



FIFTEENTH ANNUAL REPORT
of the
RETIREMENT BOARD
FISCAL YEAR ENDED JUNE 30, 1972

MEMBERS OF RETIREMENT BOARD

(as constituted June 30, 1972)

Ex Officio Members

RAYMOND H. HAWKSLEY, General Treasurer, Chairman
KEVIN K. COLEMAN, Director of Administration
ALBERT B. WEST, Director of Business Regulation
HON. FRANCIS P. SMITH, Chairman, Senate Finance Committee
HON. WILLIAM J. LAPPIN, Chairman, House Finance Committee

Appointed by the Governor

JOHN J. HUDSON

Representing Commissioner of Education

DR. WILLIAM P. ROBINSON
Associate Commissioner of Education
(Ex officio delegate)

Elected by Teachers

NORMAN R. BERGERON
Cranston School Department

Representing Municipal Employees

RALPH D. CUCULO (Retired)

Representing Municipal Employers

PAUL E. BASSETT

* * * * *

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
Participation	1
Rates of contribution of participating	
Municipalities	3
1972 Legislation	4
Actuarial valuation	4
Financial review	5
Investments	7
Conclusion	9
REPORT OF THE ACTUARY	10
Membership statistics	11
Obligations of Municipalities	13
Reserve accounts	17
Conclusion	17
FINANCIAL STATEMENTS	19
Financial balance sheet	20
Statement of revenues and expenditures	21
Statement of cash receipts and disbursements	22
Statement of investment earnings	23
Comparative statement of net investment income	24
Statement of reserve allocations	25
Summary of investments	26
Detailed listing of investments owned	27
Investments acquired during the year	33
Investments disposed of during the year	36
Summary of investment account by type of	
investment	37
APPENDIX -	
Summary of applicable benefit and contribution	
provisions:	
Municipal Employees' Retirement System	40
Policemen's and Firemen's Retirement Plan	44

* * * * *

November 30, 1972

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 submit herewith, for transmittal to the General Assembly, the FIFTEENTH ANNUAL REPORT on the operations of the Municipal Employees' Retirement System for the fiscal year ended June 30, 1972.

Respectfully submitted,

Raymond H. Hawksley,
Chairman

Municipal Employees' Retirement System
of the State of Rhode Island

The Fifteenth Annual Report of the Retirement Board on the Municipal Employees' Retirement System of the State of Rhode Island is presented herewith. This report discloses the results of operations of the System for the fiscal year ended June 30, 1972.

PARTICIPATION

Twenty cities and towns, representing more than one-half of the eligible cities and towns of the State, were participants in the System at the close of the year. The participating Cities and Towns and the beginning dates of 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 Kingstown	July 1, 1957
Bristol	July 1, 1957	North Providence	July 1, 1961
Burrillville	July 1, 1968	North Smithfield	July 1, 1964
Cranston	July 1, 1963	Pawtucket	July 1, 1962
East Greenwich	July 1, 1967	Scituate	July 1, 1967
East Providence	July 1, 1961	Smithfield	July 1, 1959
Hopkinton	July 1, 1969	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

Thirteen special governmental units have established pension coverage in this System for their employees. These special units and the effective dates of participation are:

<u>Special Units</u>	<u>Date of Participation</u>
<u>Policemen and Firemen</u>	
Barrington Policemen & Firemen	July 1, 1970
East Greenwich Fire District	July 1, 1967
East Greenwich Policemen	July 1, 1968
North Kingstown Policemen & Firemen	July 1, 1968
North Providence Policemen	July 1, 1969
South Kingstown Policemen & Firemen	July 1, 1971
Warren Policemen	July 1, 1970
<u>Housing Authorities</u>	
Bristol Housing Authority	July 1, 1970
Cranston Housing Authority	July 1, 1968
Cumberland Housing Authority	July 1, 1969
East Providence Housing Authority	July 1, 1968
Lincoln Housing Authority	July 1, 1969
Pawtucket Housing Authority	July 1, 1968

Separate rates of contribution have been established for the several participating municipalities reflecting the characteristics of their individual memberships giving effect to the applicable retirement benefit rates. These rates of contributions are presented in the following table.

RATES OF CONTRIBUTION OF PARTICIPATING MUNICIPALITIES

<u>Municipal Code No.</u>	<u>City or Town General Employees</u>	<u>Year of Entry</u>	<u>Plan-Rate of Pension Credit</u>	<u>Rate of Employer Contribution</u>		
				<u>Prior</u>	<u>Current</u>	<u>Total</u>
1	Barrington	1957	2%	4.16%	8.38%	12.54%
2	Bristol	1957	2	3.61	9.84	13.45
3	Burrillville	1968	1-2/3	8.36	8.36	16.72
7	Cranston	1963	2	6.19	8.02	14.21
9	East Greenwich	1957	2	4.98	7.92	12.90
10	East Providence	1961	1-2/3	5.88	6.35	12.23
14	Hopkinton	1969	1-2/3	8.20	8.60	16.80
15	Jamestown	1964	2	4.19	8.84	13.03
16	Johnston	1968	2	3.83	8.16	11.99
21	Newport	1966	1-2/3	5.77	6.78	12.55
23	North Kingstown	1957	2	3.14	7.42	10.56
24	North Providence	1961	2	4.68	6.67	11.35
25	North Smithfield	1964	2	4.41	8.65	13.06
26	Pawtucket	1962	1-2/3	4.53	4.76	9.29
30	Scituate	1967	2	8.55	8.93	17.48
31	Smithfield	1959	2	2.86	7.10	9.96
32	South Kingstown	1957	2	1.50	8.23	9.73
33	Tiverton	1964	1-2/3	6.88	6.08	12.96
34	Warren	1957	1-2/3	5.66	7.17	12.83
39	Woonsocket	1962	1-2/3	7.90	5.03	12.93
<u>Housing Authorities</u>						
51	Cranston	1968	2	1.52	8.42	9.94
52	East Providence	1968	2	1.41	8.11	9.52
53	Pawtucket	1968	1-2/3	8.30	8.70	17.00
56	Cumberland	1969	1-2/3	1.10	4.20	5.30
57	Lincoln	1969	1-2/3	1.20	4.70	5.90
59	Bristol	1970	2	1.30	8.40	9.70
<u>Policemen & Firemen</u>						
50	East Greenwich Fire District	1967	2	--	--	14.00
54	East Greenwich Policemen	1968	2	--	--	14.00
55	North Kingstown Policemen & Firemen	1968	2	--	--	14.00
58	North Providence Policemen	1968	2	--	--	14.00
60	Barrington Policemen & Firemen	1970	2	--	--	14.00
62	Warren Policemen	1970	2	--	--	14.00
63	South Kingstown Policemen & Firemen	1971	2	--	--	14.00

These rates are applied to the budgeted payroll for the year for the applicable employees. In this way, sufficient moneys will be provided currently to meet the total requirements of the retirement system. These requirements consist of the accruing cost for current service plus the annual amortization payment on the accrued liability.

1972 LEGISLATION

DEATH BENEFIT. A \$2,000.00 minimum death benefit payable upon death after retirement has been provided regardless of the date of retirement.

MILITARY SERVICE. Pension credit for approved military leaves of absence is limited, in the aggregate, to 4 years.

ACTUARIAL VALUATION

An annual actuarial valuation of the system was completed as of June 30, 1972. The purpose of such a valuation is to establish the financial status of the system. By this valuation, the progress of the system is measured. Effect is given to the accrued and accruing liabilities for the prescribed benefits. The results of this valuation are presented in the latter part of this report.

In this process, an analysis was made of the changes in the active membership among the several participating municipalities. In this analysis, account was taken of the additions to membership during the year under review and the separations from service due to resignation, death or retirement. The experience of the system with respect to members on retirement was also studied. In his report, the actuary points up the several factors that are basic in such a valuation and discusses briefly other problems of pertinence in the operation of the system.

An actuarial survey of the operating experience affecting each participating municipality is under way as a means of checking the adequacy of their contribution rates and evaluating operations to date.

FINANCIAL REVIEW

Net present assets of the system at June 30, 1972 amounted to \$18,466,550. These net assets are credited to certain specific reserves as required to give effect to the relevant provisions of law. The reserves are subject to periodic checks and analyses to determine their sufficiency in meeting the accrued pension liabilities under the prescribed benefit schedule.

Revenues and expenditures for the year were as follows:

	<u>GENERAL EMPLOYEES</u>	<u>POLICEMEN & FIREMEN</u>
<u>REVENUES</u>		
Members' Contributions	\$1,311,014	\$174,661
Employers' Contributions	2,416,577	270,915
Investment Earnings	650,040	59,482
Other	18,782	29,159
<u>Total Revenues</u>	<u>\$4,596,413</u>	<u>\$534,217</u>
<u>EXPENDITURES</u>		
Monthly Pensions	\$1,025,623	\$ 18,919
Survivor Benefits	--	13,520
Ordinary Death Benefits	73,750	1,500
Death Retirement Allowance	110,783	--
Refunds	219,218	14,332
Other	229,284	--
<u>Total Expenditures</u>	<u>\$1,658,658</u>	<u>\$ 48,271</u>
Net Additions to Reserves	<u>\$2,937,755</u>	<u>\$485,946</u>

DISTRIBUTION OF NET ADDITIONS TO RESERVES

Unclaimed Benefits	\$ 2,787	\$ --
Members' Contributions	267,184	163,743
Employers' Accumulations	233,525	50,193
Retirement Reserve	1,834,259	372,396
<u>Totals</u>	<u>\$2,937,755</u>	<u>\$485,946</u>

The additions to the reserves are to provide for the accruing pension credits resulting from additional service rendered by the employees.

Net revenues for the year were credited to the appropriate reserve accounts to meet future maturing obligations.

Reserves at June 30, 1972

Members' contributions	\$ 5,785,041.82
Employers' contributions	990,626.20
<u>Retirement reserve</u>	<u>11,690,882.15</u>
<u>Total</u>	<u>\$18,466,550.17</u>

Reserves at June 30, 1971

Members' contributions	\$ 4,754,115.12
Employers' contributions	807,294.58
<u>Retirement reserve</u>	<u>9,484,226.86</u>
<u>Total</u>	<u>\$15,045,636.56</u>

Increase in reserves for the year \$ 3,420,913.61

INVESTMENTS

Investments at the close of the year amounted to \$18,222,590.00. Investments are carried at amortized book value for bonds which give effect to the income yield for the life of the bonds and at cost for stocks. The rate of investment income for the year on average investments was 5.55%. This is a satisfactory rate of return on high quality bonds and stocks such as those that comprise the investment account.

Investment income constitutes one of the three major sources of revenue for the retirement system. For the 1972 fiscal year, such income was equal to 17.7% of total revenues. This rate should increase with continued operations of the system.

Total Investments at July 1, 1971	\$14,966,653
Acquisitions during the year	<u>7,829,255</u>
Total	\$22,795,908
Less, redemptions and sales during the year	<u>4,573,318</u>
TOTAL INVESTMENTS AT JUNE 30, 1972	<u>\$18,222,590</u>

The following is a summary of total investments at June 30, 1972 with the amounts at the end of the preceding fiscal year given for comparison:

	<u>June 30, 1972</u>		<u>June 30, 1971</u>	
	<u>Par value for bonds and cost for stocks</u>	<u>Per cent of total</u>	<u>Par value for bonds and cost for stocks</u>	<u>Per cent of total</u>
U. S. Government	\$ 1,575,000	8.6%	\$ 1,675,000	11.2%
Commercial Paper	--	0.0	800,000	5.3
Federal Land Bank	465,000	2.5	465,000	3.1
FNMA Certificates	300,000	1.7	300,000	2.0
Railroad	250,000	1.4	250,000	1.7
Public Utility Bonds	6,716,000	36.9	5,466,000	36.5
Other Corporate Bonds	2,190,400	12.0	1,940,400	13.0
Bank Stocks	485,344	2.7	305,873	2.0
Other Common Stocks	6,240,846	34.2	3,764,380	25.2
Totals	<u>\$18,222,590</u>	<u>100.0%</u>	<u>\$14,966,653</u>	<u>100.0%</u>

In the foregoing exhibit bond investments are shown at par value. Equity investments are valued at their cost. At June 30, 1972, the market value of equity investments was 7-1/2% above their original cost.

CONCLUSION

The financial condition of the system is satisfactory and is improving steadily with continued operations. A measure of relative financial stability and security has been established.

The policies of the Board are geared to progressive standards directed towards the efficient operation of the system to meet its stated objectives to the satisfaction of the participating cities and towns and the contributing members.

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

RAYMOND H. HAWKSLEY, Chairman

KEVIN K. COLEMAN

ALBERT B. WEST

HON. FRANCIS P. SMITH

HON. WILLIAM J. LAPPIN

JOHN J. HUDSON

DR. WILLIAM P. ROBINSON

NORMAN R. BERGERON

PAUL E. BASSETT

RALPH D. CUCULO

JOSEPH G. IANNELLI
Executive Secretary

REPORT OF THE ACTUARY

The results of an actuarial valuation of the System as of June 30, 1972 are presented herewith. The benefit and contribution provisions forming the basis of this valuation are summarized in the appendix. The several assumptions of the actuarial factors applied in this valuation are:

1. Mortality expectancy: The 1951 Group Annuity Table (modified)
2. Interest rate: Compound interest at 5% per annum
3. Turnover factors: Assumed annual rates of withdrawal from all causes -

<u>Age</u>	<u>Rate per 1,000</u>
20	182
25	167
30	121
35	92
40	63
45	48
50	22
55	10
60 and over	Mortality only

4. Future salary increments: Assumed at an annual rate of 4%
5. Age at retirement: Average of 62 years
6. Disability rates: Class (1) rates of disablement from the Society of Actuaries 1952 Inter-company study were used. It was assumed that 12½% of all disablements would occur in line of duty
7. Marital status: 85% of employees in service were assumed to be married with the average of the wives 4 years younger than the employees; 75% of the employees retiring on pension are married
8. Administrative expense: No provision

MEMBERSHIP STATISTICS

<u>Code Reference</u>	<u>City or Town</u>	<u>Number of Active Members</u>	<u>Number of Pensioners</u>		<u>Total Membership</u>
			<u>Male</u>	<u>Female</u>	
1	Barrington	104	18	5	127
2	Bristol	102	11	3	116
3	Burrillville	65	--	--	65
7	Cranston	500	79	48	627
9	East Greenwich	73	2	3	78
10	East Providence	272	55	11	338
14	Hopkinton	12	5	--	17
15	Jamestown	41	4	1	46
16	Johnston	182	3	1	186
21	Newport	287	35	5	327
23	North Kingstown	155	16	6	177
24	North Providence	81	21	3	105
25	North Smithfield	60	7	2	69
26	Pawtucket	697	116	32	845
30	Scituate	66	10	1	77
31	Smithfield	109	5	--	114
32	South Kingstown	102	3	3	108
33	Tiverton	75	10	1	86
34	Warren	62	13	1	76
39	Woonsocket	273	56	9	338

Code Reference	City or Town	Number of Active Members	Number of Pensioners		Total Membership
			Male	Female	
<u>SPECIAL UNITS</u>					
50	East Greenwich Fire District	6	--	--	6
51	Cranston Housing Authority	14	--	--	14
52	East Providence Housing Authority	10	--	--	10
53	Pawtucket Housing Authority	33	6	--	39
54	East Greenwich Policemen	19	3	--	22
55	North Kingstown Policemen and Firemen	65	5	--	70
56	Cumberland Housing Authority	3	--	--	3
57	Lincoln Housing Authority	4	--	--	4
58	North Providence Policemen	29	2	--	31
59	Bristol Housing Authority	4	--	--	4
60	Barrington Policemen and Firemen	56	4	--	60
62	Warren Police	17	--	--	17
63	South Kingstown Policemen and Firemen	23	--	--	23
	Totals	3,601	489	135	4,225

The pension roll at the close of the year and a valuation thereof was as follows:

	Male	Female
Number on pension roll	489	135
Proportion of total	78.4%	21.6%
Annual payments	\$ 927,465.00	\$ 241,380.00
Average annual payment	\$ 1,896.00	\$ 1,787.00
Average age	66.9	66.0
Actuarial reserve requirements	\$8,517,414.00	\$2,362,076.00

The total actuarial reserve requirements on pensioners at June 30, 1972 amounted to \$10,879,490. This compares with the balance in the "Retirement Reserve" at that date of \$11,690,882.00. This is indicative of relative financial stability with respect to the retirement benefits in force according to the standards used in this valuation.

OBLIGATIONS OF MUNICIPALITIES

Under the retirement law, the cities and towns and the several special governmental units participating in the system have assumed the pension obligations on account of their employees who are members of the System as follows: (a) the accrued liability for service rendered by the members prior to the effective dates of participation designated as "prior service"; and (b) the accruing cost for future service commonly referred to as the

"normal cost". Thus, employees received a free pension credit for all service previous to membership.

Prior service. The liability for prior service in the case of each municipality was determined at the time of participation for the previous service rendered by their employees. A prior service contribution rate was fixed, as required by law, as a percentage of payroll, at a rate deemed sufficient to amortize the total accrued liability over a period of 25 years from the effective dates of participation of the particular municipality. The period of 25 years for amortization purposes was fixed in order that, on the average, the prior service or accrued liability would be amortized by the time all employees retired from service.

Current service. Normal cost was calculated upon the basis of total membership giving full effect to the age and service characteristics of the employees. This rate was determined as a percentage of payroll. The rate is to be applied by each municipality to the current payroll of the employees participating in the system in arriving at the amount of its contribution for such service, additional to the annual amortization payments on account of the accrued liability.

Net Asset Account Liability. The prior service and current service contribution rates are presented in the preceding pages of this report. The following statement shows, for the several participating municipalities and special units, the unfunded accrued liability as June 30, 1972. This liability in the case

of each participating entity represents the amounts owing to the system for prior service and for deficiencies in current service contributions. These deficiencies may also be due to the variances between the established contribution rates for such service reflecting actuarial assumptions and the actual operating experience of the municipality. A part thereof may have occurred as a result of a liberalization of the benefit schedule as, for example, an increase in the rate of pension credit from 1-2/3% to 2% per year of service.

Code	Municipality	Year of entry	Plan	Unfunded Accrued Liability
	<u>General Employees</u>			
		1957	2%	\$
1	Barrington	1957	2	198,096
2	Bristol	1968	1-2/3	112,331
3	Burrillville	1963	2	213,418
7	Cranston	1957	2	1,547,712
9	East Greenwich	1961	1-2/3	118,036
10	East Providence	1969	1-2/3	552,823
14	Hopkinton	1964	2	98,419
15	Jamestown	1968	2	121,436
16	Johnston	1966	1-2/3	331,556
21	Newport	1957	2	992,245
23	North Kingstown	1961	2	196,993
24	North Providence	1964	2	291,412
25	North Smithfield	1962	1-2/3	145,116
26	Pawtucket	1967	2	2,411,905
30	Scituate	1959	2	346,727
31	Smithfield	1957	2	65,366
32	South Kingstown	1964	1-2/3	39,727
33	Tiverton	1957	1-2/3	245,282
34	Warren	1962	1-2/3	172,071
39	Woonsocket	1962	1-2/3	1,078,774
	<u>Housing Authorities</u>			
51	Cranston Housing Authority	1968	2	43,332
52	East Providence Housing Authority	1968	2	38,781
53	Pawtucket Housing Authority	1968	1-2/3	210,071
56	Cumberland Housing Authority	1969	1-2/3	8,833
57	Lincoln Housing Authority	1969	1-2/3	9,311
59	Bristol Housing Authority	1970	2	8,017
	<u>Policemen & Firemen</u>			
50	East Greenwich Fire District	1967	2	23,782
54	East Greenwich Policemen	1968	2	45,073
55	North Kingstown Policemen & Firemen	1968	2	175,787
58	North Providence Policemen	1968	2	68,381
60	Barrington Policemen & Firemen	1970	2	72,863
62	Warren Policemen	1970	2	27,532
63	South Kingstown Policemen & Firemen	1971	2	68,282
	Total			\$10,079,490

Note. The aforesaid liabilities are subject to continuous verification by a review of the operating experience of each participating unit covering the period dating from the date of entry into the retirement system.

RESERVE ACCOUNTS

The reserve accounts maintained by the system are designed to record the pension credits established, respectively, for active members and pensioners being financed by contributions by the members and by the participating cities and towns.

These reserves make it possible to evaluate more closely the progress of the system in the accumulation of assets to meet the accrued and accruing liabilities for the benefits that will ultimately become payable to members who qualify for retirement.

In the case of several cities and towns, a negative balance exists in the "Employers' Contribution Reserve". This has resulted principally from the retirement of aged employees shortly after the commencement of participation in the system in the case of the applicable city or town. Eventually, with additional revenues resulting from continued operations of the system, these negative balances will be removed.

CONCLUSION

The results reported herewith reflect satisfactory progress in the operation of the system. Management and administrative policies of the Retirement Board are in accord with sound and constructive methods of procedure with the principal aim of effectuating fully the objectives and purposes of the retirement system.

The policies of the Board in the investment of the system's assets are to maximize the total return on investments over the long run consistent with high standards of quality and prudent judgment within the established investment limitations. Its efforts also are continuously directed towards improvement in administrative procedures to the end that a full measure of service will be provided for the members and the participating municipalities in the operations of the system.

A. A. Weinberg
Actuary

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, 1972

ASSETS

Cash
Accounts Receivable
Accrued Interest Receivable
\$18,222,590.01

Investments
Less Unamortized Premiums
and Discounts (Net)
189,948.07

Net Investments

Total Assets

\$ 201,821.49
3,145.63
236,002.41

18,032,641.94

\$18,473,611.47

RESERVES AND LIABILITIES

Unclaimed Benefits

General Employees -

Members' Contribution Reserve
Employers' Accumulation Reserve
Retirement Reserve
\$ 5,163,373.49
972,198.13
10,991,906.59

Police & Fire Plan -

Members' Contribution Reserve
Employers' Accumulation Reserve
Retirement Reserve
621,668.33
18,428.07
698,975.56

Total Reserves

Total Liabilities & Reserves

\$ 7,061.30

18,466,550.17

\$18,473,611.47

STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 1972

REVENUES:

Contributions -

Members \$1,311,014.13
Employers 2,416,577.04

Policemen & Firemen -

Members 174,661.22
Employers 270,914.58 \$4,173,166.97

Investments -

Interest & Dividends \$ 912,332.64
Capital Gain or Loss (2,810.73) 909,521.91

Miscellaneous -

Unclaimed Benefits \$ 2,212.50
Miscellaneous Refunds 574.88
Interest on Service Purchases 9,589.07
Transferred from State 6,405.12 18,781.57

Total Revenues

\$5,101,470.45

EXPENDITURES:

Benefits -

General Employees -

Pensions \$1,025,622.88
Ordinary Death Benefits 73,750.00
Death Retirement Allowances 110,783.03

Policemen & Firemen -

Pensions 18,919.17
Survivor Benefits 13,520.36
Ordinary Death Benefits 1,500.00

\$1,244,095.44

Refunds of Contributions -

General Employees -

Members \$ 177,375.45
Municipalities 41,842.64

Policemen & Firemen -

Members 13,929.56
Employers 401.87

233,549.52

Investment Expense -

Postage & Insurance 8.35

Miscellaneous: -

Transferred to State 200,116.15

Excess of Revenues over Expenditures -

\$1,677,769.46

Transferred to Reserves

\$3,423,700.99

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 1972

\$ 103,184.03

CASH BALANCE JULY 1, 1971

RECEIPTS:

Investments - \$4,573,318.83
Sold or Matured 836,706.20
Investment Earnings
Discounts on Invest- 22,012.64
ments Purchased
Gain or Loss on Sales (2,810.73) \$5,429,226.94

Contributions -

General Employees - \$1,311,014.13
Members 2,416,577.04
Employers
Policemen & Firemen - 174,661.22
Members 270,914.58
Employers 4,173,166.97

Miscellaneous - 574.88
Misc. Refunds \$ 2,212.50
Unclaimed Benefits
Interest on Service 9,589.07
Purchases 6,405.12
Trans. from State 18,781.57

Total Receipts

Total Cash Available

9,621,175.48
\$9,724,359.51

DISBURSEMENTS:

Investments -
Purchases \$7,829,255.79
Accrued Interest 7,221.64
Premiums Paid 8,291.13
Postage & Insurance 8.35 \$7,844,776.91

Benefits -

General Employees - \$1,025,622.88
Pensions
Ordinary Death 73,750.00
Death Retirement
Allowances 110,783.03 1,210,155.91

Policemen & Firemen -

Pensions \$ 18,919.17
Survivor Benefits 13,520.36
Ordinary Death 1,500.00 33,939.53

Refunds of Contributions -

General Employees \$ 177,375.45
Employers 41,842.64
Policemen & Firemen 13,929.56
Employers 401.87 233,549.52

Miscellaneous

Transferred to State 200,116.15
Total Disbursements

\$9,522,538.02

\$ 201,821.49

CASH BALANCE JUNE 30, 1972

STATEMENT OF INVESTMENT EARNINGS

FISCAL YEAR ENDED JUNE 30, 1972

Interest and Dividends \$839,851.83

Add:

Accrued Interest June 30, 1972 \$236,002.41

Accrued Interest July 1, 1971 194,029.04

Discounts Amortized \$ 41,973.37

40,546.19

Total Addition

82,519.56

Total

\$922,371.39

Less:

Accrued Interest Purchased \$ 7,876.50

Premiums Amortized 2,162.25

Total Deductions

10,038.75

Investment Income for the Year

\$912,332.64

COMPARATIVE STATEMENT OF NET INVESTMENT INCOME
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEARS ENDED JUNE 30, 1972 AND JUNE 30, 1971

	1971-1972	1970-1971
<u>Receipts:</u>		
Interest and Dividends	\$839,851.83	\$665,743.44
Discounts on Purchases	22,012.64	30,984.73
Capital Gain or Loss	(2,810.73)	
<u>Total Receipts</u>	<u>\$859,053.74</u>	<u>\$696,728.17</u>
<u>Disbursements:</u>		
Accrued Interest on Purchases	\$7,221.64	\$2,837.51
Premiums on Purchases	8,291.13	5,525.00
Postage and Insurance on Purchases	8.35	26.85
<u>Total Disbursements</u>	<u>\$15,521.12</u>	<u>\$8,389.36</u>
Excess of Cash Receipts over Disbursements for the Year	<u>\$843,532.62</u>	<u>\$688,338.81</u>

STATEMENT OF RESERVE ALLOCATIONS - FISCAL YEAR ENDED JUNE 30, 1972

	Members' Reserve		Employers' Reserve		Retirement Reserve	
	General Employees	Police & Fire	General Employees	Police & Fire	General Employees	Police & Fire
Reserve Balances - July 1, 1971	\$4,296,189.88	\$457,925.24	\$738,673.33	\$68,621.25	\$9,157,647.80	\$326,579.06
<u>Receipts:</u>						
From Members	1,311,014.13	174,661.22				
From Employers			2,416,577.04	270,914.58		
Transfers from:						
Members' Reserve					235,023.31	26,147.95
Employers' Reserve					1,876,020.95	319,205.89
Inter-Fund Transfers	1,013.56	29,882.31				
Trans. from State	6,114.49	290.63				
Interest on Purchases					9,589.07	
Investment Income					850,031.37	59,482.19
<u>Total Revenues</u>	<u>\$1,318,142.18</u>	<u>\$204,834.16</u>	<u>\$2,416,577.04</u>	<u>\$270,914.58</u>	<u>\$2,970,664.70</u>	<u>\$404,836.03</u>
<u>Total Available</u>	<u>\$5,614,332.06</u>	<u>\$662,759.40</u>	<u>\$3,155,250.37</u>	<u>\$12,128,312.50</u>	<u>\$339,535.83</u>	<u>\$731,415.09</u>
<u>Expenditures:</u>						
Pension Benefits					\$1,025,622.88	\$18,919.17
Survivor Benefits						13,520.36
Ordinary Death			73,750.00	1,500.00		
Death Retirement Allowances					110,783.03	
Refunds	177,375.45	13,929.56	41,642.64	401.87		
Transfers:						
To State	8,677.50		191,438.65			
To Retirement Reserves	235,023.31	26,147.95	1,876,020.95	319,205.89		
Inter-Fund	29,882.31	1,013.56				
<u>Total Expenditures</u>	<u>\$450,958.57</u>	<u>\$41,091.07</u>	<u>\$2,183,052.24</u>	<u>\$321,107.76</u>	<u>\$1,136,405.91</u>	<u>\$32,439.53</u>
Reserve Balances - June 30, 1972	\$5,163,373.49	\$621,668.33	\$972,198.13	\$18,428.07	\$10,991,906.59	\$698,975.56

SUMMARY OF INVESTMENTS

FROM JULY 1, 1971 TO JUNE 30, 1972

Total Investments July 1, 1971 \$14,966,653.05
 ADD:
 Purchases during the year 7,829,255.79
\$22,795,908.84

DEDUCTIONS:
 Redemptions and sales during the year 4,573,318.83
TOTAL INVESTMENTS AS JUNE 30, 1972 \$18,222,590.01

DETAILED LISTING OF INVESTMENTS OWNED

DESCRIPTION	Rate of Interest	Maturity	Carrying Value
UNITED STATES OF AMERICA			
Treasury bonds	4%	5/15/73	\$ 200,000
Treasury bonds	7-3/4%	2/15/74	100,000
Treasury bonds	7-1/4%	5/15/74	150,000
Treasury bonds	5-3/4%	11/15/74	100,000
Treasury bonds	5-3/4%	2/15/75	200,000
Treasury bonds	6	2/15/75	50,000
Treasury bonds	6-3/4%	11/15/75	200,000
Treasury bonds	4-1/4%	2/15/82	225,000
Treasury bonds	4-1/4%	5/15/85	100,000
Treasury bonds	4-1/8%	5/15/85-94	25,000
Treasury bonds	4-1/4%	8/15/92	100,000
Treasury bonds	4-1/4%	5/15/94	155,000
Total United States of America			<u>\$ 1,575,000</u>

UNITED FEDERAL LAND BANKS			
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			<u>\$ 465,000</u>

FEDERAL NATIONAL MORTGAGE ASSOCIATION			
Participating Certificates	5.2	1/1/82	\$ 100,000
Participating Certificates	5.1	4/6/82	100,000
Participating Certificates	6.05	2/1/88	100,000
Total Federal National Mortgage Association			<u>\$ 300,000</u>

Description	Rate of Interest	Maturity	Carrying Value
<u>OTHER CORPORATE BONDS - continued</u>			
	4%	2/15/97	\$ 50,000
Prizer Inc.	4-1/2	8/ 1/91	100,000
R. C. A.	4-3/4	8/ 1/83	200,000
Sears, Roebuck & Co.	5.3	3/15/92	200,000
Shell Oil Co.	2-3/4	7/15/94	50,000
Standard Oil of New Jersey	4-1/2	4/15/86	200,000
United States Steel Corp.	6	11/ 1/95	100,000
Xerox Corp.			400
Total Other Corporate Bonds			\$ 2,190,400

Description	Number of Shares	Carrying Value
<u>BANK STOCKS</u>		
Bank of America	880	\$ 46,983
B. T. New York Corp.	2,500	146,767
Chase Manhattan Bank	750	42,802
First National Bank of Boston	500	24,521
First National City Bank of New York	2,600	98,619
Morgan Guaranty Trust Company of New York	260	21,524
Western Bancorporation	3,000	104,128
Total Bank Stocks		\$ 485,344

Description	Number of Shares	Carrying Value
<u>CORPORATE STOCKS - PREFERRED</u>		
American Express	650	\$ 44,598
American Tel. & Tel.	1,000	54,500
Detroit Edison	2,000	175,945
Northern Illinois	80	3,483
Pitney Bowes	1,000	46,938
R. C. A.	900	76,729
Woolworth	1,000	57,462
Total Corporate Stock - Preferred		\$ 459,655

Description	Number of Shares	Carrying Value
<u>CORPORATE STOCKS - COMMON</u>		
American Cyanamid	3,000	\$ 98,977
American Electric Power	5,500	175,784
American Telephone & Telegraph Co.	3,000	154,354
Becton Dickinson	1,000	41,410

Description	Number of Shares	Carrying Value
<u>CORPORATE STOCKS - COMMON - continued</u>		
Boise Cascade	4,919	\$ 155,243
Burroughs Corp.	300	46,756
Central Illinois Light Co.	3,850	105,604
Central & Southwest	3,000	133,689
Commonwealth Edison Co.	4,000	150,114
Connecticut General Ins.	1,000	59,584
Consumers Power Co.	5,000	162,600
Delmarva Power	6,493	138,711
Dow Chemical	1,500	128,305
E. I. DuPont DeNemours	800	93,005
Eastman Kodak Co.	1,000	76,313
Florida Power & Light Co.	5,000	299,101
General Electric Company	2,400	103,144
General Foods Corporation	2,000	76,188
General Motors Corporation	1,500	111,968
General Public Utilities Corp.	4,000	106,537
Gulf State	3,000	65,355
Honeywell Inc.	1,000	87,572
International Business Machines Corp.	500	102,709
International Nickel Corp.	4,000	143,922
International Paper Company	4,000	139,056
Liberty National Insurance	3,000	90,311
Merck & Co.	1,000	102,322
Middle South Utilities	4,000	93,390
Minnesota Mining & Mfg.	1,000	144,912
Monsanto Chemical	3,000	128,095
Northern States Power Co.	2,850	84,305
Penney, J. C. Co.	1,000	22,921
Chas. Pfizer Co.	4,000	167,547
Phillips Petroleum Company	2,100	54,955
Polaroid Corp.	600	60,698
Proctor & Gamble	1,000	61,716
G. D. Searl	2,500	174,348
Southern Company	3,200	111,879
Squibb Beechnut	2,000	142,513
Standard Oil of California	2,000	117,552
Standard Oil Company of New Jersey	2,000	138,291
Standard Oil Company of Indiana	1,800	84,439
Texaco, Inc.	3,500	119,619
Texas Utilities	2,000	115,497
Transamerico Corp.	4,000	76,029
Union Carbide Corp.	4,300	188,193
Union Electric Co.	5,000	102,035
U. S. Fidelity & Guaranty Co.	900	54,315

Description
CORPORATE STOCKS - COMMON - continued

Virginia Electric
Weyerhaeuser
Woolworth
Xerox Corp.
Total Corporate Stocks - Common

TOTAL INVESTMENTS

Number of
Shares

Carrying
Value

3,000	\$ 62,959
3,000	140,315
2,000	88,461
800	97,573
	<hr/>
	\$ 5,781,191
	<hr/>
	\$18,222,590
	<hr/>
	<hr/>

INVESTMENTS ACQUIRED DURING THE YEAR

<u>Description</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Carrying Value</u>
<u>UNITED STATES OF AMERICA</u>			
Treasury bonds			
Treasury bonds	6%	11/15/78	\$ 200,000
	6-3/4	2/15/82	225,000
Total United States of America			<hr/>
			\$ 425,000
<u>COMMERCIAL PAPER</u>			
American Credit Corp.			
American Standard Credit Corp.	Disct.	3/16/72	\$ 400,000
Appliance Buyers	Disct.	9/16/71	100,000
Fruehauf Finance	Disct.	8/12/71	370,000
Raytheon Co.	Disct.	2/10/72	1,500,000
United Aircraft	Disct.	5/18/72	100,000
	Disct.	10/21/71	700,000
Total Commercial Paper			<hr/>
			\$ 3,170,000
<u>PUBLIC UTILITY BONDS</u>			
Kentucky Utility	7-5/8%		
Northern Natural Gas		7/ 1/01	\$ 200,000
Northern State Power	7-3/8	5/ 1/92	300,000
Penn. Power & Light	7-3/4	3/ 1/02	200,000
Wisconsin Power	7-5/8	2/ 1/02	300,000
	8	7/ 1/01	250,000
Total Public Utility Bonds			<hr/>
			\$ 1,250,000
<u>INDUSTRIAL BONDS</u>			
International Paper Co.	5-1/4	11/ 1/96	\$ 55,000
International Paper Co.	4-1/4	11/ 1/96	45,000
Old Stone Mfg. Realty Trust	6-7/8	3/30/87	100,000
Pfizer Inc.	4	2/15/97	50,000
Total Industrial Bonds			<hr/>
			\$ 250,000

Description
PREFERRED STOCK

American Tel. & Tel.
Detroit Edison
Total Preferred Stock

1,000
1,300

\$ 54,500.00
110,026.35
\$ 164,526.35

BANK STOCK

Bankers Trust N. Y. Corp.
First National City Corp.
Western Bancorporation
Total Bank Stock

1,500
1,000
1,400

\$ 81,836.15
49,952.50
47,681.72
\$ 179,470.37

COMMON STOCK

American Cyanamid Co.
American Electric Power Co.
American Tel. & Tel.
Becton Dickinson
Boise Cascade Corp.
Burroughs Corp.
Central & Southwest
Central Illinois Light Co.
Commonwealth Edison
Consumers Power
Delmarva Power Co.
Dow Chemical
Florida Power & Light
General Food Corp.
General Motors Corp.
General Public Utilities
Gulf State Utilities
I. B. M.
International Nickel Co.
International Paper
Liberty National Life
Merck & Co. Inc.
Middle & South Utilities
Minnesota Mining & Mfg.
Northern State Power
Pfizer Inc.
J. D. Searle

1,000
1,500
1,000
1,000
2,915
300
1,500
1,800
1,000
3,000
3,150
500
3,700
800
399
1,000
3,000
100
3,000
2,500
1,000
500
1,800
1,000
1,150
1,000
2,500

\$ 36,385.00
45,916.95
47,942.50
41,410.00
56,443.99
46,756.06
69,823.33
49,780.32
38,756.90
93,891.65
58,266.30
37,559.80
207,966.31
27,631.08
32,662.72
24,057.50
65,354.50
31,335.25
98,366.30
87,012.93
35,003.10
51,261.00
43,455.40
144,911.89
32,512.82
83,322.50
174,348.22

Description
COMMON STOCK - continued

Southern Co.
Squibb Corp.
Standard Oil of California
Standard Oil of New Jersey
Texaco
Texas Utilities
Transamerican
Union Carbide
Union Electric
Virginia Electric
Weyerhaeuser Co.
Xerox Corp.

Number of
Shares

Carrying
Value

3,000
800
1,000
900
500
800
1,000
1,300
2,000
3,000
2,100
200

\$ 64,011.
74,986.
56,586.
70,436.
16,943.
49,150.
17,997.
54,000.
39,042
62,959
97,743
24,267

Total Common Stock

\$ 2,390,259

TOTAL INVESTMENTS ACQUIRED DURING THE YEAR

\$ 7,829,251

INVESTMENTS DISPOSED OF DURING THE YEAR

<u>Description</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Par Value for Commercial Paper or Cost for Notes</u>
<u>UNITED STATES OF AMERICA</u>			
Treasury bonds	4%	8/15/71	\$ 100,000.00
Treasury bonds	4	2/ 2/72	200,000.00
Treasury bonds	4-1/4	5/25/74	<u>225,000.00</u>
Total United States of America			<u>\$ 525,000.00</u>

COMMERCIAL PAPER

American Credit Corp.	Disct.	3/16/72	\$ 400,000.00
American Standard Credit Corp.	Disct.	9/16/72	100,000.00
Appliance Buyers	Disct.	8/12/71	370,000.00
Brunswick Pulp	Disct.	7/15/71	800,000.00
Fruehauf Finance	Disct.	2/10/72	1,500,000.00
Raytheon Co.	Disct.	5/18/72	100,000.00
United Aircraft	Disct.	10/21/71	<u>700,000.00</u>
Total Commercial Paper			<u>\$ 3,970,000.00</u>

COMMON STOCK

		<u>Number of Shares</u>	
Abbott Laboratories		1,000	\$ 43,654.86
Control Data		300	<u>34,663.97</u>
Total Common Stock			<u>\$ 78,318.83</u>
TOTAL INVESTMENTS DISPOSED OF DURING THE YEAR			<u>\$ 4,573,318.83</u>

SUMMARY OF INVESTMENT ACCOUNT

BY TYPE OF INVESTMENT

<u>Type of Investment</u>	<u>Proportion of Total</u>	<u>Cost or Par</u>
U. S. Government	8.64%	\$ 1,575,000
Federal Land Bank	2.55	465,000
Federal National Mortgage Association	1.65	300,000
Railroad	1.37	250,000
Public Utilities	36.86	6,716,000
Other Corporate Bonds	12.02	2,190,400
Bank Stocks	2.66	485,344
Corporate Stocks	<u>34.25</u>	<u>6,240,846</u>
Total	<u>100.00%</u>	<u>\$18,222,590</u>

A P P E N D I X

**Summary of Applicable Benefit and
Contribution Provisions**

SUMMARY OF PROVISIONS OF RETIREMENT PLAN^{1/}

Participation 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 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.

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.

^{1/} In force and effect June 30, 1972

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 1 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.

(d) An interchange of pension credit between this system and the Employees' Retirement System is provided. Such a transfer may be made but only upon request of a member.

Optional retirement. (a) Any member may retire optionally upon completion of 10 years of service, provided such member shall be at least 58 years of age.

(b) A member may retire after 30 years of service regardless of age without reduction in benefits.

(c) Effective as of July 1, 1971, any member, except an elective official, must retire at age 70.

Compulsory retirement. Any member, except an elective official, shall be retired compulsorily upon attainment of age 70.

Amount of service retirement allowance. The amount of service retirement allowance is 2% of average salary (3-year average) per year of credited service.

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, subject to a minimum of 25% of average salary.

Accidental disability. (a) 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.

(b) 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 \$400.00 for each year of service, subject to a minimum of \$2,000.00 and a maximum of \$8,000.00.

(b) Employees retiring on or after May 17, 1967 have coverage of the ordinary death benefit. 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 \$2,000.00.

Refunds - vested rights. (a) A member becoming separated from service other than by death or retirement would be entitled to a refund of his total contributions, thus forfeiting all his accrued credits and interest in the system.

(b) A member having at least 10 years of credited service may leave his contribution credits intact and upon attaining age 58 apply for a service retirement allowance of the amount earned and accrued at the date of his separation from service.

Options. (a) Any member, at the time of retirement, may elect to receive a reduced retirement allowance and provide, on an actuarially equated basis, with the remainder of his equity, an allowance to a designated beneficiary, to become payable upon his death while on retirement. 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 thereafter to receive the reduced service retirement allowance.

(b) Beneficiary annuity. Effective as of July 1, 1967, an employee having 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.

Financing. (a) Members contribute to the system 6% of their salaries.

(b) Each city or town or other participating governmental unit 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.

(c) The expense of administration of the system is assumed by the State of Rhode Island.

Administration. (a) 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".

(b) 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.

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

Guaranties. 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 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) A member may retire after 10 years of service at age 58 or over, or after 20 years of service beginning at age 55. Retirement may occur at age 50 with at least 20 years of 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 one year upon request of the member approved by the governing body of the municipality.

(b) 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.



Year	CAFR RI - 5310	CAFR RI - ENS	AV RI - ENS	CAFR RI - MERS	AV RI - MERS	Minutes, RI - ENS	Minutes, RI - MERS	Misc. Report, RI
1916				NA	NA		NA	
1917				NA	NA		NA	
				NA	NA		NA	
				NA	NA		NA	
				NA	NA		NA	
				NA	NA		NA	