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## Analysis of Local Provisions for Teacher Retirement

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## FOREWORD

THE FIRST protective plans for superannuated or disabled teachers were in the form of local mutual aid societies. Usually each active teacher voluntarily gave assistance to others in the expectation that similar aid would be forthcoming in case he was ever in need. This type of plan developed in the larger cities between the years 1869 and 1894. About 1894 there began a movement toward legislative provision for state retirement systems but, unfortunately, these early laws did not recognize the importance of a sound fiscal base. Since 1920 considerable progress has been made toward the adoption of laws based upon sound actuarial principles.

In recent years our Association has urged the establishment of state retirement systems. Usually an area as large as a state includes a sufficient number of teachers to spread the insurance risk. The state is recognized as a unit financially strong enough to cooperate with the teachers in a joint-contributory plan. Also, since education is a state function, it is the duty of the state to have a businesslike plan for retiring those who have served long and faithfully. As a result of this state-centered interest little national attention has been given to local provisions for teacher retirement.

The present study performs a useful service in reviewing the local situation. Thru extensive correspondence the Research Division has been able to compile data on sixty-five local plans. Some of these are really pension schemes; others—actuarially-sound—are even more complex than some state retirement systems. Most of these local programs are independent of the thirty-four statewide pension and retirement plans.

There are some who will raise the question: Why have local retirement plans? The answer is that sometimes the state as a whole is unwilling to adopt statewide legislation but will permit the more able districts to face their local superannuation problems. After a number of the larger districts have adopted sound plans the idea of teacher retirement may be so widely accepted as to make a statewide system possible. With the adoption of a state system, provisions can be made to include or to protect the local systems in such a way as to avoid losses either to teachers or to taxpayers. Sound local practice may be today, as it has been in the past, one road to sound *statewide* retirement protection.

WILLARD E. GIVENS, *Executive Secretary,*  
*National Education Association.*

## I. Digest of Local Retirement Provisions

Public school teachers are protected<sup>1</sup> by *statewide retirement* plans in twenty-nine states and Hawaii and by *statewide pension* plans in four states.<sup>2</sup> In seventeen of these thirty-three states, one or more local retirement systems are also operating: Alabama, California, Connecticut, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New York, Rhode Island, Utah, Vermont, West Virginia, and Wisconsin. Most of the local systems in these states are based upon state laws providing for a retirement system for a certain city or class of city and excluding the teachers in these districts from membership in the state system. Only in California do certain teachers make payments both to the local and to the state system. In one of the California local systems, however, teachers contribute to and receive benefits from the local retirement system (San Francisco) only on the basis of that portion of their salaries which is considered as being paid from local funds. Teachers included in local plans of several Rhode Island cities are members of the state system as well, but they do not contribute to both since the state plan is a pension system. West Virginia has both a statewide pension system and a permissive law enabling districts to grant pensions. In Kentucky the statewide retirement system is not yet in operation.

This report describes provisions of local systems for the retirement of teachers and other employees. Sixty-five systems have been analyzed and outlined in the tables in Section II of the bulletin. These sixty-five systems have been grouped according to the legal source for their establishment. For example, Table 1 outlines provisions of enabling laws in thirteen states, permitting school districts or cities to establish local retirement systems under certain circumstances. Table 3 outlines the provisions of sixteen local retirement systems which were established by "special" mandatory state legislation and Table 4 is restricted to the ten systems established solely by local authority, that is, by city charter or schoolboard resolution. Table 2 is an outline of provisions in seven local systems established under two state enabling

acts included in Table 1. The purpose of Table 2 is to show possible differences in local systems set up by local initiative under a state enabling act which stipulates only the general provisions.

### Active State Enabling Laws

Table 1, pages 90-97, outlines provisions of state laws in thirteen states granting permission to cities and school districts to establish local retirement systems. In these thirteen states, thirty-nine local retirement systems have been established.

California, in 1937, enacted a retirement law permitting local districts, under certain circumstances, to supplement already existing retirement and pension plans. The permission excludes districts whose employees are already covered by city, city and county, or county pension and retirement systems (as San Francisco) and requires approval by a majority of the qualified voters participating in a general or special election in the district concerned. Such proposition may be submitted by the board of education and must be voted upon if petitioned by at least 10 percent of the electorate. If a majority of the electors vote against the proposition it cannot be submitted again within six months, but if the majority approve the proposition the governing board must establish such retirement system.

A large part of the California enabling act is devoted to the procedure for submitting the proposition to electors and the administration of the system; many details of provisions are left to local initiative under the following general restrictions:

That such plan shall not be adopted or established until the governing board, after such inquiry and hearing as it may direct, shall find the respective contributions of said teachers and other employees and the district provided for in said plan, are substantially in accordance with the more recent generally prevailing rates of such contributions in public institutions which have established retirement systems, and that such plan is in accordance with sound business practice and with recognized actuarial methods.<sup>3</sup>

<sup>1</sup> State retirement systems have been enacted in Alabama, Arkansas, California, Connecticut, Florida, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Pennsylvania, South Dakota, Texas, Utah, Vermont, Virginia, Washington, and Wisconsin. Pension plans have been established in Arizona, New Mexico, Rhode Island, and West Virginia.

<sup>2</sup> Retirement systems are financed jointly by members and employers; pension systems are financed entirely by public funds.

<sup>3</sup> *Statutes of California, Fifty-Second Session. Chapter 59. Sec. 5.1103.*

The Colorado state law allows first-class cities to provide for a pension payable to teachers, and to other school employees if so desired locally, for service, superannuation, or disability. Initiative is left to local schoolboards, but no referendum is necessary. The law is very short but includes all essential details.

In Iowa any city having a population of 25,100 or more may establish a "pension and annuity retirement system," but cities having a population of less than 75,000 must refer the proposition to the local voters for approval. The state law provides for a joint-contributory system but leaves all details to the local boards.

Kansas has three state laws concerning local teacher retirement. Cities of the first class are empowered to establish joint-contributory systems, the details of which are completely outlined in the state law. Cities of the second class with a population of 5000 or more are enabled to establish joint-contributory systems which are merely insurance plans. The extent of application of this law is not known. In 1939 Kansas passed two new laws empowering Kansas City and Wichita to establish retirement systems under still different provisions.

Kentucky has had for some time a law permitting districts to set up local systems. Altho Kentucky has a new statewide law it has not become operative and the local systems previously established are continuing; they are therefore included in this report.

Minnesota's enabling act leaves practically all details to local initiative, but permits cities having a population of 10,000 or more to incorporate an association to be called "Teachers' Retirement Fund Association." The plan must be submitted to the common council or the city council for approval and must be approved by a majority of teachers concerned. Provision is made for a local tax levy for the purpose and the employees to be included are mentioned in the state law. All other details are to be established by local initiative in the articles of incorporation.

Oregon's state enabling act also requires local initiative in the articles of incorporation but the details of the retirement provisions are included in the Oregon permissive act. The plan must be approved by the schoolboard and by a majority of the teachers. It is restricted to districts having more than 10,000 children of school age. Details of retirement are included

also in the state permissive law of Tennessee and the West Virginia permissive pension plan.

Thus, in most states, local initiative is restricted in adapting provisions of the enabling act to local wishes.

Of all the thirteen states providing permissive legislation for the establishment of local retirement systems, the most general and least detailed enabling acts applicable to a number of districts are found in Iowa and Minnesota. There is slightly greater detail in the Iowa law than in the Minnesota act, but in each state most of the details of working out the plans are left to local preference. Table 2 outlines the provisions established locally in seven systems in these two states; a distinguishing mark indicates items stipulated by the two state enabling laws. This table reveals the contrasts within a state under a single enabling act and differences attributable to different enabling acts. There is greater similarity among the four Iowa systems than among the three Minnesota systems. The Des Moines, Duluth, and Minneapolis systems are on an actuarial basis; the others are not. In fact, these three systems are fundamentally more similar than are the four Iowa systems or the three Minnesota systems. The comparison of these seven local retirement systems indicates that the more general the enabling act, the more likely it is that the local setup will conform to local needs.

### Local Retirement by Special State Legislation

Table 3, pages 104-15, includes the provisions for retirement systems established by "special" mandatory legislation. The legal distinction between the systems outlined in Table 1 and those in Table 3 may not be understood at first glance, especially since two systems included in Table 1 were authorized by state laws in which the city or school district was actually named.<sup>4</sup> All the systems covered by Table 1 were established by some local initiative, however informal in some cases. The state law did not *provide for* the local system, but gave *permission* for the establishment of a local system. The basic distinction is that the laws analyzed in Table 1 are permissive; those in Table 3 are mandatory. No local choice was necessary to put into effect the state special legislation providing for local retirement systems in Table 3.

<sup>4</sup> Naming of the locality to which a law applies is an attribute of special legislation.

Except for minor points covered by local by-laws, the details of the system were mandatory from the state law. In most cases the special legislation actually named the locality to which it applied. In several cases the special legislation merely mentioned the classification of the locality to which it applied, but these laws may be considered special nevertheless from a practical point of view even tho they are thinly disguised.<sup>5</sup> The Illinois law applying to any city having over 500,000 population applies obviously to Chicago. Detroit is the only first-class city in Michigan and Milwaukee the only one in Wisconsin. Omaha is the only city of the metropolitan class in Nebraska. Therefore, all these retirement systems were grouped together in Table 3 since they are based upon legislation which was enacted particularly for the individual city or school district and which did not allow for local initiative in their establishment.

The provisions of retirement systems outlined in Table 3 are more similar than those established by local initiative. Only two of the sixteen systems in Table 3 are pension plans. Both school and city employees are included in the plans of Atlanta, Hartford, Boston, and Providence; only professional employees, as defined, are included in the other systems in this group. Five of the fifteen plans are on an actuarial basis. Boston and Providence provide special benefits for accidental disability.

#### **Local Retirement Solely by Local Authorization**

In Table 4 are the provisions of ten retirement systems established entirely upon local authorization. In six cities the charter provides for the retirement of certain employees; in Baltimore, Columbus (Georgia), Knoxville, and San Francisco the retirement system covers all school and city employees; the Chattanooga plan covers all employees of the department of education; and the New York City plan covers only such school employees as are selected from eligibility lists, in other words, mainly professional employees. The four systems established by schoolboard resolution could not, of course, apply to other than educational employees. All these restrict their plan to professional employees, in some cases to teachers only. Laramie, Wyoming, provides that all school employees are eligible for superannuation and service retirement but only designated professional employees for disability retirement.

One city charter plan is a pension system and one system established by schoolboard resolution is technically a pension plan altho the term "retirement annuity" is used in the system. Three of the systems, those of Baltimore, New York, and San Francisco, are on an actuarial basis. Provisions in Baltimore include special accidental disability benefits. The New York City system permits members to borrow from the retirement funds. Additional benefits may be purchased at the option of members in Baltimore, New York, and San Francisco.

#### **Summary of Local Retirement Provisions**

Certain features of the sixty-five local retirement systems have been mentioned in the preceding pages. Further details may be found in Tables 1 to 4 in Section II of the report. A brief summary of the fundamentals is given at this point.

Thirty-nine retirement systems have been established in accordance with fifteen state permissive laws in thirteen states (in Kansas there are three separate laws). Sixteen systems were established by special legislation for individual cities or districts. Six other systems were provided thru city charters and four by schoolboard resolution.

City officials administer the retirement plans, wholly or in part, in fourteen of the sixty-five systems while thirty-eight systems are administered by the schoolboard, either directly or indirectly. Members participate in the administration of thirty-four systems.

Of these sixty-five local retirement systems, fifty-two are joint-contributory and thirteen are pension plans. Employees contribute a percent of their salary in forty-eight of the fifty-two joint-contributory systems; in two systems the contribution is a flat amount which varies with length of service. The percent of salary contributed in fifteen systems is to be determined locally. In thirty-three systems the percent is stipulated in the law, or at least a maximum and/or minimum is set. A minimum of 1 percent is fixed in eighteen systems and a

<sup>5</sup> In many states special legislation is prohibited or restricted, and some disguise as naming a class of city or district is necessary in order that legislation applicable to a specific area may be considered constitutional.

maximum of 1 percent in one system. Two systems permit a percent as high as 6; most systems set the maximum lower than 4. With such a small contribution, relatively low allowances are paid in most systems.

Twenty-three plans set a maximum allowance; these maximums range from \$300 a year to \$1200 a year. Eleven systems provide for a set amount payable as retirement allowance; these amounts range from \$300 to \$900 a year. Several systems provide for an allowance, which, if under the maximum, will be equivalent to a proportion of the member's active salary, such as one-third salary in one system, half salary in five systems, and three-fourths salary in two systems. Twelve systems provide for an allowance based on actuarial equivalents. In the other systems special conditions prevail but in six systems no mention has been found of the amount of the allowance which is payable.

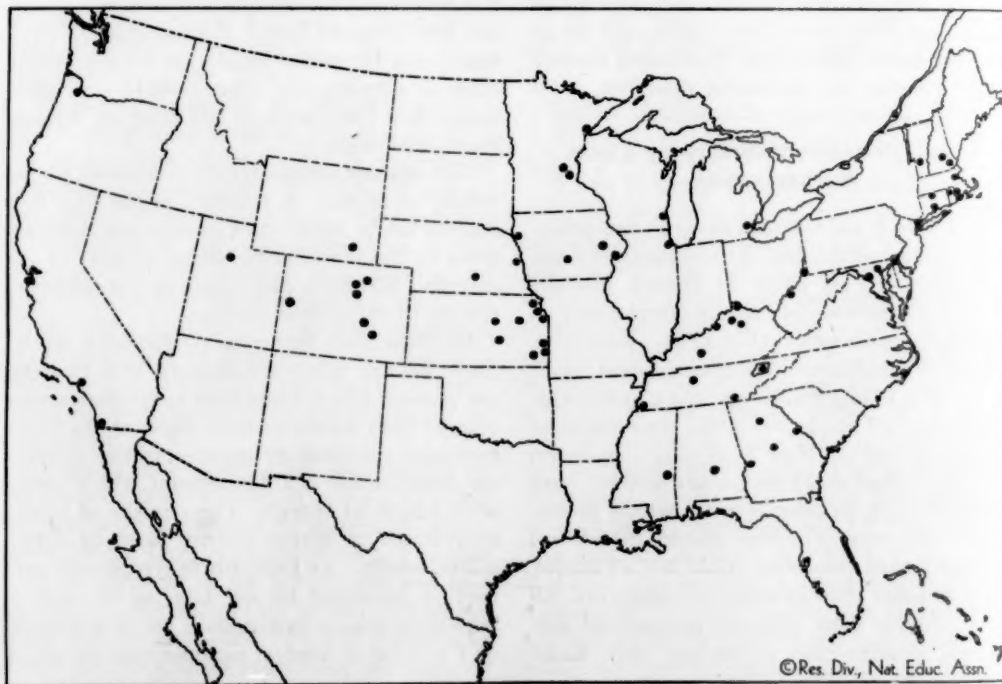
Compulsory retirement is included in the local retirement provisions in some systems and in other systems the age or circumstances for

compulsory retirement are set by a separate schoolboard resolution or a tenure law. When all such regulations are compiled, regardless of source, the members of thirty-five local retirement systems are subject to the following variety of rules regarding compulsory retirement:

- (a) after 40 years of service, if age 65
- (b) after 30 years of service, last 20 of which must have been in district
- (c) after 20 years of service, if unfit
- (d) whenever disabled (in two systems)
- (e) in discretion of commission, at request of schoolboard
- (f) women at age 60, men at age 65, if service is not satisfactory
- (g) at age 65 (in seven systems)
- (h) at age 68 (after July 1, 1941, at age 65)
- (i) at age 70 (in 19 systems)
- (j) at age 70 (at 69 in 1940-41; at 68 in 1941-42; at 67 thereafter).

In the other thirty local retirement systems, no known regulation makes retirement compulsory.

**FIGURE I—LOCATION OF SIXTY-FIVE LOCAL RETIREMENT SYSTEMS FOR TEACHERS**



## II. Detailed Tabulations of Local Retirement Provisions

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| <i>State</i>         | <i>City or school district</i> | <i>Table in which provisions are outlined</i> | <i>State</i>  | <i>City or school district</i> | <i>Table in which provisions are outlined</i> |
|----------------------|--------------------------------|-----------------------------------------------|---------------|--------------------------------|-----------------------------------------------|
| Alabama              | Montgomery                     | 3                                             | Louisiana     | New Orleans                    | 3                                             |
| California           | Los Angeles                    | 1                                             | Maryland      | Baltimore                      | 4                                             |
|                      | San Diego                      | 1                                             | Massachusetts | Boston                         | 3                                             |
|                      | San Francisco                  | 4                                             | Michigan      | Detroit                        | 3                                             |
| Colorado             | Colorado Springs               | 1                                             | Minnesota     | Duluth                         | 1, 2                                          |
|                      | Denver                         | 1                                             |               | Minneapolis                    | 1, 2                                          |
|                      | Grand Junction                 | 1                                             |               | St. Paul                       | 1, 2                                          |
|                      | Greeley                        | 1                                             | Mississippi   | Meridian                       | 1                                             |
|                      | Longmont                       | 1                                             | Nebraska      | Grand Island                   | 4                                             |
|                      | Pueblo                         | 1                                             |               | Omaha                          | 3                                             |
| Connecticut          | Hartford                       | 3                                             | New Hampshire | Concord                        | 3                                             |
|                      | New Haven                      | 3                                             |               | Manchester                     | 1                                             |
| Delaware             | Wilmington                     | 3                                             | New York      | New York                       | 4                                             |
| District of Columbia | Washington                     | 3                                             | Oregon        | Portland                       | 1                                             |
| Georgia              | Atlanta                        | 3                                             | Rhode Island  | Bristol                        | 3                                             |
|                      | Augusta                        | 4                                             |               | Newport                        | 3                                             |
|                      | Columbus                       | 4                                             |               | Providence                     | 3                                             |
|                      | Macon                          | 4                                             | Tennessee     | Chattanooga                    | 4                                             |
| Illinois             | Chicago                        | 3                                             |               | Knox County                    | 1                                             |
| Iowa                 | Cedar Rapids                   | 1, 2                                          |               | Knoxville                      | 4                                             |
|                      | Davenport                      | 1, 2                                          |               | Memphis                        | 1                                             |
|                      | Des Moines                     | 1, 2                                          |               | Nashville                      | 1                                             |
|                      | Sioux City                     | 1, 2                                          | Utah          | Salt Lake City                 | 1                                             |
| Kansas               | Kansas City                    | 1                                             | Vermont       | Rutland                        | 1                                             |
|                      | Wichita                        | 1                                             | West Virginia | Parkersburg                    | 1                                             |
|                      | First-class cities:            | 1                                             |               | Wheeling                       | 1                                             |
|                      | Atchison, Fort Scott,          |                                               | Wisconsin     | Milwaukee                      | 3                                             |
|                      | Leavenworth,                   |                                               | Wyoming       | Laramie                        | 4                                             |
|                      | Parsons, Topeka,               |                                               |               |                                |                                               |
|                      | Pittsburg, Salina              |                                               |               |                                |                                               |
| Kentucky             | Bowling Green                  | 1                                             |               |                                |                                               |
|                      | Frankfort                      | 1                                             |               |                                |                                               |
|                      | Lexington                      | 1                                             |               |                                |                                               |
|                      | Louisville                     | 1                                             |               |                                |                                               |
|                      | Newport                        | 1                                             |               |                                |                                               |

**Table 1.—Provisions of State Permissive Laws Authorizing Local Establishment of Teacher Retirement Funds**

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**TABLE 1.—PROVISIONS OF STATE PERMISSIVE LAWS AUTHORIZING LOCAL ESTABLISHMENT OF TEACHER RETIREMENT FUNDS**

| Location            | A. Scope                                                                                            | B. Provisions for accepting act                                                                                                                                                                   |
|---------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CALIFORNIA          | Any district whose employees are not otherwise covered by a city, city and county, or county system | Petition of 10 percent of local voters or board's voluntary action may submit proposal to local voters. Adopted by majority of local voters; if defeated cannot be resubmitted within six months. |
| COLORADO            | First-class districts                                                                               | Local board initiative—no referendum necessary                                                                                                                                                    |
| IOWA                | Independent school districts in any city having population of 25,100 or more                        | By majority of local voters                                                                                                                                                                       |
| KANSAS              |                                                                                                     |                                                                                                                                                                                                   |
| Kansas City         | First-class city with population of 120,000 or over                                                 | Local board initiative                                                                                                                                                                            |
| Wichita             | First-class city with population of not less than 95,000, nor more than 115,000                     | No provisions                                                                                                                                                                                     |
| First-class cities  | Any first-class city                                                                                | Local board initiative                                                                                                                                                                            |
| Second-class cities | Of 5000 or more                                                                                     | Local board cooperating with teachers                                                                                                                                                             |
| KENTUCKY            | Any first-, second-, or third-class city                                                            | Schoolboard resolution                                                                                                                                                                            |
| MINNESOTA           | Any city having more than 10,000 inhabitants                                                        | By incorporation of association, plan of which must be approved by city council and majority of teachers concerned                                                                                |
| MISSISSIPPI         | Meridian separate school district                                                                   | Act authorizes and empowers schoolboard to use discretion                                                                                                                                         |
| NEW HAMPSHIRE       | City of Manchester                                                                                  | Act authorizes and empowers board of mayor and aldermen to act on request of superintendent of schools and two-thirds vote of schoolboard                                                         |
| OREGON              | Districts having more than 10,000 children of school age                                            | By incorporation of association, plan of which must be approved by board and majority of teachers                                                                                                 |
| TENNESSEE           | Statewide                                                                                           | Schoolboard resolution, adopted by city or town governing authorities and by county court in cases of county and district schools                                                                 |
|                     | Cities and taxing districts having a population of 250,000 or over                                  | No provisions                                                                                                                                                                                     |
| UTAH                | Any city of the first or second class                                                               | By written request of a majority of the teachers employed                                                                                                                                         |
| VERMONT             | Rutland                                                                                             | By majority vote of legal voters                                                                                                                                                                  |
| WEST VIRGINIA       | Statewide                                                                                           | Schoolboard resolution, subject to regulation by state board of education                                                                                                                         |

| Location            | C. Administration of system                                                                                      | D. Employee participation in administration                                                                                      |
|---------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| CALIFORNIA          | District retirement board; no compensation; 3 to 7 members including the county treasurer as a member ex officio | Representation of employees on board, not to exceed 3, in proportion to the number of teachers and other employees in membership |
| COLORADO            | Local board of education                                                                                         | No provisions                                                                                                                    |
| IOWA                | Board of directors of independent school districts                                                               | No provisions                                                                                                                    |
| KANSAS              |                                                                                                                  |                                                                                                                                  |
| Kansas City         | Local board of education                                                                                         | No provisions                                                                                                                    |
| Wichita             | Local board of education                                                                                         | Teachers concerned may cooperate with board of education in choosing plan for investment of moneys                               |
| First-class cities  | Local board of education                                                                                         | No provisions                                                                                                                    |
| Second-class cities | Local board of education                                                                                         | No provisions                                                                                                                    |
| KENTUCKY            | Board of trustees of retirement system                                                                           | Majority to be teachers and principals                                                                                           |
| MINNESOTA           | Board of trustees                                                                                                | Six out of 9 board members to be members of system                                                                               |
| MISSISSIPPI         | Meridian schoolboard                                                                                             | No provisions                                                                                                                    |

(C and D continued on next page)

(Table 1, C and D—Continued)

|                                                           |                                                                                                                                                                                                                                  |                                                                                                                                         |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| NEW HAMPSHIRE                                             | Board of mayor and aldermen of city of Manchester                                                                                                                                                                                | No provisions                                                                                                                           |
| OREGON                                                    | Board of trustees: composition left to bylaws                                                                                                                                                                                    |                                                                                                                                         |
| TENNESSEE                                                 |                                                                                                                                                                                                                                  |                                                                                                                                         |
| Statewide                                                 | Board of trustees: without compensation; 9 members, 6 members for quorum; 5 votes necessary for official action. Three members to be schoolboard members                                                                         | Five teachers and superintendent of schools                                                                                             |
| Cities and taxing districts of 250,000 population or over | Local board of education                                                                                                                                                                                                         | No provisions                                                                                                                           |
| UTAH                                                      | Retirement commission to be composed of 7 members, including the city superintendent, and 2 members to be elected by the board of education from their members for a term of 2 years and 3 members of the retirement association | Three members of the retirement commission to be members of the retirement association elected by the association for a term of 3 years |
| VERMONT                                                   | City council                                                                                                                                                                                                                     | No provisions                                                                                                                           |
| WEST VIRGINIA                                             | Local board of education                                                                                                                                                                                                         | No provisions                                                                                                                           |

| Location                          | E. Employer's contributions                                                                                                                                                                                                                                                                                                                   | F. Employee's contributions                                                                                                                                                   |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CALIFORNIA                        | District tax in addition to any other authorized district tax                                                                                                                                                                                                                                                                                 | Rate to be determined locally; computed on salary up to \$500 per month                                                                                                       |
| COLORADO                          | Special tax levy: maximum 1 mill; gifts and bequests                                                                                                                                                                                                                                                                                          | None—pension plan                                                                                                                                                             |
| IOWA                              | Tax levy not exceeding amount produced in current year by assessment of teachers; gifts and bequests                                                                                                                                                                                                                                          | One percent of salaries or larger percent if board so authorizes and teachers agree thereto                                                                                   |
| KANSAS                            |                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                               |
| Kansas City                       | Equal to amount contributed by employees. Raised by special levy: maximum 1 mill on each dollar of assessed valuation of real and personal property; gifts and interest thereon                                                                                                                                                               | Not less than 1 percent nor more than 6 percent deduction from salaries                                                                                                       |
| Wichita                           | Special tax levy sufficient to match amount deducted from employees' salaries but not exceeding one-half mill on each dollar of assessed valuation on real and personal property. If employee's annuity benefits are less than \$30 a month, board of education may pay out of general fund sufficient to make allowance of \$30 a month      | Maximum, 3 percent to be deducted monthly from salaries of employees                                                                                                          |
| First-class cities                | Not less than 150 percent of teacher's assessments and not less than amount to meet needs; by special tax levy not to exceed 1 mill per dollar assessed value of real and personal property; gifts, etc.                                                                                                                                      | Not less than 1 percent nor more than 6 percent of salaries; must have contributed at least \$500 before retirement, otherwise deficit will be deducted from monthly payments |
| Second-class cities               | Not less than half the amount collected from employees, to be appropriated from general fund                                                                                                                                                                                                                                                  | Not more than 5 percent may be deducted from salaries                                                                                                                         |
| KENTUCKY                          | Equal to employees' contributions; but:                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                               |
| In first-class cities             | Not more than returns from tax rate of 4½ cents on each \$100 of assessed valuation subject to local school tax in district                                                                                                                                                                                                                   | Rates to be fixed by local board of trustees                                                                                                                                  |
| In second- and third-class cities | Not more than returns from tax rate of 4 cents on each \$100 of assessed valuation subject to local school tax in district                                                                                                                                                                                                                    | Rates to be fixed by local board of trustees                                                                                                                                  |
| MISSISSIPPI                       | Not more than 1 percent of total school budget in any one year                                                                                                                                                                                                                                                                                | None—pension plan                                                                                                                                                             |
| MINNESOTA                         | Sufficient to meet needs by special tax levy: in first-class cities under home rule charter, maximum shall be 1½ mills on each dollar of assessed value of all taxable property; in other cities, maximum shall be one-tenth mill unless tax authorities determine a greater levy is needed, in which case maximum shall be three-tenths mill | Local option                                                                                                                                                                  |
| NEW HAMPSHIRE                     | From city funds                                                                                                                                                                                                                                                                                                                               | None—pension plan                                                                                                                                                             |

(E and F continued on next page)

(Table I, E and F—Continued)

|                                                           |                                                                                                                                   |                                                                                                                                                                                        |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OREGON                                                    | Three percent of tax collections for school purposes; fines and forfeitures, etc. If insufficient, special tax levy is authorized | Sufficient to purchase annuities provided in act                                                                                                                                       |
| TENNESSEE<br>Statewide                                    | No provisions                                                                                                                     | Maximum 2½ percent of salary; minimum 1 percent of salary                                                                                                                              |
| Cities and taxing districts of 250,000 population or over | From school funds                                                                                                                 | Maximum 5 percent of salary                                                                                                                                                            |
| UTAH                                                      | Equal to amount contributed by employees                                                                                          | One and one-fourth percent of salaries to maximum salary of \$2500. Rate may be changed with approval of board of education and a two-thirds vote of members of retirement association |
| VERMONT                                                   | To be determined by city council                                                                                                  | None—pension plan                                                                                                                                                                      |
| WEST VIRGINIA                                             | Appropriated from local teachers' fund according to state board of education regulations                                          | None—pension plan                                                                                                                                                                      |

| Location                                                | G. Types of positions covered                                                                                                                                                                                                                                                                                                                                                                  | H. Membership: voluntary or compulsory                                                                                                  |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| CALIFORNIA *                                            | All regular full-time teachers, and such other employees as may have been provided for in plan                                                                                                                                                                                                                                                                                                 | Voluntary with employees at time of adoption; compulsory for subsequently employed personnel                                            |
| COLORADO *                                              | Teachers and other employees as may be provided for locally                                                                                                                                                                                                                                                                                                                                    | Pension plan                                                                                                                            |
| IOWA                                                    | Teachers                                                                                                                                                                                                                                                                                                                                                                                       | No provisions                                                                                                                           |
| KANSAS<br>Kansas City                                   | All persons regularly employed and paid out of public funds to perform services for the school district, including teachers, principals, superintendents, supervisors, librarians, clerks, secretaries, school nurses, attendance officers, managers, engineers, building superintendents, maintenance and repair men, custodians, and all others regularly employed by the board of education | Compulsory except those employed at time of adoption who will be unable to qualify for a school annuity under the provisions of the act |
| Wichita                                                 | All employees regularly employed on a yearly or contract basis                                                                                                                                                                                                                                                                                                                                 | Voluntary                                                                                                                               |
| First-class cities                                      | Superintendents, supervisors, assistants to superintendents, principals, and teachers                                                                                                                                                                                                                                                                                                          | Voluntary; employee may sign waiver within one month of adoption or within one month of employment                                      |
| Second-class cities                                     | Teachers, administrators, secretaries, and all other persons employed regularly in the conduct of the school system                                                                                                                                                                                                                                                                            | Voluntary                                                                                                                               |
| KENTUCKY *                                              | Teachers and other full-time employees as may be provided for locally                                                                                                                                                                                                                                                                                                                          | Compulsory for classes of employees included in system                                                                                  |
| MINNESOTA                                               | Teachers, superintendents, supervisors, principals                                                                                                                                                                                                                                                                                                                                             | No provisions                                                                                                                           |
| MISSISSIPPI                                             | Teachers                                                                                                                                                                                                                                                                                                                                                                                       | Pension plan                                                                                                                            |
| NEW HAMPSHIRE                                           | Teachers                                                                                                                                                                                                                                                                                                                                                                                       | Pension plan                                                                                                                            |
| OREGON                                                  | Employees classed as superintendents, supervisors, principals, and teachers                                                                                                                                                                                                                                                                                                                    | Compulsory for employees under 44 years of age                                                                                          |
| TENNESSEE<br>Statewide                                  | Superintendents, assistant superintendents, principals, assistant principals, supervisors, assistant supervisors, department heads, teachers                                                                                                                                                                                                                                                   | Voluntary                                                                                                                               |
| City and taxing districts of 250,000 population or over | Teachers, principals, superintendents, supervisors, secretary of board of education, school secretaries, school librarians, and office employees subsequently employed                                                                                                                                                                                                                         | No provisions                                                                                                                           |
| UTAH                                                    | Superintendents, supervisors, principals, and teachers                                                                                                                                                                                                                                                                                                                                         | Compulsory                                                                                                                              |
| VERMONT                                                 | Such employees as city council shall designate                                                                                                                                                                                                                                                                                                                                                 | Pension plan                                                                                                                            |
| WEST VIRGINIA                                           | Teachers                                                                                                                                                                                                                                                                                                                                                                                       | Pension plan                                                                                                                            |

\* Enabling act contains authorization for extending scope to include other school employees upon local option.

| I. Qualifications for superannuation or service retirement |                                                                                                                                                                                                                                          |                        |                |                       |                                                                                                                                                                  |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Location                                                   | Minimum age                                                                                                                                                                                                                              | Years of service       |                |                       | Age for compulsory retirement                                                                                                                                    |
|                                                            |                                                                                                                                                                                                                                          | Total                  | Local          | Immediately preceding |                                                                                                                                                                  |
| CALIFORNIA                                                 | 60                                                                                                                                                                                                                                       | 20                     | 20             | 20 <sup>b</sup>       | 65 <sup>c</sup>                                                                                                                                                  |
| COLORADO                                                   | 60 men<br>55 women                                                                                                                                                                                                                       | 25                     | 15             | ....                  | .... <sup>d</sup>                                                                                                                                                |
| IOWA                                                       | No provisions in enabling act                                                                                                                                                                                                            |                        |                |                       |                                                                                                                                                                  |
| KANSAS                                                     |                                                                                                                                                                                                                                          |                        |                |                       |                                                                                                                                                                  |
| Kansas City                                                | 65                                                                                                                                                                                                                                       | 20                     | ....           | ....                  | 70                                                                                                                                                               |
|                                                            | Sum equivalent to the first annual annuity must have been paid in, or deficit may be deducted in equal amounts monthly from first year's annuity payments.                                                                               |                        |                |                       |                                                                                                                                                                  |
| Wichita                                                    | { 60<br>....                                                                                                                                                                                                                             | { ....<br>30           | { 20<br>30     | { ....<br>....        | { 70                                                                                                                                                             |
| First-class cities                                         | ....                                                                                                                                                                                                                                     | 30                     | 20             | ....                  | ....                                                                                                                                                             |
| Second-class cities                                        | 65 or                                                                                                                                                                                                                                    | 30                     | 30             | ....                  | 65                                                                                                                                                               |
| KENTUCKY                                                   | ....                                                                                                                                                                                                                                     | ....                   | ....           | ....                  | 70 <sup>e</sup>                                                                                                                                                  |
| MISSISSIPPI                                                | ....                                                                                                                                                                                                                                     | 25                     | 25             | ....                  | ....                                                                                                                                                             |
| MINNESOTA                                                  | No provisions in enabling act                                                                                                                                                                                                            |                        |                |                       |                                                                                                                                                                  |
| NEW HAMPSHIRE                                              | ....                                                                                                                                                                                                                                     | 30                     | 30             | ....                  | ....                                                                                                                                                             |
| OREGON                                                     | 60                                                                                                                                                                                                                                       | ....                   | ....           | ....                  | .... <sup>f</sup>                                                                                                                                                |
| TENNESSEE                                                  |                                                                                                                                                                                                                                          |                        |                |                       |                                                                                                                                                                  |
| Statewide                                                  | Five years' contributions; deficit, if any, may be paid with interest or deducted from retirement allowance                                                                                                                              |                        |                |                       |                                                                                                                                                                  |
| Cities and taxing districts of 250,000 population or over  | No provisions in enabling act                                                                                                                                                                                                            |                        |                |                       |                                                                                                                                                                  |
| UTAH                                                       | 60                                                                                                                                                                                                                                       | 30                     | 15             | ....                  | After age 60, upon two-thirds vote of board of education upon recommendation of retirement commission. (Automatic at age 70, by rule of the board of education.) |
|                                                            | If teacher has not paid into fund at time of retirement all sums due, deficit shall be deducted from annuity; such deductions may, in the discretion of the retirement commission, be distributed over a period of not more than 3 years |                        |                |                       |                                                                                                                                                                  |
| VERMONT                                                    | No provisions in enabling act                                                                                                                                                                                                            |                        |                |                       |                                                                                                                                                                  |
| WEST VIRGINIA                                              | { 63<br>....                                                                                                                                                                                                                             | { 20 terms<br>40 terms | { ....<br>.... | { ....<br>....        | { ....<br>....                                                                                                                                                   |

<sup>b</sup> Plan may provide that this period may be broken by periods of absence.

<sup>c</sup> Except that for a period of 15 years following the placing of the plan in operation, the governing board may grant extensions of time of service on a year-to-year basis.

<sup>d</sup> Permanent tenure is removed at age 65 but the retirement law does not specify any compulsory retirement age.

<sup>e</sup> Compulsory retirement age is to be determined locally but not to be over 70.

<sup>f</sup> Tenure law provides for compulsory retirement at age 65.

| Location   | J. Superannuation or service retirement allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CALIFORNIA | <p>Plan may provide that employees becoming eligible for retirement salaries within a specified period, not exceeding 15 years after the establishment of the fund, shall receive a specified sum which during the life expectancy of such employees will be approximately equal in the aggregate to the aggregate difference during such life expectancy between the maximum salary paid to employees in the respective class or classes of the retiring employees and the salaries paid to beginning employees in such class or classes.</p> <p>The retirement salary may be a stipulated monthly sum, or all benefits may be based upon the monthly salary for each year of future active service earned up to the date of retirement and upon the average monthly salary earned by the employee during the year immediately preceding the adoption of said plan and the number of years of past active service in the district, subject to such provisions as may be made for minimum benefits, but no employee with less than 15 years' service in the district shall receive such minimum.</p> <p>No retirement benefits shall be based upon or allowed for any salary in excess of \$500 per month.</p> |

(J continued on next page)

(Table I, J—Continued)

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COLORADO                                                  | Maximum \$50 a month                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| IOWA                                                      | No provisions in enabling act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| KANSAS                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Kansas City                                               | One-third average annual salary for last 10 years in district, in equal monthly payments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Wichita                                                   | Annuity contract; minimum \$30 a month                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| First-class cities                                        | \$500 a year in equal monthly payments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Second-class cities                                       | Insurance policy settled in accordance with insurance contract                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| KENTUCKY                                                  | No provisions in enabling act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| MISSISSIPPI                                               | Maximum \$500 a year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| MINNESOTA                                                 | No provisions in enabling act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| NEW HAMPSHIRE                                             | Maximum, half annual salary received during year immediately preceding retirement—pension is voted annually                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| OREGON                                                    | For employees who were under age 45 in 1929 and retire at 60 or over, district purchases annuity of \$37.50 a month if employee has contributed sum sufficient to purchase annuity of equal amount; for employees who were between 45-55 in 1929, and retire at age 60, district purchases annuity of \$50 a month if employee has contributed sufficient to purchase annuity of \$25. For employees who were 55 or more in 1929, and retire at 60 or over, district purchases annuity of \$57.50 a month, if employee has contributed sufficient to purchase annuity of \$17.50 a month |
| TENNESSEE                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Statewide                                                 | Three-fourths salary at time of retirement; maximum \$600                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Cities and taxing districts of 250,000 population or over | No provisions in enabling act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| UTAH                                                      | Annuity equal to one-half average salary for 5 years next preceding retirement; maximum \$600                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| VERMONT                                                   | To be determined                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| WEST VIRGINIA                                             | Maximum \$50 a month payable for 12 months in each fiscal year, voted by board annually                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## K. Disability retirement

| Location            | Qualifications                                                                                                                                                                                                                          | Allowance                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CALIFORNIA          | Plan may provide for disability allowance after 15 years' service prior to retirement with an allowance proportionate to full service retirement allowance to be specified in plan                                                      |                                                                                                                                                                                                                                                                                                                                                                                    |
| COLORADO            | Ten years' service                                                                                                                                                                                                                      | Not to exceed full service retirement allowance                                                                                                                                                                                                                                                                                                                                    |
| IOWA                | No provisions in enabling act                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                    |
| KANSAS              |                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                    |
| Kansas City         | Fifteen years' service; medical examination at least once in every 3 years; such examinations may be ordered at any time until annuitant is 65 years of age. If a woman receiving a disability allowance marries, allowance shall cease | One-third average annual salary for last 10 years' service in district times a fraction of which the denominator is 30 and the numerator is the number of years of school service, further multiplied by a fraction of which the denominator is 30 and the numerator is 30 minus $1\frac{1}{2}$ times the number of years which the employee's age at retirement lacks of being 65 |
| Wichita             | No provisions                                                                                                                                                                                                                           | Annuity contract with all benefits due and accrued from employee's contributions, minimum \$30 a month                                                                                                                                                                                                                                                                             |
| First-class cities  | Twenty-five years' service; 15 years in district                                                                                                                                                                                        | Such percent of \$500 as years of service are to 30                                                                                                                                                                                                                                                                                                                                |
| Second-class cities | No provisions in enabling act                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                    |
| KENTUCKY            | No provisions in enabling act                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                    |
| MINNESOTA           | No provisions in enabling act                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                    |
| MISSISSIPPI         | No provisions in enabling act                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                    |
| NEW HAMPSHIRE       | No provisions in enabling act                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                    |
| OREGON              | Under 60 years of age                                                                                                                                                                                                                   | After 5 months' disability, annuity payable is \$75 a month. The board contributes the difference between \$75 and the amount of monthly annuity purchasable by member's contributions                                                                                                                                                                                             |

(K continued on next page)

(Table 1, K—Continued)

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                           |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TENNESSEE</b>                                          |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                           |
| Statewide                                                 | Twenty-five years' service; 15 years' service must have been in district; must have contributed 5 years                                                                                                                                                                                                                                                                                       | Maximum, three-fourths of salary; maximum \$600                                                                                                                                                                           |
| Cities and taxing districts of 250,000 population or over | No provisions in enabling act                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                           |
| <b>UTAH</b>                                               |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                           |
|                                                           | Twenty years' total service; 15 years' service in city; upon two-thirds vote of board of education upon recommendation of retirement commission.<br>If teacher has not paid into fund at time of retirement all sums due, deficit shall be deducted from annuity; such deductions, in the discretion of the retirement commission, may be distributed over a period of not more than 3 years. | One-half average annual salary for 5 years next preceding retirement, if total service equals 30 years. If total service is less than 30 years, disability retirement allowance is proportionate part of such half salary |
| <b>VERMONT</b>                                            |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                           |
|                                                           | No provisions in enabling act                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                           |
| <b>WEST VIRGINIA</b>                                      |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                           |
|                                                           | No provisions in enabling act                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                           |

| Location            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | L. Special provisions for employees of advanced age at time of enactment |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>KANSAS</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                          |
| Kansas City         | If less than 20 years' service can be accumulated before age 70, employee with 15 years' service may receive retirement allowance in equal monthly installments, equivalent in the annual aggregate to such percent of one-third of the average annual salary for the last 10 years of service as number of years of such service bears to the term of 30 years.                                                                                                                                                                                                                                  |                                                                          |
| Second-class cities | After 10 years' service, at age 65, board may pay a monthly income of not more than \$2 per month for every completed year of service in the system; maximum \$40 a month.<br>In the case of any employee over 50 years of age at the time of enactment of plan, in addition to regular contributions, board may contribute a sum not to exceed 5 percent of the average salary of such person while employed by such board of education for each completed year of service, toward providing a pension, provided such person contributes a like amount. "This may spread over a period of time." |                                                                          |

| Location            | M. Miscellaneous provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CALIFORNIA          | Plan must be in accordance with sound business practice and recognized actuarial methods, etc. Actuarial valuations to be made at regular intervals, not exceeding a period of five years. Investment of funds is restricted to those investments permitted savings banks in the state.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| KANSAS              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Kansas City         | Surplus money to be invested in bonds approved by state school fund commission.<br>No employee shall receive credit for more than 30 years' service. Prior service credit is granted up to 20 years served prior to effective date of act.<br>If employee is discharged before he becomes eligible to retirement, his contributions shall be refunded without interest. If he withdraws voluntarily, he shall receive a refund of one-half his contributions without interest. If after withdrawal and refund he later returns to the district, he may return refund without interest or penalties and regain former status in the retirement system.<br>If employee dies before becoming eligible to retirement, his contributions shall be paid to heirs or estate without interest.                                                                                                                                                                                   |
| Wichita             | In case employee withdraws for reasons other than disability, he is entitled to his annuity contract with all the benefits which have accrued from his contributions. All sums due and accrued from employee's contributions are paid to estate in case of death of employee.<br>No part or parts of this act shall be construed as denying or prohibiting any board of education having elected to cooperate with its employees for the purpose of the benefits herein provided, from withdrawing or discontinuing said cooperation, but upon such withdrawal or discontinuation, the status of all participating employees shall be preserved the same as tho the employee had been retired at the expiration of the full accredited period and such employee shall be entitled to receive his or her policy at the time of such discontinuance without any restrictions whatsoever, and the cash balance, if any, in the board's account with the respective persons. |
| First-class cities  | If employee is discharged, his contributions are refunded; if he withdraws voluntarily, half his contributions are refunded; if he transfers his employment to another first-class district operating under this enabling act, his contributions shall be transferred; if he dies, half his contributions shall be paid to his heirs or estate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Second-class cities | If employee withdraws voluntarily for other than disability, he must pay schoolboard one-half the amount the board has contributed to his insurance policy. In case of death, "all sums due and accrued to the date of death and uninvested in the account of the board" are to be returned to the estate together with the insurance policy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

(M continued on next page)

(Table 1, M—Continued)

The board has the right to discontinue the plan, but the employee's status "shall be preserved the same as tho the employee had been retired at the expiration of the full accredited period and such employee shall be entitled to receive his or her policy at the time of such discontinuance without any restrictions; and the cash balance."

# KENTUCKY

There shall be created and maintained reserves on the basis of an interest rate not in excess of 4 percent per year and on the basis of mortality disability, and other experience tables.

Actuary is to be appointed; periodic actuarial investigation is to be made once in every 5 years.

Funds may be invested in bonds of the United States government or of any state, county, city, or other municipal corporation; first mortgages to 50 percent of appraised value, and interest-bearing deposits at not less than 3 percent in banks and trust companies, where secured, of the city in which the system operates.

Separate accounts must be kept for each member. There shall be no loss to members of previous systems.

In case of withdrawal before retirement, the part of deposits due under previous system, and full amount due under present system, shall be refunded with accrued interest at the option of the local board.

In case of death of member before retirement, deposits are payable to estate.

Pro rata benefits may be provided if sufficient funds are not available.

Funds may be invested only in state, county, school district, or municipal bonds.

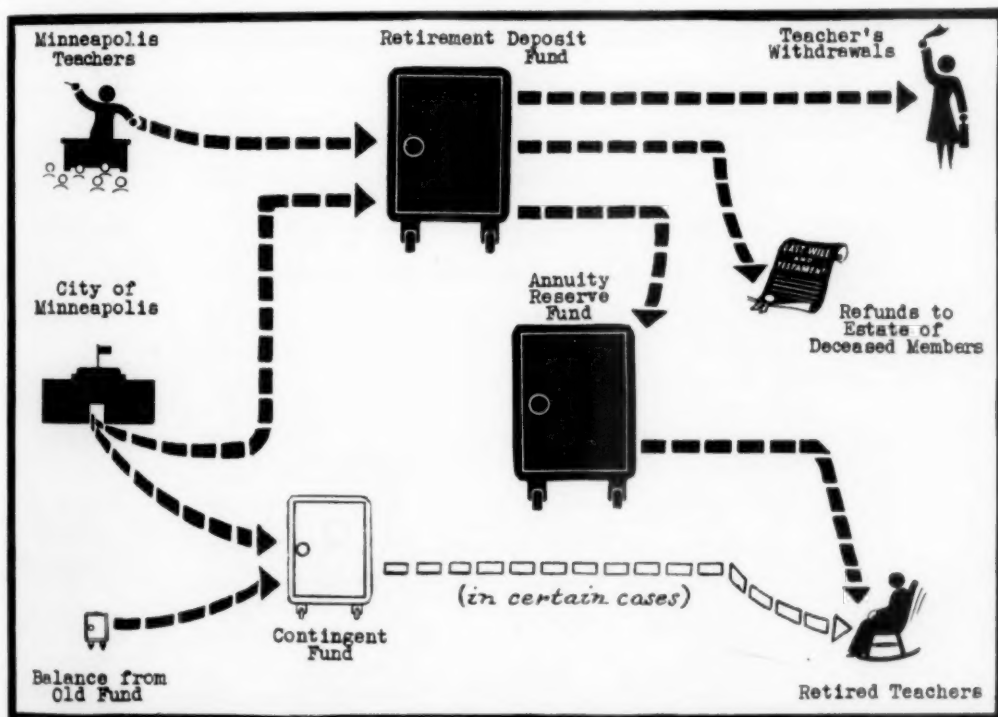
In case of death before retirement, the total contributions shall be refunded to estate, provided teacher's surviving relatives have been dependent. If estate has not sufficient funds to pay funeral expenses, same shall be paid by retirement commission not exceeding amount paid into fund by such teacher.

If a teacher leaves the district having local retirement system for employment elsewhere, he may, within 6 months, elect either a transfer of membership or an absent membership. If the former is elected the teacher's credits in the local retirement system are transferred; if the absent membership is elected the teacher shall continue his membership in the local system by voluntarily sending annually the amount equal to the contributions he would make if employed in the district plus the amount the board would have contributed had the teacher continued employment in the district.

If funds are insufficient to pay annuities and refunds due, the available funds shall be prorated among annuitants and claimants.

# MINNESOTA UTAH

FIGURE II—FINANCIAL STRUCTURE OF TEACHER RETIREMENT PLAN IN MINNEAPOLIS



**Table 2.—Local Provisions of Seven Systems Founded on Enabling Acts  
of Iowa and Minnesota**

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TABLE 2.—LOCAL PROVISIONS OF SEVEN SYSTEMS FOUNDED ON ENABLING ACTS OF IOWA AND MINNESOTA\*

| Location     | A. Administration                                                                                                                                                                                                                                                                                                                      | B. Employee participation in administration                                                                                                                                                                                                  |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IOWA         |                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                              |
| Cedar Rapids | a. Board of trustees<br>b. Advisory council: educational committee of board of education plus employees' representatives. Superintendent to act as ex officio chairman                                                                                                                                                                 | One representative to be elected by the principals' and supervisors' club, and 2 representatives to be elected by the Cedar Rapids Teachers' Association                                                                                     |
| Davenport    | *a. Board of directors<br>b. Advisory committee of teachers                                                                                                                                                                                                                                                                            | Three teachers elected from entire teaching body to meet with board of directors at any regular meeting                                                                                                                                      |
| Des Moines   | *a. Board of directors<br>b. Advisory committee—ex officio members: superintendent and president of Des Moines Teachers' Federation; one citizen (annually elected by board) who does not hold any other public office and is in no way connected with the administration of public schools; 3 active and one retired member of system | Three members of system are elected by membership to serve for three-year terms; one annuitant elected by membership to serve one-year term                                                                                                  |
| Sioux City   | *a. Board of directors<br>b. Advisory council: teachers committee of board of education, superintendent, and representatives elected by each of the organizations recognized by the board of education                                                                                                                                 | One representative for every 100 members or fraction thereof elected by each organization: Sioux City Teachers' Club, High School Teachers' Association, Administration Club of the Sioux City Public Schools                                |
| MINNESOTA    |                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                              |
| Duluth       | Board of (9) trustees: 3 shall be members of board of education chosen by such board; 5 elected by members of association from their members; superintendent ex officio member                                                                                                                                                         | Five members of retirement association; elected by membership for three-year terms                                                                                                                                                           |
| Minneapolis  | Board of (9) trustees: mayor of city, president of board of education, superintendent of city council, chairman of ways and means committee of city council, and 5 members of association                                                                                                                                              | Five members of retirement association; elected by membership for two-year terms                                                                                                                                                             |
| St. Paul     | Board of (12) trustees: mayor, comptroller, commissioner of education of city of St. Paul are ex officio members. Remaining 9 members are to be elected by and from membership                                                                                                                                                         | Nine members of retirement association; elected by membership for three-year terms                                                                                                                                                           |
| Location     | C. Employer's contributions                                                                                                                                                                                                                                                                                                            | D. Employee's contributions                                                                                                                                                                                                                  |
| IOWA         |                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                              |
| Cedar Rapids | *Annual tax levy not exceeding amount produced in the current school year by the assessment of teachers' salaries. Gifts, bequests, etc.                                                                                                                                                                                               | One percent of the total salary of all teachers employed in district, deducted in equal monthly amounts from teacher's salary                                                                                                                |
| Davenport    | *Annual tax levy not exceeding amount produced in the current school year by the assessment of teachers' salaries. Gifts, bequests, etc.                                                                                                                                                                                               | *One percent of the total salary of all teachers employed in district or such greater percentage as the board of directors may authorize and a majority of the teachers agree to pay; payable in equal monthly amounts from teacher's salary |
| Des Moines   | *Annual tax levy not exceeding amount produced in the current school year by the assessment of teachers' salaries. Gifts, bequests, etc.                                                                                                                                                                                               | Constant percent of salary graded according to sex and age when becoming a member                                                                                                                                                            |
| Sioux City   | *Annual tax levy not exceeding amount produced in the current school year by the assessment of teachers' salaries. Gifts, bequests, etc.                                                                                                                                                                                               | One percent of salaries of teachers                                                                                                                                                                                                          |
| MINNESOTA    |                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                              |
| Duluth       | *No provision other than reference to tax levy described in enabling act                                                                                                                                                                                                                                                               | Percentage of salary based upon sex and age when becoming a member; rate may be changed by affirmative vote of two-thirds of members voting thereon provided such affirmative vote shall include at least one-third entire membership        |

Those provisions which are stipulated in state enabling act are starred.

(C and D continued on next page)

(Table 2, C and D—Continued)

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                        |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Minneapolis | Board shall annually certify the amount to be raised by taxation for administrative expense, for annuities granted under provisions in effect prior to 1924, for prior service credits, for city deposit on behalf of senior teachers (over 25 years of age) as follows: to 1½ percent of salary add one-fourth of 1 percent for each year of teaching experience and deduct one-twentieth of 1 percent for each \$100 of such compensation received during year in excess of \$2000; total not to exceed 9 percent of salary; salaries over \$3000 to be disregarded in computation; when city deposits with interest accrue to amount of \$6666 city's deposits shall cease for that individual teacher | All members shall contribute 2 percent of salary                                                                                       |
| St. Paul    | *Annual tax levy; not to exceed 1½ mills on all taxable property in city                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | After January 1, 1940, 3 percent of salary; present members may elect to stay under old plan, paying assessment of 1 percent of salary |

\* Those provisions which are stipulated in state enabling act are starred.

| Location         | E. Types of positions covered                                                                                                                                                                                                                                                                                                                                         | F. Membership: voluntary or compulsory                                                                                                                                                                                                                                                                                                                   |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IOWA</b>      |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                          |
| Cedar Rapids     | Superintendents, teachers, principals, assistant principals, supervisors, assistant supervisors, nurses, and any person in charge of a special department                                                                                                                                                                                                             | Compulsory; part of contract of employment                                                                                                                                                                                                                                                                                                               |
| Davenport        | Teachers                                                                                                                                                                                                                                                                                                                                                              | Compulsory; part of contract of employment                                                                                                                                                                                                                                                                                                               |
| Des Moines       | All certificated employees including superintendents, assistant superintendents, directors, supervisors, principals, viceprincipals, girls' advisers, assistant principals, classroom instructors, assistant instructors, and study hall teachers. Noncertificated professional employees may be included upon recommendation of superintendent and approval of board | Compulsory, as a condition of employment; teacher on leave at time of enactment may elect to be excluded within 60 days of return—such teacher may enter retirement system within 2 years by making up contributions. Any member who ceases to hold teacher's certificate but continues employment in other capacity may continue membership or withdraw |
| Sioux City       | Teachers                                                                                                                                                                                                                                                                                                                                                              | Compulsory; part of contract of employment                                                                                                                                                                                                                                                                                                               |
| <b>MINNESOTA</b> |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                          |
| Duluth           | All superintendents, supervisors, principals, and instructors under written contract for employment are eligible for membership                                                                                                                                                                                                                                       | Compulsory for teachers with written contracts                                                                                                                                                                                                                                                                                                           |
| Minneapolis      | All teachers are eligible; all teachers over 25 and teachers entitled to benefits under former plans are members                                                                                                                                                                                                                                                      | Compulsory at age 25                                                                                                                                                                                                                                                                                                                                     |
| St. Paul         | Superintendents, supervisors, principals, and teachers                                                                                                                                                                                                                                                                                                                | Compulsory                                                                                                                                                                                                                                                                                                                                               |

#### G. Qualifications for superannuation or service retirement

| Location     | Minimum payment to fund                                   | Minimum age | Service |          |                       | Compulsory retirement age                                        |
|--------------|-----------------------------------------------------------|-------------|---------|----------|-----------------------|------------------------------------------------------------------|
|              |                                                           |             | Total   | Local    | Immediately preceding |                                                                  |
| IOWA         |                                                           |             |         |          |                       |                                                                  |
| Cedar Rapids | ....                                                      | 70          | 30      | 15       | ....                  | 70                                                               |
| Davenport    | ....                                                      | 60          | 30      | 15       | ....                  | ....                                                             |
| Des Moines   | ....                                                      | 60          | ....    | 15       | ....                  | 70 <sup>a</sup>                                                  |
| Sioux City   | \$200                                                     | 55          | 30      | 15       | ....                  | 68 <sup>b</sup>                                                  |
| MINNESOTA    |                                                           |             |         |          |                       |                                                                  |
| Duluth       | ....                                                      | 55          | ....    | ....     | ....                  | ....                                                             |
| Minneapolis  | A member may at any time apply to the board for a benefit |             |         |          |                       | ....                                                             |
| St. Paul     | \$400                                                     | 50          | 25      | 15<br>20 | ....                  | 70 in 1939-40<br>69 in 1940-41<br>68 in 1941-42<br>67 thereafter |

<sup>a</sup> By schoolboard rule.

<sup>b</sup> Sixty-five after July 1, 1941.

## Location

## H. Superannuation or service retirement allowance

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IOWA         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Cedar Rapids | \$40 a month maximum; if \$200 has not been contributed teacher may elect to have one twenty-fourth of deficit deducted each month from retirement allowance; teachers with less than 30 years' service shall be allowed an amount which shall bear the same ratio to \$480 as the teacher's aggregate term of service bears to 30, provided the teacher has contributed \$200 or elects the above-mentioned manner of making up the deficit                                                   |
| Davenport    | \$480 annual annuity payable quarterly, if teacher has not paid \$200 in contributions, deficit may be deducted, one-eighth from each quarterly payment over first 2 years                                                                                                                                                                                                                                                                                                                     |
| Des Moines   | a. Annuity, the actuarial equivalent of accumulated contributions<br>b. Pension equal to four-fifths amount of annuity; total pension not more than \$480 or one one-hundred sixtieth of average final salary times number of years of membership service<br>Total service retirement allowance not to be less than \$1.25 times total number of years of service; otherwise pension shall be increased to bring total allowance to minimum; maximum retirement allowance to be \$40 per month |
| Sioux City   | \$500 per year payable quarterly not in advance; provided member has contributed \$200; if not, deficit is deducted from first quarterly retirement allowance                                                                                                                                                                                                                                                                                                                                  |
| MINNESOTA    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Duluth       | Annuity payable in 10 equal monthly installments from September to June inclusive, equivalent to one-seventieth of the average contract salary for last 10 years of service times the number of years of service for which member has paid contributions and arrearages (latter for prior service credit)                                                                                                                                                                                      |
| Minneapolis  | a. Single payment or installments, payments from member's accumulated contributions<br>b. Annuity from city's payments on member's account, first payment of which is to be after 50th birthday; city credits on account of member before 45 years of age are cancelled if teacher withdraws with less than 10 years of service<br>c. Additional annuity on account of prior service provided member does not cease teaching before age 50 except for disability                               |
| St. Paul     | \$600 per year payable in 12 equal monthly installments; if member has not paid \$400, 25 percent of pension shall be retained until deficit is met. After January 1, 1940, the allowance shall be \$900 annually with an additional \$1 per month for each year of service over 25 up to a period of 10 years additional service. Present members may elect to stay under old plan                                                                                                            |

## I. Disability retirement

| Location     | Qualifications                                                                                                                                                                                                                                                                                | Allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IOWA         |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Cedar Rapids | Twenty years as public school teacher; 15 years in district                                                                                                                                                                                                                                   | One-year allowance voted annually by board must be by unanimous vote. Maximum \$480; to be same ratio to \$480 as years of service is to 30; \$200 must have been paid by member; otherwise provision is made for payment of deficit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Davenport    | Ten years in district. Proof of disability by affidavit of 2 physicians appointed by board of directors                                                                                                                                                                                       | Maximum \$480; to be same ratio to \$480 as years of service is to 30; \$200 must have been paid by member; otherwise provision is made for payment of deficit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Des Moines   | a. On member's request: affidavit of at least one physician for proof of disability; board may require medical examination by one or more additional physicians appointed by board<br>b. On superintendent's request: medical examination of not fewer than two physicians appointed by board | a. On member's request: effective on date set by board as probable time of the beginning of the disability<br>b. On superintendent's request: effective on date of request of superintendent, or on date member ends active service, if later than former date<br>Disability allowance: (1) annuity the actuarial equivalent of accumulated contributions at time of retirement; (2) if member has served 10 or more years, he is entitled to a pension equal to 72 percent of the annuity; total not to exceed \$432 nor be greater than one one-hundred eightieth of average final compensation times number of years of membership service<br>Total disability retirement allowance for members with 10 or more years' service shall not be less than \$1.10 times total number years of service, nor less than \$16 a month. Otherwise pension shall be increased to meet minimum. Maximum disability allowance \$36 a month |
| Sioux City   | Ten years' service in district                                                                                                                                                                                                                                                                | Allowance bearing same ratio to \$500 as employee's term of service bears to 30 years. Maximum allowance \$500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

(I continued on next page)

(Table 2, I—Continued)

## MINNESOTA

|             |                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Duluth      | Less than 55; 10 years' teaching service, 5 years in district. Written medical report must accompany application. Board may require further medical examination to prove disability                                                 | Annuity purchasable by member's deposits plus pension equal to 20 percent of the average contract salary of member for last 10 years of service, to be paid in 10 equal monthly payments from September to June inclusive. Or member may elect alternative: smaller allowance with unpaid balance payable to estate if claimed within 10 years |
| Minneapolis | Under 50; contributing member for not less than 5 years immediately preceding disability with proof that disability has existed for 60 days before application for disability retirement                                            | Annuity equivalent to the annuity which would become available to member on 50th birthday normally                                                                                                                                                                                                                                             |
| St. Paul    | Five or more years' service in district, during which time member has paid dues of association. Affidavits of 2 reputable physicians, not partners, necessary; board may require further medical examination as proof of disability | Annuity in proportion to \$900 as number of years of service is to 25; subject to requirement of payment of \$400; provided at least 5 years of service have been in St. Paul                                                                                                                                                                  |

| Location     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | J. Optional benefits |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| IOWA         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |
| Cedar Rapids | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |
| Davenport    | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |
| Des Moines   | Choice: (1) Reduced allowance provided annuitant's unpaid balance is paid to beneficiary or estate in a lump sum. (2) Beneficiary receives annuity payments thruout life; allowance of annuitant thereby reduced during his life. (3) Beneficiary receives half the annuitant's allowance thruout life.<br>Choice must be made before first payment of a retirement allowance becomes due; if no choice of above be made, full retirement allowance is payable to annuitant and all payments cease at death of member. If member appears incompetent to choose option, choice may be made by husband, wife, guardian, or other representative legally appointed. |                      |
| Sioux City   | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |
| MINNESOTA    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |
| Duluth       | Choice: (1) Reduced allowance provided annuitant's unpaid balance is paid to beneficiary or estate in a lump sum. If no claim for balance be made within 10 years of death of annuitant, balance is forfeited to retirement association. (2) Total amount shown on the account of the association to be paid when same has been adjusted to the date of retirement and approved by the board of trustees.<br>If member fails to make choice, full retirement allowance is paid thruout life of member.                                                                                                                                                           |                      |
| Minneapolis  | Choice: (1) Lump sum payment of member's accumulations. (2) Annuity payable to member during life. (3) Annuity payable to member during life and in the event member dies before 180 monthly payments have been made, payments to be continued to beneficiary or estate until 180 payments have been made. (4) Annuity payable to member during life and after death of member one-half monthly payments to be paid to beneficiary during his life.                                                                                                                                                                                                              |                      |
| St. Paul     | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |

| K. Payments in case of withdrawal or death before retirement |                                                                                                               |                                                                                                                                                          |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Location                                                     | Withdrawal                                                                                                    | Death                                                                                                                                                    |
| IOWA                                                         |                                                                                                               |                                                                                                                                                          |
| Cedar Rapids                                                 | Teacher has no vested interest in funds                                                                       | No heirs, devisees, legatees, creditors, or assignees shall be entitled to any portion of the funds                                                      |
| Davenport                                                    | Teacher has no vested interest in funds                                                                       | No heirs, devisees, legatees, creditors, or assignees shall be entitled to any portion of the funds                                                      |
| Des Moines                                                   | Total contributions without interest for first 3 years, to be paid within 30 days of written request for same | Total contributions with interest to be paid within 30 days following filing of proof of death and establishment of party or parties entitled to payment |
| Sioux City                                                   | Total contributions without interest for first 3 years, to be paid within 30 days of written request for same | Total contributions with interest to be paid within 30 days following filing of proof of death and establishment of party or parties entitled to payment |
| MINNESOTA                                                    |                                                                                                               |                                                                                                                                                          |
| Duluth                                                       | Total amount of contributions; application for same must be made within 10 years                              | Same refund as in case of withdrawal                                                                                                                     |

(K continued on next page)

(Table 2, K—Continued)

|             |                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                               |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minneapolis | If teacher withdraws before having completed 10 years of service in district, the city deposits accumulated from credits to member before age 45 are to be cancelled                                                                 | Full amount of the accumulation to the credit of the member (1) in a single sum; (2) in an agreed number of installments; (3) as an annuity payable during life of beneficiary; (4) as an annuity which will be continued beyond life of beneficiary provided 180 payments have not been made |
| St. Paul    | Fifty percent of contributions if withdrawal occurs within first 5 years; 60 percent if withdrawal occurs from 6 to 10 years after joining; graduated to a maximum of 90 percent refund to members who withdraw after 21 to 25 years | Same schedule of refunds as in case of withdrawal                                                                                                                                                                                                                                             |

| Location         | L. Restrictions on investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IOWA</b>      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Cedar Rapids     | Investments made only in those securities permitted under Chapter 259, Acts of the 43d General Assembly of Iowa                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Davenport        | Investments permitted savings banks of Iowa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Des Moines       | Investments of level premium life insurance companies organized under the laws of the state                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Sioux City       | Investments permitted savings banks of Iowa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>MINNESOTA</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Duluth           | Article VI of the Articles of Incorporation outlines in detail the restrictions on investments; in general, United States government bonds, bonds of states and municipalities; other securities permitted savings banks in Connecticut, Massachusetts, Minnesota, New York, and Pennsylvania provided such investments never exceed 10 percent of the total assets of the association. Certain first mortgage loans provided that the total amount invested in real estate mortgages may not exceed at face value, without interest, 70 percent of the total assets of the association |
| Minneapolis      | The funds shall be invested only in such securities as are authorized for the investment of the sinking fund of Minneapolis and the permanent school fund of Minnesota and in like securities of other states and municipalities therein, whose net bonded indebtedness does not exceed 7 percent of their assessed valuation, and in bonds, the payment of which is guaranteed by the United States; provided, however, that the association shall not be restricted by any minimum yield or interest rate provision applicable to any of such investments                             |
| St. Paul         | United States government bonds and certain other interest-bearing bonds of states and certain municipalities thereof                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Location         | M. Actuarial investigation of service and death experience * |
|------------------|--------------------------------------------------------------|
| <b>IOWA</b>      |                                                              |
| Cedar Rapids     | No provisions                                                |
| Davenport        | No provisions                                                |
| Des Moines       | Once in every 5 years                                        |
| Sioux City       | No provisions                                                |
| <b>MINNESOTA</b> |                                                              |
| Duluth           | Once in every 3 years                                        |
| Minneapolis      | Every 5 years                                                |
| St. Paul         | No provisions                                                |

\* Actuarial valuations of the liabilities are frequently made annually in those systems on an actuarial basis. The tabulation refers to investigation of service and death experience.

**Table 3.—Provisions of Special Mandatory State Legislation Providing for Retirement of Teachers in Certain Cities or Classes of Cities**

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**TABLE 3.—PROVISIONS OF SPECIAL MANDATORY STATE LEGISLATION PROVIDING FOR RETIREMENT OF TEACHERS IN CERTAIN CITIES OR CLASSES OF CITIES**

| Location          | A. Scope of legal provisions                  | B. Type of plan                 |
|-------------------|-----------------------------------------------|---------------------------------|
| Atlanta, Ga.      | Cities of more than 150,000 population        | Joint-contributory              |
| Boston, Mass.     | Boston and Suffolk County                     | Joint-contributory              |
| Bristol, R. I.    | Town of Bristol                               | Joint-contributory              |
| Chicago, Ill.     | City having over 500,000 population           | Joint-contributory              |
| Concord, N. H.    | School district of Concord                    | Joint-contributory in part only |
| Detroit, Mich.    | First-class districts                         | Joint-contributory              |
| Hartford, Conn.   | Hartford                                      | Pension                         |
| Milwaukee, Wis.   | First-class cities                            | Joint-contributory              |
| Montgomery, Ala.  | Montgomery                                    | Pension                         |
| New Haven, Conn.  | New Haven city school district                | Joint-contributory              |
| New Orleans, La.  | Parish of Orleans                             | Joint-contributory              |
| Newport, R. I.    | Newport                                       | Joint-contributory              |
| Omaha, Nebr.      | School district in city of metropolitan class | Joint-contributory              |
| Providence, R. I. | City of Providence                            | Joint-contributory              |
| Washington, D. C. | District of Columbia by act of Congress       | Joint-contributory              |
| Wilmington, Del.  | Wilmington                                    | Joint-contributory              |

| Location         | C. Administration of system                                                                                                                                                                                                                                                                                                                            | D. Employee participation in administration                                                                    |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.     | Board of trustees: mayor, city comptroller, and treasurer of city                                                                                                                                                                                                                                                                                      | No provisions                                                                                                  |
| Boston, Mass.    | Retirement board: city treasurer, one appointed by mayor, and one appointed by other 2 from membership of system                                                                                                                                                                                                                                       | One member of system chosen by other 2 members of retirement board; term 4 years                               |
| Bristol, R. I.   | Board of trustees: president or chairman of school committee, 3 members of said committee, 3 representatives of teachers, superintendent of schools, and town treasurer                                                                                                                                                                                | Three teachers                                                                                                 |
| Chicago, Ill.    | Board of trustees (9 members): 3 members of schoolboard, 6 members of system; chairman of finance committee of board of education, ex officio member                                                                                                                                                                                                   | Six contributing members of system; term 3 years                                                               |
| Concord, N. H.   | Board of education                                                                                                                                                                                                                                                                                                                                     | Advisory committee: 3 members of system; term 3 years                                                          |
| Detroit, Mich.   | Retirement fund board: president and vicepresident of board of education, other member of schoolboard appointed annually by president, superintendent of schools, 3 resident teachers. Ex officio treasurer shall be city treasurer; city controller shall be ex officio controller of retirement fund board                                           | Three teachers to be elected in such manner as retirement board shall prescribe                                |
| Hartford, Conn.  | Pension commission: 3 electors of the city none of whom shall be an employee thereof or shall hold any other elective or appointive office in the city government. No more than 2 members shall be of the same political party. Term 3 years; appointments made by mayor. City treasurer, ex officio member and secretary of commission, without vote. | No provisions                                                                                                  |
| Milwaukee, Wis.  | Board of trustees: president of managing board of schools, 4 other board members, 4 teachers                                                                                                                                                                                                                                                           | Four teachers; 2-year terms. Two men and 2 women, not more than one of each 6 to be principal or viceprincipal |
| Montgomery, Ala. | Board of education                                                                                                                                                                                                                                                                                                                                     | No provisions                                                                                                  |
| New Haven, Conn. | Board of education and sinking fund commission of city shall be in charge of funds; a board of retirement shall consist of 2 members of board of education, one member of board of aldermen, city treasurer, and a teacher.                                                                                                                            | One teacher elected by teachers of public schools; term 2 years                                                |

(C and D continued on next page)

(Table 3, C and D—Continued)

|                   |                                                                                                                                                                                                                                                                                                       |                                               |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| New Orleans, La.  | Board of trustees: superintendent of schools, 3 members of schoolboard, 5 teacher members                                                                                                                                                                                                             | Five teacher members; 6-year terms            |
| Newport, R. I.    | City treasurer, 2 members of school committee, 2 qualified electors of the city who by experience and training are especially qualified in the manner of investments and administration of trust funds, to be appointed by the chairman of the representative council, 2 members of retirement system | Two members of system; 2-year terms           |
| Omaha, Nebr.      | Board of education                                                                                                                                                                                                                                                                                    | No provisions                                 |
| Providence, R. I. | Retirement board: mayor, chairman of the joint standing committee on finance of the city council and city auditor, ex officio; 2 members who are not officers or employees of city, elected by city council in joint convention                                                                       | No provisions                                 |
| Washington, D. C. | District commissioners                                                                                                                                                                                                                                                                                | No provisions                                 |
| Wilmington, Del.  | Board of retirement: president and chairman of teachers' committee of board of education; city treasurer, superintendent of schools, 3 members of teaching staff                                                                                                                                      | Three members of teaching staff; term 3 years |

| Location         | E. Employer's contributions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | F. Employee's contributions                                                                                                                                                                                                                                              |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.     | Amount equal to 3 percent of salary of each member up to \$200 a month                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Three percent of salary to \$200 a month; 4 percent if wife is named as beneficiary                                                                                                                                                                                      |
| Boston, Mass.    | Normal contribution: such percent of the annual compensation of all members as is sufficient to provide during the active service of the average new entrant for all pensions for which the city may be liable on his account<br>Accumulated liability contribution a constant percent of the total payroll of all members sufficient to provide during the period 1932-62 for all pensions to be paid on account of prior service credits not provided by accumulations prior to 1932; to be at least 1 percent greater than interest on the accumulated liability, and shall be at least 3 percent greater each year than the amount for the preceding year | Four percent of salary deducted each pay day                                                                                                                                                                                                                             |
| Bristol, R. I.   | Town appropriates \$500 annually                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | One percent of annual salary on maximum salary of \$1200; deductions made semiannually                                                                                                                                                                                   |
| Chicago, Ill.    | Eight-tenths mill on each dollar of assessed valuation of all taxable property on all taxable property in city, levied annually                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Monthly deductions from \$5 to \$12 a month, depending on length of service. Members are classed into four service groups                                                                                                                                                |
| Concord, N. H.   | District appropriates annually for accrued liability fund and toward disability retirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Percent of salary from $3\frac{1}{2}$ to 5, depending on age of entry to system, up to salary of \$2000<br>If members' contributions accumulate to more than sufficient to provide annuity of one-half salary, excess contributions to be refunded at time of retirement |
| Detroit, Mich.   | From general fund of state, \$325,000 annual appropriation or less as determined by apportionment of such amount as shall be in same ratio to amount apportioned state teachers retirement fund as the number of teachers contributing to Detroit system is to number of teachers contributing to state system                                                                                                                                                                                                                                                                                                                                                | One to 5 percent of salary up to \$1500                                                                                                                                                                                                                                  |
| Hartford, Conn.  | Estimate of funds necessary is made annually for inclusion in city budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | None—pension plan                                                                                                                                                                                                                                                        |
| Milwaukee, Wis.  | Annually 40 percent of the surtax on net incomes of \$3000 and over, paid out of Milwaukee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | For members employed since 1935, \$4 a month for the first 10 years; \$6 a month for the next 5 years; \$8 a month thereafter                                                                                                                                            |
| Montgomery, Ala. | Pension available from school funds as salaries of other teachers are paid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | None—pension plan                                                                                                                                                                                                                                                        |
| New Haven, Conn. | If assessments on salaries of teachers plus income from permanent fund shall be less than sufficient to pay the annuities, the board of finance shall appropriate and pay to the treasurer of the fund an amount equal to the deficit                                                                                                                                                                                                                                                                                                                                                                                                                         | One percent of annual salaries of teachers who have taught 10 years or less; 2 percent of the salaries of those who have taught for more than 10 years. Maximum \$48 a year.                                                                                             |

(E and F continued on next page)

(Table 3, E and F—Continued)

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Orleans, La.  | At least 3 percent of earnable compensation for each member, to be divided between normal contribution and accrued liability contribution (now 5.37 percent)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Three percent of salary; may be changed by board, but must be not less than 3 nor more than 4 percent. Member may elect to make additional contributions in single payment or by increased percentage deducted from salary, but not more than would produce an annuity equal to half of salary if he retired at minimum age for service retirement.                                                                                                          |
| Newport, R. I.    | Normal contribution: such percentage of the earnable compensations of all members, which, if contributed on the basis of the compensation of the average new entrant thruout his period of active service while a member, would be sufficient to provide at the time of his retirement, the total amount of his pension reserve, based upon the pension to be paid because of service rendered while a member.<br>Accrued liability contribution: percent of annual compensations of the members which will be sufficient to amortize the accrued liability within 30 years.<br>City shall never be required to pay more than \$18,000 in any one year. | Board shall determine the percentage of salary, which when deducted from each payment of prospective earnable annual compensation and accumulated at regular interest until age 62, shall be computed to provide at that time an annuity equal to seven-twentieths of 1 percent of average final salary for each year of service as a member. (Average final salary means average during last 10 years of service, disregarding salary in excess of \$2200.) |
| Omaha, Nebr.      | From general fund of school district an amount not less than $1\frac{1}{2}$ times the amount of salary assessments and not less than necessary to meet the payments provided for                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | One to $1\frac{1}{2}$ percent salary                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Providence, R. I. | A uniform and constant percentage of the earnable compensation of each new entrant which, if contributed on the basis of his compensation thruout his entire period of active service, would be sufficient to provide at the time of his retirement the total amount of his pension reserve; and, as deficiency contribution, a percentage of total compensation of all members which is equivalent to 4 percent of the amount of the total pension liability not dischargeable by the normal contribution.                                                                                                                                             | A constant percentage of salary which when deducted from each payment of his prospective earnable annual compensation prior to his eligibility for service retirement and accumulated at regular interest until his attainment of the minimum age of service retirement for his group will provide at that time an annuity equal to five-eighths of 1 percent of final compensation for each year of service as a member.                                    |
| Washington, D. C. | A level percentage of the payroll of all participants adequate to cover the liability normally accrued, plus a further computed contribution to be sufficient to liquidate within 30 years of July 1, 1926, the accrued liability of that date                                                                                                                                                                                                                                                                                                                                                                                                          | Amount computed to nearest tenth of a dollar, sufficient with interest at 4 percent to purchase an annuity equal to 1 percent of average annual salary received during 10 years immediately preceding retirement, for each year of service after June 30, 1926. Maximum 8 percent; deductions to be made on salaries up to \$2000.                                                                                                                           |
| Wilmington, Del.  | School district pays not less than \$1000 a year; city pays not less than \$2000 a year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | One percent of salary during first 10 years of service; 2 percent of salary during period of service from 10 to 20 years; 3 percent of salary after 20 years' service; maximum \$50 a year. Payments cease when deposits equal \$400.                                                                                                                                                                                                                        |

| Location        | G. Types of positions covered                                                                                                                                                                                          | H. Membership: voluntary or compulsory                                                                             |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.    | All school employees, and city employees except firemen and policemen                                                                                                                                                  | Compulsory since 1935 for all new employees earning \$1200 or more; voluntary for those of less than \$1200 salary |
| Boston, Mass.   | Employees of Boston and Suffolk County, any appointive or elective officers whose duties require at least half time, and who are paid from city or county funds, except those elected by the people and court officers | Compulsory for new employees; voluntary with those employed at the time of enactment                               |
| Bristol, R. I.  | Teachers                                                                                                                                                                                                               | Compulsory                                                                                                         |
| Chicago, Ill.   | Teachers                                                                                                                                                                                                               | Compulsory                                                                                                         |
| Concord, N. H.  | Teachers                                                                                                                                                                                                               | Compulsory                                                                                                         |
| Detroit, Mich.  | Teachers and all contract employees                                                                                                                                                                                    | Compulsory                                                                                                         |
| Hartford, Conn. | All city employees including employees of board of education of town of Hartford                                                                                                                                       | Pension plan (no membership in this sense)                                                                         |
| Milwaukee, Wis. | Superintendent, principals, supervisors, welfare workers, truant and attendance officers, teachers, and full-time recreation workers                                                                                   | Compulsory since 1925 unless over 50 years of age when employed                                                    |

(G and H continued on next page)

(Table 3, G and H—Continued)

|                   |                                                                                                                                                                                                                                                                                                                                                        |                                                 |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Montgomery, Ala.  | Teachers                                                                                                                                                                                                                                                                                                                                               | Pension plan (no membership in this sense)      |
| New Haven, Conn.  | All teachers regularly employed in the public day schools, including the superintendent and members of the supervisory staff                                                                                                                                                                                                                           | Compulsory                                      |
| New Orleans, La.  | Any person regularly employed as a teacher, superintendent, assistant superintendent, principal, viceprincipal, supervisor, secretary, superintendent of maintenance, supervising architect, heads of departments, cadets, instructors, librarians, and assistants to above not employed temporarily or as a member of the administration office force | Compulsory                                      |
| Newport, R. I.    | Any employee who is required to have a certificate from the state department of education in order to be employed in the public schools                                                                                                                                                                                                                | Compulsory as part of employment contract       |
| Omaha, Nebr.      | All members of teaching staff, including supervisors and assistants to superintendent, principal, and teachers                                                                                                                                                                                                                                         | Compulsory                                      |
| Providence, R. I. | All regular and permanent employees and officers of the city whose business time is devoted exclusively to the service of the city; city council members are excluded                                                                                                                                                                                  | Compulsory at end of first 6 months' employment |
| Washington, D. C. | All teachers permanently employed in public day schools of the District of Columbia                                                                                                                                                                                                                                                                    | Compulsory                                      |
| Wilmington, Del.  | Superintendent, assistant superintendent, principal, assistant principal, department heads, supervisors, directors, and teachers                                                                                                                                                                                                                       | Compulsory as part of contract of employment    |

## I. Superannuation or service retirement

| Location        | Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                      | Allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.    | Twenty-five years of city service                                                                                                                                                                                                                                                                                                                                                                                                   | Half salary of last year of service, maximum \$100 a month                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Boston, Mass.   | Sixty years of age                                                                                                                                                                                                                                                                                                                                                                                                                  | Annuity, the actuarial equivalent of accumulated deductions and equivalent pension; if a member from time of enactment, an additional pension having an actuarial value equivalent to twice the contributions he would have made during prior service.<br>If a member for 15 years or more thus earns an allowance of less than \$480 a year, he is given an additional pension to make total allowance \$480; otherwise, maximum allowance shall be equivalent to half average annual compensation during 5 years immediately preceding retirement.                                                                                                                                                                                        |
| Bristol, R. I.  | Contributor for 5 years or paid amount equal to 5 years' contributions plus 8 percent, who has taught in town schools at least 35 years if a man, or 30 years if a woman; 20 years of which must be immediately preceding retirement                                                                                                                                                                                                | Maximum \$300, payable thruout life or while woman teacher is single                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Chicago, Ill.   | Twenty-five years' service and payment of aggregate sum specified under heading "Employee's Contributions" (see p. 106)                                                                                                                                                                                                                                                                                                             | For 25 years' service, full service annuity, maximum \$800; \$40 additional for each year of service over 25; maximum \$1200. If retired automatically on account of age, but with less than 25 years' service, proportionate amount of \$800                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Concord, N. H.  | Age 60; 20 years' service in district                                                                                                                                                                                                                                                                                                                                                                                               | Maximum of half of salary is payable at age 70 after at least 40 years of service, of which 30 years must have been in district; otherwise, as voted by board according to McClintock's annuity tables                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Detroit, Mich.  | Thirty years' service, 20 years in district, next preceding retirement                                                                                                                                                                                                                                                                                                                                                              | Uniform annuity as may from time to time be fixed by board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Hartford, Conn. | For men, age 65; for women, age 60; after at least 15 years of continuous service immediately preceding retirement if in the employment of the city on May 5, 1927, or at least 20 years of continuous service immediately preceding retirement if employed after May 5, 1927. If involuntarily retired after age 55, member will be entitled to same pension as he would have been had he been employed to regular retirement age. | Annual allowance, payable monthly, equivalent to 2 percent of average annual salary for the 5 years of active service immediately preceding retirement times the number of years of active service; or, 60 percent of such average annual salary whichever shall be the smaller. Maximum \$2000.<br>Allowance payable to teachers shall be reduced annually by an amount equal to the pension, if any, when such teacher is entitled to receive from the state teachers retirement system by reason of the state's contribution to such fund. The amount of such reduction is to be computed on the basis of such pension being payable as a life annuity on the pensioner's life regardless of the optional benefit chosen by the teacher. |

(I continued on next page)

(Table 3, I—Continued)

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|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Milwaukee, Wis.   | No age specified. Retirement prior to 35 years' service is on disability only.                                                                                                                                                                                                                                                                                                                | After 35 years' service, \$800 annuity with \$40 a year additional for each additional year of city service; maximum \$1200 a year                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Montgomery, Ala.  | No provisions for retirement except for disability                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| New Haven, Conn.  | Thirty years' service, last 20 in city of New Haven, upon majority vote of schoolboard; upon request of teacher at least 60 years of age after 30 years' service, last 20 in New Haven; must have paid into fund sufficient to equal amount of annuity first year; otherwise, 20 percent of deficit shall be withheld from each monthly payment until such amount shall have been contributed | Half average annual salary for 5 years, last previous to retirement. Minimum \$800; maximum \$1200.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| New Orleans, La.  | Sixty years of age or 40 years of service                                                                                                                                                                                                                                                                                                                                                     | Annuity the actuarial equivalent of accumulated regular contributions; and pension which shall be the actuarial equivalent at the minimum age at which member is eligible for service retirement, of the accumulated regular contributions of the member at that time.<br>If member has made special contributions, he shall receive an additional annuity upon service retirement which shall be the actuarial equivalent of said special contributions, together with regular interest thereon, but the additional annuity shall not influence amount of pension payable from city contributions. |
| Newport, R. I.    | Age 62                                                                                                                                                                                                                                                                                                                                                                                        | Annuity the actuarial equivalent of accumulated contributions and pension equal to seven-twentieths of 1 percent of average final salary multiplied by number of years of service since retiree last became a member, and an additional pension if he has prior service credit. (Average final salary means average during last 20 years of service disregarding salary in excess of \$2200.)                                                                                                                                                                                                       |
| Omaha, Nebr.      | Thirty-five years; 20 years in district                                                                                                                                                                                                                                                                                                                                                       | \$900 a year in equal monthly payments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Providence, R. I. | Age 60 <sup>a</sup>                                                                                                                                                                                                                                                                                                                                                                           | Annuity the actuarial equivalent of accumulated contributions; and a pension equal to five-eighths of 1 percent of final compensation multiplied by the number of years of service as a member, plus a prior service pension if member is eligible.                                                                                                                                                                                                                                                                                                                                                 |
| Washington, D. C. | Age 62 and continuous employment from age 52, except for leave of absence of no more than 2 years                                                                                                                                                                                                                                                                                             | Annuity equal to 1 percent of average annual salary received during 10 years immediately preceding retirement for each year of service after June 30, 1926; plus an additional pension for prior service, if eligible. Teachers with less than 20 years' service shall be paid benefits figures on the basis of 20 years.                                                                                                                                                                                                                                                                           |
| Wilmington, Del.  | Board may retire member at 65 years of age, after 30 years of service; after member has served 35 years, 20 in Wilmington, and paid \$400 into fund, he may request retirement                                                                                                                                                                                                                | \$400 a year if service has been full 35 years; proportionate amount for service of between 20 and 35 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

<sup>a</sup> Different minimum age for voluntary retirement of different groups of employees in system; for teachers it is 60.

| Location        | J. Compulsory retirement                                                                                                                                                                                                                                         |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.    | Schoolboard rule not part of pension law; age 65, may be extended to 70 one year at a time, if such extension would qualify employee for pension (25 years' service).                                                                                            |
| Boston, Mass.   | Age 70, except members of judiciary, heads of departments, and members of boards in charge of departments; after 60, head of department may apply for retirement of employee who is entitled to notice and hearing if same is requested within 10 days of notice |
| Bristol, R. I.  | No provisions                                                                                                                                                                                                                                                    |
| Chicago, Ill.   | No provisions in law herein analyzed <sup>b</sup>                                                                                                                                                                                                                |
| Concord, N. H.  | Age 70                                                                                                                                                                                                                                                           |
| Detroit, Mich.  | No provisions                                                                                                                                                                                                                                                    |
| Hartford, Conn. | Age 70 for men, 65 for women. The commission on written application of the department head may extend period of active service                                                                                                                                   |
| Milwaukee, Wis. | No provisions <sup>c</sup>                                                                                                                                                                                                                                       |

<sup>b</sup> A separate law requires retirement at age 65 on a pension of \$500.

<sup>c</sup> A separate law requires retirement at age 70.

(J continued on next page)

(Table 3, J—Continued)

|                   |                                                                                                                                                                                                              |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Montgomery, Ala.  | No provisions                                                                                                                                                                                                |
| New Haven, Conn.  | Board of retirement and board of education have right to retire teacher who has given 30 years' service, last 20 of which have been in New Haven                                                             |
| New Orleans, La.  | No provisions                                                                                                                                                                                                |
| Newport, R. I.    | Age 70                                                                                                                                                                                                       |
| Omaha, Nebr.      | Forty years' service if 65 years of age                                                                                                                                                                      |
| Providence, R. I. | Age 70; law permits extension one year at a time by vote of board, upon petition of member; if retired after 70, benefits payable as at 70. Compulsory retirement at age 70 passed by schoolboard resolution |
| Washington, D. C. | Age 70; may be extended by two-thirds vote of board of education                                                                                                                                             |
| Wilmington, Del.  | No provisions                                                                                                                                                                                                |

| Location         | K. Disability retirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Atlanta, Ga.     | No provisions for disability retirement                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Boston, Mass.    | Less than 60 years of age; 15 years' or more city or county service; annual medical examination until age 60                                                                                                                                                                                                                                                                                                                                                                                  | Annuity, actuarial equivalent of accumulated deductions; pension equal to annuity but not to exceed 90 percent of pension which would have been provided at age 60; additional pension such as to make total pension from city equal to 90 percent of pension city would have paid retiree at age 60 had he remained in service without change in salary.<br>If disability is due to accident in line of duty, total allowance shall be equal to three-fourths annual compensation received in year before accident (with adjustments necessary under provisions of workmen's compensation law).                                                                                                                                            |
| Bristol, R. I.   | Contributor for at least 5 years, continuous service of not less than 10 years                                                                                                                                                                                                                                                                                                                                                                                                                | No special provision in act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Chicago, Ill.    | Twelve years' or more service but less than 25 years in public schools of United States, and payment of aggregate sum specified (see page 106)                                                                                                                                                                                                                                                                                                                                                | After 12 years' service annuity of \$300 with additional annuity of \$38 for each year of service over 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Concord, N. H.   | Under 60 years of age                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | At discretion of board, subject to provisions of law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Detroit, Mich.   | Ten years next preceding disability, in district                                                                                                                                                                                                                                                                                                                                                                                                                                              | Annuity in proportion to amount paid retirees after 30 years' service, which years of service are to 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Hartford, Conn.  | Men under 65 and women under 60, after at least 10 years of service; or, men under 66 and women under 61 with 11 years of service; or, men under 67 and women under 62 with 12 years of service; or, men under 68 and women under 63 with 13 years of service; or, men under 69 and women under 64 with 14 years of service, are eligible for disability retirement providing service is immediately preceding disability and applied for within one year after termination of active service | Annual allowance, payable monthly, equivalent to 2 percent of average annual salary for the 5 years of active service immediately preceding retirement times the number of years of active service; or, 60 percent of such average annual salary whichever shall be the smaller. Maximum \$2000.<br>Allowance payable to teacher shall be reduced annually by an amount equal to the pension, if any, which such teacher is entitled to receive from the state teachers retirement system by reason of the state's contribution to such fund. The amount of such reduction is to be computed on the basis of such pension being payable as a life annuity on the pensioner's life regardless of the optional benefit chosen by the teacher. |
| Milwaukee, Wis.  | From 25-35 years' service, which may include 10-15 years' service outside district                                                                                                                                                                                                                                                                                                                                                                                                            | After 25 years' service, \$800 plus \$40 a year for each additional year in district; otherwise as many twenty-fifths of \$800 as years of teaching service are of 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Montgomery, Ala. | Twenty-one years' service in county                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Half highest salary received at any time during service, not to exceed \$600 a year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| New Haven, Conn. | Fifteen years' service, last 10 in city of New Haven                                                                                                                                                                                                                                                                                                                                                                                                                                          | One-thirtieth of total annuity for service retirement, for each year of service, not exceeding 30. Must have paid in sufficient to equal amount of annuity paid first year; otherwise, 20 percent of deficit shall be withheld from each monthly payment until such amount shall have been contributed.                                                                                                                                                                                                                                                                                                                                                                                                                                     |

(K continued on next page)

(Table 3, K—Continued)

|                   |                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Orleans, La.  | Ten or more years of service; medical examination required annually during first 5 years and once in every 3 years thereafter, to age 60                        | Annuity, the actuarial equivalent of the amount of accumulated regular contributions, and a pension equal to the annuity provided by regular contributions of member and special annuity if member has made special contributions.<br>If member has prior service credit, he will receive an additional pension equal to twice the pension which would have been payable without prior service credit on account of contributions which would have been made during the period of creditable prior service, had contributions, at the rate of 3 percent, been made during the period.<br>If necessary, additional pension to make total allowance at least equal to \$300 a year. |
| Newport, R. I.    | Ten years' or more service; medical examination once each year during first 5 years, and once in every 3 years thereafter until retiree is 62                   | Annuity, the actuarial equivalent of retiree's accumulated contributions and a pension which, together with his annuity shall equal six-tenths of 1 percent of average final salary multiplied by the number of years of total service. Minimum, 10 percent average final salary; maximum, six-sevenths of total amount he would have received had he remained in service until age 62. (Average final salary means average during last 10 years of service, disregarding salary in excess of \$2200.)                                                                                                                                                                            |
| Omaha, Nebr.      | Twenty-five years' total service, 20 years in district                                                                                                          | Such percentage of \$900 as years of experience are to 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Providence, R. I. | Ordinary disability: ten or more years of service<br><br>Accidental disability; permanent injury from accident                                                  | Annuity, actuarial equivalent of accumulated contributions and pension which, together with annuity, shall equal nine-tenths of 1½ percent of final compensation multiplied by number of years of total service. Minimum as computed on basis of 15 years' service unless member entered city service within 15 years of minimum age for service retirement.<br><br>Annuity, the actuarial equivalent of accumulated deductions at the time of retirement, and a pension of 66 2/3 percent of final compensation.                                                                                                                                                                 |
| Washington, D. C. | Age 45. Continuous employment in district for not less than 10 years immediately preceding disability, providing disability has not been due to vicious habits. | Computed as for superannuation retirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Wilmington, Del.  | Twenty years' service, 15 in Wilmington                                                                                                                         | Computed same as for service retirement, proportionately upon full amount of \$400 after 35 years' service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| L. Prior service <sup>a</sup> (see also deficiency contributions noted under heading "Employer's Contributions") |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Location                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |
| Atlanta, Ga.                                                                                                     | Prior service credit granted for Atlanta service only; employees pay 2 to 3 percent of salary during years claimed. Deficit must be made up in 50 months if member claims prior service upon reentry into the service.                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Boston, Mass.                                                                                                    | City pays deficiency contribution. Eligible member receives pension actuarially equivalent to twice the contributions he would have made had he been a member during period of prior service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Bristol, R. I.                                                                                                   | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Chicago, Ill.                                                                                                    | Teacher pays a sum equal to what he would have contributed (had he been a contributor during such period) with interest at 4 percent from the time such payments would have been made; and an additional sum equal to the amount of appropriation by the board of education, withheld from payment into the fund because he was not a contributor during that time, also with 4 percent interest; and "what, if any, other sum may be necessary to indemnify said fund against any loss it may have sustained by reason of receiving less public contribution than it would have received if such teacher had been a regular contributor during such period." |  |
| Concord, N. H.                                                                                                   | No service outside district in excess of 10 years, nor any service before age 25 shall be counted. District bears pension cost for prior service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
| Detroit, Mich.                                                                                                   | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Hartford, Conn.                                                                                                  | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Milwaukee, Wis.                                                                                                  | Prior service arrearage payments of those who elected to come into fund in 1935 or change from old law to amended law of 1925 must be made up within 5 years; otherwise prior service payments may be made at any time before retirement.                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| Montgomery, Ala.                                                                                                 | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| New Haven, Conn.                                                                                                 | Teachers who had taught 40 years at time of enactment were retired without meeting requirement of having to pay amount of first year's annuity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |

<sup>a</sup> In each case "prior service" refers to service rendered prior to date of membership.

(L continued on next page)

(Table 3, L—Continued)

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Orleans, La.  | Board pays such percentage of total annual compensation of all members which is equivalent to 4 percent of the amount of total liability of the retirement fund on account of prior service credit.                                                                                                                                                                                                                                                                                                                             |
| Newport, R. I.    | Prior service shall consist of time teacher was a member of former retirement system; more than 5 years but not exceeding 10 years, teacher served in city but did not belong to former retirement system; time, not exceeding 15 years teacher served outside district; for which member upon retirement will receive an additional pension equal to seven-tenths of 1 percent of the salary last paid before becoming a member of present retirement system multiplied by the number of years of prior service to his credit. |
| Omaha, Nebr.      | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Providence, R. I. | City pays deficiency contribution sufficient to pay pension equal to $1\frac{1}{4}$ percent of final compensation multiplied by the number of years of prior service credited to member.                                                                                                                                                                                                                                                                                                                                        |
| Washington, D. C. | District pays deficiency contribution sufficient to liquidate liability for prior service credit within 30 years; pays each eligible member 1 percent average annual salary received during 10 years immediately preceding retirement for each year of prior service plus \$15 for each year of such service. In prior service credit member may claim not to exceed 10 years for service outside District.                                                                                                                     |
| Wilmington, Del.  | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Location          | M. Optional benefits                                                                                                                                                                                                                                                                                                                                                          |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.      | No provisions                                                                                                                                                                                                                                                                                                                                                                 |
| Boston, Mass.     | Option must have been selected at least 30 days before death of member: (1) Unpaid balance to be paid to beneficiary or estate in lump sum. (2) Annuity payments to be continued to beneficiary thruout life. (3) Beneficiary, thruout life, receives half annuity paid member.                                                                                               |
| Bristol, R. I.    | No provisions                                                                                                                                                                                                                                                                                                                                                                 |
| Chicago, Ill.     | No provisions                                                                                                                                                                                                                                                                                                                                                                 |
| Concord, N. H.    | Unpaid balance to be paid to beneficiary or estate in lump sum in case retirant elects to receive lesser sum instead of regular allowance                                                                                                                                                                                                                                     |
| Detroit, Mich.    | No provisions *                                                                                                                                                                                                                                                                                                                                                               |
| Hartford, Conn.   | No provisions                                                                                                                                                                                                                                                                                                                                                                 |
| Milwaukee, Wis.   | No provisions *                                                                                                                                                                                                                                                                                                                                                               |
| Montgomery, Ala.  | No provisions                                                                                                                                                                                                                                                                                                                                                                 |
| New Haven, Conn.  | No provisions                                                                                                                                                                                                                                                                                                                                                                 |
| New Orleans, La.  | Unpaid balance of accumulated regular contributions to be paid to beneficiary or estate in lump sum                                                                                                                                                                                                                                                                           |
| Newport, R. I.    | Must be made at least 30 days before death; choice of regular allowance as specified or lesser allowance and unpaid balance to be paid to beneficiary or estate                                                                                                                                                                                                               |
| Omaha, Nebr.      | No provisions                                                                                                                                                                                                                                                                                                                                                                 |
| Providence, R. I. | Must be made before first payment of benefit. Choice: (1) Unpaid balance to be paid to beneficiary or estate in lump sum. (2) Annuity payments to be continued to beneficiary thruout life. (3) Beneficiary, thruout life, to receive half the annuity paid member retiring. (4) Any other benefits to be payable to beneficiary if approved by actuary and retirement board. |
| Washington, D. C. | Law provides for options to be incorporated in rules and regulations of commissioners of District, but does not designate options. In the regulations of the commissioners, choice of several options is provided.                                                                                                                                                            |
| Wilmington, Del.  | No provisions                                                                                                                                                                                                                                                                                                                                                                 |

\* However, see p. 115.

| Location     | N. Payments in case of withdrawal or death before retirement          |                                                                                                                                                                                                                                          |
|--------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              | Withdrawal                                                            | Death                                                                                                                                                                                                                                    |
| Atlanta, Ga. | Contributions are refunded less 2 percent for each year of membership | If death of member, who is a husband and who has named wife as beneficiary, occurs after he is eligible to retire but is still in active service, widow receives three-fourths of pension which he would have been receiving if retired. |

(N continued on next page)

(Table 3, N—Continued)

|                   |                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                        |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Boston, Mass.     | Total contributions with interest                                                                                                                                                                                                                                                                            | Total contributions with interest. If death results from accident in line of duty, accumulated deductions are payable to legal representative and half-salary pension is payable to dependents (widow, children under 18, or parents). |
| Bristol, R. I.    | No provisions                                                                                                                                                                                                                                                                                                | No provisions                                                                                                                                                                                                                          |
| Chicago, Ill.     | Four-fifths contributions if applied for within 5 years                                                                                                                                                                                                                                                      | Four-fifths contributions                                                                                                                                                                                                              |
| Concord, N. H.    | All contributions with 2 percent interest                                                                                                                                                                                                                                                                    | Same refund as in case of withdrawal                                                                                                                                                                                                   |
| Detroit, Mich.    | Application for refund must be made within 18 months of cessation of service: if 5 years or less service credit, refund of 100 percent of contributions; if service credit 5 to 10 years, refund of 75 percent of contributions; if service credit more than 10 years, refund of 50 percent of contributions | Seventy-five percent of contributions paid to executor or administrator of estate                                                                                                                                                      |
| Hartford, Conn.   | Teachers make no contributions; pension plan                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                        |
| Milwaukee, Wis.   | Half contributions or total, depending on plan under which member entered fund                                                                                                                                                                                                                               | Same refund as in case of withdrawal                                                                                                                                                                                                   |
| Montgomery, Ala.  | Teachers make no contributions; pension plan                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                        |
| New Haven, Conn.  | If dismissed, deposits shall be refunded without interest.                                                                                                                                                                                                                                                   | No provisions                                                                                                                                                                                                                          |
| New Orleans, La.  | Regular contributions, prior to September 1, 1939, refunded without interest; regular contributions after September 1, 1939, refunded with interest of 3 percent; special contributions with interest of 4 percent                                                                                           | Same refund as in case of withdrawal                                                                                                                                                                                                   |
| Newport, R. I.    | Total contributions with interest                                                                                                                                                                                                                                                                            | Same refund as in case of withdrawal                                                                                                                                                                                                   |
| Omaha, Nebr.      | Teacher forfeits deposits when discharged; no provision for refund at time of voluntary withdrawal.                                                                                                                                                                                                          | No provisions                                                                                                                                                                                                                          |
| Providence, R. I. | Total contributions with interest                                                                                                                                                                                                                                                                            | Same refund as in case of withdrawal                                                                                                                                                                                                   |
| Washington, D. C. | Total contributions with interest                                                                                                                                                                                                                                                                            | Same refund as in case of withdrawal                                                                                                                                                                                                   |
| Wilmington, Del.  | Board shall prescribe regulations: since 1936 refunds have been made in full without interest.                                                                                                                                                                                                               | No provisions                                                                                                                                                                                                                          |

| Location          | O. Restrictions on investments                                                                                                |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.      | No provisions                                                                                                                 |
| Boston, Mass.     | Such as were permitted by the sinking fund commissioners of the city                                                          |
| Bristol, R. I.    | No provisions                                                                                                                 |
| Chicago, Ill.     | Such investments as are permitted to township trustees for school funds                                                       |
| Concord, N. H.    | No provisions                                                                                                                 |
| Detroit, Mich.    | Such as are permitted savings banks                                                                                           |
| Hartford, Conn.   | No provisions                                                                                                                 |
| Milwaukee, Wis.   | Such as are permitted trust funds                                                                                             |
| Montgomery, Ala.  | Funds not separated from regular school funds                                                                                 |
| New Haven, Conn.  | Such as are permitted trust funds under state law                                                                             |
| New Orleans, La.  | Such as are permitted domestic life insurance companies by state law                                                          |
| Newport, R. I.    | Such as are permitted any city (of Newport) sinking funds                                                                     |
| Omaha, Nebr.      | Only in bonds of the city and county in which district is located and bonds of the state of Nebraska and of the United States |
| Providence, R. I. | Such as are permitted sinking funds of the city or such securities as the city council may from time to time authorize        |
| Washington, D. C. | May be invested by United States Treasurer                                                                                    |
| Wilmington, Del.  | United States government bonds; state, county, and city bonds; school district bonds of Delaware                              |

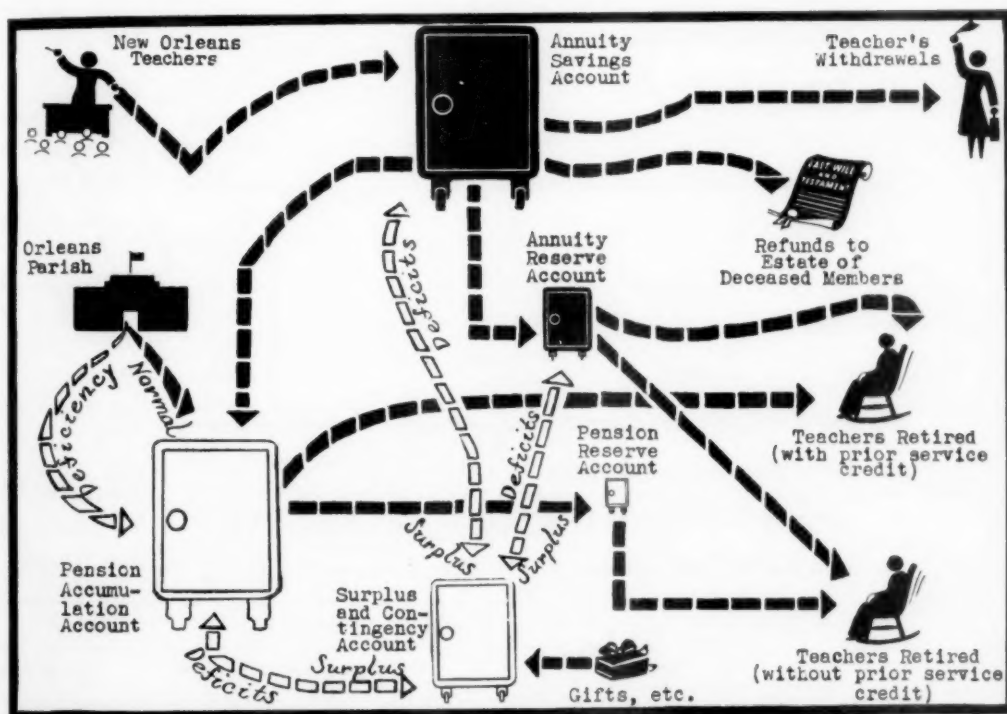
| Location          | P. Actuarial investigation of service and death experience <sup>f</sup> |
|-------------------|-------------------------------------------------------------------------|
| Atlanta, Ga.      | No provisions                                                           |
| Boston, Mass.     | Once in every 5 years                                                   |
| Bristol, R. I.    | No provisions                                                           |
| Chicago, Ill.     | No provisions                                                           |
| Concord, N. H.    | Occasionally on request of advisory committee                           |
| Detroit, Mich.    | No provisions                                                           |
| Hartford, Conn.   | No provisions                                                           |
| Milwaukee, Wis.   | No provisions                                                           |
| Montgomery, Ala.  | No provisions                                                           |
| New Haven, Conn.  | No provisions                                                           |
| New Orleans, La.  | Once in every 5 years                                                   |
| Newport, R. I.    | Once in every 5 years                                                   |
| Omaha, Nebr.      | No provisions                                                           |
| Providence, R. I. | Once in every 5 years                                                   |
| Washington, D. C. | No provisions                                                           |
| Wilmington, Del.  | No provisions                                                           |

<sup>f</sup> Actuarial valuations of the liabilities are frequently made annually in those systems on an actuarial basis. The tabulation refers to investigation of service and death experience.

| Location          | Q. If funds are insufficient                                                                                                                                  |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta, Ga.      | City shall make up deficit from current funds                                                                                                                 |
| Boston, Mass.     | On actuarial basis                                                                                                                                            |
| Bristol, R. I.    | Ratable distribution of benefits                                                                                                                              |
| Chicago, Ill.     | City shall pay deficit from general tax levy for educational purposes                                                                                         |
| Concord, N. H.    | On actuarial basis                                                                                                                                            |
| Detroit, Mich.    | No provisions                                                                                                                                                 |
| Hartford, Conn.   | No provisions                                                                                                                                                 |
| Milwaukee, Wis.   | Schoolboard shall set aside from general school fund sufficient to meet needs and shall pay annually not less than amount paid by teachers the preceding year |
| Montgomery, Ala.  | No provisions                                                                                                                                                 |
| New Haven, Conn.  | City shall pay deficit from general funds                                                                                                                     |
| New Orleans, La.  | On actuarial basis                                                                                                                                            |
| Newport, R. I.    | On actuarial basis                                                                                                                                            |
| Omaha, Nebr.      | School district contribution shall not be less than is needed to meet provisions of act                                                                       |
| Providence, R. I. | City shall pay deficit in ensuing year                                                                                                                        |
| Washington, D. C. | On actuarial basis                                                                                                                                            |
| Wilmington, Del.  | Ratable distribution of benefits                                                                                                                              |

| Location          | R. Miscellaneous provisions                                                                                                                                                                                                                                                                                                                             |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Detroit, Mich.    | If retirant dies before he has received annuities equivalent to 75 percent of contributions, sum shall be paid to estate which when added to annuity payments shall equal 75 percent of contributions                                                                                                                                                   |
| Milwaukee, Wis.   | Estate has right to unpaid balance if retirant dies before annuity payments equal contributions                                                                                                                                                                                                                                                         |
| Montgomery, Ala.  | Act applies to former teachers of county who meet other requirements for retirement                                                                                                                                                                                                                                                                     |
| Newport, R. I.    | System shall be under the supervision of the state department of insurance                                                                                                                                                                                                                                                                              |
| Providence, R. I. | In event of accidental death in line of duty, accumulated contributions shall be paid to estate, and upon application a pension of one-half the final compensation of member shall be paid to widow during widowhood or to children under 16 years of age; if there is no widow or children under 16, pension is payable to dependent parents of member |
| Washington, D. C. | Not to exceed 10 years' credit may be obtained by member for service outside of District, provided member paid into fund amount equivalent to what contributions for period would have accumulated to with 4 percent interest                                                                                                                           |

FIGURE III—FINANCIAL STRUCTURE OF TEACHER RETIREMENT PLAN IN NEW ORLEANS



**Table 4.—Provisions of Teacher Retirement Plans Adopted Solely upon Local Authorization**

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**TABLE 4.—PROVISIONS OF TEACHER RETIREMENT PLANS ADOPTED SOLELY UPON LOCAL AUTHORIZATION**

| Location              | A. Legal basis         | B. Type of plan    |
|-----------------------|------------------------|--------------------|
| Augusta, Ga.          | Schoolboard resolution | Joint-contributory |
| Baltimore, Md.        | Charter provision      | Joint-contributory |
| Chattanooga, Tenn.    | Charter provision      | Joint-contributory |
| Columbus, Ga.         | Charter provision      | Pension plan       |
| Grand Island, Nebr.   | Schoolboard resolution | Joint-contributory |
| Knoxville, Tenn.      | Charter provision      | Joint-contributory |
| Laramie, Wyo.         | Schoolboard resolution | Pension plan       |
| Macon, Ga.            | Schoolboard resolution | Joint-contributory |
| New York, N. Y.       | Charter provision      | Joint-contributory |
| San Francisco, Calif. | Charter provision      | Joint-contributory |

| Location              | C. Administration                                                                                                                                                                                                                                | D. Employee participation in administration                                                                                                           |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Augusta, Ga.          | Schoolboard and special committee of teachers                                                                                                                                                                                                    | A special committee of teachers is appointed by the teachers to consider applications for the benefit of the system and to recommend same to teachers |
| Baltimore, Md.        | Board of trustees (five members): city comptroller, ex officio; 2 citizens of city not city employees, one an officer of a bank or a person of similar experience to be appointed by mayor with consent of city council; and 2 members of system | Two employee members of board elected by membership; term 4 years                                                                                     |
| Chattanooga, Tenn.    | Board of city commissioners                                                                                                                                                                                                                      | No provisions                                                                                                                                         |
| Columbus, Ga.         | City commissioners                                                                                                                                                                                                                               | No provisions                                                                                                                                         |
| Grand Island, Nebr.   | Schoolboard                                                                                                                                                                                                                                      | No provisions                                                                                                                                         |
| Knoxville, Tenn.      | Pension board: one representative from each city department, except the law department, and the city manager                                                                                                                                     | Representative of education is selected by school employees paying into the fund; serves at will of school pensionables                               |
| Laramie, Wyo.         | Schoolboard                                                                                                                                                                                                                                      | No provisions                                                                                                                                         |
| Macon, Ga.            | Board of control: president, treasurer, chairman of finance committee, chairman of teachers and salaries committee of schoolboard, superintendent of schools                                                                                     | Five teachers elected by Bibb County Teachers Association                                                                                             |
| New York, N. Y.       | Retirement board: president of board of education, comptroller of city, 2 members appointed by mayor, one of whom is a member of board of education, 3 teacher members                                                                           | Three teachers selected by contributors, term 3 years                                                                                                 |
| San Francisco, Calif. | Retirement board: president of board of supervisors, city attorney, resident official of a life insurance company, officer of a bank to be appointed by the mayor and 3 members                                                                  | Three active members to be elected by active members for term of 5 years                                                                              |

| Location       | E. Employer's contributions                                                                                                                                                                                                                                                          | F. Employee's contributions                                                                                                                                                                                                                                      |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Augusta, Ga.   | Paid from current income                                                                                                                                                                                                                                                             | One and one-half percent of annual salary in quarterly installments of three-eighths of 1 percent; $1\frac{1}{2}$ percent of \$1080 or of such amount as may be agreed upon by the teachers from time to time                                                    |
| Baltimore, Md. | A certain percent of the earnable compensation of each member and an additional percent as accrued liability contribution, to be 3 percent greater each year than preceding annual payment.<br>Rates for normal and for deficiency contributions to be fixed by actuarial valuation. | A constant percent of compensation which when deducted from prospective earnable annual compensation prior to age 60 and accumulated at regular interest shall provide at that time an annuity equal to the pension to which member will be entitled at that age |

(E and F continued on next page)

(Table 4, E and F—Continued)

|                       |                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chattanooga, Tenn.    | Not less than 3 percent of the school budget to be added to school budget annually and kept in separate fund for the insurance and pension fund. City commissioners are authorized to levy sufficient taxes to raise the necessary revenue. The surplus must at no time fall below \$10,000; extra appropriations being authorized from time to time to maintain such amount in surplus. | Maximum of 1 percent deducted from members' salaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Columbus, Ga.         | No special fund                                                                                                                                                                                                                                                                                                                                                                          | None—pension plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Grand Island, Nebr.   | \$50 a year for each teacher; \$75 a year for those who were age 48 when resolution went into effect (1938)                                                                                                                                                                                                                                                                              | An annuity or retirement income life insurance policy sufficient to guarantee a minimum of \$25 a month for life beginning at age 65. If age 48 at time of resolution, \$100 only need be contributed.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Knoxville, Tenn.      | Two percent of salaries of school employees who join. City shall make up deficit in fund.                                                                                                                                                                                                                                                                                                | Three percent of salary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Laramie, Wyo.         | No specific provisions; apparently no separate fund                                                                                                                                                                                                                                                                                                                                      | None—pension plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Macon, Ga.            | No specific provision                                                                                                                                                                                                                                                                                                                                                                    | Three percent of salary deducted monthly; maximum \$33 per year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| New York, N. Y.       | Percent of earnable compensation of contributors plus \$100,000 a year for deficiency contribution to be continued until prior service liability is accumulated                                                                                                                                                                                                                          | Minimum, 3 percent, based on service, sex, and age. Such percent, if less than 3, sufficient with interest to age 65 to provide annuity which when added to pension will provide allowance of 50 percent of average salary for last 5 years.                                                                                                                                                                                                                                                                                                                                                                                    |
| San Francisco, Calif. | Normal contribution equal to employees' normal contributions plus an amount equal to benefits paid on account of prior service                                                                                                                                                                                                                                                           | Teachers contribute to and receive benefits from the retirement fund only on the basis of that portion of their salaries which is considered as being paid from local funds. (This portion varies from year to year but is approximately 80 percent of the total salary paid.) A normal rate based upon sex and nearest age at time of entry into system, as will provide for male members an average annuity at age 62 equal to two-thirds of 1 percent; and for female members equal to 586/1000 of 1 percent, of the final compensation of such members for each year of service as members. Maximum salary \$500 per month. |

| Location            | G. Types of positions covered                                                                                                                                                                                                                                                 | H. Membership: voluntary or compulsory                                                                                                     |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Augusta, Ga.        | Principals, grade teachers, special teachers                                                                                                                                                                                                                                  | Compulsory for all teachers in elementary schools for white children; may be extended to include other groups of teachers by board action. |
| Baltimore, Md.      | All regular and permanent officers, agents, servants, or employees of the city except those appointed by governor and except members of police department                                                                                                                     | Compulsory after 6 months' service                                                                                                         |
| Chattanooga, Tenn.  | Superintendent, teachers, principals, assistant principals, supervisors, secretaries to principals, clerks in office of commissioner of department of education, attendance officers, librarians, janitors, and all others on the department of education payroll             | Voluntary                                                                                                                                  |
| Columbus, Ga.       | All school and city employees                                                                                                                                                                                                                                                 | Pension plan (no membership in this sense)                                                                                                 |
| Grand Island, Nebr. | Superintendents, principals, supervisors, teachers                                                                                                                                                                                                                            | Compulsory; teachers over age 40 will not be retained if they refuse to participate in plan                                                |
| Knoxville, Tenn.    | All school and city employees                                                                                                                                                                                                                                                 | Voluntary; age limit, 35 years                                                                                                             |
| Laramie, Wyo.       | School employees, not otherwise defined, are eligible for superannuation and service retirement; teachers, supervisors, principals, clerks, and school nurses are designated as eligible for disability retirement                                                            | Pension plan (no membership in this sense)                                                                                                 |
| Macon, Ga.          | Teachers, principals, superintendent, supervisor, clerk                                                                                                                                                                                                                       | Compulsory                                                                                                                                 |
| New York, N. Y.     | City superintendent of schools, associate city superintendents, district superintendents, director and assistant director of division of reference and research, director and assistant directors of bureau of compulsory education, school census and child welfare, members | Compulsory until member becomes eligible for voluntary retirement; thereafter contributions are voluntary                                  |

(G and H continued on next page)

(Table 4, G and H—Continued)

of board of examiners, directors and assistant directors of special branches, supervisory and assistant supervisors of lectures, all principals, viceprincipals, assistants to principals, heads of departments, all regular and special teachers of the public day schools of city of New York, and all employees of board of education appointed to regular positions in the service of public schools at annual salaries and whose appointments were made from eligible lists prepared as the result of examinations held by board of examiners of department of education; also officers of administration and instruction of city college.

San Francisco, Calif.

All city employees except elective officers, members of boards and commissions, part time (not certified civil service for permanent employment), temporary, or substitute employees, inmates of city institutions who render for compensation such service as they are able, persons receiving compensation from city institutions but who are employed primarily for the purpose of training, persons employed under contract for a definite period and for the performance of specific duties requiring professional or high technical skill, and certain other specifically designated classes of employees.

Compulsory for all city employees from a certified civil service list, and teachers who become members immediately upon employment (others after 6 months of city service uninterrupted by a break of more than one month)

| Location              | I. Superannuation or service retirement                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | Qualifications                                                                                                                                                                                        | Allowance                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Augusta, Ga.          | Age 65                                                                                                                                                                                                | Annuity determined by the board from time to time as circumstances demand; two-thirds paid by the board and one-third from teachers retirement fund created by teacher's contributions                                                                                                                                                                                                                                                |
| Baltimore, Md.        | Age 60                                                                                                                                                                                                | Annuity the actuarial equivalent of accumulated contributions at time of retirement plus a pension equal to one one-hundred fortieth average final compensation multiplied by number of years of service as a member plus additional pension for prior service if eligible                                                                                                                                                            |
| Chattanooga, Tenn.    | Twenty years' service, age 55 or 25 years' service regardless of age. Service in other city departments may be credited provided member has served as much as 8 years in the department of education. | Half salary based on average salary of 3 highest years. Maximum \$125 month; minimum, \$60 month. Death benefit of \$250 paid to beneficiary of retiree                                                                                                                                                                                                                                                                               |
| Columbus, Ga.         | In discretion of commission (at request of schoolboard under an old law still operative, 30 years' service is required, 25 in city school system)                                                     | Fifty percent of salary at time of retirement not exceeding \$60 monthly (actually \$25 a month for teachers)                                                                                                                                                                                                                                                                                                                         |
| Grand Island, Nebr.   | Age 65                                                                                                                                                                                                | Minimum of \$25 a month except for teachers 48 years or over at time plan was adopted. For these whatever amount an annual premium of \$175 will buy on an annuity.                                                                                                                                                                                                                                                                   |
| Knoxville, Tenn.      | Age 50. Twenty-five years of service                                                                                                                                                                  | One-half average monthly salary for highest 3 consecutive years while an employee                                                                                                                                                                                                                                                                                                                                                     |
| Laramie, Wyo.         | Women: age 60. Men: age 65. Twenty-five years of service, last 15 of which must have been in district.                                                                                                | Maximum \$50 a month                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Macon, Ga.            | Provision only for disability retirement                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| New York, N. Y.       | Age 65, after 35 years of service; or, if employed subsequent to enactment, after 35 years of service with at least 20 in city                                                                        | Annuity, the actuarial equivalent of accumulated deductions, plus pension equal to 25 percent of average salary over last 5 years of service, or any 10 consecutive years; except if contributor has rendered less than 20 years' service, pension shall equal 1 percent of average salary for each year of city service; plus pension for prior service if eligible, but total pension shall not exceed 50 percent of average salary |
| San Francisco, Calif. | Age 62 years with 10 years of continuous service; or, age 57 after 30 years of continuous service                                                                                                     | An annuity, the actuarial equivalent of the member's accumulated contributions at the time of retirement; and a pension purchased by the contributions of the city equal to that portion of the annuity purchased by the accumulated normal contributions of the member plus a further pension for prior service credit. Upon death of retiree a \$500 death benefit is paid.                                                         |

| Location              | J. Compulsory retirement                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Augusta, Ga.          | No provision except that board has right to retire teacher when teacher is disabled                                                                                                                                                                                                                                                                                                                                                      |
| Baltimore, Md.        | Age 70                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Chattanooga, Tenn.    | After 20 years' service, commissioner of education may, with the approval of the board of commissioners, order the retirement of any employee unfit for service because of disability or age. Ten-day written notice is required. Employee may request hearing before board of commissioners and if dissatisfied with decision of board after hearing, employee is entitled to trial <i>de novo</i> in the Chancery Court of the county. |
| Columbus, Ga.         | In discretion of commission, at request of schoolboard                                                                                                                                                                                                                                                                                                                                                                                   |
| Grand Island, Nebr.   | Age 65                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Knoxville, Tenn.      | No provision in retirement law. Compulsory retirement of all school employees at age 65 by schoolboard regulation                                                                                                                                                                                                                                                                                                                        |
| Laramie, Wyo.         | Board has right to retire women teachers at age 60 and men at age 65, provided service is not satisfactory.                                                                                                                                                                                                                                                                                                                              |
| Macon, Ga.            | No provision except that board has right to retire teacher when teacher is disabled.                                                                                                                                                                                                                                                                                                                                                     |
| New York, N. Y.       | Age 70                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| San Francisco, Calif. | Age 70; if member has prior service credit and retires in accordance with this provision, he shall receive an additional pension purchased by the contributions of the city as will make his total retirement allowance from the city not less than \$480 a year; unless \$480 exceeds one-half his final compensation in which case his pension from the city shall be not less than one-half his final compensation.                   |

| Location            | K. Disability retirement                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | Qualifications                                                                                                                                                                                                                                                                                                                                                             | Allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Augusta, Ga.        | In discretion of board                                                                                                                                                                                                                                                                                                                                                     | Received for same length of time as teacher contributed to plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Baltimore, Md.      | Five or more years' service                                                                                                                                                                                                                                                                                                                                                | If under age 60, an annuity the actuarial equivalent of accumulated contributions at time of retirement, and a pension which together with annuity provide a total retirement allowance equal to 90 percent of one-seventieth of average final compensation multiplied by the number of years of service, if such retirement allowance exceeds one-fourth of average final compensation; otherwise a pension which, together with his annuity shall provide a total retirement allowance equal to 90 percent of one-seventieth average final compensation multiplied by number of years which would be creditable to him were his service to continue until the attainment of age 60, so far as the resulting retirement allowance shall not exceed one-fourth average final compensation (see also under "Miscellaneous," p. 123, provisions for accidental disability allowance). |
| Chattanooga, Tenn.  | Ordinary disability: 10 years' service: 25 percent of basic monthly salary based on average for 3 highest years; after 15 years' service: 37½ percent of basic monthly salary; after 20 years' service: 50 percent of basic monthly salary<br>Accidental disability in line of duty: full pension regardless of time served, payable after 6 months subsequent to accident |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Columbus, Ga.       | In discretion of commission at request of schoolboard                                                                                                                                                                                                                                                                                                                      | Fifty percent of salary at time of retirement not exceeding \$60 monthly (actually \$25 a month for teachers)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Grand Island, Nebr. |                                                                                                                                                                                                                                                                                                                                                                            | No specific provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Knoxville, Tenn.    | Fifteen years' service in city                                                                                                                                                                                                                                                                                                                                             | Such proportion of half of average monthly salary for highest 3 consecutive years as number of years of service is to 25. If disabled thru injury received in line of duty shall receive one-half salary member was receiving at time of injury.<br>If temporarily disabled in line of duty, full salary is paid for 6 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Laramie, Wyo.       | Twenty years of service, 10 of which must have been in district.                                                                                                                                                                                                                                                                                                           | Maximum \$50 a month                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Macon, Ga.          | Twenty-five years' service in county                                                                                                                                                                                                                                                                                                                                       | One-half average annual salary during past 5 years, paid monthly, not to exceed \$600                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| New York, N. Y.     | Ten years of city service; medical examination may be required annually for 10 years after retirement or until age 65.                                                                                                                                                                                                                                                     | Annuity equivalent to accumulated deductions plus a pension equal to 20 percent of average salary, plus extra pension for prior service if eligible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

(K continued on next page)

(Table 4, K—Continued)

San Francisco, Calif. Ten years' or more service

One percent of member's final compensation for each year of service, if this allowance exceeds 25 percent of member's final compensation; otherwise, 1 1/4 percent of member's final compensation multiplied by the number of years of service which would be credited to him should his city service continue to age 62, but such allowance shall not exceed 25 percent of final compensation.

| Location              | L. Prior service (see also deficiency contributions noted under heading "Employer's Contributions")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Augusta, Ga.          | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Baltimore, Md.        | Pension equal to one-seventieth average final compensation multiplied by number of years of service credited                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Chattanooga, Tenn.    | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Columbus, Ga.         | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Grand Island, Nebr.   | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Knoxville, Tenn.      | Credit allowed for service prior to enactment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Laramie, Wyo.         | Pension plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Macon, Ga.            | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| New York, N. Y.       | Pensions computed at the rate of one one-hundred fortieth of average salary for each year of prior service, but not more than makes total pension equal to 50 percent of average salary.                                                                                                                                                                                                                                                                                                                                                                                                 |
| San Francisco, Calif. | One and one-third percent of final compensation multiplied by the number of years of prior service credited to member, except that if the member (of this classification) retires after 30 years of service and before reaching age 62 the additional pension shall be such as can be purchased at the age of retirement by the actuarial value, at the age of retirement, of a pension, deferred to age 62 equal to 1 1/3 percent of his final compensation multiplied by the number of years' prior service credited to him. See also prior service provision under section J, p. 120. |

| Location              | M. Optional benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Augusta, Ga.          | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Baltimore, Md.        | Options are not effective until at least 30 days after selection. Options: (1) unpaid balance to be paid to beneficiary or estate in lump sum, (2) beneficiary receives same allowance as member received, thruout life, (3) beneficiary receives one-half of the amount of the member's allowance, thruout life, (4) other equivalent benefits may be chosen in accordance with the rules of the board.                                                                                             |
| Chattanooga, Tenn.    | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Columbus, Ga.         | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Grand Island, Nebr.   | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Knoxville, Tenn.      | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Laramie, Wyo.         | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Macon, Ga.            | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| New York, N. Y.       | Options are not effective until at least 30 days after (a) effective date of service retirement, or (b) date of receipt of disability retirement application. Options: (1) unpaid balance to be paid to beneficiary or estate in lump sum, (2) beneficiary receives one-half of the amount of the member's allowance, thruout life, (3) beneficiary receives same allowance as member received, thruout life, (4) other equivalent benefits may be chosen in accordance with the rules of the board. |
| San Francisco, Calif. | Options are not effective until at least 30 days after selection. Options: (1) unpaid balance of member's accumulated contributions, after deducting annuity payments, to be paid to beneficiary or estate in lump sum, (2) beneficiary receives lesser annuity payments, thruout life, (3) beneficiary receives one-half of the amount of the member's lesser annuity, thruout life.                                                                                                                |

| N. Payments in case of withdrawal or death before retirement |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Location                                                     | Withdrawal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Death                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Augusta, Ga.                                                 | If voluntary, teacher may withdraw half total contributions; if withdrawal is involuntary, total contributions are refunded.                                                                                                                                                                                                                                                                                                                                                                                                        | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Baltimore, Md.                                               | Accumulated contributions except that in its discretion board may withhold for not more than one year all or part of accumulated contributions if after a previous withdrawal member failed to redeposit amount withdrawn. If member, age 50, is dismissed thru no fault of his own after 20 years of service, or after 25 years' service regardless of age, member may elect to receive in lieu of refund of deposits, annuity the equivalent, in which case he shall be paid also a pension equal to ordinary disability pension. | Accumulated contributions, and if member has had one or more years of service an additional amount equal to 50 percent of average final salary except that latter is not paid if member is entitled to accidental death benefits (see "Miscellaneous provisions," p. 123)                                                                                                                                                                           |
| Chattanooga, Tenn.                                           | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Columbus, Ga.                                                | Pension plan; employees do not contribute                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Grand Island, Nebr.                                          | Insurance or annuity policy belongs to teacher; in case of death, beneficiary would receive benefits as in any ordinary insurance policy; no refunds are made in either case from district's contributions.                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Knoxville, Tenn.                                             | Contributions returned without interest, and less any payments made for sickness                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Contributions less deductions for sickness, payable to heirs (see "Miscellaneous provisions," p. 123, for benefits in case of death in line of duty)                                                                                                                                                                                                                                                                                                |
| Laramie, Wyo.                                                | Pension plan; employees do not contribute                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Macon, Ga.                                                   | If voluntary, and if at least 10 annual assessments have been paid, one-half contributions are refunded; if dismissed, total is refunded                                                                                                                                                                                                                                                                                                                                                                                            | No provisions                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| New York, N. Y.                                              | Total contributions with interest; and if member is dismissed an additional refund is made of amount equal to his contributions prior to August 1, 1917.                                                                                                                                                                                                                                                                                                                                                                            | A death benefit is payable to the estate of all contributors who have had at least 6 months and less than 10 years of city service, amounting to one-half average salary. Five percent is added for each year of city service after 10 years, with a maximum death benefit of 100 percent of average salary. For teachers in service prior to April 10, 1929, an additional death benefit is granted based on the number of years of prior service. |
| San Francisco, Calif.                                        | Accumulated contributions, except that in its discretion board may withhold for not more than one year all or part of accumulated contributions if after a previous withdrawal member failed to redeposit amount withdrawn.                                                                                                                                                                                                                                                                                                         | Accumulated contributions plus an amount equal to compensation earnable during six months immediately preceding death up to a monthly compensation of \$500                                                                                                                                                                                                                                                                                         |

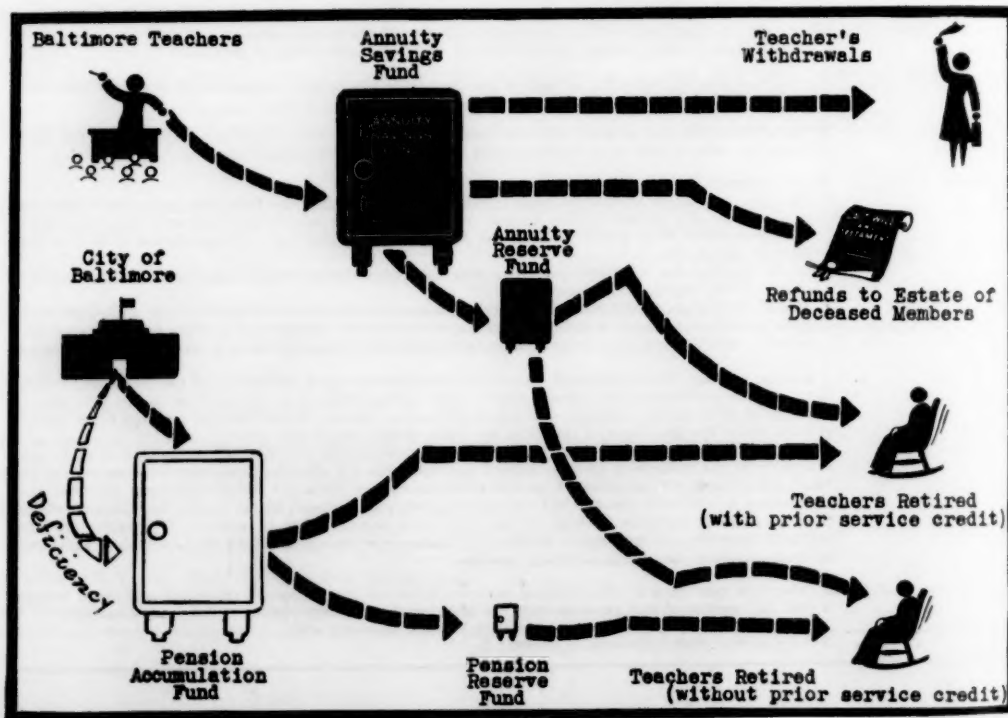
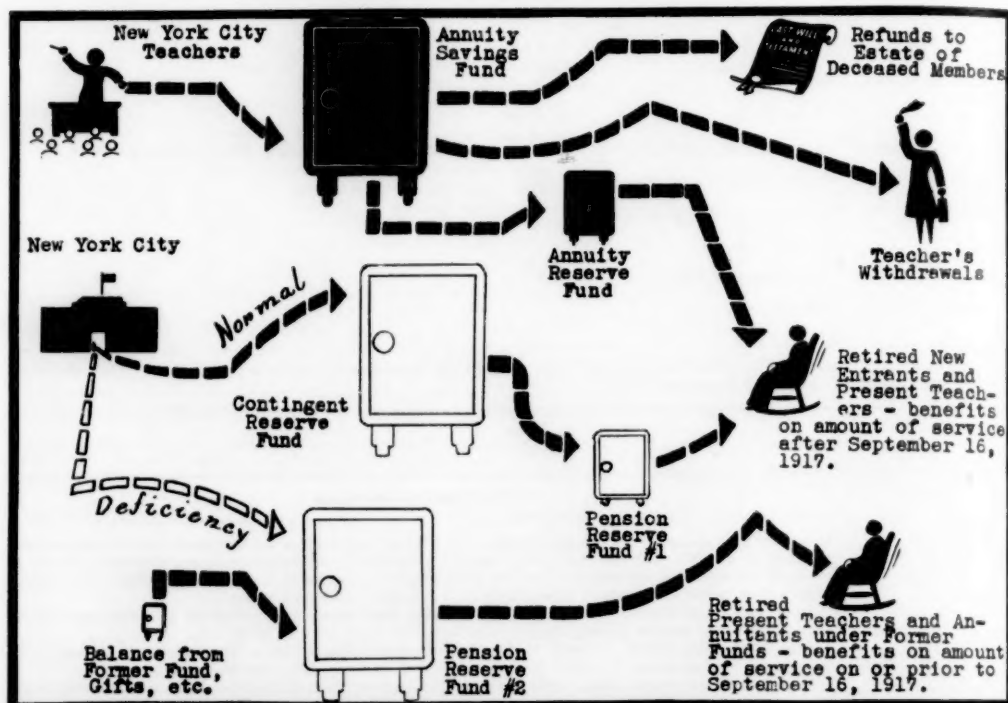
| Location              | O. Restrictions on investments                                                                                                                                                                                                                          |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Augusta, Ga.          | No provisions for investment of fund                                                                                                                                                                                                                    |
| Baltimore, Md.        | United States bonds or treasury notes, or interest-bearing bonds or stocks of state of Maryland or of any other state, of Baltimore City or of any county in Maryland or other securities subject to restrictions on investment of life insurance funds |
| Chattanooga, Tenn.    | No provisions                                                                                                                                                                                                                                           |
| Columbus, Ga.         | No special fund                                                                                                                                                                                                                                         |
| Grand Island, Nebr.   | Underwritten by approved, standard old-line, legal reserve life insurance company                                                                                                                                                                       |
| Knoxville, Tenn.      | No provisions                                                                                                                                                                                                                                           |
| Laramie, Wyo.         | No provisions for a separate fund                                                                                                                                                                                                                       |
| Macon, Ga.            | In discretion of board of control                                                                                                                                                                                                                       |
| New York, N. Y.       | Such as are permitted savings banks                                                                                                                                                                                                                     |
| San Francisco, Calif. | Such as are permitted savings banks in California                                                                                                                                                                                                       |

| Location              | P. Actuarial investigation of service and death experience <sup>b</sup>                          |
|-----------------------|--------------------------------------------------------------------------------------------------|
| Augusta, Ga.          | No provisions                                                                                    |
| Baltimore, Md.        | Once in every 5 years                                                                            |
| Chattanooga, Tenn.    | No provisions                                                                                    |
| Columbus, Ga.         | No provisions                                                                                    |
| Grand Island, Nebr.   | Insurance plan underwritten by approved, standard old-line, legal reserve life insurance company |
| Knoxville, Tenn.      | No provisions                                                                                    |
| Laramie, Wyo.         | Pension plan; no separate fund                                                                   |
| Macon, Ga.            | No provisions                                                                                    |
| New York, N. Y.       | Once in every 5 years                                                                            |
| San Francisco, Calif. | Every 6 years                                                                                    |

<sup>b</sup> Actuarial valuations of the liabilities are frequently made annually in those systems on an actuarial basis. The tabulation refers to investigation of service and death experience.

| Location              | Q. Miscellaneous provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baltimore, Md.        | <p>Employee may make additional contributions by a single payment or by increased rate of contribution sufficient to provide, together with his prospective retirement allowance, a total retirement allowance at age 60 not to exceed one-half average final compensation. In case of disability the additional contributions will be returned in cash or as an annuity of actuarial equivalent value.</p> <p>Accidental disability benefit: annuity the actuarial equivalent of accumulated contributions plus a pension of 66 2/3 percent average final compensation.</p> <p>Accidental death benefit: amount of accumulated contributions plus a pension of half average final compensation of employee to widow during widowhood or to certain other dependents.</p> <p>In either of the above cases, benefits due under workmen's compensation laws are deducted from benefits of retirement law.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Chattanooga, Tenn.    | <p>Any employee who has served not less than 20 years shall not be deprived of his rights to a pension for any reason less than the conviction of a felony in a court of competent jurisdiction.</p> <p>A \$250 death benefit is payable to beneficiary of retirant.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Knoxville, Tenn.      | <p>When granted, a pension shall be permanent and not subject to reduction.</p> <p>Special death benefits provided dependents in event of death in line of duty.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Laramie, Wyo.         | If teacher is granted any other retirement payment from tax moneys, same shall be deducted from total allowed by school district under this plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Macon, Ga.            | If funds are insufficient to meet payments provided, board of control shall pay such part as the funds will justify. Board assumes no liability; plan does not set up contractual situation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| New York, N. Y.       | <p>Any contributor from time to time may:</p> <ol style="list-style-type: none"> <li>1. Increase or decrease his rate of contribution to the annuity savings fund, but in no event shall the contribution of a present-teacher be less than the minimum contribution nor shall the contribution of a new-entrant be at a rate less than the percent rate provided for such new-entrant in section B20-20.0 (2) of the code.</li> <li>2. If a present-teacher, withdraw from his individual account in the annuity savings fund the amount in excess of his minimum accumulation.</li> <li>3. If a "new-entrant," withdraw after having become eligible for service retirement such part of his accumulated deductions as shall be in excess of the amount necessary to procure for him an annuity which, if added to his prospective pension, will yield a retirement allowance of 50 percent of his average salary.</li> </ol> <p>Regular interest, charges payable, the creation and maintenance of reserves in the contingent reserve fund, and the maintenance of annuity reserves and pension reserves as provided for in this title and the payment of all pensions, annuities, retirement allowances, refunds, death benefits, and any other benefits granted under the provisions of this title, are made obligations of the city.</p> <p>Any teacher in city service who shall have been a contributor continuously for at least 3 years, may borrow from the retirement system, subject to such rules and regulations as may be approved by the board, an amount not exceeding 25 percent of the amount of his accumulated deductions, provided that the amount so borrowed, together with interest thereon, can be repaid within 3 years by additional deductions from his compensation, made at the same time compensation is paid to the contributor. The actuarial equivalent of any unpaid balance of a loan at the time any benefit may become payable shall be deducted from the benefit otherwise payable.</p> |
| San Francisco, Calif. | <ol style="list-style-type: none"> <li>1. Members may elect to contribute at rates in excess for the purpose of providing additional benefits but the exercise of this privilege does not place on the city any additional financial obligation.</li> <li>2. Payments to the retirement fund are made obligations of the city.</li> <li>3. City-service after retirement is prohibited.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

FIGURES IV AND V—FINANCIAL STRUCTURE OF TEACHER RETIREMENT PLANS IN NEW YORK AND BALTIMORE



### III. Other Provisions for Teacher Retirement

Teachers in a few other cities and school districts have had some protection for superannuation or disability thru other plans, which do not fit into a systematic analysis such as is attempted in the tables of this report. These other types were omitted from this tabular report but will be mentioned briefly at this point.

#### Miscellaneous Local Provisions

The Mobile teachers association has long maintained a mutual benefit plan, paying annuities and sick benefits out of funds collected from members on the basis of a percent of salary deducted by the schoolboard. The salary deductions range from one-half of 1 percent to 1½ percent. The schoolboard is authorized by the teachers association to make the salary deductions, but in no other way is the schoolboard connected with the plan.

Florida, in 1931, authorized local schoolboards to pay a retirement allowance of \$40 a month to any teacher who had served thirty-five years in the state, provided the teacher had no other means of support and was unable to earn a living.

In 1935, Texas school districts were authorized to use donations to pay retirement allowances to regular salaried school employees but the use of tax money for such purposes was forbidden. Altho the Texas statewide retirement system was passed subsequently, it may be that a few teachers have been retired on the donated funds referred to in the 1935 law. The city charter of Fort Worth, Texas, provides for an allowance of \$50 to be voted annually to disabled teachers after twenty-five years of service, if the teacher is without other means of support and provided the financial condition of the school system warrants the expenditure. San Antonio, Texas, has had local provisions for benefits thru a teachers sick benefit association and a teachers retirement association on a mutual benefit plan.

Richmond, Virginia, pays a local pension of \$600 a year to teachers who qualify for retirement under the statewide law. Waterbury, Connecticut, pays a pension which is independent of the Connecticut state plan. In Waterbury, each retired teacher receives a pension of \$500 a year and a retired superintendent a pension of \$2000 a year. The requirements are

twenty-five years of city service and age seventy. These pensions are authorized by the city charter and are in no way connected with or affected by the Connecticut state system.

#### Dormant State Enabling Laws

The Missouri statute books contain provisions enabling cities having a population of 300,000 or more to accumulate a fund from donations, legacies, gifts, bequests, from assessing teachers not exceeding 1 percent of salaries, and "all moneys which may be derived from other methods of increment as may be duly and legally devised for the increase of said fund." These funds may be used to retire disabled teachers at 60 percent of the annual salary paid at date of retirement (maximum \$800 a year) provided at least 20 percent of the annual benefit has been contributed by the teacher and certain service requirements have been met (twenty-five years' service required of women teachers, thirty years' service of men, four-fifths of service rendered in district). Membership in the fund is optional. The law provides for a board of trustees consisting of four schoolboard members, the superintendent of schools, and four members of the system.

St. Louis and Kansas City are the two eligible cities where a retirement plan could be established under these provisions. Neither city has accepted this permissive law, altho it can be made effective at any time in the future. Kansas City, instead, has established a mutual benefit plan providing for retirement after fifteen years' service out of funds collected from the teachers by compulsory payments of \$10 a month. St. Louis has established a system whereby teachers over 65, incapacitated for full-time service, may be placed in the rank of half-day assistant at a salary of \$1000 a year, with nominal duties such as individual instruction. The state permissive law of Missouri is not included in Table 1 since no system is operating under its provisions.

Idaho also has a permissive law which no district has put into operation. The Idaho enabling act applies to any independent school district employing thirty or more teachers. The allowance provided for may be paid to men teachers 60 years of age or over, after thirty-five years of service, and to women teachers 55

years of age or over, after thirty years of service; fifteen years of the service, including the last ten, must have been in the district. The maximum allowance payable is \$40 a month. Disability retirement may be provided for after ten years' service. The money for the retirement fund is to be obtained by a special levy upon the school district, not to exceed one-tenth of one mill, and gifts. The districts may individually choose between a pension and a joint-contributory plan, but the fund when created must be permanent.

The Board of Trustees of such school district having once established such retirement fund no act of such board thereafter shall vacate, set aside or abolish such fund, nor vacate the act of the Board of Trustees of such district adopting the plan of benefits provided for in this chapter, nor shall such Board of Trustees have any power or authority after any such teacher may have once been retired under the provisions of this chapter to decrease the amount per month which such retired teacher at the time of such retirement is entitled to receive as

provided for by the Board of Trustees of such school district.<sup>1</sup>

As mentioned above, no district has availed itself of the opportunity provided in the Idaho law. However, the 1939 legislature in Idaho enacted certain measures which revise the charters of Lewiston and Boise so that they may, if they choose, adopt the state enabling act.

In 1937 Georgia passed an authorization act whereby the city of Savannah and county of Chatham might establish either a joint-contributory or a pension plan for teachers and other school employees; no details are provided in the authorization and no plan has been adopted in accordance with this authorization. However, for twenty-five years teachers in Savannah have been retired on a maximum of half-pay after twenty years of service or on a lesser amount whenever, in the discretion of the board, the interests of the school would be furthered by the individual's retirement.

<sup>1</sup> Section 32-1206 of the *Idaho Code Annotated* 1932.

#### IV. Relationship between Local and Statewide Retirement Systems

As a general rule, a statewide retirement system is more efficient than a local retirement system in that a larger membership spreads the insurance risks and the work and life expectancy of members may be more accurately computed. Such is not always the case, however, as some local systems are larger in membership than some state systems.<sup>1</sup>

In some communities conditions warrant a local retirement system regardless of the existence of a statewide system in the same state. In most states, however, local systems have been established because legislation for an adequate statewide system could not be enacted. In situations where such conditions exist, the relation of the members of local systems to a state system subsequently established is a point which deserves special attention.

In setting up a state system provision should be made either to absorb the membership of local systems in the statewide system without loss of equity to the members or to continue the local system on a sound independent basis.

Examples of what has been done in some

states are given below. It will be seen that in no case did a member of a local retirement system lose his equity in expected benefits by the establishment of the state system.

*New York*<sup>2</sup>—The New York State retirement system became operative in 1921, and in 1923 an amendment added a section thereto providing for the dissolution and discontinuance of all local systems outside New York City. The funds of these discontinued local systems were taken over by the state system. Contributions to local funds made between 1921 and 1923 were returned to members who were eligible and chose to join the state system. These teachers then paid to the state fund an amount which would be equivalent to their contributions to the state fund had they joined in 1921. All contributions deposited into local systems by members who were ineligible or who did not choose to join the state system were returned to them.

Annuitants of local systems received, subsequent to the dissolution of such local systems,

<sup>1</sup> For example, the New York City system is larger than any one of at least fifteen statewide systems, whereas the state systems of Maine, Vermont, and Nevada are smaller than any one of a half dozen local systems.

<sup>2</sup> *Consolidated Laws of New York Annotated*. Book 16 Education Law. Article 43-B. Section 1109 Q.

benefits to which they would have been entitled to receive under the state system had they been members from 1921, provided this amount was not less than the amount they received under the local system. A teacher in service before 1921 was entitled to "present teacher" status in the state system upon payment of the amount of the contributions he would have made had he been a member in the state system from 1921.

*Washington*<sup>3</sup>—Under the new law assets of each local fund (and assets of former state fund) are to be transferred to the annuity fund of the new system when it becomes operative. Each member shall be credited with his pro rata share of the assets of the fund to which he belongs, and if he does not join the new system his pro rata share may be withdrawn.

When a former member of a local fund desires credit in the new system for service rendered for which no credit was given in the local fund, he must pay to the new pension fund the contributions with 4 percent compound interest which he would have paid to the local fund on account of such service had it been credited. If the amount of interest due on the prior service credit is paid at the time of application for membership in the new system, the remainder payable may be paid in installments with the proviso that any unpaid balance shall constitute a first, prior, and paramount lien against the benefit payable to member or estate. Other than by making up these contributions, the member of a former local system may be credited only for service for which contributions were paid into the local fund.

*Louisiana*<sup>4</sup>—Teachers who were members of the local system (New Orleans) at the time the state system was set up were excluded from the state plan unless they elected to join the state system in which case their membership in

the local system was dropped; their previous contributions will be returned when they leave active service but they shall be entitled to no other benefits from the local fund. They shall be entitled to full benefits under the state plan.

If members of the local fund do not elect to join the state fund they must continue membership in the local fund. Teachers appointed after the state system is in operation must join the local system unless they are already members of the state system, in which case they retain membership in the state system and are excluded from the local system.

*Utah*<sup>5</sup>—Membership in the local system (Salt Lake City) is compulsory but members may elect to join the state system also. New teachers are given six months after employment in which to make such election. Teachers who were members of the local system at the time the state system became operative were given six months to choose to elect membership in the state system, but their membership in the local system continued regardless. The deductions from teachers' salaries are divided between state and local funds if a member belongs to both systems. If the teacher is a member of the state system only, that is, if employed in a district not having a local system, the same amount is deducted but the entire amount is deposited in the state fund. If a teacher is retired under both systems he is entitled to (1) \$600 annually from the local system, (2) an annuity from the state system which would be equivalent to the actuarial value of his deposits with the state system, and (3) a pension from the state system equal to the annuity. Teachers who were in service before 1937 when the state system was established would receive an additional pension for prior service. For members of the local system the prior service pension from the state is equal to the fractional equity held in the state plan.

<sup>3</sup> *Washington Session Laws 1937*, Chapter 221, Sections 7 (6); 6 (4) (b); 5 (2).

<sup>4</sup> Act No. 83, *Louisiana Laws 1936*, Section 3 (3).

<sup>5</sup> *Utah Revised Statutes Supplement 1939*, Title 75, Chapter 29, Section 31.

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## Principles of a Sound Retirement System

1. Membership required of new teachers; voluntary for those in service
2. Guarantees to both teacher and public
3. Costs shared by teachers and public
4. Amount of deposits and payments stated in enactment
5. Deposits of teacher and payments by public concurrent with service
6. Individual accounts kept
7. System on a reserve basis
8. Periodic actuarial investigations
9. Provisions for disability retirement
10. Teachers' accumulated deposits returnable in case of withdrawal from service, or death prior to retirement
11. Choice of options offered upon retirement
12. Credit allowed for past service
13. Rights under previous retirement systems safeguarded
14. Reciprocal relations between systems
15. Retirement board in control.

Adapted from a statement by the Committee on Retirement Allowances of the National Education Association, in cooperation with the National Council of Teachers' Retirement Systems, in "Current Issues in Teacher Retirement." *Research Bulletin* 8: 225; November 1930.

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