	
Mortgage loan - May 31, 1952	16,300,000.00	
Stock owned - May 31, 1952	100.00	
Total May 31, 1952		$107,448,687.77

Receipts - 1953

Members' contributions	9,842,229.63
Interest on bonds	2,694,759.73
Interest on mortgages	632,000.00
Dividend on stock	1,200.00
State contributions -	
(a) State Annuity Reserve Account #2	1,236,000.00
(b) Contingent Reserve Account	3,186,037.40
(c) Pennsylvania State Police Benefit Account	50,000.00
Casualty Premium Tax P.S.P.	486,045.91
Redeposit of checks	124.05
Total Receipts	$18,128,396.72

Disbursements - 1953

Members' withdrawal refunds	3,185,886.36	
Superannuation allowances	2,303,811.02	
Disability allowances	194,700.63	
Involuntary withdrawal allowances	362,351.31	
Pennsylvania State Police Allowances	181,164.93	
Accrued interest on bonds purchased	73,377.21	
Investment expenses	181.98	
Refund of overpayment (C.R.A.)	89,360.91	
Net discount on bond (Purchases and sales)	28,350.89	
Total Disbursements	$ 6,419,185.24	
Total Receipts over Disbursements		11,709,211.48
Balance May 31, 1952 Plus 1953 Receipts over Disbursements		$119,157,899.25
Cash balance - May 31, 1953	$ 511,223.83	
Bonds owned - May 31, 1953 (Par value)	102,846,575.42	
Mortgage loan - May 31, 1953	15,800,000.00	
Stock owned - May 31, 1953	100.00	
Total May 31, 1953		$119,157,899.25

His Excellency, John S. Fine

October 27, 1953

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

Gene D. Smith, Chairman

R. A. Cox

Adrian Bonnelly

Weldon B. Heyburn

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

October 27, 1954

His Excellency
John S. Fine, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

FINANCIAL STATEMENT AS OF MAY 31, 1954

Dear Sir:

The following report is respectfully submitted in compliance with the act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System and amendments thereto.

Section 4, subsection 9 provides:

> "The retirement board shall prepare and have published, annually, a financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of the Commonwealth, of the State Insurance Department, and of the head of each department, for use of the State employes and the public."

Herewith please find the valuation balance sheet of the Retirement Fund as of May 31, 1954, with the accompanying comments. (Pages 4-7).

On May 31, 1954, the number of members of this System classed as contributors was 48,977 and the number of pensioners was 2,779, a total of 51,756.

His Excellency, John S. Fine, Governor

The total assets of the fund amounted to $211,653,901.62 which $135,575,282.64 was the Book Value of investments and cash as follows:

Book value of bonds.....	$119,660,984.79
Book value of mortgage loan.....	15,300,000.00
Book value of stocks.....	100.00
Cash in banks.....	614,197.85
Total.....	$135,575,282.64

The asset item of $3,870,888.26 is made up of two items, $3,569,324.26 and $301,564.00. The first item is the amount required to supplement the actual net earnings on the invested reserve funds in order to provide the credits at the regular interest rate of 4% on the account balances for the years ending May 31, 1952, 1953 and 1954. The second item is the amount required to bring the account balances up to the required reserves.

Interest accrued on investments amounts to $992,243.42 and members' contributions in transit amount to $541,616.12.

The remaining asset item of $70,673,871.18 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies.

As of May 31, 1954, the Member's Annuity Savings Account was $79,943,389.76. This is made up of members' contributions and interest credits thereon at the rate of 4% compounded annually. In addition, there is the Member's Annuity Reserve Account of $8,583,897.00. These are very significant items.

The following is a summary of the investments of the fund including the bonds at their par values and the corresponding percentages of the total holdings.

United States Treasury Bonds.....	$ 84,756,571.67	62.9%
Pennsylvania Municipal and County Bonds.....	3,715,000.00	2.8
New York Municipal Bonds.....	500,000.00	0.4
Pennsylvania Turnpike Bonds.....	7,000,000.00	5.2
State Public School Authority Bonds.....	14,610,000.00	10.8
Railroad Bonds.....	1,880,000.00	1.4
Public Utility Bonds.....	4,600,000.00	3.4
Delaware River Port Authority Bonds	250,000.00	0.2
General State Authority.....	1,000,000.00	0.7
Industrial Bonds.....	1,250,000.00	0.9
Pennsylvania State University 1st mortgage.....	15,300,000.00	11.3
Stocks.....	100.00	-
Total.....	$134,861,671.67	100.0%

His Excellency, John S. Fine, Governor

The balance in the account representing the premiums paid on bonds purchased less the reserve for the amortization of such premiums is $99,413.12. This brings the above par values of the investments up to the total book value of $134,961,084.79.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P. L. 853, Section 6, subsection 1: the Administrative Code, Article VII, Section 701, subsection F: and the Act of April 25, 1929, P. L. 723.

The annuitants on the roll as of May 31, 1954 including the survivor beneficiaries and the amounts of their annuities were as follows:

	Nos.	Amounts of annuities
Superannuation.....	1,863	$2,357,468.93
Disability.....	320	212,699.34
Withdrawal.....	596	421,365.65
Total.....	2,779	$2,991,533.92

In addition there were 5 beneficiaries receiving special benefits under the State Police Retirement System.

From June 1, 1953 to May 31, 1954, the Retirement Board:

(a) Certified 8,015 new members;

(b) Approved for payment $2,651,612.06 to 5,432 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 415 applications for retirement allowances.

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five-year period. On the basis of such experience the rates of members' contributions, reserves and appropriation askings are determined.

The experience of the Retirement Fund as revealed by the fifth quinquennial evaluation for the period ending May 31, 1950 showed some

further increases in the longevity of active members, as well as the pensioners and other annuitant lives. However, no change was required in the rates of members' contributions adopted for members entering the Retirement System on and after June 1, 1948, nor in the factors used in converting such members' accumulated deductions into members' annuities. Because of reductions in the rate of withdrawal from service and changes in the retirement rate, as well as some other changes in the experience which, however, are of minor effect, it has been necessary to adopt reserve factors in the case of the active members, who are the future annuitants, which on the whole require the maintenance of somewhat higher reserves.

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1954

ASSETS, INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$ 614,197.85
Investments			
Bonds unmatured (par value)		$119,557,571.67	
Bonds matured (par value)		4,000.00	
Premium paid on bonds owned	$155,595.06		
Less: Reserve for amortization	56,181.94	99,413.12	
Stock		100.00	
Mortgage loan first lien		15,300,000.00	
Total			$134,961,084.79
Interest Due and Accrued			
Investments			992,243.42
Other Assets			
Members' contributions in transit			541,616.12
Due from Commonwealth -			
(a) Interest deficiency -			
Year - 1952	$ 918,669.57		
Year - 1953	1,112,727.59		
Year - 1954	1,537,927.10	$3,569,324.26	
(b) Member's Annuity Reserve Account		180,298.49	
(c) State Annuity Reserve Account #2		64,806.89	
(d) State Annuity Reserve Account		56,458.62	3,870,888.26
Present value of future appropriations -			
State Annuity Reserve Account		$22,288,035.78	
Contingent Reserve Account		48,385,835.40	70,673,871.18
Total assets, including present value of future appropriations			$211,653,901.62

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1954

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

ACCOUNT BALANCES

Member's Annuity Savings Account	$ 79,943,339.76
Member's Annuity Reserve Account	8,583,897.00
State Annuity Reserve Account #2	7,272,894.22
Contingent Reserve Account	34,314,909.60
State Annuity Reserve Account	5,667,638.00
Annuities and refunds under Option #1 due and unpaid	157,873.99
Reserve for outstanding checks	2,041.18
Pennsylvania State Police Benefit Account	5,037,386.69
Total account balances	$140,980,030.44

PRESENT VALUE OF FUTURE APPROPRIATIONS

State Annuity Reserve Account #2	$22,288,035.78	
Contingent Reserve Account	48,385,835.40	
Total present value		70,673,871.18
Total account balances and present value of future appropriations		$211,653,901.62

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1954

ACTUARIAL RESERVES AND OTHER LIABILITIES

Member's Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated.....	$79,943,389.76

Member's Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation.....	$6,627,004.00	
Disability.....	554,594.00	
Withdrawal.....	1,402,299.00	
Total.....		8,583,897.00

State Annuity Reserve Account #2

Present value of state annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation...	$18,200,058.00	
Disability.....	98,998.00	
Withdrawal-active	71,349.00	
Withdrawal-inactive.....	78,620.00	$18,449,025.00

(b) Now on annuity roll because of:

Superannuation...	$ 8,961,784.00	
Disability.....	234,352.00	
Withdrawal.....	1,915,769.00	11,111,905.00
Total.....		29,560,930.00

ANNUAL VALUATION BALANCE SHEET

of

STATE EMPLOYES' RETIREMENT SYSTEM

as of

May 31, 1954

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of state annuities payable to new members		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$75,042,944.00	
Disability	3,491,292.00	
Withdrawal - active	3,932,087.00	
Withdrawal - inactive	234,422.00	
Total		$ 82,700,745.00

State Annuity Reserve Account

Present value of state annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 3,755,266.00	
Disability	1,178,423.00	
Withdrawal	733,949.00	
Total		5,667,638.00

Pennsylvania State Police Benefit Account

Total		5,037,386.69

Other Liabilities

Annuities and refunds under Option 1 due and unpaid	$ 157,873.99	
Reserve for outstanding checks	2,041.18	
Total		159,915.17

Total actuarial reserves and other liabilities $211,653,901.62

CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDING MAY 31, 1954

Cash balance - May 31, 1953	$ 511,223.83	
Bonds owned - May 31, 1953 (Par value)	102,846,575.42	
Mortgage loan - May 31, 1953	15,800,000.00	
Stock owned - May 31, 1953	100.00	
Total May 31, 1953		$119,157,899.25
Receipts - 1954		
Members' contributions	$ 10,999,758.68	
Interest on bonds	2,941,065.30	
Interest on mortgages	612,000.00	
Dividend on stock	1,200.00	
State contributions		
(a) State Annuity Reserve Account #2	2,151,925.10	
(b) Contingent Reserve Account	5,587,578.32	
(c) Pennsylvania State Police Benefit Account	50,000.00	
(d) Operating Account	918,670.00	
Casualty premium tax P.S.P	541,211.49	
Profit on sale of investments	287.34	
Total Receipts	$ 23,803,696.23	
Disbursements - 1954		
Members' withdrawal refunds	2,651,612.06	
Superannuation allowances	3,367,349.35	
Disability allowances	223,969.98	
Involuntary withdrawal allowances	774,781.50	
Pennsylvania State Police allowances	337,080.53	
Accrued interest on bonds purchased	72,704.33	
Investment expenses	144.36	
Net premium on bonds purchased	58,065.33	
Reserve outstanding checks	18.52	
Total Disbursements	$ 7,485,725.96	
Total Receipts over Disbursements		16,317,970.27
Balance May 31, 1953 Plus 1954 Receipts over Disbursements		$135,475,869.52
Cash balance - May 31, 1954	$ 614,197.85	
Bonds owned - May 31, 1954 (par value)	119,561,571.67	
Mortgage loan May 31, 1954	15,300,000.00	
Stock owned May 31, 1954	100.00	
Total May 31, 1954		$135,475,869.52

His Excellency, John S. Fine

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

Gene D. Smith, Chairman

R. A. Cox

Adrian Bonnelly

Weldon B. Heyburn

Kevy K. Kaiserman

1958

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

April 24, 1959

His Excellency
David L. Lawrence, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

FINANCIAL STATEMENT AS OF MAY 31, 1958

Dear Sir:

The following report is respectfully submitted in compliance with the act of June 27, 1923, P. L. 858, creating the State Employes' Retirement System and amendments thereto.

Section 4, subsection 9 provides:

> "The retirement board shall prepare and have published, annually, a financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of the Commonwealth, of the State Insurance Department, and of the head of each department for use of the State employes and the public."

Herewith please find the valuation balance sheet of the Retirement Fund as of May 31, 1958, with the accompanying comments. (Pages 4-7).

On May 31, 1958, the number of members of this System classed as contributors was 73,440 and the number of pensioners was 6,730, a total of 80,170.

The total assets of the fund amounted to $339,520,366.16 of which $198,677,226.27 was the Book Value of investments and cash as follows:

Book value of bonds	$196,198,720.06
Book value of mortgage loans	1,885,153.74
Book value of stocks	100.00
Cash in banks	593,252.47
Total	$198,677,226.27

The asset of $14,664,260.12 due from the Commonwealth is made up of three items; namely $4,439,644.95, $716,159.81 and $9,508,455.36. The first item is made up of the amounts required to supplement the actual net earnings on the invested reserve funds in order to provide the credits at the regular interest rate of 4% on the account balances for the years ending May 31, 1956, 1957 and 1958. The second item is the amount required to bring the account balance up to the required reserve. The third item is made up of the appropriations payable to the several accounts but unpaid May 31, 1958.

Interest accrued on investments amounts to $1,496,316.90 and members' contributions in transit amount to $609,708.47.

The remaining asset item of $124,072,854.40 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies.

As of May 31, 1958, the Member's Annuity Savings Account was $104,678,999.92. This is made up of members' contributions and interest credits thereon at the rate of 4% compounded annually. In addition, there is the Member's Annuity Reserve Account of $25,597,502.00. These are very significant items.

The following is a summary of the investments of the fund including the bonds at their par values and the corresponding percentages of the total holdings.

United States Treasury Bonds	$ 80,459,587.50	---	40.8%
Pennsylvania Municipal and County Bonds	671,500.00	---	0.3
Pennsylvania Turnpike Bonds	3,000,000.00	---	1.5
State Public School Authority Bonds	20,987,800.00	---	10.6
Railroad Bonds	6,673,000.00	---	3.4
Public Utility Bonds	52,008,000.00	---	26.3
Industrial Bonds	31,770,036.47	---	16.1
Mortgages	1,885,153.74	---	1.0
Stocks	100.00	---	-
Total	$197,455,177.71	---	100.0%

The balance in the account representing the premiums paid on bonds purchased less the reserve for the amortization of such premiums is $628,796.09. This brings the above par values of the investments up to the total book value of $198,083,973.80.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P.L. 858, Section 6, subsection 1: the Administrative Code, Article VII, Section 701, subsection F: and the Act of April 25, 1929, P.L. 723 as amended.

The annuitants on the roll as of May 31, 1958 including the survivor beneficiaries and the amounts of their annuities were as follows:

	Numbers	Amounts of Annuities
Superannuation--	4,402	$6,369,720.58
Disability------	358	259,882.34
Withdrawal------	1,970	1,608,575.81
Total----------	6,730	$8,238,178.73

In addition there were 8 beneficiaries receiving special benefits under the State Police Retirement System.

From June 1, 1957 to May 31, 1958, the Retirement Board:

(a) Noted increase in members - 17,231;

(b) Approved for payment $4,106,324.38 to 9,317 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 1,156 applications for retirement allowances and 129 applications for benefits payable under Act 249.

In accordance with the Act under which the State Employes' Retirement System is being administered extensive studies of the mortality and service experience of the retirement system are made at the end of each five-year period. On the basis of such experience the rates of members' contributions, reserves and appropriation askings are determined.

During the 1955-56 fiscal year the required experience studies were made for the five-year period ending May 31, 1955. The experience of the Retirement Fund as revealed by these studies, the sixth quinquennial evaluation, showed some further increases in the longevity of active members, as well as the pensioners and other annuitant lives. However, no change was required in the rates of members' contributions adopted for members entering the Retirement System on and after June 1, 1948, nor in the factors used in converting such members' accumulated deductions into members' annuities. Principally because of reductions in the rate of withdrawal from service and changes in the retirement rate, it has been necessary to adopt reserve factors in the case of the active members, who are the future annuitants, which on the whole require the maintenance of somewhat higher reserves.

ANNUAL VALUATION BALANCE SHEET
as of
MAY 31, 1958

ASSETS, INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$ 593,252.47
Investments			
Bonds unmatured (Par Value)		$195,569,923.97	
Premium paid on bonds owned	$647,545.15		
LESS: Reserve for amortization	18,749.06	628,796.09	
Stock		100.00	
Mortgage loans first liens		1,885,153.74	198,083,973.80
Interest Due and Accrued			
Investments			1,496,316.90
Other Assets			
Members' contributions in transit			609,708.47
Due from Commonwealth -			
(a) Interest deficiency -			
Year - 1956 (unpaid balance)	$183,782.12		
Year - 1957	2,293,591.90		
Year - 1958	1,962,270.93	$ 4,439,644.95	
(b) Member's Annuity Reserve Account		716,159.81	
(c) Appropriations Due But Unpaid May 31,1958			
(1) State Annuity Reserve Account #2 (Act 228)		55,137.12	
(2) State Annuity Reserve Account #2		3,672,841.81	
(3) Contingent Reserve Account		5,706,496.27	
(4) State Annuity Reserve Account (Act 228)		48,980.16	
(5) Pennsylvania State Police		25,000.00	14,664,260.12
Present Value of Future Appropriations -			
State Annuity Reserve Account #2		$27,756,469.83	
Contingent Reserve Account		96,316,384.57	124,072.854.40
Total Assets, including present value of future appropriations			$339,520,366.16

ANNUAL VALUATION BALANCE SHEET
as of
MAY 31, 1958

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

Account Balances

Member's Annuity Savings Account	$104,678,999.92
Member's Annuity Reserve Account	25,597,502.00
State Annuity Reserve Account #2	9,862,315.17
Contingent Reserve Account	37,480,887.43
State Annuity Reserve Account	28,987,162.00
Annuities Due and Unpaid	32,443.67
Reserve for Outstanding Checks	3,455.39
Pennsylvania State Police Benefit Account	8,804,746.18
Total Account Balances	$215,447,511.76

Present Value of Future Appropriations

State Annuity Reserve Account #2	$27,756,469.83	
Contingent Reserve Account	96,316,384.57	
Total Present Value		124,072,854.40
Total Account Balances and Present Value of Future Appropriations		$339,520,366.16

ANNUAL VALUATION BALANCE SHEET
as of
MAY 31, 1958

ACTUARIAL RESERVES AND OTHER LIABILITIES

Member's Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated----------$104,678,999.92

Member's Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation---------	$19,067,956.00	
Disability----------	661,515.00	
Withdrawal----------	5,868,031.00	
Total----------		25,597,502.00

State Annuity Reserve Account #2

Present value of state annuities payable to original members:

(a) Not on annuity roll but who may receive annuities in the future because of:

Superannuation--------	$15,967,469.00	
Disability----------	51,837.00	
Withdrawal----------	40,837.00	$16,060,143.00

(b) Now on annuity roll because of:

Superannuation--------	$16,903,996.00	
Disability----------	218,904.00	
Withdrawal----------	4,435,742.00	21,558,642.00
Total----------		37,618,785.00

ANNUAL VALUATION BALANCE SHEET
as of
MAY 31, 1958

ACTUARIAL RESERVES AND OTHER LIABILITIES
(continued)

Contingent Reserve Account

Present value of state annuities payable to new members:		
Not on annuity roll but who may receive annuities in the future because of:		
Superannuation	$120,766,272.00	
Disability	6,543,197.00	
Withdrawal	6,487,803.00	
Total		$133,797,272.00

State Annuity Reserve Account

Present value of state annuities payable to new members:		
Now on annuity roll because of:		
Superannuation	$ 19,322,780.00	
Disability	1,533,030.00	
Withdrawal	8,131,352.00	
Total		28,987,162.00

Pennsylvania State Police Benefit Account

Total		8,804,746.18

Other Liabilities

Annuities and refunds under Option 1 due and unpaid	$ 32,443.67	
Reserve for outstanding checks	3,455.39	
Total		35,899.06

Total actuarial reserves and other liabilities $339,520,366.16

CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDING MAY 31, 1958

Cash balance - May 31, 1957	$ 210,558.67	
Bonds owned - May 31, 1957 (par value)	168,928.717.51	
Stock owned - May 31, 1957	100.00	
Total - May 31, 1957		$169,139,376.18

Receipts - June 1, 1957 to May 31, 1958

Members' contributions	$ 17,451,901.61	
Interest on bonds	5,883,534.54	
Dividend on stock	1,200.00	
State and State Agencies contributions -		
(a) State Annuity Reserve Account #2	4,996,206.24	
(b) Contingent Reserve Account	11,213,585.59	
(c) Pennsylvania State Police Benefit Account	75,000.00	
Casualty Premium Tax P.S.P.	631,403.19	
Reserve for outstanding checks	319.41	
Operating Account	5,637,124.00	
Total Receipts	$ 45,890,274.58	

Disbursements - June 1, 1957 to May 31, 1958

Members' contributions representing 40% offset for Social Security from January 1, 1956 to August 30, 1957	$ 1,924,341.39	
Members' withdrawal refunds	4,106,324.38	
Superannuation allowances	7,550,358.96	
Disability allowances	257,262.55	
Voluntary and involuntary withdrawal allowances	1,962,599.56	
Pennsylvania State Police allowances	620,437.51	
Accrued interest on bonds purchased	123,729.76	
Net premium on bonds purchased	71,381.69	
Loss on investments sold or exchanged	215,669.92	
Investment expenses	2,807.16	
Transfers to School Employes' Retirement Fund	146,307.70	
Total Disbursements	$ 16,981,220.58	
Total Receipts over Disbursements		28,909,054.00
Balance May 31, 1957 PLUS 1958 Receipts over Disbursements		$198,048,430.18
Cash balance - May 31, 1958	$ 593,252.47	
Bonds owned - May 31, 1958 (par value)	195,569,923.97	
Mortgage loans - May 31, 1958	1,885,153.74	
Stock owned - May 31, 1958	100.00	
TOTAL - May 31, 1958		$198,048,430.18

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

John S. Rice, Chairman

Frank N. Happ

Adrian Bonnelly

Robert F. Kent

Grace M. Sloan

1960

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
STATE EMPLOYES' RETIREMENT BOARD
HARRISBURG

December 21, 1962

His Excellency
David L Lawrence, Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

FINANCIAL STATEMENT AS OF MAY 31, 1960

Dear Sir:

The following report is respectfully submitted in compliance with the act of June 27, 1923, P.L. 858, creating the State Employes' Retirement System and amendments thereto.

Section 4, subsection 9 provides:

> "The retirement board shall prepare and have published, annually, a financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania, and shall file copies in the offices of the Secretary of the Commonwealth, of the State Insurance Department, and of the head of each department for use of the State employes and the public."

Herewith please find the valuation balance sheet of the Retirement Fund as of May 31, 1960, with the accompanying comments. (Pages 4-7).

On May 31, 1960, the number of members of this System classed as contributors was 71,496 and the number of pensioners was 7,928, a total of 79,424.

The total assets of the fund amounted to $432,203,608.08 of which $239,728,856.64 was the Book Value of investments and cash as follows:

Book value of bonds	$213,860,290.61
Book value of mortgage loans	24,248,602.65
Book value of stocks	100.00
Cash in banks	1,619,863.38
Total	$239,728,856.64

The asset of $28,073,643.62 due from the Commonwealth is made up of three items; namely, $9,396,171.13, $236,461.36 and $18,441,011.13. The first item is made up of the amounts required to supplement the actual net earnings on the invested reserve funds in order to provide the credits at the regular interest rate of 4% on the account balances for the years ending May 31, 1957, 1958, 1959 and 1960. The second item is the amount required to bring the account balance up to the required reserve. The third item is made up of the appropriations payable to the several accounts but unpaid May 31, 1960.

Interest accrued on investments amounts to $2,106,802.02 and members' contributions in transit amount to $60,958.90.

The remaining asset item of $162,233,346.90 represents the present value of future contributions receivable from the Commonwealth and other contributing agencies.

As of May 31, 1960, the Member's Annuity Savings Account was $128,968,204.66. This is made up of members' contributions and interest credits thereon at the rate of 4% compounded annually. In addition, there is the Member's Annuity Reserve Account of $31,134,767.00. These are very significant items.

The funds of the Retirement System have been invested in accordance with the Act of June 27, 1923, P.L. 858, Section 6, subsection 1: the Administrative Code, Article VII, Section 701, subsection F: and the Act of April 25, 1929, P.L. 723 as amended.

The annuitants on the roll as of May 31, 1960 including the survivor beneficiaries and the amounts of their annuities were as follows:

	Numbers	Amounts of Annuities
Superannuation ----	5,508	$ 8,293,871.93
Disability --------	368	277,404.15
Withdrawal --------	2,052	1,738,334.69
Total ----------	7,928	$10,309,610.77

From June 1, 1959 to May 31, 1960, the Retirement Board:

(a) Noted increase in members - 2,186;

(b) Approved for payment $5,161,856.70 to 10,946 members who had terminated their employment with the Commonwealth and applied for the return of their contributions; and

(c) Approved 809 applications for retirement allowances and 158 applications for benefits payable under Act 249.

In accordance with the Act under which the State Employes' Retirement System is being administered, extensive studies of the mortality and service experience of the retirement system are made at the end of each five-year period. On the basis of such experience, the rates of members' contributions, reserves and appropriation askings are determined.

During the 1955-56 fiscal year the required experience studies were made for the five-year period ending May 31, 1955. The experience of the Retirement Fund as revealed by these studies, the sixth quinquennial evaluation, showed some further increases in the longevity of active members, as well as the pensioners and other annuitant lives. However, no change was required in the rates of members' contributions adopted for members entering the Retirement System on and after June 1, 1948, nor in the factors used in converting such members' accumulated deductions into members' annuities. Principally because of reductions in the rate of withdrawal from service and changes in the retirement rate, it has been necessary to adopt reserve factors in the case of the active members, who are the future annuitants, which on the whole require the maintenance of somewhat higher reserves.

VALUATION BALANCE SHEET
of
STATE EMPLOYES' RETIREMENT SYSTEM
as of
MAY 31, 1960

ASSETS, INCLUDING PRESENT VALUE OF FUTURE APPROPRIATIONS

Cash			$ 1,619,863.38
Investments			
Unmatured (par value)		$237,765,723.71	
Premiums paid on investments owned	$ 283,222.35		
Reserve for amortization	60,047.20	343,269.55	238,108,993.26
Interest Due and Accrued			
Investments			2,106,802.02
Other Assets			
Members' contributions in transit			60,958.90
Due from Commonwealth			
(a) Interest deficiency -			
Year - 1957	$ 1,850,924.02		
Year - 1958	1,962,270.93		
Year - 1959	2,714,322.56		
Year - 1960	2,868,653.62	$ 9,396,171.13	
(b) Member's Annuity Reserve Account		236,461.36	
(c) Appropriations Due But Unpaid May 31, 1960 -			
(1) State Annuity Accumulation and Reserve Account for Original Members	$ 5,015,212.30		
(2) State Annuity Accumulation Account	13,354,453.46		
(3) State Annuity Reserve Account	46,345.37		
(4) State Police Benefit Account	25,000.00	18,441,011.13	28,073,643.62
Present Value of Future Appropriations -			
State Annuity Accumulation and Reserve Account for Original Members		$ 32,141,802.55	
State Annuity Accumulation Account		130,091,544.35	162,233,346.90
Total Assets, Including Present Value of Future Appropriations			$432,203,608.08

ANNUAL VALUATION BALANCE SHEET
as of
MAY 31, 1960

ACCOUNT BALANCES AND PRESENT VALUE OF FUTURE APPROPRIATIONS

Account Balances

Member's Annuity Savings Account	$128,968,204.66
Member's Annuity Reserve Account	31,134,767.00
State Annuity Accumulation and Reserve Account for Original Members	11,954,505.45
State Annuity Accumulation Account	49,021,674.65
State Annuity Reserve Account	36,909,358.00
Reserve for Outstanding Checks	4,895.15
State Police Member's Annuity Reserve Account	1,891,587.00
State Police Benefit Account	10,085,269.27
Total Account Balances	$269,970,261.18

Present Value of Future Appropriations

State Annuity Accumulation and Reserve Account for Original Members	$ 32,141,802.55	
State Annuity Accumulation Account	130,091,544.35	
Total Present Value		162,233,346.90
Total Account Balances and Present Value of Future Appropriations		$432,203,608.08

ACTUARIAL RESERVES AND OTHER LIABILITIES - MAY 31, 1960

Member's Annuity Savings Account

Present value of benefits on account of which salary deductions have been accumulated	$128,968,204.66

Member's Annuity Reserve Account

Present value of members' annuities payable to members now on annuity roll because of:

Superannuation	$24,497,675.00	
Disability	722,065.00	
Withdrawal	5,915,027.00	
Total		31,134,767.00

State Annuity Accumulation and Reserve Account for Original Members

(a) Present value of State annuities payable to original members, active and inactive, on account of:

Superannuation allowances	$18,456,513.00	
Disability allowances	63,002.00	
Withdrawal allowances	42,246.00	
Death benefits	1,042,605.00	$19,604,366.00

(b) Present value of State annuities payable to original members now on annuity roll because of:

Superannuation	$19,912,433.00		
Disability	182,896.00		
Withdrawal	4,396,613.00	24,491,942.00	
Total			44,096,308.00

State Annuity Accumulation Account

Present value of State annuities payable to new members, active and inactive on account of:

Superannuation allowances	$147,839,134.00	
Disability allowances	6,510,269.00	
Withdrawal allowances	6,409,099.00	
Death benefits	18,354,717.00	
Total		179,113,219.00

ACTUARIAL RESERVES AND OTHER LIABILITIES - MAY 31, 1960
(continued)

State Annuity Reserve Account

Present value of State annuities payable to new members now on annuity roll because of:		
Superannuation	$26,647,902.00	
Disability	1,698,656.00	
Withdrawal	8,562,800.00	
Total		$ 36,909,358.00

State Police Member's Annuity Reserve Account

Present value of members' annuities on the roll		1,891,587.00

State Police Benefit Account

Present value of State annuities on the roll	$ 8,787,889.00	
Balance for future State annuities	1,297,380.27	10,085,269.27

Other Liabilities

Reserve for outstanding checks	4,895.15
Total actuarial reserves and other liabilities	$432,203,608.08

CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDING MAY 31, 1960

Cash balance	- May 31, 1959	$ 1,391,821.53	
Bonds owned	- May 31, 1959 (par value)	194,023,529.20	
Mortgage loans	- May 31, 1959	17,722,993.76	
Stock owned	- May 31, 1959	100.00	
Total	- May 31, 1959		$213,138,444.49

Receipts - June 1, 1959 to May 31, 1960

Members' contributions	$ 18,032,189.75	
Interest on bonds	7,987,563.79	
Dividend on stock	500.00	
State and State Agencies' contributions -		
(a) State Annuity Accumulation and Reserve Account for Original Members	6,404,854.19	
(b) State Annuity Accumulation Account	11,119,562.13	
(c) Pennsylvania State Police Benefit Account	25,000.00	
(d) Operating Account	626,450.00	
Casualty Premium Tax P.S.P.	1,593,464.25	
Reserve for outstanding checks	623.72	
Accrual of Discount	107,241.01	
Total Receipts	$ 45,897,448.84	

Disbursements - June 1, 1959 to May 31, 1960

Members' withdrawal refunds	$ 5,161,856.70	
Superannuation allowances	9,977,289.79	
Disability allowances	290,114.42	
Voluntary and involuntary withdrawal allowances	2,204,459.43	
Pennsylvania State Police allowances	844,110.77	
Accrued interest on bonds purchased	147,536.79	
Auditing expense	11,450.24	
Loss on investments sold or exchanged	989,687.50	
Investment expenses	469.72	
Transfers to School Employes' Retirement Fund	23,330.88	
Total Disbursements	$ 19,650,306.24	
Total Receipts over Disbursements		26,247,142.60
Balance May 31, 1959 PLUS 1960 Receipts over Disbursements		$239,385,587.09
Cash balance - May 31, 1960	$ 1,619,863.38	
Bonds owned - May 31, 1960 (par value)	213,380,788.66	
Mortgage loans - May 31, 1960	24,384,835.05	
Stock owned - May 31, 1960	100.00	
TOTAL - May 31, 1960		$239,385,587.09

Respectfully submitted,

STATE EMPLOYES' RETIREMENT BOARD

Hon. E. James Trimarchi, Jr., Chairman

Hon. Grace M. Sloan

Mrs. Louise John

Adrian Bonnelly

Frank N. Happ