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National Education Association

Teachers' Retirement Allowances

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Director of Research, John K. Norton.

Assistant Director of Research, Margaret M. Alltucker.

Executive and Editorial Offices, 1201 Sixteenth Street Northwest, Washington, D. C.

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FOREWORD

FUTURE progress demands that the children of the United States shall have the best teachers that the Nation can produce. The teacher is the heart of the school; and for that reason, the teaching personnel should be kept at the highest possible standard. A sound teacher-retirement system is a leading factor in enlisting and retaining capable men and women in the profession.

This principle was early recognized by the National Education Association, as shown by the following excerpt from the 1896 Volume of Proceedings:

"At the annual meeting of the National Education Association in Philadelphia in February, 1891, the following resolution was adopted by the Department of Superintendence:

'Justice as well as the best public service requires the retirement and pensioning of teachers after a service of thirty years, and upon carefully devised conditions. We recommend the enactment of laws in the several States to permit and to regulate the retirement and pensioning of professional teachers.'

"This is the first record . . . of any concerted action being taken in this country looking toward this much-to-be-desired project."

Since the adoption of the above resolution the National Education Association has led in the retirement movement, as is shown by the bibliography on page 87. The Division of Research has made a study of the progress of this movement and has also collected and analyzed all existing retirement laws as well as statements of principles which should govern sound teacher-retirement legislation. Special emphasis was given the question of retirement at the Washington meeting of the Delegate Assembly.

In this Bulletin is concentrated the outstanding material that has resulted from the Association's recent work in the teacher-retirement field. It includes the 1924 Report of the Committee of One Hundred on Retirement Allowances, of which Philip E. Carlson, of Minneapolis, Minnesota, was chairman. This report, after being reviewed by each of the one hundred members of the Committee, was presented to the entire Delegate Assembly and unanimously adopted by that body. Other material valuable to those interested in teacher retirement has been added to the report. As this Bulletin stands, it brings together in brief compass the most pertinent and practical material that has yet been made available to those responsible for retirement legislation. It is hoped that it will stimulate the activities of both teachers and the public at large to secure sound teacher-retirement legislation in every State.

J. W. CRABTREE,
Secretary, National Education Association.

A Statement and An Explanation of the Fundamental Principles of a Teachers' Retirement System¹

I. Beginners to be Exempt—*During the beginning years while young teachers have not permanently allied themselves with the profession, participation in the annuity plan should be optional. Beyond a specified age (twenty-five, for example), it should be required.*

It is difficult, if not impossible, to interest the beginning teacher in a retirement system for the following reasons: (1) A young person, just starting out in any profession, is not apt to consider old age so seriously as to make definite arrangements for retirement; (2) The beginning teacher often does not look forward to teaching as a life profession; and (3) The initial salary of a teacher is usually small in comparison with the salary which may reasonably be expected after a few years of service.

It is therefore unwise to compel a teacher immediately upon entering the profession to become a member of a retirement association and make deposits in a retirement fund. Such compulsory membership would be unwise for two reasons: (1) It would invite opposition from a large group which is not interested in retirement allowances; and (2) A fluctuating membership in a scientific retirement system complicates the bookkeeping of the retirement association. It renders it extremely difficult to establish reliable experience tables, which are an essential part of a sound retirement system.

The Committee does not care to recommend a definite age at which compulsory membership shall begin. The age of 25 is given merely as an example. This may be considered too low in some States and too high in others. Statistics show that in some States more than 80 per cent of the teachers are under 25 years of age. When this is the case membership would only be compulsory for the other 20 per cent, who in all probability have decided to make teaching a life profession. For this group membership can-

not be left to the voluntary decision of each teacher. It must be compulsory to insure ample provision for his retirement.

II. Early Retirement—*Teachers leaving the service before the regular retirement age should retain their rights to all moneys accumulated in their accounts. Teachers' deposits should be withdrawable immediately upon retirement from teaching service. The public's deposits should be withdrawable in the form of an annuity or death benefit only upon reaching the retirement age.*

In drafting Articles of Incorporation and By-Laws for a retirement system, provision must be made for complete justice to all members of the system. Teachers who quit teaching before they become superannuated should not forfeit the money which they have paid into the retirement fund. Each teacher's deposit, together with the public's deposit to his credit, in a retirement fund, should be considered his personal property the moment it has been deposited.

The teacher's deposit, together with interest accumulations, should be at his disposal at any time he decides to stop teaching. In other words, his own deposit must be considered a savings account until the amount thus saved is transferred into the retirement fund at the time of retirement upon an annuity.

The amount deposited in a teacher's retirement fund by the public should not be withdrawable by the teacher, except in the form of an annuity, which the teacher may apply for upon reaching the retirement age. This age should be specified in the Organic Act.

If the teacher dies in service, the entire accumulation in his account, including the contributions made by the teacher and by the State for the teacher, should be payable to his designated beneficiaries or his heirs. If he has no heirs, it should go to his estate.

¹ Pages 69-83 include the 1924 Report of the Committee on the Problem of Retirement Allowances of the National Education Association.

III. Disability—*An adequate retirement allowance should be provided for every permanently disabled teacher regardless of the amount in his account at the time of such disability.*

The cost of a disability allowance can be met in one of three ways: (1) The entire cost may be borne by the employer—in this case the public; (2) the teachers may carry the load as a matter of group sympathy; or (3) both the public and the teachers may share the cost.

It matters little by which one of these three ways the cost is met. Experience has demonstrated that disability costs are so small as to be almost negligible.

However, the system should under no circumstances allow the burden of permanent disability to fall on the unfortunate individual teacher. The Organic Act creating a retirement system should contain a definite provision for the immediate retirement of the permanently disabled teacher regardless of his age or the amount accumulated in his retirement fund.

IV. Guarantees of a Retirement System to Teachers and to the Public—*Retirement ages and rules should be so defined and administered as to retain teachers during efficient service and provide for their retirement when satisfactory service is no longer possible. The retirement annuity should be sufficient to enable the retiring teacher to live in reasonable comfort, thereby removing the temptation to remain in the classroom beyond the period of efficient service.*

A retirement system should have these two desirable effects: (1) It should hold out sufficient inducement to lead young men and women of ability to enter the teaching profession; and (2) It should encourage long continued service on the part of the efficient teacher.

Both the teacher and the public must be assured certain definite results. Every teacher must be assured the absolute certainty of a retirement allowance. Furthermore, the amount of this allowance must be adequate so that the retired teacher can maintain a respectable standard of living. The public must have the guarantee that its board of edu-

cation has the right to ask the superannuated teacher to retire.

In the last analysis, the benefits of a teachers' retirement system must accrue primarily to the boys and girls attending our public schools. They are the ones who suffer when the superannuated teacher is retained. When an adequate retirement salary is provided for, a board of education need have no qualms about asking the superannuated teacher to give up his place to a more youthful teacher or administrator.

V. Death Benefits—*Sums accumulated in the accounts of teachers who die in service and unused portions of the accounts of retired teachers should be paid either to designated beneficiaries or to the estates of such teachers.*

A sound retirement system will make it possible for every teacher to build up an estate. Whether his death occurs in service or during his retirement, the sums accumulated in a teacher's retirement fund should be paid to his designated beneficiary, to his heirs, or to his estate. This fund must be looked upon as a trust fund which belongs to the teacher; and which he can dispose of at his death, according to the particular option selected by the teacher previous to his death.

The teacher should always be given the choice of a straight life annuity or an assured annuity of a certain number of equal payments. If he chooses the former, he automatically gives up all claim to any unused portion of his trust fund. If he chooses an assured annuity of a certain number of payments he automatically directs that the residue of his trust fund be paid to his estate.

Under no circumstances should a teacher be compelled to forfeit his rights to either a portion or to all the funds of the retirement system when he dies.

VI. Individual Accounts—*The annuity board should open an account with each individual teacher. Sums deposited in that account by the teacher and by the public should be held in trust for that teacher.*

Under no circumstances should the funds deposited by one teacher be used to pay the annuities of another teacher. Each individual teacher must be assured that his annuity con-

tract is an inviolable contract between solvent parties. He can only be given absolute assurance of this when he knows that both his deposits and the public's deposits are set aside in a trust fund for him. A State or a city might repeal its retirement law. But no State or city can touch any part of the deposits made by the teacher and by State or city to a trust built up to provide for the teacher's retirement. Individual accounts for each teacher are, therefore, of vital importance.

VII. Rights under Previous Annuity Systems Safeguarded—*The public should guarantee active teachers all the benefits which they had a reasonable right to expect under the old system. Furthermore, it should guarantee retired teachers the annuity promised at the time of their retirement.*

Teacher retirement systems are already in effect in many places. Many of these are unsound. They should be replaced by new systems that are in accord with sound principles. When such replacements are proposed, the promises made the teachers under the old system should be observed. For example, if the old system promised a retirement allowance of \$400 after twenty years' service and \$600 after thirty years, teachers should be guaranteed these expectations under the new system. Or, if the teacher has taught eighteen years under the old system, at the time the new plan is adopted, he should be guaranteed eighteen twentieths of \$400 at the time the new system goes into effect. Furthermore, teachers already retired under the old system should be guaranteed the full annuity promised at the time of retirement.

Money for these purposes should be provided from the funds of the old system, and if these are inadequate, from public funds by the creation of a sinking fund similar to that described in section VIII of this discussion. In no case should the teachers enrolling in the new retirement system be called upon to finance the obligations created by the old. The promise made by the public under the old system should be paid for by the public. It would be unfair to set up a plan whereby in the future a teacher cooperating with the State in building a retirement fund that guarantees his retirement at superannuation,

should in addition be required to pay for the promises made by the State to a former generation of teachers. Such an arrangement would be unjust and would not receive the approval of any group of teachers. It would probably prevent the adoption of a new system no matter how sound it might be otherwise.

VIII. Credit for Past Service Where no Retirement System has Existed—*Upon the adoption of a retirement plan, where none exists, teachers should be given credit for their entire period of service. Funds for this purpose should be provided by the public.*

When a retirement system is adopted in a community, where none has existed, teachers should be given credit for their past service. It is as important to the State that these teachers be retired upon superannuation as that teachers entering the profession under the new system be retired when old age has lowered their efficiency. Therefore, at the time the retirement system is adopted the provision should be made from public funds for a credit to each teacher's retirement fund just as if the new system had been in operation during the entire period of the teacher's service.

The act creating the new system should definitely provide for a sinking fund for this purpose. The creation of such a sinking fund is extremely important, whether for the purpose of meeting obligations created under an old system as described in paragraph VII, or for the purpose of providing for the retirement of superannuated teachers in a community which previously has not had a retirement plan in effect. If such a fund is not provided for as an integral part of the new system, the new system will be unsound at the outset.

IX. Cost to Teachers and Public—*The sums deposited by the teachers and by the public during the period of the annuity contract should be approximately equal.*

The cost of a retirement system may be met in one of three ways: (1) By the public, (2) by the teachers, (3) by both the teachers and the public. The great majority of the recently enacted laws accept the last method. Most people agree that this plan is best, pro-

vided the teachers and the public contribute approximately the same amount over a long period of years. Under this plan the teacher's contribution begins at a certain specific age, and continues as a constant percentage of his salary. The public begins at the same time to make a deposit which is a specified minimum percentage of the teacher's salary. This percentage increases each year until a certain maximum rate has been reached. The deposit made by the public will be comparatively small during the early part of a teacher's service, will increase each year, and becomes comparatively large during the last years of service. If the proper percentages are chosen, deposits over a period of about thirty years will be approximately the same for the teacher and the public.

This plan is fair because it does not require the public to pay large amounts into the funds of teachers who retire from teaching at an early age, and it guarantees the teacher substantial help from public funds when he really needs it. The State's contributions to the teacher's annuity fund do not cease until the teacher retires.

Table 1, on page 73, shows how the plan actually works. In this table we have a teacher joining the retirement system who is receiving a salary of \$1,200, column 2. He contributes five per cent of his salary, column 3, the first year and five per cent of each succeeding year's salary. The amount of the teacher's annual contribution, five per cent of his salary, is given in column 4. The accumulated value of the teacher's contributions, plus interest at four per cent is given in column 5. In this instance it is \$5092 at the end of thirty years of service. This sum alone is sufficient to guarantee a teacher an annual income of \$384 beginning at the age of fifty-five and continuing for the rest of his life, as is shown at the foot of the table.

The State's deposits are figured in columns 6 to 8. They begin at two per cent of the teacher's salary and increase to a maximum of nine per cent, column 6. The sums contributed each year by the State, and their accumulative value plus interest, are shown in columns 7 and 8. At the end of thirty years the State's deposits are worth \$5233. This sum alone will guarantee a teacher an annual income of \$395 beginning at the age

of fifty-five and continuing for the rest of his life, as is given at the foot of the table.

Column 9 shows the accumulated value of both deposits, the teacher's and the State's, the figure in each case being the sum of the amounts given in columns 5 and 8. The teacher's annuity fund from both his own and the State's deposits is worth \$10,325 at the end of thirty years' service. This sum will guarantee him an annual income of \$779 beginning at age fifty-five and continuing for life, as is shown at the foot of the table.

The retirement allowances at age fifty after twenty-five years' service and at sixty after thirty-five years' service are also given at the foot of the table.

X. Service and Deposits Concurrent—*Deposits in the annuity account of each teacher should be made by the teacher and by the public, regularly and concurrently during the period of service.*

It is important in drafting new plans that provision be made for regular deposits on the part of the teacher and on the part of the public concurrently with the time the teacher is in service. The reason such difficulty is being met today in adopting sound retirement legislation is that this has not always been done in the past. As a result, many of our present systems are so far behind, that is, have such large accrued liabilities, that a legislature is unwilling to vote the sums necessary to bring payments up to date. It was bad enough to make this mistake in the past. It would be suicidal to repeat the mistake in the future. It should always be insisted when a new plan is adopted that it contains a provision requiring annual payments into the sinking fund which becomes the basis of the teacher's retirement allowance upon reaching superannuation.

XI. Amount of Deposits Fixed—*The deposit to be made in the teacher's individual account by the teacher and by the public should be definitely fixed in the Organic Act creating the retirement system.*

The deposits to be made by the teacher and by the public must be definitely stated in the Organic Act. Too often in the past definite contributions to be paid by the teacher have been provided for, but the amount of

the public's deposit has been uncertain and indefinite. All future retirement laws should state definitely the method whereby the amounts to be deposited by the teachers and by the public are to be determined. If this is done the exact amount of the fund which is

being built up is known, it can be depended upon, and expenditures can be planned accordingly. It is essential that the contributions from the public and from the teacher be made mandatory by the Organic Act. This prevents any chance for misunderstanding.

TABLE I—HOW A TEACHER'S RETIREMENT FUND IS BUILT UP—AND THE RETIREMENT ALLOWANCE IT GUARANTEES

Years of service.	Salary of teacher each year.	Per cent of salary paid by teacher each year.	Amount paid each year by teacher	Value of accumulated payments by teachers — 4% interest	Per cent of teachers' salary deposited by State.	Amount paid each year by State.	Value of accumulated payments by State—4% interest.	Total value of accumulated payments of both teacher and State—4% interest.
1	2	3	4	5	6	7	8	9
1	\$1200	5.00	\$60	\$60	2.00	\$24	\$24	\$84
2	1300	5.00	65	127	2.25	29	54	181
3	1400	5.00	70	202	2.50	35	91	293
4	1500	5.00	75	285	2.75	41	136	421
5	1600	5.00	80	376	3.00	48	189	565
6	1700	5.00	85	476	3.25	55	252	728
7	1800	5.00	90	585	3.50	63	325	910
8	1900	5.00	95	703	3.75	71	409	1112
9	2000	5.00	100	831	4.00	80	505	1336
10	2000	5.00	100	964	4.25	85	610	1574
11	2000	5.00	100	1103	4.50	90	724	1827
12	2000	5.00	100	1247	4.75	95	848	2095
13	2000	5.00	100	1397	5.00	100	982	2379
14	2000	5.00	100	1553	5.25	105	1126	2679
15	2000	5.00	100	1715	5.50	110	1281	2996
16	2000	5.00	100	1884	5.75	115	1447	3331
17	2000	5.00	100	2059	6.00	120	1625	3684
18	2000	5.00	100	2241	6.25	125	1815	4056
19	2000	5.00	100	2431	6.50	130	2018	4449
20	2000	5.00	100	2628	6.75	135	2234	4862
21	2000	5.00	100	2833	7.00	140	2463	5296
22	2000	5.00	100	3046	7.25	145	2707	5753
23	2000	5.00	100	3268	7.50	150	2965	6233
24	2000	5.00	100	3499	7.75	155	3239	6738
25	2000	5.00	100	3739	8.00	160	3529	7268
26	2000	5.00	100	3989	8.25	165	3835	7824
27	2000	5.00	100	4249	8.50	170	4158	8407
28	2000	5.00	100	4519	8.75	175	4499	9018
29	2000	5.00	100	4800	9.00	180	4859	9659
30	2000	5.00	100	5092	9.00	180	5233	10325
31	2000	5.00	100	5396	9.00	180	5622	11018
32	2000	5.00	100	5712	9.00	180	6027	11739
33	2000	5.00	100	6040	9.00	180	6448	12488
34	2000	5.00	100	6382	9.00	180	6886	13268
35	2000	5.00	100	6737	9.00	180	7341	14078

Sources of retirement annuity	Annual income guaranteed if retired after		
	25 years' service at age of 50.	30 years' service at age of 55.	35 years' service at age of 60.
1	2	3	4
From teachers' deposits.....	\$254	\$384	\$578
From State's deposits.....	240	395	630
Total annual retirement allowance.....	\$494	\$779	\$1208

This table is explained in detail in the accompanying discussion of Section IX. Briefly it shows how a retirement annuity fund is built up, by which a teacher who joins the retirement system at the age of 25 is guaranteed an annual income for life, after teaching the periods indicated, of the amounts given at the foot of the table.

Why Every State Should Enact a Sound Teacher Retirement Law

I. A Sound Teacher Retirement Law Protects Children from Teachers Rendered Incompetent by Advanced Age Because:

1. *It sets up a plan which makes it impossible for any teacher to reach old age and infirmity without provision having been made for his retirement.*

A sound teacher retirement law requires that all teachers in public school work must join the retirement system. Young teachers need not join immediately upon entering the profession, but they are required to join at a sufficiently early age so that there is time before they reach an advanced age to build up a sum large enough to provide for their support following retirement. A sound retirement plan, therefore, makes it impossible for a teacher to reach the time when old age has seriously reduced her efficiency without provision having been made for her retirement.

2. *It frees school boards from the necessity of continuing to employ teachers rendered incompetent by advanced age.*

Without a retirement plan, school boards are too often forced to make one of the following choices:

a. The retention of a teacher after it is clear he is incompetent from old age.

b. The dismissal of a teacher, who has given years of faithful service, with the knowledge that he has no means of support.

School boards confronted with this situation, usually continue employment. School boards are human. The years of self-sacrificing service—the effectiveness of the teacher's work in his early career—exercise strong appeals. The aged teacher is seldom dismissed no matter how great his incompetency.

School boards should not have to make this choice. They should be free to see that none but competent teachers are employed. Superannuated, infirm teachers should never be kept in the classroom to leave the marks of their disability upon the plastic children

under their control. Such a practice should be made unnecessary. It is made unnecessary by a sound teacher retirement system.

3. *It frees teachers from the necessity of continuing in service after advanced age has seriously reduced their effectiveness.*

Superannuated teachers are not anxious to hold on to their positions. Under present conditions they are often forced to do so or to accept charity. When confronted with this alternative, they appeal to the sentiment of boards and school officials and exert political pressure in retaining their positions. The existence of a sound retirement system makes it unnecessary for a teacher to adopt such methods to continue in service after age has lowered his effectiveness.

II. A Sound Teacher Retirement Law Tends to Attract Capable Young People into the Teaching Profession Because:

1. *It partly compensates for the lower remuneration that teaching offers during active service.*

Many young people would be willing to enter teaching, even though it promises a smaller income than that paid in other fields, if in addition they did not have to face the possibility of a dependent old age. Today children are being taught in the public schools to study the possibilities of a field of work before they enter it. Young people with sufficient native ability to make good teachers may be expected to exercise foresight. They may be expected to avoid a field of service which promises neither a large reward nor security in old age. Too great a strain should not be placed on the missionary spirit. A sound teacher retirement system guarantees reasonable security in old age and thereby removes one bar to the recruiting of an adequate supply of teacher candidates.

2. *It gives a better guarantee of promotion within the profession.*

A sound teacher retirement system makes

it unnecessary for those who occupy the more responsible positions in the teaching profession to "hang on" after the normal age for retirement has been reached and their efficiency is seriously reduced. Thus the paths of promotion are kept open for the more capable of the younger teachers. No service that denies competency a reasonable chance to advance to a position of responsibility can expect to recruit its fair share of the Nation's best minds.

3. *It removes the discouraging example of superannuated teachers who lack the means of supporting themselves in reasonable comfort.*

Young people of sufficient insight to make successful teachers are quick to learn from observation. Examples too often come to their attention of superannuated teachers compelled to continue in service, or to suffer deprivation in retirement. Such cases are likely to nullify all efforts to recruit the profession. A sound teacher retirement system remedies the situation and makes it easier to obtain capable young people as recruits for the teaching field.

4. *It dignifies the teaching profession, so that capable young people may enter it without apology.*

The existence of aged teachers dependent upon charity for support cannot but seriously lower the general respect for the teaching profession. "The laborer is worthy of his hire." Young people of worth cannot be expected to offer themselves in large number for a profession, the service of which is so lightly valued by society that its members are often found destitute in old age.

III. A Sound Teacher Retirement System Tends to Keep Capable Teachers in the Classroom Because:

1. *It makes it unnecessary for capable people to seek more remunerative employment than teaching in order to provide for their old age.*

The idealism of youth prompts many young people of unusual capacity to enter the teaching profession. The large number of such people who leave teaching for other work, not necessarily more congenial, but always more remunerative, is discouraging to those anxious

to keep the schools at a high level of efficiency. The deciding factor in many of these cases is not that the economic return during active service is small, but that it is impossible to save enough to provide for old age. The desire to render teaching service becomes less powerful than the fear of reaching old age in a dependent condition. This fear is removed where a sound retirement system is in effect. As a result, it is easier to retain the more capable teachers in the profession.

2. *It makes each year of teaching service a step toward independence, rather than dependence, in old age.*

Sound teacher retirement systems provide for the building up of a fund for each teacher over a period of years which is the basis of the income received after retirement. With each added year of service this fund increases until it eventually is sufficient to provide for retirement. Each year of service brings the teacher that much nearer to the time when old age is protected. This is the reverse of the situation where a retirement plan is not in force, and each year brings a teacher nearer to the time when he will be partly or wholly dependent upon relatives or charity for support. A sound retirement system is, therefore, an important factor in keeping teachers of independence and ability in the profession.

3. *It makes continuance in the teaching profession an absolute guarantee of security in old age.*

In the better organized retirement systems the fund built up as a basis for the teacher's retirement annuity is his personal property. It cannot be taken by legislative action or otherwise, any more than property of other kinds can be confiscated without proper return. It is as sound an investment as a good piece of real estate or a liberty bond. The retirement income, whereas not large, is as secure as it is possible to make it. This tends to hold capable people in the profession, because teaching protects old age. There is no necessity for swinging over into some more lucrative work in order to provide for the future.

IV. A Sound Teacher Retirement System Increases the Efficiency of the Teacher in the Classroom Because:

1. *It lengthens the period of teaching efficiency by removing from the mind of the teacher the fear of a destitute old age.*

More and more responsibilities have been placed upon the school during the last few decades. The result is a rapid increase in the burden of classroom and other school work placed upon each teacher. If the period of effective service of each teacher is not to be seriously reduced, unnecessary worry must be avoided. Enthusiasm and optimism are essential to the best teaching. These qualities are not the possession of a mind harassed by fear for the future. A properly planned teacher retirement system lengthens the period of teaching efficiency by removing one of the main causes of worry from the lives of teachers and by preserving the hopeful outlook on life so vital to effective instruction.

2. *It makes it possible for a teacher to invest in study, training, and travel without endangering the provision made for his later years.*

The danger of getting into a "rut" threatens every teacher. The teacher's work is with immature minds. He misses the stimulus that comes from constant contact with one's equals. Too often he gets into a "rut" and loses much of his value as a teacher. The best protection that a teacher has from this danger is study or travel. If he is able to come into occasional contact with adult minds in a first-class teacher-training institution and to get the broader insight that comes from travel his effectiveness in the classroom is constantly improved. Without a teacher retirement system, additional study, travel and similar self-improvement are often delayed too long. The teacher hesitates to deplete each year's meagre savings—his only assurance for the future. Under a sound retirement system the teacher, early in his career, may establish the habit of regularly investing a part of his income for the purpose of improving his effectiveness in the classroom without the fear of thereby endangering the comfort of his declining years.

3. *It improves the morale of a teaching force by keeping open the paths of promotion.*

Nothing can do more to break down the morale of a teaching force than being required to work under the direction of superannuated

superiors. Furthermore, the younger teachers in the force whose capability would entitle them to promotion are denied such recognition when superannuated people are too long retained in the more responsible positions. Too often under present conditions it is impossible for the board to remove teachers in the more responsible positions when they reach superannuation. The salaries paid in these positions have enabled the occupants to take on added responsibilities. Dismissal often means deprivation not only to the one dismissed but to a family or other dependents. An adequate retirement system frees the school board from this situation. The administrative and supervisory positions can be kept free from deadwood and the paths of promotion kept open. The morale of the teaching force can be kept at a high point with untold benefit to the children.

4. *It increases the child's respect for the teacher and thereby makes his work more effective.*

Part of the influence of teaching on children is lost if the child does not respect the one doing the teaching. In this day and age, the teacher can hardly expect to claim the respect from young people that is vital to effective instruction, if he not only receives small compensation during active service, but is also often dependent in old age. The enactment of a retirement law is a recognition by society of the value of the teacher's service. Without this recognition, his ability to influence the lives of children is seriously reduced.

V. A Sound Teacher Retirement System in the Long Run Means a Substantial Saving to the General Public Because:

1. *It makes possible the replacement of superannuated teachers, who receive the maximum salaries, by younger teachers, who begin at a smaller salary.*

Most progressive school systems have adopted salary schedules under which teachers begin at a minimum salary that increases over a period of years to a maximum that is from fifty to one hundred per cent larger than the minimum. Teachers of long experience, of course, receive the maximum. Therefore, when a teacher rendered incompetent by old

age is retained in the classroom not only is poor teaching done, but the cost to the public is large. An adequate retirement plan makes it possible to retire teachers when superannuation is reached and to replace them with younger teachers who for several years receive a salary considerably less than that paid the retiring teacher. A retirement plan, therefore, makes for greater efficiency at a smaller cost.

2. It protects the public from the waste of an expensive school plant manned by a superannuated teacher.

The wastefulness of a factory, equipped with expensive machinery, but not producing up to capacity, is readily recognized. The product of a school—education and training for children—is less easily measured than that of a factory. In the long run, however, the school's product is far more vital to the public welfare than that of any factory. The waste of providing and equipping a schoolroom and then manning it with a superannuated teacher—incapable of turning out a sound educational product—is more serious than when a factory underproduces. Poor workmanship in a factory merely wastes raw materials. Poor workmanship in a schoolroom misshapes lives.

3. It guarantees the public a definite and valuable return for its share of the cost.

Under the best retirement plans the younger teachers are not required to join until they reach a certain age. Until they join, there is no cost to the public. If a young teacher does join, the contributions made from public funds in his early career for building up an annuity are very small. This is proper because there is no superannuation risk in employing a young teacher. If the teacher continues in the profession, however, the contributions toward his annuity fund that come from public funds gradually increases as the age of superannuation approaches. Thus, no money is wasted building up funds for young teachers who may leave the profession before they reach superannuation. It all goes to provide insurance against the employment of superannuated teachers. A valuable return is guaranteed the public at a minimum cost.

4. It prevents the enactment of ill-considered and costly "pension" systems.

A majority of the States and many local communities have recognized that a plan for the retirement of teachers is essential to the greatest school efficiency. The chances are that school systems without a retirement system will eventually provide for one in some form. The enactment of a sound teacher retirement, based upon principles that are the result of experience and careful study, is to be desired by all progressive communities. It prevents the adoption of ill-advised, halfway measures which are too often the alternative and which in the end not only prove costly and destructive of teaching morale, but fail of the purpose for which originated. The enactment of a sound measure at the outset makes the problem of teacher retirement a comparatively simple one both administratively and financially and protects a State from the costly mistakes that have been made in some places.

5. Its cost to the general public is small when compared with the benefits received.

The cost of a sound teacher retirement system to the public is small. Provision is made for the retirement of teachers in some of the best laws at an annual cost that is less than 5 per cent of all school expenditures. The actual money savings in other directions that result from a sound retirement system more than offset this small cost. In addition there are the important benefits that a retirement system guarantees in the form of more effective work in the Nation's classrooms.

VI. The Adoption of a Sound Teacher Retirement System is in Accord with the Best Thought of the Day Because:

1. Private industry has already recognized retirement plans as essential to good business.

An editorial in *World's Work* of February, 1923, states: "Practically every railroad now pensions its workers; while hundreds of industrial and commercial institutions have adopted pension systems. Most large employers of labor find pensions essential to the efficiency of their staffs. Only in this way can they prevent their organizations from being clogged with a large number of useless workers. One of their greatest problems has

been the disposition of the considerable number of veteran employees—men and women who had rendered many years' efficient service, but who, because of the infirmities of age, had outlived their economic usefulness. Even the most mechanical practitioner of "efficiency" recognizes that humanity and gratitude are imponderables that cannot be disregarded; the idea of discharging these worn-out employees, and thereby reducing them to want or to the charity of relatives, was so utterly repugnant that almost no decent employers ever did so. The result was that useless workmen and executives were kept at work; not only was their labor a liability, but their presence prevented the promotion of effective men. In this way the pension system became an economic necessity. The time is probably not far distant when every prosperous employer of labor will have adopted some plan providing for the future of its workers. The assurance that his old age is safe from want should be part of the compensation for the daily service. Properly regarded it is not philanthropy; it is simply business."

2. *A retirement plan has already been put in effect in all important public services.*

The Secretary of the United States Civil Service Commission recently issued figures which show that at least 1,000,000 public employees have already been brought under laws providing for retirement upon reaching super-

annuation. More than 300,000 teachers are already included under some kind of a retirement system. Some of the plans now in effect were poorly devised in the beginning and but imperfectly accomplish the purpose. The experience now available makes it possible to draft plans that effectually achieve their purpose. No community can successfully compete for its share of the Nation's superior teachers that does not make use of this experience. The public welfare demands that the teaching profession be guaranteed the greater efficiency that comes to any form of service, private or public, from the adoption of a sound plan for the retirement of its superannuated employees.

3. *The public in general contributes billions of dollars each year for the support of insurance companies that offer protection for the future.*

The public in general is recognizing the importance of insurance against old age. In 1923 nearly two billions was expended by the public for life insurance. At present, life insurance policies to the value of fifty-five billions are outstanding in the United States. The sound teacher-retirement system is nothing more than an insurance plan, administered and partly financed by the public, whereby one of the most important public services, teaching, is guaranteed the greater efficiency that comes from insurance against the employment of superannuated employees.

IF THE superannuated teachers are held too long the young, ambitious, progressive teachers become discouraged because of the lack of opportunity for advancement and go into other work, and the schools and children suffer great loss in that way and also suffer from the lack of force and vitality in the teaching of the superannuated teachers left too long in charge. Children must not be subjected to wrong training or poor training of mind and heart and character because of incompetency of the teacher, or because of the superannuation of the teacher. That would be an unforgivable crime against the children and society.

While basing the claim for pensions for teachers chiefly upon the welfare of the schools, the children, and society we do not mean to minimize the claim for teachers' pensions for the sake of the teachers themselves, based upon the character and nature of the teachers' work.

The teacher's salary at best is comparatively small, and if he gives his work the devotion it must have properly to impress the minds, hearts, and character of his pupils he cannot have the time or the disposition to make business investments like people of other callings. If he makes these sacrifices on small pay social justice requires that he shall receive a pension when he is too old to work longer, or is disabled and cannot work longer, as a reward for past devoted services or as deferred compensation on account of low salaries.—David B. Johnson. *Addresses and Proceedings, N. E. A.*, 1919, p. 146-147.

The Teacher's Interest in Retirement Legislation

1. *The form of teacher retirement legislation which promises most in benefits to the public also promises most in benefits to the teacher.*

The public and the teacher have a common interest in sound teacher retirement legislation. The public is interested because such legislation promises greater efficiency in the classroom and protects children from teachers rendered incompetent by advanced age. The teacher is anxious for the elevating effect that a sound retirement system has upon the profession in general and for the benefits that such a system guarantees him as an individual. There is no necessary conflict between these two interests. The retirement plan which promises the greatest increases in efficiency to the teaching body is the one which in the end will bring the greatest benefits to the individual teacher.

It is important that the teacher realize, however, that the public often has little interest in the benefits accruing to the teacher from a retirement system. The public may with justification take the attitude that it owes no one a living except as payment for service rendered, and reject retirement plans advocated principally on the basis of sympathy for teachers as a group. It is a wise policy both to draft retirement legislation in the form that guarantees the greatest returns to the public and to advocate its enactment because of the benefits which will accrue to the children from its enactment. Whereas the public may be expected to exercise reasonable interest in the welfare of the teacher as such, that interest is likely to be less consistent and to form a weaker foundation upon which to build an adequate retirement system, than is a general realization that a retirement system promises increased teaching efficiency.

This principle is fundamental to progress in retirement legislation and its acceptance by teachers and their committees in drafting and promoting retirement legislation will in the end bring about the greatest advances in the direction of guaranteeing all teachers the benefits that come from sound retirement legislation.

2. *The support of sound teacher retirement legislation on the part of all teachers is a professional duty.*

It is coming to be accepted that sound teacher retirement legislation increases the efficiency of the profession. It is, therefore, the duty of every member of the profession possessed of a proper professional spirit to place no obstacle in the way of such legislation. It may be possible, in exceptional cases, that individual teachers exist for whom the enactment of retirement legislation means no personal benefit. The opposition to the enactment of a measure, or its lukewarm support, on such a basis is unworthy of any member of a group deserving classification among the professions.

Sound teacher retirement legislation can entail no hardship upon any teacher. If after being a member of a retirement system for a number of years he chooses to withdraw from the profession, the deposits made toward building up his annuity fund are returned to him. Joining a retirement system, therefore, means no personal sacrifice, even though a teacher may not continue in the profession until the age for normal retirement. On the other hand, the failure of a small group of teachers to support retirement legislation may make such legislation difficult or impossible of enactment, and result in harm both to teachers and children. Every teacher should give his support to the enactment of a sound teacher retirement system if for no other reason than his interest in the advancement of the profession.

3. *Every teacher has a direct personal interest in the enactment of sound retirement legislation.*

Teachers, like other people, sometimes refuse to face facts. They refuse to recognize that: (1) Human beings must look forward to old age. (2) Practically all old teachers did not expect to keep on in the profession when they first began teaching. (3) Many teachers who have given their lives to the profession are actually destitute at the present time. A recent investigation covering but 12 States revealed 1263 teachers dragging out

the last years of their lives in painful poverty. It is no answer to say: "That will never happen to me." It has happened already to thousands who have said the same thing. In the absence of a sound teacher retirement system there is a possibility that it will happen to any teacher. No one can predict his future with certainty.

In fact, it is more likely to happen to a teacher than to a member of other groups. The man or woman who marries and raises a family has given "hostages to fortune." At the time when he reaches old age his dependents become capable of supporting him. Other means failing, men or women who raise families may expect their children to care for them in their old age. How true this is need not be emphasized to the teacher who often is discharging this very duty. When the unmarried teacher reaches old age, however, his dependents have usually ceased to exist. Few of the many teachers who now have others, partially or wholly, dependent upon them may look forward to protection in old age as a result of the care which they give these dependents.

In short, the unmarried teacher is in a peculiar position. There is a greater possibility of this teacher becoming a public charge than almost any other member of society. Teachers' salaries should be large enough to permit saving; but usually they are not. In the few cases where they are, the absolute guarantee of a retirement law is still necessary to insure the teacher against unforeseen want and the child against a teacher incapacitated through old age. Every teacher, therefore, has an exceptional interest in seeing that the extra hazard of dependence in old age, which service in the profession means, should be met by the enactment of a sound teacher retirement system.

4. *Sound teacher retirement legislation is based upon sound business principles, which may be freely accepted by all teachers without loss of self respect.*

A sound teacher retirement law is a straight business proposition in which two interested groups, the public and the teachers, share the cost of supporting a proposition that brings benefit to both. The retirement annuity is in no sense a gratuity or a matter of charity as

the "pension" systems of the past so often have been. It is as much the teacher's as is the salary that he receives during his period of actual service. He has fully earned it, and he may accept it without question. A teacher may support sound retirement legislation without any feeling that it involves a lowering of his own self respect, or that in which the profession is held.

5. *A teacher retirement system exercises an important influence upon advancement and promotion within the profession.*

One important effect of a sound teacher retirement system is often overlooked by teachers. A properly drafted plan guarantees annuities to all members of the profession of an amount that makes it reasonable to expect retirement upon reaching the normal retirement age. In some retirement systems the mistake has been made of placing so low a maximum retirement annuity that those in the upper levels of the profession receiving the higher salaries refuse to retire unless actually forced to do so. As a result, the path of promotion is blocked and too high a percentage of the most desirable teaching positions are occupied by superannuated people. Promising people in the lower ranks are thereby denied the promotion that should be their right. It is important, therefore, that there be a reasonable relationship between the teacher's salary at the time of retirement and the amount of the annuity. This may be accomplished with justice to all when each teacher is required to contribute a percentage of his salary over a long period of years to the building up of an annuity fund. The placing of a maximum amount which a teacher may receive from public funds guarantees that no one share unduly in the income from this source.

6. *Exact information is now available to guide those in charge of the drafting of retirement legislation. In drafting such legislation teachers' committees should avail themselves of expert advice.*

Out of the experience gained in the administration of teacher retirement systems during the past generation has come a mass of exact information and a clarification of the principles that should guide those charged with the drafting of retirement legislation. Legislation

should not be drafted which does not draw upon this experience and thus avoid the serious mistakes that have been so frequently made in the past. This does not mean teachers' organizations need accept dogmatically stated principles or plans laid down by experts. The teacher's decision, based upon an analysis of all the facts in the case, is often worth as much as that of an expert. Teachers should draw their own conclusions. They should, however, always have the advice of experts in this field, and careful consideration should be given to their recommendations. A sound teacher retirement system need not be a complicated affair, but it does need to be based upon generally accepted principles and to avoid the errors that have brought such unfortunate results in many of the old unsound "pension" systems.

7. The enactment of sound legislation must be based upon a proper education of the public and united effort on the part of the teaching profession.

There are still those among the general public so short sighted that they are unable to see the benefits that accrue to the children from the enactment of sound teacher retirement legislation. In spite of the small cost that an annuity plan adds to public expenditures, and the many savings which it brings, they oppose all efforts to enact such legislation. It is necessary to educate carefully such people

as well as those who more readily recognize its benefits.

In carrying on this important work and in actually obtaining the enactment of legislation, teachers should preserve a united front. The opponents of sound teacher retirement legislation too often have defeated such legislation by arraying one group in the profession against another, such as elementary teachers against secondary teachers, or beginning teachers against those of experience. Whenever teachers allow this to be done they are the losers. All teachers, no matter what type of educational position they hold, should approach the problem of retirement legislation in a spirit marked by a willingness to accept reasonable compromises, and an ability to see the other teachers' viewpoint. There should be a willingness to submerge non-essentials, individual likes and dislikes, and individual interests to the larger benefits that come to the profession as a whole from the enactment of legislation based upon sound principles rather than upon the desire to make special exceptions for any individual or group in the profession. Controversial points should be decided with the greatest possible fairness, and then all should stand together. The readiness with which teachers of any State or community accept and act upon these simple truths will to a large degree determine their success in promoting the enactment of sound teacher retirement legislation.

PUBLIC SCHOOL EFFICIENCY AND TEACHER RETIREMENT SYSTEMS

THE OUTSTANDING reason why a State should enact a law providing for a sound teacher retirement system is that such a law makes for public school efficiency. It is the children of the Nation who suffer most from the failure to provide annuities making possible the retirement of aged, infirm, and therefore incompetent teachers.

A retirement law attracts competent people to the teaching profession. If a State fails to guarantee protection in old age the most capable fail to enter the profession, or else leave it and accept employment in more remunerative occupations, where they can assure themselves a competence for their old age.

Retirement at a reasonable age makes possible sufficient promotions and advancements so that the morale of the rank and file of the teachers can be kept high. The enactment of an adequate retirement law, therefore, is a step in the direction of a better public school.—*Research Bulletin of the National Education Association*. Vol. 1, No. 1, January, 1923, p. 58.

State and Local Retirement Systems Now in Effect

The progress of the teacher retirement movement as indicated by the enactment of State and local measures is indicated in the tabulations and the map which follow.

The data relative to the situation in the States resulted from a survey made in co-operation with the secretaries of State teacher retirement boards during May and June, 1924. The tabulation of local measures resulted from a survey made with the assistance of State and local superintendents and secretaries of local retirement boards. It lists the great majority of important local retirement systems now in existence.

Copies of practically all of the State and local laws referred to, where they are available, are on file in the Research Division of the National Education Association together with official reports and bulletins issued by many retirement boards. Exact information as to where the text of any teacher retirement measure can be located may be obtained by addressing the National Education Association.

It was impracticable to summarize the provisions of the many State and local teacher retirement measures now in effect. The accompanying tabular statement of nine representative city and State teachers' retirement systems gives the principal provisions incorporated in these measures. The nine retirement measures tabulated do not constitute a complete list of the sound retirement systems of the country. Other retirement laws than the ones included might have been selected and included in the insert on page 83 headed *Tabular Statement of Teachers' Retirement Systems*.

State Wide Teacher Retirement Laws are in effect in the following States:

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|-------------------------|------------------|
| 1. Arizona | 12. Montana |
| 2. California | 13. Nevada |
| 3. Connecticut | 14. New Jersey |
| 4. District of Columbia | 15. New York |
| 5. Illinois | 16. North Dakota |
| 6. Indiana | 17. Ohio |
| 7. Maine | 18. Pennsylvania |
| 8. Maryland | 19. Rhode Island |
| 9. Massachusetts | 20. Vermont |
| 10. Michigan | 21. Virginia |
| 11. Minnesota | 22. Wisconsin |

In the above States, the following cities and counties have local teacher retirement systems independent of the State systems:

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|--------------------|--------------------|
| New Haven, Conn. | Detroit, Mich. |
| Chicago, Ill. | Duluth, Minn. |
| Peoria, Ill. | Minneapolis, Minn. |
| Terre Haute, Ind. | St. Paul, Minn. |
| Allegany Co., Md. | New York, N. Y. |
| Baltimore, Md. | Bristol, R. I. |
| Baltimore Co., Md. | Newport, R. I. |
| Boston, Mass. | Providence, R. I. |
| | Milwaukee, Wis. |

State Teacher Retirement Laws Affecting Cities of the First and Second Class are in effect in the following States:

Cities operating retirement systems under such State Laws are:

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| 1. Colorado | Cañon City |
| | Colorado Springs |
| | Denver |
| | Greeley |
| | Pueblo |
| 2. Kansas | Topeka |
| 3. Kentucky | Lexington |
| | Louisville |
| | Newport |
| 4. Iowa | Des Moines |
| 5. Louisiana | New Orleans |
| 6. Oregon | Portland |
| 7. Utah | Salt Lake City |
| 8. Washington | Bellingham |
| | Everett |
| | Seattle |
| | Spokane |
| | Tacoma |
| 9. West Virginia | Parkersburg |
| | Wheeling |

No State Law Relative to Teacher Retirement is in Effect in the following States:

- | | |
|----------------|--------------------|
| 1. Alabama | 9. New Hampshire. |
| 2. Arkansas | 10. New Mexico |
| 3. Delaware | 11. North Carolina |
| 4. Florida | 12. Oklahoma |
| 5. Georgia | 13. South Carolina |
| 6. Idaho | 14. South Dakota |
| 7. Mississippi | 15. Tennessee |
| 8. Nebraska | 16. Texas |
| | 17. Wyoming |

In the above States where there are no permissive or mandatory laws relative to teacher retirement, the following cities and counties have local retirement systems:

- | | |
|-------------------|------------------------|
| Mobile Co., Ala. | Manchester, N. H. |
| Wilmington, Del. | Nashua, N. H. |
| Columbus, Ga. | New Hanover Co., N. C. |
| Greenville, Miss. | Charleston, S. C. |
| Yazoo City, Miss. | Nashville, Tenn. |
| | San Antonio, Texas |

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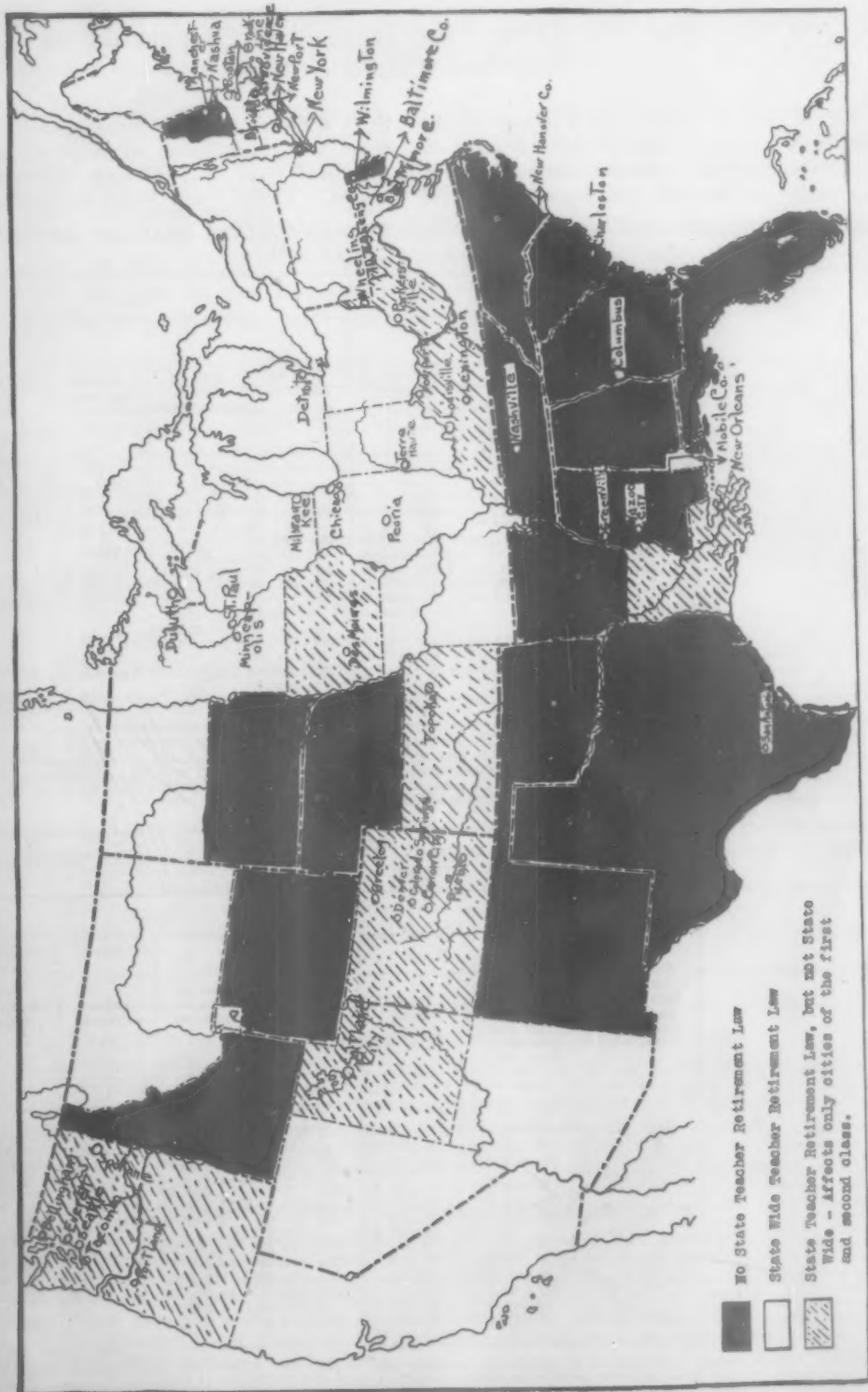
TABULAR STATEMENT OF TEACHERS' RET

1 Name of State and date when law became effective	2 Method of administration	3 Expenses borne by	4 Membership optional or compulsory	5 Pension fund receives income		6 Retirement allowances		7 Disability		8 Consideration granted prior to time teacher for a pension.		
				A From the state	B From the teachers	A Paid by state	B Paid by teacher	A Requirements	B Allowances	A Death	B Resignation	D
Mass. 1914.	Teachers' Retirement Board 3 members.	State.	Compulsory.	Annual appropriation for the payment of incurred pensions. These pensions are equal to the annuity the teacher is able to purchase from her own accumulated contributions. Teachers who served in the State prior to the date the retirement system was established receive a pension approximately equal to the pension they would have received had the retirement law been in effect during their entire period of service. Thus the state's portion of the pension paid to the teacher is not on an actuarial basis as no sinking fund is created to meet future pensions of the present teaching force.	Board establishes percentage of teacher's salary each year. This percentage must be not less than 7% or more than 3%. Minimum \$35.00. Maximum \$100.00. Only one rate has been established since organization, which is 5%.	A pension is paid by the State which is equal to the annuity to which the teacher is entitled from her own savings accumulated with interest. Teachers who served in the State prior to the date the retirement system was established receive a pension approximately equal to the pension they would have received had the retirement law been in effect during their entire period of service.	An annuity is paid the teacher in such an amount as her accumulated savings with interest will purchase.	Teachers under 60 years of age and having 20 years' service in Mass. Last 5 years continuous.	Annuity purchased by members' own accumulated contributions with interest and the pension from the state based on service. Total retiring allowance cannot exceed retiring allowance which teacher would have received had she remained in service until 60 years of age.	Case of death, estate of teacher receives the total savings of teacher accumulated with interest.	Case of resignation, teacher receives her total savings accumulated with interest.	In case of dismissal, teacher receives savings accumulated with interest.
Conn. 1917	Board of 5 members.	State.	Compulsory.	State appropriates at retirement a sum equal to the accumulated teachers' savings which is to be used to purchase a life annuity. Thus the state's portion of the pension paid to the teacher is not on an actuarial basis as no sinking fund is created to meet future pensions of the present teaching force.	Teachers pay 5% of salary. Minimum \$25.00. Maximum \$100.00.	The state matches the incurred pensions paid the teachers. These payments are made only to teachers who have received annuity payments from their accumulated savings.	An annuity is paid the teacher from her accumulated deposits in an amount equal to that which her accumulations will purchase.	Ten years of service.	Reduced pension depending in amount on term of service.	Accumulated teacher's savings. Nothing from the state.	Accumulated teacher's savings. Nothing from the state.	Accumulated teacher's savings. Nothing from the state.
Vt. 1919.	Board of 8 members.	State.	Optional.	State pays annually to annuity fund creating a sinking fund for annuities to be paid to the present teaching force. The amount paid annually equals the amount the teacher pays to the annuity fund. An actuarially sound basis.	Board establishes percentage of teacher's salary each year. Only one rate has been established since organization, which is 5%. Minimum, \$16.00 Maximum, \$100.00.	State pays a pension in an amount equivalent to what the teachers' accumulated savings will purchase, plus arbitrary sum (now \$150) to increase allowance not to exceed 1/4 average annual salary during entire service.	An annuity is paid teacher in such an amount as the teacher's accumulated savings with interest will purchase.	6 years of continuous service.	Amount paid disabled teachers is such an allowance as the accumulated savings of both state's and teacher's savings may purchase, plus an additional amount which is determined by the Board. Total not to exceed 1/2 average salary during entire service.	In case of death after 6 years the estate of the teacher will receive both state's and teacher's accumulated savings. Prior to 6 years only teacher's savings with compound interest at 4%.	After 6 years, both state's and teacher's accumulated savings. Prior to 6 years only teacher's savings with compound interest at 4%.	After 6 years, both state's and teacher's accumulated savings. Prior to 6 years only teacher's savings with compound interest at 4%.
N. Y. City 1917.	Board of 7 members.	City of New York.	Compulsory.	City pays each month a sum which is the actuarial equivalent of the monthly contributions of those entering service since 1917, the effective date of the law. Also City pays annually \$1,000,000 on account of liability for old teachers.	Teachers desiring to be retired on one-half salary pay on the average 6% of salary. This varies in accordance with age and service.	City pays the teacher a pension of 1/4 of her average salary for last 10 years. Thus the city matches the teacher's savings. For "present teachers" (old group) city adds 1/140 of average salary for each year of prior service, i. e. before August 1, 1917.	Teacher purchases an annuity of 1/4 of her average salary for last 10 years. Annuity purchased from the accumulated deposits of the teacher. New entrants since 1917.	10 years city service.	20% of average salary from the city plus the annuity earned by teacher's contributions plus, for "present teachers" the 1/140 under 6A.	Estate will receive teacher's total savings with 4% compound interest. plus 1/2 last salary if eligible for retirement at death.	Teacher receives her total savings with 4% compound interest.	Teacher receives her total savings with 4% compound interest.
N. J. 1919.	Board of 7 members.	State.	Compulsory.	State pays annual contributions which are sufficient to create a sinking fund from which is paid to teachers at retirement a pension of 1/140 of average salary multiplied by number of years of service.	Teachers pay from 4% to 7% of salary. Average 4%. Accumulated payments are sufficient to purchase an annuity of 1/140 of average salary multiplied by years of service.	State pays a pension of 1/140 of average salary multiplied by number of years of service. Minimum \$200 per year.	Teacher purchases an annuity with her savings of 1/140 of average salary multiplied by number of years of service. Minimum \$200 per annum.	10 years of service.	Annuity paid teacher is 1/70 of average salary multiplied by number of years of service. Minimum is 30% of salary or \$300.00.	In case of Death, Resignation or Dismissal of teacher total deposits of the teacher accumulated with 3 1/2% est compounded annually are payable either to the teacher, or the beneficiary of the teacher, or teacher herself.		
Pa. 1917.	Board of 5 members.	State.	Compulsory.	The state pays annually into the fund an amount which will be sufficient to purchase a pension of 1/160 of the teacher's average annual salary for the last 10 years of service, multiplied by the total years of service. Thus the teacher who has taught 40 years will receive from the state 1/4 of her average salary for the last 10 years.	Teacher pays from 3% to 5% of her salary into the annuity fund. This percentage varies according to age. The amount paid by teacher is sufficient to purchase an annuity of 1/160 of her average salary for the last 10 years, multiplied by the number of years of service.	State pays pension to teacher which is 1/160 of her average salary for the last 10 years of service multiplied by the number of years of service.	Teacher receives from the annuity fund to which she has contributed an annuity in such an amount as her accumulated savings will purchase. Minimum \$300.00 per annum after 36 years of service.	Teachers under 62 years of age and having 10 years of service are eligible for disability benefits when they become disabled.	Amount of disability benefits are reduced pensions depending upon term of service.	Estate of teacher receives total of teacher's savings accumulated with interest. Nothing from the state.	Teacher receives total of her savings accumulated with interest. Nothing from the state.	Teacher receives total of her savings accumulated with interest. Nothing from the state.
Ohio 1920.	State Board 5 members.	Teachers are assessed not to exceed \$1.00 per year.	Compulsory.	The local taxing districts of the state contribute 4.7% of the total payroll of teachers. This is established as a sinking fund to be drawn upon when paying the teacher a pension. This rate may be changed by the Actuary.	Teacher pays 4% of her monthly salary. Maximum \$80.00 per annum.	State pays a pension equal to that which the teachers' accumulated payments will purchase. For service prior to 9/1/20, 1 1/3% of members average salary (not to exceed \$2000) for the ten years immediately preceding retirement.	Teacher receives from the annuity fund to which she has contributed an annuity in such an amount as her accumulated savings will purchase. Minimum \$300.00 per annum after 36 years of service.	10 years' service required.	Teacher receives reduced pension. Minimum 30% of her salary.	Estate receives total savings of teacher with accumulated interest.	Teacher receives her total savings with accumulated interest.	Teacher receives her total savings with accumulated interest.
Wis. 1921.	Annuity Board of 7 members, also three retirement boards of 5 members each.	Expenses paid from Contingent Fund. Contingent Fund derives its income from the state.	Compulsory for all teachers over age 25.	An amount dependent on the teacher's deposit and term of service. Maximum 200% of teachers' deposit plus \$25.00. Maximum amount \$325.00 per annum per teacher. The source of the state's deposit is a surtax on incomes above \$3,000.00. This has produced more than \$1,300,000.00 for 1921.	5% of teacher's salary to Retirement fund.	The teacher receives such a pension as accumulated state's deposits will purchase.	The teacher receives such an annuity as the teacher's accumulated savings in the fund will purchase.	Teachers must have 5 years consecutive service before they are eligible for disability benefits.	Teacher receives a monthly annuity of \$25.00 and such additional monthly benefit as her accumulated savings and state's deposits will purchase.	In case of death both the teacher's and state's deposits are payable to the estate of the teacher with interest.	In case of resignation both State's and teacher's deposits are payable to the teacher with interest. The state's deposits are not payable until the teacher is 50 years of age and then are payable as a life annuity. Teacher's deposits are payable immediately.	State's teacher's deposits are not payable until teacher is 50 years of age and then are payable as a life annuity. Teacher's deposits are payable immediately.
Minneapolis 1924.	Board of 9 members.	City of Minneapolis.	Compulsory for all teachers over age 25.	An amount dependent on the teacher's deposit and term of service.	5% of teacher's salary.	The teacher receives such a pension as accumulated city's deposits will purchase.	The teacher receives such an annuity as the teachers' accumulated savings in the fund will purchase.	Teachers must have 5 years consecutive service before they are eligible for disability benefits.	An amount equal to the annuity and pension at age 50.	In case of death both the teacher's and city's deposits are payable to the estate of the teacher.	In case of resignation both city's and teacher's deposits are payable to the teacher. The city's deposits are not payable until the teacher is 50 years of age and then are payable as a life annuity for such term of years as the teacher may elect. Teacher's deposits are payable immediately.	City's teacher's deposits are not payable until teacher is 50 years of age and then are payable as a life annuity for such term of years as the teacher may elect.

TEACHERS' RETIREMENT SYSTEMS

1 Teacher to time teacher is eligible pension.		9	10	11	12	13	14		15	16	17
A Termination	C Dismissal	Age of retirement	Required term of service	Average annual salary as of 12-31-23	Mortality table and rate of interest	Membership as of 12-31-23	Assets as of December 31, '23		Cost to transfer to present solvent plan	Liability assumed by State in behalf of old teachers at date of transfer	Contribution by State to pension fund for the fiscal year ending in 1923.
							Bonds	Cash			
Designation, receives her savings accumulated with interest.	In case of dismissal teacher receives her total savings accumulated with interest.	Voluntary at age of 60. Compulsory at age 70.	No term of service required for retirement.	\$1,658.63	American Experience table, with interest at 3 1/2 %.	Active, 15,296; Retired, 608.	Bonds \$5,835,543.27 Cash 6,673.15 Accrued interest 68,559.44 Total \$5,910,775.86		No State Retiring system prior to establishment of present law.	Massachusetts assumed the entire expense of paying to teachers when they retire a pension which allows credit for their service in the State prior to the date the retirement system was established.	Pension to members \$280,300.32. Reimbursement to cities for pensions paid by cities \$73,027.16. Expense of administration \$10,044.36. Total \$363,371.84.
Nothing from the state.	Accumulated teacher's savings. Nothing from the state.	60 years.	Minimum 15 years.	Elementary Male \$1,596.44, Female \$1,368.35. High Male \$2,254.13, Female \$1,726.16	McClintock's Female Annuity Table with 3 1/2 %.	6,852.	Teachers' Annuity Fund \$1,538,091.38 State Pension Fund 441,977.73 Total \$1,980,069.11	Bonds \$1,538,091.38	No transfer.	Not necessary as the first law was sound.	\$173,321.74.
Teachers, both teacher's savings. Years only savings with interest at 4 %.	After 6 years, both state's and teacher's accumulated savings. Prior to 6 years only teacher's savings with compound interest at 4 %.	Men 65. Women 60.	30 years.	Not available.	McClintock's Table with interest at 3 1/2 %.	About 400.	June 1, 1924 Bonds \$195,805.66 Cash 34,038.36 Total \$229,844.02		Present law first law in effect in Vermont.	Vermont did not assume any liability in behalf of old teachers.	Appropriation for fiscal year ending June 30, 1924, is \$20,000.00. Payments made by State to June 1, 1924, is \$16,864.43.
Teacher receives her total savings with 4 % compound interest.	Teacher receives her total savings with 4 % compound interest.	Optional at age 65 or on 35 years of service, and compulsory at 70.	35 years' service for annuity of 1/2 average salary or at age 65.	\$2,800.00	Mortality tables developed from own experience.	24,376.	Bonds \$194,007.80 Other collateral 5,967.74 Cash 5,346.00 Total \$205,321.54		Including liability assumed by city for pensions and benefits of teaching force who are now drawing pensions and also the liability for those who will be drawing pensions at future date, the city on August 1, 1917, assumed a liability exceeding \$50,000,000.00.	The city on August 1, 1917, took over the old payroll of about \$1,200,000 per annum. This will produce for the future a liability of about 10 million dollars.	City contributed in 1923 \$3,274,000.
Dismissal of teacher, the accumulated with 3 1/4 % interest payable either to the estate of the teacher, or to the	Dismissal of teacher, the accumulated with 3 1/4 % interest payable either to the estate of the teacher, or to the	Age 62 or after 35 years of service.	35 years if teacher is under age 62.	\$1,600.00	Not given.	21,092.	Bonds \$5,500,000.00		Cost not accurately determined.	New Jersey did assume liability for old teachers, estimated to cost the State \$394,000 per year during the life of the teaching force who were teaching at the date of transfer.	New Jersey paid \$1,049,000.00 during past year.
Teacher receives her total savings with accumulated interest.	Teacher receives her total savings with accumulated interest.	Optional at age 62. Compulsory at 70 years.	10 years.	\$925 per year.	McClintock's Table with interest at 4 %.	53,562.	Bonds \$17,550,000.00 Other Collateral 3,025,000.00 Cash 225,501.88 Total \$20,800,501.88		No state wide retirement system prior to establishment of present system.	Penn. assumed liability for old teachers when establishing the present pension law. Amount of liability not determined. Approximately \$30,000,000.	\$1,840,197.44.
Teacher receives her total savings with accumulated interest.	Teacher receives her total savings with accumulated interest.	60 years of age or 36 years of service.	36 years under age 60.	Not determined.	McClintock's 4 %.	38,000.	Bonds \$14,932,617.17 Cash 372,505.05 Total \$15,305,122.22		First State Law.	Ohio State pension fund pays pensions for the various cities which joined in the state fund. This liability is assessed against the cities and is not assumed by the state.	Local taxing districts pay 4.7 % of teaching payroll in that district to the fund. This amounted to \$3,339,257.33.
Designation and deposits are payable to teacher with interest. State's deposits are not payable until teacher is 50 years of age and then they are payable as a life annuity.	State's and teacher's deposits are payable to teacher with interest. State's deposits are not payable until teacher is 50 years of age and then they are payable as a life annuity.	Teacher may stop teaching at any time and get such a pension as her accumulated deposits and the state's deposits will purchase. State's deposits are not payable until teacher is 50 years of age. Teacher's payable immediately.	There is no required time of service. See answer to No. 9.	Not available.	Not determined.	About 18,000.	Retirement Funds \$880,000.00 Bonds 107,988.33 Stocks 987,988.33 Mortgages 107,988.33 Other Collateral 987,988.33 Cash 107,988.33 Total 987,988.33 Wisconsin may invest in such assets as a life insurance company invests in, such as mortgage loans, bonds and loans on accumulated deposits of teachers.		It is estimated that it will cost the state \$1,000,000. The surtax provided Wisconsin with \$1,300,000 in 1921.	All accrued liabilities are provided for by the State of Wisconsin.	June 30, 1923, \$727,074.73.
City's and teacher's deposits are payable to teacher. City's deposits are not payable until teacher is 50 years of age and then they are payable as a life annuity for such term of years as the teacher may elect.	City's and teacher's deposits are payable to teacher. City's deposits are not payable until teacher is 50 years of age and then they are payable as a life annuity for such term of years as the teacher may elect.	Teacher may stop any time teaching at and get such a pension as her accumulated deposits and the city's deposits will purchase. City's deposits are not payable until teacher is 50 years of age. Teacher's payable immediately.	There is no required time of service. See answer to No. 9.	Not available.	Not determined.	2,000.	\$400,000.		Transfer not estimated.	Assumed by the city.	\$70,000.00.

STATE and LOCAL TEACHER RETIREMENT LAWS



Income and Outgo for Retirement Systems in Representative States

What does it cost? This is one of the questions commonly asked about systems of accident insurance, teacher retirement, etc. Through an inquiry sent to secretaries of

State-wide teacher retirement systems, the income and expenditures of these systems for the fiscal years of 1922 and 1923 were obtained. Tables 2 and 3 give the results.

TABLE 2. INCOME AND OUTGO OF REPRESENTATIVE STATE TEACHER RETIREMENT FUNDS—FISCAL YEAR 1922

States	Income			Outgo			
	Payments by State into retirement fund (appropriations, etc.)	Payments into retirement fund from other sources (teachers' contributions, etc.)	Total Income	Amount paid to teachers in pensions	Cost of Administration	Other ¹ expenses	Total expenditures
1	2	3	4	5	6	7	8
California.....	\$340,236.60	\$204,933.45	\$635,170.05	\$262,252.55	\$6,413.24		\$268,665.79
Connecticut.....	9,996.49	385,813.71	395,810.20	45,194.53	6,978.58	\$3,149.56	55,322.67
Illinois.....	327,370.80	280,371.04	607,741.84	424,528.83	13,656.43		438,185.26
Maryland.....	36,000.00		36,000.00	36,000.00			36,000.00
Massachusetts.....	312,093.30	1,046,830.56	1,358,923.86	259,157.55	10,422.49	56,590.87	326,170.91
Michigan.....	197,279.56	197,279.56	394,559.12	74,605.49	30,118.15	\$4,564.63	109,288.27
Minnesota.....	78,222.56	166,703.66	244,926.22	119,208.82	5,623.89	\$194,935.55	224,272.52
Nevada.....	12,376.89		12,376.89	6,769.33			6,769.33
New Jersey.....	740,000.00	934,713.02	1,674,713.02	754,468.85	30,000.00		784,468.85
New York ²	1,427,621.71	1,280,475.33	2,708,097.04	685,697.43	20,590.95		706,288.38
North Dakota.....	20,637.50	89,860.07	110,497.57	31,241.46	1,318.50	3,572.52	36,132.48
Pennsylvania.....	3,680,394.88	2,810,168.73	6,490,563.61	268,405.10	39,000.00	332,468.64	639,873.74
Vermont.....	20,000.00	22,856.77	42,856.77	594.00	537.11		1,131.11
Virginia.....	10,000.00	118,987.36	128,987.36	81,112.69			81,112.69

Notes: ¹ These include reimbursements to cities for pensions paid locally etc. ² This amount includes only 3 quarterly payrolls, the 4th being paid from previous year. ³ The total disbursements included this amount and in addition \$340,411.50 invested in bonds etc., making a total of \$609,077.29. ⁴ This amount covers refunds etc. ⁵ These total disbursements included \$187,423.30 invested in bonds and \$7,512.25 for refunds. ⁶ Does not include New York City, and figures given are for the fiscal year 1923 instead of 1922. ⁷ Payments from cities and school districts.

TABLE 3. INCOME AND OUTGO OF REPRESENTATIVE STATE TEACHER RETIREMENT FUNDS—FISCAL YEAR 1923

States	Income			Outgo			
	Payments by State into retirement fund (appropriations, etc.)	Payments into retirement fund from other sources (teachers' contributions, etc.)	Total Income	Amount paid to teachers in pensions	Cost of Administration	Other ¹ expenses	Total expenditures
1	2	3	4	5	6	7	8
California.....	\$317,232.22	\$296,564.47	\$613,796.69	\$371,607.18	\$6,737.85		\$378,345.03
Connecticut.....	173,321.74	432,147.86	605,469.60	54,381.70	7,427.61	\$3,279.52	65,088.83
Illinois.....	306,105.14	291,017.53	597,122.67	468,723.46	14,045.12		480,768.58
Maryland.....	80,000.00		80,000.00	80,000.00			80,000.00
Massachusetts.....	363,371.84	1,124,966.56	1,488,338.40	298,262.43	10,044.36	73,027.16	381,333.95
Michigan.....	210,562.68	210,562.68	421,125.36	98,607.21	17,454.44	\$7,732.17	123,793.82
Minnesota.....	68,431.64	203,847.33	272,278.97	108,471.83	5,032.01	\$101,550.70	308,550.28
Nevada.....	12,188.61		12,188.61	8,057.67			8,057.67
New Jersey.....	1,049,000.00	1,170,371.74	2,219,371.74	776,430.45	30,000.00		806,430.45
New York ²	2,596,092.82	1,535,126.66	4,131,219.48	831,760.48	30,722.37		862,482.85
North Dakota.....	21,354.30	98,629.88	119,984.18	31,852.60	1,310.60	5,536.30	38,699.50
Pennsylvania.....	4,144,265.34	4,051,219.00	8,195,484.34	337,992.81	41,000.00	521,308.67	900,301.48
Vermont.....	20,000.00	24,941.87	44,941.87	1,148.96	244.91		1,393.87
Virginia.....	10,000.00	121,070.88	131,070.88	101,858.43			101,858.43

Notes: ¹ These include reimbursements to cities for pensions paid locally etc. ² The total disbursements included this amount and in addition \$206,450.00 invested in bonds etc., making a total of \$541,795.03. ³ This amount covers refunds etc. ⁴ These total disbursements included \$91,927.56 invested in bonds and \$9,623.14 for refunds. ⁵ Does not include New York City, and figures given are for the fiscal year 1924 instead of 1923. ⁶ Payments from cities and school districts.

Where to Write Concerning Details of State and Local Retirement Systems

What measures were used to secure the passage of the teacher-retirement law of a particular State; how local retirement systems have developed and how they are administered; what obstacles have been met and how they have been overcome; why one city or State has framed its law in a particular way, what its advantages are, and the expenditures for local retirement systems—these and many

similar questions can best be answered by direct correspondence with local secretaries of retirement-fund boards or local school superintendents.

The following directories give information as to whom correspondence should be addressed concerning details of State and local retirement systems.

DIRECTORY OF STATE WIDE TEACHER RETIREMENT SYSTEMS

State	Person to whom correspondence should be addressed relative to retirement	Address
Arizona	C. O. Case, State Supt. of Public Instruction	Phoenix, Ariz.
California	Miss Marion H. Ketcham, Ass't. Sec'y., Public School Teachers' Retirement Salary Fund Board	Box 615, Sacramento, Calif.
Connecticut	Miss Dorothy M. Shanley, Ass't. Sec'y. Teachers' Retirement Fund Board	State Capitol, Hartford, Conn.
District of Columbia	Maj. Raymond O. Wilmarth, Sec'y. Teachers' Retirement Fund Board	Franklin School Building, Washington, D. C.
Illinois	R. O. Clarida, Sec'y., Teachers' Retirement Fund Board	State Capitol, Springfield, Ill.
Indiana	Estes Duncan, Ex. Sec'y., Teachers' Retirement Fund Board	225 State House, Indianapolis, Ind.
Maine	Dr. Augustus O. Thomas, State Supt. of Public Instruction	Augusta, Maine.
Maryland	Albert S. Cook, State Supt. of Public Instruction	Baltimore, Md.
Massachusetts	Clayton L. Lent, Sec'y., Teachers' Retirement Fund Board	204 State House, Boston, Mass.
Michigan	Mrs. Larabee, Sec'y. Teachers' Retirement Fund Board	American State Savings Bank Bldg., Lansing, Mich.
Minnesota	M. A. Morse, Sec'y. Teachers' Retirement Fund Board	211 Historical Bldg., St. Paul, Minn.
Montana	Miss May Trumper, State Supt. of Public Instruction	Helena, Mont.
Nevada	Miss Pearl Stimson, Sec'y. Teachers' Retirement Fund Board	State Capitol, Helena, Mont.
New Jersey	Charles Priest, Ex. Sec'y. Teachers' Retirement Fund Board	Carson City, Nev.
New York	John Enright, Sec'y. Teachers' Pension and Annuity Fund	P. O. Box 840, Trenton, N. J.
North Dakota	E. G. Lantman, Sec'y. Teachers' Retirement Fund Board	Albany, N. Y.
Ohio	P. S. Berg, Supt. of Schools	Dickinson, N. Dak.
Pennsylvania	W. E. Kershner, Sec'y. Teachers' Retirement Fund Board	324 Rowland Building, Columbus, Ohio.
Rhode Island	H. H. Baish, Sec'y. Teachers' Retirement Fund Board	Harrisburg, Pa.
Vermont	Walter E. Ranger, Commissioner of Education	Providence, R. I.
Virginia	Miss Bertha L. Buzzell, Sec'y. Teachers' Retirement Fund Board	Montpelier, Vt.
Wisconsin	Harris Hart, State Supt. of Public Instruction	Richmond, Va.
	R. E. Loveland, Sec'y. Teachers' Retirement Fund Board	State Capitol, Madison, Wis.

The above names and addresses were obtained through an inquiry sent to State Superintendents of Public Instruction by the Division of Research.

EVOLUTION OF TEACHERS' RETIREMENT ALLOWANCES

THE HISTORY of the movement for teachers' retirement in this country may be divided into three periods. The first period opened in 1869 with the establishment of teachers' assurance and mutual-aid associations. The second period began in 1894 with the securing of retirement legislation, but without due regard to sound principles. The third period is now opening with a movement toward reorganization of existing retirement funds and the establishment of new funds on a sound basis.—Paul Studensky—*Teachers' Pension Systems in the United States*.

RETIREMENT SYSTEM PROMOTES EFFICIENCY

A SCHOOL employees' retirement system is desirable for at least four reasons, as follows: (a) the elimination from active school service of those who have lost their efficiency because of advancing age, or mental or physical disability; (b) the improvement of the morale of those who remain in service; (c) the retention in the service of the best of the present employees, many of whom in the absence of such a system resign to accept positions elsewhere; and (d) the attraction to the service of a higher grade of employees.—*Pennsylvania Circular issued by Retirement Board*.

**DIRECTORY OF STATE TEACHER RETIREMENT SYSTEMS WHICH APPLY TO CITIES]
THE FIRST AND SECOND CLASS AND LOCAL RETIREMENT SYSTEMS**

State	City or County	Person to whom correspondence should be addressed relative to retirement systems	Address
Alabama.....	Mobile County.....	S. S. Murphy, Co. Supt. of Schools.....	Mobile Co., Mobile, Ala.
Colorado.....	Canon City.....	O. B. Drake, Supt. of Schools.....	Canon City, Colo.
	Colorado Springs.....	F. H. Bair, Supt. of Schools.....	Colorado Springs, Colo.
	Denver.....	Jesse H. Newlon, Supt. of Schools.....	Denver, Colo.
	Greely.....	G. E. Brown, Supt. of Schools.....	Greely, Colo.
	Pueblo.....	J. F. Keating, Supt. of Schools.....	Pueblo, Colo.
Connecticut.....	New Haven.....	Arthur E. Booth.....	New Haven High School, New Haven, Conn.
Delaware.....	Wilmington.....	Miss Florence Ramo, Sec'y., Retirement Fund Board.....	Wilmington High School, Delaware Ave. & Mc- roe St., Wilmington, Del.
Georgia.....	Columbus.....	R. B. Daniel, Supt. of Schools.....	Columbus, Ga.
Illinois.....	Chicago.....	Miss Mary M. Abbe, Sec'y., Retirement Fund Board.....	650 S. Clark St., Chicago, Ill.
	Peoria.....	Miss Catherine C. Quinn, Financial Sec'y., Retirement Fund Board. or Miss Ruth E. Samples, Recording Sec'y., Teacher Retire- ment Fund Board.....	602 Madison Ave., Peoria, Ill. 412 Cornhill St., Peoria, Ill.
Indiana.....	Terre Haute.....	Miss Lulu B. Johnson, Sec'y., Retirement Fund Board.....	912 N. 9th St., Terre Haute, Ind.
Iowa.....	Des Moines.....	Miss Mae E. Francis, State Supt. of Public Instruction.....	Des Moines, Iowa.
Kansas.....	Topeka.....	J. W. Miley, State Supt. of Public Instruction.....	Topeka, Kans.
Kentucky.....	Lexington.....	Miss Mary Walby, Sec'y., Teacher Board of Insurance and Annuity. Miss Anna Voegtli, Sec'y., Retirement Fund Board.....	Lexington, Ky. 322 E. Breckinridge St., Louisville, Ky.
	Louisville.....	E. F. Sporing, Supt. of Schools.....	Newport, Ky.
Louisiana.....	Newport.....	A. J. Tete, Sec'y.-Treasurer, Board of Trustees, Teachers' Retirement Fund.	Municipal Bldg., New Orleans, La.
	New Orleans.....	Mrs. Margaret S. Upham, Sec'y., Retirement Fund Board.....	Washington St., Cum- berland, Md.
Maryland.....	Allegheny County.....	Miss Mollie R. Hobbs, Sec'y., Retirement Fund Board.....	Walbrook Ave. & Smail- wood St., Baltimore, Md.
	Baltimore.....	Miss M. Cassie Ady, Sec'y., Retirement Fund Board.....	Towson, Md.
Massachusetts.....	Baltimore County.....	William F. Reagan, Executive Officer, Boston Retirement Board.	Room 22, City Hall, Boston, Mass.
Michigan.....	Boston.....	George E. Parker, Sec'y., Retirement Fund Board.....	1354 Broadway, Detroit, Mich.
Minnesota.....	Detroit.....	Miss Pauline Blackshaw, Sec'y., Retirement Fund Board.....	226 N. First Ave. E., Duluth, Minn.
	Duluth.....	Francis Cleary, Sec'y., Retirement Fund Board.....	3325 Third Ave., South Minneapolis, Minn.
	Minneapolis.....	Miss Florence Rood, Sec'y., Retirement Fund Board.....	Woman's Club Bldg., St. Paul, Minn.
	St. Paul.....	E. E. Bass, Supt. of Schools.....	Greenville, Miss.
Mississippi.....	Greenville.....	E. G. Olden, Sec'y., City Council.....	Yazoo City, Miss.
Yazoo City.....	Manchester.....	Frank A. Morris, Supt. of Schools.....	Manchester, N. H.
New Hampshire.....	Nashua.....	Honorable Sec'y. of State.....	Concord, N. H.
	Nashua.....	Magnus Gross, Sec'y., Teachers' Retirement System.....	Municipal Bldg., New York, N. Y.
New York.....	New York.....	J. A. Orell, County Auditor.....	New Hanover County, Wilmington, N. C.
North Carolina.....	New Hanover Co.....	D. A. Grout, Supt. of Schools.....	Portland, Ore.
Oregon.....	Portland.....	Benjamin H. MacDougall, Sec'y., Retirement Fund Board.....	Bradford St., Bristol, R. I.
Rhode Island.....	Bristol.....	Alfred R. C. Gatzmeier, Sec'y., Retirement Fund Board.....	10 Peckham Ave., New- port, R. I.
	Newport.....	Col. Henry B. Rose, Sec'y., Retirement Fund Board.....	9 Exchange Terrace, Providence, R. I.
	Providence.....	A. B. Rhett, Sec'y., Retirement Fund Board.....	Charleston, S. C.
South Carolina.....	Charleston.....	Baxter Cato, Sec'y., Retirement Fund Board.....	Stahlman Bldg., Nash- ville, Tenn.
Tennessee.....	Nashville.....	C. A. Arnold, Sec'y., Treas., Pension Society.....	1005 Barnett St., San Antonio, Tex.
Texas.....	San Antonio.....	George King, Sec'y., Retirement Fund Board.....	311 City & County Bldg., Salt Lake City, Utah
Utah.....	Salt Lake City.....	Tryphena Warren, Sec'y., Retirement Fund Board.....	Bellingham, Wash.
Washington.....	Bellingham.....	F. W. Mansfield, Retirement Fund Board.....	Everett, Wash.
	Everett.....	K. J. Knutson, Sec'y., Retirement Fund Board.....	843 Central Bldg., Seattle, Wash.
	Seattle.....	Miss Clara L. Jahnke, Sec'y., Retirement Fund Board.....	Administration Bldg., Spokane, Wash.
	Spokane.....	John O. Peterson, Sec'y., Retirement Fund Board.....	Central School (Sixth Floor), Tacoma, Wash.
	Tacoma.....	H. E. Ogden, Supt. of Schools.....	Parkersburg, W. Va.
West Virginia.....	Parkersburg.....	Miss Martha E. Wilson, Sec'y., Retirement Fund Board.....	Wheeling, W. Va.
Wisconsin.....	Wheeling.....	Miss Margaret Costello, Sec'y., Retirement Fund Board.....	School Administration Bldg., 10th & Prairie St., Milwaukee, Wis.
	Milwaukee.....		

The above names and addresses were supplied by the superintendent of schools of each city or county having a teacher retirement system.

Selected References on Teacher Retirement Systems

As a result of the work of the Committee on the Problem of Retirement Allowances there is available in the Research Division of the National Education Association current and comprehensive information concerning the progress of the teacher retirement movement. Committees charged with investigations in the field of teacher retirement may obtain assistance in their work by communicating with the Association.

Below are listed some of the best references for the use of those studying teacher retirement allowance problems. This list was assembled in coöperation with the secretaries of state and local teacher retirement boards. References to other publications in this field, issued subsequent to the publication of this report, may be obtained by addressing the Association.

CALIFORNIA STATE BOARD OF EDUCATION. *Report of the Public School Teachers' Retirement Salary Fund Board for Ten Years*. Sacramento, California, California State Printing Office, 1924. 40p.

A brief history of the development of the California public school teachers' retirement salary fund.

CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING. 522 Fifth Avenue, New York City.

FURST, CLYDE, AND KANDEL, I. L. *Pensions for Public School Teachers*, Bulletin 12, 1918.

This report was prepared for the Committee on Salaries, Pensions and Tenure of the National Education Association, Joseph Swain, Chairman. Discusses the social philosophy of pensions, and states the fundamental principles of pensions. A simple outline of a "model" pension law is included, drawn up with the special needs of Vermont in mind, accompanied by actuary tables, bibliography, and index.

FIFTEENTH ANNUAL REPORT, 1920, pp. 89 and 100.

Contains critical review of Studensky's Teachers' Pension System in the United States, referred to below. Reviews pension legislation in the following States and cities: California, Connecticut, Indiana, Iowa, Michigan, Nevada, New Jersey, Washington, Wisconsin, Chicago, Minneapolis, New York State and New York City.

SIXTEENTH ANNUAL REPORT OF THE PRESIDENT, 1921.

Reviews actuarial valuations and proposed amendments to representative state teacher retirement laws. The section on "actuaries and pensions" discusses the position of the actuary in the development of pension plans.

SEVENTEENTH ANNUAL REPORT OF THE PRESIDENT, 1922.

Includes in addition to a discussion of pension systems and retirement legislation in several States and cities five pages of questions and answers "For the guidance of teacher associations and committees that desire to play an intelligent part in the forming of pension systems."

EIGHTEENTH ANNUAL REPORT OF THE PRESIDENT, 1923.

The latest developments in teachers' pensions are enumerated as well as a discussion of amendments to pension laws in the States of California, Kansas, Maine, Minnesota, and Washington, and in the cities of Minneapolis and St. Paul.

HOOD, WILLIAM R. *Review of Education Legislation, 1912-20*. U. S. Bureau of Education, Bulletin 1922, No. 13.

On page 13 is a very brief review of the progress of teachers' pension legislation during the year 1919-20. Concludes that tendencies in pension laws are, in general, toward a larger participation of public funds in the support of the system, clearer definition of terms, and financial soundness through the application of scientific actuarial data and more businesslike administration, and states that: "At the close of the year 1920 a survey of the country as a whole discovers few States that have made no beginning with the retirement of superannuated or disabled teachers."

HOUSMAN, IDA E. *A Teacher's Version of the Pierson Law*. 519 Garden Street, Hoboken, New Jersey.

A simplified version of the New Jersey Teacher Retirement Fund Law arranged so that its provisions may be easily understood by laymen.

NATIONAL EDUCATION ASSOCIATION. 1201 Sixteenth Street, Washington, D. C.—RYAN, W. CARSON, and KING, ROBERTA. *State Pension Systems for Public School Teachers*. U. S. Bureau of Education, Bulletin 1916, No. 14, p. 46.

Prepared for Committee on Teachers' Salaries, Pensions and Tenure of the National Education Association, Joseph Swain, Chairman.

Introductory statement followed by tabulation giving provisions of State pension funds as they existed in 1915. Selected bibliography and typical retirement laws.

—SWAIN, JOSEPH. *Report of Committee on Pensions*. Volume of Addresses and Proceedings of N. E. A. 1918. p. 757-761.

A brief history of the movement for teachers' pensions in the United States, together with an analysis of some of the difficulties that have arisen in regard to the various pension systems. The report concludes with a statement as to how these difficulties may be avoided and corrected.

—SWAIN, JOSEPH. *Report of the Committee on Salaries, Tenure and Pensions*. Volume of Addresses and Proceedings of N. E. A. 1919. p. 537-538.

A brief statement of progress. Concludes with statement that salaries alone will not keep people in the teaching profession. "The only solution is a system of pensions that will provide generously for the teacher, will be fair to the public, and will promote the efficiency of the school."

—CARR, JOHN W. *Preliminary Report of Committee on Pensions*. Volume of Addresses and Proceedings of N. E. A. 1921. p. 155-157.

A statement of general principles believed to be fundamental to any sound pension system and a report of progress.

—CARLSON, PHILIP E. *Report of the Subcommittee on Pensions*. Volume of Addresses and Proceedings of N. E. A. 1922. p. 287-289.
Suggestions as to how satisfactory teachers' retirement systems may be secured.

—CARLSON, PHILIP E. *Report of Committee on Pensions*. Volume of Addresses and Proceedings of N. E. A. 1923. p. 376-390.

Statement of difficulties in way of progress in the several States, and ideals relative to retirement allowances which the National Education Association should seek to further.

—RESEARCH BULLETIN OF THE N. E. A. *Facts on State Educational Needs*. Volume 1, No. 1, January, 1923. p. 58-61.

Discussion of public school efficiency and teacher retirement systems. Lists State and local retirement laws in the United States; presents a tabular

analysis of several representative retirement systems; and furnishes a selected annotated bibliography.

NEW YORK TEACHERS' PENSION SURVEY COMMITTEE. *Report of Effects on City's and Teacher's Liabilities under New York Teachers' Retirement System*. New York City Teachers, 1924. 31p.

Shows effects on City's and Teachers' Liabilities under New York Teachers' Retirement System of (1) substitution of "5-Year Average" Salary for "10-Year Average" Salary as a basis for the amount of retirement allowance; and (2) substitution of retirement after "30 Years' Service" for retirement after "35 Years' Service" in present law. Eighteen pages of carefully prepared tables show just what such changes in the present law would mean for every teacher in the New York City system.

STUDENSKY, PAUL. *The Pension Problem and the Philosophy of Contributions*. New York, The Pension Publishing Co., 1917. 20p.

Points out the different objects sought in the establishment of a retirement system and devotes a chapter to a discussion of the wholly-contributory system, the non-contributory system, and the partly-contributory system. The final chapter includes the conclusions of the writer with regard to the three types of system.

—, —. *TEACHERS' PENSION SYSTEMS IN THE UNITED STATES*. New York, D. Appleton & Co., 1920. 460p.

A comprehensive study and discussion of the theories back of retirement funds; traces the history of the development of retirement funds in detail in States and cities. Contains suggestions and information as to method of procedure for the adoption of pension fund laws. Summary of State and city laws. Bibliography.

SUPREME COURT, STATE OF WISCONSIN. *Supreme Court Decision in Teachers' Retirement Fund Case*. Wisconsin Teachers' Association, 611 Beaver Building, Madison, 1923. 13p.

Decision written by Justice Owen, together with discussion as to constitutionality of Wisconsin Teacher Retirement Law.

TEACHERS' PENSIONS

THERE ARE many reasons for teachers' pensions. Economically the work of an organization is not effective unless there is a satisfactory method of retiring aged or infirm workers, with the consequent freedom from anxiety concerning such risks on the part of the workers. Only a satisfactory pension system can prevent either the dismissal of aged or infirm teachers without resources, or the sacrifice of the best interests of the schools in order to continue the employment of teachers who are no longer capable. Socially, men and women of character and intelligence are willing to undertake difficult public service that is poorly paid; but it is too much to expect them also to sacrifice the prospect of security and dignity in old age and disability. Educationally, there is a great need to attract, retain, and advance able people in teaching as a permanent career. A good pension system helps to do this.—Joseph Swain. *Addresses and Proceedings*, N. E. A., 1918, p. 758.

The Text of a State Teacher Retirement Law

A number of States have adopted retirement laws that embody most of the sound principles of retirement legislation. A comparison of the features of a number of such laws is made possible by the tabulation inserted at p. 83.

Following is given the text of the New York state law in practically complete form. Omissions are indicated thus: . . . This inclusion makes easily available to legislative committees the text of at least one carefully drafted retirement law.

NEW YORK STATE TEACHERS' RETIREMENT FUND FOR PUBLIC SCHOOL TEACHERS¹

- Section 1100. Definitions.
- 1101. Establishment of retirement system.
 - 1102. Membership of system.
 - 1103. Retirement board; members; terms of office.
 - 1104. Election of elected members of board.
 - 1105. Vacancies in board; meetings; oaths of office; quorum; expenses.
 - 1106. Officers of board; custody of funds.
 - 1107. Investment of funds; interest; accounts; reports.
 - 1108. Statements of teachers' service; determination of service creditable; service certificates.
 - 1109. Superannuation retirement.
 - 1109-a. Disability retirement.
 - 1109-b. Withdrawal and death benefits.
 - 1109-c. Optional allowances.
 - 1109-d. Benefits to participants in old retirement fund.
 - 1109-e. Funds enumerated.
 - 1109-f. Annuity savings fund; contributions and payments.
 - 1109-g. Annuity reserve fund; pension accumulation fund.
 - 1109-h. Pension reserve fund.
 - 1109-i. Expense fund.
 - 1109-j. Duties of employer.
 - 1109-k. Collection of contributions.
 - 1109-l. Discontinuance of local district pension systems.
 - 1109-m. Transfer of contributions between retirement systems.
 - 1109-n. State supervision.
 - 1109-o. Exemption from taxation.
 - 1109-p. Protection against fraud.

§ 1100. Definitions. The following words and phrases used in this article shall have the following meanings unless a different meaning is plainly required by the context:

(1) "Retirement system" shall mean the New York state teachers' retirement system provided for in section eleven hundred and one of this article.

(2) "Retirement board" shall mean the retirement board provided by section eleven hundred and three of this article.

(3) "Employer" shall mean the state of New York, the city, the village, school district board or trustee, or other agency of and within the state by which the teacher is paid.

(4) "Teacher" shall mean any regular teacher, special teacher, including any school librarian or physical training teacher, principal, vice-principal, supervisor, supervisory principal, director, superintendent, city superintendent, assistant city superintendent, district superintendent, school commissioner and other member of the teaching or professional staff of any class, public school, vocational school, truant reformatory school or parental school and of any or all classes of schools within the state of New York, including schools on the Indian reservation, conducted under the order and superintendence of and wholly or partly at the expense of the New York state education department or of a duly elected board of education, board of school directors or board of trustees of the state or of any city or school district thereof, provided that no person shall be deemed a teacher within the meaning of this article who is not so employed for full time outside vacation periods. The word, "teacher," shall also include any person employed in the state education department who at the time he entered such employment, or within one year prior thereto, was a teacher within the foregoing definition, or who is engaged in such department in the performance of duties pertaining to instructional services. In all cases of doubt, the retirement board shall determine whether any person is a teacher as defined in this article.

(5) "Present teacher" shall mean any teacher who was a teacher on or before the first day of August, nineteen hundred and twenty-one, whose membership in the retirement system created by this act has been continuous and

(a) who became a member of the retirement system created by this act on or before the first day of August, nineteen hundred and twenty-two; or

(b) who was a member of a local district pension system on or before the first day of August, nineteen hundred and twenty-one, who continued thereafter to be a member until he, with the membership of such local district pension system, became a member of the retirement system created by this act.

(6) "New entrant" shall mean any teacher who is a member of the retirement system except a present teacher.

(7) "Contributor" shall mean any member of the retirement system who has an account in the annuity savings fund as provided by this article.

(8) "Beneficiary" shall mean any person in receipt of a retirement allowance or other benefit as provided by this article.

(9) "Regular interest" shall mean interest at four per centum per annum compounded annually.

(10) "Accumulated contributions" shall mean the sum of all the amounts deducted from the compensation of a contributor, and credited to his individual account in the annuity savings fund together with regular interest thereon.

¹ This law became effective August 1, 1921. See *Education Law, University of the State of New York, Bulletin No. 759, June, 1922, pp. 292-315, Albany, N. Y.*

(11) "Final average salary" shall mean the average annual compensation earnable as a teacher during the five years of service immediately preceding his date of retirement.

(12) "Annuity" shall mean the annual payments for life derived from contributions made by contributor as provided in this article. All annuities shall be paid in equal monthly installments.

(13) "Pension" shall mean the annual payments for life derived from payments made by an employer as provided in this article. All pensions shall be paid in equal monthly installments.

(14) "Retirement allowance" shall mean the pension plus the annuity.

(15) "Annuity reserve" shall mean the present value of all payments to be made on account of any annuity, or benefit in lieu of any annuity, computed upon the basis of such mortality tables as shall be adopted by the retirement board with regular interest.

(16) "Pension reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of any pension, computed upon the basis of such mortality tables as shall be adopted by the retirement board with regular interest.

(17) "Retirement fund" shall mean the state teachers' retirement fund for public school teachers of the state of New York as created by chapter one hundred and forty of the laws of nineteen hundred and ten, chapter four hundred and forty-nine of the laws of nineteen hundred and eleven, chapter forty-four of the laws of nineteen hundred and fourteen and chapter one hundred and three of the laws of nineteen hundred and nineteen.

(18) "Local district pension system" shall mean any teachers' retirement system or other arrangement for the payment of pensions or annuities to teachers exclusive of the retirement fund, created in any city or school district of this state prior to the first day of August, nineteen hundred and twenty-one.

§ 1101. Establishment of retirement system. (1) The retirement system shall be established on the first day of August, nineteen hundred and twenty-one, and shall be known as the "New York state teachers' retirement system."

(a) The retirement system so created shall have the powers and privileges of a corporation, and under its corporate name all of its business shall be transacted.

§ 1102. Membership of system. (1) The membership of the retirement system shall consist of the following:

(a) All teachers who were teachers on or before the first day of August, nineteen hundred and twenty-one, who shall file with the retirement board applications for membership, except those specifically excluded under subdivision four of this section.

(b) All teachers who were not teachers on or before the first day of August, nineteen hundred and twenty-one, except those specifically excluded under subdivision four of this section.

(c) The retirement board may, in its discretion, deny the right to become members to any class of teachers whose compensation is only partly paid by the employer or who are serving on a temporary or any other than a per annum basis, and it may also, in its discretion, make optional with members in any such class their individual entrance into membership.

(3) The membership of any person in the retirement system shall cease if he shall be continuously absent without pay for a period of more than two years, or if in any five-year period after he last became a member, he shall render less than two years of service as a teacher, or upon the withdrawal by a contributor of his accumulated deductions as provided in this article or upon retirement on a pension, or at death.

(4) Teachers who are members or who become members of a local district pension system maintained under the laws of the state from appropriations or contributions made wholly or partly by an employer shall be excluded from membership in this retirement system.

But should more than two-thirds of all the teachers participating in such local district pension system apply for membership in the retirement system created by this article by a petition duly signed and verified, approved by their employers and filed with the retirement board, all the teachers included in the membership of such local district pension system shall become members of the retirement system created by this article at such time within three months after the filing of such petition as the retirement board shall designate. Thereupon, the local district pension system of which they were members shall be dissolved and discontinued as provided in section eleven hundred and ninety-one of this article.

§ 1103. Retirement board; members; terms of office.

(1) The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of this article is hereby vested in a retirement board which shall be organized immediately after the appointment of its members. The retirement board shall from time to time establish rules and regulations for the administration and transaction of its business and for the control of the funds created herein, (etc.)¹

(2) The retirement board shall consist of seven members as follows:

(a) One member, who is not an employee of the state, who shall be an executive officer of a bank authorized to do business in this state, elected by the board of regents of the university of the state of New York to serve for a term of three years. Following the completion of the initial term, the stated term of service of such member shall be three years.

(b) Two administrative officers of the New York state school system, appointed by the commissioner of education, one to serve for two years and one to serve for three years. Members of the present state teachers retirement fund board (are eligible under this head.)

(c) The comptroller of the state of New York or one member appointed by him who shall serve until his successor is appointed.

(d) Three members elected from among the members of the retirement system, one to serve for one year, one for two years, one for three years. Following the completion of the initial terms, the stated terms of service of such members shall be three years.

§ 1104. Election of elected members of board. An annual convention of the members of the retirement system shall be held . . . for the purpose of electing members of the board of retirement of the retirement system. Said convention shall be composed of delegates selected as hereinafter provided for each territory constituting the jurisdiction of a district superintendent, of a village or city superintendent, which territory shall constitute a territorial unit of representation in the assembly of delegates. Said convention shall be called to order by a member of the retirement board designated by said board, and shall organize by the election of a chairman and a secretary. Each territorial unit shall be entitled to be represented in such convention by one delegate for each two hundred members of the retirement system in said unit and one delegate for any fraction over one hundred; provided, that each unit shall be entitled to at least one delegate. Said delegate shall be elected by a vote of a majority of the members of the retirement system voting at a meeting held for the purpose of electing such delegates. . . . Said meeting shall organize by the election of a chairman and secretary. Said secretary shall, within five days after said meeting, forward to the retirement board of the retirement system a certificate containing the names and addresses of the delegates elected to the annual convention, and shall furnish the delegates elected with a certificate of their election. In case of a vacancy in the delegation from any unit, the remaining delegates from such unit may fill such vacancy . . .

§ 1105. Vacancies in board; meetings; oaths of office; quorum; expenses. (1) A vacancy occurring during

¹ To save space the wording of the law has been shortened, inclosing them in parentheses.

Such departures from the actual text are indicated by

the term of an appointed member shall be filled for the unexpired term by the appointment of a successor in the same manner as his predecessor. A vacancy occurring during a term in the case of an elected member shall be filled, until the next annual convention of delegates, by the commissioner of education and shall be filled for the unexpired term by the delegates at the next annual convention in addition to the regular election.

(2) Until the election of three members of the system to serve on the board (the other members¹) are empowered to perform the duties of the retirement board. Such members shall be appointed within six weeks after this article takes effect.

(3) The board shall meet annually . . . stated meetings . . . at least once in each three months

(4) Each member of the retirement board shall, . . . take the constitutional oath of office . . .

(5) A majority of the members of the retirement board shall constitute a quorum.

(6) The members of the retirement board shall serve without compensation, but they shall be reimbursed from the expense fund for all actual necessary expenses and for any loss of salary or wages they may suffer through serving on the retirement board.

§ 1106. Officers of board; custody of funds. (1) The retirement board shall elect from its membership a president and vice-president, and shall have power to employ a secretary and to secure the services of such technical and administrative employees as may be necessary for the transaction of the business of the retirement system. The compensation of all persons engaged by the retirement board and all other expenses of the board necessary for the proper operation of the retirement system shall be paid at such rates and in such amounts as the retirement board shall approve.

(2) The counsel of the state education department shall be the legal adviser of the retirement board.

(3) The treasurer of the state of New York shall be custodian of the funds of the retirement system. Disbursements from the funds of the retirement system shall be made by the treasurer only upon authorization by the retirement board by resolution duly adopted at a meeting of the board by a majority of its members.

(4) The treasurer of the state shall give a separate and additional bond. . . .

(5) The treasurer shall furnish annually to the retirement board a sworn statement of the amount of the funds in his custody belonging to the retirement system.

§ 1107. Investment of funds; interest; accounts; reports. (1) The members of the retirement board shall be the trustees of the several funds created by this article, and shall determine from time to time what part of the moneys belonging to the retirement system shall be invested. When such board shall determine upon the investment of any moneys or upon the conversion or sale of any securities, it shall, by resolution duly adopted by a majority vote of the members of the board, direct the treasurer to so invest the moneys or convert or sell the securities. Investments shall be made only in securities in which the trustees of a savings bank may invest the moneys deposited therein as provided by section one hundred and forty-six of the banking law. It shall be the duty of the treasurer to collect the interest thereon as the same becomes due and payable and also the principal thereof and place the same when so collected to the credit of the retirement system.

(2) The retirement board shall annually allow regular interest on the mean amount for the preceding year in each of the funds created by this article, excepting the expense fund. The amount so allowed shall be payable to said funds and shall be annually credited thereto by the retirement board. All interest earned upon the entire amount of the funds belonging to the retirement system shall be used for this purpose, unless the amount so earned is in excess of the requirements, in which case the excess amount shall be credited to the

pension accumulation fund. Any deficiency in the amount required to cover the interest requirements of the funds, exclusive of the pension accumulation fund, shall be paid from the pension accumulation fund.

(3) Except as herein provided, no member nor employee of the retirement board shall have any interest direct or indirect in the gains or profits of any investment made by the board nor as such directly or indirectly receive any pay or emolument for his services. And no member nor employee of said board directly or indirectly, for himself or as an agent or partner of others, nor a corporation of which he is an officer, stockholder or member, shall borrow any of its funds or deposits or in any manner use the same except to make such current and necessary payments as are authorized by the board; nor shall any member or employee of said board become an endorser or surety or become in any manner an obligor for moneys loaned by or borrowed of the board.

(4) The retirement board shall provide for maintenance of an individual account with each member showing the amount of the member's contributions and the interest accumulations thereon. It shall collect and keep in convenient form such data as shall be necessary for the preparation of the required mortality and service tables, and for the compilation of such other information as shall be required for the actuarial valuation of the assets and liabilities of the various funds created by this article. Upon the basis of the mortality and service experience of the members and beneficiaries of the system, the retirement board from time to time shall adopt the tables to be used for valuation purposes and for determining the amount of annuities to be allowed on the basis of the contributions of members.

(5) At such times as the retirement board may deem it necessary and at least once within the first three years of the operation of this article and each quinquennial period thereafter, the retirement board shall have prepared by a competent actuary familiar with retirement systems, a report showing a complete valuation of the present and prospective assets and liabilities of the various funds created by this article with the exception of the expense fund. The actuary shall make an investigation of the mortality and service experience of the members of the retirement system and shall report fully upon its conditions with such recommendations as he shall deem advisable for the information of the retirement board in the proper operation of the retirement system.

(6) The records of the retirement board shall be open to public inspection.

(7) The retirement board shall publish annually a report . . .

§ 1108. Statements of teachers' service; determination of service creditable; service certificates. (1) Under such rules and regulations as the retirement board shall adopt, each present teacher shall file a detailed statement of all service as a teacher and service in a similar capacity in other states rendered by him prior to the first day of August, nineteen hundred and twenty-one, for which he claims credit, and of such other facts as the retirement board may require for the proper operation of the retirement system.

(2) Each new entrant shall file a detailed statement of service as a teacher and service in a similar capacity in other states rendered by him prior to so becoming a member together with a statement as to the number of years on account of which he desires to contribute and as to such other facts as the retirement board may require for the proper operation of the system.

(3) The retirement board shall fix and determine by appropriate rules and regulations how much service in any year is the equivalent of a year of service, but in computing such service or in computing average compensation, it shall credit no period of more than a month's duration, during which a member was absent without pay, nor shall more than one year of service be credited for all service in any calendar year.

¹ See note 1, p. 90.

(4) . . . said board shall verify as soon as practicable the statement of service submitted.

(5) Upon verification of the statement of service submitted, the retirement board shall issue to the member a prior service certificate certifying to the aggregate length of such prior service as a teacher and to the aggregate length of such service in a similar capacity outside of the state. In such prior service certificate, a present teacher shall be credited up to the nearest number of years and months with all service as a teacher prior to August first, nineteen hundred and twenty-one, and with all service not exceeding ten years in a similar capacity in other states. In such prior service certificate, a new entrant shall be credited in full up to the nearest number of years and months with all service as a teacher not exceeding ten years, rendered before becoming a member and with such service in a similar capacity outside of New York state for which he desires to contribute provided the amount of such service credited together with the service credited him as a teacher shall not exceed ten years.

(6) So long as membership continues, a prior service certificate shall be final and conclusive for retirement purposes as to such service unless thereafter modified by the retirement board upon application made by the member within one year after the date of issuance or modification of a prior service certificate or upon the discovery by the retirement board of an error or fraud. When membership ceases, such certificate shall be void. Should membership be resumed by the teacher, such teacher shall enter the system as a new entrant, except as provided by subdivision five of section eleven hundred and nine-a of this article.

(7) At retirement, the total state service credited a member shall consist of the service as a teacher rendered by him since he last became a member, and, if he has a prior service certificate which is in full force and effect, the service as a teacher certified on such certificate. The total service credited a member shall consist of the service rendered by him as a teacher since he last became a member and if he has a prior service certificate which is in full force and effect for all service certified on such certificate.

§ 1109. Superannuation retirement. (1) Retirement upon a superannuation allowance shall be made under the following conditions:

(a) A member who has completed twenty-five years of total state service and who has attained the age of sixty, or a member who has completed thirty-five years of total service may retire from service if he files with the retirement board a statement duly attested setting forth at what date subsequent to the execution and filing thereof he desires such retirement and if during the year immediately preceding the filing of such statement he shall have been a teacher. The retirement board shall retire said member as of the date so specified by the member or as of such other time within thirty days thereafter as the retirement board may find advisable.

(b) Any member who has attained age seventy may be retired at his own request or at the request of his employer if he or his employer files with the retirement board a statement duly attested setting forth at what time subsequent to the execution and filing thereof retirement is desired, and if during the year immediately preceding the filing of such statement he shall have been a teacher. The retirement board shall retire said member as of the date so specified or as of such other time within thirty days thereafter as the retirement board may find advisable.

(a) Upon superannuation retirement a member shall receive a superannuation retirement allowance which shall consist of:

(a) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and

(b) A pension of one-quarter ($\frac{1}{4}$) of his final average salary or if his total service is less than twenty-five years, a pension of one one-hundredth ($\frac{1}{100}$) of his final average salary multiplied by the number of years of total service; and

(c) If the member be a present teacher, a further

pension of one one-hundred and fortieth ($\frac{1}{140}$) of his final average salary multiplied by the number of years of total service certified on his prior service certificate, and

(d) A further pension, of such amount as shall be required to bring the total retirement allowance of members with twenty-five or more years of state service up to four hundred dollars per annum.

§ 1109-a. Disability retirement. (1) Retirement on account of disability shall be made under the following conditions: A member who has completed at least fifteen years of total state service may be retired on account of disability either upon the application of his employer or upon his own application or that of a person acting in his behalf, if during the year immediately preceding his application, he shall have been in the service of the state as a teacher and if the retirement board, after a medical examination of said member, made at the place of his residence within the state or other place mutually agreed upon, by a physician or physicians designated by said board shall determine upon the basis of a report submitted by said physician or physicians that the said member is physically or mentally incapacitated for the performance of duty and that said member ought to be retired.

(a) On retirement for disability, a member shall receive a superannuation retirement allowance if his state service is twenty-five or more years and he has attained age sixty or if his total service is thirty-five or more years; otherwise, he shall receive a disability retirement allowance which shall consist of:

(a) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and

(b) A pension of one-fifth ($\frac{1}{5}$) of his final average salary, with the exception that in no case shall the rate of such pension exceed four-fifths ($\frac{4}{5}$) of the rate of pension to which he might have been entitled had retirement been deferred until the age of seventy as provided under paragraph b of subdivision one of section eleven hundred and nine; and

(c) If he be a present teacher, a further pension of one one-hundred and fortieth ($\frac{1}{140}$) of his final average salary multiplied by the number of years of total service certified on his prior service certificate.

(3) Once each year during the first five years following the retirement of the teacher on a disability allowance the retirement board may, and upon his application shall, require any disability beneficiary to undergo medical examination by a physician or physicians designated by the retirement board, said examination to be made at the place of residence of said beneficiary or other place mutually agreed upon. Should any disability beneficiary refuse to submit to a medical examination, his retirement allowance shall be discontinued until his withdrawal of such refusal, and should such refusal continue for one year, all his rights in and to his pension shall be forfeited.

(4) Should the physician or physicians designated by the retirement board report and certify to the retirement board that such disability beneficiary is engaged in or is able to engage in a gainful occupation paying more than the difference between his retirement allowance and his final average salary, and should the retirement board concur in such report, then the amount of his pension shall be reduced to an amount which, when added to the amount earnable by him, together with his annuity shall equal the amount of his final average salary. Should his earning capacity be later changed, then the amount of his pension may be further altered; provided, that the new pension shall not exceed the amount of the pension originally granted nor an amount which when added to the amount earned by the beneficiary, together with his annuity equals the amount of his final average salary. A beneficiary restored to active service at a salary less than the final average salary or upon the basis of which he was retired shall not become a member of the retirement system while receiving a reduced pension.

(5) Should a disability beneficiary be restored to active service at a salary as great as his final average salary,

his retirement allowance shall cease, and he shall again become a member of the retirement system, and his annuity reserve shall be transferred from the annuity reserve fund to the annuity savings fund and credited to his individual account as a part of his accumulated contributions in the latter fund, and he shall contribute to the said fund thereafter in the same manner and at the same rate as he paid prior to his disability. His prior service certificate on the basis of which his service was computed at the time of his retirement shall be renewed and shall again be in full force and effect, and in addition, upon his subsequent retirement, he shall be credited with all his service as a member subsequent to the period covered by his prior service certificate.

§ 1109-b. Withdrawal and death benefits. Benefits upon withdrawal and death shall be payable as follows:

(a) A member who withdraws from service or ceased to be a teacher for any cause other than death or retirement shall be paid on demand the accumulated contributions standing to the credit of his individual account in the annuity savings fund.

(b) Should a contributor die before retirement, his accumulated contributions shall be paid to his estate or to such person as he shall have nominated by written designation duly executed and filed with the retirement board.

§ 1109-c. Optional allowances. At the time of his retirement, any member may elect to receive his benefits in a retirement allowance payable throughout life or he may on retirement elect to receive the actuarial equivalent at that time of his retirement allowance in a lesser retirement allowance, payable throughout life with the provision that:

Option 1. If he die before he has received in payments the present value of his retirement allowance as it was at the time of his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the retirement board.

Option 2. Upon his death, his retirement allowance shall be continued through the life of and paid to such person as he shall nominate by written designation duly acknowledged and filed with the retirement board at the time of his retirement.

Option 3. Upon his death, one-half of his retirement allowance shall be continued throughout the life of and paid to such person as he shall nominate by written designation duly acknowledged and filed with the retirement board at the time of his retirement.

Option 4. Some other benefit or benefits shall be paid either to the member or to such person or persons as he shall nominate provided such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value to his retirement allowance and shall be approved by the retirement board.

§ 1109-d. Benefits to participants in old retirement fund. All annuities of annuitants on the rolls of the retirement fund on the thirty-first day of July, nineteen hundred and twenty-one, shall be paid thereafter from the pension accumulation fund created by this article. The amount of the annuity of any annuitant on the rolls of such retirement fund, at such time, who retired on a full annuity shall be not less than one-half of his final average salary, and not less than four hundred dollars per annum; nor shall the allowance of any annuitant on such roll retired for disability be less than a proportionate amount of such minima based on the annuitant's years of service.

§ 1109-e. Funds enumerated. The funds created are: (Those specified in § 1109-f to 1109-i, inclusive).

§ 1109-f. Annuity savings fund; contributions and payments. The annuity savings fund shall be the fund in which shall be accumulated the deductions made from the compensation of contributors. Contributions to and payments from the annuity savings fund shall be made in the following manner:

(1) Each employer shall deduct from the compensation of each contributor on each and every payroll of such contributor for each and every payroll period subsequent

to the date upon which such contributor became a member an amount equal to four per centum of such contributor's earnable compensation. But no employer shall make any deduction for annuity purposes from the compensation of a member who has completed at least thirty-five years of total service, or who has attained the age of sixty and completed at least twenty-five years of total state service, if such member elects not to contribute.

(2) In determining the amount earnable by a contributor in a payroll period, the retirement board may consider the rate of compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deductions from compensation for any period less than a full payroll period if a teacher was not a contributor on the first day of the payroll period, and to facilitate the making of deductions, it may modify the deduction required of any contributor by such an amount as shall not exceed one-tenth of one per centum of the compensation upon the basis of which said deduction is to be made.

(3) In addition to the deductions from compensation hereinbefore required, any contributor may redeposit in the annuity savings fund by a single payment an amount equal to the total amount which he withdrew therefrom as provided in this article, or he may deposit therein by a single payment an amount computed to be sufficient, together with the retirement allowance otherwise provided, to provide for him a total retirement allowance of one-half of his final average salary upon superannuation retirement. Such additional amounts so deposited shall become a part of his accumulated contributions.

(4) The accumulated contributions of a contributor returned to him upon his withdrawal or paid to his estate or designated beneficiary in the event of his death as provided in this article shall be paid from the annuity savings fund.

(5) Upon the retirement of a contributor his accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

§ 1109-g. Annuity reserve fund; pension accumulation fund. (1) The annuity reserve fund shall be the fund from which shall be paid all annuities and all benefits in lieu of annuities.

(2) The pension accumulation fund shall be the fund in which shall be accumulated all reserves for the payment of all benefits with the exception of the annuities provided by the accumulated contributions of members. Contributions to and payments from the pension accumulation fund shall be made as follows:

(a) On account of each teacher who is a member of the retirement system there shall be paid annually beginning with the first day of August, nineteen hundred and twenty-one, into the pension accumulation fund by employers, a certain percentage of the earnable compensation of each of such members of the retirement system to be known as the "normal contribution" and a further percentage known as the "deficiency contribution." The rates per centum of such contributions shall be fixed on the basis of the liabilities of the retirement system as shown by actuarial valuations. Until the first valuation, the normal contribution shall be two and six-tenths per centum of the members' salaries and the deficiency contribution shall be two and five-tenths per centum of members' salaries.

(b) On the basis of regular interest and of such mortality and other tables as shall be adopted by the retirement board, the actuary engaged by the retirement board to make each valuation required by this article during the period over which the deficiency contribution is payable, immediately after making such valuation, shall determine the uniform and constant percentage of the earnable compensation of the average new entrant, who is a contributor, which if contributed on the basis of the compensation of such contributor throughout his entire period of active service, would be sufficient to provide at the time of his retirement the total amount of his pension reserve. The rate per centum so determined shall be known as the "normal contribution"

rate. After the deficiency contribution has ceased to be payable, the normal contribution shall be the rate per centum of the earnable salary of all contributors obtained by deducting from the total liabilities of the pension fund the amount of the funds in hand to the credit of that fund and dividing the remainder by one percentum of the present value of the prospective future salaries of all contributors as computed on the basis of the mortality and service tables adopted by the retirement board and on the basis of regular interest. The normal rate of contribution shall be determined by the actuary after each valuation and shall continue in force until a new valuation and certification.

(c) Immediately succeeding the first valuation made subsequent to August first, nineteen hundred and twenty-two, the actuary engaged by the retirement board shall compute the rate per centum of the total compensation of all contributors during the preceding school year which is equivalent to four per centum of the amount of the total pension liability on account of all contributors and beneficiaries not dischargeable by the aforesaid normal contribution made on account of such contributors during the remainder of their active service. The contribution derived by deductions at the rate per centum, so determined or at a rate increased therefrom as hereinafter provided shall be known as the "deficiency contribution."

(d) The total amount payable annually by all employers into the pension accumulation fund shall be certified by the retirement board to the commissioner of education and such amount shall equal the sum of the rates per centum known as the normal contribution rate and the deficiency contribution rate of the total compensation earnable by all contributors during the preceding school year, provided that the amount of each annual deficiency contribution shall be at least three per centum greater than the preceding annual payment. The aggregate of all such payments by employers shall be sufficient, when combined with the amounts in the pension accumulation fund, to provide the pensions payable out of the fund during the year then current, and if not, the additional amount so required shall be collected by means of an increased contribution which shall continue in force for the period of one year, anything to the contrary notwithstanding.

(e) The deficiency contribution shall be discontinued as soon as the accumulated reserve in the pension accumulation fund shall equal the present value, as actuarially computed and approved by the retirement board, of the total liability of such fund less the present value, computed on the basis of the normal contribution rate then in force, of the normal contributions to be received on account of teachers who are at that time contributors.

(f) All pensions with the exception of those payable to new entrants shall be paid from the pension accumulation fund and benefits provided under section eleven hundred and nine-d shall be paid from the pension accumulation fund.

(g) All moneys and securities to the credit of the retirement fund on the first day of August, nineteen hundred and twenty-one, shall be paid by the state treasurer into the pension accumulation fund.

(h) Upon the retirement of a new entrant, an amount equal to his pension reserve shall be transferred from the pension accumulation fund to the pension reserve fund.

§ 1109-h. **Pension reserve fund.** The pension reserve fund shall be the fund from which shall be paid the pensions to new entrants on account of which reserves shall be transferred from the pension accumulation fund. Should any disability pension payable from said fund be canceled, the pension reserve thereon shall thereupon be transferred from the pension reserve fund to the pension accumulation fund. Should the pension of a disability beneficiary be reduced as a result of an increase in his earning capacity, the amount of the annual reduction in his pension shall be paid annually into the pension accumulation fund during the period of such reduction.

§ 1109-i. **Expense fund.** The expense fund shall be the fund from which the expense of the administration

of the retirement system shall be paid exclusive of amounts payable as retirement allowances and as other benefits provided herein. Contributions shall be made to the expense fund as follows:

(a) The retirement board shall determine annually the amount required to defray such expense in the ensuing fiscal year and shall certify such amount to the commissioner of education who shall apportion to each employer a proportionate part thereof as provided under subdivision (a) of section eleven hundred and nine-k. Each employer shall make payment for the amount so apportioned to him in the same way as he shall make other payments provided for by this article.

(b) The sum of thirty thousand dollars is hereby appropriated from the moneys in the retirement fund for the expense of establishing, organizing and starting the operation of the retirement system and of establishing an office therefor. This sum shall be credited to the expense fund.

§ 1109-j. **Duties of employer.**

(1) Each employer shall keep such records and from time to time shall furnish such information as the retirement board in the discharge of its duties may require.

(a) Upon the employment of any teacher to whom this article may apply, he shall be informed by his employer of his duties and obligations in connection with the retirement system as a condition of his employment. Every teacher accepting employment shall be deemed to consent and agree to any deductions from his compensation required herein and to all other provisions of this article.

(3) Notwithstanding any other law, rule or regulation affecting the salary, pay, compensation, other prerequisites or tenure of any teacher to whom this article applies, or shall apply, and notwithstanding that the minimum salary, pay, compensation or other prerequisites, provided by law for such teacher shall be reduced thereby, payment less said deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for service rendered by such member during the period covered by such payment.

(4) During September of each year, . . . each employer shall certify to the retirement board the names of all teachers to whom this act applies.

(5) Each employer shall on the first day of each calendar month . . . notify the retirement board of the employment of new teachers, removals, withdrawals and changes in salary of members. . . .

§ 1109-k. **Collection of contributions.**

(1) The collection of members' contributions shall be as follows:

(a) Each employer shall cause to be deducted on each and every payroll of a contributor for each and every payroll period subsequent to the first day of August, nineteen hundred and twenty-one, the contribution payable by such contributor as provided in this article. Each employer shall certify to the treasurer of said employer on each and every payroll a statement as voucher for the amounts so deducted.

(b) The treasurer of each employer on receipt from the employer of the voucher for deductions from the salaries of teachers as provided in this article shall transmit monthly or at such times as the retirement board shall designate the amount specified in such voucher to the secretary of the retirement board. The secretary of the retirement board after making record of all such receipts shall transmit them to the treasurer of the state of New York for use according to the provisions of this article.

But nothing in this section shall prevent the retirement board from modifying the method of collecting the contribution of members so that employers may retain the amounts so deducted and have a corresponding amount deducted from the appropriation for the support of common schools otherwise payable to them.

(a) The collection of employers' contributions shall be made as follows:

(a) Upon the basis of each actuarial determination and appraisal provided herein, the retirement board shall annually prepare and certify to the commissioner

of education a statement of the total amount necessary to be paid by all employers for the ensuing fiscal year to the pension accumulation and expense funds as provided under subdivision two of section eleven hundred and nine-g of this article.

(b) The commissioner of education shall include in the certificate which he files with the state comptroller showing the amount of state funds apportioned to each county for the support of common schools, a statement showing the amount to be contributed by each employer in each of such counties as required under this article. The amount to be contributed by each employer, except those who contribute under the provisions of subdivision four of section eleven hundred and nine-l, shall be an amount equal to the normal and deficiency contribution on account of the compensation or salaries paid by such employer during the preceding school year.

(c) The comptroller shall issue his warrant to the state treasurer directing such treasurer to credit to the pension accumulation fund and expense fund respectively, from the appropriation for the support of common schools the amounts required to be made as contributions to such funds by the employers as shown by the certificate of the commissioner of education filed with him as directed in paragraph (b) of this subdivision.

(d) The comptroller, in issuing his warrant to the state treasurer for payment to each county of that portion of the moneys apportioned for the support of common schools and payable on or before March first of each year, shall deduct therefrom an amount equal to the amount required to be contributed by employers of such county, as shown by the certificate of the commissioner of education of this state filed with the comptroller as required by paragraph (b) of this subdivision.

(e) In order to meet the financial requirements of this article, employers who obtain funds directly by taxation are hereby authorized and directed to levy annually such additional taxes as are required to provide funds deducted from the amounts apportioned to such employers from the appropriation of the state for the support of common schools.

§ 1109-l. Discontinuance of local district pension systems. Should the members of a local district pension system merge with the retirement system as provided under subdivision four of section eleven hundred and two of this article, such local district pension system shall be discontinued as follows:

(1) The retirement board created by this article shall employ an actuary to value the assets to be received and liabilities to be incurred by the retirement system hereby created in the event of such merger. The actuary so employed shall be (approved and paid by local district pension system).

(2) The actuary shall compute the present value of the total liabilities to be assumed by the retirement system on account of teachers in service in the local district pension system and on account of pensioners on the rolls of such local district pension system. He shall also compute the present value of the prospective amount to be received by reason of the payment of the normal contributions by the employer as provided under paragraph (b) of subdivision two of section eleven hundred and nine-g of this article, on behalf of the active teachers of such local system in the event of the contemplated merger. From the present value of such total liability, the actuary shall deduct the present value of the normal contributions. From the amount remaining, the actuary shall deduct the present value of all moneys and securities of such system, and the remainder, if any, shall be known as the "accrued liability."

(3) The actuary shall then determine the amount of a local deficiency contribution which, payable annually without regard to the payroll of contributors and increasing by three per centum of itself each year, until the year in which the deficiency contribution as provided under paragraph (c) of subdivision two of section eleven hundred and nine-g of this article, payable by other employers who had no local district pension system, may be expected to be discontinued, shall have a present value equal to this accrued liability.

(4) The increasing contributions as determined by the

actuary shall be paid by such employer on account of the contributors in his service instead of the deficiency contribution computed as otherwise provided in this article, anything to the contrary therein notwithstanding. Such employer shall contribute by means of a deduction from the school moneys apportioned to him, the amount of this deficiency contribution together with the amount of the normal contribution on account of the contributors in his employ and the amount of his proportionate share of the contribution required for the expense fund until the deficiency contribution on account of all employers shall cease to be payable. Thereafter, his contribution shall be made on the same basis as are contributions of all other employers.

(5) In the event of merger, the moneys and securities to the credit of the local district pension system not exceeding an aggregate amount equal to the total liability to be assumed by the retirement system on account of such local district pension system in excess of the normal contributions, shall be transferred to the pension accumulation fund and the pensions then payable by the local district pension system shall thereafter be paid from the pension accumulation fund. The pensions of the active members of the local district pension system and of the new entrants shall thereafter be payable as are the pensions of other members of the retirement system. The amount of the excess, if any, of the moneys and securities of the local district pension system over and above such total liabilities in excess of the normal contributions shall be transferred to the teachers' annuity savings fund and shall be credited pro rata to the active teachers of such local district pension system on the basis of the amounts of their previous contributions to the local district pension system, provided, however, that in case such method of distribution shall not be found practicable by the retirement board, the board may use such other method of apportionment as may seem fair and equitable to the board. The amount so credited in any case shall be considered as a part of the teachers' accumulated contributions.

§ 1109-m. Transfer of contributions between retirement systems. (1) Any contributor, withdrawing from the retirement system and at such time giving notice to the retirement board of his intention of becoming within one year a member of another teachers' retirement system which is being operated on an actuarial basis either under the laws of this state or under the laws of another state, provided in the latter case the system has a provision similar to this provision permitting reciprocal transfer, may, upon depositing within one year his accumulated contributions in such other retirement system, apply to the retirement board for a transfer from the pension accumulation fund to the corresponding fund of such other retirement system of the amount of his pension reserve as of the time when he withdrew his contributions from the annuity savings fund, and the retirement board shall transfer to such other retirement system the amount of such reserve, provided credit for a pension benefit of equivalent actuarial value to the amount of reserve transferred shall be given the teacher in the other retirement system and that the retirement board is satisfied that the retirement system to which said transfer is made is on a solvent basis.

(2) (This section provides that a transfer member may deposit in the annuity savings fund the amount of his accumulated contributions withdrawn from another retirement system; and within one year, the pension reserve to his credit shall be transferred.) See note 1 p. 90.

§ 1109-n. State supervision. The operation of the retirement system shall be subject to the supervision of the state department of insurance.

§ 1109-o. Exemption from taxation. (This section exempts money due a person under provisions of this article from taxation, attachment, or any other process whatsoever.)

§ 1109-p. Protection against fraud. Any person who shall knowingly make any false statement, or shall falsify or permit to be falsified any record or records of this retirement system . . . shall be guilty of a misdemeanor.

§ 2. This act shall take effect immediately.

THE public and the teacher have a common interest in sound teacher-retirement legislation. The public is interested because such legislation promises greater efficiency in the classroom and protects children from teachers rendered incompetent by advanced age; the teacher is anxious for the elevating effect that a sound retirement system has upon the profession in general and for the benefits that such a system guarantees him as an individual.

—*Philip E. Carlson.*

PROVISION for retirement allowances frees teachers from the dread of dependence in old age or, in case of disability, the consequent worry, and permits them to give their undivided attention to their duties in peace and contentment and thus to do more and better work. The schools, the children, and society will all gain by rendering the teacher secure against the risks of life.

—*David B. Johnson.*