

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-251

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 5, 1941



Dear Sir:

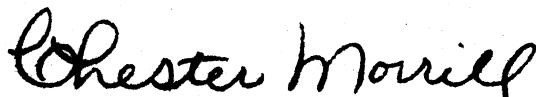
With its letter R-566 of December 4, 1939, the Board enclosed a copy of a letter to the Chairman of the Presidents' Conference, to which was attached a proposed circular letter to all Federal Reserve Banks, which was intended to supersede its letter S-7 of June 24, 1937, with respect to separation allowances and special contributions to the Retirement System, and its letter X-9798 of January 21, 1937, with respect to the retention of officers and employees in service after the attainment of age 65. In the letter to the Chairman of the Presidents' Conference the Board stated that before reaching any decision in regard to the proposed circular letter it would appreciate receiving the opinion of the Presidents on the suggested changes and asked that the subject be placed on the program for discussion at the forthcoming Presidents' Conference. It is understood that this matter was considered by the Presidents' Conference and referred to a committee of that Conference for study.

Recently the Board has had occasion to give some further consideration to this subject and has instructed me to advise you that the special contribution to the Retirement System for the purpose of supplementing retirement allowances authorized by its letter S-7 of June 24, 1937, was for the purpose of preventing in any case in so far as possible and within reasonable limits any hardship or injustice that might result from the payment of retirement allowances that would otherwise be too small. It was not its intention that the retirement allowances of officers or employees voluntarily resigning to accept other employment should be supplemented by contributions on the part of the employing banks.

In order that there may be no misunderstanding with respect to this matter, pending a general review of the benefits of the Retirement System, the Board amends its letter S-7 of June 24, 1937, to provide that no special contribution shall be made to the

Retirement System for the benefit of, and no separation allowance shall be paid to, an officer or employee who voluntarily resigns to accept other employment.

Very truly yours,

A handwritten signature in cursive script that reads "Chester Morrill". The signature is written in dark ink and is positioned above the typed name.

Chester Morrill,
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS