A meeting of the Board of Governors of the Federal Reserve
System was held in Washington on Tuesday, November 2, 1943, at 10:30
a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper
Mr. Evans
Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Smead, Chief of the Division of
Bank Operations
Mr. Dreibelbis, General Attorney
Mr. Vest, Assistant General Attorney
Mr. Van Fossen, Assistant Chief of the
Division of Bank Operations
Mr. Wyatt, General Counsel

Mr. Szymczak stated that in accordance with the action taken
at the meeting of the Board on October 30, 1943, the staff had revised
the proposed resolution to be adopted by the Board establishing the
Board of Governors retirement plan for its own employees to effect the
following changes:

1. Persons hereafter employed by the Board who were at
the time members of the Civil Service retirement sys-
tem would remain in the Civil Service retirement sys-
tem instead of being required to become participants
in the Board of Governors plan.

2. The right would be reserved in the Board not to put
the Board of Governors plan into effect unless two-
thirds of the employees who were entitled to make
the choice elected on or before December 15, 1943,
to become participants in the Board of Governors
plan.
3. New employees would enter into an agreement under which they would immediately become members of the Federal Reserve Bank plan, but if the Board's plan became effective they would become participants therein on January 1, 1944.

Mr. Szymczak stated that it was contemplated by the second change in the resolution that, if two-thirds or more of the eligible employees of the Board elected to become members of the Board of Governors plan, the plan would become effective automatically as of January 1, 1944, and that if less than two-thirds of the eligible employees so elected the Board would be at liberty to reconsider the matter and decide whether it desired the plan to go into effect, but if the Board took no action the plan would go into effect automatically.

Mr. McKee stated that he would prefer to make the Board's adoption of the plan subject to the unqualified condition that at least two-thirds of the Board's employees elect to become members of the Board of Governors plan so that if the plan were accepted by a smaller number it could not go into effect without further consideration by the Board. After a discussion of this point, including a suggestion by Mr. Vest that there might be some legal difficulties involved in such a procedure, Mr. McKee stated that he would be willing to vote for the adoption of the proposed resolution with the express understanding that, if the Board of Governors plan were elected by less than two-thirds of the eligible employees of the Board, a meeting of the Board at which all members would be present would be held on December
17 to consider what, if any, further action should be taken by the Board with respect to the Board of Governors plan.

Thereupon, upon motion by Mr. Szymczak, the following resolution was adopted by unanimous vote, with the understanding that in the event the Board of Governors plan were not accepted by at least two-thirds of the eligible employees of the Board the meeting referred to by Mr. McKee would be held:

"RESOLUTION OF THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM
ESTABLISHING A NEW RETIREMENT PLAN FOR ITS EMPLOYEES

"RESOLVED: Pursuant to section 10 of the Rules and Regulations of the Retirement System of the Federal Reserve Banks, there is hereby established, within the said Retirement System (hereinafter referred to as the Retirement System), for employees of the Board of Governors of the Federal Reserve System (hereinafter referred to as the Board) the following new retirement plan, to be known as the Board of Governors Plan, upon the terms and conditions stated in the Plan. The Board, however, reserves the right not to make the said Board of Governors Plan effective for any purpose unless at least two-thirds of the members of the Retirement System who are employees of the Board in a pay status on the date of adoption of this resolution and on December 15, 1943, shall elect to accept the Board of Governors Plan before the close of business on December 15, 1943, in accordance with the provisions of paragraph (1) below.

"Board of Governors Plan

"(1) Members who elect to accept the Plan. Every person who on November 2, 1943, the date of adoption of this resolution, is an employee of the Board and a member of the Retirement System, and every person who enters the employ of the Board after that date and who was a member of the Retirement System immediately before the date of his employment by the Board, may elect (except when in a non-pay status) to forego the benefits to which he would be entitled
otherwise under the Rules and Regulations of the Retirement System and, in lieu thereof, to accept the Board of Governors Plan. Such election must be made by notice in writing given by such member to the Board before the close of business on December 15, 1943; except that any such member who on the 15th day of December 1943 is on leave of absence other than annual leave with pay or who was not an employee of the Board on the date of adoption of this resolution may make such election by giving such notice to the Board within the next 30 days following his return to duty or following the date of his employment by the Board, as the case may be. Every such member who makes such election before the close of business on December 15, 1943, shall become a participant in the Board of Governors Plan as of January 1, 1944, and every other member who is entitled to make such election after December 15, 1943, and makes such election thereafter, shall become a participant in the Board of Governors Plan as of the first day of the next succeeding semi-monthly payroll period.

(2) Employees who are required to accept the Plan. Every person not covered by the foregoing paragraph (1) who becomes a member of the Retirement System as an employee of the Board after the date of adoption of this resolution shall become a participant in the Board of Governors Plan on January 1, 1944, or on the date of his employment by the Board, whichever is the later; Provided, however, that no person who immediately prior to his employment by the Board has a right to present or prospective benefits under the Civil Service Retirement Act shall become a member of the Retirement System or a participant in the Plan, and no temporary, intermittent, or part-time employee who is excluded from membership in the Retirement System shall become such a participant during the period of such exclusion.

(3) Participants' Contributions and Benefits. A participant in the Board of Governors Plan shall make contributions to the Retirement System for future and past service at rates and subject to conditions in respect to salary deductions and deposits (including interest if any) equivalent to those which would be applicable to him under the provisions of the Civil Service Retirement Act (as now existing or hereafter amended) if he were employed in the Classified Civil Service of the United States, and he shall be entitled to receive benefits from the Retirement System equivalent to those to which he would be entitled under the provisions of the Civil Service Retirement
"Act (as now existing or hereafter amended) if he were in the Classified Civil Service of the United States; except as otherwise provided by the terms of the Board of Governors Plan or by section 10 of the Rules and Regulations of the Retirement System. The foregoing shall not be construed to authorize the waiver of (a) interest accruing after December 31, 1943, or (b) interest on amounts, if any, withdrawn from the Civil Service Retirement and Disability Fund, or (c) interest applicable to contributions for previous allowable service in the case of a person entering the employ of the Board after the date of adoption of this resolution unless such interest would be waived in comparable circumstances under the provisions of the Civil Service Retirement Act in the case of a person entering upon employment in a position in the Classified Civil Service. Nothing in this Plan shall be construed as making inapplicable the provisions of section 9 of the Rules and Regulations of the Retirement System.

"(4) Participants' Prior Contributions. Contributions to the Retirement System which had been made by a participant in the Board of Governors Plan at any time before the date on which such Plan became applicable to him, together with interest accumulated on such contributions in accordance with the Rules and Regulations of the Retirement System, shall be treated, to the extent of the amount of contributions required in accordance with paragraph (3) above, as contributions made in accordance with such paragraph; and any excess of such contributions made prior thereto, together with such interest thereon, over the amount of contributions required in accordance with paragraph (3) above shall, at the option of the member, be returned to him or be treated as a voluntary contribution.

"(5) Withdrawal of Participants' Contributions. Upon discontinuance, other than by death or retirement, of the employment with the Board of any participant in the Board of Governors Plan, regardless of the length of his service, there will be paid to him, upon his written application and in lieu of any other benefit, a lump sum equal to the full amount of his contributions, together with one-half of the interest accumulated thereon. If, upon or after discontinuance of the employment with the Board of any participant in the Board of Governors Plan, regardless of the length of his service, he becomes a member of the Civil Service Retirement System, upon his
written application and in lieu of any other benefit, there will be paid to the Civil Service Retirement and Disability Fund for his account a lump sum equal to the full amount of his contributions, together with interest accumulated thereon, less the amount of any payments received by him from the Retirement System upon or after such discontinuance of employment. No payment will be made under this paragraph unless such participant's membership in the Retirement System is terminated; and no payment will be made to the Civil Service Retirement and Disability Fund under this paragraph except with the consent of the Civil Service Commission first obtained.

"(6) Board's Contributions. The Board will, from the funds available for its expenses, make such contributions to the Retirement System as are calculated to be sufficient to provide all benefits to which all participants in the Board of Governors Plan are entitled under the Plan and which are not provided by their own contributions.

"(7) Allowable Service. For the purposes of the Board of Governors Plan, periods of service in the employment of the Federal Reserve Banks and periods of governmental service (including service in the employment of the Board) shall be given as nearly as practicable the same effect as they would have in the case of an employee who is subject to the Civil Service Retirement Act if all such periods of service were in the Classified Civil Service: Provided, that a participant in the Board of Governors Plan who is receiving, or who by reason of contributions made by him has the right to receive at some future time, a retirement allowance other than the allowance to which he would be entitled under the Board of Governors Plan shall not receive service credit under the Board of Governors Plan for the service on which such other retirement allowance is based.

"(8) Administrative and Procedural Matters. Nothing herein shall be construed to make applicable to participants in the Board of Governors Plan any of the provisions of the Civil Service Retirement Act, or of the Rules and Regulations promulgated thereunder, relating to terms of employment or reemployment or the continuation or termination of employment, or relating to other matters of administration or of procedure (including, among other things, physical examinations, requests for retirement, service records, reports, appeals by employees, review of decisions,
"interpretations of this Plan, actuaries, exemption of funds from legal process, and custody and management of funds). With respect to all such matters the requirements of the Board relating thereto and the provisions if any of the Rules and Regulations of the Retirement System shall be applicable. In case a person who has been a participant in the Board of Governors Plan is employed by a Federal Reserve Bank, nothing herein contained shall be construed as preventing contributions made by such person pursuant to the provisions of paragraph (3) or paragraph (4) hereof, together with interest accumulated thereon, and reserves accumulated from the contributions made by the Board on behalf of such person pursuant to paragraph (6) hereof, from being utilized, with the consent of such person, such Federal Reserve Bank, and the Retirement Committee of the Retirement System, to provide such benefits as may be accorded him under any provisions of the Rules and Regulations of the Retirement System.

"(9) Death Benefit. Every person who, on the date of adoption of this resolution, is an employee of the Board (including any employee then in a non-pay status) and who elects, in accordance with the provisions of paragraph (1) hereof, to become a participant in the Board of Governors Plan may, in making such election but not thereafter, accept the provisions of this paragraph; and the provisions of this paragraph shall not be applicable to any other person. An employee who accepts the provisions of this paragraph as above provided shall specify in connection with such acceptance an amount not exceeding the amount of his basic annual salary at the rate in effect on the date of such election and not exceeding $12,000. Upon the receipt of proper proofs of the death, while in active service and a participant in the Board of Governors Plan, of an employee who has so accepted the provisions of this paragraph, the Retirement Committee shall pay to such person's designated beneficiary or to his estate an amount equal to the amount specified by such person in his acceptance of the provisions of this paragraph, in addition to such other amount, if any, as may be required to be paid under the other provisions of the Board of Governors Plan. Every employee who has accepted the provisions of this paragraph as herein provided shall contribute to the Retirement System, in addition to the contributions provided for in paragraph 3 hereof, an amount equal to 6 cents per month for each $100 or fraction thereof of the amount specified by him in connection with such
"acceptance. The Board will deduct from the salary of such employee for each payroll period an amount sufficient to cover the additional contribution required for such payroll period. Such an employee may at any time discontinue making such additional contribution under the provisions of this paragraph but, in the event that his death occurs after the effective date of the discontinuance of such contribution, no benefit shall be payable under this paragraph to his beneficiary or to his estate, and in no event shall any part of the additional contribution made under this paragraph be returned to him. If an employee who has accepted the provisions of this paragraph as above provided should subsequently be in a non-pay status, the provisions of this paragraph for the payment of a death benefit shall not be applicable to such employee during his non-pay status unless with the consent of the Board he continues during such period to make the additional contribution required by this paragraph, but shall again be applicable to such an employee following his return to duty. Upon request of such employee or of his designated beneficiary or legal representative, the Retirement Committee may in its discretion make payment of the benefit provided in this paragraph, either in whole or in part, in installment payments, such deferred payments to include interest at a rate 1 per cent per annum less than the regular rate of interest as fixed by the Board of Trustees of the Retirement System as provided in section 8, subdivision (5), of the Rules and Regulations of the Retirement System."

Unanimous approval was also given to the following documents in the form attached to these minutes:

1. Notice to employees.
2. Notice of election of retirement plans to be used by present employees who are members of the Retirement System.
3. Notice of election of retirement plans to be used by future employees who at the time of employment are members of the Federal Reserve Retirement System.
11/2/43

4. Statement of understanding to be executed by persons employed by the Board between November 2, 1943, and January 1, 1944, who at the time of employment are not members of the Federal Reserve Retirement System or the Civil Service retirement system.

The members of the Board had been furnished with a copy of the agenda for the Conference of Chairmen of the Federal Reserve Banks to be held on November 8, 1943, and at this meeting Mr. Szymczak reviewed the program and explained what was expected to take place in connection with each item on the agenda. During the discussion it was suggested that since the agenda would take the full day set aside for the Conference there would be no opportunity for the Chairmen to take up with the Board any other matters which they might wish to discuss in executive session or otherwise, and that it might be well for the Board to suggest that, if the Chairmen should wish to meet with the Board on the morning of Tuesday, November 9, for a discussion of these matters, the Board would be pleased to arrange its program accordingly.

In accordance with this suggestion, it was understood that Mr. Carpenter would advise Mr. Brainard, Chairman of the Conference of Chairmen, by telephone that the Board would be pleased to meet with the Chairmen on the morning of Tuesday, November 9, in the event the Chairmen should desire to do so, it being understood that it would be left for Mr. Brainard's decision whether he would immediately so inform the Chairmen or whether he would make an announcement to that effect at the beginning of the Chairmen's Conference.
There was then presented a letter dated October 15, 1943, from Mr. Lichtenstein, Secretary of the Federal Advisory Council, stating that the next meeting of the Council would be held in Washington on November 14-16, 1943, and requesting a list of the topics that the Board would like to have the Council discuss at that meeting.

Mr. Morrill was requested to advise Mr. Lichtenstein that the Board had no topics to suggest at this time.

At this point Mr. Goldenweiser, Director of the Division of Research and Statistics, entered the room.

Consideration was then given to the actions taken at the recent Presidents’ Conference on the following matters:

1. Plan submitted by the Conference Committee on Insurance.

2. Regulation N, Relations with Foreign Banks and Bankers.

3. a. Cooperation with the Committee for Economic Development and other organizations working on postwar problems.
   b. Report of progress on research.
   c. Research approach to financial aspects of reconversion.


With respect to the first topic, there was a further discussion of the question of costs of purchased insurance and the savings that might be made by a comprehensive program of sharing of losses by the Federal Reserve Banks.
It was agreed (1) that in view of the understanding reached at the executive session of the meeting of the Board with the Presidents of the Federal Reserve Banks on October 19, 1943, no action need be taken by the Board at this time pending the receipt from Mr. Dreibelbis of the legal opinion referred to at the meeting with the Presidents and the receipt of further word from the Presidents, and (2) that, if the Board should meet with the Chairmen on November 9, they would be advised of the Board's position on Federal Reserve Bank insurance.

In connection with the revision of Regulation N, Mr. Szymczak stated that members of the staff were redrafting the regulation and statement of procedure with respect to foreign relationships of Federal Reserve Banks, in the light of the discussion with the Presidents and the recommendations of the legal subcommittee, and that it was expected that the revision would be submitted to the Board in the course of the next two or three weeks.

Reference was made to the three items under the third topic referred to above, and the first of the three items was discussed. Mr. Goldenweiser stated that the question of cooperation with the Committee for Economic Development was discussed at the research conference on October 20-21, and that he felt that the Board and the Banks should cooperate and help in any worthwhile way to avoid a duplication of effort, but that the System could not become so closely identified with the Committee that the System could be held responsible for any
positions that the Committee might take in connection with matters regarding which the System should maintain a position of impartiality. He also stated that the Committee had a subcommittee on research which was expected to carry on research projects on a strictly independent and scientific basis, and that these activities were entirely separate and apart from the promotional activities of the Committee largely carried on through its subcommittee on field development. He added that any cooperation by the System in research activities should be with that understanding.

Reference was made during the discussion to reasons why it might not be desirable for the System to be associated with the Committee in any way on a national basis and why the better procedure might be for each Federal Reserve Bank to determine the extent to which it would cooperate with the Committee.

There was unanimous agreement that no action on the three items need be taken at the present time, but that with respect to cooperation with the Committee for Economic Development the Board should take the position that the System should be willing to cooperate in the research activities of the Committee on the basis outlined by Mr. Goldenweiser and to the extent that this could be done without identifying the System with the Committee as such, that such work as the System did in carrying out its research program that might be useful to the Committee would be made available to it or any other responsible group, but that the System could not undertake to make specific surveys or conduct specific research projects for the Committee or such other groups.
With respect to the simplification of the functional expense report, it was stated that the report of the Presidents' Conference committee which had worked on this matter had been received and was being studied in the Division of Bank Operations and that the report would be submitted to the Board for action in the near future.

At this point Messrs. Goldenweiser, Smead, Dreibelbis, Vest, Van Fossen, and Wyatt withdrew from the meeting, and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on November 1, 1943, were approved unanimously.

Memorandum of this date from Mr. Morrill, submitting the resignation of Alden J. Kieffer as apprentice operating engineer in the Secretary's Office, and recommending that it be accepted as of the close of business on November 19, 1943, with the understanding that appropriate deduction would be made from his salary for 2 days, 4 hours, and 40 minutes of overdrawn sick leave.

The resignation was accepted as recommended.
11/2/43

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Thereupon the meeting adjourned.

Chairman.

[Signature]

Chester Merrie
Secretary.

Approved: [Signature]

[Signature]

Chairman.
IMPORTANT NOTICE

To all Members of the Board's Staff who are Members of the Federal Reserve Retirement System:

1. Substantial changes have been made in the Federal Reserve Retirement System. The present plan has been revised and liberalized; and a special plan has been devised for employees of the Board of Governors.

2. Each member of the Federal Reserve Retirement System in the Board's staff has an important option: he can continue under the present plan of the Retirement System as revised or he can elect the Board of Governors Plan, which is described in these papers.

3. A form for recording your decision is attached, which should be filed as soon as practicable, whether or not you elect to become a participant in the Board of Governors Plan. Your attention is directed to the fact that the Board has reserved the right not to make the plan effective unless at least two-thirds of the members of the Retirement System who are employees of the Board in a pay status on November 2, 1943, and on December 15, 1943, shall elect to accept the plan before the close of business on December 15, 1943.

4. In order to become a participant in the plan it is necessary that this form be filed before the close of business December 15, 1943, unless you are in a nonpay status on that date.

Chester N. Morill
Secretary

November 2, 1943.
As members of the staff are aware, active consideration has been given during the past year to changes in the Federal Reserve Retirement System. These changes have now crystallized, so far as members of the Board's staff are concerned, into two plans.

One is the new Reserve Bank Plan, which modifies and supersedes the existing plan.

The other is the Board of Governors Plan, which embodies the same benefits and contribution rates as Civil Service retirement and is optional for employees of the Board who are members of the existing Retirement System.

The new Reserve Bank Plan will go into effect for all Board employees who are members of the Retirement System, but those who wish may elect instead the Board of Governors Plan. Such election may be made by any individual employee who decides that it is more desirable for him than the new Reserve Bank Plan. The matter is not one of majority decision but of individual choice, so far as present members of the Retirement System are concerned. The Board of Governors Plan is set up with the idea of making available to Board employees the same retirement and disability allowances as those in Civil Service and at the same cost to the employee. It is provided that any future changes in the Civil Service Retirement System's benefits and rates will be automatically embodied in the Board of Governors Plan, unless formal action to the contrary is taken by the Board.

In the following tabulation the general features of the two plans are roughly indicated, and for purposes of comparison Civil Service is included. The tabulation is followed by a more detailed explanation.
## GENERAL DIFFERENCES

This tabulation is necessarily incomplete since many details and exceptions can not be included in it.

<table>
<thead>
<tr>
<th>Age of Retirement</th>
<th>Reserve Bank Plan</th>
<th>Board of Governors Plan</th>
<th>Civil Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65</td>
<td>65</td>
<td>70</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Allowable Service</th>
<th>Bank and Board only</th>
<th>Bank, Board, and Government</th>
<th>Board and Government only</th>
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</thead>
<tbody>
<tr>
<td>Withdrawal of Contributions</td>
<td>Upon separation</td>
<td>Upon separation</td>
<td>Upon separation after less than 5 years' service</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Contribution Rates</th>
<th>Reserve Bank Plan</th>
<th>Board of Governors Plan</th>
<th>Civil Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.72% to 9.94% varying with age and sex*</td>
<td>5% for all (Plus 6 cents a month for each $100 of Retirement System life insurance continued in force)</td>
<td>5% for all</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate of Interest Allowed on Reserves</th>
<th>Reserve Bank Plan</th>
<th>Board of Governors Plan</th>
<th>Civil Service</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
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<thead>
<tr>
<th>Death Benefits</th>
<th>Reserve Bank Plan</th>
<th>Board of Governors Plan</th>
<th>Civil Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee's own reserve plus year's salary</td>
<td>Employee's own reserve (Insurance protection is optional for those who now have it)</td>
<td>Employee's own reserve</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount of Retirement Benefit</th>
<th>Reserve Bank Plan</th>
<th>Board of Governors Plan</th>
<th>Civil Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher than formerly, especially for low-salaried employees; based on highest 20 years' salary</td>
<td>Same as Civil Service</td>
<td>Based on highest five years' salary</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disability Benefits</th>
<th>Reserve Bank Plan</th>
<th>Board of Governors Plan</th>
<th>Civil Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowable after five years' service; annual allowance 1-1/2% of 20 year average salary, but generally not less than 25% thereof</td>
<td>Same as Civil Service</td>
<td>Allowable after five years' service; higher annual allowance than Bank Plan after extended service; lower for short service</td>
<td></td>
</tr>
</tbody>
</table>

* Employees appointed after March 1, 1943 have higher rates.
Age of retirement. Under the new Reserve Bank Plan, as under the present one, the age of retirement is 65. Employees may be continued in service to 70 if there is need of them and they are willing, but the Board and the Banks permit this arrangement only exceptionally. The rule is the same under the Board of Governors Plan, whereas in Civil Service retirement is not required until 70. In the Board Plan, retirement is optional at age 60 after 30 years' service and at 62 after 15 years' service, as in Civil Service. At these earlier ages, the retirement benefit provided by the Board Plan is calculated on the same basis as at age 65, according to amount of salary and years of service, without actuarial reduction on account of retirement at the earlier age.

Allowable service. In the Bank Plan, only service with the Board and with the Reserve Banks counts for retirement. In the Board Plan, service with Reserve Banks, with the Board, and with the Government—civil or military—counts. (In Civil Service, only Government service—civil or military—including Board service counts.)

Withdrawal of contributions. Under the Board and Bank Plans an employee, upon discontinuance of his employment, may draw out the reserves accumulated from his own contributions regardless of the length of his employment. (In Civil Service he can withdraw his reserves only if he has been employed less than five years.) Under the Bank Plan reserves withdrawn by employees include interest accumulated to December 31, 1938, if any, together with one-half of the interest accumulated thereafter. Under the Board Plan reserves transferred to Civil Service for an employee who is leaving the Board for other Government employment will include interest at 4 per cent, but reserves withdrawn in cash will include half the accumulated interest. (Under Civil Service the interest payable is 4 per cent, but there is a so-called "tontine" deduction of $1 for each month of service.)

Contribution rates. Under the new Bank Plan the rate of employee contribution varies with age and is somewhat higher for women than for men. It ranges from 3.72 per cent of salary to 9.94 per cent, for those hired prior to March 1, 1943, but for the bulk of employees—those hired in their twenties and thirties—it ranges from about 4 per cent to 5 or 6 per cent. Rates for those hired since March 1, 1943, are higher; they range from 5.40 per cent to 11.18 per cent, with employees hired in their twenties and thirties making contributions at around 5.5 per cent to 7 per cent. Employees who continue to pay the old rates will not have as large allowances as the new and higher rates procure. The rate payable is determined not by present age but by age at the time of becoming a member of the Retirement System. Under the Board Plan, as in Civil Service, the rate is 5 per cent for all. If the employee elects to take life insurance under the Board Plan to replace the discontinued death benefit of one year's salary, there will be an additional contribution of 6 cents per month for each $100 of such insurance.

Interest. In the new Bank Plan (as has been the case since January 1, 1943) interest will be on a 3 per cent basis; under the Board
Plan it will be on a 4 per cent basis, any deficit in earnings being made up by the Board. (Civil Service also allows 4 per cent.)

Death benefit. Under the Bank Plan, the death benefit comprises the amount of the reserve accumulated from the employee's own contributions, with interest, plus life insurance in an amount equal to the salary earned during the last 12 months of service. Under the Board Plan, as in Civil Service, the death benefit comprises only the employee's own reserve, with interest. However, any employee who is now a member of the Retirement System and who elects the Board of Governors Plan may also continue all or part of his present insurance under the Retirement System at a cost to him of 6 cents per month per $100 or fraction thereof.

This insurance benefit will not be increased in conformity with salary increases, as is the case under the Bank Plan. It is payable only in the event of death of the employee while in active service as a participant in the Board Plan and is not convertible into any form of insurance or other benefit payable in the event of death after separation from the active service of the Board. The present group insurance plan is not disturbed by this arrangement.

Retirement benefits. Under both the new Reserve Bank Plan and the Board Plan service retirement allowances are higher in most cases than in the existing plan as affected by the recent adoption of the 3 per cent interest base. This is especially true of employees with relatively low salaries and long service. Under the new Reserve Bank Plan, service retirement allowances are in no case to be less than under the existing plan for services up to the date when the new plan becomes effective. Allowances under the Board Plan are the same as in Civil Service.

Under all of the plans, the allowance payable upon retirement comprises two portions, viz., a pension and an annuity; the annuity is simply whatever amount the employee's own accumulated contributions will buy under the particular plan. There are material differences between the Federal Reserve and the Board (or Civil Service) Plans in arriving at the pension part of the retirement allowances.

For most employees, the pension under the Board Plan will be either $30 for each year of service up to 30 years or such larger amount as may be necessary, when added to the annuity, to equal a fixed retirement allowance determined in accordance with the Civil Service Plan, arrived at by taking the average annual basic salary during the five highest years, multiplied by the number of years of service up to 35 years, and divided by 70.

Under the Federal Reserve Plan heretofore in effect, the pension has been 3/4 of 1 per cent of the employee's average salary (within a maximum salary rate of $12,000) during the entire period of service, multiplied by the number of years of service.
Under the new Bank Plan the formula is somewhat different; it provides a pension of 3/4 of 1 per cent of the employee's average annual salary for the twenty consecutive years during which salary was highest (within a maximum salary rate of $15,000) multiplied by the number of years of service, with a guaranteed minimum of $24 for each of the last twenty years of service, and a maximum limit upon the normal pension part of the retirement allowance of $3,750 per annum on a cash refund basis.

Under all the plans increased retirement allowances may be provided for by voluntary contributions for that purpose.

Disability benefits. Heretofore an employee has been eligible for disability allowance after one year of service. Under the new Bank Plan, he will not be eligible until he has completed five or more years of service. Under the Board Plan, also, as under Civil Service, he is not eligible for disability retirement unless he has had five or more years of service.

Heretofore the amount of disability allowance on a cash refund basis has been 1-1/4 per cent of the total salary payments for whole period of employment, with a minimum of 25 per cent of average salary. Under the new Bank Plan the disability allowance, on a life basis as regards the pension portion, is 1-1/2 per cent of the average annual salary for any 20 consecutive years of service, multiplied by the number of years of service, with a minimum of 25 per cent of average salary. (Under the Civil Service and Board Plans the disability allowance is computed in the same manner as for retirement for age.)

Individual choice. In determining whether he prefers to remain under the new Reserve Bank Plan or to elect the Board Plan, the individual will in each case have to be guided by the circumstances of his case. These will relate especially to age, salary, rate of contributions, length of service, and prospective age at retirement. As already stated, if he has had prior service with the Government--civil or military--that service will count toward retirement in the Board Plan but not in the Bank Plan. In the Board Plan his contribution rate will be 5 per cent of his salary, which is more than the rate now paid by some under the Bank Plan and less than the rate paid by others, depending on their ages when they become members of the Retirement System. In the new Bank Plan contributions draw 3 per cent interest, but reduced interest is allowable on withdrawal. In the Board Plan they draw 4 per cent; full interest is allowed upon transfer to other Government employment and half the accumulated interest is allowed on withdrawal otherwise.

Retirement allowances and contribution rates are the same in the Board Plan as in Civil Service. The Board Plan differs from Civil Service mainly in providing for retirement normally at age 65 instead of 70, in permitting withdrawal of reserves upon resignation regardless of length of service, in counting employment with a Reserve Bank toward retirement, and in that it is subject to modification or termination by the Board.
Credit for past contributions. In the case of employees who elect the Board of Governors Plan, the amount of reserves already accumulated from their own contributions will be compared with the total amount that would have been deducted from their salaries under the Civil Service Retirement System. If the reserves already accumulated from the employee's own contributions exceed the amount called for under Civil Service rates, the excess may either be withdrawn by him in cash or be left as a voluntary contribution. There will be some cases, however, of employees with prior service—civil or military—including Board service prior to 1934, whose contributions already paid in will fall short of what is required under the Board Plan. In such cases it will be to the interest of the employee to make up the deficiency, which may be done either in a lump sum or in instalments. Since Civil Service rates will in general call for smaller contributions from employees with prior service than they have actually made, most employees who elect the Board of Governors Plan will have reserves in excess of what they need.

Among the enclosures with this memorandum will be found a form of notice of election of retirement plans.

Your decision whether or not to accept the Board of Governors Plan must be made before the close of business December 15, 1943, except in the case of employees who are in a nonpay status on that date, including those on military leave.

It is suggested that employees who wish to have additional information before deciding whether or not to elect the Board of Governors Plan make their inquiries of Mr. John R. Van Fossen, who is the member of the Board of Trustees of the Retirement System chosen by the Board's employees.

November 2, 1943
RESOLUTION OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM ESTABLISHING A NEW RETIREMENT PLAN FOR ITS EMPLOYEES

RESOLVED: Pursuant to section 10 of the Rules and Regulations of the Retirement System of the Federal Reserve Banks, there is hereby established, within the said Retirement System (hereinafter referred to as the Retirement System), for employees of the Board of Governors of the Federal Reserve System (hereinafter referred to as the Board) the following new retirement plan, to be known as the Board of Governors Plan, upon the terms and conditions stated in the Plan. The Board, however, reserves the right not to make the said Board of Governors Plan effective for any purpose unless at least two-thirds of the members of the Retirement System who are employees of the Board in a pay status on the date of adoption of this resolution and on December 15, 1943, shall elect to accept the Board of Governors Plan before the close of business on December 15, 1943, in accordance with the provisions of paragraph (1) below.

Board of Governors Plan

(1) Members who elect to accept the Plan. Every person who on November 2, 1943, the date of adoption of this resolution, is an employee of the Board and a member of the Retirement System, and every person who enters the employ of the Board after that date and who was a member of the Retirement System immediately before the date of his employment by the Board, may elect (except when in a nonpay status) to forego the benefits to which he would be entitled otherwise under the Rules and Regulations of the Retirement System and, in lieu thereof, to accept the Board of Governors Plan. Such election must be made by notice in writing given by such member to the Board before the close of business on December 15, 1943; except that any such member who on the 15th day of December 1943 is on leave of absence other than annual leave with pay or who was not an employee of the Board on the date of adoption of this resolution may make such election by giving such notice to the Board within the next 30 days following his return to duty or following the date of his employment by the Board, as the case may be. Every such member who makes such election before the close of business on December 15, 1943, shall become a participant in the Board of Governors Plan as of January 1, 1944, or on the date of his employment by the Board, whichever is the later; Provided, however, that no person who

(2) Employees who are required to accept the Plan. Every person not covered by the foregoing paragraph (1) who becomes a member of the Retirement System as an employee of the Board after the date of adoption of this resolution shall become a participant in the Board of Governors Plan on January 1, 1944, or on the date of his employment by the Board, whichever is the later; Provided, however, that no person who
immediately prior to his employment by the Board has a right to present or prospective benefits under the Civil Service Retirement Act shall become a member of the Retirement System or a participant in the Plan, and no temporary, intermittent, or part-time employee who is excluded from membership in the Retirement System shall become such a participant during the period of such exclusion.

(3) Participants' contributions and benefits. A participant in the Board of Governors Plan shall make contributions to the Retirement System for future and past service at rates and subject to conditions in respect to salary deductions and deposits (including interest if any) equivalent to those which would be applicable to him under the provisions of the Civil Service Retirement Act (as now existing or hereafter amended) if he were employed in the Classified Civil Service of the United States, and he shall be entitled to receive benefits from the Retirement System equivalent to those to which he would be entitled under the provisions of the Civil Service Retirement Act (as now existing or hereafter amended) if he were in the Classified Civil Service of the United States; except as otherwise provided by the terms of the Board of Governors Plan or by section 10 of the Rules and Regulations of the Retirement System. The foregoing shall not be construed to authorize the waiver of (a) interest accruing after December 31, 1943, or (b) interest on amounts, if any, withdrawn from the Civil Service Retirement and Disability Fund, or (c) interest applicable to contributions for previous allowable service in the case of a person entering the employ of the Board after the date of adoption of this resolution unless such interest would be waived in comparable circumstances under the provisions of the Civil Service Retirement Act in the case of a person entering upon employment in a position in the Classified Civil Service. Nothing in this Plan shall be construed as making inapplicable the provisions of section 9 of the Rules and Regulations of the Retirement System.

(4) Participants' prior contributions. Contributions to the Retirement System which had been made by a participant in the Board of Governors Plan at any time before the date on which such Plan became applicable to him, together with interest accumulated on such contributions in accordance with the Rules and Regulations of the Retirement System, shall be treated, to the extent of the amount of contributions required in accordance with paragraph (3) above, as contributions made in accordance with such paragraph; and any excess of such contributions made prior thereto, together with such interest thereon, over the amount of contributions required in accordance with paragraph (3) above shall, at the option of the member, be returned to him or be treated as a voluntary contribution.

(5) Withdrawal of participants' contributions. Upon discontinuance, other than by death or retirement, of the employment with the Board of any participant in the Board of Governors Plan, regardless of the length of his service, there will be paid to him, upon his written application and in lieu of any other benefit, a lump sum equal to the full amount of his contributions, together with one-half of the interest accumulated thereon.
If, upon or after discontinuance of the employment with the Board of any participant in the Board of Governors Plan, regardless of the length of his service, he becomes a member of the Civil Service Retirement System, upon his written application and in lieu of any other benefit, there will be paid to the Civil Service Retirement and Disability Fund for his account a lump sum equal to the full amount of his contributions, together with interest accumulated thereon, less the amount of any payments received by him from the Retirement System upon or after such discontinuance of employment. No payment will be made under this paragraph unless such participant's membership in the Retirement System is terminated; and no payment will be made to the Civil Service Retirement and Disability Fund under this paragraph except with the consent of the Civil Service Commission first obtained.

(6) Board's contributions. The Board will, from the funds available for its expenses, make such contributions to the Retirement System as are calculated to be sufficient to provide all benefits to which all participants in the Board of Governors Plan are entitled under the Plan and which are not provided by their own contributions.

(7) Allowable service. For the purposes of the Board of Governors Plan, periods of service in the employment of the Federal Reserve Banks and periods of Governmental service (including service in the employment of the Board) shall be given as nearly as practicable the same effect as they would have in the case of an employee who is subject to the Civil Service Retirement Act if all such periods of service were in the Classified Civil Service: Provided, that a participant in the Board of Governors Plan who is receiving, or who by reason of contributions made by him has the right to receive at some future time, a retirement allowance other than the allowance to which he would be entitled under the Board of Governors Plan shall not receive service credit under the Board of Governors Plan for the service on which such other retirement allowance is based.

(8) Administrative and procedural matters. Nothing herein shall be construed to make applicable to participants in the Board of Governors Plan any of the provisions of the Civil Service Retirement Act, or of the Rules and Regulations promulgated thereunder, relating to terms of employment or reemployment or the continuation or termination of employment, or relating to other matters of administration or of procedure (including, among other things, physical examinations, requests for retirement, service records, reports, appeals by employees, review of decisions, interpretations of this Plan, actuaries, exemption of funds from legal process, and custody and management of funds). With respect to all such matters the requirements of the Board relating thereto and the provisions if any of the Rules and Regulations of the Retirement System shall be applicable. In case a person who has been a participant in the Board of Governors Plan is employed by a Federal Reserve Bank, nothing herein contained shall be construed as preventing contributions made by such person pursuant to the provisions of paragraph (3) or paragraph (4) hereof, to-
gather with interest accumulated thereon, and reserves accumulated from
the contributions made by the Board on behalf of such person pursuant to
paragraph (6) hereof, from being utilized, with the consent of such person,
such Federal Reserve Bank, and the Retirement Committee of the Retirement
System, to provide such benefits as may be accorded him under any provi-
sions of the Rules and Regulations of the Retirement System.

(9) Death benefit. Every person who, on the date of adoption
of this resolution, is an employee of the Board (including any employee
then in a nonpay status) and who elects, in accordance with the pro-
visions of paragraph (1) hereof, to become a participant in the Board of
Governors Plan may, in making such election but not thereafter, accept
the provisions of this paragraph; and the provisions of this paragraph
shall not be applicable to any other person. An employee who accepts the
provisions of this paragraph as above provided shall specify in connection
with such acceptance an amount not exceeding the amount of his basic an-
nual salary at the rate in effect on the date of such election and not ex-
ceeding $12,000. Upon the receipt of proper proofs of the death, while in
active service and a participant in the Board of Governors Plan, of an
employee who has so accepted the provisions of this paragraph, the Re-
tirement Committee shall pay to such person's designated beneficiary or
to his estate an amount equal to the amount specified by such person in
his acceptance of the provisions of this paragraph, in addition to such
other amount, if any, as may be required to be paid under the other pro-
visions of the Board of Governors Plan. Every employee who has accepted
the provisions of this paragraph as herein provided shall contribute to
the Retirement System, in addition to the contributions provided for in
paragraph 3 hereof, an amount equal to 6 cents per month for each $100
or fraction thereof of the amount specified by him in connection with
such acceptance. The Board will deduct from the salary of such employee
for each payroll period an amount sufficient to cover the additional con-
tribution required for such payroll period. Such an employee may at any
time discontinue making such additional contribution under the provisions
of this paragraph but, in the event that his death occurs after the ef-
fective date of the discontinuance of such contribution, no benefit shall
be payable under this paragraph to his beneficiary or to his estate,
and in no event shall any part of the additional contribution made under
this paragraph be returned to him. If an employee who has accepted the
provisions of this paragraph as above provided should subsequently be
in a nonpay status, the provisions of this paragraph for the payment of
dead benefit shall not be applicable to such employee during his non-
pay status unless with the consent of the Board he continues during such
period to make the additional contribution required by this paragraph,
but shall again be applicable to such an employee following his return
to duty. Upon request of such employee or of his designated beneficiary
or legal representative, the Retirement Committee may in its discretion
make payment of the benefit provided in this paragraph, either in whole
or in part, in instalment payments, such deferred payments to include
interest at a rate 1 per cent per annum less than the regular rate of in-
terest as fixed by the Board of Trustees of the Retirement System as pro-
vided in section 8, subdivision (5), of the Rules and Regulations of the
Retirement System.
AMENDMENTS TO THE RULES AND REGULATIONS OF THE RETIREMENT SYSTEM OF THE FEDERAL RESERVE BANKS TO PROVIDE FOR BOARD OF GOVERNORS PLAN

Section 1
Definitions

(27) "Board of Governors Plan" shall mean the plan provided for in section 10 of these rules and regulations.

Section 7
Management of Funds

Insert following parenthetical phrase in the last sentence of Subdivision (1) following the words "employing banks" (including employees who are participants in the Board of Governors Plan)

New Section 10
Employees of Board of Governors

(1) In order that each present or future employee of the Board of Governors of the Federal Reserve System who is a member of the Retirement System may be accorded financial benefits comparable to those granted to employees who are subject to the Civil Service Retirement Act, every employee of the Board of Governors to whom this section is applicable shall be entitled to receive such special benefits in lieu of the benefits provided for by section 3, and shall be required to make such special contributions in lieu of those required by section 5, as may be provided for in such plan as may be established by resolution of the Board of Governors.

(2) This section shall be applicable to every employee of the Board of Governors who is a participant in the plan according to its terms, but shall not be applicable to any member with creditable service without his consent.

(3) Such plan, when approved by the Board of Governors, shall be filed with the Retirement Committee and shall be called the "Board of Governors Plan." The plan shall be administered and managed as an integral part of the Retirement System, and the provisions of these rules and regulations as amended from time to time shall be applicable to the operations of the plan, except to the extent that they are inconsistent with the provisions of the plan.

(4) The Retirement Committee shall from time to time adopt a rate or rates of contribution for all benefits and other expenses for all members
who are participants in the Board of Governors Plan in accordance with the terms thereof; and the Board of Governors shall, from the funds available for its expenses, make contributions to the Retirement System (in lieu of those required by section 5) monthly or at such other intervals as may be agreed upon with the Retirement Committee, in such amounts as are calculated by the use of such rate or rates to be sufficient to provide all benefits to which each participant in the Board of Governors Plan is entitled under this section of these rules and regulations and which are not provided by the contributions made by him.

(5) Modifications in the Board of Governors Plan, which may be made from time to time by the Board of Governors, shall be filed with the Retirement Committee, and shall become effective on such date as may be designated by the Board of Governors. The plan may be terminated by the Board of Governors after ninety days' notice to the Retirement Committee, and thereupon employees who are participants in the Board of Governors Plan immediately prior to such termination shall continue as members of the Retirement System under the provisions of all of the other sections of these rules and regulations as then existing. No modification in the plan shall be adopted which would require any member to pay an increased rate of contribution unless approved by a majority of the existing active participants in the said plan, and no such modification or termination shall be made which will reduce the then accrued benefits of the existing active, inactive or retired participants in the plan, or reduce the then accumulated reserves held therefor; but changes in contribution rates, benefits or reserves which result from changes in the Civil Service Retirement Act shall not be considered to be modifications in the plan within the meaning of this sentence.

(6) Notwithstanding the provisions of section 11 hereof, the Board of Trustees or the Retirement Committee shall have authority to take any and all actions necessary or convenient to carry out the provisions of this section and to determine any questions which may arise as to the interpretation of the provisions of the Board of Governors Plan.

Present Section 10 to be re-numbered Section 11
IMPORTANT: SIGN AND FILE THIS NOTICE, IN DUPLICATE, WITH THE BOARD’S SECRETARY OR ASSISTANT SECRETARY WITHIN THE TIME LIMIT SPECIFIED IN THE RESOLUTION ESTABLISHING THE BOARD OF GOVERNORS PLAN.

Notice of Election of Retirement Plans

To the Board of Governors of the Federal Reserve System:

I am a member of the Retirement System of the Federal Reserve Banks and have been furnished with a copy of the resolution of the Board of Governors of the Federal Reserve System establishing within the framework of the Federal Reserve Retirement System a special plan for the Board’s employees, designated as the Board of Governors Plan. I understand in that connection that there are three options, which are listed below, among which I am to make my choice, and that this form has been provided for the purpose of enabling me to record my decision.

(Sign only one of the three paragraphs below.)

1. **Decision to become a full participant in the Board of Governors Plan.**
   I hereby elect to forego the benefits to which I would be entitled otherwise under the Rules and Regulations of the Retirement System of the Federal Reserve Banks and in lieu thereof to accept the said Board of Governors Plan and all the terms and conditions thereof, including the provisions of paragraph (9), and specify $ __________________ as the amount of the death benefit to be provided in accordance with said paragraph (9).

   ___________________________ ___________________________
   (Date) (Name)

2. **Decision to participate in the Board of Governors Plan without the death benefit of paragraph (9).** I hereby elect to forego the benefits to which I would be entitled otherwise under the Rules and Regulations of the Retirement System of the Federal Reserve Banks and in lieu thereof to accept the Board of Governors Plan and all the terms and conditions thereof except the provisions of paragraph (9).

   ___________________________ ___________________________
   (Date) (Name)

3. **Decision not to participate in the Board of Governors Plan.** I have decided not to become a participant in the Board of Governors Plan.

   ___________________________ ___________________________
   (Date) (Name)

Received by the Board of Governors of the Federal Reserve System on______, 194_.

______________________________
Assistant Secretary
Notice of Election of Retirement Plans

To the Board of Governors of the Federal Reserve System:

I am a member of the Retirement System of the Federal Reserve Banks and have been furnished with a copy of the resolution of the Board of Governors of the Federal Reserve System establishing within the framework of the Federal Reserve Retirement System a special plan for the Board's employees, designated as the Board of Governors Plan. I understand in that connection that there are three options, which are listed below, among which I am to make my choice, and that this form has been provided for the purpose of enabling me to record my decision.

(Sign only one of the three paragraphs below.)

1. Decision to become a full participant in the Board of Governors Plan. I hereby elect to forego the benefits to which I would be entitled otherwise under the Rules and Regulations of the Retirement System of the Federal Reserve Banks and in lieu thereof to accept the said Board of Governors Plan and all the terms and conditions thereof, including the provisions of paragraph (9), and specify $________________ as the amount of the death benefit to be provided in accordance with said paragraph (9).

   (Date) __________________________ (Name) __________________________

2. Decision to participate in the Board of Governors Plan without the death benefit of paragraph (9). I hereby elect to forego the benefits to which I would be entitled otherwise under the Rules and Regulations of the Retirement System of the Federal Reserve Banks and in lieu thereof to accept the Board of Governors Plan and all the terms and conditions thereof except the provisions of paragraph (9).

   (Date) __________________________ (Name) __________________________

3. Decision not to participate in the Board of Governors Plan. I have decided not to become a participant in the Board of Governors Plan.

   (Date) __________________________ (Name) __________________________

Received by the Board of Governors of the Federal Reserve System on _______, 194_.

   __________________________
   Assistant Secretary
[IMPORTANT: This notice to be signed and filed, in duplicate, within 30 days after the date of employment, by every person entering the employ of the Board after November 2, 1943, if and only if he was a member of the Federal Reserve Retirement System immediately before such employment.]

NOTICE OF ELECTION OF RETIREMENT PLANS

To the Board of Governors of the Federal Reserve System:

I am a member of the Retirement System of the Federal Reserve Banks and have been furnished with a copy of the resolution of the Board of Governors of the Federal Reserve System establishing within the framework of the Federal Reserve Retirement System a special plan for the Board's employees, designated as the Board of Governors Plan. I understand in that connection that there are two options, which are listed below, between which I am to make my choice, and that this form has been provided for the purpose of enabling me to record my decision.

(Sign only one of the two paragraphs below.)

1. Decision to become a participant in the Board of Governors Plan without the death benefit of paragraph (9). - I hereby elect to forego the benefits to which I would be entitled otherwise under the Rules and Regulations of the Retirement System of the Federal Reserve Banks and in lieu thereof to accept the Board of Governors Plan and all the terms and conditions thereof except the provisions of paragraph (9).

   (Date)  (Name)

2. Decision not to participate in the Board of Governors Plan. I have decided not to become a participant in the Board of Governors Plan.

   (Date)  (Name)

Received by the Board of Governors of the Federal Reserve System on , 194.

Assistant Secretary
NOTICE OF ELECTION OF RETIREMENT PLANS

To the Board of Governors of the Federal Reserve System:

I am a member of the Retirement System of the Federal Reserve Banks and have been furnished with a copy of the resolution of the Board of Governors of the Federal Reserve System establishing within the framework of the Federal Reserve Retirement System a special plan for the Board's employees, designated as the Board of Governors Plan. I understand in that connection that there are two options, which are listed below, between which I am to make my choice, and that this form has been provided for the purpose of enabling me to record my decision.

(Sign only one of the two paragraphs below.)

1. Decision to become a participant in the Board of Governors Plan without the death benefit of paragraph (9). - I hereby elect to forego the benefits to which I would be entitled otherwise under the Rules and Regulations of the Retirement System of the Federal Reserve Banks and in lieu thereof to accept the Board of Governors Plan and all the terms and conditions thereof except the provisions of paragraph (9).

   _______________________________  _______________________________
   (Date)                              (Name)

2. Decision not to participate in the Board of Governors Plan. I have decided not to become a participant in the Board of Governors Plan.

   _______________________________  _______________________________
   (Date)                              (Name)

Received by the Board of Governors of the Federal Reserve System on _________, 194__.

      _______________________________  
      Assistant Secretary
STATEMENT WITH RESPECT TO BOARD OF GOVERNORS PLAN
FOR EXECUTION BY NEW EMPLOYEES

In connection with my application for membership in the Retirement System of the Federal Reserve Banks, I understand that, if the Board of Governors Plan established pursuant to section 10 of the Rules and Regulations of the Retirement System becomes effective or is in effect, I will become a participant in the said Board of Governors Plan in accordance with the terms and conditions thereof but will not be entitled to the death benefit provided by paragraph (9) thereof.

Date  

Employee's Signature