

**Municipal  
EMPLOYEES' RETIREMENT SYSTEM**

TWELFTH  
ANNUAL REPORT  
of the  
RETIREMENT BOARD

FISCAL YEAR ENDED JUNE 30, 1969



**State of Rhode Island and Providence Plantations**

STATE OF NEW YORK

Retirement Board

FRANK B. WATKINS, Governor, Albany

IRVIN S. TRIMMER, Director of Administration

FRANK J. PATTERNO, Director of Business Regulation

DR. WILLIAM D. BOSTRUP, Jr., Commissioner of Education

SEN. FRANK P. WHITE, Chairman, Senate Committee on Education

SEN. JOHN F. BOGGS, Chairman, Senate Committee on Finance

TWELFTH  
ANNUAL REPORT  
of the  
RETIREMENT BOARD

FISCAL YEAR ENDED JUNE 30, 1969

JOHN J. HUDSON

Printed by State Printer

CHARLES A. HILL

Printed by State Printer

JOHN D. WATSON

Supervisor, Printing Department

PAUL S. GARDNER

WALTER E. GOSWICK

• • • • •

Administrative Staff

1969  
ALBANY  
CLERK OF THE SENATE  
ALBANY

MEMBERS OF RETIREMENT BOARD  
(as constituted June 30, 1969)

Ex-Officio Members

RAYMOND H. HAWKSLEY, General Treasurer, Chairman  
KEVIN K. COLEMAN, Director of Administration  
FRANCIS J. FAZZANO, Director of Business Regulation  
DR. WILLIAM P. ROBINSON, Jr., Commissioner of Education  
HON. FRANCIS P. SMITH, Chairman, Senate Finance Committee  
HON. JOHN J. HOGAN, Chairman, House Finance Committee

Appointed by the Governor

JOHN J. HUDSON

Elected by State Employees

CHARLES W. HILL

Elected by Teachers

JAMES D. WARREN

Representing Municipal Employees

PAUL E. BASSETT

RALPH D. CUCULO

\* \* \* \* \*

Administrative Staff

JOSEPH G. IANNELLI, Executive Director  
JOHN F. SULLIVAN, Administrative Assistant  
SARTO R. GAMACHE, Senior Accountant



C O N T E N T S

	<u>Page</u>
LETTER OF TRANSMITTAL .....	i
ANNUAL REPORT OF THE RETIREMENT BOARD .....	1
REPORT OF THE ACTUARY .....	11
FINANCIAL STATEMENTS .....	18
APPENDIX -	
Summary of Applicable Benefit and Contribution Provisions:	
Municipal Employees' Retirement System ...	36
Policemen's and Firemen's Retirement Plan .....	41

\* \* \* \* \*





EMPLOYEES' RETIREMENT SYSTEM OF THE  
STATE OF RHODE ISLAND

ROOM 304, PROVIDENCE, RHODE ISLAND 02093

Joseph G. Iannelli  
Executive Director

January 30, 1970

To His Excellency  
The Honorable Frank Licht  
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 TWELFTH ANNUAL REPORT on the operations of the Municipal Employees' Retirement System for the fiscal year ended June 30, 1969.

Respectfully submitted,

Raymond H. Hawksley,  
Chairman

Municipal Employees' Retirement System  
of the State of Rhode Island

There is submitted herewith the Twelfth Annual Report of the Retirement Board showing the results of operations of the Municipal Employees' Retirement System of the State of Rhode Island for the fiscal year ended June 30, 1969. The report discusses the management and administrative activities of the Board during the year.

PARTICIPATION

Nineteen municipalities and six special units participated in the system during the year. The names of the participants 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 Providence	July 1, 1961
Bristol	July 1, 1957	North Smithfield	July 1, 1964
Burrillville	July 1, 1968	Pawtucket	July 1, 1962
Cranston	July 1, 1963	Scituate	July 1, 1967
East Greenwich	July 1, 1967	Smithfield	July 1, 1959
East Providence	July 1, 1961	South Kingstown	July 1, 1957
Jamestown	July 1, 1964	Tiverton	July 1, 1964
Johnston	July 1, 1968	Warren	July 1, 1957
Newport	July 1, 1966	Woonsocket	July 1, 1962
North Kingstown	July 1, 1957		

<u>Special Units</u>	<u>Date of Participation</u>
East Greenwich Fire District	July 1, 1967
East Greenwich Policemen and Firemen	July 1, 1968
North Kingstown Policemen and Firemen	July 1, 1968
Cranston Housing Authority	July 1, 1968
East Providence Housing Authority	July 1, 1968
Pawtucket Housing Authority	July 1, 1968

About 49% of the cities and towns of the State are now participants in the system.

MEMBERSHIP AT JUNE 30, 1969

<u>Code Reference</u>	<u>City or Town</u>	<u>Number of Active Members</u>	<u>Number of Pensioners</u>		
			<u>Male</u>	<u>Female</u>	<u>Total</u>
1	Barrington	169	11	2	16
2	Bristol	87	8	--	8
3	Burrillville	61	--	--	--
7	Cranston	433	64	23	87
9	East Greenwich	61	3	--	3
10	East Providence	603	42	6	48
15	Jamestown	27	3	1	4
16	Johnston	36	--	--	--
21	Newport	308	20	3	23
23	North Kingstown	139	12	2	14
24	North Providence	149	12	3	15
25	North Smithfield	44	3	1	4
26	Pawtucket	584	106	19	125
30	Scituate	61	4	--	4
31	Smithfield	91	5	--	5
32	South Kingstown	99	2	--	2
33	Tiverton	69	10	1	11
34	Warren	73	11	--	11
39	Woonsocket	345	43	8	51
<u>Special Units</u>					
50	East Greenwich Fire District	6	--	--	--
51	Cranston Housing Authority	7	--	--	--
52	East Providence Housing Authority	6	--	--	--
53	Pawtucket Housing Authority	32	4	--	4
54	East Greenwich Policemen and Firemen	2	--	--	--
55	North Kingstown Policemen and Firemen	53	1	--	1
<u>Totals</u>		<u>3,545</u>	<u>367</u>	<u>69</u>	<u>436</u>



RATES OF CONTRIBUTION FROM PARTICIPATING MUNICIPALITIES

Municipal Code No.	Municipality	Rates of Contribution	
		Under Law Prior To 5/8/1969	Under Law Effective 5/8/1969 <sup>1/</sup>
1	Barrington	9.99%	12.54%
2	Bristol	10.61	13.45
3	Burrillville	14.68	18.70
7	Cranston	11.45	14.21
9	East Greenwich	10.09	12.90
10	East Providence	12.23	15.87
15	Jamestown	10.24	13.03
16	Johnston	10.00	12.50
21	Newport	12.55	16.29
23	North Kingstown	8.21	10.56
24	North Providence	9.02	11.35
25	North Smithfield	10.63	13.06
26	Pawtucket	9.29	11.79
30	Scituate	13.60	17.48
31	Smithfield	8.08	9.96
32	South Kingstown	7.47	9.73
33	Tiverton	12.96	16.77
34	Warren	12.83	16.42
35	Woonsocket	12.93	16.15
<u>Special Units</u>			
50	East Greenwich Fire District	14.00	2/
51	Cranston Housing Authority	6.70	9.94
52	East Providence Housing Authority	7.40	9.52
53	Pawtucket Housing Authority	17.00	22.02
54	East Greenwich Policemen	14.00	2/
55	North Kingstown Policemen and Firemen	14.00	2/

<sup>1/</sup> Acceptance of 1969 amendments is optional with each municipality.

<sup>2/</sup> Not subject to this law. Covered by separate plan, effective July 1, 1968.

1969 AMENDMENTS

Three amendments of special importance to the members of the system were enacted at the 1969 session of the General Assembly.

S-150, effective May 8, 1969, increased the rate of pension credit from 1-2/3% to 2% of final average salary (3-year average) per year of service. Acceptance of this change was made optional with each municipality participating in the system since it entailed a substantial cost increase.

S-818, effective July 1, 1969, removed the offset to the \$1,000 death benefit payable upon death of a member occurring while in service if he had less than 1 year of service.

H-1019 "B" created a 12-member Commission to reexamine the present retirement system benefits in the light of current trends and standards and submit a report to the General Assembly in February, 1970.

ACTUARIAL VALUATION

The usual annual actuarial valuation of the system was completed as of June 30, 1969. The results of this valuation are presented in this report. The purpose of an actuarial valuation is to establish the current operating status of the system as a check of its financial progress.

An analysis was made of the changes in membership of active employees among the several participating municipalities, including additions to membership during the fiscal year under review and separations from service due to resignation, death or retirement. Effect was given in this valuation to the experience during the year with respect to members on retirement. The report of the actuary points up the several factors that are basic in such a valuation and discusses briefly other matters of pertinence and concern in the operations of the system.

An actuarial survey of each participating municipality having been with the system for at least 10 years will be undertaken during the 1970 fiscal year for the purpose of evaluating the operating experience to date and verifying the adequacy of the contribution rates.

FINANCIAL REVIEW

Net present assets of the system at June 30, 1969 amounted to \$9,383,836.45. These assets were credited to certain specific reserves as required to give effect to the specific provisions of law. The reserves are subject to periodic valuations as a check of their adequacy in meeting the pension liabilities under the prescribed benefit schedule.

Revenues and expenditures for the year are summarized as follows:

<u>Revenues</u>	
Member contributions	\$ 894,557.50
Contributions by cities and towns	1,643,984.08
Investment income	405,256.18
Other	1,399.38
Total Revenues	<u>\$2,945,197.14</u>

<u>Expenditures</u>	
Pensions and benefits	\$ 723,239.93
Refunds	142,525.65
Investment expense and other	3.19
Total Expenditures	<u>\$ 865,768.68</u>
Excess of Revenues over Expenditures transferred to reserves	<u>\$2,079,428.46</u>

Excess revenues for the year were credited to the reserves of the system.

<u>Reserves at June 30, 1969</u>	
Members' contributions	\$3,243,399.12
Employers' contributions	- 605,935.15
Retirement reserve	6,746,372.48
Unclaimed Benefits	1,474.29
Total	<u>\$9,385,310.74</u>

<u>Reserves at June 30, 1968</u>	
Members' contributions	\$2,603,057.59
Employers' contributions	- 734,360.66
Retirement reserve	5,437,110.44
Unclaimed benefits	74.91
Total	<u>\$7,305,882.28</u>
Increase in reserves for the year	<u>\$2,079,428.46</u>

- Denotes negative balance.



The positive nature of the investment in Government Bonds is demonstrated by the fact that the rate of return on these investments is well above the rate of return on the investments in the other assets of the system for each year. The rate of return on the investments in the other assets is well below the rate of return on the investments in Government Bonds.

The following summary of investments shows the holdings at June 30, 1969 and at the end of the preceding fiscal year in comparison:

	June 30, 1969	June 30, 1968
	Par value for bonds and cost for stocks	Par value for bonds and cost for stocks
U. S. Government	\$1,075,000	\$1,075,000
Commercial Paper	400,000	--
Federal Land Bank	665,000	665,000
FNB Certificates	300,000	300,000
Baltimore	350,000	350,000
Public Utility Bonds and Debentures	2,876,000	1,901,000
Other Corporate Bonds and Debentures	1,240,000	1,040,000
Preferred Stocks	63,170	--
Bank Stocks	251,634	--
Other Common Stocks	1,526,917	1,456,847
<b>Totals</b>	<b>\$9,349,721</b>	<b>\$7,367,847</b>

Bonds and debentures are shown above at par value. Equity investments are valued at cost. The market value of equity investments at the close of the year was \$1,910,609.00 or 6.9% above their cost.

The investments consisted of \$7,506,000.00 at the close of the year ended June 30, 1968 at the close of the year ended June 30, 1969. The investments consisted of \$9,349,721.00 at the close of the year ended June 30, 1969. The investments consisted of \$7,506,000.00 at the close of the year ended June 30, 1968.

The rate of return on investments has shown steady improvement. For the year, the rate of return was 14.1%. This compares with 12.1% for the preceding year. The rate is substantially in excess of the 10% interest assumption used in the valuation of the reserves and liabilities. Any excess investment income is added to the reserves to meet the accrued liabilities.

The following summary of investments shows the holdings at June 30, 1969 and at the end of the preceding fiscal year in comparison:



CONCLUSION

The financial condition of the system is steadily improving and the system is attaining a greater measure of financial stability.

The policies of the board are constantly directed towards improvement of operating procedures to the end that a high standard of efficiency in administration may be maintained in fulfillment of the system's objectives.

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

RAYMOND H. HAWKSLEY, Chairman

KEVIN K. COLEMAN

FRANCIS J. FAZZANO

DR. WILLIAM P. ROBINSON, Jr.

HON. FRANCIS P. SMITH

HON. JOHN J. HOGAN

JOHN J. HUDSON

CHARLES W. HILL

JAMES D. WARREN

PAUL E. BASSETT

RALPH D. CUCULO

JOSEPH G. IANNELLI  
Executive Secretary

REPORT OF THE ACTUARY

Fiscal Year Ended June 30, 1969

There are presented herewith the results of a valuation of the System as of June 30, 1969. The pension roll at the close of the year was as follows:

	<u>Male</u>	<u>Female</u>
Number on pension roll	367	69
Annual payments	\$ 521,181.00	\$ 92,741.00
Average annual payment	\$1,420.00	\$1,344.00
Average age	69.1	68.0
Actuarial reserve requirements	\$5,186,000.00	\$1,055,101.00

The actuarial reserve requirements on account of the pensioners amounted to \$6,241,101.00. This compares with the balance in the Retirement Reserve at June 30, 1969 of \$6,746,372.48. This is evidence of financial solvency with respect to the retirement allowances entered upon according to the 1951 Group Annuity Mortality Table and an interest rate assumption of 4% per annum.

OBLIGATIONS OF MUNICIPALITIES

The participating cities and towns have assumed the following obligations on account of their employees who are members of the System: (a) the accrued liability for service rendered by the members prior to the effective date of participation,

designated as "prior service"; and (b) the accruing cost for future service commonly referred to as "normal cost".

In the case of each municipality, the liability for prior service was determined at the time of participation upon the basis of the service rendered by their employees. As required by law, a prior service contribution rate was fixed, as a percentage of payroll, at a rate deemed sufficient to amortize the accrued liability over a period of 25 years from the effective date of participation.

Normal cost was calculated upon the basis of total membership giving full effect to the age and service characteristics of the membership of each municipality. This rate also was fixed as a percentage of 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 annual amortization payment on account of the accrued liability.

The prior service and current service contribution rates are given below for the several participating municipalities together with the unfunded accrued liability at June 30, 1969:

-13-

Municipal Code No.	Municipality	Prior Service Rate	Current Service Rate	Unfunded Accrued Liability at 6/30/69
1	Barrington	3.30%	6.69%	\$ 190,338
2	Bristol	2.83	7.78	38,112
3	Burrillville	7.12	7.56	289,313
7	Cranston	5.05	6.40	1,100,183
9	East Greenwich	3.90	6.19	55,362
10	East Providence	5.88	6.35	758,217
15	Jamestown	3.27	6.97	38,072
16	Johnston	2.90	7.10	67,328
21	Newport	5.77	6.78	1,176,113
23	North Kingstown	2.44	5.77	96,781
24	North Providence	3.88	5.14	162,716
25	North Smithfield	3.57	7.06	59,991
26	Pawtucket	4.53	4.76	1,926,308
30	Scituate	6.70	6.90	201,434
31	Smithfield	2.33	5.75	37,133
32	South Kingstown	1.15	6.32	30,319
33	Tiverton	6.88	6.08	188,942
34	Warren	5.66	7.17	113,877
39	Woonsocket	7.90	5.03	1,200,780
<u>Special Units</u>				
50	East Greenwich Fire District	4.21	6.87	11,894
51	Cranston Housing Authority	1.20	5.50	4,205
52	East Providence Housing Authority	1.10	6.30	7,022
53	Pawtucket Housing Authority	8.30	8.70	180,497
54	East Greenwich Police & Firemen	1/	14.00	1/
55	North Kingstown Police & Firemen	1/	14.00	1/
TOTAL				\$7,934,937

✓ Not Available



The approved rates are to be applied to the assumed payroll for the approved rates are to be applied to the assumed payroll for the year to which the budget is applicable. Thus, sufficient reserve will strike be provided in the annual budgets to meet a municipality's liability to the retirement system.

This liability consists of the requirements for service ~~required~~ by employees during the year in question and to provide a ~~portion~~ or account of the accrued liability.

AMENDMENTS

Several amendments to the law governing the System were enacted at the 1969 session of the General Assembly. A substantial net increase was occasioned by one of these changes which provided for an increase in the rate of pension credit from 1-2/3% to 2% per year of pension credit.

The approved amendment was effective as of May 8, 1969 and was subject to acceptance by each participating city or town. The effect of this amendment, therefore, in the case of the cities and towns accepting its provisions will be reflected in the report for the 1970 fiscal year.

Another change made a minor revision of the death benefit. A bill will create a Pension Commission to reexamine the provisions and standards of the present state administered retirement systems in the light of current trends in pension planning.

NEGATIVE RESERVE BALANCES

Negative reserve balances in the Employers' Contribution Reserve are shown in the case of several cities and towns as will be noted in the statement of reserve allocations presented in the back of this report. These negative balances resulted from the practice of setting up full reserve requirements, on a lifetime basis, on retired employees from these municipalities.

This is not an unusual situation in the case of a relatively new system. It occurs on aged employees who retire immediately following the date when a municipality becomes a participant in the system. In the process of adjusting the reserves, a transfer is made from the Members' Contribution Reserve and the Employers' Contribution Reserve to the Retirement Reserve of the full actuarial value of the annuitant.

In a very few years, with continued operations, these negative balances should be removed and a normal basis of operations established for the system.

CONCLUSION

The report gives full effect to all rights and benefits in effect for the system including all recent amendments to the retirement plan with the exception of those enacted in 1969 which are prospective in their application.



The retirement board is maintaining progressive policies in the management and administration of the system. Its efforts are constantly directed towards improvement in the plan of operation to the end that its stated objectives will be achieved in full measure.

A. A. Weinberg  
Actuary

January 30, 1970

FINANCIAL STATEMENTS

1. Financial Balance Sheet
2. Statement of Revenues & Expenditures
3. Statement of Cash Receipts & Disbursements
4. Statement of Investment Earnings
5. Comparative Statement of Net Investment Income
6. Statement of Reserve Allocations
7. Statement of Reserve Allocations by Cities and Towns
8. Summary of Investments
9. Listing of Investments Owned
10. Investments acquired During the Year
11. Investments Disposed of During the Year
12. Summary of Investment Account by Type of Investment

FINANCIAL BALANCE SHEET

JUNE 30, 1969

ASSETS

Cash

Accrued Interest Receivable

Investments

Less, Unamortized Premiums  
and Discounts (Net)

Net Investments

Total Assets

\$9,349,721.35

235,835.93

RESERVES

General Employees -

Members' Contribution Reserve

Employer's Accumulation  
Reserve

Retirement Reserve

\$3,108,177.85

( 619,388.63)  
6,685,613.43

Police & Fire Plan -

Members' Contribution Reserve

Employers' Accumulation  
Reserve

Retirement Reserve

135,221.27

13,453.48  
60,759.05

Total Reserves

CURRENT LIABILITIES

Unclaimed Benefits

Total Liabilities & Reserves

(1) Indicates Negative Balance

STATEMENT OF REVENUES AND EXPENDITURES

FISCAL YEAR ENDED JUNE 30, 1969

REVENUES:

Contributions -

General Employees -

Members

Employers

\$ 855,908.23

1,576,622.13

Policemen & Firemen -

Members

Employers

38,649.27

67,361.95

\$2,538,541.58

Investments -

Interest & Dividends

Gain on Sales

\$ 403,078.30

2,177.88

405,256.18

Miscellaneous -

Refunds

Unclaimed Benefits

573.48

825.90

1,399.38

Total Revenues

\$2,945,197.14

EXPENDITURES:

Benefits -

General Employees -

Pensions

Ordinary Death

Benefits

Death Retirement

Allowance

\$629,336.29

52,883.41

36,338.46

Policemen & Firemen -

Pensions

4,681.77

\$ 723,239.93

Refunds of Contributions -

General Employees -

Members

Municipalities

\$132,285.08

7,700.47

Policemen & Firemen -

Members

2,540.10

142,525.65

Investment Expense -

Postage & Insurance

3.10

Total Expenditures

865,768.68

Excess of Revenues over Expenditures -

Transferred to Reserves

\$2,079,428.46

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FISCAL YEAR ENDED JUNE 30, 1969

CASH BALANCE JULY 1, 1968

RECEIPTS:

Investments - Sold or Matured	\$4,724,669.48	
Investment Earnings	353,255.78	
Discounts on Investments Purchased	85,417.33	5,165,520.47
Gain on Sales	2,177.88	
<hr/>		
Contributions -		
General Employees - Members	\$ 855,908.23	
Employers	1,576,622.13	
Policemen & Firemen - Members	38,649.27	2,538,541.58
Employers	67,361.95	
Miscellaneous - Misc. Receipts	\$ 573.48	
Unclaimed Benefits	825.90	1,399.38
<hr/>		
Total Receipts		
Total Cash Available		

DISBURSEMENTS:

Investments - Purchased	\$6,686,543.48	
Accrued Interest	15,800.24	
Premiums Paid	4,250.00	
Postage & Insurance	3.10	6,706,596.82
<hr/>		
Benefits -		
General Employees - Pensions	\$ 629,336.29	
Ordinary Death	52,883.41	
Death Retirement Allowance	36,338.46	
Policemen & Firemen- Pensions	4,681.77	723,239.93
Refunds of Contributions -		
General Employees	\$ 132,285.08	
Municipalities	7,700.47	
Policemen & Firemen	2,540.10	142,525.65
<hr/>		
Total Disbursements		

CASH BALANCE JUNE 30, 1969

\$ 14,387.66

7,705,461.41  
\$7,719,849.00

7,572,362.11  
\$ 147,486.89

STATEMENT OF INVESTMENT EARNINGS  
FISCAL YEAR ENDED JUNE 30, 1969

Interest and Dividends		\$353,255.78
<hr/>		
Deductions:		
Accrued Interest June 30, 1969	\$123,938.69	
Accrued Interest July 1, 1968	103,397.14	
	\$ 20,541.55	
Discounts Amortized	51,908.51	
<hr/>		
Total Addition		72,450.06
<hr/>		
Total		\$425,705.84
<hr/>		
Deductions:		
Accrued Interest Purchased	\$ 20,942.04	
Premiums Amortized	1,685.50	
<hr/>		
Total Deduction		22,627.54
<hr/>		
Investment Income For the Year		\$403,078.30

Exclusive of Capital Gain of \$2,177.88



COMPARATIVE STATEMENT OF NET INVESTMENT INCOME  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FISCAL YEARS ENDED JUNE 30, 1969 and JUNE 30, 1968

	1968-1969	1967-1968
<u>Receipts:</u>		
Interest and Dividends	\$353,255.78	\$260,663.53
Discounts on Purchases	85,417.33	159,180.99
Gain on Sales of Investments	2,177.88	-
<u>Total Receipts</u>	\$440,850.99	\$419,844.52
<u>Disbursements:</u>		
Accrued Interest on	\$ 15,800.24	\$ 16,267.52
Purchases	4,250.00	11,050.00
Premiums on Purchases	3.10	9.85
Postage and Insurance	\$ 20,053.34	\$ 27,327.37
on Purchases		
<u>Total Disbursements</u>	\$ 42,116.68	\$ 54,654.74
Excess of Cash Receipts over Disbursements for the Year	\$4120,797.65	\$3392,517.15

	Members' Reserve		Employer's Reserve		Retirement Reserve	
	General Employees	Police & Fire	General Employees	Police & Fire	General Employees	Police & Fire
Reserve Balances - July 1, 1968	\$2,601,944.81	\$ 1,112.78	\$- 736,607.04	\$ 2,246.38	\$5,437,020.50	\$ 89.94
<u>Receipts:</u>						
From Members	855,086.55	39,470.95				
From Employers			1,576,600.19	67,383.89		
Transfers From:						
Members' Reserve					115,363.41	4,027.38
Employers' Reserve					1,398,797.90	56,176.79
Inter-Fund Transfers		101,205.02				
<u>Total Revenues</u>	\$ 855,086.55	\$140,675.97	\$1,576,600.19	\$67,383.89	\$1,514,161.31	\$60,204.17
<u>Total Available</u>	\$3,457,031.36	\$141,788.75	\$ 839,993.15	\$69,630.27	\$6,951,181.81	\$60,294.11
<u>Expenditures:</u>						
Pension Benefits					\$ 629,336.29	\$ 4,681.77
Ordinary Death Benefits			\$ 52,883.41			
Death Retirement Allowances					36,338.46	
Refunds	\$ 132,285.08	\$ 2,540.10	7,700.47			
Transfers:						
To Retirement Reserves	115,363.41	4,027.38	1,398,797.90	56,176.79		
Inter-Fund	101,205.02					
<u>Total Expenditures</u>	\$ 348,853.51	\$ 6,567.48	\$1,459,381.78	\$56,176.79	\$ 665,674.75	\$ 4,681.77
<u>Balance</u>	\$3,108,177.85	\$135,221.27	\$- 619,388.63	\$13,453.48	\$6,285,507.06	\$55,612.34
<u>Net Investment Income</u>					400,106.37	5,146.71
Reserve Balances - June 30, 1969	\$3,108,177.85	\$135,221.27	\$- 619,388.63	\$13,453.48	\$6,685,613.43	\$60,759.05

STATEMENT OF RESERVE ALLOCATIONS  
FISCAL YEAR ENDED JUNE 30, 1969

Code	General Employer City or Town	Members' Contribution Reserve	Employers' Contribution Reserve	Retirement Reserve
1	Barrington	\$ 258,810.20	\$ 111,943.42	\$ 416,873.34
2	Bristol	92,479.26	97,920.28	140,247.56
3	Burrillville	14,606.48	19,500.00	851.03
7	Cranston	492,762.99	184,505.98*	1,054,608.27
9	East Greenwich	61,238.92	81,359.89	92,410.41
10	East Providence	370,736.63	173,139.39	743,532.19
15	Jamestown	22,446.36	21,607.12*	57,112.09
16	Johnston	10,849.11	18,704.71	729.46
21	Newport	206,301.44	72,745.99*	488,487.31
23	North Kingstown	135,949.23	50,835.80	347,614.62
24	North Providence	129,935.75	50,101.40*	282,110.44
25	North Smithfield	36,721.95	25,561.56	49,224.25
26	Pawtucket	600,216.93	654,556.13*	1,517,373.95
30	Scituate	21,730.50	33,757.75*	69,489.32
31	Smithfield	93,810.39	92,715.29	85,865.34
32	South Kingstown	105,554.11	181,271.65	66,406.80
33	Tiverton	48,200.54	123,230.02*	185,768.93
34	Warren	73,393.16	21,908.37*	190,568.26
39	Woonsocket	320,187.75	264,597.16*	828,736.15
51	Cranston Housing Authority	2,492.02	2,938.62	121.56
52	East Providence Housing Authority	2,183.75	2,823.39	121.56
53	Pawtucket Housing Authority	7,570.38	51,092.71*	67,360.49
	<b>Totals</b>	<b>\$3,108,177.85</b>	<b>\$ 619,388.63*</b>	<b>\$6,685,613.43</b>
<b>Police &amp; Fire</b>				
50	East Greenwich Fire District	\$ 4,127.30	\$ 7,794.01	\$ 454.67
54	East Greenwich Police	30,335.05	13,448.40	1,094.16
55	North Kingstown	100,758.92	7,788.93*	59,210.20
	<b>Totals</b>	<b>\$ 135,221.27</b>	<b>\$ 13,453.48</b>	<b>\$ 60,759.05</b>

\*Denotes negative balance. These are temporary deficits to be recovered 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.

SUMMARY OF INVESTMENTS  
FROM JULY 1, 1968 to JUNE 30, 1969

Total Investments July 1, 1968	
Add:	\$ 7,387,847.35
Purchases during the year	6,672,849.72
	<hr/>
	\$14,060,697.07
Deduct:	
Redemptions and Sales during year	4,710,975.72
	<hr/>
<b>TOTAL INVESTMENTS AT JUNE 30, 1969</b>	<b>\$ 9,349,721.35</b>



DETAILED LISTING OF INVESTMENTS OWNED

Description	Rate of Interest	Maturity	Carrying Value
<u>UNITED STATES OF AMERICA</u>			
Treasury notes	5%	8/15/70	\$ 150,000
Treasury bonds	4	10/ 1/69	100,000
Treasury bonds	4	2/15/70	50,000
Treasury bonds	4	8/15/70	100,000
Treasury bonds	4	8/15/71	100,000
Treasury bonds	4	2/ 2/72	200,000
Treasury bonds	4	8/15/73	200,000
Treasury bonds	4	5/25/74	225,000
Treasury bonds	4-1/4	2/15/75	200,000
Treasury bonds	5-3/4	5/15/85	100,000
Treasury bonds	4-1/4	5/15/89-94	25,000
Treasury bonds	4-1/8	8/15/92	100,000
Treasury bonds	4-1/4	5/15/94	125,000
Total United States of America			\$ 1,675,000
<u>TWELVE FEDERAL LAND BANKS</u>			
Federal Land Banks	4-1/4	7/15/69	\$ 200,000
Federal Land Banks	5	2/24/76	250,000
Federal Land Banks	5-3/8	7/20/76	115,000
Federal Land Banks	5	1/22/79	100,000
Total Federal Land Bank Bonds			\$ 665,000
<u>FEDERAL NATIONAL MORTGAGE ASSOCIATION</u>			
Participating certificates	5.20	1/ 1/82	\$ 100,000
Participating certificates	5.10	4/ 6/87	100,000
Participating certificates	6.05	2/ 1/88	100,000
Total Federal National Mortgage Association			\$ 300,000
<u>COMMERCIAL PAPER</u>			
Chessie Corp.	Disct.	7/17/69	\$ 100,000
N. J. Natural Gas	Disct.	7/17/69	300,000
Total Commercial Paper			\$ 400,000

Description	Rate of Interest	Maturity	Carrying Value
<u>RAILROADS</u>			
Clinchfield Railroad	5-1/2%		
Norfolk & Western Ry.	4-1/8	1/15/78	\$ 100,000
Texas & Pacific Railway	5-1/8	4/ 1/75	50,000
Wabash Railroads First Mortgage		2/ 1/77	100,000
Total Railroads			100,000
			\$ 350,000
<u>PUBLIC UTILITIES</u>			
American Telephone & Telegraph Co.:			
Debentures	2-3/4	8/ 1/80	\$ 135,000
Debentures	4-5/8	2/ 1/94	25,000
Debentures	5-1/2	1/ 1/97	100,000
Debentures	4-3/4	6/ 1/98	50,000
Debentures	5-1/8	4/ 1/2001	40,000
Arkansas Power & Light Co.	4-7/8		
Boston Edison Illuminating	6-7/8	5/ 1/81	50,000
Central Illinois Electric & Gas Co.		11/ 1/98	100,000
Central Illinois Public Service Co.	3	2/ 1/75	100,000
Chesapeake & Potomac Tel.	4-3/4	1/ 1/89	180,000
Columbia Gas System	6-5/8	10/ 1/08	250,000
Commonwealth Edison Co.	4-7/8	10/ 1/90	50,000
Commonwealth Edison Co.	4-1/4	3/ 1/87	80,000
Consolidated Natural Gas Co.	6-1/4	2/ 1/98	100,000
Detroit Edison Co.	5	2/ 1/85	50,000
Florida Power	3	12/ 1/70	40,000
General Telephone of California	7	12/ 1/98	200,000
General Telephone & Elec.	5	12/ 1/95	40,000
Georgia Power	4	3/15/90	100,000
Illinois Bell Tele. Co.	3-1/2	6/ 1/81	111,000
Louisiana Power & Light Co.	4-3/8	3/ 1/94	50,000
N. E. Tel. & Tel.	5	4/ 1/90	25,000
N. E. Telephone	6-1/8	10/ 1/06	100,000
New Jersey Power & Light Co.	6-3/8	9/ 1/08	200,000
Northern Illinois Gas Co.	2-7/8	6/ 1/79	30,000
	4-3/8	7/ 1/88	50,000

Description	Rate of Interest	Maturity	Carrying Value
<b>UTILITY UTILITIES - CONTINUED</b>			
Public Gas & Electric Co.	3 1/2	12/1/0	20,000
Public Gas & Electric Co.	3 1/2	6/1/00	100,000
Public Gas & Electric Co.	3 1/2	7/1/77	75,000
Public Power	4-5/8	8/1/88	25,000
Public Service Co. of Indiana	3-3/8	7/1/82	50,000
Public Service Power & Light Co.	4-1/8	5/1/88	25,000
Public Gas & Electric Co.	4-7/8	7/1/87	75,000
Southern Bell Telephone & Telegraph Co.	3	7/1/79	25,000
Southern Bell Telephone & Telegraph Co.	4	10/1/83	75,000
Southern Bell Telephone & Telegraph Co.	3-7/8	4/15/81	75,000
Tennessee Electric Power Co.	4-7/8	6/1/91	75,000
<b>Total Public Utilities</b>			
			<b>\$ 2,876,000</b>
<b>UTILITY CORPORATE BONDS</b>			
Undersea Bond, Inc.	5-1/2	3/1/91	100,000
Under Manhattan	4-7/8	5/1/93	100,000
General Motors Acceptance Corporation	4-7/8	12/1/87	50,000
International Paper	4-8	3/1/91	80,000
Long Star Cement	4-7/8	7/1/97	60,000
Peru American Airways	7-1/8	4/1/94	100,000
Shell Oil Co.	4-1/2	8/1/91	100,000
Standard Oil of Ind.	4-3/4	3/15/92	50,000
Standard Oil of Ind.	4-3/4	7/15/94	200,000
Standard Oil of Ind.	4-1/2	4/15/86	100,000
<b>Total Utility Corporate Bonds</b>			
			<b>\$ 1,240,000</b>

Description	Number of Shares	Carrying Value
<b>BANK STOCKS</b>		
Bank of America	600	\$ 31,405
B F New York Corp.	800	52,026
Chase Manhattan Bank	500	31,364
First National Bank of Boston	500	24,522
First National City Bank of New York	600	34,348
Morgan Guaranty Trust Company of New York	260	21,524
<b>Total Bank Stocks</b>		
		<b>\$ 195,189</b>
<b>CORPORATE STOCKS</b>		
Abbott Laboratories	600	\$ 12,803
American Electric Power	1,500	57,867
American Express Co.	450	31,257
American Telephone & Telegraph Co.	1,000	55,641
Squibb Beecham	700	34,834
Central Illinois Light Co.	2,300	36,354
Commercial Credit Company	400	18,742
Commonwealth Edison Co.	1,200	52,685
Consumers Power Co.	750	26,456
Control Data Corp.	120	15,922
Detroit Edison	300	31,649
Delmarva Power	1,700	43,086
E. I. DuPont de Nemours	150	20,144
Florida Power & Light Co.	600	58,106
General Electric Company	900	49,790
General Foods Corporation	500	40,223
General Motors Corporation	701	49,789
General Public Utilities Corp.	1,260	40,635
Honeywell Inc.	300	29,645
International Business Machines Corp.	317	41,916
International Paper Company	1,000	31,093
Middle South Utilities	2,200	49,934
Monsanto Chemical	1,300	58,515
Northern States Power Co.	1,067	33,405
Ferry, J. O. Co.	1,500	22,921
Chas. Pfizer Co.	500	32,421
Phillips Petroleum Company	1,000	84,224
Polaroid Corp.	955	50,114
R. O. A.	400	43,188
Standard Oil Company of New Jersey	250	51,521
Standard Oil Company of Indiana	700	43,664
Standard Oil Company of Indiana	1,000	53,515



Description  
 CORPORATE STOCKS - continued  
 Texaco, Inc.  
 Texas Utilities  
 Transamerica Corp.  
 Union Carbide Corp.  
 Union Electric Co.  
 U. S. Fidelity & Guaranty Co.  
 Western Bancorporation  
 Xerox Corp.

<u>Number of Shares</u>	<u>Carrying Value</u>
700	\$ 54,502
1,100	60,577
1,039	37,574
600	36,104
1,300	30,459
700	40,423
1,600	56,446
200	54,996
	<u>\$ 1,648,532</u>

Total Corporate Stocks

TOTAL INVESTMENTS

\$ 9,349,721

INVESTMENTS ACQUIRED DURING THE YEAR

<u>Description</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Carrying Value</u>
<u>COMMERCIAL PAPER</u>			
Allied Stores Credit	Disct.	4/17/69	\$ 100,000
American Financial	Disct.	5/15/69	80,000
Anderson Clayton Co.	Disct.	11/21/68	100,000
Anderson Clayton Co.	Disct.	3/24/69	500,000
Beneficial Finance	Disct.	12/12/68	85,000
Chessie Corp.	Disct.	7/17/69	100,000
C I T Corp.	Disct.	2/24/69	100,000
Family Finance	Disct.	5/15/69	600,000
Fruehauf Financial	Disct.	3/25/69	500,000
General Motors	Disct.	11/21/68	15,000
General Telephone	Disct.	2/20/69	1,200,000
Georgia Pacific Corp.	Disct.	3/27/69	250,000
I T T Aetna Corp.	Disct.	6/19/69	600,000
McGraw-Hill	Disct.	10/14/68	100,000
N. J. Natural Gas	Disct.	7/17/69	300,000
Wabco Financing	Disct.	1/16/69	250,000
West Point Pepperell	Disct.	4/17/69	100,000
White Motor Corp.	Disct.	11/21/68	50,000
			<u>\$ 5,030,000</u>

PUBLIC UTILITY BONDS

Boston Edison Illuminating	6-7/8%	11/ 1/98	\$ 100,000
Central Illinois Public	4-3/4	1/ 1/89	100,000
Chesapeake & Potomac Te.	6-5/8	10/ 1/08	250,000
Florida Power	7	12/ 1/98	200,000
General Telephone & Elec.	4	3/15/90	100,000
Illinois Bell Telephone	4-3/8	3/ 1/94	25,000
N. E. Telephone	6-3/8	9/ 1/08	200,000
			<u>\$ 975,000</u>

INDUSTRIAL BONDS

Marine Midland	7-5/8	4/ 1/94	\$ 100,000
Pan American Airways	5-1/4	2/15/98	100,000
			<u>\$ 200,000</u>

<u>Description</u>	<u>Number of Shares</u>	<u>Carrying Value</u>
<u>COMMON STOCKS</u>		
American Electric Power	1,500	\$57,866.95
American Express Co.	450	31,256.55
American Tel. & Tel.	400	21,114.44
Commonwealth Edison Co.	500	22,991.25
Control Data Corp.	120	15,922.20
Florida Power & Light	300	21,438.30
General Electric	300	27,519.39
General Public Utilities	60	1,500.00
Middle South Utilities	200	4,584.26
Monsanto Co.	600	30,182.94
Northern States Power	67	1,809.00
Chas. Pfizer Co.	1,000	84,223.80
Polaroid Corp.	250	27,703.33
Standard Oil of N. J.	100	15,618.52
Texaco, Inc.	100	8,359.81
Texas Utilities	600	32,428.65
Xerox Corp.	125	34,438.47
		<u>\$ 438,957.86</u>
<u>BANK STOCKS</u>		
Bankers Trust Co.	200	\$ 13,941.86
Western Bancorporation	400	14,950.00
		<u>\$ 28,891.86</u>
<b>TOTAL INVESTMENTS ACQUIRED DURING THE YEAR</b>		<u><u>\$6,672,849.72</u></u>

<u>INVESTMENTS DISPOSED OF DURING THE YEAR</u>			
<u>Description</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Par Value for Commercial Paper or Cost for Stock</u>
<u>COMMERCIAL PAPER</u>			
Allied Stores Credit	Disct.	4/17/69	\$ 100,000
American Financial	Disct.	5/15/69	80,000
Anderson Clayton Co.	Disct.	11/21/68	100,000
Beneficial Finance	Disct.	3/24/69	500,000
Beneficial Finance	Disct.	12/12/68	85,000
C I T Corp.	Disct.	2/24/69	100,000
Family Finance	Disct.	5/15/69	600,000
Fruehauf Financial	Disct.	3/25/69	500,000
General Motors	Disct.	11/21/68	15,000
General Telephone	Disct.	2/20/69	1,200,000
Georgia Pacific Corp.	Disct.	3/27/69	250,000
I T T Aetna Corp.	Disct.	6/19/69	600,000
McGraw-Hill	Disct.	10/14/68	100,000
Wabco Financing	Disct.	1/16/69	250,000
West Point Pepperell	Disct.	4/17/69	100,000
White Motor Corp.	Disct.	11/21/68	50,000
			<u>\$ 4,630,000</u>
<u>COMMON STOCKS</u>			
Allied Chemical Corp.		424	\$ 18,039.59
Hartford Fire Insurance Co.		1,000	34,997.11
U. S. Steel Corp.		400	27,939.02
			<u>\$ 80,975.72</u>
<b>TOTAL INVESTMENTS DISPOSED OF DURING THE YEAR</b>			<u><u>\$ 4,710,975.72</u></u>

INVESTMENTS DISPOSED OF DURING THE YEAR

Summary of Investment Account  
by Type of Investment

Type of Investment	Proportion of Total	Cost or Par
U. S. Government	17.9%	\$ 1,675,000
Federal Land Bank	7.1	665,000
Federal National Mortgage Association	3.2	300,000
Commercial Paper	4.4	400,000
Railroad	3.7	350,000
Public Utilities	30.8	2,876,000
Other Corporate Bonds	13.2	1,240,000
Bank Stpcks	2.1	195,189
Corporate Stocks	17.6	1,648,532
<b>Total</b>	<b>100.0%</b>	<b>\$ 9,349,721</b>

SUMMARY OF PROVISIONS OF PENSION PLAN

A P P E N D I X

Summary of Benefit and Contribution Provisions

Provisions of the Pension Plan are as follows: (a) Any member becoming an employee after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (b) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (c) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (d) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (e) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (f) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (g) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (h) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (i) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (j) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (k) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (l) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (m) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (n) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (o) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (p) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (q) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (r) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (s) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (t) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (u) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (v) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (w) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (x) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office. (y) Any person who is a member of the system after the effective date of participation for the first time, who at date of entry into service is under age 25 is a member of the plan or the system. (z) Any member who becomes a member of the system after the effective date of participation, or who is a member of the system, shall automatically become a member of the system after the date when he shall assume the duties of his office.



SUMMARY OF PROVISIONS OF RETIREMENT PLAN 1/

(In force and effect July 1, 1968)

Participants by cities and towns. Participation is optional with the cities and towns and city or town housing authorities. It 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. Each employee of a city or town, including elected officials, subject to the conditions stated in item entitled "Conditions for membership" below.

Conditions for membership. (a) 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.

(b) 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.

(c) 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.

1/ This summary does not give effect to 1969 amendments.

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. (a) 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.

(b) 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. (a) 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.

(b) Any employee who elects, at the time of initial participation, not to join the system, 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.

(c) An 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. A member of the system shall be entitled to credit as service, in any calendar year, for any period of 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.



A member may retire after 35 years of service regardless of age without reduction in benefits.

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 1-2/3% of average salary (as defined below) per year of credited service.

Effective May 8, 1969, the rate of retirement allowance was increased to 2% of average salary (3-year average) per year of service, not to exceed 37-1/2 years for any member retiring after January 1, 1969. The acceptance of this rate was optional with any participating city or town. Any such city or town not desiring to come under this amendment could exclude itself by a formal resolution filed with the secretary of state within 60 days after May 8, 1969. Any city or town may thereafter revoke its decision by a subsequent resolution accepting the provisions thereof. Such revocation shall be effective upon the filing of the resolution with the secretary of state.

Average salary defined. This is the average annual compensation for any 3 consecutive years when such average was highest.

Ordinary disability benefit. Any member having at least 7 years of service, regardless of age, who becomes totally and permanently disabled for service, would be entitled to a benefit equal to 1-2/3% of average salary, as defined above, for each year of credited service.

Accidental disability. A member becoming totally and permanently disabled for service due to occupational causes, regardless of age or length of service, would be entitled to 66-2/3% 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 benefit exceeds the rate of salary in effect at date of disability, the disability benefit would be 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 would be payable to:

- (a) His widow, to continue during widowhood; or
- (b) If there be no widow, or if the widow dies or remarries, and minor children under age 18 survive the member, to such children in equal proportions; or
- (c) If no eligible widow or eligible minor children exist at the date of death of the member, to the father or mother who was dependent upon the member for support, as the retirement board may determine.

These benefits are subject to reduction by Workmen's Compensation payments made by the city or town.

Death benefits. (a) Upon death of a member occurring while in service as the result of any cause other than occupational, a benefit would be payable to the person having an insurable interest in the life of the member as he shall have designated, consisting of (1) the contributions of the member, and (2) a payment of \$250.00 for each year of service, subject to a minimum of \$1,000.00 and a maximum of \$5,000.00. The payment of the minimum amount is subject to prescribed limitations.

(b) Effective May 17, 1967, as to employees retiring on or after such date, continued coverage of the ordinary death benefit is provided. The benefit remains in effect for the full amount during the first year on retirement but is reduced annually thereafter by 25% thereof to a minimum of \$1,000.00.

(c) Upon death of a retired member, a death benefit is payable to the person designated by the member, or the estate if no designation has been made, equal to the excess of the contributions made by the member over retirement benefit payments made by the system, subject to a minimum payment of five monthly installments of his retirement allowance or \$300.00 whichever is greater.



On Death - vested rights. A member becoming separated from service through death or retirement would be entitled to a portion of his total contributions, less forfeiting all his accrued credits and interest in the system.

A member retiring at least 10 years of credited service may leave his contribution credits intact and upon attaining age 50 if a member member of the time or notice department apply for a service retirement of any other classification apply for a service retirement at the time of the amount accrued and accrued at the date of his separation from service.

Options. (a) Any member, at the time of retirement, may elect to receive a vested retirement allowance and provide, on an actuarially equated basis, with the remainder of his equity, an allowance to a designated beneficiary. If death of the beneficiary occurs before the death of the retired member, no change would be made in the original election and the member would continue designated to receive the vested service retirement allowance.

(2) Beneficiary annuity. Effective as of July 1, 1967, an employee retiring at least 10 years of service at age 60 or over, or 20 years of service or more between the ages of 55 and 60 years, may elect that upon death occurring while in service, a designated beneficiary shall receive an annuity determined on a joint and last survivor basis according to the several prescribed options.

Participating. Members contribute to the system of their salaries.

Each city or town or other participating governmental unit is authorized 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 according 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.

OPTIONAL PLAN FOR POLICEMEN AND FIREMEN

Participation by cities and towns. Participation thereunder on behalf of the policemen or firemen is optional with the legislative body of each city or town. The plan is under the jurisdiction of the Retirement Board of the Employees' Retirement Board of the Employees' Retirement System of the State of Rhode Island for management and administration.

Membership. Membership is compulsory after 6 months of service. Any employee who is a member of another municipal retirement system in the State may join this system by waiving his rights and benefits in such other system.

Service retirement. A member may retire after 10 years' service at age 50 or over, or after 20 years' service beginning at age 55. Retirement may occur at age 50 with at least 20 years' service but at a reduced rate of pension. Retirement is compulsory at age 65 except as to an elected official but employment may be extended for periods of 1 year upon request of the member approved by the governing body of the municipality.

The rate of retirement annuity is 2% of average salary per year of service (3-year average) up to a maximum of 75% of average salary.



Ordinances. A member between 55 and 60 years, with 20 years of service or more, or age 60 or over with at least 10 years of service may elect to provide an annuity for a designated beneficiary on an actuarial equivalent basis, to become effective upon death before or after retirement.

Disability. Disability benefits are provided for absence due to occupational and non-occupational causes. For occupational disability, the benefit is 66-2/3% of salary at date of disability. For non-occupational disability, the benefit is 1-2/3% of average pay non-occupational disability per year of service and a maximum of salary (3-year average) 25% of average salary and a maximum of age 58 with a maximum of 25% of average salary are imposed for 50% of average salary. Certain restrictions are imposed for partial employment during disability.

Death benefits. Death due to occupational causes is compensable by a 20% of salary payment to a widow during widowhood, plus an actuarial 10% for each minor child under age 18 up to a maximum of 66-2/3% of salary. If no widow survives or if the widow re-marries, the benefit to minor children is 15% of salary up to a maximum of 50% of salary to a family. These benefits are provided by member's contributions.

Upon death due to non-occupational causes, the payment is \$250 per year of service, subject to a minimum of \$1,000 and a maximum of \$5,000. The benefit is contingent after retirement reduced 25% each year to a minimum of 20% of the full benefit.

If a widow survives upon death of the member before or after retirement, she is to receive during widowhood 10% of salary plus an allowance for each child under age 18 of 15% of salary up to a total of 50% of salary to a family.

Testing of pension credit. Testing occurs upon completion of 10 years of service with the deferred retirement annuity payable beginning at age 58.

Re-Entry. Upon separation from service, other than by death or retirement, a member is entitled to a refund of his normal contributions, without interest.

Pensioning. Each member contributes 6% of salary. A participating municipality is obligated to meet the remainder of the cost which is stipulated by law as a minimum of 1 1/2% of salaries.