

1897
The Employees' Retirement System
of Rhode Island

ANNUAL REPORT
of the
Retirement Board

Year Ended June 30, 1900

**Municipal Employees' Retirement System
State of Rhode Island**

**NINTH ANNUAL REPORT
of the
Retirement Board**

Fiscal Year Ended June 30, 1966

RETIREMENT BOARD
(as constituted June 30, 1966)

HON. RAYMOND H. HAWKSLEY, CHAIRMAN
General Treasurer

G. ALDEN WINTER
Warwick

HON. FRANCIS P. SMITH
Chairman, Finance Committee
The Senate

HON. MICHAEL SEPE
Chairman, Finance Committee
House of Representatives

JOSEPH H. O'DONNELL, JR.
Director of Administration

ROBERT M. SCHACHT
Director of Business Regulation

DR. WILLIAM P. ROBINSON
Commissioner of Education

JAMES E. CONLON
Sup't. South Kingstown School Department

CHARLES W. HILL
State Controller

JOSEPH G. IANNELLI
Executive Secretary

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* * * * *

December 30, 1966

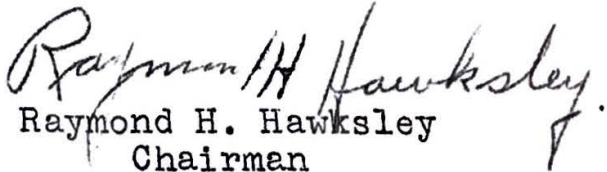
To his Excellency
The Honorable John H. Chafee
Governor, State of Rhode Island
and Providence Plantations
Providence, Rhode Island

Sir:

On behalf of the Retirement Board of the Employees' Retirement System of the State of Rhode Island, I take pleasure in submitting herewith, for transmittal to the General Assembly, the NINTH ANNUAL REPORT on the operations of the Municipal Employees' Retirement System as of June 30, 1966.

This report was prepared by the said Retirement Board which has jurisdiction in the management and administration of the Municipal Employees' Retirement System.

Respectfully submitted,


Raymond H. Hawksley
Chairman

Municipal Employees' Retirement System
of the State of Rhode Island

Submitted herewith is the Ninth Annual Report on the operations of the Municipal Employees' Retirement System of the State of Rhode Island for the year ended June 30, 1966. Included herein are the results of the management and administrative activities concerning the system for the said year.

PARTICIPATION

Fifteen municipalities were participants in the system during the year. The names of the cities and the beginning dates of their participation are as follows:

<u>City or Town</u>	<u>Date of Participation</u>	<u>City or Town</u>	<u>Date of Participation</u>
Barrington	July 1, 1957	North Smithfield	July 1, 1964
Bristol	July 1, 1957	Pawtucket	July 1, 1962
Cranston	July 1, 1963	Smithfield	July 1, 1959
East Greenwich	July 1, 1957	South Kingstown	July 1, 1957
East Providence	July 1, 1961	Tiverton	July 1, 1964
Jamestown	July 1, 1964	Warren	July 1, 1957
North Kingstown	July 1, 1957	Woonsocket	July 1, 1962
North Providence	July 1, 1961		

The City of Newport became a participant of the system on behalf of its employees as of July 1, 1966.

MEMBERSHIP AT JUNE 30, 1966

Code Reference	City or Town	Number of Active Members	Number of Pensioners		Total
			Male	Female	
1	Barrington P+Z	137	11	3	14
2	Bristol	48	5	-	5
7	Cranston	506	47	10	57
9	East Greenwich P	35	4	-	4
10	East Providence	286	21	4	25
15	Jamestown P	25	1	-	1
23	North Kingstown P+Z	119	6	2	8
24	North Providence P	131	7	1	8
25	North Smithfield P	34	2	-	2
26	Pawtucket	634	73	11	84
31	Smithfield P	56	2	-	2
32	South Kingstown P	74	1	-	1
33	Tiverton P+Z	50	7	2	9
34	Warren P	47	7	-	7
39	Woonsocket	<u>315</u>	<u>38</u>	<u>6</u>	<u>44</u>
Totals		2,497	232	39	271

Newport
7/1/66
256
2753

16

1966 LEGISLATION

Several amendments were enacted during the year affecting the system. These amendments are briefly summarized as follows:

H-1647. Members of the Municipal Employees' Retirement System may obtain prior service credit within the municipality in which they are now employed provided such service was rendered prior to the date the city or town joined the system. A limit of 10 years may be purchased by a contribution by the employee of 6% of earnings plus interest.

S-34. A special pension allowance was provided for certain part-time elected officials in the City of Cranston.

S-537. An employee of a city or town was granted the privilege of transferring from one participating city or town to another without loss of rights or benefits or continuity of pension credit.

ACTUARIAL VALUATION

An annual actuarial valuation of the system was completed as of June 30, 1966. The results of the valuation are presented as a part of this report. The purpose of such a valuation is to check the current operating status of the system and its financial progress from a technical standpoint.

FINANCIAL REVIEW

Total assets at June 30, 1966 amounted to \$4,261,456.13. As provided by law, these assets are allocated to certain specific reserves. The reserves are subject to a periodic valuation to establish their adequacy in meeting the liabilities for the prescribed benefit schedule.

Revenues and expenditures for the year under review were as follows:

Revenues

Member contributions	\$ 506,244.42
Contributions by cities and towns	913,151.52
Investment income	<u>164,037.07</u>
Total Revenues	<u>\$1,583,433.01</u>

Expenditures

Pensions and benefits	\$ 388,371.06
Refunds	104,323.22
Investment expenses	<u>270.35</u>
Total Expenditures	<u>\$ 492,964.63</u>

Excess of Revenues over Expenditures transferred to reserves

\$1,090,468.38

The excess of revenues over expenditures is equal to the increase in total reserves of the system as will be observed in the following statement:

Reserves at July 1, 1966

Members' contributions	\$1,556,867.19
Employers' accumulations	- 786,454.89
Retirement reserve	<u>3,491,043.83</u>
Total	<u>\$4,261,456.13</u>

Reserves at June 30, 1965

Members' contributions	\$1,174,973.86
Employers' accumulations	- 733,345.70
Retirement reserve	<u>2,729,359.59</u>
Total	<u>\$3,170,987.75</u>
Increase in reserves for the year	<u>\$1,090,468.38</u>

The negative balance in the Employers' Accumulation Reserve is not to be construed as an unfavorable factor in operations. A deficiency in this reserve is a logical expectation during the early years of life of a system of this type. Retirements of aged employees generally take place immediately after inception of a system. These require the establishment of full reserves on a lifetime basis to provide for the payment of the annuities. After a longer period of operations, this unfavorable balance

will be eliminated. The Employers' Accumulation Reserve should then show a substantial balance from municipality contributions for both current service and the accrued liability.

INVESTMENTS

Investment operations for the year were very satisfactory and productive of favorable results. Investments at the close of the year totalled \$4,214,544.19 at cost or par value. The investments consisted of \$3,490,000.00 par value of fixed income bearing securities and \$724,544.19 common stocks at cost.

The rate of return on investments is showing consistent improvement. It is substantially in excess of the 3-1/2% interest rate assumed by the actuary in the valuation of the reserves and liabilities. Any such excess becomes a part of the reserves to meet the accrued liabilities.

The following summary shows the investments of the system at June 30, 1966 and at the end of the preceding fiscal year, in comparison:

	<u>June 30, 1966</u>		<u>June 30, 1965</u>	
	<u>Cost or Par</u>	<u>Per Cent of Total</u>	<u>Cost or Par</u>	<u>Per Cent of Total</u>
U.S. Government	\$1,775,000	41.9%	\$1,560,000	48.3%
Federal Land Bank	500,000	11.8	50,000	1.5
International Bank	25,000	0.6	25,000	0.8
Railroad	50,000	1.2	50,000	1.5
Public Utility Bonds and Debentures	780,000	19.5	675,000	20.9
Other Bonds and Debentures	360,000	8.0	200,000	6.2
Common stocks	<u>724,544</u>	<u>17.0</u>	<u>559,888</u>	<u>20.8</u>
Totals	<u>\$4,214,544</u>	<u>100.0%</u>	<u>\$3,119,888</u>	<u>100.0%</u>

Bonds and debentures are listed at par value. Common stocks are valued at cost. The market value of the common stocks at the close of the year was \$749,331 or 3.4% above cost.

CONCLUSION

The system is steadily broadening its operations in terms of membership and assets. Its financial condition is showing gradual improvement. The objectives of the system to provide employees of the cities and towns of the State a reasonable measure of security for old age, disability and death as a

supplement to federal social security coverage are being fulfilled.

The Board is maintaining progressive standards in management and administration of the system in order to assure its operation at maximum efficiency.

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

RAYMOND H. HAWKSLEY, Chairman

G. ALDEN WINTER

SEN. FRANCIS P. SMITH

REP. MICHAEL SEPE

JOSEPH H. O'DONNELL, JR.

ROBERT M. SCHACHT

DR. WILLIAM P. ROBINSON

JAMES E. CONLON

CHARLES W. HILL

JOSEPH G. IANNELLI
Executive Secretary

REPORT OF THE ACTUARY

Fiscal Year Ended June 30, 1966

A valuation of the system was completed as of June 30, 1966. The results of this valuation were satisfactory. All basic factors bearing upon the operations of the system and its progress indicate that the Municipal Employees' Retirement System is showing steady improvement in its financial condition. All such factors point towards constructive and sound progress.

Statistics pertinent to the retired members are as follows:

	<u>Male</u>	<u>Female</u>
Number on pension roll	232	39
Annual payments	\$296,071.07	\$49,460.19
Average annual payment	\$1,276.17	\$1,268.21
Average age	70.3	70.4
Actuarial reserve requirements	\$2,683,846.00	\$526,522.00

Actuarial reserve requirements on account of the foregoing pensioners amounted to \$3,210,368.00. This compares with the balance in the Retirement Reserve at June 30, 1966 of \$3,491,043.83. This illustrates financial solvency in respect to the actuarial reserve required to pay out the retirement

allowances entered upon according to the applicable mortality standards and interest rate assumption of 3-1/2% per annum.

OBLIGATIONS OF MUNICIPALITIES

In subscribing to coverage in the system on behalf of their employees, the participating municipalities have assumed obligations consisting of: (a) the accrued liability for service rendered by the members prior to the effective date of the participation in the system, referred to as "prior service"; and (b) the accruing cost for future service commonly referred to as "normal" or "current service" cost.

The liability for prior service in the case of each municipality was determined just prior to participation in the system upon the basis of the service rendered by the assumed membership. A prior service contribution rate was fixed as a percentage of payroll which would be sufficient to amortize the accrued liability over a period of 25 years from the effective date of participation as required by law.

The current service or normal cost was calculated upon the basis of total membership giving full effect to the service characteristics of each municipality. This rate also was fixed as a percentage of total payroll. The rate is to be applied by each municipality in determining the amount of its contributions to

the system for such service, additional to the amortization payment on account of the accrued liability.

The prior service and current service rates of contribution are given below for the several participating municipalities:

<u>Municipal Code No.</u>	<u>Name of Municipality</u>	<u>Prior Service Contribution Rate - 7/1/66</u>	<u>Current Service Rate 7/1/66</u>	<u>Unfunded Accrued Liability</u>
1	Barrington	3.30%	6.6%	\$ 210,635
2	Bristol	2.83	7.78	44,535
7	Cranston	5.05	6.40	1,165,441
9	East Greenwich	3.90	6.19	63,286
10	East Providence	5.88	6.35	813,299
15	Jamestown	3.27	6.97	41,132
21	Newport	5.77	6.78	1,181,376
23	North Kingstown	2.44	5.77	109,331
24	North Providence	3.88	5.14	178,545
25	North Smithfield	3.57	7.06	67,089
26	Pawtucket	4.53	4.76	1,957,935
31	Smithfield	2.33	5.75	43,347
32	South Kingstown	1.15	6.32	35,678
33	Tiverton	6.88	6.08	192,689
34	Warren	5.66	7.17	123,790
39	Woonsocket	7.90	5.03	<u>1,267,097</u>
	Total			<u>\$7,495,205</u>

Each municipality is required to apply the aforesaid rates to the assumed payroll for the year to which the budget applies. By this process, sufficient monies will always be provided in the annual budgets to meet the municipality's liability to the retirement system for service rendered by employees during the year in question at the prescribed rates of salary.


Appreciation in common stock values. We considered the matter of giving effect, at least in a partial measure, in the actuarial valuation of the system to the unrealized appreciation in the value of equity investments. Our judgment is that this should not be done at this time because of the small rate of appreciation which at June 30, 1966 was equal only to 3.4%. Further consideration will be given to this matter at a later date.

Debit balances in reserves. The statement of reserve allocations presented in the back of the report shows debit balances in the Employers' Contribution Reserve for the following cities and towns:

Cranston
North Kingstown
North Smithfield
Pawtucket
Tiverton
Warren
Woonsocket

The system is making good progress. Several reserve accounts for municipality contributions show debits. As previously explained, this situation is not a cause for immediate concern. It is not unusual to have a negative balance in reserves at the inception of coverage in a retirement system. As has been pointed out, the negative balance is only temporary being due to the immediate retirement of aged employees who had been waiting for coverage in the retirement system in order to obtain a retirement pension.

With the retirement of these aged employees, there should develop a lessening of the drain from this source. The employer's reserve accounts should then begin to show gradual improvement. In the course of a few years, the debit balances should be completely eliminated. Complete solvency in all reserve accounts should be then continuously maintained under the established contribution rates for the municipalities. These rates reflect substantial adequacy to meet current and accrued obligations for the participating municipalities under the applicable benefit schedule.


A. A. Weinberg
Actuary

FINANCIAL STATEMENTS

FINANCIAL BALANCE SHEET

JUNE 30, 1966

ASSETS

Cash		\$	21,240.62
Accrued Interest Receivable			46,644.38
Investments		\$4,214,544.19	
Unamortized Discounts	\$31,786.54		
Less, Unamortized Premiums	<u>10,813.48</u>	<u>20,973.06</u>	
Net Investments			<u>4,193,571.13</u>
Total Assets			<u><u>\$4,261,456.13</u></u>

RESERVES

Members' Contribution Reserve		\$1,556,867.19
Employers' Accumulation Reserve		- 786,454.89
Retirement Reserve		<u>3,491,043.83</u>
Total Reserves		<u><u>\$4,261,456.13</u></u>

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 1966

CASH BALANCE JULY 1, 1965

\$ 51,099.45

RECEIPTS:

Investments Sold or Matured		
Investment Earnings	\$ 575,000.00	
Discounts on Investments Purchased	137,496.43	
	<u>9,650.59</u>	\$ 722,147.02
Members' Contributions		506,244.42
Employers' Contributions		<u>913,151.52</u>
Total Receipts		<u>2,141,542.96</u>
Total Cash Available		<u><u>\$2,192,642.41</u></u>

DISBURSEMENTS:

Investments Purchased	\$1,669,655.89	
Refund of Earnings	1,815.00	
Accrued Interest	5,894.39	
Premiums Paid	1,071.88	
Commissions	250.00	
Postage & Insurance	<u>20.35</u>	1,678,707.51
Monthly Pension Benefits		312,580.46
Ordinary Death Benefits		70,000.00
Death Retirement Allowances	<u>5,790.60</u>	388,371.06
Refunds of Contributions:		
Employees	71,573.41	
Municipalities	<u>32,749.81</u>	<u>104,323.22</u>
Total Disbursements		<u><u>\$2,171,401.79</u></u>

CASH BALANCE JUNE 30, 1966

\$ 21,240.62

STATEMENT OF INVESTMENT EARNINGS

FISCAL YEAR ENDED JUNE 30, 1966

<u>Investment Income</u>		\$138,095.40
Adjustments, account of change over from Cash to Accrual		
<u>Add:</u>		
Accrued Interest Receivable	\$46,305.80	
Accrued Interest Purchased	338.58	
Unamortized Premiums	<u>10,813.48</u>	\$57,457.86
<u>Less:</u>		
Unamortized Discounts		<u>31,786.54</u>
<u>Net Addition</u>		<u>25,671.32</u>
Adjusted Gross Investment Income		\$163,766.72
<u>Add:</u>		
Investment Expense		
Commissions on Purchases	250.00	
Postage & Insurance on Purchases	<u>20.35</u>	<u>270.35</u>
<u>Net Investment Earnings</u>		<u>\$164,037.07</u>

COMPARATIVE STATEMENT OF NET INVESTMENT INCOME

STATEMENT OF CASH RECEIPTS & DISBURSEMENTS

FISCAL YEAR ENDED JUNE 30, 1966

	<u>1965-66</u>	<u>1964-65</u>
<u>Income:</u>		
Investment Earnings	\$137,496.43	\$100,368.23
Discounts on Purchases	9,650.59	25,623.03
Premiums on Sales	<u> </u>	<u> </u>
<u>Gross Income</u>	\$147,147.02	\$125,991.26
<u>Expenses:</u>		
Refund of Earnings	1,815.00	
Loss on Sales		25.00
Accrued Interest on Purchases	5,894.39	10,126.22
Premiums on Purchases	1,071.88	10,995.00
Commissions on Purchases	250.00	
Postage & Insurance on Purchases	<u>20.35</u>	<u>68.35</u>
<u>Total Expenses</u>	<u>9,051.62</u>	<u>21,214.57</u>
<u>Net Investment Income for Year</u>	<u>\$138,095.40</u>	<u>\$104,776.69</u>

Summary of Investment Account
at June 30, 1966

<u>Type of Investment</u>	<u>Proportion of total</u>	<u>Cost or Par</u>	<u>Market Value at 6/30/66*</u>
U.S. Government	41.87%	\$1,775,000.00	\$1,775,000
Federal Land Bank	11.79	500,000.00	500,000
International Bank	0.59	25,000.00	25,000
Railroads	1.18	50,000.00	50,000
Public Utility Bonds	19.58	780,000.00	780,000
Other Bonds and Debentures	7.90	360,000.00	360,000
Common stocks	17.09	<u>724,544.19</u>	<u>749,331</u>
Total	100.00%	<u><u>\$4,214,544.19</u></u>	<u><u>\$4,239,331</u></u>

* Bonds and Debentures listed at par value
over-the-counter bid price at 6/30/66.
Common stocks listed on N.Y. and American
Exchange closing price at 6/30/66.

STATEMENT OF RESERVE ALLOCATIONS
FISCAL YEAR ENDED JUNE 30, 1966

<u>City or Town</u>	<u>Members' Contribution Reserve</u>	<u>Employers' Contribution Reserve</u>	<u>Retirement Reserve</u>
Barrington	\$ 155,512.07	\$ 46,211.14	\$ 246,320.00
Bristol	53,633.99	47,297.74	77,769.10
Transton	232,059.25	278,641.46*	671,502.66
East Greenwich	50,971.90	47,374.90	45,444.86
East Providence	183,831.40	169,239.11	249,514.80
Jamestown	9,032.03	12,279.72	5,062.93
North Kingstown	134,747.64	2,254.68*	194,254.71
North Providence	76,206.34	26,354.14	92,510.31
North Smithfield	12,866.91	1,220.74*	26,161.68
Pawtucket	334,039.22	615,844.99*	1,079,018.62
Smithfield	46,649.12	52,952.83	23,336.27
South Kingstown	74,030.30	102,084.32	27,446.17
Tiverton	14,582.19	156,517.63*	172,857.03
Warren	34,553.72	33,993.22*	123,159.45
Woonsocket	144,151.11	201,776.07*	456,985.24
Totals	<u>\$1,556,867.19</u>	<u>\$ -786,454.89</u>	<u>\$3,491,043.83</u>

*Denotes negative balance. These are temporary deficits to be removed within the next several years. They have resulted principally from the retirement of aged employees shortly after the inception of coverage for the particular city or town.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of Barrington

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>		\$10,620.46
<u>Receipts:</u>		
Contributions		80,684.67
<u>Total Available</u>		<u>91,305.13</u>
<u>Disbursements:</u>		
Cost of Pensions Transferred to Retirement Reserve	\$40,093.99	
Ordinary Death Benefits Paid	<u>5,000.00</u>	
<u>Total Disbursements</u>		<u>45,093.99</u>
<u>Reserve Balance - June 30, 1966</u>		<u>\$46,211.14</u>

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>		\$211,554.65
<u>Receipts:</u>		
Transfers from Members Reserve		\$ 3,094.88
" " Employers "		40,093.99
Investment Earnings - Year 1965-66		<u>17,490.29</u>
<u>Total Receipts</u>		<u>60,679.16</u>
<u>Total Available</u>		<u>272,233.81</u>
<u>Disbursements:</u>		
Pensions Paid		22,337.72
Adjustment - Pension paid 1964-65		3,213.23
Death Retirement Allowances Paid		300.00
Adjustment - Investment Earnings - 1964-65		<u>62.86</u>
<u>Total Disbursements</u>		<u>25,913.81</u>
<u>Reserve Balance - June 30, 1966</u>		<u>\$246,320.00</u>

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MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of BRISTOL

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>		\$27,689.79
<u>Receipts:</u>		
Contributions		<u>24,607.95</u>
	<u>Total Available</u>	52,297.74
<u>Disbursements:</u>		
Ordinary Death Benefits Paid		<u>5,000.00</u>
	<u>Reserve Balance - June 30, 1966</u>	<u>\$47,297.74</u>

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>		\$72,617.91
<u>Receipts:</u>		
Adjustment Pension Paid - 1964-65	\$3,213.23	
" Investment Earnings - 1964-65	62.86	
Investment Earnings - Year 1965-66	<u>7,172.98</u>	
	<u>Total Receipts</u>	<u>10,449.07</u>
	<u>Total Available</u>	83,066.98
<u>Disbursements:</u>		
Pensions Paid		<u>5,297.88</u>
	<u>Reserve Balance - June 30, 1966</u>	<u>\$77,769.10</u>

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

City of CRANSTON

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>		(<u>\$211,578.61</u>)
<u>Receipts:</u>		
Contributions		<u>180,690.26</u>
<u>Total Available</u>		(<u>30,888.35</u>)
<u>Disbursements:</u>		
Cost of Pensions Transferred to Retirement Reserve	\$212,709.54	
Cost of revised Pension	<u>7,543.57</u>	
Ordinary Death Benefits Paid	<u>27,500.00</u>	
<u>Total Disbursements</u>		<u>247,753.11</u>
<u>Reserve Balance - June 30, 1966</u>		(<u>\$278,641.46</u>)

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>		\$487,053.05
<u>Receipts:</u>		
Transfers from Members Reserve		9,234.45
" " Employers "		220,253.11
Investment Earnings - Year 1965-66		<u>23,271.25</u>
<u>Total Receipts</u>		<u>252,758.81</u>
<u>Total Available</u>		739,811.86
<u>Disbursements:</u>		
Pensions Paid		67,709.20
Death Retirement Allowances Paid		<u>600.00</u>
<u>Total Disbursements</u>		<u>68,309.20</u>
<u>Reserve Balance June 30, 1966</u>		<u>\$671,502.66</u>

() Indicates Deficit



MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

Town of EAST GREENWICH

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>	\$23,155.04
<u>Receipts:</u>	
Contributions	<u>24,219.86</u>
<u>Reserve Balance June 30, 1966</u>	<u>\$47,374.90</u>

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>	\$45,915.44
<u>Receipts:</u>	
Investment Earnings - Year 1965-66	<u>5,617.20</u>
<u>Total Available</u>	\$51,532.64
<u>Disbursements:</u>	
Pensions Paid	\$5,690.68
Death Retirement Allowances Paid	<u>397.10</u>
<u>Total Disbursements</u>	<u>6,087.78</u>
<u>Reserve Balance June 30, 1966</u>	<u>\$45,444.86</u>

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MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of JAMESTOWN

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>	\$ 7,392.65
<u>Receipts:</u>	
Contributions	<u>9,261.37</u>
<u>Total Available</u>	16,654.02
<u>Disbursements:</u>	
Cost of Pensions Transferred to Retirement Reserve	<u>4,374.30</u>
<u>Reserve Balance June 30, 1966</u>	<u>\$12,279.72</u>

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>	\$ 220.03
<u>Receipts:</u>	
Transfers from Members Reserve	\$ 239.94
" " Employers "	4,374.30
Investment Earnings - Year 1965-66	<u>835.21</u>
<u>Total Receipts</u>	<u>5,449.45</u>
<u>Total Available</u>	5,669.48
<u>Disbursements:</u>	
Pensions Paid	<u>606.55</u>
<u>Reserve Balance June 30, 1966</u>	<u>\$5,062.93</u>

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

City of EAST PROVIDENCE

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

Balance July 1, 1965

Receipts:

Contributions

\$110,341.47

Total Available

103,635.05

\$213,976.52

Disbursements:

Cost of Pensions Transferred to Retirement Reserve \$39,737.41
Ordinary Death Benefits Paid 5,000.00

Total Disbursements:

44,737.41

Reserve Balance June 30, 1966

\$169,239.11

RETIREMENT RESERVE

Balance July 1, 1965

\$202,467.03

Receipts:

Transfers from Members Reserve
" " Employers "
Investment Earnings - Year 1965-66

\$ 4,338.51
39,737.41
23,320.38

Total Receipts

67,396.30

Total Available

269,863.33

Disbursements:

Pensions Paid
Death Retirement Allowances Paid

\$20,006.43
342.10

Total Disbursements

20,348.53

Reserve Balance June 30, 1966

\$249,514.80

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of NORTH PROVIDENCE

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

Balance July 1, 1965

\$ 7,176.93

Receipts:

Contributions

Total Available

36,782.12

43,959.05

Disbursements:

Costs of Pensions Transferred to Retirement Reserve \$14,104.91
Ordinary Death Benefits Paid

3,500.00

Total Disbursements

17,604.91

Reserve Balance June 30, 1966

\$26,354.14

RETIREMENT RESERVE

Balance July 1, 1965

\$80,039.82

Receipts:

Transfers from Members Reserve

" " Employers "

\$ 1,083.65

Investment Earnings - Year 1965-66

14,104.91

7,418.63

Total Receipts

22,607.19

Total Available

102,647.01

Disbursements:

Pensions Paid

Death Retirement Allowances Paid

\$ 9,617.80

518.90

Total Disbursements

10,136.70

Reserve Balance June 30, 1966

\$92,510.31

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of NORTH SMITHFIELD

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

Balance July 1, 1965

\$ 4,669.15

Receipts:

Contributions

12,413.67

Total Available

17,082.82

Disbursements:

Cost of Pensions Transferred to Retirement Reserve

18,303.56

Reserve Balance June 30, 1966

(\$ 1,220.74)

RETIREMENT RESERVE

Balance July 1, 1965

\$ 7,380.30

Receipts:

Transfers from Members Reserve

\$ 457.19

" " Employers "

18,303.56

Investment Earnings - Year 1965-66

1,244.63

Total Receipts

20,005.38

Total Available

27,385.68

Disbursements:

Pensions Paid

1,224.00

Reserve Balance June 30, 1966

\$26,161.68

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MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
City of PAWTUCKET

Statement of Reserve Accounts
June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

Balance July 1, 1965

Receipts:

Contributions

(\$457,763.50)

Total Available

186,900.41

(270,863.09)

Disbursements:

Pension Costs Transferred to Retirement Reserve \$328,981.90
Ordinary Death Benefits Paid

16,000.00

Total Disbursements

344,981.90

Reserve Balance June 30, 1966

(\$615,844.99)

RETIREMENT RESERVE

Balance July 1, 1965

\$ 797,894.01

Receipts:

Transfers from Members Reserve

\$ 21,479.33

" " Employers "

328,981.90

Investment Earnings - Year 1965-66

30,624.38

Total Receipts

381,085.61

Total Available

\$1,178,979.62

Disbursements:

Pensions Paid

\$98,965.60

Death Retirement Allowances Paid

995.40

Total Disbursements

99,961.00

Reserve Balance June 30, 1966

\$1,079,018.62

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MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of SOUTH KINGSTOWN

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>	\$76,763.63
<u>Receipts:</u>	
Contributions	<u>26,320.69</u>
<u>Total Available</u>	103,084.32
<u>Disbursements:</u>	
Ordinary Death Benefits Paid	<u>1,000.00</u>
<u>Reserve Balance June 30, 1966</u>	<u>\$102,084.32</u>

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>	\$19,909.11
<u>Receipts:</u>	
Investment Earnings - Year 1965-66	<u>7,795.30</u>
<u>Total Available</u>	\$27,704.41
<u>Disbursements:</u>	
Pensions Paid	<u>558.24</u>
<u>Reserve Balance June 30, 1966</u>	<u>\$27,146.17</u>

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of TIVERTON

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

Balance July 1, 1965

(\$133,131.36)

Receipts:

Contributions

17,930.93

Total Available

(115,200.43)

Disbursements:

Cost of Pensions Transferred to Retirement Reserve

41,317.20

Reserve Balance June 30, 1966

(\$156,517.63)

RETIREMENT RESERVE

Balance July 1, 1965

\$148,577.83

Receipts:

Transfers from Members Reserve

\$ 714.69

" " Employers "

41,317.20

Investment Earnings - Year 1965-66

1,179.12

Total Receipts

43,211.01

Total Available

\$191,788.84

Disbursements:

Pensions Paid

\$17,920.01

Death Retirement Allowances Paid

1,011.80

Total Disbursements

18,931.81

Reserve Balance June 30, 1966

\$172,857.03

() Indicates Deficit

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Town of TIVERTON
Statement of Reserve Accounts
June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>	
<u>Receipts:</u>	
Contributions	(\$133,131.36)
<u>Total Available</u>	<u>17,920.93</u>
<u>Disbursements:</u>	(115,200.43)
Cost of Pensions Transferred to Retirement Reserve	
<u>Reserve Balance June 30, 1966</u>	<u>41,317.20</u>
	<u>(\$156,517.63)</u>

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>	
<u>Receipts:</u>	\$148,577.83
Transfers from Members Reserve	
" " Employers "	\$ 714.69
Investment Earnings - Year 1965-66	41,317.20
	<u>1,179.12</u>
<u>Total Receipts</u>	<u>43,211.01</u>
<u>Total Available</u>	<u>\$191,788.84</u>
<u>Disbursements:</u>	
Pensions Paid	\$17,920.01
Death Retirement Allowances Paid	<u>1,011.80</u>
<u>Total Disbursements</u>	<u>18,931.81</u>
<u>Reserve Balance June 30, 1966</u>	<u>\$172,857.03</u>

) Indicates Deficit

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Town of WARREN

Statement of Reserve Accounts

June 30, 1966

EMPLOYERS ACCUMULATION RESERVE

<u>Balance July 1, 1965</u>		(<u>\$36,572.76</u>)
<u>Receipts:</u>		
Contributions		<u>14,795.01</u>
<u>Total Available</u>		(<u>21,777.75</u>)
<u>Disbursements:</u>		
Cost of Pensions Transferred to Retirement Reserve		<u>12,215.47</u>
<u>Reserve Balance June 30, 1966</u>		(<u>\$33,992.22</u>)

RETIREMENT RESERVE

<u>Balance July 1, 1965</u>		\$114,972.36
<u>Receipts:</u>		
Transfers from Members Reserve	\$ 1,218.61	
" " Employers "	12,215.47	
Investment Earnings - Year 1965-66	<u>5,093.14</u>	
<u>Total Receipts</u>		<u>18,527.22</u>
<u>Total Available</u>		<u>\$133,499.58</u>
<u>Disbursements:</u>		
Pensions Paid	\$9,329.18	
Death Retirement Allowances Paid	<u>1,010.95</u>	
<u>Total Disbursements</u>		<u>10,340.13</u>
<u>Reserve Balance June 30, 1966</u>		<u>\$123,159.45</u>

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A P P E N D I X

1. Summary of Benefit and Contribution Provisions
2. Pensioners on the roll at June 30, 1966 classified by age and total annual payment

SUMMARY OF PROVISIONS OF RETIREMENT PLAN

Participation by cities and towns. Participation is optional with the cities and towns, and may be effected by the adoption of a resolution or ordinance by the governing body subscribing to the provisions of the system and agreeing to assume the obligations thereunder.

Effective date of participation. The effective date is July 1st next following the receipt of a certified copy of the ordinance or resolution by the retirement board, provided the same was filed with the board at least 90 days prior to such date; otherwise the effective date is July 1st of the following year.

Withdrawal from participation. A city or town may withdraw from participation by the adoption of a resolution or ordinance to that effect. The city or town shall be liable for the accrued liabilities for matured annuities and benefits, and for those benefits in which vested rights had been created.

Employees eligible for coverage. All employees of a city or town, including elected officials, subject to the conditions stated in item entitled "Conditions for membership" below.

Conditions for membership. Any employee in service on the effective date of participation or within 6 months prior to such date, will automatically become a member of the system, following approval of participation by the city or town, unless the employee notifies the retirement board, in writing, within 60 days after the effective date that he does not desire to join the system.

Any member becoming an employee after the effective date of participation for the city or town, who at date of entry into service is under age 58 if a member of the police or fire department, or under age 60 if an employee of any other department, shall automatically become a member of the system after 6 months of service, as a condition of employment. Any person elected to office after the effective date shall have the option of becoming a member within 60 days following the date when he shall assume the duties of his office.

Exclusions from membership. Membership is limited to any regular or permanent employee or officer whose business time is devoted to the service of the city or town.

An employee occupying a position of a temporary or seasonal character, not classified as a regular or permanent employee, is not eligible for membership.

Members of other retirement systems. Any employee in service on the effective date or within 6 months prior thereto, who is a member of any other pension or retirement system supported wholly or in part by funds of the city or town, may become a member of the retirement system if he waives and renounces all accrued rights and benefits in such other system.

Any employee entering service after the effective date, who is a member of or receiving an annuity or benefit from any other pension or retirement system supported wholly or in part by the city or town, shall not be eligible for participation unless he waives membership in such other retirement system.

Service credit. Any employee becoming a member of the system at the effective date, or who makes application for membership within 1 year from the effective date, shall be entitled to credit for all previous service for the city or town for whom employed.

Any employee who elects not to join the system at the time of initial participation, and does not apply for membership within one year after the effective date, may thereafter be admitted to membership but without credit for service prior to the effective date. Credit for service in such a case would accrue from the effective date upon making appropriate contributions.

Any employee becoming a member of the system shall be entitled to credit for all service rendered following the date of membership for which he has made contributions.

In any calendar year, a member of the system shall be entitled to service credit for an approved leave of absence without pay, not exceeding one month.

Optional retirement. Any member may retire optionally upon completion of 10 years of service, provided such member shall be at least 58 years of age if a member of the fire department or police department, or age 60 if a member of any other classification.

Compulsory retirement. Any member, except an elective official, shall be retired compulsorily upon attainment of age 70. Retirement may be deferred after age 70 for periods of one year, upon request of the member, approved by the governing body of the city or town.

Amount of service retirement allowance. The amount of service retirement allowance is $1\frac{2}{5}\%$ of average salary per year of credited service. Maximum is 75% of average salary.

Average salary defined. This is the average annual compensation for any five consecutive years when such average was highest.

Ordinary disability benefit. Any member having at least 10 years of service, who is under age 58 if a member of the fire or police department, or under age 60 if a member of any other classification, who becomes totally and permanently disabled for service, is entitled to a benefit equal to $1\frac{2}{3}\%$ of average salary, as defined above, for each year of credited service. Maximum is 75% of average salary.

Accidental disability. A member becoming totally and permanently disabled for service due to occupational causes, regardless of age or length of service, is entitled to $66\frac{2}{3}\%$ of his rate of salary at date of disability.

This benefit is subject to reduction by Workmen's Compensation payments made by the applicable city or town.

Limitations on disability benefits. In the event a member in receipt of ordinary or accidental disability benefits resumes gainful employment of any kind, and his earnings from such employment when added to his disability benefits exceeds the rate of salary in effect at date of disability, the disability benefit is reduced to the extent of such excess.

Accidental death benefit. Upon death of a member due to occupational causes, regardless of his age or length of service, his total contributions would be paid to his estate, or to such person having an insurable interest in his life, as he shall have nominated. In addition, a benefit equal to 50% of salary is payable to:

(a) This action, in accordance herewith, whereby the

(b) These articles shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

(c) The corporation, in the event of its liquidation, shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

These provisions shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

(d) The corporation, in the event of its liquidation, shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

(e) The corporation, in the event of its liquidation, shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

(f) The corporation, in the event of its liquidation, shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

(g) The corporation, in the event of its liquidation, shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

(h) The corporation, in the event of its liquidation, shall be subject to the provisions of the laws of the State of New York, in so far as they may apply to the same.

the retired member, no change would be made in the original election and the member would continue thereafter to receive the reduced service retirement allowance.

Financing. Members contribute to the system 4% of their salaries.

Each city or town is obligated for the remainder of the cost of the benefits prescribed by the act, on an actuarially funded basis, including the requirements for prior service and for future service. The amount of contribution is fixed by the retirement board based upon an actuarial valuation of the assets and liabilities of each participating governmental unit.

The expense of administration is assumed by the State of Rhode Island.

Administration. The retirement board of the Employees' Retirement System of the State of Rhode Island is designated as the administrator of the "Municipal Employees' Retirement System of the State of Rhode Island."

The general treasurer is charged with the establishment of the system under the direction and supervision of the board, and the maintenance of the required accounts and statistical records. He is to have custody of all moneys accruing to the system and make the required investments according to the act governing the investment of sinking funds of the State, or in securities or investments in which deposits of savings banks and participation deposits in banks and trust companies may legally be invested.

Certain reserve accounts are established and maintained by the system as prescribed by the act.

Guarantees. Each participating city or town is liable for its proportionate obligations of the system for the several benefits which it prescribed, related only to its own employees.

NUMBER AND AMOUNTS OF ANNUAL PAYMENTS
OF PENSIONERS ON THE ROLL AT JUNE 30, 1966

TOWN OF BARRINGTON

<u>M a l e</u>			<u>F e m a l e</u>		
<u>Age</u>	<u>Number</u>	<u>Annual Payments</u>	<u>Age</u>	<u>Number</u>	<u>Annual Payments</u>
	1	\$ 2,167.36			
63	1	1,842.95	68	1	\$ 1,037.31
65	1	3,621.49	78	1	1,136.37
66	1	3,305.04	80	1	576.26
68	1	1,543.79	Total	3	\$ 2,749.94
71	1	1,555.97			
74	1	1,019.04			
76	1	2,837.61			
77	2	2,895.99			
79					
91	1	785.57			
Total	11	\$21,574.81			

TOWN OF BRISTOL

65	1	\$ 992.67
67	1	913.45
68	1	2,119.33
71	1	695.05
75	1	577.53
Total	5	\$5,298.03

CITY OF CRANSTON

Male

Age	Number	Annual Payments
	<u>1</u>	\$ 2,631.76
60	1	2,498.76
61	1	668.53
64	3	4,327.31
65	1	396.20
66	3	6,098.54
67	4	5,005.84
68	3	4,337.25
69	5	6,897.74
70	2	1,546.19
71	2	1,355.30
72	2	1,233.28
73	3	4,029.61
74	3	4,864.37
75	3	4,115.61
76	2	1,583.96
77	1	2,666.81
78	2	1,751.30
79	1	773.54
82	1	1,982.13
83	2	3,729.52
84	1	1,263.05
Total	<u>47</u>	<u>\$63,758.60</u>

Female

Age	Number	Annual Payments
61	1	\$ 649.21
65	1	4,657.22
66	2	3,480.68
72	1	931.11
73	1	225.05
74	1	658.81
75	1	844.71
76	1	222.86
80	<u>1</u>	<u>580.75</u>
Total	<u>10</u>	<u>\$12,250.40</u>

TOWN OF EAST GREENWICH

72	1	\$ 487.11
76	1	730.10
78	1	3,612.86
82	<u>1</u>	<u>370.97</u>
Total	<u>4</u>	<u>\$5,201.04</u>

TOWN OF NORTH PROVIDENCE

M a l e			F e m a l e		
Age	Number	Annual Payments	Age	Number	Annual Payments
67	1	1,579.55	75	1	\$2,278.50
69	1	373.98			
70	2	1,090.79			
74	1	1,451.86			
77	1	1,488.75			
78	1	1,245.36			
Total	7	\$7,230.29			

TOWN OF NORTH SMITHFIELD

65	1	\$1,829.40
72	1	842.84
Total	2	\$2,672.24

CITY OF PAWTUCKET

56	1	803.19	60	1	\$ 1,502.72
60	2	2,881.37	62	1	721.45
61	1	267.57	63	1	694.25
64	6	7,690.77	67	1	1,312.61
65	5	9,965.90	68	1	736.57
66	4	5,638.13	69	2	3,409.03
67	5	5,649.84	71	1	898.32
68	13	18,849.80	73	1	1,543.98
69	4	4,365.77	75	2	3,769.57
70	8	10,928.08	Total	11	\$14,588.50
71	6	5,561.02			
72	4	1,683.49			
73	6	9,022.34			
74	4	11,610.75			
75	2	2,092.76			
76	2	2,317.15			
Total	73	\$99,327.93			

MONTH OF SEPTEMBER

1 2 3 4 5 6 7 8 9 10 11 12

Annual
Revenue

Age	Number	Annual Revenue
70	1	\$ 503.00
71	1	997.03
Total	2	\$1,500.03

MONTH OF OCTOBER

66	1	\$ 580.00
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MONTH OF NOVEMBER

64	1	\$ 388.00
65	1	1,729.05
66	1	2,150.00
67	1	3,110.00
73	1	1,711.03
74	1	1,329.03
Total	7	191.82

Age	Number	Annual Revenue
70	1	\$3,070.76
73	1	1,167.97
Total	2	\$4,238.73

MONTH OF MARCH

69	1	\$12,023.95
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68	1	\$ 1,800.00
69	1	1,027.17
70	1	1,800.00
71	1	1,435.11
72	1	1,251.07
73	1	1,887.72
74	1	130.52
Total	7	\$9,037.56

CITY OF WOONSOCKET

Male

Age	Number	Annual Payments
48	1	\$ 866.76
48	2	3,038.62
60	1	806.50
62	2	3,263.15
63	2	1,492.69
64	3	3,315.51
65	2	2,689.20
66	4	3,380.65
67	5	7,036.13
68	3	1,586.06
69	1	474.22
70	2	2,263.47
71	1	361.19
72	2	2,505.64
73	1	1,358.97
77	2	1,399.53
80	1	488.48
81	1	376.54
83	1	1,439.28
88	1	1,444.32
Total	38	\$39,586.91

Female

Age	Number	Annual Payments
65	1	\$1,563.23
67	1	2,492.13
71	1	504.53
72	1	947.39
79	2	2,729.73
Total	6	\$8,237.01

