

Employees' Retirement System

THIRTY-SECOND
ANNUAL REPORT
of the
RETIREMENT BOARD

FOR THE YEAR ENDED JUNE 30, 1968



State of Rhode Island and Providence Plantations

THIRTY-SECOND
ANNUAL REPORT
of the
RETIREMENT BOARD

FISCAL YEAR ENDED JUNE 30, 1968

MEMBERS OF RETIREMENT BOARD

Ex-Officio Members

RAYMOND H. HAWKSLEY, General Treasurer, Chairman

FREDERIC C. LEES, Director of Administration

ROBERT M. SCHACHT, Director of Business Regulation

DR. WILLIAM P. ROBINSON, Jr., Commissioner of Education

SENATOR FRANCIS P. SMITH, Senate Finance Chairman

REPRESENTATIVE ANTHONY J. BARONE, House Finance Chairman

Appointed by the Governor

G. ALDEN WINTER, Warwick

Elected by State Employees

CHARLES W. HILL, Warwick

Elected by Teachers

JAMES E. CONLON, South Kingstown

Representing Municipal Employees

Appointed by the Retirement Board -

PAUL E. BASSETT, Pawtucket

Elected by Municipal Employees -

RALPH D. CUCULO, North Providence

Administrative Staff

JOSEPH G. IANNELLI, Chief and Executive Secretary

JOHN F. SULLIVAN, Administrative Assistant

SARTO R. GAIACHE, Senior Accountant

HELEN S. GAUCH, Secretary to Chief

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RAYMOND H. HAWKSLEY, CHAIRMAN
GENERAL TREASURER

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM OF THE
STATE OF RHODE ISLAND
ROOM 304, PROVIDENCE, RHODE ISLAND 02903

JOSEPH G. IANNELLI, CHIEF
EXECUTIVE SECRETARY

January 8, 1969

To His Excellency
the Honorable Frank Light
Governor, State of Rhode Island
and Providence Plantations
Providence, Rhode Island

Sir:

I take pleasure in submitting herewith for transmittal to the General Assembly, the Thirty-Second Annual Report of the Retirement Board of the Employees' Retirement System of the State of Rhode Island covering the fiscal year ended June 30, 1968.

Respectfully submitted,

Raymond H. Hawksley
Raymond H. Hawksley
Chairman

Employees' Retirement System of the
State of Rhode Island

THIRTY-SECOND ANNUAL REPORT OF THE RETIREMENT BOARD

FOR THE FISCAL YEAR ENDED JUNE 30, 1968

Presented herewith is the Thirty-Second Annual Report of the Retirement Board of the Employees' Retirement System of the State of Rhode Island covering the fiscal year ended June 30, 1968.

The report embodies significant financial and statistical facts relative to the operations of the system. The results of an actuarial valuation of the assets and liabilities of the system as of the aforesaid date are also presented.

MEMBERSHIP AT END OF YEAR

CONTRIBUTING MEMBERS

	<u>Male</u>	<u>Female</u>	
State Employees -			
Number	6,182	5,474	— 11,656
Proportion of total	53.0%	47.0%	
Aggregate salaries	\$42,859,735	\$28,591,274	
Average salary	\$6,932	\$5,223	
Average age	47.3	45.8	
Average service	9.4	7.8	

<u>Teacher Members -</u>	<u>Male</u>	<u>Female</u>
Number	2,981	5,452 8433
Proportion of total	35.3%	64.7%
Aggregate salaries	\$22,956,034	\$41,495,072
Average salary	\$7,700	\$7,610
Average age	38.7	42.6
Average service	9.2	9.9

PENSIONERS

<u>State Employees -</u>		
Number	868	670 1538
Proportion of total	53.4%	43.6%
Aggregate pensions	\$1,652,293	\$1,156,296
Average pension	\$1,904	\$1,726
Average age	71.4	71.0

<u>Teacher Members -</u>		
Number	218	1,150 1368
Proportion of total	15.9%	84.1%
Aggregate pensions	\$846,219	\$4,273,583
Average pension	\$3,891	\$3,716
Average age	70.3	72.1

The upward trend in membership and pensioners is continuing at a normal rate in keeping with the expanding scope of operations of the system.

FINANCIAL RESERVE

The reserves of the system are continuing their upward trend. The excess of revenues over expenditures, which was credited to reserves, amounted to \$10,816,856.00 compared to \$10,319,169.00 for the last fiscal year. The increase in reserves is necessary to meet the additional liabilities resulting from the pension credits earned by the members during the year.

Total revenues for the year from member contributions, employer contributions, investment income and miscellaneous sources amounted to \$20,812,710.00. Total expenditures by the system for pensions and benefits, refunds and other purposes totalled \$9,995,854.00. The excess of \$10,816,856.00 was credited to the reserves for pension credits to the members to be translated into pension payments in future years.

It is noted that net investment income for the year amounted to \$4,374,490.00. Such income was equal to 21.0% of total revenues. This illustrates the effect of investment income in financing the system.

FINANCING THE SYSTEM

The system is financed on a contributory basis with the employees and employers sharing equitably in its cost. State employees contribute 5% of salary. Teachers contribute 6% of salary. The remainder of the cost is chargeable wholly to the State in the case of State employees and one-half of the cost requirements on account of teachers with one-half of the cost for teachers being an obligation of the cities and towns of the State. The cost of teachers' pensions over and above the contributions by the teachers is shared equally by the State and the cities and towns.

The employer's share of the cost of the system is determined as a rate per cent of payroll for each year based upon the projected requirements for pension and benefit payments after deducting contributions made by the beneficiaries and after adjustment for other pertinent factors in the application of actuarial criteria.

The rates of contribution by the employers, which became effective July 1, 1967, are as follows:

State of Rhode Island, for State employee members	5.55%
State of Rhode Island and Cities and Towns of the State, for teacher-members, each contributing one-half of the cost	7.80%

These percentage rates are applied to the salaries payable to the members in order to arrive at the amounts to be contributed to the system.

In accordance with the provisions of H-1176, approved May 9, 1967, projected costs will be established every 5 years. The first of these calculations will be made just prior to July 1, 1972 so as to have any change in rate take effect on that date.

UNFUNDED ACCRUED LIABILITY

The actuary has reported that the unfunded accrued liability for unfinanced past service credits increased during the year in the sum of \$7,633,259.00. This compares with an increase in the preceding year of \$8,821,395.00.

The increase in reserves under the method of financing described above resulting from the excess of revenues over expenditures for the year was at a slightly greater rate than the increase in such liability. This was due to investment earnings by the system over and above the 3½% basic interest assumption used in the calculation of liabilities and reserves. This development will be noted in the following statement which illustrates the rate of funding at the end of each of the last three fiscal years:

	<u>June 30th</u>		
	<u>1968</u>	<u>1967</u>	<u>1966</u>
State employees	<u>71.6%</u>	70.8%	69.5%
Teachers	<u>30.7%</u>	29.6%	29.0%
Composite rate	<u>45.5%</u>	<u>44.4%</u>	<u>43.4%</u>

It may be expected that the new and revised rates and the continuation of the constructive investment policy which has characterized the management of the system over the years should further enhance the financial stability of the system.

INVESTMENT OPERATIONS

The system's investment account as of June 30, 1968 amounted to \$102,692,865.53 at par value for bonds and cost value for stocks. The following is a summary of the investments according to type of security:

<u>Type of Investment</u>	<u>Par value for bonds - Cost for stocks</u>	<u>Per Cent of Total</u>
United States Government	\$ 26,209,500.00	25.52%
Federal Land Banks	2,000,000.00	1.95
Federal National Mortgage Association (FNMA)	1,085,000.00	1.05
International Bank for Reconstruction and Development (World Bank)	800,000.00	0.78
State and Municipal Bonds	1,757,000.00	1.71
Railroad Bonds and Equipment Trust Certificates	4,449,000.00	4.33
Public Utilities	25,396,000.00	25.22
Banks	1,365,000.00	1.33
Industrial and Miscellaneous	15,532,144.00	15.13
Bank Stocks	3,912,497.00	3.81
Investment Companies and Trusts	623,290.16	0.61
Other Corporate Stocks	<u>19,053,434.37</u>	<u>18.56</u>
Totals	<u>\$102,692,865.53</u>	<u>100.00%</u>

Net investment earnings for the year amounted to \$4,374,490.00. As a proportion of average net assets for the year, these earnings were equal to 4.43%. This compares with a rate of 4.40% for the preceding year. The rate of return on the investment account compares most favorably with the investment income of other public retirement systems having a like investment authority. Besides, the system has a substantial capital gain on its equity investments as will be seen in the following statement:

	<u>Cost</u>	<u>Market Value</u>	<u>Excess of Market Value over cost</u>
Common stocks	\$22,703,437	\$35,303,195	\$12,599,758
Mutual funds	<u>621,290</u>	<u>941,557</u>	<u>311,267</u>
Totals	<u>\$23,324,727</u>	<u>\$36,244,752</u>	<u>\$12,911,025</u>

The market value of equity investments is equal to 55.3% of their cost.

Bond investments are well diversified. The quality of the system's bond holdings is high. The majority of the bonds are rated "AA" or better by the nationally recognized security rating services. All other investments are of prime quality. Sales of investments have been made principally of low yielding securities as attractive opportunities develop for improving the investment account. The proceeds of these sales are reinvested in higher yielding securities.

AMENDMENTS

Several amendments to the plan of operation underlying the system were enacted at the 1966 regular session of the General Assembly. These amendments are briefly described.

H-1857. Retired members of the system are allowed to serve in the General Assembly without curtailment of retirement benefit payments.

S-198. The retirement benefits for members of the General Assembly were increased to \$2,000 per year for 10 years of service with an additional \$200 per year for each year of service above 10 years subject to a maximum retirement benefit of \$4,000. Member contributions were increased to 30% of salary.

S-303 "A". A cost-of-living increase was granted state employees who retired on or before December 31, 1967. The increase was 1-1/2% of their original retirement pension for each year on retirement (not compounded). This increment is to be limited to a maximum of \$500.00. For those who retired prior to January 1, 1958, the total increase is to be not less than \$200.00 per year. This cost-of-living adjustment is retroactive to January 1, 1968. A commission to study the problem with respect to future pension increases was also authorized.

APPROPRIATIONS FOR 1968-1969 FISCAL YEAR

Appropriations to the system by the State and the Cities and Towns (on behalf of teacher-members) consist of a rate per cent of payroll according to a prescribed formula. This rate is obtained by a projection of expenditures by the system for a period of years after applying against these expenditures credits for certain member contributions and after giving effect to certain actuarial factors.

The rate of contributions by the State is 5.55% of payrolls on account of State employees. In the case of teacher-members, the State of Rhode Island and the Cities and Towns share equally in the cost with the rate being 7.80% of teachers' payrolls. (3.90% each)

The following statement shows appropriations budgeted for the system for the 1968-1969 fiscal year with the amounts allocated for the preceding fiscal year given for comparison:

	Fiscal Year Ended June 30th -	
	<u>1969</u>	<u>1968</u>
<u>State Employees -</u>		
5.55% of total compensation paid to the members during the fiscal year preceding the submission of the budget to the General Assembly	\$3,387,789.00	\$3,111,872.00
<u>Teacher-Members -</u>		
3.90% of total compensation paid to the members during the fiscal year preceding the submission of the budget to the General Assembly	\$2,289,171.00	\$1,993,978.00

ACTUARIAL VALUATION

As required by law, an actuarial valuation of the assets and liabilities of the system was completed as of June 30, 1968. The results of this valuation are presented in the accompanying statement of the actuary.

Briefly, the report shows that the unfunded accrued liability increased during the year. This increase was due to the use of the method of partial funding the obligations as discussed in this report.

The results of operations for the year were satisfactory. Although the law does not prescribe a full funded method of financing, the financial condition of the system meets the test of adequacy and stability. The measure of funding the accrued liabilities is steadily increasing, thereby evidencing a definite improvement in its reserves. A realistic policy is being maintained in the management of the investment account to the end that the full potential thereof may be realized consistent with prudent investment judgment and within the limitations governing public administration.

The administration of the system reflects a high standard of efficiency and service. Improvements in administrative procedure are made from time to time in order to provide maximum service to the members. Every effort is being made by the retirement board

and its administrative staff to discharge their respective responsibilities in full measure in fulfillment of the stated objectives of the system.

Retirement Board of the
Employees' Retirement System of the
State of Rhode Island

RAYMOND H. HANKSLEY, Chairman
FREDERIC C. LEES
ROBERT M. SCHACHT
DR. WILLIAM P. ROBINSON, Jr.
FRANCIS P. SMITH
ANTHONY J. BARONE
G. ALDEN WINTER
CHARLES W. HILL
JAMES E. CONLON
PAUL E. BASSETT
RALPH D. CUCULO

JOSEPH G. IANNELLI,
Chief & Executive Secretary

REPORT OF THE ACCOUNTANT

REPORT OF AN ACCOUNTANT IN CONNECTION OF THE
REVISIONS OF THE ACT OF 1908

This report presents the results of an actuarial valuation of the
Employees' Retirement System of the State of Puerto Rico as of
June 30, 1922.

The purpose of the valuation was to establish the liabilities
incurred by the system under the prescribed benefit schedule. The financial
statements under the system is established from a technical and an
actuarial standpoint by means of such valuation. An actuarial balance
sheet is prepared to reflect the results of the valuation showing
the accrued and prospective liabilities and the present and pro-
spective assets to cover these liabilities.

In an actuarial valuation, a determination is made of the liabilities
incurred for the several benefit obligations. The return
required to meet these accrued liabilities for the lifetime of the
members are also computed. The factors of mortality, interest and
investment are used in these calculations. Other factors are the
assumptions in actuarial procedure, such as rates of salary and the
progression until retirement of the members, interest earnings,
mortality incidents and ages of retirement.

Tables reflecting these basic factors were formulated in a summary
and investigation of the past operating experience of the system

separate rates are used for State employees and teacher-members.
A further division is made between male and female members to give
effect to the diverse physiological conditions and employment
characteristics affecting the two sexes. Some variations from
these established standards frequently occur in current operations.
These are considered by means of an adjustment of the results of
the valuation according to the foregoing factors.

MEMBERSHIP STATISTICS

A variety of statistics was compiled and tabulated for this actu-
arial valuation. These statistics formed the basis of the valua-
tion. Detailed tables reflecting this data are presented in the
appendix. A summary thereof is as follows:

	State employees		Teachers	
	Male	Female	Male	Female
<u>ACTIVE MEMBERS</u>				
Number	6,162	5,474	2,961	5,452
Per cent of total	53.0%	47.0%	35.3%	64.7%
Annual salaries	\$42,859,735	\$29,591,274	\$22,956,624	\$41,495,072
Average salary	\$6,933	\$5,223	\$7,700	\$7,610
Average age	47.3	45.8	36.7	42.6
Average service	9.4	7.8	9.2	8.9

RETIREMENTS	State Employees		Teachers	
	Male	Female	Male	Female
Number on retirement	868	670	217	1,150
Per cent of total	56.4%	43.6%	15.9%	84.1%
Average age at June 30, 1968	71.4	71.0	70.8	72.1
Service retirements during year	106	89	20	123
Terminations	45	19	14	31
Average age of retirements during year	64.8	64.9	60.0	63.1

BASIS OF VALUATION

The benefit and contribution provisions forming the basis of this valuation are summarized in the appendix. The rate of interest used in the valuation was 3-1/2% per annum. The actuarial functions that were applied were those established in the previous actuarial surveys and investigations of the system with some modifications to reflect current operating developments.

RESULTS OF VALUATION

A test of progress in the operation of any retirement system is to the extent to which coverage is provided for the accrued liabilities for earned pension credits in comparison with the prior period. This assumes that the system is fully funded, that is, the accrued

pension credits are financed currently in full measure, and that the unfunded accrued liability is being systematically amortized. Pension liabilities represent discounted sums which include the interest factor, therefore the liabilities for prior years accrued currently at interest at the established rate.

The law prescribes a partial funding of liabilities for the Employees' Retirement System. Contributions by the employer represent the average annual requirements for benefits according to a 5-year projection of payments by the system. The rate per cent of contributions established in 1967 was 5.55% of payroll for State employees and 7.80% for teachers, with the latter cost being divided equally between the State and cities and towns. Since partial funding results in a deferment of the remainder of the incurred accruing cost, the unfunded accrued liability has been in a steady and persistent upward trend.

In the case of the Employees' Retirement System, operations for the 1968 fiscal year disclosed an increase in the unfunded accrued liability amounting to \$7,633,259.00. This increase is reconciled as follows:

Interest accrual at 3 1/2% on the unfunded accrued liability at June 30, 1967	\$4,095,446.00
Additional current service requirements for the 1967-1968 fiscal year	<u>3,537,813.00</u>
Total	<u>\$7,633,259.00</u>

VALUATION BALANCE SHEET - JUNE 30, 1968

Statement of Assets, Liabilities and Reserves

A S S E T S

NET PRESENT ASSETS:

Cash
Investments (at amortized book value)
Accrued Interest Receivable

\$ 1,477,043
101,803,174
983,480

DEFERRED ASSETS:

Present value of future service credits on account of service subsequent to July 1, 1968

State employees - \$11,022,262.00
Members 19,836,002.00
State of Rhode Island
Teacher-Members 12,311,338.00
Members 11,495,993.00
State of Rhode Island 11,495,993.00
Cities and Towns

66,161,580

UNFUNDED ACCRUED LIABILITY:

Due from employers for unfunded accrued pension credits

State of Rhode Island \$82,839,494.00
Cities and Towns 43,806,497.00

124,645,991

TOTAL ASSETS

\$295,071,280

1/ The State of Rhode Island and the cities and towns share equally in the cost of teachers' pensions.

VALUATION BALANCE SHEET - JUNE 30, 1968

Statement of Assets, Liabilities and Reserves

LIABILITIES AND RESERVES

CURRENT LIABILITIES:

Unclaimed Benefits \$ 25,891.00

FUTURE SERVICE LIABILITY:

State employees \$28,723,458.00
Teacher-members 37,438,130.00 66,161,588.00

RESERVE REQUIREMENTS:

RESERVE FOR MEMBER CONTRIBUTIONS -

State Employees -
For service retirement and disability annuities \$10,204,839.00
For future refunds 11,887,022.00 22,091,861.00

Teacher-Members -
For service retirement and disability annuities \$16,854,852.00
For future refunds 8,209,036.00 25,063,888.00

RESERVE FOR SURVIVOR BENEFITS 1,423,499.00

RESERVE FOR EMPLOYER CONTRIBUTIONS -

For service retirement and disability annuities on active members -

State Employees -
Total requirements \$45,594,480.00
Employee contributions 10,204,839.00 35,389,641.00

Teacher-Members -
Total requirements \$86,875,350.00
Employee contributions 16,854,852.00 70,020,498.00

RETIREMENT AND BENEFITS RESERVE -

State Employees 23,877,245.00

Teacher-Members 51,017,169.00

TOTAL LIABILITIES AND RESERVES

\$295,071,280.00

The following explanation of the several items comprising the assets, liabilities and reserves of the system is given to facilitate an understanding of their function and meaning.

Present Assets require no explanation. They comprise the assets on hand as taken from the financial reports prepared by the accountant of the system.

Deferred Assets consist of the obligations of the members and the employers for service to be rendered subsequent to June 30, 1968. They represent discounted amounts, actuarially determined giving effect to the factors of mortality, interest, turnover and others that enter into the computation of liabilities for annuities and benefits accruing on account of future service.

Unfunded Accrued Liability constitutes the amounts accrued and unpaid on account of service rendered prior to the balance sheet date. This is an accrued obligation of the State and the cities and towns to be discharged in future years by increased allocations to the system.

Current Liabilities represent accounts payable at the close of the year as shown by the financial statements prepared by the system.

Future Service Liability is an offset to Deferred Assets and represents the present value of the proportionate pension credit to be earned by the members during future service from the balance sheet date to the assumed ages of retirement.

Reserve for Members' Contributions consists of the amounts of the members' contribution credits at the balance sheet date. Part of these credits are subject to refund in future years on account of resignation, dismissal or death. A part of these credits are available to finance a portion of the annuities and benefits to become due in the case of members now in service who will ultimately qualify for retirement.

Reserve for Survivor Benefits represents the accumulation of contributions by the teacher-members and the cities and towns towards the survivor benefit provision specifically applicable to these members.

Reserve for Employer Contributions represents the amounts that must be provided to finance the employer's portion of the accrued pension credits for those employees now in service who will ultimately qualify for pensions at the ages assumed for their retirement.

Retirement and Benefits Reserve constitutes the amount necessary to pay out during the future lifetime of the pensioners on the roll the pensions already granted and in force at the balance sheet date.

CERTIFICATION

The accompanying Valuation Balance Sheet exhibits all assets, accrued liabilities and reserves of the system as of June 30, 1968. Present assets were taken from the financial statements submitted by the accountant of the system.

In our opinion, the accompanying Valuation Balance Sheet correctly presents the condition of the Employees' Retirement System of the State of Rhode Island at June 30, 1968, after giving effect to all accrued liabilities and actuarial reserve requirements of the several annuities and benefits under the applicable law in effect at such date.

A. A. Weinberg
Actuary

January 8, 1969

FINANCIAL STATEMENTS

1. Financial Balance Sheet as of June 30, 1968
2. Statement of Revenues and Expenditures for the Fiscal Year Ended June 30, 1968
3. Statement of Cash Receipts and Disbursements for the Fiscal Year Ended June 30, 1968
4. Comparative Statement of Investment Receipts and Disbursements, Fiscal Years Ended June 30, 1968 and 1967
5. Statement of Net Investment Earnings for Fiscal Year Ended June 30, 1968

FINANCIAL BALANCE SHEET - JUNE 30, 1968

A S S E T S

Cash		\$ 1,477,045.
Accrued Interest Receivable	\$102,692,865.53	983,480.
Investments	\$ 1,046,141.62	
Unamortized Dis-counts	156,452.47	889,689.15
Less-Unamortized Premiums		<u>101,803,176.</u>
Net Investments		\$104,263,702.
Total Assets		

LIABILITIES AND RESERVES

<u>Current Liabilities</u>		\$ 25,891.11
Unclaimed Benefits		
<u>Members' Contribution Reserves</u>		
State Employees	\$22,091,861.21	
Teachers	25,063,888.02	
Teachers' Survi-vors	<u>1,423,439.55</u>	
Total Members' Reserves		48,579,248.78
<u>General Reserves</u>		
State Employees	\$36,592,115.37	
Teachers	16,727,995.31	
Teachers' Survi-vors	2,161,251.98	
State Employees - Full funded costs	160,301.44	
Certain State Employees	16,165.04	
Certain Teachers	<u>833.46</u>	
Total General Reserves		<u>55,658,562.60</u>
Total Liabilities and Reserves		\$104,263,702.

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1968

REVENUES

<u>Member Contributions -</u>			
State Employees	\$ 3,475,108.21		
Teachers	4,122,812.20		
Teachers' Survivors	388,435.67		
Death Benefit Premiums - Retired Legislators	\$690.00		
Retired Employees	<u>361.95</u>	1,054.95	
Employees Transferred - Municipalities		<u>25,062.91</u>	\$ 8,012,773.97
<u>General Fund Appropriations: -</u>			
State Employees	\$ 2,965,232.18		
Teachers	1,994,657.21		
Certain State Employees	<u>15,200.00</u>		4,975,089.39
<u>Municipal Contributions -</u>			
Teachers	\$ 2,639,070.93		
Teachers' Survivors	375,838.67		
Employees Transferred to State	<u>105,220.75</u>		3,120,130.35
<u>Other Contributions -</u>			
Full Funded Costs - Employees			307,715.44
Miscellaneous Receipts			3,327.00
Unclaimed Benefits			19,183.74
<u>Investment Income -</u>			
Investment Earnings	\$ 4,423,633.07		
Loss on Sales of Investments	<u>49,142.38</u>		<u>4,374,490.69</u>
<u>TOTAL REVENUES</u>			\$20,812,710.58

-continued-

EXPENDITURES

Pensions and Death Benefits -

State Employees	\$ 2,881,381.19	
Teachers	5,152,683.21	
Teachers' Survivors	27,253.20	
Certain State Employees	20,387.76	
Certain Teachers	1,419.96	\$ 8,083,125.32

Refunds of Contributions -

State Employees	\$ 1,067,588.61	
Teachers	727,076.60	
Teachers' Survivors	62,485.29	
Interest, Teachers' Survivors Contribution Refund	839.24	
To Municipalities a/c Teachers	27,153.09	
To Municipalities a/c Teachers' Survivors	23,107.08	
To Municipalities a/c Employees Transferred	1,580.27	1,909,850.18

Unclaimed Benefits 4.57

Miscellaneous Refunds 2,863.86

Investment Expense -

Postage & Insurance on Purchases 10.92

TOTAL EXPENDITURES \$ 9,995,851.19

EXCESS OF REVENUE OVER EXPENDITURES \$10,816,855.19

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FISCAL YEAR ENDED JUNE 30, 1968

Cash Balance July 1, 1967 \$ 1,513,864.69

Receipts:

Investments Sold and Matured	\$10,548,808.34	
Investment Earnings	4,170,576.62	
Discounts on Purchases	312,899.48	
Loss on Sales of Investments	49,142.38	\$14,983,142.06

Member Contributions -

State Employees	\$ 3,475,408.24	
Teachers	4,122,812.20	
Teachers' Survivors	388,435.67	
Ins. Benefit Prem. Retired Employees	364.95	
Ins. Benefit Prem. Retired Legislators	690.00	
Employees Transferred-Municipalities	25,062.91	8,012,773.97

General Fund Contributions -

State Employees	\$ 2,965,232.18	
Teachers	1,994,657.21	
Certain State Employees	15,200.00	4,975,089.39

Municipal Contributions -

Teachers	\$ 2,639,070.93	
Teachers' Survivors	375,838.67	
Employees Transferred to State	105,220.75	3,120,130.35

Other Contributions -

Full Funded Costs-Employees	307,715.44	
Unclaimed Benefits	19,183.74	
Miscellaneous Receipts	3,327.00	
Inter-Fund Transfers	1,342.09	

TOTAL RECEIPTS

TOTAL AVAILABLE

31,422,704.04

\$32,936,568.73

-continued-

Statement of Cash Receipts and Disbursements - continued

Disbursements -

Investments Purchased	\$21,385,922.12	
Accrued Interest on Purchases	56,374.71	
Premiums on Purchases	20,029.50	
Postage & Insurance on Purchases	10.92	\$21,462,337.25

Pension Benefits - Death Benefits -
Death Retirement Allowances

State Employees	\$ 2,881,381.19	
Teachers	5,152,683.21	
Teachers' Survivors	27,253.20	
Certain State Employees	20,387.76	
Certain Teachers	1,419.96	8,083,125.32

Refunds of Contributions -

State Employees	\$ 1,067,588.61	
Teachers	727,096.60	
Teachers' Survivors	62,485.29	
Interest, Teachers' Survivors Contribution Refunds	839.24	
Municipalities a/c Teachers	27,153.09	
Municipalities a/c Teachers' Survivors	23,107.08	
Municipalities a/c Employees Transferred	1,580.27	1,909,850.18

Inter-Fund Transfers 1,342.09

Unclaimed Benefits 4.57

Miscellaneous Refunds 2,863.86

TOTAL DISBURSEMENTS

\$31,459,523.

CASH BALANCE JUNE 30, 1968

\$ 1,477,045.

COMPARATIVE STATEMENT OF INVESTMENT
RECEIPTS AND DISBURSEMENTS

FISCAL YEARS ENDED JUNE 30, 1968 and 1967

	<u>1967-1968</u>	<u>1966-1967</u>
<u>RECEIPTS</u>		
Interest & Dividends	\$4,170,576.62	\$3,605,386.40
Discounts on Purchases	312,899.48	504,603.17
Gain or Loss on Sales	- 49,142.38	77,095.23
<u>Gross Receipts</u>	<u>\$4,434,333.72</u>	<u>\$4,187,084.80</u>
<u>DISBURSEMENTS</u>		
Accrued Interest on Purchases	\$ 56,374.71	\$ 81,163.23
Premiums on Purchases	20,029.50	45,365.25
Commissions on Purchases	--	77.50
Postage & Insurance on Purchases	10.92	30.30
<u>Total Disbursements</u>	<u>\$ 76,415.13</u>	<u>\$ 126,936.28</u>
<u>NET INVESTMENT RECEIPTS FOR THE YEAR</u>	<u>\$4,357,918.59</u>	<u>\$4,060,148.52</u>

STATEMENT OF INVESTMENT EARNINGS
FISCAL YEAR ENDED JUNE 30, 1968

Investment Income - Interest
and Dividends

\$4,170,576.62

Add:

Accrued Interest June 30, 1968
Accrued Interest July 1, 1967

\$983,480.65
832,947.63

\$150,532.82

162,618.90

Discounts Amortized

Total Addition

Total

313,151.72
\$4,483,728.34

Less:

Accrued Interest Purchased
Premiums Amortized

\$ 54,036.53
6,058.74

Total Deduction

60,095.27

Net Investment Earnings for the Year
(Exclusive of Capital Loss of
\$9,142.38)

\$4,423,633.07

SUMMARY OF INVESTMENT OPERATIONS

JULY 1, 1967 TO JUNE 30, 1968

Total Investments at July 1, 1967

\$ 91,855,752

Add:

Purchases during year

21,385,922

\$113,241,674

Deduct:

Redemptions and Sales during year

10,548,808

TOTAL INVESTMENTS AT JUNE 30, 1968

\$102,692,866

MUNICIPALITIES - continued

Town of Cumberland:
School
Water Supply Installation

City of East Providence:
Elementary school
School building
School building
School building
Sewer trunk extension
Sewer
Street and drainage

Town of Gloucester:
School construction and
extension

Town of Hopkinton:
School building and
equipment

Town of Jamestown:
School construction

Town of Johnston:
School

Town of Lincoln:
Elementary school building
and equipment

Town of Narragansett:
Beach repair
School construction

City of Newport:
Sewer and anti-pollution
water works

Town of North Kingstown:
Land purchase and school
building

Rate of Interest	Maturity	Carrying Value
4.60%	10/15/71-71	\$ 45,000
1.90	1/ 1/76	3,000
		<hr/> 48,000
3-3/4	2/ 1/78	15,000
2-1/5	3/ 1/72	25,000
2-1/2	7/ 1/70	25,000
3-1/2	4/ 1/69	7,000
2-1/5	7/1/70-76	48,000
3-1/2	4/ 1/69	135,000
3-3/4	2/1/76-78	45,000
		<hr/> 300,000
2.70	8/1/68-69	20,000
2-3/4	12/1/62-84	20,000
3	12/1/72-74	30,000
2.90	9/1/71-74	87,000
3-1/2	3/ 1/76	30,000
2.70	1/1/77-80	48,000
3.70	5/ 1/82	34,000
		<hr/> 82,000
3.70	7/ 1/76	15,000
2-1/4	3/1/69-70	5,000
		<hr/> 20,000
3-1/2	4/ 1/76	60,000

MUNICIPALITIES - continued

Town of North Providence:
Funding
Funding
Funding
Highway reconstruction
Sewer

City of Providence:
Fire department modernization
Highway construction
Sewer construction

Town of Smithfield:
School

Town of Warwick:
Highway
School
School
School
Water

Town of Westerly:
School

Town of West Warwick:
Sewer
Sewer

City of Woonsocket:
Junior High School
Sewer

Total Municipalities

RAILROADS

Alabama Great Southern
Railroad:
Equipment trust
American Car & Foundry Co.:
Equipment trust
Atchison, Topeka and
Santa Fe Railway:
General mortgage

Rate of Interest	Maturity	Carrying Value
3%	7/1/68-72	\$ 14,000
3	6/1/72-73	10,000
3-1/2	7/1/75-76	25,000
3-1/2	7/1/75-76	20,000
3	6/1/72/74	15,000
		<hr/> 84,000
2	1/ 1/74	20,000
2	1/ 1/74	4,000
2	1/ 1/74	16,000
		<hr/> 40,000
2-3/4	6/1/69-76	25,000
2-2/5	10/1/73-74	35,000
2-7/10	12/1/84-86	30,000
3-1/10	12/ 1/68	2,000
3-1/4	10/ 1/79	5,000
4-1/2	10/1/72-73	24,000
		<hr/> 96,000
4-1/5	9/1/69-70	50,000
2-1/2	7/1/68-71	8,000
2-7/10	7/1/78-79	30,000
		<hr/> 38,000
4-1/4	4/15/71-77	48,000
4-1/2	6/1/72-74	25,000
		<hr/> 73,000
		<hr/> \$ 1,437,000
5-1/2	8/1/79-80	198,000
5-1/2	4/15/82	233,000
4	1/ 1/95	100,000

RAILROADS - Continued

	Rate of Interest	Maturity	Carrying Value
Atlantic Coast Line Railway: Bonds	5-5/8%	8/15/79	\$ 129,000
Baltimore & Ohio Railroad Company: First consolidated mortgage, Series B	4	9/ 1/80	50,000
Chesapeake and Ohio Railway Co.: Equipment trust	3	2/20/70	50,000
Refunding and improvement mortgage, Series E	3-1/2	8/ 1/96	9,000
Refunding and improvement mortgage, Series H	3-7/8	12/ 1/73	194,000
			253,000
Chicago, Burlington & Quincy Railroad Co.: Equipment trust	4	1/15/71	100,000
Equipment trust	4	8/ 1/77	200,000
First and refunding mortgage	2-7/8	8/ 1/70	50,000
			350,000
Great Northern Railway Co.: Equipment trust	4-1/8	3/ 1/73	200,000
Equipment trust	4-1/4	4/15/75	115,000
			315,000
Louisville & Nashville Railroad Co.: Equipment trust, Series EE	4	3/15/75	100,000
Equipment trust, Series II	4-1/8	3/ 1/72	200,000
Equipment trust, Series RR	5-1/8	3/15/75	387,000
Equipment trust, Series QQ	4-3/8	8/15/77	134,000
			821,000
Norfolk & Western Railway Co.: Equipment trust, Series D	3-1/4	4/ 1/69	50,000
Equipment trust, Series I	3-7/8	1/ 1/74	250,000
Equipment trust, Series J	4	5/ 1/75	100,000
			400,000
North American Car Corp.: Equipment trust	4-3/5	12/15/69-70	100,000
Equipment trust	4-7/10	12/15/72-74	150,000
			250,000
Northern Pacific Railway Co.: Equipment trust	3-1/8	2/16/69	100,000
Equipment trust	3-7/8	1/10/70	200,000
			300,000
Seaboard Air Line Railroad Co.: Equipment trust, Series P	2-7/8	11/ 1/69	50,000
Equipment trust, Series N	4	2/ 1/72	250,000
Equipment trust, Series X	4-1/8	4/15/75	100,000
			400,000

RAILROADS - continued

	Rate of Interest	Maturity	Carrying Value
Southern Pacific Company: Equipment trust, Series RR	3-1/8	9/ 1/68	\$ 50,000
Equipment trust, Series VV	4	11/ 1/68	100,000
Equipment trust, Series 21	4	5/ 1/69	100,000
Equipment trust, Series 33	5-5/8	12/ 1/72	100,000
			350,000
Southern Railway Company: Equipment trust	4-1/4	11/15/72	100,000
St. Louis & San Francisco Railway Co.: Equipment trust, Series C	4-3/8	5/15/71	200,000
			\$ 4,449,000
<u>PUBLIC UTILITIES</u>			
Alabama Power Co.: First mortgage bonds	4-7/8	9/ 1/95	100,000
American Telephone & Telegraph Co.: Debentures	3-3/8	12/ 1/73	300,000
Debentures	3-3/8	4/ 1/85	200,000
Debentures	4-3/8	4/ 1/85	125,000
Debentures	3-7/8	7/ 1/90	100,000
Debentures	4-5/8	2/ 1/94	250,000
Debentures	5-1/2	1/ 1/97	250,000
Debentures	4-3/4	6/ 1/98	100,000
Debentures	5-1/8	4/ 1/2001	200,000
			1,525,000
Appalachian Electric Power Co.: First mortgage bonds	3-1/2	12/ 1/70	475,000
First mortgage bonds	4-5/8	3/ 1/87	25,000
First mortgage bonds	4	5/ 1/88	100,000
			600,000
Baltimore Gas & Electric Co.: First refunding mortgage sinking fund	4-7/8	6/ 1/80	89,000
Bell Telephone Company of Pennsylvania: Debentures	3	4/15/74	100,000
Debentures	4-3/4	5/ 1/2001	200,000
			300,000
Blackstone Valley Electric Co.: First collateral trust	6-1/2	6/ 1/97	100,000
Buffalo Niagara Electric Co.: Mortgage bonds	2-3/4	11/ 1/75	500,000
Carolina Power & Light Co.: First mortgage bonds	5-1/8	4/ 1/96	250,000

	Rate of Interest	Maturity	Carrying Value
<u>PUBLIC UTILITIES - continued</u>			
Illinois Bell Telephone Co.:			
First mortgage, Series C	3-1/8%	4/ 1/84	\$ 53,000
First mortgage, Series S	4-1/4	3/ 1/88	100,000
First mortgage, Series F	4-3/8	3/ 1/94	100,000
First mortgage, Series M	6	7/ 1/98	250,000
			<hr/> 503,000
Indiana & Michigan Electric Co.:			
Sinking fund debentures	5-1/8	6/ 1/86	100,000
First mortgage bonds	4-3/4	11/ 1/88	50,000
			<hr/> 150,000
Iowa Power & Light Co.:			
First mortgage bonds	4-5/8	1/ 1/91	200,000
Kansas Gas & Electric Co.:			
First mortgage bonds	4-5/8	1/ 1/91	250,000
Long Island Lighting Company:			
First mortgage, Series H	3-5/8	11/ 1/85	50,000
First mortgage, Series D	3-5/8	12/ 1/78	250,000
			<hr/> 300,000
Louisiana Power & Light Co.:			
First mortgage bonds	5	4/ 1/90	200,000
Metropolitan Edison:			
First mortgage bonds	6-7/8	10/ 1/92	300,000
Michigan Bell Telephone Co.:			
Debentures	4-5/8	8/ 1/96	175,000
Debentures	6-3/8	2/ 1/05	500,000
			<hr/> 675,000
Michigan Consolidated Gas Co.:			
First mortgage bonds	3-1/2	8/ 1/76	100,000
Minnesota Power & Light Co.:			
Monongahela Power Co.	4-3/4	3/ 1/87	50,000
Narragansett Electric Co.:	3	9/ 1/77	50,000
First mortgage, Series A	3	9/ 1/74	121,000
First mortgage, Series E	3-1/2	3/ 1/86	200,000
			<hr/> 321,000
New England Gas & Electric Co.:			
Series C	4	9/ 1/71	129,000
New England Power Co.:			
First mortgage, Series H	4	6/ 1/88	200,000
New Jersey Bell Telephone Co.:			
Debentures	3-1/4	5/ 1/84	100,000
Debentures	4-7/8	11/ 1/2000	100,000
			<hr/> 200,000
New Jersey Power & Light Co.:			
Debentures	5	10/ 1/90	100,000
New Orleans Public Service, Inc.:			
First mortgage bonds	5	6/ 1/91	200,000
New York Power & Light Co.:			
First mortgage bonds	2-3/4	3/ 1/75	100,000

	Rate of Interest	Maturity	Carrying Value
<u>PUBLIC UTILITIES - continued</u>			
New York State Electric & Gas Corp.:			
First mortgage bonds	4-5/8%	5/ 1/91	\$ 200,000
New York Telephone Co.:			
Refunding mortgage Series E	3-1/8	2/ 1/78	150,000
Refunding mortgage Series H	3	10/15/89	110,000
Refunding mortgage Series K	4-1/8	7/ 1/93	100,000
Refunding mortgage Series K	4-1/8	7/ 1/93	25,000
Refunding mortgage Series P	4-7/8	1/ 1/2006	250,000
			<hr/> 635,000
Niagara Mohawk Power Company:			
General mortgage bonds	3-7/8	1/ 1/88	300,000
General mortgage bonds	4-3/4	4/ 1/90	200,000
			<hr/> 500,000
Northern Illinois Gas Co.:			
First mortgage bonds	5	6/ 1/84	91,000
Northern Natural Gas Debentures	7-1/4	5/ 1/88	300,000
Northern States Power Co.:			
First mortgage bonds	2-3/4	10/ 1/75	50,000
First mortgage bonds	4	7/ 1/88	100,000
First mortgage bonds	2-3/4	1/ 1/74	191,000
First mortgage bonds	6-3/4	6/ 1/98	500,000
			<hr/> 841,000
Northwestern Bell Tel.:			
Debentures	6-1/4	1/ 1/07	500,000
Ohio Bell Telephone Co.:			
Debentures	5	2/ 1/06	250,000
Ohio Edison Co.:			
First mortgage bonds	2-3/4	4/ 1/75	75,000
First mortgage bonds	4-3/4	6/ 1/91	100,000
			<hr/> 175,000
Ohio Power Co.:			
First mortgage bonds	3	4/ 1/71	100,000
First mortgage bonds	4-7/8	11/ 1/87	100,000
			<hr/> 200,000
Oklahoma Gas & Electric Co.:			
First mortgage bonds	2-3/4	2/ 1/75	100,000
First mortgage bonds	3-7/8	6/ 1/88	200,000
First mortgage bonds	5-1/8	1/ 1/97	250,000
			<hr/> 550,000
Pacific Gas & Electric Co.:			
First and refunding mortgage, Series L	3	6/ 1/74	100,000
First and refunding mortgage, Series K	3	6/ 1/71	250,000
First and refunding mortgage, Series AA	4-1/2	12/ 1/86	50,000
First and refunding mortgage, Series Z	3-3/8	12/ 1/88	50,000

PUBLIC UTILITIES - continued		Rate of Interest	Maturity	Carrying Value
Pacific Gas & Electric Co. continued:				
First and refunding mortgage, Series 99	4-1/2%	6/ 1/93	\$	200,000
First and refunding mortgage, Series 100	4-5/8	6/ 1/97		150,000
First and refunding mortgage, Series 101	5-3/8	6/ 1/98		250,000
First and refunding mortgage, Series 102				1,050,000
Pacific Power & Light Co.:	5	10/ 1/95		100,000
Pacific Telephone & Telegraph Co.:	4-3/8	8/15/88		100,000
Debentures	3-1/8	11/15/89		100,000
Debentures	4-5/8	8/15/91		50,000
Debentures	4-5/8	5/ 1/2000		50,000
Debentures				400,000
Pennsylvania Electric Co.:	2-3/4	6/ 1/76		100,000
First mortgage bonds	3-1/8	3/ 1/84		100,000
First mortgage bonds	3-3/8	1/ 1/72		200,000
First mortgage bonds				400,000
Pennsylvania Power & Light Co.:	3	10/ 1/75		650,000
People's Gas Light & Coke Co.:	4-5/8	5/ 1/86		182,000
Philadelphia Electric Co.:	3-1/8	4/ 1/85		80,000
First refunding mortgage	5	10/ 1/89		100,000
First refunding mortgage				180,000
Public Service Company of Colorado:	4-3/8	5/ 1/87		100,000
First mortgage bonds	4-1/2	10/ 1/91		200,000
First mortgage bonds				300,000
Public Service Company of New Hampshire:	3-1/4	11/ 1/84		96,000
Public Service Electric & Gas Co.:	4-5/8	5/ 1/77		101,000
Debentures	5-3/4	6/ 1/91		200,000
First refunding mortgage	4-3/4	9/ 1/95		250,000
First refunding mortgage	4-5/8	8/ 1/88		65,000
First refunding mortgage	5-1/8	6/ 1/89		200,000
				810,000

PUBLIC UTILITIES - continued		Rate of Interest	Maturity	Carrying Value
Southern California Edison Co.:				
First mortgage	3-1/8%		8/15/76	\$ 130,000
First refunding mortgage, Series M	4-3/8		9/ 1/85	100,000
First and refunding mortgage, Series T	5-1/4		5/15/91	250,000
First and refunding mortgage	6-3/8		2/15/93	400,000
Southwestern Bell Telephone Co.:				880,000
Debentures	3-1/8		5/ 1/83	100,000
Southwestern Gas & Electric Co.:	3-1/4		2/ 1/70	250,000
Southwestern Public Service Company:				
First mortgage bonds	3.35		2/ 1/81	50,000
Tampa Electric Co.:				
First mortgage bonds	4-1/4		7/ 1/88	50,000
Tennessee Gas Transmission Co.:				
First mortgage pipeline	3-7/8		2/ 1/76	50,000
First mortgage pipeline	4-3/4		11/ 1/76	58,000
First mortgage pipeline	5-1/4		11/ 1/79	78,000
Texas Electric Service Co.:				86,000
First mortgage bonds	4-1/2		2/ 1/95	100,000
Texas Power & Light Co.:				
First mortgage bonds	4-1/2		1/ 1/91	250,000
Union Electric Company of Missouri:				
First mortgage bonds	4-3/8		3/ 1/88	100,000
The Union Light, Heat & Power Co.:				
First mortgage bonds	5		7/ 1/89	200,000
United Gas Corp.:				
First mortgage and collateral trust	5		11/ 1/80	88,000
Utah Power & Light Co.:				
First mortgage bonds	4-7/8		9/ 1/90	100,000
Virginia Electric & Power Co.:				
First refunding mortgage, Series O	3-7/8		6/ 1/88	200,000
First refunding mortgage, Series P	4-5/8		9/ 1/90	150,000
Washington Gas Light Co.:				350,000
Refunding mortgage	4-7/8		5/ 1/86	100,000
West Penn Power Co.:				
First mortgage, Series M	2-7/8		3/ 1/79	100,000
First mortgage, Series U	4-7/8		12/ 1/95	250,000
				350,000

<u>PUBLIC UTILITIES - continued</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Carrying Value</u>
Western Union Telegraph Co.: Sinking fund debenture	5-1/4%	2/ 1/87	\$ 250,000
Wisconsin Power & Light Co.: First mortgage, Series A	3-1/4	8/ 1/71	250,000
Wisconsin Public Service Corp.: First mortgage bonds	3-1/4	10/ 1/84	100,000
Wisconsin Telephone Company: Debentures	5-1/2	7/ 1/92	25,000
Total public utilities			\$ 25,896,000
<u>BANKS</u>			
The Chase Manhattan Bank Convertible Notes	4.60 4-7/8	6/ 1/90 5/ 1/93	600,000 500,000 1,100,000
First National City Bank of New York	4	7/ 1/90	65,000
Philadelphia National Bank	5-1/2	3/ 1/92	200,000
Total banks			1,365,000
<u>INDUSTRIAL AND MISCELLANEOUS</u>			
Allied Chemical and Dye Corp.: Debentures	3-1/2	4/ 1/78	300,000
Aluminum Co. of America: Sinking fund debentures	3-7/8	4/ 1/83	50,000
American Can Co.: Debentures	3-3/4	4/ 1/88	200,000
Debentures	4-3/4	7/15/90	100,000
American Tobacco Co.: Debentures	5-7/8	7/ 1/92	300,000
Anheuser Busch, Inc.: Debentures	4-1/2	3/ 1/89	250,000
Beneficial Finance Co.: Debentures	5	11/ 1/77	150,000
Debentures	4-3/4	5/15/93	100,000
Bethlehem Steel Corporation: Consolidated Mortgage sinking fund, Series K	3 5.40	1/ 1/79 1/15/92	100,000 350,000 450,000
Burroughs Corporation: Sinking fund debentures	4-3/8	7/ 1/83	172,000
Caterpillar Tractor Co.: Mortgage bonds	4-1/2	11/ 1/77	300,000

<u>INDUSTRIAL AND MISCELLANEOUS - continued</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Carrying Value</u>
C.I.T. Financial Corp.: Debentures	3-5/8%	9/ 1/70	\$ 100,000
Debentures	4-3/4	7/ 1/70	100,000
Debentures	4-1/4	10/ 1/71	100,000
Commercial Credit Corp.: Debentures	4-7/8	9/15/87	300,000
Debentures	4-1/4	10/ 1/74	150,000
Continental Can Co.: Debentures	4-5/8	10/ 1/85	100,000
Continental Oil Co.: Sinking fund debentures	3	11/ 1/84	250,000
Dana Corp.: Debentures	6	12/ 1/91	248,000
Eaton Yale & Towne, Inc.: Debentures	5-1/2	3/15/92	161,000
Eximbank Portfolio Participation	5-1/2	3/15/73	200,000
Family Finance Corp.: Debentures	5	10/15/81	250,000
Food Machine Chemical: Convertible debentures	4-1/4	7/15/92	357,144
General American Transportation Corp.: Equipment trust	4-7/8	5/ 1/80	200,000
Equipment trust	4.60	11/15/85	77,000
General Aniline & Film Corp.: Debentures	5-7/8	12/ 1/91	125,000
General Electric Company: Debentures	3-1/2	5/ 1/76	202,000
General Motors Acceptance Corp.: Debentures	3	7/15/69	250,000
Debentures	3-1/2	3/15/72	150,000
Debentures	3-5/8	9/ 1/75	100,000
Debentures	5	8/15/77	25,000
Debentures	4	3/ 1/79	200,000
Debentures	4-7/8	12/ 1/87	200,000
W. T. Grant Co.: Convertible Sub. debentures	4-3/4	1/ 1/87	925,000
Gulf Oil Corp.: Debentures	5.35	6/15/91	250,000
Household Finance Corp.: Debentures	4-7/8	9/15/93	150,000
Debentures	5	7/ 1/92	250,000
			400,000

INDUSTRIAL AND MISCELLANEOUS - continued

	Rate of Interest	Maturity	Carrying Value
Industrial Equipment Trust:	6-3/4%	5/15/83	\$
Bonds			250,000
International Harvester Co.:	4-5/8	11/ 1/79	350,000
Debentures, Series A			
Lakehead Pipeline Co.:	7-1/8	4/ 5/93	400,000
Registered			
Liggett & Myers Tobacco Co.:	6	5/ 1/92	500,000
Sinking fund debentures			
Local Finance Corporation:	5-1/2	6/ 1/78	200,000
Debentures			
Lone Star Cement Co.:	4-7/8	7/ 1/90	250,000
Debentures			
MacMillan LTD	6-1/2	7/ 5/92	500,000
Debentures Series I			
Montgomery Ward & Co.:	4-7/8	8/ 1/90	250,000
Debentures			
National Cash Register:	5.60	6/ 5/91	500,000
Sinking fund debentures			
Convertible subordinated debentures	4-1/4	4/ 5/92	25,000
National Tea Company:	5	8/ 1/77	525,000
Sinking fund debentures			
Northwest Bancorporation:	4-3/4	10/ 5/90	28,000
Debentures			
The Outlet Co.:	5-1/2	7/ 1/86	250,000
Bonds			
Procter & Gamble Co.:	3-7/8	9/ 1/81	100,000
Debentures			
R. J. Reynolds Tobacco Co.:	3	10/ 1/73	100,000
Debentures			
Sears, Roebuck Acceptance Corporation:	5	7/ 5/82	50,000
Debentures			
Sinking fund debentures	4-3/4	8/ 1/83	722,000
Shell Oil Co.:			772,000
Sinking fund debentures	4-5/8	8/ 1/86	500,000
Standard Oil of California:	5-3/4	8/ 1/92	500,000
Registered			
Standard Oil Co. of Indiana:	4-1/2	10/ 1/83	192,000
Debentures			
Standard Oil Company of New Jersey:	2-3/8	5/ 5/71	250,000
Debentures			
Texaco, Inc.:	3-5/8	5/ 1/83	300,000
Debentures			

INDUSTRIAL AND MISCELLANEOUS - continued

	Rate of Interest	Maturity	Carrying Value
Textron Inc.			
Debentures			
Trailer Train Co.	5-7/8%	5/ 1/92	\$
Equipment Trust Cert.			200,000
Union Carbide Corp.:	7-1/8	12/ 1/82	200,000
Debentures			
United States Steel Corporation:	5.30	5/ 1/97	1,000,000
Sinking fund debentures			
Weyerhaeuser Co.:	4	7/ 5/83	350,000
Sinking fund debentures			
	5.20	5/ 1/91	500,000

Total Industrial and Miscellaneous

\$ 15,532,144

BANK STOCKS

	Number of Shares		
Bank of America	9,310	\$	376,229
BT New York Corp.	5,777		230,345
The Chase Manhattan Bank - New York	8,940		347,961
Chemical Bank New York Trust Co.	4,200		109,054
Continental-Illinois National Bank & Trust Company of Chicago	16,456		270,096
First National Bank of Boston	6,098		224,559
First National City Bank of New York	6,202		259,573
Industrial National Bank of Rhode Island	23,595		460,561
Manufacturers Hanover Trust Company	4,976		124,392
Morgan Guaranty Trust Company of New York	5,500		302,421
Rhode Island Hospital Trust Company	25,892		751,490
Shawmut Association, Inc.	2,940		99,312
State Street Bank & Trust Co.	5,670		113,635
United States Trust Company of New York	4,200		242,831

Total Banks

\$ 3,912,497

INVESTMENT COMPANIES AND TRUSTS

Affiliated Fund, Inc.	17,436	251,031
Incorporated Income Fund	20,353	152,565
Massachusetts Investors Trust	19,690	219,691

Total Investment Companies and Trusts

623,287

OTHER CORPORATE STOCKS

	Number of Shares	Carrying Value
Abbott Laboratories	3,000	57,458
Aetna Life Insurance	3,750	143,213
Allied Chemical Corp.	9,300	240,334
Allied Chemical Corp.	5,306	234,388
Allied Chemical Corp.	2,400	90,738
Allied Chemical Corp.	6,000	155,287
Allied Chemical Corp.	6,149	187,496
Amerada Petroleum Corporation	5,000	147,029
American Cyanamid Co., Inc.	6,000	44,574
American Electric Power Corp.	4,500	262,047
American Home Products Corp.	10,000	278,488
American Hospital Supply Co.	5,000	166,784
American Telephone & Telegraph Co.	3,000	140,486
Arizona Public Service Co.	7,500	126,531
Squibb Beech-Nut	4,000	108,310
Bethlehem Steel Corporation	4,000	226,549
Bethlehem Steel Corporation	6,000	445,360
Campbell Soup Co.	8,000	103,482
*Caterpillar Tractor Co.	3,954	131,576
Central & Southwest Comp.	4,613	210,358
Chubb Corporation	3,000	154,252
Cleveland Electric Illuminating Co.	5,400	90,124
Commonwealth Edison Co.	2,000	85,372
Connecticut General Life Insurance Co.	2,500	173,062
Consumers Power Co.	3,334	285,644
CNA Financial Corporation	6,000	152,022
CNA Financial Corporation, Prof.	1,000	126,255
Continental Oil Company of Delaware	2,500	92,483
Corn Products Co.	5,000	193,312
Corning Glass Works	1,500	184,404
Crown Zellerbach Corp.	6,100	270,012
Diamond International Corp.	3,700	136,065
E. I. DuPont de Nemours & Co., Inc.	5,250	166,417
Eastman Kodak Co.	5,010	495,160
Florida Power & Light Co.	6,000	272,286
The Foxboro Co.	3,500	257,663
Franklin Life Insurance Co.	5,290	242,074
General Electric Co.	8,000	118,074
General Foods Corporation	3,500	205,446
General Motors Corporation	7,000	48,336
General Public Utilities Corporation	3,000	232,541
Gillette Co.	3,000	236,670
Ginn & Co.	3,000	76,159
M. T. Grant Co.	5,000	171,692
Gulf Oil Corporation	11,200	203,560
Gulf States Utilities Co.	2,400	147,594
Harcourt, Brace & World Co., Inc.	2,400	130,586
Hartford Fire Insurance Co.	6,120	311,108
Honeywell, Inc.	3,000	412,397
Honeywell, Inc. - 3% convertible preference	1,500	39,526
Indiana General Corp.	3,850	
I. N. A. Corp.	7,500	
International Business Machines Corp.	4,412	
*C. B. S.	2,730	

OTHER CORPORATE STOCKS - continued

	Number of Shares	Carrying Value
International Harvester Co.	4,000	98,174
International Nickel Co. of Canada, Ltd.	3,000	145,098
International Paper Co.	5,580	170,497
Iowa Electric Light & Power Co.	10,000	197,929
Johns-Manville Corp.	4,000	201,605
Kimberly Clark Corp.	2,500	184,383
McGraw-Hill Publishing Co., Inc.	2,300	66,528
Merck & Co., Inc.	3,000	79,936
Middle South Utilities, Inc.	3,000	97,913
Minnesota Mining & Manufacturing Co.	8,000	257,621
Mobil Oil Corp.	3,500	187,447
Monsanto Co.	8,000	285,299
Montgomery Ward & Co.	5,907	155,753
National Cash Register	4,000	183,826
National Steel Corporation	2,500	74,736
Niagara Mohawk Power Corp.	2,000	223,037
Northeast Utilities	10,000	185,625
Northern States Power Co.	12,800	274,303
The Norwich Pharmacal Co.	8,000	130,390
Ohio Edison Co.	3,000	136,499
Owens Corning Fiberglas Corp.	6,000	201,325
Panhandle Eastern Pipeline	2,500	97,956
J. C. Penney Co.	4,100	213,530
Pfizer (Chas.) Co.	4,000	63,649
Phillips Petroleum Co.	2,000	202,587
Plough, Inc.	4,000	67,290
Polaroid Corp.	2,000	128,204
Procter & Gamble Co.	3,600	128,188
Radio Corp. of America	2,000	103,677
Scott Paper Co.	6,865	307,268
Sears, Roebuck & Co.	10,000	211,838
Sinclair Oil Corporation	6,000	182,822
Southern Co.	4,000	232,720
Standard Oil Company of California	8,000	215,420
Standard Oil Company of Indiana	3,625	317,655
Standard Oil Company of New Jersey	6,000	343,621
Texaco, Inc.	6,000	338,828
Texas Utilities Co.	7,000	248,857
Transamerica Corp.	5,500	170,834
Union Bag-Camp Paper Corporation	7,035	242,286
Union Carbide Corporation	6,000	424,701
Union Electric Co.	7,400	201,613
U. S. Fidelity & Guaranty Co.	10,000	222,221
United States Gypsum Co.	4,200	225,011
United States Steel Corporation	2,500	278,597
Virginia Electric & Power Co.	4,000	193,636
	8,266	

OTHER CORPORATE STOCKS - continued

Western Bancorporation
Westinghouse Electric Corp.
Xerox Corp.

Total Other Corporate Stocks

TOTAL INVESTMENTS - EMPLOYEES' RETIREMENT FUND

Number of
Shares

19,900
5,000
600

Carrying
Value

\$ 593,369
195,893
162,446

\$ 19,063,435

\$ 102,692,866

INVESTMENTS ACQUIRED DURING THE YEAR

<u>Description</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Par Value</u>
<u>UNITED STATES OF AMERICA</u>			
Bonds	5-1/4%	11/15/68	\$ 1,000,000
Bills	Disc.	4/18/68	1,200,000
Bonds	5-3/4%	2/15/75	550,000
Bonds	5-3/4	12/15/75	1,000,000
			<u>\$ 3,750,000</u>
<u>INTERNATIONAL BANK FOR RECONSTRUCTION</u>			
Bonds	5-3/8	4/ 1/92	200,000
<u>CERTIFICATES OF DEPOSIT</u>			
Industrial National Bank	5-1/2	4/24/68	250,000
<u>COMMERCIAL PAPER</u>			
Avco Delta Corp.	Disc.	3/18/68	500,000
Avco Delta Corp.	Disc.	5/13/68	500,000
C. I. T. Corp.	Disc.	6/14/68	1,000,000
Fruehauf Corp.	Disc.	3/14/68	250,000
Fruehauf Finance	Disc.	2/14/68	250,000
G. C. Murphy Co.	Disc.	12/14/67	200,000
G. M. A. C.	Disc.	7/26/67	500,000
J. I. Case Credit Corp.	Disc.	12/14/67	250,000
J. I. Case Credit Corp.	Disc.	5/ 9/68	500,000
Motorola Inc.	Disc.	5/ 9/68	300,000
Stromberg Carlson Co.	Disc.	1/ 2/68	900,000
U. S. Pine & Foundry Co.	Disc.	11/ 9/67	200,000
			<u>5,350,000</u>
<u>PUBLIC UTILITY BONDS</u>			
American Tel. & Tel. Debentures	3-3/8%	12/ 1/73	100,000
Blackstone Valley Electric Co. First Collateral Trust	6-1/2	6/ 1/97	100,000
Commonwealth Edison First Mortgage	6-1/4	2/ 1/98	350,000
Consolidated Edison First Refunding Mortgage, Series H	4-1/4	10/ 1/86	100,000

PUBLIC UTILITY BONDS - continued

	Rate of Interest	Maturity	Par Value
Illinois Bell Telephone First Mortgage, Series M	6%	7/ 1/98	\$ 250,000
Metropolitan Edison First Mortgage	6-7/8	10/ 1/92	300,000
Michigan Bell Telephone Debentures	6-3/8	2/ 1/05	500,000
New York Telephone Refunding Mortgage Series K	4-1/8	7/ 1/93	25,000
Northern Natural Gas Debentures	7-1/4	5/ 1/88	300,000
Northern States Power First Mortgage	6-3/4	6/ 1/98	500,000
Northwestern Bell Tel. Debentures	6-1/4	1/ 1/07	500,000
Pacific Gas & Electric First and refunding mortgage, Series MM	5-3/8	6/ 1/98	100,000
Pennsylvania Power & Light First Mortgage	3	10/ 1/75	100,000
Southern California Edison First and refunding mortgage	6-3/8	2/15/93	400,000
			4,125,000
<u>INDUSTRIAL BONDS</u>			
American Can Co. Debentures	3-3/4	4/ 1/88	100,000
American Tobacco Co. Debentures	5-7/8	7/ 1/92	250,000
Chase Manhattan Bank Convertible Notes	4.6	6/ 1/90	250,000
Convertible Notes	4-7/8	5/ 1/93	500,000
Food Machine Chemical Convertible Debentures	4-1/4	7/15/92	250,000
Industrial Equipment Trust Bonds	6-3/4	5/15/83	250,000
Lakehead Pipeline Co. Registered	7-1/8	4/15/93	400,000
MacMillan LTD Debentures Series E	6-1/2	7/15/92	500,000
N. C. R. Sinking Fund Debentures	5.6	6/15/91	300,000
Sears, Roebuck Sinking Fund Debentures	4-3/4	8/ 1/83	150,000

INDUSTRIAL BONDS - continued

	Rate of Interest	Maturity	Par Value
Standard Oil California Registered	5-3/4%	8/ 1/92	\$ 500,000
Textron Inc. Debentures	5-7/8	5/ 1/92	200,000
Trailer Train Co. Equipment Trust Cert.	7-1/8	12/ 1/82	200,000
			3,850,000

BANK STOCKS

Western Bancorporation

COMMON STOCKS

	Number of Shares	Cost
	9,900	\$ 278,984.73
Allegheny Power System	2,000	51,635.00
American Tel. & Tel.	1,000	54,381.45
Arizona Public Service	4,200	111,938.44
Central & Southwest Co.	2,000	83,116.64
Chubb Corporation	1,014	43,763.29
Consumers Power Co.	1,000	45,163.80
Corn Products Co.	1,000	46,168.80
Federal Insurance Co.	1,000	91,583.80
Florida Power & Light Co.	2,000	178,677.56
Franklin Life Insurance Co.	2,500	75,507.85
General Electric Co.	2,582	179,446.08
General Foods Corp.	2,000	29,234.00
General Public Utilities Corp.	500	36,659.06
Ginn & Co.	1,198	64,021.66
Gulf Oil Corp.	2,000	72,211.50
Gulf States Utilities Co.	1,000	102,590.70
I. N. A. Corp.	4,200	94,455.11
Iowa Electric Light & Power Co.	2,500	69,863.94
Minnesota Mining & Manufacturing Co.	2,800	108,940.39
Monsanto Co.	1,300	54,696.79
Niagara Mohawk Co.	1,230	67,993.77
Northeast Utilities	3,000	110,250.42
Northern States Power Co.	6,800	117,031.57
Owens Corning Fiberglass Corp.	3,500	49,497.21
J. C. Penney Co.	700	126,155.30
Polaroid Corp.	2,000	60,177.00
Scott Paper Co.	300	115,078.80
Sears, Roebuck Co.	4,000	115,794.92
Southern Co.	2,000	232,720.42
Standard Oil of California	8,000	58,823.40
Standard Oil Co. of Indiana	1,000	317,655.20
Standard Oil Co. of New Jersey	6,000	67,582.10

COMMON STOCKS - continued

Texasaco Inc.
 Texas Utilities Co.
 Union Electric Co.
 U. S. Fidelity & Guaranty Co.
 Virginia Electric Co.
 Xerox Corp.

Number of
 Shares

1,750
 2,000
 1,500
 1,000
 1,200
 600

Par Value
 \$ 129,480.00
 105,334.43
 36,275.70
 56,696.30
 48,907.72
 162,446.05
 3,581,937.39

INVESTMENTS DISPOSED OF DURING THE YEAR

<u>Description</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Par Value</u>
<u>UNITED STATES OF AMERICA</u>			
Notes	3-3/4%	8/15/67	\$ 1,000,000
Bonds	3-3/4	8/15/68	550,000
Notes	5-1/4	11/15/68	1,000,000
Bills	Disct.	4/18/68	1,200,000
			<u>3,750,000</u>
<u>CERTIFICATES OF DEPOSIT</u>			
Industrial National Bank	5-1/2	4/24/68	250,000
<u>COMMERCIAL PAPER</u>			
Avco Delta Corp.	Disct.	3/18/68	500,000
Avco Delta Corp.	Disct.	5/13/68	500,000
C. I. T. Corp.	Disct.	6/14/68	1,000,000
Fruehauf Finance Co.	Disct.	2/14/68	250,000
Fruehauf Finance Co.	Disct.	3/14/68	250,000
G. M. A. Co.	Disct.	7/26/67	500,000
G. C. Murphy Co.	Disct.	12/14/67	200,000
J. I. Case Credit Corp.	Disct.	12/14/67	250,000
J. I. Case Credit Corp.	Disct.	5/ 9/68	500,000
Motorola Inc.	Disct.	5/ 9/68	300,000
Stromberg Carlson Credit	Disct.	1/12/68	900,000
U. S. Pipe & Foundry Co.	Disct.	11/ 9/67	200,000
			<u>5,350,000</u>
<u>STATE - MUNICIPAL BONDS</u>			
Town of Glocester School Construction	2.7%	8/ 1/67	10,000
City of Newport Water	2-1/4	3/ 1/68	4,000
Town of North Providence Funding	3	7/ 1/67	3,000
Town of North Providence Sewer	3	9/ 1/67	35,000
City of Pawtucket Refunding	2-3/4	6/ 1/68	3,000
Water	2-5/8	9/ 1/67	5,000
City of Providence Water	4	1/ 3/68	35,000

STATE - MUNICIPAL BONDS - continued

	<u>Rate of Interest</u>	<u>Maturity</u>
Town of Smithfield School	2-3/4%	6/ 1/68
Town of West Warwick Sewer	2-1/2	7/ 1/67

RAILROAD BONDS

Southern Pacific Equipment Trust	2-5/8	4/ 1/68
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INDUSTRIAL BONDS

AGF Industries Inc. Equipment Trust	5-1/2	4/15/82
Export-Import Bank Participation Cert.	5-1/2	9/15/67
Participation Cert.	5-1/2	3/15/63
Peabody Coal Co. Sinking Fund Debentures	5-1/4	10/ 1/76

COMMON STOCKS

	<u>Number of Shares</u>
Canteen Corporation	4,030
C. B. S.	1,365
Consolidated Edison	3,500
North American Aviation	1,000

BANK

Irving Trust	8,269
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PREFERRED STOCKS

Blackstone Valley Gas & Elec.	5.6%	1,000
Boston Edison Co.	4-1/4	500
Narragansett Electric Co.	4-1/2	2,200
Southern California Edison	4.2%	2,000
Southern California Edison	4.7%	1,500

Par Value

\$ 15,000
2,000

112,000

10,000

17,000

35,714

35,714

87,000

175,428

Cost

132,004.93

34,893.72

136,856.00

51,190.60

354,945.45

197,677.39

101,820.00

50,812.50

106,700.00

51,100.00

38,325.00

\$ 348,757.50

A P P E N D I X

Summary of Benefit and Contribution Provisions

Statistical Tables

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

BENEFITS

Service retirement allowance. Retirement is optional with a member upon attainment of the age of 60 years, provided he has at least 10 years of credited service. A member completing 30 years of service may retire under age 60 on a reduced allowance which is the actuarial equivalent of the amount payable at age 60. A member may retire under age 60 on a full service retirement allowance after 35 years of total service.

A member withdrawing from service prior to the attainment of age 60, the right to a retirement benefit vests if service credit is 10 years or more. If the member does not take a refund, the retirement allowance will become available upon his attainment of age 60.

Retirement is compulsory on the first day of the calendar month next following attainment of age 70, unless the member requests permission to continue in service, in which case the retirement board may permit continuation in service beyond such age for periods of one year.

The service retirement allowance is equal to 1-2/3% of average compensation^{1/}, multiplied by the number of years of total service, not to exceed 45 years, subject to a maximum of 75% of the rate of compensation at the date of retirement.

Options. Upon or after attainment of age 60, and the completion of 10 years of service, or beginning at age 55 after 20 years of service, a member may elect to receive a lesser amount of service retirement allowance for himself in order to provide, on an actuarial equivalent basis, an annuity for a designated beneficiary to become payable upon his death, whether death occurs while in service or while on retirement.

Non-occupational disability. A benefit is available to any member having at least 7 years of credited service. The benefit is equal to the amount of the service retirement allowance covering the period of total credited service of the member.

^{1/} Average annual compensation earnable for the 3 consecutive years within the total service when such average was the highest.

A member qualifying for this benefit but not having completed 15 years of service, is entitled to receive the benefit prescribed for 15 years of service. If the member first entered service after the age of 45 years, his benefit is limited to the rate of service retirement allowance for which he would qualify if he remained in service until the age of 60 years and retired at such age.

Occupational disability. A member becoming disabled while under age 65 as the direct result of the performance of duty is entitled to a benefit equal to 66-2/3% of his rate of compensation at the date of becoming eligible for this benefit.

Non-occupational death. Upon death of a member while in service, from any cause other than occupational disability, his designated beneficiary or the estate of the member is entitled to receive a refund of his accumulated contributions, without interest, together with an amount provided from State contributions equal to \$250.00 for each year of total service of the member. The payment from State contributions is subject to a minimum amount of \$1,000.00 and a maximum of \$5,000.00.

If the period of service of the member has been less than one year, the minimum benefit of \$1,000.00 is reduced by the difference between the amount of accumulated contributions that the member would have had at the end of one year of service had he continued to render service, and the amount of accumulated contributions actually credited at the date of death.

A State employee member retiring on or after July 1, 1964 and a teacher-member retiring on or after May 26, 1966, receives continued coverage for ordinary death benefit but on a reduced basis, reduced to the extent of 25% for each full year on retirement, to a minimum of 25% of the amount of benefit in effect for the member at date of retirement but not less than \$1,000.00.

Members of the General Assembly may continue coverage for this benefit after withdrawal from the General Assembly by making an annual contribution of \$15.00.

Occupational death. Upon death of a member due to occupational causes, his accumulated contributions, including interest, are payable to such person as the member shall have designated, or if no such designation shall have been made or if the beneficiary is not alive, payment is to be made to the estate of the member.

NO INSURANCE PAYMENT

In addition to the above payment, the surviving widow is entitled to a benefit equal to 5% of the member's salary at date of death, if no other survivors of whom death of the member has attained age 18, or if no other survivors of the surviving child or children, sometimes before any child of the surviving child. If there be no child, the benefit is payable to the widow. If there be no child, the benefit is payable to the child or children, if no widow or minor child or children, a dependent father or mother for life.

Death after retirement. Upon death of a retired member who did not elect any of the optional provisions of the Act, his bene- fit salary is added to a refund of the excess, if any, of the total member contributions at date of retirement, without inter- est, over the total retirement benefits paid to him, the minimum payment in such a case is an amount equal to five percent in- crease of the retirement allowance or the sum of \$300.00, whichever is the greater.

Refunds. A member who withdraws from the State service, may receive a refund of his contributions to the system equal to the full amount of his contributions to July 1, 1947. No interest is credited on the member's contributions contributed by a member, payable on refunds representing amounts contributed by a member after July 1, 1947.

CONTRIBUTIONS

Members. State employee members of the system are required to contribute at the rate of 5% of salary. This rate is uniform for all employees, both male and female.

Teacher members contribute 5% of salary. This is a uniform rate for all teachers.

For the State of Rhode Island. The State of Rhode Island is ob- ligated to make regular contributions to meet the cost of the various benefits after applying the amounts contributed by the members. These contributions are made by means of regular annual appropriations.

The contributions by the State for any fiscal year are to consist of an amount equal to the computed average annual expenditures for the various purposes of the system, for the period of ten years next succeeding the fiscal year in question, after applying

against these expenditures the amounts to be contributed by the members. A uniform rate is to be maintained under this method of determination for a period of ten years from July 1, 1947. The State's contribution on account of State employees is equal to 5% of total salaries, effective July 1, 1957.

In the case of teacher-members, the rate of employer contribu- tions, shared equally by the State and the cities and towns, is 7% of total salaries, effective as of July 1, 1958.

NOTIFICATIONS AFFECTING MEMBERS OF THE GENERAL ASSEMBLY

Members of the General Assembly become eligible for participation in the system effective July 1, 1960. Members contribute 5% of salary. A member may retire beginning at age 60 after 10 years of service. The retirement annuity is equal to \$2,000.00 for 10 years of service increased \$200.00 for each year of service above 10 years up to a maximum of \$4,000.00 per year.

If a former member of the General Assembly (not on retirement) renders service of any agency or division of the State govern- ment other than as a member of the General Assembly and renders at least 2 years of service, he may elect the above formula or the regular service retirement allowance described heretofore, whichever is greater.

EXTENSION TO PUBLIC SCHOOL TEACHERS - NOTIFICATIONS

On July 1, 1949, the system was extended to include teachers of the State schools and teachers of the several cities and towns of the State of Rhode Island.

All provisions of the system relating to State employees apply with equal force to such teachers. Prior service credit is ex- tended to teachers covering the period prior to July 1, 1949.

Contributions for leaves of absence during any year may be made for the purpose of receiving pension credit under stated condi- tions. Credit for teaching service in any of the public schools of the United States, outside of this state, and in any private school or institution not operated for profit, is allowed, not exceeding a total of 10 years, upon payment of prescribed

contributions. Such credit is available, however, only in the event the service was rendered more than 10 years before the date of death.

Effective July 1, 1962, any teacher may retire after 35 years of service regardless of age.

The minimum service retirement allowance in the case of a teacher having rendered at least 35 years of service is \$1,000.00 per year. The minimum was increased in 1952 under a formula which provided an additional amount of not less than \$200.00 per year.

A teacher having at least 20 years of credited service is eligible for a minimum ordinary annuity allowance (non-occupational) of \$500.00 per year. This amount was increased in 1952 under a formula which provided an additional payment of not less than \$200.00 per year.

SUMMARY OF PROVISIONS FOR SURVIVORS' BENEFITS AND SPECIAL PROVISIONS

Beginning July 1, 1963, survivors' benefits are provided certain designated beneficiaries of teachers, namely, a widow or widower, a dependent parent and minor children under age 18.

Specifically, the beneficiaries under this provision are:

- (a) a widow who was married to the deceased teacher at least one year prior to death, or was the mother of his son or daughter, or legally adopted his son or daughter while married to him, or such son or daughter was under age 18, or was married to him at the time both of them legally adopted a child under age 18;
- (b) a widower who was married to the teacher for not less than one year prior to the date of her death, is the father of her child, or legally adopted a child while married to her while the child was under age 18;
- (c) a natural parent, a stepparent or the deceased member by marriage contracted before the member attained age 18, or an adopting parent who adopted the deceased teacher before the teacher attained age 18;
- (d) children including a stepchild who was in that capacity for at least one year before the death of the member or an adopted child of the member regardless of length of adoption;

(e) former divorced wife who is the mother of his child or child born and while they were under age 18, was married to the member at the time both of them legally adopted a child under age 18.

Widow's benefits. Payable during widowhood at age 62 or over if the widow provided she was living with the husband at the time of death. The amount of benefit payable is as follows:

Last annual salary	Monthly benefit	Last annual salary	Monthly benefit
\$4200	\$48.70	3300	\$48.70
4800	60.30	4200	\$5.70
2400	69.30	4800 and over	\$5.70
3000	78.40		102.40

Benefits for annual salary not shown in this schedule must be determined by the retirement board.

Widow's benefit. Payable to a widow who is not entitled to a widow's benefit provided (a) she has in her care a child of a member entitled to child's benefits and was living with the member-member at the time of his death and (b) she has not remarried. The amount of benefit payable is as follows:

Last annual salary	Widow and 1 child	Widow and 2 children	Widow and 3 or more children
\$4200	\$ 86.50	\$ 88.50	\$ 88.50
4800	109.60	120.00	120.00
2400	126.00	161.60	161.60
3000	142.60	202.40	202.40
3600	157.60	236.40	240.00
4200	174.00	254.00	254.00
4800	190.60	254.00	254.00

Benefits for salaries not shown above must be determined by the retirement board.

When the youngest child attains age 18, the widow is entitled to receive the widow's annuity provided she has attained age 62, otherwise she must wait until she attains such age.

Child's benefits. These benefits are payable on account of any unmarried child under age 18 who was dependent upon the teacher at time of his death or the child was disabled which had its origin prior to age 18. The monthly amounts of benefit payable are as follows:

Last annual salary	One child	Two children	Three or more children
\$1200	\$ 44.30	\$ 88.50	\$ 88.50
1800	54.80	109.60	120.00
2400	63.00	126.00	161.60
3000	71.30	142.60	202.40
3600	78.80	157.60	236.40
4200	87.00	174.00	254.00
4800	95.30	190.60	254.00

Benefits for amounts of salary not shown above must be determined by the retirement board.

Widower's benefit. Payable to the widower of a deceased teacher member upon attainment of age 62 who is not entitled to a social security benefit from his own earnings equal to or greater than the amount of this benefit. The rates of benefit are the same as those prescribed for a widow.

Parent's benefit. Payable to a dependent parent or parents of a teacher who did not leave a widow, widower or eligible child surviving him, who had attained age 65 and payable while the parent is unmarried, and is not entitled to a social security benefit from his own earnings equal to or greater than the amount of this benefit. The rates of benefit are the same as those prescribed for a widow.

Refunds. Upon death of any member while in service leaving no dependents eligible to benefits, a refund is payable of his contributions towards this benefit, plus interest.

If a member leaves the service before retirement with 5 years of service or more, he is entitled to a refund of his contributions for this purpose. If service is less than 5 years, no refund is payable.

Social security. The survivors' annuity provisions described herein do not apply to teachers of any city or town who prior to July 1, 1963 elected coverage for its teachers under the federal social security act.

Financing. A survivor's benefit fund was created to which teachers make additional contributions equal to 1-1/2% of salary up to salary of \$4,800 per year which are to be matched equally by the cities and towns. The State of Rhode Island, through the Employees' Retirement Board, is designated as administrator of this program. The State assumes the cost of administration.

No member or dependents are eligible for benefits unless contributions had been made for at least 6 consecutive calendar months prior to death or retirement. However, any teacher who retired between April 21, 1962 and September 1, 1963 may become eligible for this program by contributing for at least 6 months 3% of salary based upon his last rate of salary, provided he makes written application to the retirement board on or before September 1, 1963.

TABLE 1. Number of STATE EMPLOYEES and Annual Salaries - Classified by 5-year Age Groups

<u>Age Group</u>	<u>M A L E</u>	
	<u>Number</u>	<u>Annual Salaries</u>
Less than 20	91	\$ 381,668
20 to 24 incl.	261	1,231,058
25 to 29 incl.	404	2,322,343
30 to 34 incl.	459	3,624,551
35 to 39 incl.	599	4,275,615
40 to 44 incl.	709	5,355,894
45 to 49 incl.	710	5,295,462
50 to 54 incl.	780	5,543,855
55 to 59 incl.	856	5,209,813
60 to 64 incl.	774	5,563,750
65 to 69 incl.	419	3,038,571
70 to 74 incl.	109	838,389
75 and over	<u>11</u>	<u>70,762</u>
Totals	<u>6,182</u>	<u>\$42,859,735</u>

193 over 70 - working for state.

TABLE 2. Number of STATE EMPLOYEES and Annual Salaries Classified by 5-year Age Groups

<u>Age Group</u>	<u>F E M A L E</u>	
	<u>Number</u>	<u>Annual Salaries</u>
Less than 20	148	\$ 643,805
21 to 24 incl.	540	2,444,322
25 to 29 incl.	317	1,646,299
30 to 34 incl.	247	1,269,934
35 to 39 incl.	344	1,831,270
40 to 44 incl.	561	2,896,239
45 to 49 incl.	741	3,806,800
50 to 54 incl.	880	4,688,804
55 to 59 incl.	791	4,310,571
60 to 64 incl.	578	3,123,141
65 to 69 incl.	254	1,482,240
70 to 74 incl.	64	379,131
75 and over	<u>9</u>	<u>68,718</u>
Totals	<u>5,474</u>	<u>\$28,591,274</u>

TABLE 5. Number of TEACHER MEMBERS and Annual Salaries - Classified by 5-year Age Groups

<u>M A L E</u>		
<u>Age Group</u>	<u>Number</u>	<u>Annual Salaries</u>
21 to 24 yrs. Incl.	207	\$ 1,438,527
25 to 29 yrs. Incl.	388	3,760,727
30 to 34 yrs. Incl.	487	3,307,199
35 to 39 yrs. Incl.	461	3,875,780
40 to 44 yrs. Incl.	361	2,919,660
45 to 49 yrs. Incl.	282	2,209,034
50 to 54 yrs. Incl.	196	1,654,310
55 to 59 yrs. Incl.	195	1,814,375
60 to 64 yrs. Incl.	111	1,217,940
65 to 69 yrs. Incl.	60	617,726
70 yrs. and over	13	141,356
Totals	<u>2,981</u>	<u>\$22,956,634</u>

TABLE 6. Number of TEACHER MEMBERS and Annual Salaries - Classified by 5-year Age Groups

<u>F E M A L E</u>		
<u>Age Group</u>	<u>Number</u>	<u>Annual Salaries</u>
21 to 24 yrs. Incl.	848	\$ 5,830,818
25 to 29 yrs. Incl.	885	5,629,292
30 to 34 yrs. Incl.	387	2,750,206
35 to 39 yrs. Incl.	331	2,513,730
40 to 44 yrs. Incl.	437	3,131,725
45 to 49 yrs. Incl.	432	3,347,990
50 to 54 yrs. Incl.	523	4,413,837
55 to 59 yrs. Incl.	645	5,520,112
60 to 64 yrs. Incl.	607	5,285,459
65 to 69 yrs. Incl.	300	2,591,579
70 yrs. and over	57	480,324
Totals	<u>5,452</u>	<u>\$41,495,072</u>

TABLE 9. Number of STATE EMPLOYEE Pensioners Classified by Age and Total Annual Pension Payments

<u>M A L E</u>				
<u>Age</u>	<u>Number</u>	<u>Annual Payments</u>	<u>Age</u>	<u>Number</u>
		\$ 1,012	80	21
39	1		81	16
		771	82	12
40	1	949	83	10
44	1	1,718	84	9
49	2			
		937	85	6
50	1	4,860	86	7
55	2	5,280	87	5
56	3	7,846	88	6
57	4	16,465	89	3
58	9	11,948		
59	5		90	4
		16,548	91	2
60	5	46,874	92	2
61	18	41,984	94	1
62	23	78,695		
63	32	89,548	96	1
64	39		106	1
		66,106		
65	28	85,362	Totals	868
66	30	107,428		
67	42	99,899		
68	45	67,442		
69	39			
		101,893		
70	57	92,666		
71	58	95,008		
72	46	72,106		
73	52	85,702		
74	54			
		76,099		
75	46	38,402		
76	25	72,060		
77	34	49,877		
78	29	27,328		
79	23			

<u>Annual Payments</u>
\$ 33,814
31,312
24,455
20,865
18,466
5,879
7,596
11,314
5,514
4,306
9,785
4,066
8,962
1,312
620
1,214
<u>\$1,652,293</u>

TABLE 10. Number of STATE EMPLOYEE Pensioners Classified by Age and Total Annual Pension Payments

<u>F E M A L E</u>				
<u>Age</u>	<u>Number</u>	<u>Annual Payments</u>	<u>Age</u>	<u>Number</u>
	1	\$ 959	80	5
	1	1,044	81	19
	1	919	82	11
	1	1,183	83	8
	1	941	84	4
	1	1,150		
			85	8
	3	4,926	86	7
	1	3,968	87	3
	1	3,042	88	3
	3	9,568	89	4
	3	6,004		
			90	2
	12	24,277	91	2
	24	39,866	93	1
	14	25,797	94	2
	21	47,574		
	63	63,671	Totals	670
	26			
		61,998		
	28	90,852		
	45	89,206		
	46	55,158		
	30	52,216		
	30			
		57,001		
	40	73,108		
	46	59,916		
	35	46,884		
	36	30,387		
	23			
		60,862		
	29	38,173		
	29	45,321		
	31	18,963		
	12	23,232		
	17			

Table 11.
Number of Pension Payments
Classified by Age and Total
Annual Pension Payments

Age	Number	Annual Payments
50	1	800
51	2	1,600
52	1	800
53	1	800
54	1	800
55	1	800
56	1	800
57	1	800
58	1	800
59	1	800
60	1	800
61	1	800
62	1	800
63	1	800
64	1	800
65	1	800
66	1	800
67	1	800
68	1	800
69	1	800
70	1	800
71	1	800
72	1	800
73	1	800
74	1	800
75	1	800
76	1	800
77	1	800
78	1	800
79	1	800
80	1	800
81	1	800
82	1	800
83	1	800
84	1	800
85	1	800
86	1	800
87	1	800
88	1	800
89	1	800
90	1	800
91	1	800
92	1	800
93	1	800
94	1	800
95	1	800
96	1	800
97	1	800
98	1	800
99	1	800
100	1	800
Totals	210	\$84,210

Table 12.
Number of Smoking Pensioners
Classified by Age and Total
Annual Pension Payments

Age	Number	Annual Payments	Years
50	1	3,150	80
51	1	1,522	80
52	1	4,001	80
53	1	3,195	80
54	1	1,522	80
55	1	1,522	80
56	1	1,522	80
57	1	1,522	80
58	1	1,522	80
59	1	1,522	80
60	1	1,522	80
61	1	1,522	80
62	1	1,522	80
63	1	1,522	80
64	1	1,522	80
65	1	1,522	80
66	1	1,522	80
67	1	1,522	80
68	1	1,522	80
69	1	1,522	80
70	1	1,522	80
71	1	1,522	80
72	1	1,522	80
73	1	1,522	80
74	1	1,522	80
75	1	1,522	80
76	1	1,522	80
77	1	1,522	80
78	1	1,522	80
79	1	1,522	80
80	1	1,522	80
81	1	1,522	80
82	1	1,522	80
83	1	1,522	80
84	1	1,522	80
85	1	1,522	80
86	1	1,522	80
87	1	1,522	80
88	1	1,522	80
89	1	1,522	80
90	1	1,522	80
91	1	1,522	80
92	1	1,522	80
93	1	1,522	80
94	1	1,522	80
95	1	1,522	80
96	1	1,522	80
97	1	1,522	80
98	1	1,522	80
99	1	1,522	80
100	1	1,522	80
Totals	1,150	\$4,273,583	

TABLE 12. Retirees Among State Employees by Age at Retirement and Annual Payments - Year Ended June 30, 1966

Age at Retirement	Number	Annual Payments	Age at Retirement	Number	Annual Payments
49	1	\$ 502.00	51	1	\$ 2,600.50
50	1	1,019.00	52	2	6,830.00
51	1	4,071.00	53	11	21,581.57
52	1	1,905.00	54	8	2,524.91
53	9	25,071.00	55	11	26,771.12
54	19	14,105.01	56	7	13,838.20
55	9	23,250.00	57	15	15,253.47
56	8	16,574.48	58	5	12,846.99
57	8	21,752.00	59	10	20,507.55
58	16	39,529.02	60	6	17,972.02
59	8	11,302.00	61	7	15,516.35
60	9	28,096.30	62	9	14,239.80
61	5	8,918.29	63	4	5,222.17
62	5	6,506.79	64	3	10,759.72
63	9	25,909.07	65	2	1,305.18
64	3	3,254.29	Totals	69	\$189,776.25
65	1	6,917.31			
66	1	2,009.00			
67	2	3,417.17			
Totals	106	\$249,757.12			

ORDINARY DISABILITY

Age at Retirement	Number	Annual Payments	Age at Retirement	Number	Annual Payments
40	1	\$ 1,387.50	50	1	\$ 1,080.02
49	2	3,339.09	55	1	787.75
51	1	1,138.77	58	2	1,326.02
56	1	2,971.32	59	1	923.50
59	4	9,305.52	Totals	5	\$ 4,117.33
62	1	927.56			
63	1	723.00			
Totals	11	\$ 19,635.76			

TABLE 13 - continued ACCIDENTAL DISABILITY

Age at Retirement	Number	Annual Payments	Age at Retirement	Number	Annual Payments
62	1	\$ 4,368.00			
61	3	\$ 5,984.40			
62	1	872.48	64	1	716.35
65	1	2,865.95	68	1	700.32
66	2	6,338.40	Totals	2	\$1,425.67
69	1	1,111.32			
70	1	3,774.60			
71	1	1,769.76			
73	1	624.36			
76	1	2,591.16			
Totals	12	\$25,732.44			

ORDINARY

Age at Retirement	Number	Annual Payments	Age at Retirement	Number	Annual Payments
62	1	\$ 2,003.52			
65	1	3,299.52			
66	2	5,733.06			
68	1	604.80			
70	1	3,643.50			
74	1	2,009.00			
Totals	7	\$17,293.40			

TABLE 14.

Terminations of Pensions Among STATE EMPLOYEES Pensioners by Age at Death and Years on Pension - Year Ended June 30, 1968

Age at Death	Years on Pension		Male	Female
	Male	Female		
		Less than 1 year	2	1
58	--	1	3	1
63	1	2	7	--
66	2	3	3	1
67	3	4	2	--
68	2	5	4	3
69	0	6	5	5
70	1	7	5	5
71	4	8	2	2
73	--	9	4	1
74	3	11	1	--
75	4	12	1	--
76	3	14	1	--
77	1	16	1	--
78	5	18	--	1
79	1	21	1	1
80	1	22	1	1
81	2	Totals	45	19
82	--			
83	--			
86	1			
87	1			
88	2			
89	1			
Totals	45			

TABLE 15. Retirements Among TEACHER MEMBERS by Age at Retirement and Annual Payments - Year Ended June 30, 1968

Age at Retirement	M A L E		F E M A L E	
	Number	Annual Payments	Number	Annual Payments
53	1	\$ 2,271.34	49	\$ 3,129.87
57	1	2,292.79	54	3,195.01
59	2	2,310.15	56	13,672.63
60	1	4,124.45	57	8,030.13
61	2	8,195.68	58	33,406.12
62	1	5,188.90	59	32,692.62
63	2	12,728.19	60	59,210.78
64	3	12,325.03	61	29,941.53
65	2	7,186.52	62	66,967.88
66	1	4,406.64	63	42,213.51
67	1	9,645.24	64	58,657.47
68	1	8,185.80	65	54,764.11
70	2	10,120.24	66	38,035.64
Totals	20	\$ 88,980.97	67	9,327.31
			68	36,630.42
			69	57,018.19
			70	35,692.14
			Totals	123
				\$582,605.66

ORDINARY DISABILITY

52	1	\$ 3,830.46

TABLE 15
Partials of Partials About
Partials Partials of Age at
Death and Date of Partials
Year since June 30, 1968

Age at Death	MALE	FEMALE	Years on Partials less than 1 year	MALE	FEMALE
2	1	1	1	2	2
3	1	1	1	2	2
4	1	1	1	2	2
5	1	1	1	2	2
6	1	1	1	2	2
7	1	1	1	2	2
8	1	1	1	2	2
9	1	1	1	2	2
10	1	1	1	2	2
11	1	1	1	2	2
12	1	1	1	2	2
13	1	1	1	2	2
14	1	1	1	2	2
TOTALS	14	14		28	28

WATER
MFG. CO.