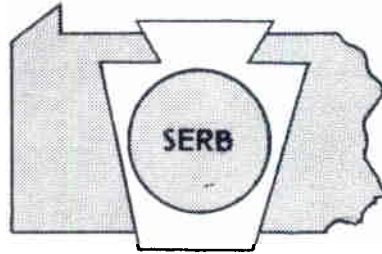


Commonwealth of Pennsylvania

STATE EMPLOYEES' RETIREMENT BOARD



ANNUAL REPORT
FOR
1970

Richard L. Witmer, Secretary

The State Employees' Retirement System was established by the 1923 General Assembly (P.L. 858) and began operation January 1, 1924. From a meager beginning your system and the fund have grown very substantially as indicated by the adjoining statement. The combined Pennsylvania State retirement systems comprise the fourth largest system in the country. Of all governmental systems, Pennsylvania's is the leader in retirement benefits. In fact, your benefits are considered far more liberal than most private plans as well.

During the past year much has been accomplished within the Retirement Board to improve services to both annuitants and active State employees. New electronic filing systems have been installed to provide better control and more rapid access to individual records. New accounting systems are being implemented along with other improved methods and procedures in all of the Board's operations. The Board has also initiated a series of continuing training programs for its personnel.

Pennsylvania has become a leader in providing retirement and pre-retirement counseling for the active membership. Intensive training programs have been conducted for all State agencies and each now has at least one member of the Personnel Staff acting as the Retirement Counselor for employees of that agency. This system is unique among governmental jurisdictions in that it provides retirement counseling services to each State employe at his own agency level where he may receive more personal service and where the employe's own records are kept. Any active member who has a question concerning his State retirement membership should contact the Retirement Counselor for his agency.

COMPOSITION OF FUND
(Fiscal Year Ending June 30, 1970)

DOLLAR COMPOSITION BY SECURITY CLASSIFICATION AT PAR VALUE

DESCRIPTION	JUNE 30, 1970		JUNE 30, 1969	
	PAR VALUE	PERCENT	PAR VALUE	PERCENT
U.S. TREASURY ISSUES	\$ 4,050,000	0.5%	\$ 16,400,000	2.4%
U.S. POST OFFICE MORTGAGES	9,294,889	1.2	9,526,987	1.4
VA AND FHA HOME MORTGAGES	65,425,201	8.4	60,657,546	8.8
FHA PROJECT MORTGAGES	16,211,061	2.1	16,380,542	2.4
PENNSYLVANIA TURNPIKE COMMISSION	1,500,000	0.2	1,500,000	0.2
PENNSYLVANIA LOCAL MUNICIPALS	100,000	--	100,000	--
CORPORATE ISSUES:				
INDUSTRIALS	335,109,288	42.8	269,183,916	39.1
RAILROADS	71,651,486	9.1	57,151,697	8.3
PUBLIC UTILITIES	210,032,025	26.8	205,535,025	29.8
SUB TOTAL	\$713,379,950	91.1	\$636,435,713	92.4
CASH OR EQUIVALENT	69,744,485	8.9	52,391,709	7.6
TOTAL	<u>\$783,118,435</u>	<u>100.0%</u>	<u>\$688,827,422</u>	<u>100.0%</u>

CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE JUNE 30, 1969	\$ 456,987.03	
INVESTMENTS JUNE 30, 1969	688,370,435.43	
TOTAL JUNE 30, 1969		\$688,827,422.46
<u>RECEIPTS JULY 1, 1969 TO JUNE 30, 1970</u>		
MEMBERS CONTRIBUTIONS	\$ 51,742,409.51	
INTEREST ON BONDS AND MORTGAGES	35,903,176.66	
STATE AND STATE AGENCIES CONTRIBUTIONS		
(A) STATE ANNUITY ACCUMULATION ACCOUNT	67,197,076.97	
(B) PENNSYLVANIA STATE POLICE BENEFIT ACCOUNT	178,694.98	
(C) CASUALTY PREMIUM TAX - POLICE BENEFIT ACCOUNT	1,767,583.30	
(D) ENFORCEMENT OFFICERS BENEFIT ACCOUNT	300,000.00	
DISCOUNT ON SECURITIES PURCHASED	507,614.55	
TOTAL RECEIPTS	<u>\$157,596,555.97</u>	
<u>DISBURSEMENTS JULY 1, 1969 TO JUNE 30, 1970</u>		
MEMBERS' WITHDRAWAL REFUNDS	\$ 11,688,863.22	
SUPERANNUATION ALLOWANCE	38,445,737.39	
DISABILITY ALLOWANCE	1,330,948.22	
VOLUNTARY AND INVOLUNTARY WITHDRAWAL ALLOWANCE	6,602,528.02	
PENNSYLVANIA STATE POLICE ALLOWANCE	3,262,207.67	
ENFORCEMENT OFFICERS ALLOWANCE	246,395.57	
JUDGES ADDITIONAL ALLOWANCES	168,065.43	
SOCIAL SECURITY AND HOSPITALIZATION	427,158.75	
ACCRUED INTEREST ON BONDS PURCHASED	204,582.02	
LOSS ON SALE OF INVESTMENTS	344,975.31	
ADMINISTRATION EXPENSE	584,081.94	
TOTAL DISBURSEMENTS	<u>\$ 63,305,543.54</u>	
TOTAL RECEIPTS OVER TOTAL DISBURSEMENTS		<u>94,291,012.43</u>
BALANCE JUNE 30, 1969 PLUS 1970 RECEIPTS OVER DISBURSEMENTS		<u>\$783,118,434.89</u>
CASH BALANCE JUNE 30, 1970	\$ 262,846.44	
INVESTMENTS JUNE 30, 1970	<u>782,855,588.45</u>	
TOTAL JUNE 30, 1970		<u>\$783,118,434.89</u>

IN CASE YOU'VE BEEN CURIOUS

Agencies Serviced	92
Membership (July 1, 1970)	
Active	129,546
Annuitants	17,871
Total	147,417
Contribution Accounts	
Withdrawn (1969)	16,210
In amount of	\$11,215,269.11
Average Monthly Annuity	
1960	\$111.30
1965	\$135.03
1970	\$191.23

HELPFUL HINTS

Annuitants

Please write or print legibly.
Always use your Social Security Number when contacting the Retirement Board.
Notify the Board at once if you change your address.

Active Members

Contact your Agency Retirement Counselor 30 days prior to retirement to insure prompt processing and timely payment of annuity.

If leaving State service with less than 10 years of service be sure to make application for return of contributions. Your account ceases to earn interest on the day you leave State employment.

Your Agency Retirement Counselor is available to assist you with all retirement problems.

STATE EMPLOYES' RETIREMENT BOARD

Chairman

*Hon. C. DeLores Tucker
Secy. of Commonwealth

Members

*Hon. Grace M. Sloan
Mr. J. Warren Bullen, Jr.
Mrs. Helen Corson
Hon. Robert Lee Jacobs

*Ex Officio

Finance Committee

Hon. C. DeLores Tucker
Mr. Frank N. Happ
(representing the Hon. Grace M. Sloan)
Mr. J. Warren Bullen, Jr.
Secretary - Mr. Richard L. Witmer

Investment Counsel

Mellon National Bank and Trust Company
Pittsburgh, Pa.

Mortgage Supervisor

The Fidelity Bank
Philadelphia, Pa.

Consulting Actuaries

Huggins & Company, Inc.
Philadelphia, Pa.