

OCT 4 1926

anal

Library

VOL. IV, NO. 3

MAY, 1926

PERIODICAL ROOM
GENERAL LIBRARY
UNIV. OF MICH

Research Bulletin

OF THE

National Education Association

Efficient Teaching

AND

Retirement Legislation

PUBLISHED BY THE RESEARCH DIVISION

OF THE NATIONAL EDUCATION ASSOCIATION

1201 SIXTEENTH STREET NORTHWEST, WASHINGTON, D. C.

Entered as second-class matter February 10, 1923, at the Post Office at Washington, D. C., under Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Section 1103, Act of October 3, 1917, authorized February 10, 1923.

Research Bulletin of the National Education Association

Published five times each year in January, March, May, September, and November by the Research Division of the National Education Association of the United States.

The payment of the \$5.00 membership fee of the National Education Association entitles one to receive the Research Bulletin, the Annual Volume of Addresses and Proceedings, and certain other publications of the National Education Association for one year. One dollar of each \$5.00 membership fee is for a year's subscription to the Research Bulletin. Subscription to non-members is \$1.00 per year; single copies may be purchased for 25 cents. Those entitled to receive the Research Bulletin regularly are asked to report at once any change of address, giving old as well as new address.

Entered as second-class matter February 10, 1923, at the Post Office at Washington, D. C., under Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Section 1103, Act of October 3, 1917, authorized February 10, 1923.

Director of Research, John K. Norton.

Assistant Director of Research, Margaret M. Alltucker.

Executive and Editorial Offices - - 1201 Sixteenth Street N. W., Washington, D. C.

Research Bulletins Issued to Date

See page 161 for titles of Research Bulletins issued to date and for information as to their availability.

How to Secure Additional Copies

Additional copies of this issue of the Research Bulletin may be obtained at the following prices:

Single copies of this issue 25c

2 to 9 copies—10% reduction

10 or more copies—25% reduction.

Subscriptions to Research Bulletins

The Research Bulletin may be received regularly through a special subscription at \$1.00 per year. Only those holding the \$5.00 membership (see statement at top of this page) receive the Research Bulletin without such subscription. Many of the early issues of the Research Bulletin are already out of print. The special subscription at \$1.00 per year offers an opportunity to maintain a complete file of future Research Bulletins.

Reproduction of Material in Research Bulletins

Tables, charts, and any other material appearing in Research Bulletins may be reproduced for the advancement of education. No authority other than this notice is needed previous to such reproduction.

Electro-mat-slide service: The National Education Association maintains a special service to aid those reproducing material appearing in its publications. Send orders or requests for further information to the Division of Publications, National Education Association, 1201 Sixteenth Street N. W., Washington, D. C.

"The Profession at Work on Its Problems"

Forty state legislatures will meet during 1927. The "Roll Call by States as to Plans Affecting Teacher Retirement Legislation" in this Bulletin indicates teacher retirement measures will be considered in a majority of these legislative sessions. Now is the time for teachers to inform themselves on this subject. Teacher retirement legislation is of such importance that it may well be the topic for several meetings of teacher study groups.

Superintendents, principals, committee chairmen, and other leaders of professional study groups will wish to secure several copies of this Bulletin as well as some of the material cited in the bibliography. By writing to the Headquarters of the National Education Association they may obtain special outlines that have been prepared for leaders of groups studying problems affecting teacher retirement systems.

The National Education Association is glad to make available this Bulletin as an aid to those cooperating in the nation wide movement for "getting the entire profession at work on its problems."

TABLE OF CONTENTS

	PAGE
Foreword	95
A Critical Review of the Fundamental Principles of a Retirement System.....	97
Why Every State Should Enact a Sound Teacher Retirement Law.....	114
The Teacher's Interest in Retirement Legislation.....	119
State and Local Retirement Systems Now in Effect.....	122
Where to Write Concerning Details of State and Local Retirement Systems.....	124
Roll Call by States as to Plans Affecting Retirement Legislation.....	126
Tabulation of Main Provisions of Eleven Teacher Retirement Systems.....	131
Income and Outgo for Representative State Teacher Retirement Systems.....	144
Controversial Issues in the Field of Retirement Legislation	146
The Text of a State Teacher Retirement Law with Comments and Explanations.....	151
Selected Annotated Bibliography.....	157

LIST OF TABLES

Expression of Opinion of Four Groups of Educators:

In a Teacher Retirement System Should Beginners Be Exempt? (Table 1).....	100
In a Teacher Retirement System Should Deposits Be Returned in Case of Early Retirement? (Table 2)	101
In a Teacher Retirement System Should Disability Be Provided For? (Table 3).....	102
In a Teacher Retirement System Should There Be Guaranties to Both Teachers and Public? (Table 4)	104
In a Teacher Retirement System Should Death Benefits Be Included? (Table 5).....	105
In a Teacher Retirement System Should Individual Accounts Be Kept? (Table 6).....	106
In a Teacher Retirement System Should the Rights Under Previous Annuity Systems Be Safe- guarded? (Table 7).....	107
In a Teacher Retirement System Should Credit Be Given for Past Service Where No Retirement System Existed? (Table 8).....	108
In a Teacher Retirement System Should Costs Be Shared by Teachers and Public? (Table 10) ..	111
In a Teacher Retirement System Should Service and Deposits Be Concurrent? (Table 11)....	112
In a Teacher Retirement System Should the Amount of Deposits Be Fixed? (Table 12).....	112
How a Teacher's Retirement Fund Is Built Up—and the Retirement Allowance It Guarantees (Table 9)	110
Income and Outgo of Representative State Teacher Retirement Funds—Fiscal Year Ending in 1923 (Table 13)	145
Income and Outgo of Representative State Teacher Retirement Funds—Fiscal Year Ending in 1924 (Table 14)	145
Income and Outgo of Representative State Teacher Retirement Funds—Fiscal Year Ending in 1925 (Table 15)	145

LIST OF CHARTS

Percent of People Questioned Who Accepted Each of the "Fundamental Principles of a Teacher's Retirement System" (Chart I).....	99
State and Local Teacher Retirement Laws (Chart II).....	123

FOREWORD

By J. W. Crabtree

Thirty-five years ago last February the Department of Superintendence of the National Education Association adopted the following resolution:

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.

The bibliography included in this Bulletin shows that this resolution, which is the first record of concerted action on the part of the profession in the direction of sound retirement legislation, has been followed by a series of notable studies in this field sponsored by the National Education Association. The 1926 Report of the Committee of One Hundred on Retirement Allowances, of which Miss E. Ruth Pyrtle is chairman, is probably the best of a long series of outstanding reports prepared by committees appointed by the Association to study this problem. The 1926 Committee, aided by the Division of Research, enlisted the cooperation of workers in this field scattered throughout the nation. More than one hundred people contributed to the preparation of this report. This issue of the Research Bulletin makes the results of this work available for general distribution.

It is highly important for the state association to assume leadership in the movement for retirement legislation and for all outside agencies to render assistance only as invited by the state association. The state association will derive its inspiration from groups of teachers in every locality studying the problem. It will get from these groups help to secure adequate legislation. It will call for outside expert service as necessary.

The material in the report is of outstanding value. It brings together in convenient and condensed form the data most needed by those studying the problem of teacher retirement. It offers ready reference to other authoritative material for those who wish to study particular phases of the subject in greater detail. It should be of great value to professional study groups, to committees charged with the drafting of retirement systems, and to students of education. The entire profession is under deep obligation to the Committee and to the Division of Research for their work in preparing this study.

The Association is glad to make this important study available at a time just preceding the assembling of forty state legislatures. Few subjects of educational legislation so directly influence the quality of teaching personnel which a state will command as that dealing with teacher retirement. The enactment of a sound teacher retirement law is an important step in the direction of providing a state's children with efficient teachers. Those states that already have such systems are to be congratulated. They should be continued and improved. Those states that have not enacted sound teacher retirement laws should do so at the first opportunity.

A Cr

The
Hund
tion o
ances
eleven
retire
sugge
follow

1. M
2. M
3. M
4. C
5. M
6. M
7. M
8. C
9. C
10. S
11. A

Sinc
these
and in
a com
based
in the
space
eleven

1. M
2. S
3. S
4. M

¹ Each
Associati
(3) Secre
Retired T
more tha
listed abo
teacher re
in groups
members

A Critical Review of the Fundamental Principles of a Teachers' Retirement System

The 1924 Report of the Committee of One Hundred of the National Education Association on the Problem of Retirement Allowances stated and explained in some detail eleven fundamental principles of a teachers' retirement system. The eleven principles suggested by the 1924 report, in brief, are as follows:

1. Beginners to be exempt.
2. Deposits returned in case of early retirement.
3. Disability provided for.
4. Guaranties to both teachers and public assured.
5. Death benefits included.
6. Individual accounts kept.
7. Rights under previous annuity systems safeguarded.
8. Credit for past service allowed.
9. Costs shared by both teachers and public.
10. Service and deposits concurrent.
11. Amount of deposits fixed.

Since the publication of the 1924 Report these principles have been widely circulated and intensively studied. This study assembles a comprehensive criticism of these principles based upon replies to a questionnaire sent out in the spring of 1924. An inquiry blank with space provided for criticism of each of the eleven principles was sent to these four groups:

1. Members of the Committee of One Hundred of the National Education Association on Retirement Allowances.
2. Secretaries of state and local teacher retirement systems.
3. Secretaries of state teachers' associations.
4. Members of the National Education Association's Committee on Homes for Retired Teachers and others especially interested in the problem of retirement.

The inquiry blank requested each person addressed to answer these two questions relative to each of the eleven principles suggested by the 1924 Report:

1. Do you accept this principle? Yes——
No——.
2. If you have suggestions or modifications to offer concerning this principle will you kindly state them?

A total of 109 replies were received to this inquiry.¹ The succeeding paragraphs reprint the eleven fundamental principles as they appeared in the 1924 Report. Accompanying the statement of each principle is a table showing the number of those replying who approved or disapproved each principle. Chart I shows the percentage of the 109 replying who accepted each of the eleven fundamental principles. Following the statement of each principle there is also a summarization of opinion both favorable and unfavorable expressed by those replying. The material presented in this section should receive further study and criticism from teachers' associations and laymen throughout the country. On the basis of this study and criticism it should be possible to arrive at a conclusion as to the worth of the eleven principles set forth.

The inclusion in this report of statements of approval or disapproval of the eleven fundamental principles, as well as additional topics which some feel should be included in a statement of the fundamental principles of a teachers' retirement system, does not mean that these modifications are officially approved. These modifications are presented in order that an expression of all viewpoints may be available. In some subsequent study it is probable that it will be desirable to modify and possibly extend the eleven principles stated in the 1924 Report and reprinted here.

¹ Each of the subsequent tabulations divide those replying into these four groups: (1) Members of the National Education Association Committee of one Hundred on Retirement Allowances; (2) Secretaries of state and local teacher retirement systems; (3) Secretaries of state teachers' associations; and (4) Members of the National Education Association Committee on Homes for Retired Teachers and others especially interested in the problem of retirement. In the cases where those replying belonged to more than one of these groups, they were classified in the first group for which they qualified in the order in which the groups are listed above. That is, a reply from a member of the Committee of One Hundred, even though he might be a secretary of a state teacher retirement system, was included in the first group and in no other. This accounts for the relatively small number of replies in groups III and IV as shown in Tables 1 to 11. For example, many secretaries of State teachers' association who replied were members of the Committee of One Hundred and their replies, therefore, were tabulated in Group I.

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 arrangement 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 report 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 percent of the teachers are under 25 years of age. When this is the case, membership would only be compulsory for the other 20 percent, who in all probability have decided to make teaching a life profession. For this group membership cannot be left to the voluntary decision of each teacher. It must be compulsory to insure ample provision for his retirement.

Critical Review of Principle—Beginners to Be Exempt

Table 1 shows that 34.9 percent of the 109 educators who submitted critical reviews of the principle that beginners should be

exempt, accept the principle without modification. An additional 19.3 percent of those replying accepted the principle with some modification. Of those replying 41.3 percent disapproved this principle. A comparison of the data of Table 1 with those of Tables 2 to 11 shows that there is less unanimity of opinion as to the acceptability of this principle than of any other set forth in the 1924 Report. Table 1 shows that while 41 percent of the National Education Association's Committee of One Hundred on Retirement Allowances accept this principle without modification, less than 19 percent of the secretaries of state teacher retirement systems accept it. In fact only 44 percent of the latter group accept this principle even when modified. Detailed study of this and other tables will reveal the agreement or lack of agreement as to the acceptability of the eleven principles to the four groups of reviewers.

The objection most often raised by those who *do not accept* the principle that beginners should be exempt is stated in the following quotation: "Beginners never foresee the needs of old age. Membership in an actuarial reserve system is an investment. It is never too early to begin systematic saving. Even if the teacher leaves the service early, he has had the advantage of the 'compulsory thrift' of the savings fund part of any adequate retirement system. These savings are given to the teacher in the form of a cash payment when he resigns before the stated age for retirement."

Other objections by those not accepting the principle follow:

1. Membership in a retirement system should be required from the day the teacher enters the profession, since the deduction on a beginner's salary is small, and is really a savings account.

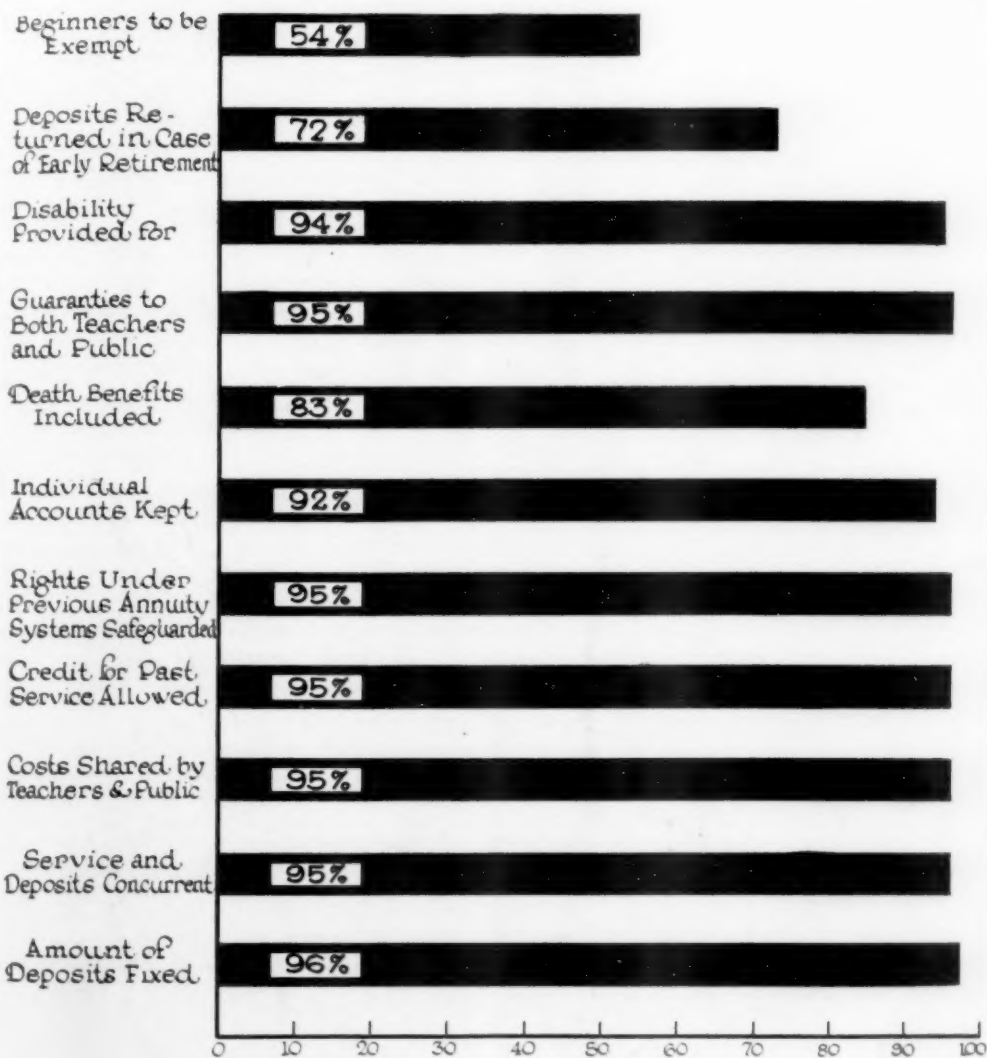
2. If the young teacher does not begin to contribute to the retirement fund, when he begins to teach, he usually objects strenuously to contributing until he is much older than twenty-five years. He misses the deduction from his small salary, after having had the full amount for the previous years.

3. If membership is optional for beginners until a specified age, many teachers will postpone joining the system until that compulsory age is reached. Some will then object to paying higher rates of contribution than the rates they would have paid at the time of appointment.

4. Early membership is essential, as the retirement allowance depends on the reserve which is built up by a long period of yearly contributions. It is the steady and long accumulation of small sums that builds up an adequate foundation for the retiring allowance.

CHART I

PER CENT of PEOPLE QUESTIONED WHO ACCEPTED EACH of the "FUNDAMENTAL PRINCIPLES of a TEACHERS' RETIREMENT SYSTEM"



Fifty-four per cent of the total number of people questioned accepted, in its entirety or with modifications, the principle that beginners should be exempt, etc.

Research Division, National Education Assn.

5. Contributing to the retirement fund would tend to settle the young teacher down to the serious business of teaching, and would make teaching more of a profession. Membership in a retirement system strengthens the professional feeling of the teacher. To exempt beginners would increase the instability of the teaching corps.

6. Exemption from the retirement system makes classes among teachers. Such exemption will lead to administrative difficulties.

7. Young teachers will know little if any more about their future in a few years. Let them go into the retirement system when they start teaching. If they remain in service they will receive credit in the retirement system for their full number of years' teaching experience.

8. Experience shows that compulsory membership for the beginner usually does not invite opposition. New entrants accept the retirement contributions as a matter of course.

9. Compulsory membership for the beginner does require somewhat more clerical service for the additional bookkeeping, but this is slight as compared with the other benefits.

10. Membership should be compulsory for teachers appointed after the enactment of a retirement law; optional for teachers in service before the enactment; since teachers in service before the enactment of the law may have made other provisions for old age.

Some of those who *do accept* the principle of exempting beginning teachers qualified their statements as follows:

1. The wisdom of compulsory membership is doubtful. All teachers, however, who do not specifically request to be exempted should be considered members.

2. Membership in any contributory system should be optional.

3. In addition to a minimum age requirement, there should be a minimum teaching experience of three years for those under twenty-five years of age; or in cities having probation appointment, as soon as permanent appointment.

4. The period of service of the average teacher in the United States is between three and four years. This means that only a small percentage of those who enter the profession come under pension necessities. It therefore seems useless to require teachers, whom we know will not continue, to contribute.

II. Deposits Returned in Case of 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

TABLE 1.—IN A TEACHER RETIREMENT SYSTEM SHOULD BEGINNERS BE EXEMPT?

(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	24	41.4	5	18.5	3	50.0	6	33.3	38	34.9
Yes with some modification..	6	10.3	7	25.9	2	33.3	6	33.3	21	19.3
Total yes.....	30	51.7	12	44.4	55	83.3	12	66.7	59	54.1
No without modification..	9	15.5	5	18.5	.....	.....	3	16.7	17	15.6
No with some modification..	16	27.6	10	37.0	1	16.7	1	5.6	28	25.7
Total no.....	25	43.1	15	55.6	1	16.7	4	22.2	45	41.3
Blank.....	3	5.2	.....	.....	.....	.....	2	11.1	5	4.6
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

Read Table 1 as follows: Twenty-four members (or 41.4 percent) of the National Education Association's Committee on Retirement Allowances accept without modification the principle that beginners should be exempt. Five or 18.5 percent of the secretaries of State Teacher Retirement Systems who replied, also accepted this principle without modification. Similarly read the table for other groups and other replies.

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.

Critical Review of Principle—Deposits Returned in Case of Early Retirement

Table 2 shows that this principle is accepted without modification by 51 per cent of the 109 reviewers. An additional 20 per cent are willing to accept this principle with some modification.

The objection raised most often by those who *do not accept* this principle is this:

The teacher's contributions should be returned to him or to his estate; but the amount of the state's contribution should revert to the retirement fund, unless the teacher retires on a superannuation or a disability benefit. The distribution of the public's deposits to those who remain in the profession would give additional incentive to remain; and would also provide a fund with which to take care of the permanently disabled mentioned in III.

Those who *accept* this principle, but with some modification, made these statements:

1. The immediate withdrawal of funds should not be made compulsory. A teacher often re-enters the profession after being out a year or two. If funds had been withdrawn, prior service would be forfeited.

2. A teacher should not be able to withdraw his deposits until after four or five years' teaching.

3. The public's deposits should not be withdrawable in any form by a teacher leaving the profession, but should remain with the fund. If a

TABLE 2.—IN A TEACHER RETIREMENT SYSTEM SHOULD DEPOSITS BE RETURNED IN CASE OF EARLY RETIREMENT?

(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
<i>I</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Yes without modification..	35	60.3	7	25.9	4	60.0	10	55.5	56	51.4
Yes with some modification..	7	12.1	8	29.6	1	20.0	6	33.3	22	20.2
Total yes.....	42	72.4	15	55.6	5	80.0	16	88.8	78	71.6
No without modification..	7	12.1	4	14.8	.....	.....	.....	.....	11	10.1
No with some modification..	7	12.1	7	25.9	1	20.0	1	5.6	16	14.7
Total no.....	14	24.1	11	40.7	1	20.0	1	5.6	27	24.8
Blank.....	3	3.5	1	3.7	.....	.....	1	5.6	4	3.7
Total number replies re- ceived.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

teacher dies in service, there is no reason for giving his heirs the contribution made by the public to his account in the retirement fund. The heirs should be entitled to just what the teacher would receive if she resigned and no more, namely, his own deposits with the interest thereon. The public's contribution to a retirement fund is made for the support of the teacher in his old age and not for the benefit of his heirs in case of his death.

4. The state's contribution should not be paid except to *minor* heirs or to dependents.

5. No insurance company could endure under such a principle. Part of the deposits may be returned, but only a part.

6. Deposits should be withdrawn without interest.

7. Teachers retiring early should be able to withdraw their own contributions with interest; such money to be repaid with interest if teacher re-enters service.

8. Teacher should be entitled to a part of contribution by the state in the early years of contract—even if not paid until after minimum retirement age.

The above statements indicate almost complete agreement that a teacher who quits teaching before he becomes superannuated should not forfeit the money which he has paid into a retirement fund. His deposits, together with interest accumulations, should be at his disposal when he decides to stop teaching. A minority argue for a probationary period of four or five years, during which time deposits are not withdrawable.

There is also practically complete agree-

ment on the point that 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.

There is considerable disagreement as to whether or not, if the teacher dies in service, the contributions made by the state should be paid to his beneficiaries, heirs, or estate.

III. Disability Provided For

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 retire-

TABLE 3.—IN A TEACHER RETIREMENT SYSTEM SHOULD DISABILITY BE PROVIDED FOR?
(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	42	72.4	15	55.6	2	33.3	14	77.7	73	67.0
Yes with some modification..	12	20.7	11	40.7	4	66.7	2	11.1	29	26.6
Total yes.....	54	93.1	26	96.3	6	100.0	16	88.8	102	93.6
No without modification.....										
No with some modification..	2	3.5	1	3.7			1	5.6	4	3.7
Total no.....	2	3.5	1	3.7			1	5.6	4	3.7
Blank.....	2	3.5					1	5.6	3	2.8
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

ment 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.

Critical Review of Principle—Disability Provided For

Table 3 shows that this principle is accepted without modification by 67 percent of the 109 reviewers. An additional 26.6 percent are willing to accept this principle with some modification.

Not a single unqualified negative reply was received. Four out of the 109 replying stated that they *did not accept* a disability clause, but made these qualifying statements:

1. A disability clause in a retirement act is feasible when definite physical standards are enforced as an entrance requirement to the profession.

2. The disability allowance should be a generous part only of pensions for superannuated teachers. It should depend upon length of service, amount of contributions, degree of disability, etc.

3. A retirement system must recognize that the public has already expended a considerable sum in the training of a teacher; and the first years of a teachers' service are of the nature of an apprenticeship. A certain fixed period of time should have been spent in the teaching profession before a teacher is eligible for disability benefits, otherwise, a retirement system is simply opening its books as a charitable institution at the taxpayer's expense. A disability allowance should be based, partly, at least, upon the joint contributions of both teacher and public, and wholly upon a recognized disability table, specified in the statute. Provision should also be made for initial and later periodical medical examinations. No pension system can be made to cover every exigency of life except at a cost beyond the ability of the teacher.

Somewhat similar qualifications to the above were made by those who accepted the principle that disability should be provided for, but not unqualifiedly. They suggest these modifications:

1. Disability allowance should not be granted until after at least five years of service and preferably ten.

2. Payment of disability allowances should be limited to those with permanent disabilities.

3. The disability allowance should be less than that for superannuation.

4. Teachers should be required to pass a health examination before employment. Following disability, medical examination should be made by a doctor appointed by and paid by the retirement board. In other words, the disability should be well substantiated at time of application for dis-

ability benefit and at subsequent intervals. The teacher who recovers from his disability should go back to teaching or be dropped from the pension list.

5. Teacher and public should share the cost and the amount of the allowance should not go below a fixed minimum. This minimum will necessarily differ in different parts of the country.

6. There should be a definite actuarially computed percent added to the contribution for this purpose. Actuarial study shows that disabilities can be taken care of without adding greatly to the cost of the state or the teacher. In fact, experience has demonstrated that disability costs are so small as to be almost negligible.

7. Disability allowance should be paid only when the disability is brought about while in performance of professional duties.

IV. Guaranties to Both Teacher and 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 education 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.

Critical Review of Principle—Guaranties to Both Teacher and Public

Table 4 shows that this principle is accepted without modification by 80.6 percent of the 109 reviewers. An additional 13.9 percent are willing to accept this principle with some modification.

Only three of the 109 replying *did not* accept this principle. Two made reservations to this effect:

The intent of this section is essentially sound, but the teachers' interest will never be adequately safeguarded unless two omissions are repaired: First, a contract should be provided and a section to cover this essential should be written into the retirement act. Second, the name of a specific table of mortality among annuitants and the rate of interest on accumulations should be included in the statute. These two provisions are paramount among guarantees to any body of teachers.

Those who *accept* this principle, but with some modification, made these statements:

1. Care should be taken to make sure that the retirement allowance is sufficient for the teacher to live in reasonable comfort.

2. All teachers who are retired should receive the *same* pension (amount received based upon payments by the state). The amount deposited by the individual should determine the annuity (amount received based upon teacher's contributions). Because a teacher has received a small salary is a very good reason why his pension should be adequate to support him. He has not

had the same opportunity to save as those receiving larger salaries.

V. Death Benefits Included

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

TABLE 4.—IN A TEACHER RETIREMENT SYSTEM SHOULD THERE BE GUARANTIES TO BOTH TEACHERS AND PUBLIC?
(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	46	79.3	20	74.1	6	100.0	16	88.8	88	80.6
Yes with some modification..	9	15.5	5	18.5	.....	.....	1	5.6	15	13.9
Total yes.....	55	94.8	25	92.6	6	100.0	17	94.4	103	94.5
No without modification..	.....	.....	1	3.7	.....	.....	.....	.....	1	.9
No with some modification..	2	3.5	.....	.....	.....	.....	.....	.....	2	1.8
Total no.....	2	3.5	1	3.7	.....	.....	.....	.....	3	2.8
Blank.....	1	1.7	1	3.7	.....	.....	1	5.6	3	2.8
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

portion or to all the funds of the retirement system when he dies.

Critical Review of Principle—Death Benefits Included

Table 5 shows that this principle is accepted without modification by 65 percent of the 109 replying. An additional 17 percent are willing to accept this principle with modification.

The objections raised most often by those who *do not accept* this principle were:

1. If the death benefit feature is included, a much higher charge will be necessary.

2. The death benefit clause should be optional. Teachers wishing death benefits should take out regular insurance.

3. In the case of a retired teacher any retirement salary accrued between date of last remittance and date of death is paid to heirs. If the teacher dies before retirement, nothing is due heirs. The retirement allowance is for teachers, not for those having no connection with the work.

Those who *accept* this principle but with some modifications made these statements:

1. When a teacher dies in service, only his own contributions to the retirement fund, together with interest thereon, should go to his designated beneficiary, his heirs, or his estate.

2. If a retiring teacher so desires, he may take a smaller allowance, with the provision that if he dies before the present value of his retirement allowance is used up, the balance will go to his estate or designated beneficiary.

3. The teacher may take a smaller allowance, figured on the expectation of two persons; with the provision that the allowance shall, on the event of his death, continue through the life of the person designated at time of retirement.

4. The state's contributions should not be paid out in the form of death benefits, except to minor heirs or dependents.

5. A retirement system should offer these three options:

a. An annuity for life, whether long or short. In case of death, under this option there is no cash remainder; since the sums remaining after early death balance and provide for those sums which are needed for life annuities for those persons who live longer than the statistical expectation.

b. A life annuity for the teacher, to be followed by a life annuity of the same or different amount for a widow or some other designated beneficiary.

c. A life annuity for the teacher with the guarantee of a certain number of payments, representing the remaining accumulations, even though the teacher should not live long enough to receive them all himself.

The second and third of these options necessarily make the annual sums paid on account of life annuity smaller than those possible under the first option, but they should be provided in order to meet the needs of teachers with dependents.

The above statements indicate that there is agreement on the point that a teacher should not be compelled to forfeit all his rights to the funds of the retirement system when he dies.

TABLE 5.—IN A TEACHER RETIREMENT SYSTEM SHOULD DEATH BENEFITS BE INCLUDED?

(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	41	70.7	11	40.7	5	83.3	14	77.7	71	65.1
Yes with some modification..	8	13.8	8	29.7	1	16.7	2	11.1	19	17.4
Total yes.....	49	84.5	19	70.4	6	100.0	16	88.8	90	82.6
No without modification..	1	1.7	1	3.7			1	5.6	3	2.8
No with some modification..	5	8.6	6	22.2					11	10.1
Total no.....	6	10.3	7	25.9			1	5.6	14	12.8
Blank.....	3	5.2	1	3.7			1	5.6	5	4.6
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

VI. Individual Accounts Kept

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 contract 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, therefore, are of vital importance.

Critical Review of Principle—Individual Accounts Kept

Table 6 shows that the principle is accepted unqualifiedly by 78.9 percent of the 109 replying; 91.7 percent accept it with or without some modification.

This single qualification was made by the four "reviewers" who *did not accept* the principle, namely: Only the teacher's contributions should be kept in an individual account.

The amount contributed by state need not be credited to the individual until retirement takes place.

The following qualified statements tend only to emphasize approval of the principle of individual accounts:

1. This principle is the corner-stone upon which a sound retirement system can be built.

2. Every teacher is entitled to an individual account, since he is only contributing toward his own pension. The money is his and he should know at any time he desires the amount credited him.

3. This principle is sound for the period during which accumulations are built up. After retirement, the funds must be pooled, and some of the money accumulated by and for teachers who die early, provides for the teachers who die later. This fact is one of the reasons why, under a sound retirement system, such options as have been outlined are possible.

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 prin-

TABLE 6.—IN A TEACHER RETIREMENT SYSTEM SHOULD INDIVIDUAL ACCOUNTS BE KEPT?
(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	48	82.8	20	74.1	5	83.3	13	72.2	86	78.9
Yes with some modification..	5	8.6	6	22.2	1	16.7	2	11.1	14	12.8
Total yes.....	53	91.4	26	96.3	6	100.0	15	83.3	100	91.7
No without modification..										
No with some modification..	3	5.2					1	5.6	4	3.7
Total no.....	3	5.2					1	5.6	4	3.7
Blank.....	2	3.4	1	3.7			2	11.1	5	4.6
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

ciples. 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 gen-

eration 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.

Critical Review of Principle—Rights Under Previous Annuity Systems Safeguarded

Table 7 shows that this principle is accepted without modification by 82.6 percent of the 109 replying. An additional 11.9 percent are willing to accept this principle with some modification.

Only two replies *did not accept* the principle that rights under previous annuity systems be safeguarded, and these qualified their answers. Those who accepted the principle with some modifications made these statements:

1. Whether the provisions made under old systems should be observed or not will depend, within reasonable limits, upon the nature of these promises. It would be unfair to burden the public too heavily with the liabilities of an absurdly generous and absolved system. In other words, whether or not rights under previous annuity system should be safeguarded depends on the reasonableness of the old system and the responsibility for its establishment. A reorganization should be effected when the old system is such that it cannot be continued.

2. Safeguarding rights under previous annuity systems adds somewhat to the cost, but it can be amortized so that it will not be burdensome.

TABLE 7.—IN A TEACHER RETIREMENT SYSTEM SHOULD THE RIGHTS UNDER PREVIOUS ANNUITY SYSTEMS BE SAFEGUARDED?
(Expression of Opinions of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	49	84.5	21	77.8	5	83.3	15	83.3	90	82.6
Yes with some modification..	6	10.3	6	22.2	1	16.7	.....	.....	13	11.9
Total yes.....	55	94.8	27	100.0	6	100.0	15	83.3	103	94.5
No without modification..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No with some modification..	1	1.7	.....	.....	.....	.....	1	5.6	2	1.8
Total no.....	1	1.7	.....	.....	.....	.....	1	5.6	2	1.8
Blank.....	2	3.5	.....	.....	.....	.....	2	11.1	4	3.7
Total number replies re- ceived.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

VIII. Credit for Past Service Allowed 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 Section VII, or for the purpose of providing for the retirement of superannuated teachers in a com-

munity 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.

Critical Review of Principle.—Credit for Past Service Allowed Where No Retirement System Has Existed.

Table 8 shows that this principle is accepted without modification by 73.4 percent of the 109 replying. An additional 21.1 percent are willing to accept this principle with some modification.

There are only three who *did not* accept the principle that credit for past service should be allowed where no retirement system has existed, and these three qualified their answers.

Those who *accepted* this principle but with some modifications made these statements:

1. Teachers should be credited with all service performed within the state. Only limited allowance should be made for service in other states.

2. This should be worked out very carefully on an actuarial basis, and the cost of these accrued liabilities distributed over a long period of years.

3. Teachers, who were in service before the adoption of a retirement system, should make increased contributions to make up at least a part of the deficiency.

4. Credit should be given for service prior to establishment of a retirement system and the state should assume the expense involved. The state

TABLE 8.—IN A TEACHER RETIREMENT SYSTEM SHOULD CREDIT BE GIVEN FOR PAST SERVICE WHERE NO RETIREMENT SYSTEM EXISTED?
(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	2	4	5	6	7	8	9	10	11
Yes without modification..	43	74.1	19	70.4	4	66.7	14	77.8	80	73.4
Yes with some modification..	10	17.2	8	29.6	2	33.3	3	16.6	23	21.1
Total yes.....	53	91.3	27	100.0	6	100.0	17	94.4	103	94.5
No without modification.....										
No with some modification.....	3	5.2							3	2.8
Total no.....	3	5.2							3	2.8
Blank.....	2	3.5					1	5.6	3	2.8
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

should make up its own and the teacher's contributions plus regular interest in full for prior service.

5. The teacher and the state should pay into the fund the amounts they would have paid had the system been in operation during the entire period of the teacher's service.

6. This principle deals with the most important problem in financing a retirement system. The obligations incurred by the services of members prior to the enactment of a new law constitute the "accrued liabilities." Since neither these members nor the public have made any prior contributions, provision must be made whereby the public makes adequate contributions to build up a sinking, or a reserve fund.

IX. Costs Shared by 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, provided 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 9, on page 18, 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 5 percent of his salary, column 3, the first year and 5 percent of each succeeding year's salary. The amount of the teacher's annual contribution, 5 percent of his salary, is given in column 4. The accumulated value of the teacher's contributions, plus interest at 4 percent, is given in column 5. In this instance it is \$5,092 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 55 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 2 percent of the teacher's salary and increase to a maximum of 9 percent, 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 \$5,233. This sum alone will guarantee a teacher an annual income of \$395 beginning at the age of 55 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 55 and continuing for life, as is shown at the foot of the table.

The retirement allowances at age 50 after twenty-five years' service and at 60 after thirty-five years' service are also given at the foot of the table.

Critical Review of Principle—Cost Shared by Teachers and Public

Table 10 shows that 72.5 percent of the 109 replying accept this principle without modification. An additional 22 percent are willing to accept this principle with some modifications.

Only three did not accept the principle that costs of a teacher retirement system should be shared by both teachers and public. The objections raised by those who *did not accept* this principle follow:

1. Contributions by the public should be the same for all teachers of the same length of service. Every teacher should be as important a part in the child's education as every other teacher—the kindergarten teacher, the grade teacher, and the high school teacher should be on an equal basis. Hence, the amount paid by the state into a teacher retirement system should be the same for each teacher on the basis of length of service. Why should the teacher who receives the lowest salary and can purchase only the lowest annuity get the least from the state?

2. All should pay alike and share alike. The retirement allowance should be based on years of service, not age.

Those who accepted this principle but with some modifications make these comments:

1. Costs should be borne by both teachers and public calculated on an actuarial reserve basis.

2. The cost to the public may be divided between the state and the local school district. The collection of these public contributions seems to be best taken care of where the local school

TABLE 9.—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	Percent 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 teacher and State—4% interest
1	2	3	4	5	6	7	8	9
1	\$1,200	5.00	\$60	\$60	2.00	\$24	\$24	\$84
2	1,300	5.00	65	127	2.25	29	54	181
3	1,400	5.00	70	202	2.50	35	91	293
4	1,500	5.00	75	285	2.75	41	136	421
5	1,600	5.00	80	376	3.00	48	189	565
6	1,700	5.00	85	476	3.25	55	252	728
7	1,800	5.00	90	585	3.50	63	325	910
8	1,900	5.00	95	703	3.75	71	409	1,112
9	2,000	5.00	100	831	4.00	80	505	1,336
10	2,000	5.00	100	964	4.25	85	610	1,574
11	2,000	5.00	100	1,103	4.50	90	724	1,827
12	2,000	5.00	100	1,247	4.75	95	848	2,095
13	2,000	5.00	100	1,397	5.00	100	982	2,379
14	2,000	5.00	100	1,553	5.25	105	1,126	2,679
15	2,000	5.00	100	1,715	5.50	110	1,281	2,996
16	2,000	5.00	100	1,884	5.75	115	1,447	3,331
17	2,000	5.00	100	2,059	6.00	120	1,625	3,684
18	2,000	5.00	100	2,241	6.25	125	1,815	4,056
19	2,000	5.00	100	2,431	6.50	130	2,018	4,449
20	2,000	5.00	100	2,628	6.75	135	2,234	4,862
21	2,000	5.00	100	2,833	7.00	140	2,463	5,296
22	2,000	5.00	100	3,046	7.25	145	2,707	5,753
23	2,000	5.00	100	3,268	7.50	150	2,965	6,233
24	2,000	5.00	100	3,499	7.75	155	3,239	6,738
25	2,000	5.00	100	3,739	8.00	160	3,529	7,268
26	2,000	5.00	100	3,989	8.25	165	3,835	7,824
27	2,000	5.00	100	4,249	8.50	170	4,158	8,407
28	2,000	5.00	100	4,519	8.75	175	4,499	9,018
29	2,000	5.00	100	4,800	9.00	180	4,859	9,659
30	2,000	5.00	100	5,092	9.00	180	5,233	10,325
31	2,000	5.00	100	5,396	9.00	180	5,622	11,018
32	2,000	5.00	100	5,712	9.00	180	6,027	11,730
33	2,000	5.00	100	6,040	9.00	180	6,448	12,488
34	2,000	5.00	100	6,382	9.00	180	6,886	13,268
35	2,000	5.00	100	6,737	9.00	180	7,341	14,078

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	\$1,208

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.

district is made fully responsible and the amount deducted from the state appropriation to the district. This "check-off" plan insures against delinquency in the case of the public's contributions in the same way that it is insured in the case of teachers by deductions from the teacher's salary. The greatest difficulty that the retirement systems have experienced is in seeing that the State Legislatures live up to the requirements of the law for the contributions that must be made, even when the rates of contribution are established in the law. Where contribution by the state is provided, this should be one of the fixed charges to be taken care of in the budgetary consideration of state finances and such provision should be made in the retirement law. In other words, the state should be made to live up to the requirements of the law that it enacts for retirement insurance of its own employees, just as it provides for commercial agencies living up to the legal requirements as regards the reserves that they must carry.

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 contain a provision requiring annual payments into the sinking fund which becomes the basis of the teacher's retirement allowance upon reaching superannuation.

Critical Review of Principle—Service and Deposits Concurrent

Table 11 shows that this principle is accepted without modification by 87.2 percent of the 109 replying. An additional 7.3 percent are willing to accept this principle with some modifications.

Only three persons *did not accept* the principle that service and deposits should be concurrent. Two of these, however, modified their replies showing that they are not entirely opposed.

One of the eight "reviewers" who accept the principle that service and deposits should be concurrent offers this suggestion:

If the deposits to the retirement fund by the state are not made when the teacher makes his, they will have to be larger because of the interest earned by the teacher's deposits. The only sensible

TABLE 10.—IN A TEACHER RETIREMENT SYSTEM SHOULD COSTS BE SHARED BY TEACHERS AND PUBLIC?

(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	48	82.8	13	48.1	5	83.3	13	72.2	79	72.5
Yes with some modification..	7	12.1	13	48.1	1	16.7	3	16.7	24	22.0
Total yes.....	55	94.8	26	96.3	6	100.0	16	88.9	103	94.5
No without modification..										
No with some modification..	1	1.7	1	3.7			1	5.6	3	2.8
Total no.....	1	1.7	1	3.7			1	5.6	3	2.8
Blank.....	2	3.5					1	5.6	3	2.8
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

way is for the state fund to be built up to meet the state's obligations as rapidly as the liability occurs.

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

TABLE 11.—IN A TEACHER RETIREMENT SYSTEM SHOULD SERVICE AND DEPOSITS BE CONCURRENT?
(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	53	91.4	21	77.8	6	100.0	15	83.3	95	87.2
Yes with some modification..	3	5.2	5	18.5					8	7.3
Total yes.....	56	96.6	26	96.3	6	100.0	15	83.3	103	94.5
No without modification.....							1	5.6	1	.9
No with some modification.....			1	3.7			1	5.6	2	1.8
Total no.....			1	3.7			2	11.1	3	2.8
Blank.....	2	3.4					1	5.6	3	2.8
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

TABLE 12.—IN A TEACHER RETIREMENT SYSTEM SHOULD THE AMOUNT OF DEPOSITS BE FIXED?
(Expression of Opinion of Four Groups of Educators)

Replies	Members of N.E.A. Retirement Committee		Secretaries of State Teacher Retirement Systems		Secretaries of State Teacher Associations		Committee on Home for Retired Teachers, etc.		All groups	
	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent	Number replying	Per Cent
1	2	3	4	5	6	7	8	9	10	11
Yes without modification..	49	84.5	19	70.4	4	66.7	16	88.9	88	80.7
Yes with some modification..	6	10.3	7	25.9	2	33.3	2	11.1	17	15.6
Total yes.....	55	94.8	26	96.3	6	100.0	18	100.0	105	96.3
No without modification.....										
No with some modification.....										
Total no.....										
Blank.....	3	5.2	1	3.7					4	3.7
Total number replies received.....	58	100.0	27	100.0	6	100.0	18	100.0	109	100.0

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.

Critical Review of Principle—Amount of Deposits Fixed

Table 12 shows that all who reviewed this principle accept it either unqualifiedly or with some modification. Among the qualifications suggested were these:

1. The amount of deposits would be based on age-rate tables.
2. The amount of deposits should be fixed in percentages.
3. It may not be sound business, but many teachers prefer to calculate on a fixed deduction each month, rather than on a percent of what they actually receive, as actual receipts vary if out on sick leave.
4. Provision should be made in such way that contributions are fixed by a description of the method of ascertaining the amount, and not by tables and figures quoted in the law which do not adjust automatically as conditions change.
5. The public funds should not be used except for the retired pay—the partial support of the teacher in his old age. The public should, therefore, treat all teachers alike. Each teacher should receive the same amount for each year of service whether it be a kindergarten assistant or a high school principal. There may be a limit to the amount according to years of service, but the public should not give one teacher more than another, for the same tenure of service.

Suggested Extension of Fundamental Principles

The eleven "Fundamental Principles of a Teachers' Retirement System" that have been discussed above are those which were set forth in the 1924 Report of the National Education Association's Committee on Teachers' Retirement Allowances. In the inquiries sent to the four groups of educators mentioned above, this question was asked: "Are there items not covered in the eleven 'Fundamental Principles' which you think should be included in a 'Statement of Fundamental Principles?'" The majority of the 109 replying seemed to

feel that the eleven Fundamental Principles presented in the 1924 Report are sufficient. Some additional items suggested by one or more persons are given below:

I. Reciprocal Relations between States.—"Provision should be made for reciprocal relations with retirement systems in other states. It should be possible for a teacher to render teaching services any place in the United States or its territories without being penalized by a reduced retirement allowance."

II. Personnel of Retirement Boards Prescribed.—"The Organic Law should carefully prescribe the makeup or personnel of the retirement boards, particularly the board responsible for the investments, and the method of appointment or selection, so as to assure a high type of personnel and to eliminate all political appointments."

III. Administration Should Be Representative.—"The administrative board should represent the public and the teacher."

There has been insufficient time to study carefully the above suggestions for the extension of the eleven fundamental principles of a retirement system. They deserve careful consideration. It is probable that at a future date it will be desirable to extend the list of fundamental principles to cover some of the points listed above.

IV. Retirement System on a Reserve Basis.—"The retirement system should be financed by establishing sinking funds to pay the retirement allowances. The yearly contributions of the teachers and the public, deposited in two separate funds, will, with compound interest and safe investment, provide adequate funds."

V. Actuarial Evaluations Made.—"Periodic valuations, at least once in every five years, should be made to insure the financial soundness of the retirement system."

VI. No Change in Rates Unless Under Special Conditions.—"No changes in rates should be permitted unless determined by an actuarial evaluation as necessary to provide sufficient reserve funds. To provide a larger annuity, a higher rate may be recommended, but there should be no change in the rate of contribution of a member unless the member consents."

Why Every State Should Enact a Sound Teacher Retirement Law

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

1. *It sets up a plan whereby every teacher upon attaining old age and infirmity will have had some provision made for his retirement.*

A sound teacher retirement law makes membership in the retirement system compulsory for all teachers in public school work. The younger teachers may be permitted to defer their enrolment, but are required to begin contribution to the fund by a certain date, in order that before they reach an advanced age there is sufficient time to build up a sum providing an adequate allowance at time of retirement. By such a method the school system will be assured that the future of every member has been provided for.

2. *It frees school boards from the obligation of continuing to employ teachers formerly satisfactory, but who are now rendered incompetent by old age.*

Where no retirement plan is in force, school boards are often forced to make one of the following choices:

a. The retention of a teacher rendered incompetent by 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 and 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. The mark of his disability is left upon the plastic children under his control.

School boards should not have to make such a choice. They should be free to employ none but competent teachers. The presence of a sound teacher retirement law makes this possible.

3. *It removes the necessity for teachers to continue in service after their effectiveness has been seriously reduced by advanced age, or other disability.*

Superannuated teachers are not anxious to continue in service, but under present conditions many must either do so or accept charity. When confronted with this alternative they appeal to the sentiment of school boards and school officials and exert political pressure in order to retain their positions. Such practice is rendered unnecessary when a sound teacher retirement law has been adopted.

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.*

Today the children in the public schools are being taught 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 during active service nor security in old age. Too great a strain should not be placed on the missionary spirit. 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. A sound teacher retirement system guarantees reasonable security in old age, thereby removing one obstacle to the recruiting of an adequate supply of teacher candidates.

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

A sound retirement system prevents the "hanging on" of those in the more responsible positions after the normal age for retirement has been reached and their efficiency has been reduced by advanced age. The paths of promotion are thus kept open for the abler and 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 increases the dignity of the teaching profession by keeping its ranks free of those incapacitated by old age.*

Young people of worth cannot be expected to offer themselves in large numbers for a profession, the service of which is so lightly valued by society that its members are often found destitute in old age. The young person wonders if he in turn, when old age overtakes him, will have to linger on in the teaching profession, rendering constantly less efficient service due to the impairment of his faculties by old age. The teaching profession differs from a large corporation in that it does not have various levels of employment to which the elderly employees can be demoted. Every job in the teaching profession requires a high degree of efficiency.

The aged and destitute teacher's other alternative from continuing in service is the acceptance of charity. 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."

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 other 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.

In a sound retirement system the fund built up as a basis for the teacher's retirement annuity is his personal property. It cannot be taken away from him any more than property of other kinds can be confiscated without proper return. The retirement income, whereas not large, is secure and can be depended upon. Teaching thus becomes a protection for old age. There is no necessity for swinging over into some more lucrative work in order to provide for the future.

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

Sound teacher retirement systems provide for the building up of a fund for each member over a period of years which forms the basis for an income received after retirement. With each added year of service this fund increases until it eventually is sufficient to provide an adequate retirement allowance. Each year brings the teacher nearer to the time of old age—and were a retirement system not in force, this would mean a time when he would probably be partly or wholly dependent upon relatives or charity for support. A sound plan of retiring allowances will prove an attractive savings investment to the foresighted teacher and will be a factor in retaining him in the service.

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 relieving the teacher's mind of the fear of a destitute old age.*

More and more responsibilities have been placed upon the school in the last few decades. The result is a rapid increase of the teaching load. If the period of a teacher's effective service is not to be seriously reduced, unnecessary worry must be avoided. Enthusiasm and optimism are essential to the best teaching. A mind harassed by fear for the future does not usually possess these qualities. A properly planned teacher retirement system removes one of the main causes of worry from the lives of teachers and preserves 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 his equals or superiors. The best protection that a teacher has from growing old mentally as well as physically is study and travel. When he comes in contact with adult minds in a first class teacher training institution and gets 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 meager 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 through study and travel, 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 school staff than being required to work under the direction of superiors more or less incompetent because of old age. The younger teachers need the incentive that comes from knowing that good service will be rewarded by promotion. Directors should be alive to new ideas and methods resulting from scientific research and experimentation. An adequate retirement system can keep the administrative and supervisory positions free from officials incapacitated by old age. The morale of the teaching force will thus be kept at a high level with untold benefit to school children.

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

Much of the benefit of teaching is lost if the child does not respect the teacher. In this day and age, the teacher can hardly expect to claim the respect, vital to effective teaching, from young people if he receives small compensation during active service and is often dependent in old age. The enactment of a retirement law in which costs are partly borne by the public is a recognition of the value of a teacher's service. Without this recognition his ability to influence for good the lives of the 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 50 to 100 percent 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 to the retiring teacher. A retirement system, therefore, makes for greater efficiency at 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. 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 human lives.

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

Under some 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 increase 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 provision for teacher retirement will eventually provide one. The enactment of a sound teacher retirement plan, based upon principles that are a result of experience and careful study, is to be desired by all progressive communities. It prevents the adoption of ill-advised, half-way 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 the retirement plan was 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 percent of all school expenditures. This small initial cost is more than offset by the money actually saved in other directions as a result of a sound teacher retirement system. 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: "Most large employers of labor find a system of pensions essential to the efficiency of their staffs. One of their greatest problems has been the disposition of employees who have outlived their economic usefulness. Even the most mechanical practitioner of 'efficiency' recognizes that humanity and gratitude are imponderables that cannot be disregarded. 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. Properly regarded, it is not philanthropy; it is simply business."

The Metropolitan Life Insurance Company, the New York Stock Exchange, and the Western Clock Company have lately established systems commended by some writers as being essentially sound. The Associated Press, railway, and commercial corporations have contracted with insurance companies to provide pension systems for their employees. According to the Twentieth Annual Report of the Carnegie Foundation, "developments of the year in the field of industrial pensions reveal two tendencies: the first, toward funding pension obligations in advance; the second, toward contractual security."¹

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

A recent survey of the Federal service indicates that there are approximately 380,000 employees (including employees of the District of Columbia) subject to the retirement law. The Retirement Act of 1926 includes all classified employees of the United States, with the exception of postmasters. Practically all trades, professions, and other classes of work are represented in this classification. There is a special system for the Lighthouse Service in the Department of Commerce and for teachers, policemen, and firemen of the District of Columbia.²

"An act for the retirement of employees in the classified civil service and for other purposes" was passed by Congress, May 22, 1920. A bill to amend this act was introduced into the House as H. R. 7 (Report No. 1099) and into the Senate as S. 786 at the first session of the 66th Congress. The bill introduced in the House, prepared by the Director of the Budget, was passed and became effective July 3, 1926. The two bills are alike in that both make provision for superannuation retirement after fifteen years of service, and reaching the age of 62, 65, or 70 years

¹ The Carnegie Foundation for the Advancement of Teaching, 522 Fifth Avenue, New York City. *Twentieth Annual Report of the President and of the Treasurer*, 1925, p. 166.

² Information secured from United States Civil Service Commission, Washington, D. C.

dependent upon the type of employment, and for continuation of employment after the retirement age is reached, such extension of service not to exceed four years, after August 20, 1930.

The maximum annuity is \$1000 per annum. The employees' contribution under this new act amounts to $3\frac{1}{2}$ percent of the salary of the employee.

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. Figures for 1924 show that 6 percent of the national income was paid for insurance, or more than \$3,500,000,000 was paid by the American people in insurance premiums. At that time there was \$64,000,000,000 worth of life insurance in force in the United States.¹ A sound teacher retirement system resembles an insurance plan, administered and partly financed by the public, whereby the public school is guaranteed the greater efficiency that comes from insurance against the employment of superannuated employees.

¹ The National Education Association, 1201 Sixteenth Street, N. W., Washington, D. C. *Research Bulletin*, Volume III No. 3, "Taking Stock of the Schools," May, 1925, p. 86.

A RETIREMENT system is a financial measure for increasing the effectiveness of a group of workers by promoting their financial welfare in a way which builds up a more loyal, more experienced, and more enthusiastic group. It benefits the employees by giving them financial security as to their personal future, and it benefits the employers through the increased effectiveness of the employees working under such conditions. . . . In the first place, it makes possible the removal without hardship of the superannuated, who constitute a very heavy burden. Retention of superannuated employees on the payroll is injurious to an organization, not only because they continue to draw full pay for inefficient service, but also because they occupy the space and use the equipment which could be more profitably used by more effective workers. Moreover, young and ambitious workers find their promotion blocked by the retention of the superannuated, become discouraged, and frequently pass into other employment to the great detriment of the service. In the second place, the retirement system makes the conditions of employment attractive and tends to draw into the service persons of character and ambition. It is difficult to induce such persons to enter an employment with the intention of making it a life work unless they can feel assured that a lifetime devoted to the work will give them at least an adequate financial provision for their dependents and for their own old age. In the third place, a retirement system which is soundly planned provides a strong inducement to continued service. It is especially effective in retaining persons of character, experience, and initiative. Such persons necessarily form the most valuable element in any service, yet they are the very ones most difficult to retain in a salaried employment. There can be no doubt that the conditions which a scientifically planned retirement system will remedy, are prevalent in our public educational system. It is a matter of common knowledge that while the work of education makes a strong appeal to many who have the desired qualities of mind and character, the number who actually make teaching a life profession is small. In most every other walk of life, it is common to find persons of distinction who have been valuable teachers but have been driven from the teaching profession because they could see no way of providing for their own old age or for their children and dependents in event of early death. Wherever a careful examination has been made, it has been evident that there is a great amount of superannuation in the teaching profession, that the number of men employed in the profession has been constantly decreasing for many years, that the proportion of experienced teachers is low, and that the turnover in employment is very great. The cost of training teachers is high and is borne by the public, yet the average time teachers remain in the service after they have been trained is short. These are undesirable conditions which a properly designed retirement system can remove.—*Addresses and Proceedings of the N. E. A., 1923, pages 379 and 380.*

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 concerned with the elevating effect that a sound retirement system has upon the profession in general and the benefits that such a system guarantees him as an individual. There is no necessary conflict between these two interests.

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. But the retirement plan which promises the greatest increases in teaching efficiency is the one which in the end will bring the greatest benefits to the individual teacher.

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

It has been pointed out in the preceding pages that a sound teacher retirement system increases the efficiency of the school staff. It is, therefore, the duty of every member of the profession possessed of a proper profes-

sional 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:

- a. Human beings must look forward to old age.
- b. Practically all old teachers did not expect to keep on in the profession when they first began teaching.
- c. Many teachers who have given their lives to the profession are actually destitute at the present time.

A recent investigation covering but twelve states revealed 1,263 teachers dragging out the last years of their lives in 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. No one can predict his future with certainty.

In fact, reaching old age without adequate financial support is more likely to happen to a teacher than 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. 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. 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 a maximum retirement annuity so low that those in the upper levels of the profession receiving the higher salaries refuse to retire unless 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. 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 there will be a reasonable relationship between the teachers' salary at retirement and the amount of the annuity, while the fixing of a maximum amount which a teacher may receive from public funds guarantees that no one will share unduly in the income from this source. Promising people in the lower ranks will receive the promotion that is their right.

6. Sound retirement legislation should be based only upon expert advice and technical data.

Those charged with the drafting of retirement legislation should be guided by the experience gained in the administration of teacher retirement systems during the past generation and the mass of exact information now available. Legislation should not be drafted which does not draw upon this experience. This does not mean that teachers' organizations need accept dogmatically stated principles or plans laid down by experts. The teachers' decision, based upon an analysis of all the facts in the case, is often worth as much as that of the expert who is often less familiar with local conditions. Teachers 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 on 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 preceded by and be based upon a proper education of both the teaching profession and the public.

In local communities there is sometimes a

small minority of teachers who do not appreciate the need for retirement legislation. Among the general public there are still a few so shortsighted 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.

8. *The enactment of sound legislation must be based upon united effort on the part of the teaching profession.*

In carrying on the important work of actually obtaining the enactment of legislation, teachers must preserve a united front. The opponents of sound teacher retirement legislation too often have betrayed such measures 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. Much of the difficulty that lies in the way of present legislation arises from the indifference or petty disputes of the teachers.

All teachers, no matter what type of educational position they hold, should approach the problem 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 PROBLEM of retirement is essentially one of business management. Superannuation in employment is an economic waste; turnover in employment is an economic waste; failure to attract to an employment people of the highest character and ability is an economic waste; failure to retain trained and experienced employees is an economic waste. Inefficiency in the schools is far more deplorable than inefficiency in business, for it wastes not money alone, but the time and opportunity of the pupils. The training and qualifications required of teachers, and the conditions of their work are such that the beneficial effect of an equitable provision for their retirement is probably greater in their case than in any other employment.—*Addresses and Proceedings of the N. E. A., 1923, p. 377.*

CAPABLE, HIGH-MINDED people should be encouraged in every way by tenure, pensions, social recognition, and adequate salaries to enter upon teaching as a career—people who would go into teaching not as a trade or commercial undertaking but as a fine art; who would teach with joy, enthusiasm, with the missionary spirit. Such teachers are often ready and willing to go into teaching for the love of it, for the good they can do, without too much regard for the salary, provided they can have some security against dependence in old age or if disabled in any way. Provision for retirement allowances frees such teachers and all 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. While pensions and tenure help to secure and hold good teachers they also make it possible to free the schools, with social justice and dignity, from superannuated and incapacitated teachers. If superannuated teachers are held too long the young, ambitious, progressive teachers become discouraged because of 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 lack of force and vitality in the teaching of 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.—*Addresses and Proceedings of N. E. A., 1919, page 146.*

State and Local Retirement Systems Now in Effect

The following lists of states and cities where the different types of retirement laws are in effect have been compiled with the aid of the secretaries of the state and local retirement associations. They reveal the present situation in the United States in regard to teacher retirement. This review, insofar as it concerns local retirement systems, does not purport to be complete. It is at times difficult to tell when certain cooperative arrangements maintained by teachers and local school systems should be given the dignity of the name "retirement systems." When there was any question as to whether a local arrangement should have such a title it has been omitted from this review. It is also possible that some well-planned bona-fide retirement systems have been omitted, in spite of the fact that a careful series of letters were written to a number of responsible officials in all states in an attempt to make a complete check. The Research Division of the National Education Association has collected copies, whenever available, of the laws establishing the retirement systems, together with reports and bulletins relative to the working out of state and local retirement laws. Information concerning the content or availability of these laws may be secured by addressing the National Education Association.

The map on page 31 graphically pictures the situation in 1926 as it concerns the development of teacher retirement systems insofar as data could be obtained by the methods stated in the preceding paragraph.

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

Arizona	Montana
California	Nevada
Connecticut	New Jersey
District of Columbia	New York ¹
Illinois	North Dakota
Indiana	Ohio
Maine	Pennsylvania
Maryland	Rhode Island
Massachusetts	Vermont
Michigan	Virginia
Minnesota	Wisconsin

Where State Wide Teacher Retirement Laws are in effect, the following cities and counties have local teacher retirement systems independent of the state systems:

San Francisco, Calif. ²	Minneapolis, Minn.
New Haven, Conn.	Duluth, Minn.
Chicago, Ill. ²	St. Paul, Minn.
Peoria, Ill.	New York City, N. Y.
Terre Haute, Ind.	Bristol, R. I. ²
Indianapolis, Ind.	Newport, R. I. ²
Allegany County, Md. ²	Providence, R. I. ²
Baltimore County, Md. ²	Milwaukee, Wis.
Boston, Mass.	

State Teacher Retirement Laws affecting certain cities are in effect in the following states:

Cities operating retirement systems under such State Laws are:

Colorado	Canon City
	Colorado Springs
	Denver
	Greeley
	Pueblo
Iowa	Des Moines
Kansas	Topeka
	Atchison
	Parsons
Kentucky	Lexington
	Louisville
	Newport
Louisiana	New Orleans
Michigan	Detroit
Nebraska	Omaha
Oregon	Portland
Utah	Salt Lake City
Washington	Bellingham
	Everett
	Seattle
	Spokane
	Tacoma
West Virginia	Parkersburg
	Wheeling

No State Law Relative to Teacher Retirement is in effect in the following states:

Alabama	Delaware
Arkansas	Florida

¹ The New York Law does not include the teachers of New York City.

² Teachers are also enrolled in the state system.

Georgia
Idaho
Mississippi
Missouri
New Hampshire
New Mexico

North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Wyoming

teacher retirement, the following cities and counties have local retirement systems:

Mobile County, Ala.	New Hanover Co., N. C.
Jefferson County, Ala.	Durkee, N. C.
Wilmington, Del.	Charleston, S. C.
Atlanta, Ga.	Chattanooga, Tenn.
Augusta, Ga.	Hamilton, Tenn.
Savannah, Ga.	Nashville, Tenn.
Manchester, N. H.	San Antonio, Tex.

In some of the above states where there are no permissive or mandatory laws relative to

Where to Write Concerning Details of State and Local Retirement Systems

School officials and laymen concerned with retirement legislation may wish to make use of the experience of other states or communities in handling the problem of teacher retirement. This section is included for those who desire more information than could be given in this Bulletin as to certain administrative

or financial phases of the retirement systems in effect, or the procedure followed where retirement legislation is proposed. The following directories give information as to whom correspondence may be addressed in order to secure details concerning state and local retirement systems.

DIRECTORY OF STATE WIDE AND TERRITORIAL TEACHER RETIREMENT SYSTEMS

State or Territory	Person to whom correspondence should be addressed relative to teacher retirement	Address
Arizona.....	C. O. Case, State Superintendent of Public Instruction.	Phoenix, Ariz.
California.....	Miss Marion H. Ketcham, Assistant Secretary, Public School Teachers' Retirement Salary Fund Board.	Box 615, Sacramento, Calif.
Connecticut.....	Miss Dorothy M. Shanley, Secretary, Teachers' Retirement Board.	State Capitol, Hartford, Conn.
District of Columbia.....	Maj. Raymond O. Wilmarth, Assistant Superintendent of Schools.	Franklin Administration Building, 13th and K Streets N. W., Washington, D. C.
Hawaii.....	Henry P. O'Sullivan, Secretary, Employees' Retirement System of the Territory of Hawaii.	Room 2, Second Floor, National Guard Armory, Honolulu, Hawaii.
Illinois.....	R. O. Clarida, Secretary, Teachers' Retirement Fund Board.	State Capitol, Springfield, Ill.
Indiana.....	O. H. Griest, Ex. secretary, Teachers' Retirement Fund Board.	225 Capitol Building, Indianapolis, Ind.
Maine.....	Dr. Augustus O. Thomas, State Superintendent of Public Instruction.	State-house, Augusta, Me.
Maryland.....	E. W. Broome, County Superintendent of Schools, Montgomery County.	Rockville, Md.
Massachusetts.....	Clayton L. Lent, Secretary, Teachers' Retirement Board.	204 State-house, Boston, Mass.
Michigan.....	Mrs. Georgiana Larabee, Secretary, Teachers' Retirement Fund Board.	602 American State Savings Bank Building, Lansing, Mich.
Minnesota.....	M. A. Morse, Secretary, Teachers' Insurance and Retirement Fund.	211 Historical Building, St. Paul, Minn.
Montana.....	Miss May Trumper, State Superintendent of Public Instruction.	Helena, Mont.
Nevada.....	Charles Priest, Ex. secretary, Teachers' Retirement Fund Board.	State Capitol, Carson City, Nev.
New Jersey.....	John A. Wood 3d, Secretary, Teachers' Pension and Annuity Fund.	P. O. Box 840, Trenton, N. J.
New York.....	E. G. Lantman, Secretary, Teachers' Retirement Fund Board.	Albany, N. Y.
North Dakota.....	P. S. Berg, Superintendent of Schools.....	Dickinson, N. Dak.
Ohio.....	W. E. Kershner, Secretary, Teachers' Retirement Fund Board.	324 Rowlands Building, Columbus, Ohio.
Pennsylvania.....	H. H. Baish, Secretary, School Employees' Retirement Board.	Harrisburg, Pa.
Rhode Island.....	Walter E. Ranger, State Commissioner of Education.	119 State-house, Providence, R. I.
Vermont.....	Clarence H. Dempsey, Commissioner of Education.	Montpelier, Vt.
Virginia.....	Harry Foster, Department of Education.....	Richmond, Va.
Wisconsin.....	R. E. Loveland, Secretary, Teachers' Retirement Fund Board.	State Capitol, Madison, Wis.

The above names and addresses were obtained through inquiries sent to State Superintendents of Public Instruction and to secretaries of state wide teacher retirement systems.

DIRECTORY OF STATE TEACHER RETIREMENT SYSTEMS WHICH APPLY TO CERTAIN CLASSES OF CITIES AND LOCAL RETIREMENT SYSTEMS

State	City or County	Person to whom correspondence should be addressed relative to retirement systems	Address
Alabama	Mobile County	Miss Natalie Simison, Secretary, Mobile Teachers' Association.	Mobile, Ala.
	Jefferson County	E. B. Erwin, Superintendent of Schools, Jefferson County.	Birmingham, Ala.
Colorado	Canon City	O. B. Drake, Superintendent of Schools.	Canon City, Colo.
	Colorado Springs	T. J. Fox, Secretary, School Board.	Colorado Springs, Colo.
	Denver	Mrs. Mary C. C. Bradford, State Superintendent of Public Instruction.	Denver, Colo.
Connecticut	Greeley	G. E. Brown, Superintendent of Schools.	Greeley, Colo.
	Pueblo	J. F. Keating, Superintendent of Schools.	Pueblo, Colo.
Delaware	New Haven	Robert B. Hall, Secretary, Retirement Fund Board.	City Hall, New Haven, Conn.
	Wilmington	Miss Florence Ramo, Secretary, Retirement Fund Board.	905 Delaware Avenue, Wilmington, Del.
Georgia	Atlanta	H. Reid Hunter, Superintendent in charge of High Schools.	Atlanta, Ga.
	Augusta	Lawton B. Evans, Superintendent of Schools.	Augusta, Ga.
Illinois	Savannah	O. B. Strong, Superintendent of Schools.	Savannah, Ga.
	Chicago	Miss Mary Abbe, Recording Secretary, Retirement Fund Board.	630 S. Clark Street, Chicago, Ill.
Indiana	Peoria	Miss Catherine C. Quinn, Financial Secretary, Retirement Fund Board.	602 N. Madison Avenue, Peoria, Ill.
	Indianapolis	Frank L. Reissner, Secretary, Retirement Fund Board.	City School Administration Building, Indianapolis, Ind.
Iowa	Terre Haute	Miss Lulu B. Johnson, Secretary, Retirement Fund Board.	912 N. 9th Street, Terre Haute, Ind.
	Des Moines	J. W. Studebaker, Superintendent of Schools.	Des Moines, Iowa.
Kansas	Atchison	Thomas B. Portwood, Superintendent of Schools.	Atchison, Kans.
	Parsons	Rees H. Hughes, Superintendent of Schools.	Parsons, Kans.
Kentucky	Topeka	A. J. Stout, City Superintendent of Schools.	Topeka, Kans.
	Lexington	Miss Mary Walby, Secretary, Board of Insurance and Annuity.	119 E. Maxwell Street, Lexington, Ky.
Louisiana	Louisville	Miss Carrie R. Gross, Secretary, Trustees of Annuity Fund.	742 S. 22d Street, Louisville, Ky.
	Newport	Miss Dora Cumming	Newport, Ky.
Maryland	New Orleans	A. J. Tete, Secretary-Treasurer, Board of Trustees, Teachers' Retirement Fund.	Municipal Building, New Orleans, La.
	Allegheny County	Mrs. Margaret S. Upham, Secretary, Retirement Fund Board.	211 Washington Street, Cumberland, Md.
Massachusetts	Baltimore	S. R. Murphy, Secretary, Board of Trustees, Retirement Fund.	Baltimore, Md.
	Baltimore County	J. T. Herahner, Assistant Secretary, Retirement Fund Board.	Towson, Md.
Nebraska	Omaha	John H. Beveridge, Superintendent of Schools.	Omaha, Nebr.
	Manchester	Frank A. Morris, Superintendent of Schools.	Manchester, N. H.
New Hampshire	Nashua	Charles H. Noyes, Superintendent of Schools.	25 Auburn Street, Nashua, N. H.
	New York City	Magnus Gross, Secretary, Teachers' Retirement System of the City of New York.	Municipal Building, New York City, N. Y.
North Carolina	New Hanover County	Maj. W. A. Graham, Superintendent of Schools.	Wilmington, N. C.
	Portland	Charles A. Rice, Superintendent of Schools.	Portland, Oreg.
Oregon	Bristol	William E. Hobbs, Superintendent of Schools.	Bristol, R. I.
	Newport	H. W. Lull, Superintendent of Schools.	Newport, R. I.
Rhode Island	Providence	William H. Worrall, City Auditor.	City Hall, Providence, R. I.
	Charleston	A. B. Rhett, Secretary, Fund Board.	Charleston, S. C.
South Carolina	Chattanooga	J. S. Ziegler, Superintendent of Schools.	Chattanooga, Tenn.
	Hamilton County	J. E. Walker, Superintendent of Schools.	Chattanooga, Tenn.
Tennessee	Nashville	Secretary, Board of Public School Pension Commissioners.	Nashville, Tenn.
	San Antonio	C. A. Arnold, Secretary-Treasurer, Pension Society.	1005 Nolan Street, San Antonio, Tex.
Texas	Salt Lake City	George King, Secretary, Retirement Fund Board.	311 City & County Building, Salt Lake City, Utah.
	Bellingham	Miss Tryphena Warren, Secretary, Retirement Fund Board.	Mason Building, Bellingham, Wash.
Utah	Everett	S. Frank Spencer, Retirement Fund Board.	Everett, Wash.
	Seattle	Miss Beatrice Robinson, Retirement Fund Board.	Everett, Wash.
Washington	Spokane	K. J. Knutson, Secretary, Retirement Fund Board.	843 Central Building, Seattle, Wash.
	Tacoma	Miss Clara L. Jahnke, Secretary, Retirement Fund Board.	Administration Building, Spokane, Wash.
West Virginia	Parkersburg	John O. Peterson, Secretary, Tacoma Teachers' Retirement Fund.	Central School Building, Tacoma, Wash.
	Wheeling	H. E. Ogden, Superintendent of Schools.	Parkersburg, W. Va.
Wisconsin	Milwaukee	C. A. Danford, Secretary, Teachers' Retirement Pension Fund.	Administration Building, 2125 Chapline Street, Wheeling, W. Va.
		Lucius T. Gould, Assistant, Secretary Retirement Fund Board.	Cor. 10th and Prairie Streets, Milwaukee, Wis.

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

Roll Call by States as to Plans Affecting Retirement Legislation

To secure a nation wide survey of plans now under way relative to the enactment of teacher retirement laws or the modification of previous retirement legislation, letters were sent to state superintendents of schools and to secretaries of state and local teacher retirement systems. To secure additional information in some cases letters were also sent to secretaries of state teacher associations and chairmen of state and local retirement committees. Below is presented a brief summary of the information, secured from one or more of the above sources, relative to plans affecting retirement legislation.

Alabama.—No state retirement law is in effect in Alabama. No plans for initiating retirement legislation have been reported.

Arizona.—A state wide retirement law is in effect in Arizona. No report has been made of legislation planned for its modification.

Arkansas.—There is no state teacher retirement law in effect in Arkansas. No attempt has formally been made by the Arkansas Education Association to secure the passage of such a law. At the present time, however, there is a growing interest in retirement legislation. The teachers have secured the interest and cooperation of the state superintendent, and have drafted a retirement bill for presentation to the legislature in 1927. Mrs. Birdie V. Lambright, of Little Rock, Arkansas, is chairman of the committee on retirement.

California.—A state wide teacher retirement law is in effect in California. It will probably be necessary at some future time to modify the law in order to put it on a more substantial basis. However, as further experience and information relating to law are necessary, no legislation will probably be attempted at the coming session of the legislature. A retirement system for the city employees of San Francisco was established in December 1925. The city of Oakland is preparing to adopt a similar plan.

Colorado.—There is no state wide teacher retirement law in effect in Colorado. The present state retirement law affects all cities of the first class. A committee of the Colorado Education Association is making a scientific study of the retirement problem in an

effort to work out a satisfactory bill to present to the people of Colorado. Appropriations were made by the state board of directors as well as cities to defray expenses of the committee on retirement. This committee is now working in cooperation with the Colorado Education Association's Committee on School Legislation. It is planned to have the new bill apply to teachers other than those in the first class districts. For additional information concerning the activities of the retirement committee see: *Colorado School Journal*, January 1926, Vol. 41, p. 56; April 1926, Vol. 41, pp. 5-10, 26; May 1926, Vol. 41, p. 5.

Connecticut.—There is a state wide teacher retirement law in effect in Connecticut. In 1925 legislative amendments were made to the state law affecting the method of contributions from the state and raising the minimum allowance for service, retirement, and disability.

Delaware.—There is no state teacher retirement law in effect in Delaware. A bill for a Teachers' Retirement Fund was introduced in the 1925 session of the Delaware General Assembly, and was passed by the Senate. This fund, however, was not based upon the necessary actuarial data. It was decided to begin collecting the material required for proposing a sound state wide retirement system. Cards were circulated among the teachers to secure the required information, and were then forwarded to the Carnegie Foundation for analysis. It is possible that this work will result in a proposed state wide teacher retirement law. John Shilling, of the state office, Dover, is in charge of the movement.

District of Columbia.—A retirement system for public school teachers in the District of Columbia was established January 15, 1920, by the 66th Congress as Public Document No. 111, H. R. 5818. A bill amending this act was introduced as H. R. 10051 into both Houses of Congress on March 5, 1926. The bill passed the House and Senate, and was approved by the President on June 11, 1926. The former law was changed in several respects:

1. The contribution from the District government to the annuity fund is increased from \$10 per

annum for each year of service on the part of the retired teacher to \$15 per annum for each year of service on the part of the retired teacher not to exceed forty years.

2. The minimum retirement allowance was raised from \$420 to a computed amount which will approximate \$600.

3. The maximum salary upon which estimates are made was increased from \$1,500 to \$2,000.

Florida.—Florida has no state teacher retirement law. A teacher retirement act, introduced at the 1921 state legislature, failed of passage largely because its terms were not satisfactory to the teachers of the state. No definite legislative plans are reported for the immediate future. The problem of teacher retirement is a difficult one in Florida, due to the high percentage of turnover among the teachers of the state.

Georgia.—There is no state teacher retirement law in effect in Georgia. A proposed state teacher retirement plan has been drafted by teachers of Chatam and Savannah. An outline of the system may be found in the February 1926 issue of *Home-School and Community*, p. 20, published by the Georgia Education Association.

Hawaii.—A retirement system for the employees of the Territory of Hawaii, including teachers in the public schools, was approved by the Governor, April 1925, and began operation on January 1, 1926. The plan is said to compare in liberality with the newer sound plans of other states and was established on a financially sound basis.

Idaho.—There is no state teacher retirement law in effect in Idaho. A committee of the Idaho State Education Association has begun collecting data from teachers to be used in proposing a sound state retirement law.

Illinois.—There is a state wide teacher retirement law in effect in Illinois. Local teacher retirement systems are also in operation independent of the state retirement system. There has been no report of legislation planned to date to modify the present retirement law.

Indiana.—Indiana has a state wide retirement system in effect, and the only plans reported as to its modification are to broaden the field of investment. The separate system established for Indianapolis has proven financially unsound, and a majority of the teachers have voted to go into the state fund. As some of those not in favor of the move have enjoined the action, the outcome is uncertain.

Iowa.—There is no state wide teacher retirement law in effect in Iowa. A pension and annuity retirement system is in operation in the independent school district of Des Moines under a permissive statute of the School Laws of Iowa. An act (House File No. 327) permitting any school district having a population of 75,000 or more to establish, under regulations of the new act, a pension and annuity retirement system for the public school teachers of such district, and increasing the maximum rate of assessments on teachers' salaries, was introduced in the state legislature in 1925. An actuarial investigation was conducted in the state in 1923 and a bill providing for a state wide teacher retirement system, based upon this investigation has been drafted.

Kansas.—Because of the rapid turnover in the teaching profession, it has been difficult to create a sentiment in favor of securing a state wide teacher retirement law for Kansas. A special committee, Assistant Superintendent F. L. Schlagle, chairman, was appointed by the Representative Assembly to study the problem of group insurance. The committee arrived at the conclusion that the greatest immediate possibilities are offered by group insurance. The committee is now working in order that a workable plan may be presented at the next general meeting of the state teachers association.

Kentucky.—There is no state wide retirement system in effect in Kentucky. Certain cities are operating retirement systems under a recently amended state law referring to cities of the second class. A bill to provide pensions for public school teachers who had served twenty years (House Bill, No. 412) passed both the House and Senate in the 1926 legislative session but was vetoed by the Governor. There is a general feeling in Kentucky that a well-prepared teachers' retirement bill should be presented to the next legislature.

Louisiana.—Louisiana has no state wide retirement law in effect. A Committee on Pensions, P. C. Rogers, of Homer, Louisiana, chairman, has been working on the problem for several years. The committee has had as its objectives: (1) To arouse, create and stimulate favorable sentiment among teachers, voters and legislators for the enactment of a sound retirement law; (2) To prepare a tentative bill for the consideration of the

state legislature. In accordance with this program, the committee made a study of the methods used in several states, and reported on the features of the Iowa State Teachers' Annuity Plan, in order that the teachers and general public in Louisiana might be informed as to the essential features of annuity plans. However, it was decided not to attempt to introduce a plan for a retirement system at the legislature now in session.

Maine.—A state wide teacher retirement law is in effect in Maine which seems satisfactory. No plans for any future retirement legislation have been reported.

Maryland.—A state law establishing a pension system for public school teachers is in effect in Maryland. E. W. Broome, Rockville, Maryland, is chairman of a committee that is arranging to have a new teachers' retirement bill prepared for Maryland. The City of Baltimore recently secured the enactment of an "Employees' Retirement System of the City of Baltimore" which, going into effect January 1, 1926, superseded the former system. A special retirement fund is in effect in Baltimore County, financed entirely by the teachers of the county; also in Allegany County. It is the intention of the State Teachers' Association to present a new pension bill to the legislature of 1927, for the Counties of Maryland (Allegany and Baltimore Counties optional, since they may prefer present plan) worked out on a sound actuarial basis.

Massachusetts.—Some changes in the Massachusetts state wide retirement law were recommended to the 1926 legislature (as Senate—104) by the Massachusetts Teachers' Federation. These may be presented again to the session of 1927. Recommendations concerning teachers retired prior to the enactment of the present system and the establishment of a contributory system for all public employees reported by the Massachusetts Pension Commission in February 1925 and referred as Senate Document 340 to the 1926 legislature are to come before the legislature of 1927.

Michigan.—A state wide retirement law is in effect in Michigan. No plans for immediate legislation are reported. The objectives of a movement toward revision of the present law are being worked out by a special committee, J. P. Everette, Kalamazoo, chairman. Another committee appointed by Mr. Ever-

ette, headed by Prof. J. B. Edmonson, Ann Arbor, is to draft a proposed law and present it for discussion.

Minnesota.—Minnesota has a state wide teacher retirement law established in 1915. A bill was introduced at the 1925 legislature that attempted to place the fund on a sound financial basis. A few minor amendments were made to the law but the bill failed of passage. It will be presented again to the 1927 session.

Mississippi.—There is no state wide teacher retirement law in effect in Mississippi. Supt. H. M. Ivy, president of the Mississippi Teachers' Association, was in charge of the effort to secure the passage of a retirement law at the recent legislature of 1926. The bill was defeated, partly because the united support of the teachers had not been secured. Much of the opposition encountered came from rural teachers whose tenure was uncertain. Local and special measures were passed giving seven of the largest towns full authority to retire teachers on part time.

Missouri.—There is no state wide or state law relating to teacher retirement in effect in Missouri. No report has been made of proposed retirement legislation.

Montana.—A state wide teacher retirement law is in effect in Montana. However, as it is not on a financially sound basis, the State Teachers' Association is undertaking a revision of the law, to present to the legislature of 1927.

Nebraska.—There is no state wide teacher retirement law in effect in Nebraska. The city of Omaha operates a teacher retirement under a state law compelling cities of the first class to establish such a system. No plans for retirement legislation to affect the present system are reported.

Nevada.—Nevada has a state wide teacher retirement law. No definite plans for future retirement legislation are as yet decided upon, except that an attempt is to be made to find a means of increasing the revenue of the system. The committee that is to make a study of the problem and report to the State Teachers' Association has not yet been fully organized.

New Hampshire.—New Hampshire has no state wide teacher retirement law in effect. A state law forbids the use of funds by the state for pension purposes, and a pension law established some time ago was declared uncon-

stitutional. The State Teachers' Association appointed a committee, W. O. Smith, Headmaster, Keene High School, chairman, to discuss the situation and collect information from other states on retirement problems.

New Jersey.—A state wide teacher retirement law is in effect in New Jersey. The following concerning this law is taken from a statement dated April 8, 1926, signed by Charles B. Dyke, Secretary of the State Teachers' Association:

We have received so many letters of congratulation on our success with reference to our Pension and Annuity Fund appropriation this year, and so many requests for the points at issue, that I venture to state briefly, the situation that we have had to meet.

1. The New Jersey Pension and Annuity Fund Law was enacted in 1919. It is built on an actuarial basis, under the control of a Board of Trustees. Contributions are made by teachers on the basis of their age at entrance, and an amount sufficient to produce an annuity equal to that based on the teachers' contribution, is to be set aside and invested annually by the State. The sum required from the State is determined by the certification presented to the Comptroller of the State of New Jersey by the Board of Trustees of the Pension and Annuity Fund, which amount is arrived at by the official Actuary. The law requires that the Comptroller shall pay such amount directly to the Board of Trustees.

2. This year the Appropriation Committee of the Legislature reported an amount of \$1,400,000.00 less than the amount certified to the Comptroller.

3. Immediately upon the report of this Committee the New Jersey State Teachers' Association requested and secured a public hearing before the Legislature.

4. The point at issue, was that the Comptroller and Legislature should obey the law, and appropriate the amount certified.

5. The teachers were represented at the hearing by the ablest counsel in the State, by Actuaries, and by a Life Insurance Company official.

6. Mass Meetings were held by teachers in every part of the State, which petitioned the Legislators to appropriate the full amount certified.

7. A campaign of publicity was carried on in all newspapers of the State, and New York City.

8. Local representatives were appointed to interview every Legislator, over the week-end.

9. The result was that the full amount was appropriated.

New Mexico.—New Mexico has no state teacher retirement law. A special act of the 1925 legislature granted a pension to teachers who had taught twenty-five years in the state institutions.

New York.—New York State has a state wide teacher retirement law. A retirement system independent of the state system is in

effect in New York City. No plans are reported for legislation affecting either of the systems.

North Carolina.—There is no state teacher retirement law in effect in North Carolina. No steps have been taken toward securing such an act because of the pressing need for legislation in the other fields of education.

North Dakota.—There is a state wide teacher retirement law in effect in North Dakota. Some changes are to be considered in the system after an actuarial survey, undertaken by Dr. H. L. Rietz, of the State University of Iowa, has been completed.

Ohio.—Ohio has a state wide teacher retirement law. From reports received, the present law seems satisfactory, and no plans are in progress for legislation to modify the present system.

Oklahoma.—There is no state wide teacher retirement law in effect in Oklahoma. There is no report of plans for retirement legislation in this state.

Oregon.—Oregon has no state wide teacher retirement law in effect. A permissive law authorizes certain districts to establish an annuity fund for retired teachers. Portland operates a retirement fund under this law. A committee on Teacher Retirement of the Oregon State Teachers Association drew up a retirement bill, but was unable to get it introduced during the last session of the Oregon legislature. Another committee, J. F. Elton, Principal, High School of Commerce, Portland, Oregon, chairman, is working on the bill this year and an attempt will be made to introduce the bill at the next legislative session.

Pennsylvania.—Pennsylvania has a state wide teacher retirement law. Amendments affecting the status of present employees, teachers reinstated and those who had withdrawn from service prior to the date of enactment were passed by the state legislature in 1925. There has been no report of plans for further retirement legislation.

Rhode Island.—Rhode Island has a state wide, non-contributory teacher retirement law in effect. An amendment raising the minimum pension to \$500 and the maximum pension to \$700 was passed by the 1926 legislature. No report has been made of plans for future retirement legislation.

South Carolina.—There is no state teacher retirement law in effect in South Carolina. Nothing definite has been reported in the way of plans for retirement legislation.

South Dakota.—There is no state teacher retirement law in effect in South Dakota. An attempt was made in 1925 to have the legislature authorize the appointment of a committee to draft a retirement bill. Although such action failed, the work will be revived at the session of the legislature in 1927.

Tennessee.—Tennessee has no state wide teacher retirement law. There is a provision allowing the county and city boards to establish a Teacher Retirement Fund. No evidence appears of any proposed legislation in this field.

Texas.—Texas has no state teacher retirement law. The Texas State Teachers Association is sponsoring a movement to secure such an act. A committee, F. B. Clark, College Station, chairman, has been appointed to draft a retirement bill for presentation to the state legislature. For report of committee see *Texas Outlook*, January 1926, pp. 52-54.

Utah.—Utah has a state retirement law that affects cities of the first and second class. Salt Lake City is the only city that has taken advantage of the law. An act passed some years ago governing the teachers outside the cities of the first and second class encountered so much opposition from the teachers that the law was repealed. There are no plans reported for legislation modifying the present system.

Vermont.—A state wide teacher retirement law is in effect in Vermont. No plans seem to be initiated for future retirement legislation.

Virginia.—There is a state wide retirement law in effect in Virginia. This law has not proved satisfactory. The Public School Teachers' Retirement Fund Committee, Miss

Cornelia S. Adair, Richmond, Virginia, chairman, has been studying the problem of retirement allowances. A plan for a retirement fund bill was recently prepared and printed with the assistance of the Carnegie Foundation. A year is to be given for a discussion of the proposed plan in order that the teachers throughout the state may be familiar with its provisions. The bill may be submitted to the legislature as an amendment to the existing law.

Washington.—Washington has no state wide teacher retirement law in effect. However, the cities of Bellingham, Everett, Seattle, Spokane, and Tacoma, operate retirement systems under a state law affecting certain cities. No definite report has been made of proposed retirement legislation affecting the present law.

West Virginia.—There is no state wide retirement law in effect in West Virginia. A state retirement law authorizing the maintenance of a retirement system in certain districts has been taken advantage of in Parkersburg and Wheeling. Nothing definite has been reported as to plans toward modifying the present law.

Wisconsin.—A state wide teacher retirement law is in effect in Wisconsin. This law has been upheld by the Supreme Court of Wisconsin in disputes concerning its constitutionality and the interpretation concerning payable death benefits. No plans as to future retirement legislation are reported, although some minor changes affecting administration may be asked for.

Wyoming.—There is no state teacher retirement law in effect in Wyoming. The problem of teacher turnover is so great that the establishment of a retirement system will be difficult to accomplish. No definite steps have been taken concerning retirement legislation.

IT IS ESSENTIAL, when the great need of the country is to attract good teachers to the schools, to consider carefully the economic conditions involved. . . . Salaries alone will not keep persons in a profession; they must have some prospect of protection against the major risks of life, the loss of earning power through disability or old age; at the same time the educational interests of the public must be safeguarded against teachers who become inefficient from the same causes. 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 schools.—*Addresses and Proceedings, N. E. A., 1919, p. 538.*

Tabulation of Main Provisions of Eleven Teacher Retirement Systems

A tabular statement listing the main provisions of eleven teacher retirement acts or proposals is given on pages 40 to 51. The tabulation aims to present only such information as will make clear the principal features of the separate systems. Those desiring additional information should consult the original acts, references to which are made in each of the tabulations. The eleven measures included in the tabulation do not constitute a complete list of the sound retirement systems of the country. Those included, however, are based upon modern theories relative to retirement legislation.

Interpretation of Tabular Statement

To make clear the meaning of the headings of each column in the following tabular statement the Pennsylvania retirement law is taken as an example. Below is presented a detailed explanation of each column head of the tabular statement as it relates to the Pennsylvania state wide retirement law. This law is the first one presented in the tabular statement on page 40.

Column 1. Where act is in force and date effective. This law operating in the State of Pennsylvania came into effect July 1, 1919. For further details as to its enactment, see Article LVI; (5602) in The School Law of the Commonwealth of Pennsylvania cited in column 2.

Column 2. Where act is available. For those wishing to refer to the text of the Pennsylvania Teachers' Retirement System see: The School Law for 1925 of the Commonwealth of Pennsylvania, issued by the Department of Instruction, Harrisburg. The provisions are contained in Article LVI, Sections 5601-5619; or refer to pages 233-252 for said Article. The act is also printed in pamphlet form as No. 343.

Column 3. Method of administration. The administration of established system involving such matters of funds, determination of benefits, publication of reports, is in charge of a board of seven members. For detailed description of the personnel and functions of the board, see Article LVI; 5604A in The School Law cited in Column 2.

Column 4. Expenses of administration borne by. The state meets all the expenses of administering the fund; that is, all overhead costs. For details, refer to citation given.

Column 5. Membership optional or compulsory. All employees in the Pennsylvania public schools must become members of the Teachers' Retirement System.

Column 6. State's contribution to retirement fund income; for teachers entering service since enactment of law. In order to guarantee state aid to future annuitants, the state makes a semi-annual deposit on the separate account of every teacher who entered the Pennsylvania school system since the established law was passed. The deposit is sufficient, according to the rates adopted by the board, to provide the teacher when retired an allowance for each year of service equal to $\frac{1}{160}$ of his final salary (the average salary for the ten years preceding his retirement).

Column 7. State's contribution to retirement fund income; for teachers in service at date of enactment of law. The state assumed the payment for service rendered before the retirement system went into effect. A reserve was created by semi-annual payments of 2 percent of the total payment made to members of the retirement system for the preceding school year. This payment was to be continued until the reserve on hand equalled the present value of the obligation incurred for prior service.

Column 8. Teachers' contribution to retirement fund income. To divide the cost between employer and employee, the teacher is assessed a certain percent of his salary, the rate being determined by the board. This is computed so as to provide the teacher at retirement an annuity equal to $\frac{1}{160}$ of his final salary (the average salary for the ten years preceding his retirement) for each year of service since the system went into effect.

Column 9. Conditions for superannuation retirement: Age. The teacher must be at least 62 years old to be granted service retirement benefits. However, he is compelled to retire at 70.

Column 10. Conditions for superannuation retirement: Term of service. Before he is

granted service retirement benefits, the teacher must have served at least ten years in the public schools.

Column 11. Provision for irregular retirement in the case of disability: Conditions. If a teacher becomes incapacitated for service before he has fulfilled the conditions for service retirement (see columns 9 and 10), he may

be granted disability benefits, providing he is not over age 62, and that he has given ten years of service. Medical examination is required to substantiate his claim.

Column 12. Provisions for irregular retirement in the case of disability: Allowance. For disability benefits, the teacher receives an allowance from the fund, secured by the

TABULAR STATEMENT OF MAIN PROVISIONS

Where act is in force and date effective	Where act is available	Method of administration	Expenses of administration borne by	Membership optional or compulsory	State's contribution to retirement fund income		Teacher's contribution to retirement fund income	Conditions for superannuation retirement	
					For teachers entering service since enactment of law	For teachers in service at date of enactment of law		Age	Term of service
1	2	3	4	5	6	7	8	9	10
Pennsylvania July 1, 1919	The School Law, 1925 Article LVI: Section 5601-5619, p. 233-232. Act also printed in pamphlet form No. 343.	Board of 7 members	State	Compulsory	State contributes semi-annually to reserve. Amount procures 1/160 of final salary for each year of service.	State contributes semi-annually to reserve 2.0% of total compensation paid to all contributors for service in the preceding year.	Teacher contributes % of salary sufficient to procure at 62 an annuity of 1/160 of final salary for each year of service since enactment.	Optional 62 to 70; compulsory at 70.	Minimum 10 years.
Article LVI: 5602		Article LVI: 5604A	Article LVI: (5608)2	Article LVI: (5603) 1,2,3.	Article LVI: (5608),3.	Article LVI: (5608),5.	Article LVI: (5608),6.	Article LVI: (5614), 1,2.	Article LVI: (5613),1.
New York City August 8, 1917.	Section 1092 of the Greater N.Y. Charter, as amended by ch. 303 of laws of 1917 Text of law given on Certificate of Membership and of prior service allowance.	Board of 7 members	City of New York	Compulsory	City makes monthly contribution to reserve fund in order to cover disability or service pensions allowed by city.	Annual contributions to reserve fund on account of old teachers.	Assessment, sufficient if paid until teacher is 65, will together with pension provide allowance of 1/2 his average salary. In case of new entrants annuity to equal 25% of his average salary.	Optional 65 to 70; (compulsory at 70.)	35 years. In case of new entrants, service outside city not over 15 yrs.
Sec. 1092 A. Certificate of Membership and of Prior Service Allowance, page 1.		Section 1092 C 1.	Section 1092 F 1.	Section 1092 B: 1,2,3.	Section 1092 F 2.	Section 1092 F 2.	Section 1092 F 5(a),(1) (2),(3)	Section 1092: K 1(a),2	Section 1092 H(b): K 1; (b),(c).

state's and his own contributions, with interest thereon. This allowance equals $\frac{1}{90}$ of his final salary (the average salary for the ten years preceding his retirement) multiplied by his number of years of service; the minimum disability allowance is 30 percent of the final salary.

Column 13. Provisions for irregular retire-

ment in the case of death. If the teacher dies before regular retirement under the act or before he has received the sum payable to his credit, the contributions which he has made to the retirement fund and the interest accumulated thereon, go to his estate.

Column 14. Provision for irregular retirement in the case of resignation or dismissal.

OF ELEVEN TEACHER RETIREMENT SYSTEMS

Provisions for irregular retirement in the case of		Retirement allowance paid by state				Retirement allowance from teacher's contributions	Provision regarding teachers retired under former system	Liability assumed for teachers with prior service	Mortality table and rate of interest
Disability		Death	Resignation or dismissal	To teachers entering service since enactment of law	To teachers in service at date of enactment of law				
Conditions	Allowance								
11	12	13	14	15	16	17	18	19	20
10 years service; teacher not over 62; medical examination.	Allowance secured by accumulated contributions of teacher and state amounting to 1/90 of final salary multiplied by number years service. Minimum disability allowance 30% of final salary.	Estate or beneficiary receives teacher's accumulated savings.	Teacher receives his accumulated savings or actuarial equivalent in an annuity.	State deposits procure an allowance of 1/160 of final salary for each year of service.	State deposits an allowance of 1/160 of final salary for each year of service plus a further allowance of 1/160 of final salary for each year of prior service.	Annuity purchased by teacher's accumulated savings. Equal to 1/160 of final salary for each year of service since enactment.	Teachers receive from state an annuity of 1/80 of final salary for each year of service.	The heavy liabilities accrued were paid by state and local districts without cost to employees. Payment distributed through 30 years, made up by payments to reserve of 2% of total compensation paid to members of system for service in the preceding year. Leaflet on "New Amendments to State School Employees' Retirement Law."	McClintock's and 4%.
Article LVI: (5613), 1.	Article LVI: (5613), 6.	Article LVI: (5612), 8.	Article LVI: (5612), 1.	Article LVI: (5614), 3(b).	Article LVI: (5614), 3(b)(c).	Article LVI: (5608), 6; (5614), 3(a).	Article LVI: (5614), d.		Information secured from Secretary of Pa. School Employees' Retirement Board.
10 years city service. Medical examination.	20% of average salary. If a present teacher, an additional allowance to cover prior service. Maximum 50% of average salary. Also actuarial equivalent of accumulated savings in an annuity.	Teacher's accumulated savings. If 65 or eligible to service retirement receives amount equal to earnable salary for 6 mo. preceding death.	Teacher's accumulated savings.	Allowance amounting to 1/2 of his average salary.	Allowance amounting to 1/2 of his average salary, plus pension computed at 1/36 of 28% of average salary for each year of prior service.	Actuarial equivalent of teacher's accumulated savings in an annuity.	No data	No data	No data
Section 1092 L 1.	Section 1092; M 1; (a), (c); 2.	Section 1092 N(a), (b).	Section 1092 J 1, 2; (a), (b).	Section 1092; M 1 (b).	Section 1092 M 1 (b), (c)	Section 1092; M 2.			

If a teacher resigns or is dismissed from teaching service before retirement, the contributions which he has made to the retirement fund with the interest accumulated thereon, are returned to him.

Column 15. Retirement allowance paid by state to teachers entering service since enactment of law. A teacher entering the service after the existing retirement law became effective, receives, upon retirement, an allowance from the contributions made by the state to his account. This equals $\frac{1}{160}$ of his final salary for each year of service.

Column 16. Retirement allowance paid by state to teachers in service at date of enactment. Teachers employed in the school system at the time the retirement law became effective receive an allowance secured by the state's contributions to their account. This equals $\frac{1}{160}$ of their final salary (the average salary for the ten years preceding his retirement) for each year of service.

Column 17. Retirement allowance from teachers' contributions. At retirement the teacher receives an annuity to which the sum of his contributions to the retirement fund

TABULAR STATEMENT OF MAIN PROVISIONS

Where act is in force and date effective	Where act is available	Method of administration	Expenses of administration borne by	Membership optional or compulsory	State's contribution to retirement fund income		Teacher's contribution to retirement fund income	Conditions for superannuation retirement	
					For teachers entering service since enactment of law	For teachers in service at date of enactment of law		Age	Term of service
1	2	3	4	5	6	7	8	9	10
Wisconsin July 7, 1921.	Laws of Wisconsin relating to Common Schools 1923, Chap. 42 "Teachers' Retirement Act" 42.29-42.57, pp. 475-487. Analysis and text available in pamphlet form, prepared by the Annuity Board, Madison, Wisconsin.	Annuity board of 7 members. Public school retirement board of five members, also normal school and university retirement boards of five members each.	State.	Compulsory for all teachers over 25.	State deposit determined by teacher's contribution and length of service. Maximum 200% of teacher's contribution. Source a surtax on incomes over \$3,000.	State credits prior service at rate guaranteed under new system. Deposit determined by teacher's contribution and length of service. Maximum 200% of teacher's deposit.	Teacher deposits 5% of total compensation since enactment. Assessments under old system given credit.	No required age to receive teacher's deposits. State's deposits not paid until teacher reaches age 50.	No required term of service.
Analysis of Wisconsin State Retirement Law prepared under direction of the Annuity Board, p. 1		Chapter 42; 42.23; 42.26; 42.29.	Chapter 42; 42.24	Chapter 42; 42.25. Sec. 42.20 for definitions.	Chapter 42; 42.45, 45, 42.20; 20; 21, 22; 11, (6).	Chapter 42; 42.45, 42.51, (1), (2).	Chapter 42; 42.40 (1).	Chapter 42; 42.48, 42.29 (1) (2), (3).	Chapter 42; 42.48.

with the interest thereon entitles him under the rate adopted by the board. This annuity amounts to $\frac{1}{100}$ of his final salary for each year of service since the law went into effect.

Column 18. Provision regarding teachers retired under former system. Teachers 62 years of age presenting 20 years' service, or disabled teachers with 15 years' service, who withdrew from teaching before this retirement system became effective, may receive an annuity equal to $\frac{1}{80}$ of their final salary for each year of service.

Column 19. Liability assumed for teachers with prior service. The obligation to teachers

with prior service, amounting at the inauguration of the system to a considerable sum, was assumed wholly by the state and local districts. It was decided to meet the deficiency by a yearly payment to be continued over a period of thirty years to a reserve fund of two percent of the entire compensation made to members of the system for service during the preceding year.

Column 20. Mortality table and rate of interest. McClintock's table of life expectancy and the 4 percent rate of interest on the funds were adopted by the retirement board of Pennsylvania.

OF ELEVEN TEACHER RETIREMENT SYSTEMS—(Continued)

Provisions for irregular retirement in the case of				Retirement allowance paid by state		Retirement allowance from teacher's contributions	Provision regarding teachers retired under former system	Liability assumed for teachers with prior service	Mortality table and rate of interest
Disability		Death	Resignation or dismissal	To teachers entering service since enactment of law	To teachers in service at date of enactment of law				
Conditions	Allowance								
11	12	13	14	15	16	17	18	19	20
Medical examination. Teacher not over 50. Five years a member of retirement association.	\$25 per month plus other benefits due.	Beneficiary or estate receives both teacher's and state's accumulated deposits.	Annuity purchased by teacher's accumulated savings plus state's deposits, payable at age 50 unless teacher is disabled.	Pension purchased by accumulated deposits of the state.		Annuity purchased by teacher's accumulated savings.	Teachers receive annuities granted under old system for life.	June 30, 1920 the liability was estimated at over \$10,000,000. State created a contingent reserve fund to provide for this.	Determined by board. Rate to provide benefits as near to actual cost as possible. Rate in effect at present date, 3½%.
Chapter 42; 42.49 (4).	Chapter 42; 42.49 (4)	Chapter 42; 42.50 (1).	Chapter 42; 42.49 (2), (3).	Chapter 42; 42.49 (3).	Chapter 42; 42.49 (3).	Chapter 42; 42.49 (2).	Chapter 42; 42.51 (5)	Report of Amnity Board for fiscal years ending June 30, 1922, 1923, 1924, III	Chapter 42; 42.34 Report of Amnity Board for fiscal years ending June 30, 1922, 1923, 1924, XV.

TABULAR STATEMENT OF MAIN PROVISIONS

Where act is in force and date effective	Where act is available	Method of administration	Expenses of administration borne by	Membership optional or compulsory	State's contribution to retirement fund income		Teacher's contribution to retirement fund income	Conditions for superannuation retirement	
					For teachers entering service since enactment of law	For teachers in service at date of enactment of law		Age	Term of service
1	2	3	4	5	6	7	8	9	10
Vermont July 1, 1919. Chapter 56; No. 57 Acts of 1919 Replacing sections 1220-1231; Sec. 2 from General Laws of 1918 with amendments to 1925.	General Laws of 1918 of the state relating to the Dept. of Education with amend- ments to 1925. Chapter 56; No. 57, Acts of 1919 replacing sections 1220-1231 p. 23-32.	Teachers' retirement board of five members. Chap. 56; No. 57, Acts of 1919, Sec. 5.	State Chap. 55; No. 57, Acts of 1919, Sec. 8 (3).	Optional Chap. 56; No. 57, Acts of 1919, Sec. 3.	State makes appropriations for fund to provide pension equal to annuity purchased by teacher's accumulated savings. Chap. 56; No. 57, Acts of 1919 Sec. 8, (3)	State matches teacher's contribution in annual appropriation; additional sum appropriated for present teachers. Chap. 56; No. 57, Acts of 1919, Sec. 8, (3) Sec. 13.	Teachers assessed not to exceed 5% of salary, rate fixed annually by the retirement board. Minimum \$16, maximum \$100 yearly. Chap. 56; No. 57, Acts of 1919 Sec. 8, (1)	Women 60; men 65. Chap. 56; No. 57, Acts of 1919, Sec. 10.	50 years of teaching service, 20 of which were given in the state; the 5 preceding retirement are to be consecutive. Chap. 56; No. 57, Acts of 1919 Sec. 10.
A proposed plan for officers and teachers in the Virginia public schools, that is being studied preparatory to revision of the existing law.	Outline and discussion of plan in Bulletin 17 of the Carnegie Foundation for the Advancement of Teaching, "Retiring Allowances for Officers and Teachers in Virginia Public Schools" by Furst, Mattocks & Savage, 1926.	Teacher's retirement board of seven members. Bulletin 17, p. 4, 1; B, 1.	State Bulletin 17, p. 4, 1; B, 2.	Compulsory for teachers 25 years of age or with 5 years of teaching experience; optional for teachers under 25. Bulletin 17, p. 4- 5, 11.	Amount equal to teacher's contributions. Bulletin 17, p. 5, III; B.	5% of current salary. Minimum \$16, 9/10 provides retirement benefits. 1/10 disability benefits. Bulletin 17, p. 5, III; A 1, D.	Optional 60 to 70; compulsory at 70.) Bulletin 17, p. 8, IV; A 4.	Five years of service in the state. Bulletin 17, p. 4, 11; A 2.	

OF ELEVEN TEACHER RETIREMENT SYSTEMS—(Continued)

Provisions for irregular retirement in the case of			Retirement allowance paid by state		Retirement allowance from teacher's contributions	Provision regarding teachers retired under former system	Liability assumed for teachers with prior service	Mortality table and rate of interest	
Disability		Death	Resignation or dismissal	To teachers entering service since enactment of law					To teachers in service at date of enactment of law
Conditions	Allowance								
11	12	13	14	15	16	17	18	19	20
6 years service. Medical examination may be required.	Annuity secured from teacher's total savings and accumulated contributions of the state with additional allowance determined by board. Total not to exceed $\frac{1}{2}$ average annual salary during entire period of service.	If a member of association less than 6 years, the teacher's estate or beneficiary receives only his contribution with interest at 4%. If a member 6 years, estate or beneficiary receives total accumulated savings of teacher and contribution from the state.	If a member of association less than 6 years receives his total contribution with 4% interest. If a member 6 years, receives teacher's and state's contribution to account without interest.	State matches the annuity purchased by teacher's accumulated savings.	Annuity equal to that purchased by teacher's accumulated savings plus arbitrary sum fixed by board. Total not to exceed $\frac{1}{2}$ his average annual salary throughout his entire period of service.	Annuity purchased by teacher's accumulated savings.	None	Accrued liabilities fund created by board of Vermont state teachers' retirement fund (Sections 1220-1231). Fund drawn upon to make up state contributions on accounts of members.	McClintock's with interest at 3%.
Chap. 56; No. 57, Acts of 1919, Sec. 14.	Chap. 56; No. 57, Acts of 1919, Sec. 14.	Chap. 56; No. 57, Acts of 1919, Sec. 15; 1, 2, 3.	Chap. 56; No. 57, Acts of 1919, Sec. 15, (1).	Chap. 56; No. 57, Acts of 1919, Sec. 8; (3).	Chap. 56; No. 57, Acts of 1919, Sec. 8; (3) Sec. 13.	Chap. 56; No. 57, Acts of 1919, Sec. 12; (1).		Sec. 19.	Sec. 12.
Statements of physicians; 5 year membership in system.	Annual disability benefit equal to $\frac{1}{2}$ of annuity payable were the average contributions made by state and members toward retirement continued to age 60 plus accumulated contributions toward retirement benefits made by member and state.	Prior to 5 years membership, member's estate or beneficiary receives accumulated contributions toward retirement. \$500 maximum. After 5 years, member's accumulated savings plus 4% of state's accumulated contributions toward retirement multiplied by number years of continuous service up to 25.	Prior to 5 years membership, member's accumulated contributions toward retirement in quarterly installments. After 5 years the further 4% of the state's contributions toward retirement multiplied by the number years continuous service to 25 in form of an annuity.	Total contributions of state toward retirement. Matches annuity secured by member's contributions.	Total contributions of state toward retirement.	Annuity purchased by teacher's total savings.	Pensions from Retired Teachers' Fund continued.	Member credited with his own and the state's accumulated contributions to account under old system.	McClintock's with 4%.
Bulletin 17, p. 10, IV; C.	Bulletin 17, p. 10-11, IV; C.	Bulletin 17, p. 12, IV; D 1, 2.	Bulletin 17, p. 9, IV; B.	Bulletin 17, III; B, IV; A 3.	Bulletin 17, IV; A 3.	Bulletin 17, p. 7, IV; A 3.	Bulletin 17, p. 6, IV; A 1.	Bulletin 17, p. 7, IV; A 1 2 y. w.	Bulletin 17, p. 7, IV; A 3, 6.

TABULAR STATEMENT OF MAIN PROVISIONS

Where act is in force and date effective	Where act is available	Method of administration	Expenses of administration borne by	Membership optional or compulsory	State's contribution to retirement fund income		Teacher's contribution to retirement fund income	Conditions for superannuation retirement	
					For teachers entering service since enactment of law	For teachers in service at date of enactment of law		Age	Term of service
1	2	3	4	5	6	7	8	9	10
Massachusetts July 1, 1914.	General Laws relating to Education Bulletin of the Dept. of Education, 1921 No. 9, Chapter 32, p. 87-102, Law available in booklet "General Laws relating to the Retirement System for Public School Teachers," January 1922.	Teacher's retirement board of 3 members.	State	Compulsory for new entrants.	Annual appropriations for payment of incurred pensions		Teacher assessed from 3 to 7% of salary, according to rate established by the retirement board. Rate effective to date 5%. Minimum \$35 Maximum \$100.	Optional 60 to 70 (compulsory at 70).	No term of service required, except for "present employees" which amounts to 15 years of service in Mass., the five of which are to be continuous.
Chapter 32; Sec. 7; (1).		Chapter 15; Sec. 16	Chapter 32; Sec. 9; (1).	Chapter 32; Sec. 7.	Chapter 32; Sec. 9; (3).		Chapter 32; Sec. 9; (2)	Chapter 32; Sec. 10; (1), (2).	Chapter 32; Sec. 10; (1), (5).
Employees' Retirement System of the City of Baltimore January 1, 1926.	Chapter 411; Acts of 1924; Ordinance 553. Text and summary in "Report on a Proposed Retirement Plan for Employees of the city of Baltimore" prepared by the Baltimore Retirement Commission, 1925.	Board of five trustees	City of Baltimore	Compulsory for new entrants after 6 months service and employees already in service. Members of existing Teachers' Retirement Fund receives privileges of new system only upon majority vote for participation	City annually contributes a certain % of the payroll to reserve fund. Aggregate payment to provide benefits payable for the current year. Credit for prior service. "Present employees" to receive allowance equal that received had the system been in existence at their appointment		Deduction from salary sufficient to secure at age 60 an annuity equal to the pension due for service.	Optional 60 to 70 (Compulsory at 70)	No required term of service
		Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 5; (1), (2)	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 8; (5)	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 3; (1)	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 8; (3), e; Report, p. 14.		Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 8; (1) a.	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; 1	

OF ELEVEN TEACHER RETIREMENT SYSTEMS—(Continued)

Provisions for irregular retirement in the case of				Retirement allowance paid by state		Retirement allowance from teacher's contributions	Provision regarding teachers retired under former system	Liability assumed for teachers with prior service	Mortality table and rate of interest
Disability		Death	Resignation or dismissal	To teachers entering service since enactment of law	To teachers in service at date of enactment of law				
Conditions	Allowance								
11	12	13	14	15	16	17	18	19	20
20 years service; teacher under age 60.	Annuity purchased by members' accumulated savings plus additional allowance from state equal to the teacher's years of service multiplied by 1/30 of pension due had teacher retired at age 60 having paid 30 annual assessments, minimum for each year of service equals 1/30 of \$250.	Estate receives teacher's accumulated savings.	Teacher receives accumulated savings.	Allowance matching that purchased by teacher's accumulated savings.	Allowance matching that purchased by teachers accumulated savings. Additional pension for prior service. Pension purchased by total not to exceed the actuarial equivalent of \$500 at age 60.	Annuity purchased by teachers accumulated savings. The excess over the amount necessary to provide the \$500 allowance at 60 is returned in a lump sum at retirement.	Cities and town retiring teachers since 1914 according to provisions of former systems are reimbursed by the state. Amount paid not to exceed what would have been due under the present system.	The state assumed the liability, the amount of which has not been estimated.	American Experience Table of mortality with 3½ per cent members in service credited with interest earned at 4½.
Chapter 32; Sec. 10; (8).	Chapter 32; Sec. 10; (9), (10).	Chapter 32; Sec. 11; (4).	Chapter 32; Sec. 11; (1).	Chapter 32; Sec. 10; (4).	Chapter 32; Sec. 10; (5).	Chapter 32; Sec. 10; (4).	Chapter 32; Sec. 16; (1).	Information secured from Secretary of the Teachers' Retirement Board.	Teachers' Retirement Board Bulletin 4, p. 4.
Medical examination. No requirement for those disabled from performance of duty. Otherwise 5 years service	For ordinary disability at 60 receives service allowance. Otherwise annuity purchased by total savings plus further pension. Total not exceed ½ of average annual salary. For accidental disability actuarial equivalent of member's accumulated savings plus pension equal to 66 2/3% of final average salary.	Member's total accumulated savings plus 50% of average final salary if has one or more years service. Accidental death in performance of duty. Otherwise only member's accumulated savings.	Part of member's accumulated savings demanded.	Pension almost equal to that purchased by employee's savings. 1/40 of average final salary multiplied by number of years service since last date of membership	Pension equal to 1/140 of average annual salary multiplied by number years service at last date of membership plus additional pension of 1/70 of final salary multiplied by number of years prior service.	Annuity purchased by member's accumulated savings	Liability to be assumed by the City in case of dissolution of the Teachers' Retirement Fund. Value of pensions exceeding funds on account of Teachers' Retirement Fund at July 1, 1925, \$480,267.	Accrued liability to be covered in about 30 years, will average 2.94% of payroll.	No data.
Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; (3), (4), (5).	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; (4), (5), (6)	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; (8), (9).	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; (10).	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; 2 C.	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; (2) b, c.	Chapter 411; Acts of 1924; Ordinance No. 553; Sec. 6; (2) a.	Report by the Baltimore Retirement Commission 1925, p. 28 Ordinance 553, Sec. 9.	Report by the Baltimore Retirement Commission 1925, p. 14.	

TABULAR STATEMENT OF MAIN PROVISIONS

Where act is in force and date effective	Where act is available	Method of administration	Expenses of administration borne by	Membership optional or compulsory	State's contribution to retirement fund income		Teacher's contribution to retirement fund income	Conditions for superannuation	
					For teachers entering service since enactment of law	For teachers in service at date of enactment of law		Age	Term of service
1	2	3	4	5	6	7	8	9	10
New Jersey, Sept. 1, 1919.	New Jersey School Laws, 1925, Chapter 60, Public Laws of 1919. Article XXVIII; Sections 526-543 replacing 499-508, p. 283-320.	Board of 7 members	State	Compulsory	Amount paid by State to accumulation fund sufficient to provide the pension due at time of retirement.	State makes annual contribution of certain per cent of the payroll to cover cost of prior and future service.	Amount assessed sufficient to procure at 62 an annuity of 1/140 of average salary multiplied by number years service; prior service credited.	Optional 62 to 70, compulsory at 70. Present employees under 62 may retire after 35 years service.	35 years for present employees under 62.
Article XXVIII; Sec. 530 (1).		Article XXVIII; Sec. 536 (1), (2).	Article XXVIII; Sec. 534 (10), (19) Sec. 535 (9).	Article XXVIII; Sec. 534 (2)ff.	Article XXVIII; Sec. 534 (15).	Legislative Number of the Education Bulletin Vol. II, No. 8 Session of 1925 Chapter 167, p. 296-97.	Article XXVIII; Sec. 534 (3).	Article XXVIII; Sec. 532 (1), (2).	Article XXVIII; Sec. 532 (1).
Ohio August 8, 1919.	School Laws of Ohio, Chapter 26, Sec. 7896-1 to 7896-63 pp. 479-506. Law for State Teachers Retirement System of Ohio, 1925 available in pamphlet. General plan appears in report of the Retirement Board, 1920-1921.	Board of 5 members	Part by state. Members of association each assessed not to exceed \$1 per year.	Compulsory	State contributes a certain percentage of payroll to employer's accumulation fund. Amount covers cost of pensions for prior and future service and disability allowances. Normal contribution rate equals 1.6% of payroll; deficiency rate determined yearly by board. Rate effective to date 1.9% of payroll; a total of 3.7%.	Teacher assessed 4% of salary. That earnable over \$2,000 not considered.	Optional 60 to 70, or after 35 years service. (compulsory at 70)	36 years service, or teacher age 60. Minimum service 5 years.	10 years service. Medical examination.
State Teachers' Retirement System of Ohio Law 1925, p. 3.		Chapter 26; Sec. 7896-4.	Chapter 26; Sec. 7896-56 (a), 7896-57, 7896-58.	Chapter 26; Sec. 7896-22 (a), (c)	Chapter 26; Sec. 7896-44.	Chapter 26; Sec. 7896-43.	Chapter 26; Sec. 7896-34, 7896-36.	Chapter 26; Sec. 7896-34, 7896-36.	Chapter 26; Sec. 7896-37.

OF ELEVEN TEACHER RETIREMENT SYSTEMS—(Continued)

Provisions for irregular retirement in the case of	Disability		Death	Resignation or dismissal	Retirement allowance paid by state		Retirement allowance from teacher's contributions	Provision regarding teachers retired under former system	Liability assumed for teachers with prior service	Mortality table and rate of interest
	Conditions	Allowance			To teachers entering service since enactment of law	To teachers in service at date of enactment of law				
10	11	12	13	14	15	16	17	18	19	20
35 years for present employees under 62. Medical examination.	10 years service, teacher under age 62. Medical examination.	Actuarial equivalent of teacher's accumulated savings. Further pension to produce total allowance of 1/70 of average salary multiplied by number of years service. Minimum \$300 per annum; or 30% of average final salary. Not exceed 9/10 of rate of allowance had retirement been deferred to age 62.	Estate or beneficiary receives teacher's accumulated savings.	Receives accumulated teacher's savings.	Allowance amounting to 1/140 of average salary multiplied by number of years total service. The state's pension plus the annuity must provide an allowance for the teacher at 62 with 30 years service of at least \$400 per annum.	Pension of 1/140 of average salary multiplied by number of years service. Further pension of 1/70 of average salary multiplied by number of years prior service.	Annuity in the actuarial equivalent of teacher's accumulated savings.	State assumed liability for pension in case old fund proved inadequate. All pensions at least \$400. Liability amounted on June 30, 1924 to \$5,412,034.	No data.	Tables adopted by the board.
Article XXVIII; Sec. 532 (1).	Article XXVIII; Sec. 532 (6)	Article XXVIII; Sec. 532 (7)(a), (b), (c).	Article XXVIII; Sec. 532 (13).	Article XXVIII; Sec. 532 (11).	Article XXVIII; Sec. 532 (4); (b), (5).	Article XXVIII; Sec. 532 (3); (b), (c).	Article XXVIII; Sec. 532 (4) (a).	Article XXVIII; Sec. 532 (15), (16) Fifth Annual Report of the Board of Trustees of the Teacher's Pension and Annuity Fund of N.J. from July 1, 1923 to June 30, 1924, p. 24.	Article XXVIII; Sec. 533, (2) a.	
6 years service, or teacher age 60. Minimum service 5 years.	10 years service. Medical examination.	Amount equals 1 1/5% of final average salary multiplied by number years total service. Rate % not exceed 9/10 of rate had retirement been deferred to age 60.	Estate or beneficiary receives teacher's accumulated savings.	Teacher receives his accumulated savings.	A pension equivalent to the annuity purchased by the teacher's accumulated savings.	Pension equivalent to that purchased by teacher's accumulated savings, plus a pension of 1 1/5% of average final salary multiplied by number years prior service.	Annuity purchased by teacher's accumulated savings.	State received from cities the reserved values of pensions granted under former systems. This used in paying the allowances.	Liability on account of 323 teachers for prior service = \$1,272,903.24.	Based on experience of other teacher retirement systems, particularly that of New York City.
Chapter 26; Sec. 7896-34, 7896-36	Chapter 26; Sec. 7896-37.	Chapter 26; Sec. 7896-38 (c).	Chapter 26; Sec. 7896-41.	Chapter 26; Sec. 7896-40.	Chapter 26; Sec. 7896-35 (c).	Chapter 26; Sec. 7896-35 (b), (c).	Chapter 26; Sec. 7896-35 (a).	Chapter 26; Sec. 7896-61.	Report of State Teachers Retirement Board during 1920-21. Analysis of Financial Statement, p. 4.	Information secured from Secretary of Ohio State Teachers' Retirement Board

TABULAR STATEMENT OF MAIN PROVISIONS

Where act is in force and date effective	Where act is available	Method of administration	Expenses of administration borne by	Membership optional or compulsory	State's contribution to retirement fund income		Teacher's contribution to retirement fund income	Conditions for superannuation retirement	
					For teachers entering service since enactment of law	For teachers in service at date of enactment of law		Age	Term of service
1	2	3	4	5	6	7	8	9	10
Connecticut July 1, 1917	General statutes of 1918, Chapters 87, Public Acts 1919, Chapters 61, 63, 261, 270, etc. Public Acts of 1921 Chapter 356. Text printed in booklet form, "Connecticut Teachers' Retirement System," Connecticut School Doc. No. 5-1922, Chapter XVI; Sec. 225-236 p. 89-99.	Board of 5 members.	State	Compulsory for teachers appointed after enactment of retirement law.	State makes appropriations from time to time to cover incurred pensions; in practice a reserve is set aside at retirement for each teacher.		Teacher contributes 5% of salary. Minimum \$25, maximum \$100. Annuity not to exceed \$800 at age of 60.	Teachers may retire at 60 or after 35 years service, 20 of which must have been in the state, at least 5 preceding retirement. Retirement compulsory at 70.	Minimum 15 years in state.
School Document No. 5-1922; Sec. 224; p. 89.		School Document No. 5-1922; Sec. 225; p. 90.	School Document No. 5-1922; Sec. 226; (1), p. 91	School Document No. 5-1922; Sec. 224; p. 89.	School Document No. 5-1922; Sec. 226, (3), p. 92.		School Document No. 5-1922; Sec. 226, (2); p. 91-92.	School Document No. 5-1922; Sec. 227; p. 92, 93.	School Document No. 5-1922; Sec. 227; p. 94.
Minneapolis January 1, 1924.	Resolutions for Amendment of the Articles of Incorporation of the Minneapolis Teachers' Retirement Fund Association, Articles IV-VIII, prepared by H. Ekern and Chas. Brooks, March 9, 1923. Description of plan in Minneapolis Teachers' Retirement Fund Association, Annual Report, 1924, Minneapolis Teachers' Retirement Fund Association, p. 6.	Board of nine members.	City of Minneapolis.	Compulsory for all teachers over age 25.	Amount dependent on teacher's salary and term of service. Compensation over \$5,000 disregarded.		5% of teacher's salary.	No required age to receive annuity purchased by teacher's accumulated savings. City's deposits not payable until teacher is 50 years of age.	No required term of service.
Annual Report, 1924, Minneapolis Teachers' Retirement Fund Association, p. 6.		Article V; (1).	Article V; (3).	Article IV; (1), (2), (3).	Article VIII; (4).		Article VIII; (3).	Article IV; (5); Article IX; (3).	Article IV; (6).

VISIONS OF ELEVEN TEACHER RETIREMENT SYSTEMS—(Continued)

or superannuation Term of service	Provisions for irregular retirement in the case of				Retirement allowance paid by state		Retirement allowance from teacher's contributions	Provision regarding teachers retired under former system	Liability assumed for teachers with prior service	Mortality table and rate of interest
	Disability		Death	Resignation or dismissal	To teachers entering service since enactment of law	To teachers in service at date of enactment of law				
	Conditions	Allowance								
10	11	12	13	14	15	16	17	18	19	20
Minimum 16 years in state.	Teacher under 60; 10 years service. Medical examination.	Annuity purchased by teacher's accumulated savings plus pension from state of 1/30 of pension received had teacher retired at age of 60, multiplied by number of years service.	Estate receives teacher's accumulated savings.	Teacher receives his accumulated savings.	State matches annuity purchased by teacher's accumulated savings.	State matches annuity purchased by teacher's accumulated savings. Additional pension to provide total allowance with minimum of \$360.	Annuity purchased by teacher's accumulated savings.	For 40 years' service teacher receives a minimum pension of \$500.	No data.	McClintock's with 5 1/2 %.
School Document No. 5-1922; Sec. 227; p. 92.	School Document No. 5-1922; Sec. 227; p. 92.	G S Sec. 1020 Sec. 6 in text of booklet on Connecticut Teachers Retirement System.	G S Sec. 1020 Sec. 6 in text of booklet on Connecticut Teachers Retirement System.	School Document No. 5-1922; Sec. 227; p. 93.	School Document No. 5-1922; Sec. 227; p. 93, 94; as amended in Chap. 214 Sec. I, P.A. 1925.	School Document No. 5-1922; Sec. 227; p. 93.	Chap. 214 Sec. I, P.A., 1925			Fourth Report of Teachers' Retirement Board Dec. 31, 1923 to Dec. 31, 1924, P. 6
Contributor to fund for five years.	Amount equal to pension and annuity payable to teacher at age 50.	Both teacher's and city's deposits payable to estate or beneficiary.	Both teacher's and city's deposits payable. City's deposits not paid until teacher is 50 years of age.	Allowance purchased by city's accumulated deposits.	Annuity purchased by teacher's accumulated savings.	Allowance continued as guaranteed under former system.	Teacher credited with contributions to old fund. City provides additional allowance for past service.	McClintock's with 4%.		
Article XI: (8).	Article XI: (5).	Article XI: (4).	Article IX: (8), (3).	Article IX: (3).	Article IX: (2).	Article VIII: (4).	Article XI: (4), (7), (6).	Article IV: (9).		

Income and Outgo for Representative State Teacher Retirement Funds

How much will a state teacher retirement system cost and how can the cost be met? These questions are foremost in the minds of those concerned in inaugurating a teacher retirement system. Statements of receipts and disbursements of state wide retirement systems which have been in effect for several years are suggestive to those interested in establishing retirement systems. These statements indicate sources of income and the various items of expense involved in administering a retirement system.

Tables 12, 13, and 14, based on data secured from secretaries of state wide teacher retirement systems, picture the income and outgo of retirement funds maintained in seventeen states during the fiscal years, ending in 1923, 1924, and 1925. In studying the figures as to receipts and disbursements, one should have in mind the number of teachers and administrative officers in the schools of a state, since these items tend to vary in a direct relationship with the teaching population. The number of teachers and administrative

officers in the schools of the states for which data are given below as reported by the United States Bureau of Education, Department of the Interior (Bulletin 42, 1925, *Statistics of State School Systems 1923-24*, p. 13), is as follows:

Arizona	2,613
California	30,616
Connecticut	9,311
Illinois	42,865
Indiana	20,230
Maine	6,172
Massachusetts	24,412
Michigan	29,692
Minnesota	20,610
Nevada	793
New York	66,006
Ohio	39,436
Pennsylvania	51,520
Rhode Island	3,207
Vermont	3,016
Virginia	16,490
Wisconsin	18,379

WHEN THE ESTABLISHMENT of a pension system in a particular school system is considered, the question arises: Shall it apply to teachers or shall it also allow other groups to come in? . . . The teachers may take the stand that the state or the city need not assist the fortunate ones who receive higher wages and who might, therefore, take care of themselves, but should increase its generosity to the lower paid. They may claim that they deserve a pension system because of the intellectual character of the work they perform, and that the school employees who perform inferior work do not deserve to be included. Others, and especially the school authorities, may take a different view. They may argue that the higher paid employees are no less improvident than the lower paid and are in no less need of protection, and, on the other hand that the duties performed by the lower classes of school employees are public duties as well and that the efficiency of the schools may be considerably affected if these employees are not covered by the pension system, with the result that dead wood is allowed to accumulate among them. *The question whether or not a particular class of school employees should be included in a pension system cannot be settled by a mere comparison of their duties and salaries with those of the rank and file teachers. It must be settled on grounds of principle and expediency. The same principle applies to all classes of employees—it is their protection on one hand, and efficiency of service on the other. The question thus arises: Is it desirable from the points of view of the employees, of the employer, and of the public, that a pension system protecting the particular class of employees be established?* In the development of pension legislation the tendency has been towards a steady extension of the pension system to all classes of the school personnel.—Paul Studensky, *Teachers' Pension Systems in the United States*. 1920, pages 37 and 38.

TABLE 13.—INCOME AND OUTGO OF REPRESENTATIVE STATE TEACHER RETIREMENT FUNDS—FISCAL YEAR ENDING IN 1923

States	Receipts from:					Disbursements				
	Appropriations from public funds	Assessments on or deductions from salaries of members of retirement system	Income and interest on investments	Other receipts	Total receipts	Cost of administration	Amount paid to retired members and their heirs (due to superannuation, disability, death, etc.)	Refunds to members withdrawing from service prior to retirement	Other disbursements	Total disbursements
1	2	3	4	5	6	7	8	9	10	11
Arizona	7,280.50	.....	.....	.....	7,280.50	.....	7,280.50	.....	.....	7,280.50
California	117,331.74	889,687.86	616,877.28	.....	1,623,996.88	6,787.88	271,607.18	.....	.....	278,394.06
Connecticut	179,321.74	432,147.86	99,168.64	.....	690,638.24	8,079.00	84,361.70	.....	.....	100,440.70
Illinois	204,105.14	352,119.04	59,832.80	.....	615,056.98	12,103.80	487,840.71	.....	.....	499,944.51
Indiana	166,040.36	448,038.27	51,434.40	.....	665,513.03	13,432.18	169,612.88	.....	.....	183,045.06
Maine	83,228.00	.....	.....	.....	83,228.00	.....	.....	.....	.....	83,228.00
Massachusetts	569,271.64	1,124,766.56	244,766.16	7,408.28	1,946,212.64	1,799,400.80	10,064.80	.....	.....	1,809,465.60
Michigan	.....	174,980.18	.....	.....	174,980.18	.....	.....	.....	.....	174,980.18
Minnesota	79,282.86	116,003.18	42,428.61	6,371.77	243,086.42	10,113.68	119,309.88	.....	.....	129,423.56
Nevada	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
New York ^a	.....	2,882,464.23	100,988.07	82,826.44	2,966,278.74	29,890.88	899,038.68	.....	.....	3,055,169.56
Ohio	2,719,195.42	2,069,146.11	809,627.09	43,014.90	5,618,983.52	44,843.81	466,128.64	.....	.....	490,972.45
Pennsylvania	2,312,140.70	2,099,134.01	642,115.27	497.48	5,053,487.46	47,762.84	568,406.10	.....	.....	616,168.94
Rhode Island	66,712.874	.....	.....	.....	66,712.874	.....	66,712.874	.....	.....	66,712.874
Vermont	20,000.00	17,990.42	8,961.48	.....	46,951.90	344.91	1,146.94	.....	.....	1,491.85
Virginia	10,000.00	110,807.56	6,766.44	.....	127,574.00	.....	.....	.....	.....	127,574.00
Wisconsin	697,899.80	714,705.31	132,981.80	642.87	1,486,189.78	26,145.89	187,431.21	.....	.....	213,577.10

a. Figures do not include New York City Fund. b. This figure includes income from appropriations from public funds. c. Includes amounts paid to estates of members dying prior to retirement. d. \$941.16 reported to general treasury as an appropriation unexpended.

TABLE 14.—INCOME AND OUTGO OF REPRESENTATIVE STATE TEACHER RETIREMENT FUNDS—FISCAL YEAR ENDING IN 1924

States	Receipts from:					Disbursements				
	Appropriations from public funds	Assessments on or deductions from salaries of members of retirement system	Income and interest on investments	Other receipts	Total receipts	Cost of administration	Amount paid to retired members and their heirs (due to superannuation, disability, death, etc.)	Refunds to members withdrawing from service prior to retirement	Other disbursements	Total disbursements
1	2	3	4	5	6	7	8	9	10	11
Arizona	6,880.00	.....	.....	.....	6,880.00	.....	6,880.00	.....	.....	6,880.00
California	229,222.30	1,089,815.80	71,876.28	.....	1,390,914.38	10,086.42	408,387.88	.....	.....	418,474.30
Connecticut	101,860.34	479,764.86	95,080.22	.....	676,705.42	7,126.20	62,252.95	.....	.....	68,379.15
Illinois	211,825.46	382,201.21	64,664.58	.....	658,691.25	12,468.30	502,145.21	.....	.....	514,613.51
Indiana	364,512.72	682,176.20	60,212.38	.....	1,106,901.30	13,219.74	180,421.42	.....	.....	193,641.16
Maine	80,000.00	.....	.....	.....	80,000.00	.....	.....	.....	.....	80,000.00
Massachusetts	609,971.27	1,258,971.88	278,466.08	8,855.71	1,947,265.94	18,286.18	439,657.29	.....	.....	457,943.47
Michigan	.....	179,970.97	.....	.....	179,970.97	.....	.....	.....	.....	179,970.97
Minnesota	68,421.84	122,142.35	40,402.05	32,363.67	263,330.31	10,002.01	104,471.63	.....	.....	114,473.64
New York ^a	.....	2,914,921.13 ^b	177,271.22	80,290.22	3,172,482.57	29,752.87	880,702.89	.....	.....	910,455.76
Ohio	2,849,944.22	2,017,048.70	889,783.69	43,816.12	5,759,592.73	46,177.80	572,212.28	.....	.....	618,389.08
Pennsylvania	2,414,970.80	2,464,613.81	781,466.00	1,943.41	5,663,994.02	49,000.00	597,992.81	.....	.....	656,992.81
Rhode Island	73,534.42	.....	.....	.....	73,534.42	.....	73,534.42	.....	.....	73,534.42
Vermont	20,000.00	17,499.42	8,960.88	369.66	46,829.96	317.12	1,426.76	.....	.....	1,743.88
Virginia	10,000.00	110,807.56	6,766.44	.....	127,574.00	.....	.....	.....	.....	127,574.00
Wisconsin	1,354,423.58	780,705.44	146,225.00	.....	2,281,354.02	34,315.41	240,270.68	.....	.....	264,586.09

a. Figures do not include New York City Fund. b. This figure includes income from appropriations from public funds. c. Includes amounts paid to estates of members dying prior to retirement.

TABLE 15.—INCOME AND OUTGO OF REPRESENTATIVE STATE TEACHER RETIREMENT FUNDS—FISCAL YEAR ENDING IN 1925

States	Receipts from:					Disbursements				
	Appropriations from public funds	Assessments on or deductions from salaries of members of retirement system	Income and interest on investments	Other receipts	Total receipts	Cost of administration	Amount paid to retired members and their heirs (due to superannuation, disability, death, etc.)	Refunds to members withdrawing from service prior to retirement	Other disbursements	Total disbursements
1	2	3	4	5	6	7	8	9	10	11
Arizona	9,067.74	.....	.....	.....	9,067.74	.....	9,067.74	.....	.....	9,067.74
California	333,146.29	1,211,877.28	74,877.89	.....	1,620,901.46	12,089.80	486,706.79	.....	.....	498,796.59
Connecticut	269,203.18	510,719.74	128,285.49	.....	908,208.41	8,566.71	80,461.42	.....	.....	89,028.13
Illinois	300,277.64	588,104.41	97,876.80	.....	986,258.85	11,717.34	534,974.36	.....	.....	546,691.70
Indiana	387,704.14	433,212.47	90,440.99	.....	911,357.60	13,966.25	322,976.25	.....	.....	336,942.50
Maine	80,000.00	.....	.....	.....	80,000.00	.....	.....	.....	.....	80,000.00
Massachusetts	638,042.60	1,224,952.62	282,215.80	67,889.27	2,113,099.29	13,179.08	513,999.91	.....	.....	527,179.00
Michigan	.....	183,944.68	.....	.....	183,944.68	.....	.....	.....	.....	183,944.68
Minnesota	77,207.88	120,871.94	39,622.13	7,225.99	245,927.94	12,484.21	124,207.17	.....	.....	136,691.38
Nevada	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
New York ^a	.....	2,987,856.93 ^b	187,722.29	848,201.17	3,823,780.39	30,804.00	867,746.00	.....	.....	898,552.00
Ohio	2,987,146.02	2,277,719.74	1,000,845.81	45,164.61	6,310,876.18	51,404.88	660,032.28	.....	.....	711,437.16
Pennsylvania	2,774,799.18	2,717,507.46	1,017,277.88	1,800.60	6,504,385.12	46,000.00	622,625.36	.....	.....	668,625.36
Rhode Island	78,000.00	.....	.....	.....	78,000.00	.....	78,000.00	.....	.....	78,000.00
Vermont	20,000.00	18,220.48	11,432.99	.....	49,653.47	.....	1,977.19	.....	.....	1,977.19
Virginia	10,000.00	110,742.89	6,877.27	.....	127,620.16	.....	.....	.....	.....	127,620.16
Wisconsin	1,477,494.34	791,426.14	146,225.00	.....	2,415,145.48	44,944.40	312,994.67	.....	.....	347,939.07

a. Figures do not include New York City Fund. b. This figure includes income from appropriations from public funds. c. Includes amounts paid to estates of members dying prior to retirement. d. \$9,064.23 reported to general treasury as an appropriation unexpended.

Controversial Issues in the Field of Teacher Retirement Legislation

The critical review of the Fundamental Principles of a Teachers' Retirement System, given in the first section of this study, presents the main problems involved in the inauguration and administration of a teacher retirement plan. Some additional issues relative to retirement systems are discussed here. None of the questions raised can be settled, dogmatically, one way or the other. Rather, this section defines the issues, indicates representative practice as to their solution, and presents pertinent discussions by some of the writers in this field. Unfortunately the literature on many of the points raised is limited. In some cases excerpts presenting arguments on but one side of a question could be located.

I. What Governmental Unit Can Best Administer a Teacher Retirement System?

Twenty-two states have already established state wide teacher retirement systems. In many states retirement systems also exist which affect teachers in limited areas such as a school district or county. In some cases teachers are members of both the state and local system, as in San Francisco, California. In other cities, such as Indianapolis and Chicago, teachers are enrolled in but one system.

Some believe it desirable to keep separate the retirement systems affecting teachers in large urban centers and those in less populous districts. It might be maintained that this is desirable in some states due to the wide differences between urban and rural teachers in salary, scale of living, tenure, and training. The existence of such differences increase the difficulty of drafting a state wide retirement system.

This issue is discussed in the *Twentieth Annual Report* of the Carnegie Foundation for the Advancement of Teaching.¹ The conclusion is that:

The advantages to the teacher of a state retirement system as contrasted with a local system are many. A state provides a body of men and women working in a given occupation under comparable conditions of climate, health, salary, advancement and scale of living. . . . Furthermore, the financial burdens assumable by a state for its teacher retirement system can result in a direct saving to individuals in the expenses for operation, inasmuch as appropriations from the state treasury can be made to cover such a unit economically and satisfactorily. The expense entailed in actuarial supervision might prove a burden for a political subdivision smaller than a state. The only exceptions to these general statements lie in large cities, or in localities where public spirit or individual philanthropy makes provisions for operation or for accrued liabilities which eases the burden. Within this limitation, it would seem that for public school teachers, the state is the unit which can most economically and effectually administer a system of retirement.

One writer has advocated that the federal government make provision for the financing necessary in connection with the assumption of accrued liabilities, probably the most difficult problem encountered in initiating sound retirement legislation.² Issue is taken with this viewpoint in the Carnegie report just cited:

In general it may be said that the state, as distinct from the municipal or federal unit, seems to be the agency that can most economically administer a public retirement fund, just as it is regarded as the political division most readily responsible for the conduct of the broader educational system. The federal unit provides, and rightly, for the retirement of its own servants, but any attempt to make it responsible for the retirement of teachers not employed directly by it must place upon it a burden intolerably unwieldy, expensive, and complicated. In the existing social order such a transfer of the duties of the state could be regarded only as anomalous.

It should be recognized that the issue is not one of control. No one has advocated, so far as literature indicates, federal control of teacher retirement systems. The most that has been suggested is that federal appropriations

¹ The Carnegie Foundation for the Advancement of Teaching, 522 Fifth Avenue, New York City. *Twentieth Annual Report of the President and of the Treasurer*, 1925, pp. 139-140.

² Carlson, Philip E. "Report of the Committee on Pensions." *Volume of Proceedings of the National Education Association* 1923, pp. 384 ff.

be made to assist the states in dealing with the problem of accrued liabilities.

II. Who Shall Be Members of a Teacher Retirement System?

When a retirement system is proposed, a question immediately arises concerning the scope of the system as to membership. The history of the New Jersey and New York City teacher retirement laws shows that "in the development of pension legislation, the tendency has been towards a steady extension of the pension system to all classes of the school personnel."¹

The 1919 Pennsylvania law established an employees' retirement association for those employed "in any capacity in connection with the public schools."²

The law creating the State Teachers' Retirement System of Ohio defines "teacher" as "any teacher or other person regularly employed in the public schools of the state of Ohio, who is required by law to have a teachers' certificate . . ."³

The Connecticut teacher retirement law defines "teacher" as "any teacher, principal, supervisor or superintendent engaged in the service of the public schools."⁴

The Teachers' Pension and Annuity Fund of New Jersey provides for "any regular teacher, special teacher, helping teacher, teacher-clerk, principal, vice-principal, supervisor, supervising principal, director, superintendent, city superintendent, assistant city superintendent, county superintendent, state commissioner or assistant commissioner and other members of the teaching or professional staff . . ."⁵

III. What Factors Determine the Amount of the Teachers' Contributions to a Retirement Fund?

In some states all teachers who are members of a teacher retirement system make the same annual contribution to the retirement fund

regardless of age, salary, or length of service. In other states the amount of a teacher's contribution to the retirement fund depends upon his length of service. In certain states the rate and total amount of a teacher's contributions to a retirement fund depend upon his age at time of appointment to service. A combination of length of service and salary received is often the basis for determining the amount of a teacher's contribution to a retirement fund. In some cases, the amount of the teacher's contribution is determined wholly on the basis of his salary.

In California, all teachers, irrespective of age of entrance to the profession, length of service, or salary, make an annual contribution of \$12.00 each to the Public School Teachers' Retirement Salary Fund of California.⁶

Lewis Meriam points out that the benefit received at retirement is often inadequate because some teachers enter the profession too late to accumulate sufficient funds by the time of retirement. Meriam describes "flat pension," together with its limitations, in his book on the retirement of public employees. He writes:

If the service is homogeneous and all enter at approximately the same age, at approximately the same salaries and become superannuated at approximately the same age, after having had a fairly uniform history of salary wage advancements, the uniform retirement allowance of a fixed amount—the so-called "flat pension"—is indicated. If the service receives employees of widely different ages, but pays all about the same rates of wages, the system of requiring a fixed contribution for all, and basing the amount of the benefit on the purchasing power of the accumulation at the time of retirement is possibly applicable. Its defect is that it will not produce adequate benefits for late entrants, but this objection can probably be overcome in part by charging late entrants an extra premium to be deposited to their credit. . . . Neither of these systems is very satisfactory, however, if the salaries paid different employees are very different.⁷

The Illinois State Teachers' Pension and Retirement Fund Law divides teachers into

¹ Studensky, Paul. *Teachers' Pension Systems in the United States*. D. Appleton and Company, 1920, p. 38.

² Pennsylvania State Department of Public Instruction, *The School Law of the Commonwealth of Pennsylvania*, 1925, Article LVI: (5601): (2), (8).

³ School Laws of the State of Ohio, 1922. Chapter 26: Sec. 7896-1.

⁴ Connecticut School Document, No. 5, 1922. Chapter XVI: Sec. 283.

⁵ School Law of New Jersey, 1925. Article XXVIII: 528: (7).

⁶ California State Board of Education, *Report of the Public School Teachers' Retirement Salary Fund Board for Ten Years*, August 10, 1913 to June 30, 1923, p. 7.

⁷ Meriam, Lewis. *Principles Governing the Retirement of Public Employees*. p. 403.

three classes according to length of teaching service, from below ten, from ten to fifteen, or over fifteen years. Section 13 of this law states:

After this Act shall take effect there shall be set apart from the salaries of all such persons so employed as teachers in the public schools of this state, coming under the provisions of this Act, \$1.00 per month for the first five months taught after July first of each year by such teacher while he or she remains in the first class; \$2.00 per month for the first five months taught after July first of each year by such teacher while he or she remains in the second class; \$6.00 per month (etc., as above) while he or she remains in the third class.¹

The rate and total amount of a teacher's contributions to a retirement fund may be affected by his age at appointment to service. This is the plan under the Pennsylvania Retirement Law which reads as follows:

From the salary of each employee who is a contributor there shall be deducted such per centum of his or her earnable salary as shall be computed to be sufficient, with regular interest, to procure for him or her, on superannuation retirement at age sixty-two, an employee's annuity equal to one one-hundred-sixtieth (1-160) of his or her final salary for each year of service after the thirtieth day of June, 1919.²

A teacher's contribution may be affected by both the salary received and length of service. This is true in Michigan. The act creating the Michigan teachers' retirement fund states:

(a) A teacher who shall have taught five years or less, in this state or elsewhere in public schools, shall contribute one-half per centum of his or her annual contractual salary . . . (b) A teacher who shall have so taught more than five years, but less than fifteen years, shall contribute one per centum of his or her annual contractual salary.³

The Vermont Teachers' Retirement System bases the rate of contribution and resulting benefits upon the member's salary. The law reads as follows:

Each member of the retirement association shall pay into the retirement fund . . . such percentage of his salary as may be determined by

said board . . . The rate of assessment for each school year, which shall not be more than 5 percent of each member's salary, shall be established by the retirement board on or before the 1st day of April in each year . . . Such rate of assessment shall be uniform for all members of the retirement association.⁴

IV. By What Method May Money Be Secured to Provide for the Deficiency in the Retirement Fund When Credit Is Given Teachers for Past Service Where No Retirement System Has Existed?

The problem of making some provision for teachers who have been in service prior to the enactment of the retirement law has often been an obstacle to the inauguration of a teacher retirement system.

Below are offered solutions of various writers to this problem, together with illustrations of current practice in several states.

Chapter VIII of Studensky's *Teachers' Pension Systems in the United States*⁵ gives a detailed discussion of the problem of providing in a new retirement fund for past service of teachers where no retirement system has existed. According to Studensky, the immediate creation of a fund to liquidate the entire liability would usually be impossible, as the appropriation required would at least equal the existing annual payroll. The amortization of the debt for prior service is usually secured by the distribution of payment over a certain period of years, so arranged as to place the burden on the right group of citizens and to secure a contribution of an increasing ratio, rather than one on the installment plan.

The Pennsylvania State Annuity Reserve Fund Number Two, created to cover prior service obligations, is provided for by this clause:

Beginning with the month of July, 1925, the Commonwealth shall pay semi-annually into State Annuity Reserve Fund Number Two an amount equal to two (2) per centum of the total com-

¹ Illinois State Teachers' Pension and Retirement Fund Law, Section 13. In the Handbook issued by the Board of Trustees January, 1920. p. 8.

² Pennsylvania State Department of Public Instruction, *The School Law of the Commonwealth of Pennsylvania*, 1925. Article LVI: (5608): 6.

Act 174 of the Public Acts of 1915, Sec. 6: (1), (a), (b).

⁴ General Laws of 1918 of the State of Vermont relating to the Department of Education with Amendments to 1925. Chapter 56: Sec. 8: (1).

⁵ Studensky, Paul. *Teachers' Pension Systems in the United States*. D. Appleton and Company, 1920. Chapter VIII.

pensation paid to all contributors for service during the preceding school year (continuing until the accumulated reserve equals the present value of all state annuity payments thereafter payable . . . on account of present employees, then retired or to be retired and in every case an amount at least three per centum greater than the second preceding semi-annual payment).¹

The Legislative Number of the New Jersey *Educational Bulletin* for April 1925 quotes this amendment affecting the state's contribution to the retirement fund:

The total amount payable in each year into the pension fund shall not be less than the rate per centum of the total compensation of present entrants during the preceding year known as the normal contribution plus the rate per centum of the total compensation of all members during the preceding year known as the deficiency contribution. The amount of each annual deficiency contribution shall be at least three per centum greater than the preceding annual payment. . . . The deficiency contribution shall be discontinued as soon as the accumulated reserve in the pension fund shall equal the present values as actuarially computed and approved by the board of trustees of the total liability of the pension 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 persons who are at that time present entrants.²

Studensky writes that in Massachusetts and Connecticut:

The state provides no special reserve for the discharge of the accrued liabilities, but pays them, as they mature, directly from the taxes. It appropriates each year an amount sufficient to pay the "prior service" pensions which are due that year. The disadvantage of this method lies in the fact that the load is, therefore, unequally distributed between the immediate and the more remote future. The aggregate amount contributed by the government . . . is considerably larger than it would have been had it been made on a reserve basis and had it been earning interest.³

Some writers have suggested that the national government aid the states in making up the deficiency in the retirement fund on account of prior service.⁴

V. How Shall Teaching Service Performed in Another State Be Evaluated?

Additional items for incorporation in the Statement of the Fundamental Principles underlying a teacher's retirement system were suggested in Section I of this Report. The desirability of provision for reciprocal relations between state retirement systems was pointed out.

A report on *Reciprocal Relations Between State Teachers' Retirement Systems*⁵ was made, February 23-24, 1926, to the National Council of Teachers' Retirement Systems. This report, based upon an inquiry made in connection with this problem, shows that while some states—as Massachusetts, Pennsylvania, and Virginia—give no credit for outside service, in other states the teachers may receive credit for such service subject to certain limitations. According to this report, in New Jersey:

The law allows credit to present entrants for not more than ten years of prior service rendered outside the state. . . . No contributions are required from present entrants on account of the prior service granted them. . . . Under the regular rate of contribution, new entrants receive credit only for service rendered subsequent to the date of enrollment, up to a limit of ten years of such service which may have been rendered in New Jersey or in other states. This purchase of credit for prior service may be made by making a single payment or by agreeing to contribute during their subsequent membership at an increased rate of deduction from salary.

In Connecticut, according to this same report:

A member of the Connecticut State Teachers' Retirement Association receives credit for all public day school service rendered outside the State when said member has completed at least twenty years of such service in Connecticut. A member is not permitted to pay any assessments for service outside the State, but at retirement does receive a hypothetical value for such service on which the State grants the pension.

¹ Pennsylvania State Department of Public Instruction, *The School Law of the Commonwealth of Pennsylvania*, 1925. Article LVI: (5608): 5.

² State of New Jersey, Department of Public Instruction, Legislative Number of the *Education Bulletin*, Vol. XI, No. 8, April, 1925. p. 297.

³ Studensky, Paul. *Teachers' Pension Systems in the United States*. D. Appleton and Company, 1920. Chapter VIII.

⁴ Carlson, Philip E. "Report of the Committee on Pensions." *Volume of Proceedings of the National Education Association* 1923. pp. 384 ff.

⁵ National Council of Teachers' Retirement Systems, February 23-24, 1926. Report on *Reciprocal Relations Between State Teachers' Retirement System*, Hartford, Connecticut.

These advantages or disadvantages or reciprocity were suggested in this report to the National Council of Teachers' Retirement Systems:

There are two advantages that suggest themselves when considering reciprocal relations between State Teacher Retirement Systems.

First, teachers who find it desirable to transfer from one State to another may do so without forfeiting their retirement rights already earned, and second, the State that desires to secure the services of experienced teachers from other States can do so more easily if such teachers can be assured that their retirement rights will not be forfeited.

Among the disadvantages that present themselves in connection with reciprocal relations between

State Teachers' Retirement Systems are first, a State may lose some of its best teachers to other States under reciprocal relations between retirement systems and second, and probably the most serious disadvantage arises from the differences that exist in the plan of organization and operation of the various State Teachers' Retirement Systems. For example, it would be exceedingly difficult to devise a plan of reciprocal relations between a state that has scientifically planned an actuarially sound retirement system, and a state whose retirement system is operated under the Case Disbursement Plan. Even among states whose retirement systems are actuarially sound, there are so many differences in the rates of contribution caused by differences in the age of retirement that a satisfactory plan of reciprocal relations could not be easily devised.

The Text of a State Teacher Retirement Law With Comments and Explanations

A number of states have adopted teacher retirement laws which in the main are based upon sound principles. Space limitations prevented the reproduction in full of more than one state retirement law. A comparison of the principal features of a number of retirement laws is possible by consulting the tabular statement on pages 40-51.

Following is given the text of the Vermont teachers' retirement law. This is one of several laws which might have been selected for reproduction in this section. Its inclusion makes easily available to legislative committees the text of one legislative act. In the foot-notes which accompany the text will be found explanations of the significance and meaning of certain sections which might not be readily understood by those relatively inexperienced in the field of retirement legislation.

VERMONT TEACHERS' RETIREMENT SYSTEM

No. 57. Acts of 1919. (Replacing Sections 1220-1231.)

SECTION 1. Definition.—The following words and phrases as used in this act shall have the following meanings:¹

(1) "Teacher" shall mean any teacher, principal, supervisor or superintendent employed in a public day school within the state, or in any normal school, teacher training institution or school conducted under the director of institutions located within the state and controlled and supported wholly by the state.

(2) "Public school" shall mean any day school conducted within the state under the authority and supervision of a duly elected board of school directors.

(3) "Year" as used in this act referring to the term for school service of a teacher shall mean the same as "school year," as defined in the General Laws of the state at the time when the school service in question was rendered, provided, however, that the retirement board may in special cases determine what school service shall constitute the equivalent of a specified period of service under this act.

(4) "Interest," unless herein otherwise provided, shall mean compound interest at such rate as shall be determined by the retirement board.

(5) Wherever the word "he" appears it shall be taken to apply to females as well as males.

SEC. 2. Teachers' retirement system.—The Vermont teachers' retirement system, hereinafter called the retirement system, is hereby established, to become effective on July first, nineteen hundred and nineteen.

SEC. 3. Teachers' retirement association.—An association to be known as the Vermont teachers' retirement association, hereinafter called the retirement association, may be organized by and among the teachers in the public schools of the state. Membership in said association may be acquired under the following conditions:

All teachers who shall serve in the public schools on or after July first, nineteen hundred and nineteen, may become members of the association,² upon application to and approval by a majority of the retirement board and under such rules and regulations as it may prescribe.

SEC. 4. Organization.—The teachers who desire to become members of the retirement association shall, as soon as may be after July first, nineteen hundred and nineteen, adopt such form of organization for said association as shall be prescribed by the commissioner of education, the state treasurer and the insurance commissioner; and thereafter such organization shall be maintained for the purposes herein contemplated, with such modifications thereof as may be adopted from time to time by the members of the association with the approval of the retirement board.

SEC. 5. Teachers' retirement board.—The administration of the retirement system hereby established is hereby vested in a board to be known as the teachers' retirement board, herein called the retirement board, consisting of five members, as follows:³ The commissioner of education, the state treasurer, the insurance commissioner, and two members of the retirement association. Upon the organization of said association the members thereof shall elect from among their number, in a manner to be approved by the commissioner of education, the state treasurer and the insurance commissioner, two persons to serve upon the retirement board, one member to serve for one year and one for two years; and thereafter the members of the retirement association shall elect

¹ In most retirement acts the professional terms employed in the law are defined. Otherwise, the varied interpretation of "teacher," "interest" or "school year" might destroy the legal and practical effectiveness of a retirement system.

² Membership in the Vermont system is optional. Membership is compulsory in most retirement systems, however.

³ The personnel and the election of the retirement board is outlined in the act in order that the investment of the funds and the granting of allowances will be in responsible hands. An attempt is made to secure a proportionate representation for both state and teachers, and, for further protection, the members serve without compensation.

annually from among their number, in a manner to be approved by the retirement board, one person to serve on said board for the term of two years.

Until the organization of the retirement association and the election of two representatives therefrom to membership on the retirement board, the commissioner of education, the state treasurer and the insurance commissioner shall be empowered to perform all the duties of said board.

When a vacancy occurs in the retirement board by reason of the death, resignation or inability to serve of one of the members chosen by the retirement association, such vacancy shall be filled by the retirement board, who shall appoint a member of said retirement association to serve until the next meeting of said retirement association duly called for the purpose of electing a new member for the unexpired term.

The members of the retirement board shall serve without compensation, but they shall be reimbursed for all necessary expenses which they may sustain through their service on the board. All claims for such reimbursement shall be subject to the approval of the auditor of accounts.

SEC. 6. General duties.—The retirement board shall provide for the payment of retirement allowances and such other expenditures as are prescribed by this act, and shall perform such other functions as are required for the execution of the provisions hereof;¹ and to that end said board shall make by-laws and regulations not inconsistent with the provisions of this act, shall employ a secretary whose duty it shall be to keep a record of all proceedings and shall provide such other clerical assistance as may be necessary for the discharge of the duties prescribed hereunder.

SEC. 7. Administrative duties.—The retirement board shall adopt mortality tables for the retirement system hereby created, and, except as herein otherwise provided, shall determine what rates of interest shall be established in connection with such tables or otherwise under the provisions hereof.² Said board may modify such mortality tables or adopt others, and may change rates of interest once established, unless otherwise provided herein, but not so as to impair the vested rights hereunder of any member of the retirement association, unless such modifications or changes shall be assented to by such member. Said board shall

establish and maintain, under competent actuarial advice, a complete system of records and accounting.

SEC. 8. Creation of annuity fund.—The annuities hereinafter provided shall be paid out of a fund to be known as the annuity fund, which shall be constituted as follows:

(1) Each member of the retirement association shall pay into the annuity fund, under regulations to be prescribed by the retirement board, such percentage of his salary as may be determined by said board within the limits hereinafter prescribed. The rate of assessment for each school year, which shall not be more than 5 percent of each member's salary, shall be established by the retirement board on or before the 1st day of April in each year, and notice thereof shall be given all members of the retirement association in such manner as the retirement board shall prescribe. Such rate of assessment shall be uniform, at any given time, for all members of the retirement association; provided, however, that no member shall in any one year pay into said fund less than sixteen dollars nor more than one hundred dollars.³

(2) Any member of the retirement association, who for thirty years shall have paid into said fund his regular assessments, as above provided, shall be exempt from further assessments; but such member may thereafter, if he so elects, continue to pay his assessments into said fund.

(3) The annuity fund shall also consist of such amounts as may be appropriated from time to time by the general assembly on estimates submitted by the retirement board, subject to approval by the board of control, as hereinafter provided. Such estimates shall provide for an appropriation sufficient to enable the board to credit annually to each member of the retirement association a sum equal to his contribution to the annuity fund and the additional allowance provided in section thirteen of this Act. Provided, however, that the state shall not be called upon to pay into said annuity fund more than one hundred dollars in any year on account of the contribution of any one member of said retirement association. Such amount of the annual appropriation as is not required for contributions to the accounts of individual members as provided in this section shall

¹ The financial and administrative phases of the system are controlled by the retirement board. Among its functions are the consideration of the applications for retirement, payment of benefits, and preparation of estimates for appropriations to the annuity fund by the general assembly.

² Before attempting to establish a sound retirement system, the retirement board must take into consideration tables predicting the life expectancy of individuals as influenced by age, sex, and vocation. By applying such data among the teaching staff, the rates of contribution to cover future liabilities may be determined with some degree of accuracy. Expert advice concerning the records and accounts will insure the financial stability of the system. (The Fifth Annual Report of the Teachers' Pension and Annuity Fund of New Jersey 1923-1924 gives comparisons of actual and expected separations from active service among present entrants as caused by withdrawal, death, disability; together with a comparison of actual and expected increases in salaries, and death among retired teachers. Copies of this Report may be obtained by writing: John A. Wood, Secretary, Teachers' Pension and Annuity Fund, Trenton, New Jersey, P. O. Box 840.)

³ In order that the cost of the system may be divided between employer and employee, a certain percent of the teacher's salary is annually paid into the retirement fund. The benefits secured at retirement are in proportion to the salary received and the length of service given. The percent of the deduction is uniform in order that the contribution will correspond to the teacher's ability to pay, and in order that the pension will bear a definite proportion to the salary. If the teacher's salary is \$1,200, under the Vermont system her contribution does not exceed 5 percent or \$60. If her salary is \$2,000 her maximum contribution will be \$100. The minimum amount paid into the retirement fund annually per teacher shall not be less than \$16.

Based on the estimates submitted by the Retirement Board, the General Assembly makes appropriations. These estimates are large enough to duplicate the amount paid into the Retirement Fund by all the teachers of the state and to cover the additional allowance provided for in section 13 of this Act.

be paid into the annuity fund. The total amount appropriated by the state in any one year to carry out the provisions of this act shall not exceed the sum of twenty-five thousand dollars.

SEC. 9. Contributions; how credited.—The contributions made by the members of the retirement association to the annuity fund hereinbefore created, shall be credited as made to such members severally in individual accounts up to the time of retirement, and at the same time each member so contributing shall be credited individually with a like amount as the contribution of the state.¹ Contributing members shall also be credited with the interest earned by their several contributions and by the equal contributions made by the state as aforesaid.

SEC. 10. Retirement.—Any member of the retirement association, who shall have served as a public school teacher for a period of thirty years, of which twenty years, and the last five preceding retirement, shall have been in this state, may retire from service, in the public schools on or after attaining the age of sixty years, if a woman, and of sixty-five years, if a man, without forfeiting any of the benefits of the retirement system; and at any time thereafter, if incapable of rendering satisfactory service, such member may be so retired, with the approval of the retirement board.²

SEC. 11. Reinstatement of member.—Any member of the retirement association, who shall have withdrawn from service in the public schools of the state, shall, on being reemployed therein, be reinstated in the retirement association upon such terms and conditions as shall be prescribed by the retirement board.³

SEC. 12. Retirement allowances.—Except as hereinafter provided, a member of the retirement association, who shall have retired from service in the public schools of the state, and who

shall have complied with all the provisions of this act and with the rules and regulations of the retirement board hereby authorized, shall be entitled to receive from the annuity fund hereinbefore established, (1) such annuity as his contributions to said fund, with interest thereon, together with the like contributions made thereto by the state, and the interest thereon, will purchase on the basis of McClintock's table of mortality among annuitants, and in interest rate of three and a half percent per annum,⁴ or, (2) at his option, he shall be entitled to receive an annuity of less amount, as may be determined by the retirement board for annuitants electing such option, with the provision that if the annuitant dies before receiving payments equal to the sum of his assessments hereunder and the contributions equal thereto made by the state, as hereinbefore provided, with interest, the difference between the total amount of said payments and the total amount of such assessments and contributions, with interest, shall be paid as an annuity to a surviving husband, or wife, as the case may be, or to his or her legal representatives as such member may elect, subject to such reasonable rules and regulations as the retirement board may prescribe.

SEC. 13. Teachers already in service.—Any teacher already in the service of the state when this act takes effect, who shall become a member of the retirement association when forty-five years of age or older, shall on retiring as hereinbefore provided, be entitled to receive the allowance prescribed in the preceding section for members entering the service of the state as teachers after the passage of this act, and such additional allowance from the state as may be determined by the retirement board, the same to be paid as provided in the preceding section; but his total annuity hereunder shall not exceed one-

¹ If payments were made to some general fund, the accounts would not show clearly the status of the individual teachers in regard to the retirement system. Through individual accounts, the teacher is assured that the deposits to his credit are reserved for his benefit alone.

² The combination of a service and an age requirement is a good method of maintaining the effectiveness of a retirement system. A difference is made between the sexes because the mortality rates are lower for women than for men.

SERVICE PENSIONERS, NEW YORK CITY TEACHERS' RETIREMENT FUND

Retirement age	Life expectation	
	Men	Women
50.....	16.58 yr.	23.01 yr.
58.....	13.55 yr.	17.84 yr.
62.....	11.84 yr.	15.27 yr.
70.....	8.45 yr.	10.43 yr.

Report of the Pension Funds of the City of New York, as quoted by Ida E. Housman in *A Teacher's Version of the Pierson Law*, p. 17.

³ The reemployment of a teacher involves the question of his status with regard to the retirement system. In Ohio, for example, the returned teacher must open a new account, thus materially decreasing his benefit. In some states, the teacher returns the amount he withdrew from the retirement fund at the time of his temporary withdrawal from teaching service and resumes his old classification.

⁴ An annuity is the annual amount received by the teacher at the time of retirement. The annuity fund is built up from the previous annual deposits of the teacher and the state, and the accumulated interest thereon. The table, on page 62, prepared by the Vermont Teachers' Retirement Association shows what the teachers' retirement system investment is worth to a Vermont woman teacher.

half his average annual salary throughout his entire period of active service in the state.¹

SEC. 14. Allowance in case of death or disability.—A member of the retirement association, who shall have been a teacher in the public schools of the state at least six years, and who shall become totally and permanently disabled to teach, as determined upon examination by physicians approved by the retirement board, shall receive an annuity based upon the accumulated sum of his contributions and the equal contributions of the state, with interest, calculated on the basis of McClintock's table of mortality among annuitants and 3½ percent interest, with such additional annual allowance from the state as the retirement board, in the exercise of sound discretion, shall deem equitable, the same being limited by his earning capacity in other occupations, such additional allowance to be continued so long, and in such amount, as the retirement board may determine;² provided, however, that in no event shall the total sum received annually by such member, under this section, including his annuity and the additional allowance above provided for, exceed half of his average annual salary throughout his entire period of

service as determined by the retirement board.

If such retiring member should die before receiving in the form of an annuity all of the accumulations up to the time of his disability from his own and the state's annual contributions on his account, the balance shall be paid to his or her legal representatives, as he or she may elect, subject to such rules and regulations as may be prescribed by the retirement board.

SEC. 15. Allowance in case of resignation or dismissal.—(1) Any member of the retirement association withdrawing from service in the public schools of the state, by resignation or dismissal, before becoming, eligible to retirement under the provisions of this act, and who shall have been a member of the association less than six years, shall be entitled to receive from the annuity fund all amounts contributed thereto by said member as assessments with interest at 4 percent compounded semi-annually on January first and July first, but if at the time of such withdrawal such member shall have been a member of the association for six years or more, he shall be entitled to receive from the annuity fund all amounts contributed thereto by him as assessments without interest, and in addition the

WHAT THE TEACHERS' RETIREMENT SYSTEM INVESTMENT IS WORTH TO A VERMONT TEACHER

Women teachers				
If at the age of—	You start an annual payment of:	You will have to your credit at the age of retirement (60): ^a	This will furnish you as long as you live a yearly income of:	Or a yearly income of the amounts below; whatever is left unpaid at your death being paid to your estate.
1	2	3	4	5
20 years.....	\$50.00 75.00 100.00	\$9,882.65 14,823.97 19,765.30	\$808.70 1,213.05 1,617.39	\$711.75 1,067.62 1,423.50
22 years.....	50.00 75.00 100.00	8,940.91 13,411.36 17,881.82	731.63 1,097.44 1,463.27	643.92 965.88 1,287.85
24 years.....	50.00 75.00 100.00	8,070.22 12,105.33 16,140.44	660.39 990.58 1,320.77	581.22 871.83 1,162.43
26 years.....	50.00 75.00 100.00	7,265.22 10,897.83 14,530.44	594.51 891.76 1,189.03	523.24 784.86 1,046.48
30 years.....	50.00 75.00 100.00	5,832.85 8,749.27 11,665.70	477.30 715.95 954.60	420.08 630.12 840.16
35 years.....	50.00 75.00 100.00	4,331.17 6,496.75 8,662.34	354.42 531.63 708.84	311.93 467.89 623.86

^a The amounts given in the 3d column are the results of the contributions of the teacher, see column 2, with interest, and the payments of the state to match these funds with interest.

¹ The state gives credit to the teacher for service prior to the enactment of the retirement system. The annuity which such teacher receives in Vermont is not more than ½ of his average salary computed over his entire service.

In most retirement laws, the state assumes the burden for past service. The obligation incurred for prior service has proved one of the greatest problems in the establishment of a new system.

² In general, disability retirement occurs in most states less frequently than service retirement and the rates are scaled lower. Under the Vermont law, one who is incapacitated for teaching may be granted a disability allowance. The amount of the disability allowance granted, however, is somewhat affected by the teacher's earning capacity in some other profession. The Ninth Report of the Michigan Teachers' Retirement Board, p. 24, shows a total of 516 regular annuitants, with 29 disability annuitants; \$149,112.65 was paid out in regular annuities, and \$5,277.52 in disability annuities for 1924-1925 in Michigan.

contributions made by the state on his account, as hereinbefore provided, without interest.¹

(2) In case of the death of such member under the circumstances above set forth, the several amounts to which he would be entitled, if living, shall be paid to a surviving husband or wife, or to the legal representatives of such deceased member, as may be elected, subject to the rules and regulations of the retirement board.

(3) In the case of the death or withdrawal from service or such member before the completion of six years of service in the public schools of the state the contributions made by the state on his account, as hereinbefore provided, shall be placed in the reserve fund hereinafter established, for the general purposes of the retirement system.

(4) Contributions returned as above provided shall be paid in lump sums or in installments as the member may elect, subject, however, to such reasonable rules and regulations as may be prescribed by the retirement board.

SEC. 16. Exemptions.—That portion of the salary or wages of a member deducted or to be deducted under this act, the right of a member to an annuity or allowance hereunder, and all his rights in the funds of the retirement system, shall be exempt from taxation, and from the operation of any laws relating to bankruptcy or insolvency, and shall not be attached or taken upon execution or other process of any court. No assignment by a member of any part of such fund to which he is or may be entitled, or of any right to or interest in such funds, shall be valid.

SEC. 17. Administration of funds.—(1) All funds of the retirement system shall be in the custody and charge of the state treasurer, who shall, with the approval of the retirement board, invest and reinvest such funds as are not required for current disbursements in accordance with the laws of the state governing the investment of the assets of savings institutions.²

(2) The state treasurer shall make such payments to the members of the retirement association from the annuity fund as the retirement

board shall order to be paid in accordance with the provisions hereof.

(3) On or before the first day of August in each year, the state treasurer shall file with the insurance commissioner and with the secretary of the retirement board a sworn statement exhibiting the financial condition of the retirement system on the thirtieth day of June in each year, and its financial transactions for the year ending on such date. Such statement shall be in the form prescribed by the retirement board, and shall be published with the report of the state treasurer.

SEC. 18. Reserve fund.—A reserve fund is hereby created, to consist of gifts and receipts from sources other than those herein specified, returns to the state of its contributions to the annuity fund as hereinbefore provided, and balances that may accrue on account of interest, savings or otherwise, which fund shall be maintained and used, in the discretion of the retirement board, for unforeseen contingencies, expenses of administration, or any other purpose within the scope of the retirement system.³

SEC. 19. Accrued liabilities fund.—An accrued liabilities fund is hereby created, to consist of the Vermont state teachers' retirement fund, now in the custody of the state treasurer under the provisions of sections 1220 to 1231, inclusive, of the General Laws, of such part of the reserve fund as the retirement board may from time to time transfer thereto, and of such other funds as may be received by the retirement board for the purposes contemplated in this section. Provided, however, that said Vermont teachers' retirement fund shall not become part of the funds of the retirement system as contemplated in this section except upon vote to that effect of the Vermont state teachers' retirement fund association, duly certified to the retirement board by the president of said association. The accrued liabilities fund shall be drawn upon from time to time by the retirement board as needed to make up the contributions of the state to the retiring and disability allowances provided here-

¹ The systems early established involved a forfeiture of the teachers' contributions upon withdrawal from service before regular retirement. Under the Vermont provision the teacher may at any time receive back his own assessments. Vermont teachers who withdraw from service after having taught less than six years, receive the amount which they have contributed to the Retirement Fund together with interest thereon which has been compounded semi-annually. After a period of six years has elapsed the state's deposits as well as his own are available without interest to the teacher withdrawing from service. The following table shows the amounts due upon withdrawal at the end of six years' membership in the Vermont Teachers' Retirement System.

Contribution	Teachers' Contribution	State's Contribution	Due to Teacher
\$50 for 6 years	\$300	\$300	\$600
75 for 6 years	450	450	900
100 for 6 years	600	600	1,200

² The retirement board may make recommendations as to the preference to be given to certain securities. According to the 1923 annual Report of the Vermont Teachers' Retirement Association the credit on investments for the year 1923 amounted to \$189,443.40. The funds were in the hands of trust companies and invested in United States bonds and Canadian property.

³ Early retirement systems relied upon voluntary contributions alone, thus endangering the stability of the fund.

⁴ The question as to who shall assume responsibility for the accrued liabilities is one of the most difficult encountered in retirement legislation, particularly when an unsound law is already in effect. Under this older law, the teachers may have been guaranteed particular retirement annuities which cannot be met from the amount required under the former system. The total amount which must be provided over a period of years to make up this deficiency is sometimes large. Any or all of these alternatives may be selected: (1) The amount guaranteed by the state under the old law will be repudiated. (2) The deficiency shall be made up partly or wholly from payments under the new retirement system. (3) The state shall assume liability and other annual proportions, providing such sums as is needed, until the liabilities assumed under the old system have been met. The third alternative, has been selected by a number of states at the time of the replacement of an unsound retirement law by one that is sound

under. Said fund shall be in all respects subject to the provisions of this act, and to the rules and regulations of the retirement board hereby authorized in respect to custody, investment, audit and disbursement.

SEC. 20. Supervision of retirement system.—The retirement board shall cause the system hereby established to be thoroughly examined by a competent actuary or actuaries,¹ once in every three years, and oftener if deemed necessary, and may call an actuary in consultation at any time; and such board is hereby empowered to change the scale of contributions required of teachers, if deemed advisable as the result of actuarial experience hereunder; but such changes shall not be effective as to teachers becoming members of the retirement association before the same shall have been made, unless assented to by such members.

Audit of accounts.—The accounts of the retirement board and the books and accounts of the state treasurer as custodian of the funds of the retirement system, and the cash and securities in his hands representing such funds, shall be examined and audited annually at the time and in the manner prescribed for the annual audit of the accounts of the trustees of the permanent school fund and the accounts of the state treasurer in connection therewith.

SEC. 22. Appropriation.—The sum of twenty thousand dollars per annum is hereby appropriated to carry out the provision of this act for the biennial period beginning July 1, 1923.

SEC. 23. Changes in rules and regulations.—The rules and regulations hereby prescribed for the administration of the retirement system hereby created, shall be subject to change by the retirement board whenever deemed to be for the best interests of the entire body of teachers in the service of the state. The benefits of the retirement system shall be enjoyed by each member of the retirement association so long as he meets all the requirements of this act and complies with all the rules and regulations of the retirement board.

SEC. 24. Sections of General Laws repealed. Sections one thousand two hundred and twenty to one thousand two hundred and thirty-one, inclusive, of the General Laws are hereby repealed; provided, however, that those provisions of said sections relating to the custody and control of the Vermont state teachers' retirement fund referred to in section twenty of this act shall continue in force until the transfer of said fund to the retirement system as hereinbefore provided.

SEC. 25. This act shall take effect from its passage.

Approved April 8, 1919.

¹ The actuary makes calculations as to life expectancy. After collecting material as to the sex, age, service, etc., of the school employees, he is able to estimate the cost of the retirement system and to recommend methods to be adopted in meeting it. "For this purpose he may either use tables developed on past experience or develop tables suited to the particular employment concerned. The elaboration of rates of mortality, rates of salary changes, withdrawals, accrued liabilities, and so on properly fall within the sphere of his activity." (*Sixteenth Annual Report of the President and the Treasurer, The Carnegie Foundation for the Advancement of Teaching*, 522 Fifth Avenue, New York City, 1921, p. 155.)

Those who desire to consult the tables which bring together for a state data necessary to the calculation of the cost and other features of a retirement system should consult: Furst, C., Mattocks, R. L., and Savage, H. J. *Retiring Allowances for Officers and Teachers in Virginia Public Schools*. The Carnegie Foundation for the Advancement of Teaching, Bulletin No. 17, p. 57-65.

Selected and Annotated Bibliography on Teacher Retirement Systems

The following selected and annotated bibliography has been compiled by the Committee of One Hundred on Retirement Allowances and the Research Division of the National Education Association. The bibliography contains reference to reports, books, and articles chosen with regard to their recency and availability as well as the type of material included that will be of value to those studying teacher retirement problems. It does not attempt to be all-inclusive. Additional references treating specific phases of this question may be secured from the Research Division of the National Education Association.

1. EDUCATIONAL REVIEW, "Attenuation of Teachers' Pensions in Germany." LXVII, No. 5, December 1921, pp. 447-448.

Criticizes decrease of teacher retirement allowances as advocated by the Reichstag. Contends that the pension allowances represents "a portion of salary withheld by the state; clearly only a temporarily postponed payment of salary."

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

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

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

The publications listed for the Carnegie Foundation are all in print. They will be sent without charge on application to the Secretary.

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

A report prepared for the Committee on Salaries, Pensions, and Tenure of the National Education Association, Joseph Swain, Chairman.

Discusses the problems and fundamental principles underlying pension systems. Includes outline of a "model" pension plan drawn up with special reference to Vermont, tabular presentation and summary of state and local systems in the United States. Map. Bibliography.

4. —, *Fifteenth Annual Report of the President and of the Treasurer, 1920*. pp. 87-94.

Reviews Studensky's "Teachers' Pension System in the United States," and discusses pension problems that have since arisen. Analyzes contributory basis of systems according to relative merit of the flat-rate contribution and the reserve fund. Opposes computation of benefits on basis of teacher's salary.

5. —, *Sixteenth Annual Report of the President and of the Treasurer, 1921*. pp. 115-132. and 155-157.

Reviews pension legislation in California, Connecticut, Indiana, Iowa, Michigan, Nevada, New Jersey, Washington, Wisconsin, Chicago, Minneapolis, New York State, and New York City. Discusses position of the actuary in the movement for pension legislation.

6. —, *Seventeenth Annual Report of the President and of the Treasurer, 1922*. Part VI, pp. 121-158.

Discusses changes of pension theory and presents twenty-five problems with special attention to accrued liabilities and the merits of the reserve system. Gives critical review of systems in several states and cities of the United States.

7. —, *Handbook of Life Insurance and Annuity Policies for Teachers, 1922*. 80 pp. Revised, 1925. Published by Teachers' Insurance and Annuity Association of America, 522 Fifth Ave., New York City.

Outlines the development of the Teachers' Insurance and Annuity Asso-

- ciation. Gives the plan of different types of policies with illustrative examples and annuity rates.
8. —, *Eighteenth Annual Report of the President and of the Treasurer, 1923*. pp. 95-107.
A general discussion of recent developments of teachers' pensions, and pension legislation in the states of California, Kansas, Maine, Minnesota, Washington, and the cities of Minneapolis and St. Paul.
 9. —, *Nineteenth Annual Report of the President and of the Treasurer, 1924*. pp. 137-154.
Comments on the work of the National Education Association in relation to teacher retirement, discussing the eleven fundamental principles presented by the Committee on Pensions. Gives brief discussion of pension legislation in various parts of the country and in England.
 10. —, *Twentieth Annual Report of the President and of the Treasurer, 1925*. "Pension Systems and Pension Legislation," pp. 139-155.
Concludes that a retirement system may be most effectively and economically administered by the state. Discusses the steps to be followed in securing a system of pensions. Gives a brief discussion of teacher retirement in the states and abroad, with particular attention to the work of the Massachusetts Commission on Pensions of 1923-1925.
 11. —, FURST C., MATTOCKS, R. L., and SAVAGE, H. J., *Retiring Allowances for Officers and Teachers in Virginia Public Schools, Bulletin 17, 1926*.
Outlines and presents in diagrammatic form the plan of retiring allowances for officers and teachers in the Virginia Public Schools as formulated by the Foundation. Discusses in some detail the principles underlying the system, with certain problems relative to the funds, accounting and revisions, with actuarial data. Describes plan and financial status of the former Virginia Retired Teachers' Fund.
 12. DE ROODE, ALBERT, "Pensions as Wages," *American Economic Review*, Vol. III, No. 2, June 1913. pp. 287-295.
Considers that pension systems which make no provision for refunds or contractual guarantees are "merely very shrewd bits of wage bargaining." Discussion of problems that arise in extending to public employees privileges given those in private concerns.
 13. HOOD, WILLIAM R., *Review of Educational Legislation, 1919-1920*. United States Bureau of Education, *Bulletin*, 1922, No. 13, pp. 13-14.
Briefly reviews the progress of teachers' pension legislation from 1919 to 1920. Draws attention to the tendencies toward increased public support of retirement systems and financial soundness of the later systems. Lists state, municipal, and local laws in effect.
 14. HOUSMAN, IDA E., *A Teacher's Version of the Pierson Law*. (New Jersey Law.) Master's Dissertation, Columbia University, 1920. 24 pp.
A simplified form of the Retirement Fund Law is presented in Part I. Part II gives financial evaluations, data as to benefits and credit allowed for prior service, with actuarial tables. Advances and solves illustrative problems.
 15. MERIAM, LEWIS, *Principles Governing the Retirement of Public Employees*. D. Appleton and Company, New York City, 1918, 463 pp. \$2.75.
A comprehensive discussion of the retirement of public employees. Analyzes the problem of devising adequate systems with reference to benefits payable, financial support, and status of the "present employee." Includes several chapters on the establishment and practical workings of a fund on the actuarial basis. Gives conclusions concerning merits of retirements systems, costs, etc., with selected bibliography.
 16. NATIONAL COUNCIL OF TEACHERS' RETIREMENT SYSTEMS, *Bulletin*, February 24, 1926. Washington, D. C.
A study of the methods used in various states for evaluating outside service.

Outline of systems in twelve states also given.

NATIONAL EDUCATION ASSOCIATION,
1201 Sixteenth Street, N. W., Wash-
ington, D. C.

17. —, CLARK, JOHN E., "Shall Teachers Be Pensioned?" *Volume of Proceedings of the National Education Association*, 1896. pp. 988-996.

Argues that pension systems increase a teacher's efficiency. Outlines provisions for retirement of teachers made in Germany, France, Bavaria, England, Sweden, etc.

18. —, HAMILTON, WALTER I., "Teachers' Retirement Allowances." *Volume of Proceedings of the National Education Association*, 1914. pp. 71-78.

Discusses the evolution of the pension theory, and points to experience as the guide for future progress.

19. —, JOHNSON, DAVID B., "Pensions." *Volume of Proceedings of the National Education Association*, 1919. pp. 145-157.

Contrasts pension situation in United States with that in other countries, emphasizing relative instability of the profession in the United States. Lists pension advantages for school and teacher. Argues that the problem is not solved by merely providing an "adequate salary."

20. —, SWAIN, JOSEPH, "Report of Committee on Pensions." *Volume of Proceedings of the National Education Association*, 1918. pp. 757-761.

A brief history of the movement for teachers' pensions in the United States. Analyzes some of the difficulties that have arisen in regard to certain systems. Suggests means of avoiding or correcting these difficulties.

21. —, SWAIN, JOSEPH, "Report of the Committee on Salaries, Tenure, and Pensions." *Volume of Addresses and Proceedings of the National Education Association*, 1919. pp. 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."

22. —, CARR, JOHN W., "Preliminary Report of the Committee on Pensions." *Proceedings of the National Education Association*, 1921. pp. 155-157.

Summary of principles presented by committee in 1918.

23. —, ROBBINS, JESSIE M., "The Teacher Pension Movement." *Journal of the National Education Association*, Vol. II, March 1922. pp. 87-89.

Traces the development of interest in teachers' pensions from 1891 to 1922.

24. —, CARLSON, PHILIP E., "Report of Sub-committee on Pensions." *Volume of Proceedings of the National Education Association*, 1922. pp. 287-289.

Recommends that the National Education Association further the retirement movement in progress. Suggests a program advocating guaranteed securities, withdrawal and disability benefits, and a pension proportionate to salary.

25. —, CARLSON, PHILIP E., "Report of the Committee on Pensions." *Volume of Proceedings of the National Education Association*, 1923. pp. 376-390.

Reviews the situation in several states. Suggests a program for the Association in dealing with a problem of such national significance. The report includes material on "Federal Aid for Teachers' Pensions" by Brooks and Eckern, proposing, as a step toward securing sound state legislation, that the national government assume the burden of accrued liabilities that had proved a serious handicap to the progress of the states in retirement legislation.

26. —, CARLSON, PHILIP E. *Teachers' Retirement Allowances*. Report of the Committee on the Problem of Retirement Allowances of the National Education Association. July, 1924. 22 pp.

This report is included in the Research Bulletin for May 1924. (See following reference.)

27. —, *Research Bulletin of the National Education Association*. "Teachers' Retirement Allowances," Vol. 2, No. 3, May 1924. 96 pp.

Presents eleven fundamental principles of a teachers' retirement system. Shows why the state and teachers are especially concerned by pension legislation and lists state and local systems in effect. The main provisions of the Massachusetts, Connecticut, Vermont, New York City, New Jersey, Pennsylvania, Ohio, and Minneapolis systems are tabulated. Financial statements and a directory of state retirement board secretaries are given; also the text of the New York State Teachers' Retirement Fund Law.

28. "Pension Law and Annuity for Indiana Teachers"; official copy prepared for Indiana State Pension Board. *The Educator-Journal*, XXIII, No. 5, January 1923. pp. 167-170. Tables reprinted from *The Educator-Journal*, November 1921.

Tables are given which show the contribution required of the teacher at various ages in order to secure a certain annuity.

29. PROSSER, CHARLES A. and HAMILTON, W. I., *The Teacher and Old Age*. Houghton Mifflin Company, 1913.

Includes a brief, comparative discussion of teacher retirement systems in the United States and abroad. Contains suggestions to framers of retirement laws and directions as to procedure in securing legislation. Has a tabulation of 10 systems and text of the Massachusetts law. Much of material is out of date, but some is still of value.

30. RYAN, W. C. and KING, L., *State Pension Systems for Public School Teachers*. United States Bureau of Education, *Bulletin*, 1916, No. 14. 46 pp.

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

Gives tabulation of state systems as

existing in 1915. Bibliography and text of laws for Massachusetts, Minnesota, and New Hampshire.

31. SIES, RAYMOND W., *Teachers' Pension Systems in Great Britain*. United States Bureau of Education, *Bulletin*, 1913, No. 34. 88 pp.

A history of pension legislation in Great Britain with a brief survey of the retirement system in the United States. Discusses pension systems operating in England and Scotland.

32. SHAW, REUBEN T., *A Study of the Adequacy and Effectiveness of the Pennsylvania School Employes' Retirement System*. Doctor's thesis in Educational Administration, University of Pennsylvania, 1926.

Traces the historical development of the Pennsylvania state wide retirement law. Discusses the Pennsylvania system with reference to the provisions regarding age, service, the salary problem, costs, and benefits.

33. STUDENSKY, PAUL, *Teachers' Pension in the United States*. The Institute for Government Research, Studies in Administration. D. Appleton and Company, New York, 1920. 460 pp. \$3.00.

Gives bibliography, comparative analyses, actuarial data, and text of laws establishing sound pension systems.

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

Decision written by Justice Owen, upholding constitutionality of Wisconsin Teacher Retirement Law.

35. ZALDARI, PIERRE, *Annuities and Amortization Tables*. Bankers' Encyclopedia Company, New York, 1917. \$10.00.

Contains algebraic solutions of problems concerning annuities. Tabular section shows accumulation for period of 100 years of \$1.00 under certain rates, annuity evaluations, and payments to amortize stated capital.

Research Bulletins Issued to Date

Facts on the Cost of Public Education and What They Mean. Bulletin 1, June, 1922. 68 pp. (Out of Print.)

Facts for American Education Week. Bulletin 2, November, 1922. 40 pp. Price per copy, 25 cents.

Facts on State Educational Needs. Vol. I, No. 1, January, 1923. 64 pp. (Out of print.)

Can the Nation Afford to Educate Its Children? Vol. I, No. 2, March, 1923. 72 pp. Price per copy, 25 cents.

Teachers' Salaries and Salary Trends in 1923. Vol. I, No. 3, May, 1923. 116 pp. Price per single copy, \$1.00.

Five Questions for American Education Week. Vol. I, No. 4, September, 1923. 56 pp. (Out of print.)

Facts on the Public School Curriculum. Vol. I, No. 5, November, 1923. 48 pp. (Out of print.)

Current Facts on City School Costs. Vol. II, Nos. 1 and 2, January and March, 1924. 64 pp. (Out of print.)

Teachers' Retirement Allowances. Vol. II, No. 3, May, 1924. 32 pp. Price per copy, 25 cents.

Facts on the Public School for American Education Week. Vol. II, No. 4, September, 1924. 40 pp. (Out of print.)

The Problem of Teacher Tenure. Vol. II, No. 5, November, 1924. 40 pp. Price per copy, 25 cents.

Public School Salaries in 1924-1925. Vol. III, Nos. 1 and 2, January and March, 1925. 72 pp. Price per copy, 50 cents.

Taking Stock of the Schools. Vol. III, No. 3, May, 1925. 32 pp. Price per copy, 25 cents.

Keeping Pace With the Advancing Curriculum. Vol. III, Nos. 4 and 5, September and November, 1925. 96 pp. Price per copy, 50 cents.

The Ability of the States to Support Education. Vol. IV, Nos. 1 and 2, January and March, 1926. 96 pp. Price per copy, 50 cents.

HERE ARE MANY reasons for teachers' retirement systems. 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 retirement 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. 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 great need to attract, retain, and advance able people in teaching as a permanent career. A good retirement system helps to do this.—*Joseph Swain, Addresses and Proceedings of the National Education Association, 1918, pages 757 and 758.*