U. S. DEPARTMENT OF LABOR
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BUREAU OF LABOR STATISTICS
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BULLETIN OF THE UNITED STATES BUREAU OF LABOR STATISTICS . . . . No. 477

WORKMEN'S INSURANCE AND COMPENSATION SERIES

PUBLIC SERVICE RETIREMENT SYSTEMS

UNITED STATES, CANADA, AND EUROPE

JANUARY, 1929

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1929

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Acknowledgment

This bulletin, except for the sections dealing with Continental Europe, was prepared by Mary A. Conyngton of the U. S. Bureau of Labor Statistics. The documentary information for foreign countries was obtained through the courtesy of the U. S. Department of State; and the text matter for Continental European countries was prepared by Peter A. Speek.

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BULLETIN OF THE
S. BUREAU OF LABOR STATISTICS

No. 477 WASHINGTON JANUARY, 1929

PUBLIC SERVICE RETIREMENT SYSTEMS: UNITED STATES, CANADA, AND EUROPE

CHAPTER 1—SUMMARY

IN the summer of 1927 the Bureau of Labor Statistics undertook an inquiry into retirement systems for public-service employees in the United States, supplemented by a brief survey of retirement systems for Government employees in Hawaii, in Canada, and in European countries. The data concerning foreign systems were secured through the courtesy of the State Department from the Governments concerned. For the United States a field survey was carried on during the summer and early fall of 1927, information being obtained through personal interviews with the administrative officers, through consultation of official records, and from published reports.

State and Municipal Retirement Systems in the United States

CONSIDERATIONS of time and expense forbade an exhaustive study of the systems of the United States. Taking the country as a whole, there are literally hundreds of these. Police and firemen's pension plans are found in almost every city; retirement schemes for teachers, while not quite so general, are still very common; and numerous other groups of public employees have their own pension plans. Naturally, there is much sameness in these systems; any attempt to make a complete survey would involve endless duplication of detail with no compensating advantage. A study of state-wide systems and of municipal systems in cities having a population of 400,000 and over would, it was thought, include practically all types of pension plans, and would also give some idea of the relative advantage of the different kinds of systems.

At the time the study was undertaken six States had retirement plans applying to all employees not included in some recognized pension system. Twenty-one States and the District of Columbia had plans which included—or might include—all teachers in the public employ. Eighteen cities, according to the estimate of the Census Bureau, had in 1927 a population of 400,000 and over. The proposed survey would therefore include plans maintained by 46

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agencies, covering employees ranging from laborers to high ad trative, executive, and professional officers, and this, it was would be a sufficiently wide inquiry to cover all significant varia of the plans now in use.

A study of these plans from an actuarial standpoint would formidable task in respect to both time and cost, so a more mod program was adopted. It was decided to learn for each system su facts as the kind of employees covered; the differences made betw different classes; the source of funds and the division of cost between employers and employees; the conditions under which retirement on pension or allowance is permitted; what provision, if any, is made for dependents of deceased employees; the practice in regard to pensions for disability; the average age and years of service of those retiring; the income and expenditures of the system for the latest year reported upon; and such other matters as might throw light upon the advantages or disadvantages of a given plan. In practice it was not possible to secure all these data for all systems. In fact, in very few cases were records so kept that reliable information could be gained on all the points desired, so attention was concentrated upon the most important items.

Basic Classification of Retirement Plans

There are two particulars in which retirement plans differ fundamentally—the source of the funds by which they are maintained and the method by which provision is made for meeting the liabilities incurred. As to the first, plans may be contributory or noncontributory; as to the second, they may be managed upon either the cash disbursement or the actuarial reserve plan.

Under the joint contributory system each employee contributes regularly, usually by means of a deduction from his salary or wages, a fixed amount or a specified percentage of his compensation, while the employing agency either makes fixed regular contributions or undertakes to appropriate sufficient funds, as needed, to keep the system in operation; under the noncontributory system the whole cost is borne by one side, usually the employer. Noncontributory plans are unusual, and do not seem to be gaining in favor. Among the approximately 70 systems described in detail in the following pages there are only 7 in which the employees do not contribute to the funds of the system and only 2 in which the employing agency makes no contribution. The Maine and Connecticut State employees' systems, the Rhode Island State teachers' system, the Detroit system for municipal employees, and the Detroit, New York, and San Francisco systems for firemen are noncontributory systems so far as employees are concerned, while the Michigan and Montana State retirement systems for teachers are the only ones in which the employing agencies do not contribute toward the maintenance of the plans.

Cash Disbursement and Actuarial Reserve Systems

Under the cash disbursement system benefits are paid from whatever funds are on hand, without much reference to the future. During the early years of a system's operation the employees' contributions are often more than sufficient to meet all needs, but gradually the

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growing pension roll demands heavier and heavier annual payments, the contributions of the employees are progressively inadequate to the situation, and the employing agency is called upon for rapidly increasing annual contributions.

Under the actuarial reserve system a fund is established, and the employer, like the employee, pays into this regular contributions. The rate of contribution is so calculated for both sides that the fund receives annually an amount which, put at compound interest, will be sufficient to pay each employee when his time for retirement comes the share of the retirement allowance due for one year's services, and also to pay one year's share of such other benefits as the system may provide. The employing agency usually assumes responsibility for benefits due for services given before the plan was adopted and makes regular contributions to liquidate this accrued liability. Ordinarily such plans provide for an actuarial review of the situation at stated intervals, with a stipulation that, if the review shows a need for it, the rate of contribution may be revised.

The actuarial reserve plan is a comparatively recent development and is still far from general. There is a good deal of opposition to it in many places, for which it is rather difficult to find a definite reason. Probably part of the objection is due to the fact that such systems require careful and systematic operation, while the cash disbursement systems may be installed and operated for some time with little consideration of any kind. Naturally, those which are so installed and operated are likely to come to grief, and examples of this will be found in the following pages. If, however, the employing agency has undertaken to make what appropriations are needed, it may be a long while before the increasing demands create active dissatisfaction and lead to a recasting of the system, and meanwhile the plan may be held up as an example of the success of a cash disbursement system, free from the red tape and tiresome formality of an actuarial reserve system.

In some cases the objection is due to a belief that the actuarial reserve systems are less favorable to the employees than the other form. In one city the charge was definitely brought that under these systems the employee contributes too much and receives too little. The argument ran that contributions are based on the life expectation at the age fixed for retirement, and that this life expectation is calculated from the mortality tables of insurance companies, which in turn are based upon the experience of the companies. But insurance companies deal only with selected cases; applicants are subjected to a rigid physical examination and rejected if they fall below a prescribed standard. Naturally, among such a selected group the life expectation at any given age would be greater than in a miscellaneous group, such as the retirants of a teachers' or municipal employees' system, so that contributions based upon insurance experience are unduly high; that is, the average retirant dies before he has received the actuarial equivalent of the contributions to his credit. As yet the actuarial systems are rather too new for this objection to have been either disproved or verified; it seems, however, as if the provisions for reviewing the system at stated intervals with the possibility of revising the rates of contribution, if desirable, should meet the difficulty, provided it exists.

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Inclusiveness of Systems

Another point of difference is in the inclusiveness of retirement systems. Originally such plans were formed only for a particular group, whose risks were the same, and for whom uniform provisions could easily be adapted. As the desirability of having retirement systems became apparent, the number of such groups increased until there might be 9 or 10 systems among the employees of one municipality, or as many different teachers' systems as there were cities in a State. Unfortunately, even this duplication of systems did not provide for all employees, and in the same city some groups might be enjoying a prosperous retirement plan, others might have no retirement plan at all, and still others be covered by an expensive and ill-managed system. In an effort to meet this situation, the inclusive plans were formed, designed to cover all the employees of a State, or a city, thus avoiding duplication of effort and unnecessary expense, and insuring to all employees the protection of a strong, well-planned and thoroughly solvent system. When such an inclusive system is introduced, usually groups already covered by a retirement system are given their choice of coming in or remaining under their own plan, and there is a good deal of diversity in the attitude of the groups toward such an offer. Generally, the police and firemen cling to their own systems; in Baltimore the firemen and in Boston both police and firemen have been brought into the general system, but elsewhere they have remained outside. The teachers differ from place to place, but on the whole seem to prefer their separate organizations. The Chicago teachers present an interesting argument in favor of this. The municipal employees, they point out, are largely men, and the municipal system has been planned with a view to their needs, but the teachers are largely women. Men's dependents are usually younger than themselves while women's dependents are apt to belong to a generation older than themselves. The provision for dependents, therefore, which is attractive to men is wholly uninteresting to women; of what use is a "child's annuity" to an unmarried woman, supporting an aged aunt or an invalid parent? If the teachers should go into the general system, they would be helping to support a plan which is not adapted to their peculiar needs, as their own system is; therefore they prefer to remain under their own.

On the whole, however, where a well-planned State or municipal system has been inaugurated, there seems to be an increasing tendency for it to become all-inclusive. Sometimes an outside group comes in as a whole, bringing with it the funds of its own system, as well as its liabilities; sometimes it is arranged that those in the service at a given time shall remain under their own system, the benefits it provides being guaranteed to them, but that all newcomers shall enter the general system. Thus, in most cities in which a municipal system has been installed, there are a number of dying systems; they will remain more or less in force until those who were in the service when the municipal system came into being have passed out, while their successors are covered by the general plan.

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Benefits

A retirement allowance or pension, usually based on age and length of service, but sometimes on only one of these factors, is of course common to all the systems. There is a good deal of diversity as to these qualifications. Among the police and firemen, where full physical strength and agility may be required for good service, there are obvious reasons for setting an early age for optional retirement, but the situation is different where clerical and administrative groups are concerned. Practically all the systems made retirement compulsory by 70, though some of them provided for extensions in the case of unusually well qualified employees. An age for optional retirement was common, ranging in the different systems from 50 or under to 65. Among 41 systems, not including police and firemen's plans, 14 had only a service requirement, with no reference to age; in 3 the age for optional retirement was set at from 50 to 58, in 16 at 60, in 5 at 62, and in 3 at 65; in several of these an earlier age was set for women. Few of these systems kept any record of age at retirement, but in general the officials believed that employees tended to hold on to their jobs as long as possible, and that unless physical incapacity intervened they remained in the service considerably beyond the age for optional retirement.

The service qualification also presents considerable variation. In some of the actuarial reserve systems, there was neither age nor service requirement; the amount of the allowance to be drawn by the employee depended partly upon his length of service and partly upon his age at retirement, and he might use his own discretion about withdrawing, unless he should become incapacitated for service, when retirement would become compulsory. Where a service requirement was imposed, it varied from 10 to 40 years, 25 years being the commonest period, and 30 the next in order.

Other benefits are allowances for disability directly due to the performance of duty, allowances for ordinary disability, refund of contributions in case of separation from the service before reaching pensionable status, provision for dependents in case of the death of an active member or pensioner, and, in a few cases, a separation allowance for those who, after a certain length of service, are dismissed for some cause not involving their own fault or delinquency. Not many systems have all these benefits, the particular ones included depending largely upon the kind of employees covered. In police and fire departments, for instance, death or serious injury resulting from the performance of duty is a constant possibility, and disability allowances and provision for dependents are of almost as much importance to a man as the normal retirement allowance. These benefits, therefore, are found in nearly all the police and fire systems, and sometimes they are worked out very elaborately. In some cases the employee's contribution is calculated to cover his own risk of ordinary disability and part of the allowance to his widow, if he dies from natural causes, while the employing agency provides the whole of the special allowance for duty disability and for the widows and children of those dying as a result of injuries received in the service.

Among teachers and clerical employees, on the other hand, the service involves little or no risk of this character, and the systems are

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less likely to include such benefits. It is unusual for teachers' systems, for instance, to make provision for dependents, and when they do, it is apt to be confined to a choice given the retirant upon withdrawal between taking the full allowance to which he is entitled, with the understanding that at his death the whole matter is closed, or of taking a reduced allowance which, in case of his death, is to be continued to some beneficiary he has named.

On the whole, the tendency among the newer systems is to include more benefits than are found in the early systems, and especially to make some provision for dependents. The return of contributions, commonly with interest and sometimes with compound interest, is frequent among the newer systems. The omission of this provision is sometimes defended on the ground that the worker in making his contributions is really paying for insurance. If he should be injured or die during his service, he would receive an allowance, or his dependents would receive some compensation. He has this protection so long as he remains in the service, and if he retires before the time when he would receive a retirement allowance, he has no claim for anything further. The separation allowance is not common, but seems to have grown in favor recently. It is intended to prevent hardship in cases where a faithful and competent employee finds, after he has served for years, that a reorganization of the service has abolished his position, or that a reduction of the force has become necessary and that he is laid off in consequence, or that some other cause for which he has no responsibility has left him without a position.

Federal Employees' Retirement System

THE retirement system applying to the employees of the Federal Government is a compulsory contributory system, the employees contributing a percentage of their salaries, and there being an implied assumed responsibility by the Government for the difference between what the employees pay and the actual cost of the benefits, and also for the cost of benefits allowed to annuitants or pensioners for service rendered prior to the inauguration of the system.

The system covers all civil-service employees and certain other specified classes of employees of the Federal Government and regular annual employees of the District of Columbia municipal government.

Contributions.—The employees contribute 3½ per cent of their basic salaries, this amount being deducted from their salaries.

Retirement benefits.—The annuity for old-age and for disability retirement is computed by multiplying the average annual basic salary (not to exceed $1,500) for the last 10 years of service by the number of years of service (not to exceed 30) and dividing the product by 45. The maximum allowance specified in the law is $1,000, but the actual maximum is $999.96, as the law also specifies that the annuity shall be fixed at the nearest multiple of 12.

In case of separation from the service before becoming eligible for retirement, the employee's contributions are returned to him, with interest. Special provision is made for employees involuntarily separated from the service under certain conditions.

Conditions of retirement.—Employees must have reached the age of 70 and have rendered at least 15 years' service to be eligible to retirement with an annuity, except that letter carriers, post-office clerks,

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sea-post clerks, laborers, and mechanics may retire at age 65, and railway postal clerks and employees in extrahazardous occupations and those employed in the Tropics may retire at age 62. Retirement is compulsory at these ages but 2-year extensions may be granted by the head of the department; after August 20, 1930, only two such extensions may be granted. For a disability retirement annuity, the employee must have had 15 or more years of service and be totally disabled for useful or efficient service by reason of disease or injury.

For retirement benefits on being involuntarily separated from the service employees must be 45 years of age or over and have had at least 15 years' service, and the separation must not be by reason of misconduct or delinquency.

There is no provision in the law for dependents of employees.

Administration.—The administration of the retirement system is in the Commissioner of Pensions under the direction of the Secretary of the Interior.

Retirement System of the Territory of Hawaii

THE retirement system of the Territory of Hawaii, established January 1, 1926, is a joint contributory system, established upon an actuarial basis. It applies to all the employees, including teachers, of the Territorial government, and is open to county and city employees also, membership being compulsory for all except those in the service when the act establishing the system was passed, with whom it was optional.

Contributions.—The employees contribute a percentage of their salaries, determined by sex, occupational group, and age at entrance. For general employees, the rates for men range from 4.06 to 7.15 per cent and those for women from 4.58 to 8.06 per cent, while for teachers the rates for men range from 3.76 to 6.23 per cent and those for women from 4.50 to 7.73 per cent.

The government's contribution, calculated as a percentage of the aggregate pay roll, consists of a normal contribution to cover its share of the cost of benefits earned by that year's service and a deficiency contribution to meet the accrued liability, the contributions fixed for the first two years of operation being 3.05 and 2.91 per cent, respectively, of the pay roll.

Retirement benefits.—The normal service-retirement allowance is one-seventieth of the average annual salary for the last 10 years of service multiplied by the number of years of service. For those employed after January 1, 1926, the employee's contributions, it is expected, will pay half of this and the Territory pays the other half; for those in the service before that date the government pays the whole cost of the years of prior service.

The ordinary disability benefit is nine-tenths of what the service allowance would be for the same period of service, the minimum being 25 per cent of the average final salary, unless the retirant entered the service after age 40, when it is nine-tenths of what he would have received had he remained in the service till age 60.

The accidental or duty disability benefit consists of an annuity bought by retirant's accumulated contributions and an allowance from the government equal to two-thirds of his average final salary.

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In case of death from ordinary causes the decedent's contributions are returned with interest and the Government pays the beneficiaries a lump sum equal to 50 per cent of the decedent's last year's salary. If death is from an accident occurring in the discharge of duty the widow, children under 18, or dependent parents receive a pension of 50 per cent of the decedent's average final salary in addition to return of decedents' contributions.

If an employee leaves the service for any cause other than death or retirement his contributions are returned with interest. If he should be dropped from the service without his fault, after 20 years' service, he is entitled to a discontinued-service allowance, payable at age 60, equal to a service-retirement allowance based on years of service rendered and salary at the time of being dropped. Several options are offered at time of retirement, allowing a smaller personal allowance and certain benefits to designated beneficiaries.

Conditions for retirement.—Service retirement is permitted at the age of 60 and is compulsory at 70. An ordinary disability benefit is granted after a minimum of 10 years' service. There is no age or service requirement for the accidental or duty disability benefit and the accidental-death benefit, but for the ordinary death benefit one or more years of service is required.

Administration.—The retirement system is administered by a board of trustees, consisting of the treasurer and the auditor of the Territory of Hawaii, ex officio, a member elected by the membership of the system, and two citizens of Hawaii, not employees, one of whom shall be a responsible officer of a bank in the Territory or shall have had similar experience.

Retirement System for Employees of the Dominion of Canada

THE present Canadian retirement system for civil-service employees is a contributory one. It applies to all permanent civil-service employees with annual salaries of $600 or over, whose duties prevent them from engaging in any other substantially gainful occupation.

Contributions.—Employees pay 5 per cent of their salaries for the first 35 years of service, no further contributions being required, the Government contributing whatever additional sums may be necessary to maintain the system.

Retirement benefits.—The superannuation allowance is one-fiftieth of the average salary of the last 10 years multiplied by the years of service (not exceeding 35). The retiring allowance granted on occurrence of disability or abolition of office is equal to the superannuation allowance the employee would be entitled to if he had attained age 65. On voluntary withdrawal or dismissal, without retirant's fault, contributions are returned without interest. Provision is made for widows', children's, and dependents' allowances.

If 10 years' service has not been rendered, a gratuity not exceeding one month's pay for each year of service is granted on occurrence of disability or on abolition of office, and a gratuity not exceeding the amount of contributions without interest is paid when employee is required to retire on marriage; a gratuity is also granted to the dependents of a deceased contributor.

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Conditions for retirement.—Superannuation retirement is optional at age 65 and compulsory at 70, but extensions up to 75 may be granted. Ten years' service is required for superannuation and disability retirement allowances, but gratuities are given in certain instances where 10 years' service has not been rendered.

Administration.—The system is administered by the Department of Finance.

Public Service Retirement Systems in European Countries

THE present study of foreign public service retirement systems covers Austria, Belgium, Czechoslovakia, Denmark, France, Germany, Great Britain, Italy, Netherlands, Norway, Sweden, and Switzerland. Of these 12 systems those of Belgium, Great Britain, and Germany, for officials, provide pensions for which the Government pays the entire cost. In the other countries mentioned the system is in the nature of social insurance, even though often called a pension system, the employees paying a part, usually 50 per cent, or all of the cost.

Employees covered.—In most of these countries the systems cover not only employees in Government offices but also those in Government establishments and corporations. The Netherlands system also covers provincial and municipal employees, and in Norway such employees may be brought under the system by special decree.

Contributions.—In the following countries the employees contribute a percentage of their salaries and the Government pays the remainder of the cost: Austria (2.8 and 3.2 per cent, according to length of service), Czechoslovakia (not more than 5 per cent), Denmark (3 per cent), Italy (6 per cent), Norway (10 per cent), and Sweden (3 to 6 per cent). In France the employees contribute 6 per cent of their salaries and the Government 9 per cent, while in Switzerland the employees pay 5 per cent and the Government pays 7 per cent and in addition the employees contribute 4 and the Government 5 monthly payments of any salary increase. In the Netherlands the employees contribute 3 per cent of their basic salaries and the Government 10 per cent to the employees' pension fund, and the employees and the Government each contribute 5½ per cent of such salaries to the widows' and orphans' pension fund. Employees in Germany other than officials contribute from 1 to 10 marks per month, varying with salary.

Conditions for retirement.—Most of these countries fix both an age and a service requirement for retirement. The most common age set is 65 years—Belgium, Czechoslovakia, Germany, Italy, Netherlands, and Norway (for females) fixing this age. Austria, France, and Great Britain set the age at 60, and Sweden at 67, while only two—Denmark and Switzerland—have as high an age limit as 70 for all employees, Norway having that age requirement only for male employees. There is no age requirement in Italy after 40 years' service and in Switzerland after 50 years' service for males and 35 years' service for females.

In Austria, Czechoslovakia, Germany, for male employees, Great Britain, Netherlands, and Sweden 10 years of service is required for retirement; in Denmark, 2 to 30 years; in Germany, for female

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employees, 5 years; in Norway, 10 to 30 years; in Italy, 20 years; and in Belgium and France, 30 years. Frequently longer service is required for maximum benefits.

In case of disability there is no service requirement, except that in France 15 years' service is required where the disability was caused outside the service, and in the Netherlands 7 years' service is required when the disability is not serious, permanent, or total.

Retirement allowances.—The service allowances paid vary with length of service, salary, or amount of contributions. In the following countries a proportion of the last annual salary or income from service is paid: Austria, 78.3 per cent (maximum); Denmark, two-tenths to forty-sixtieths; Germany, for officials, 35 to 80 per cent; and Switzerland, 15 to 70 per cent. In other countries the proportion is of the average salary or income from service for a certain number of years multiplied by the years of service, the average salary taken being for the last three years in Great Britain (men, one-eightieth plus lump sum; women, one-sixtieth), Italy (one-fortieth of first 4,000 lire and one-sixtieth of the remainder) and the Netherlands (1.75 per cent; maximum, 70 per cent of basic salary), and for the last five years in Belgium (one-sixtieth). Norway pays from 54 to 66 per cent of the highest annual salary, and the other countries pay specified amounts.

The disability allowance is equal either to the full service allowance (as in Austria, Belgium, Czechoslovakia, Denmark, Germany, for employees, Norway, Sweden, and Switzerland), or to a part of the salary (as in Great Britain, full salary or £300 (maximum)); Netherlands, 30 to 70 per cent; Germany, for officials, 35 per cent (maximum); France, one-third to three-fourths, or full service pension; and in Italy, one-fortieth for each year of service).

Provisions for survivors.—In all of these countries provision is made for the widow and children of a deceased employee. In Belgium they are provided for by special funds, established and regulated by law. In Great Britain a gratuity may be granted the widow and orphans on the death of an employee in the discharge of duty. In other countries a certain percentage of the deceased employee's pension is allowed his dependents, generally 50 per cent for the widow and from 10 to 100 per cent for the orphans, as a rule varying with the number of orphans. In Denmark, however, the orphans are granted a specified sum, and in Sweden the amount paid the orphans is determined by the pension board, the total of the widow's and orphans' pensions not to exceed the pension of the deceased.

Administration.—The retirement systems of these countries is either by a special board under a Government department, usually the treasury or the department of social welfare (in Austria, Belgium, Czechoslovakia, Denmark, France, Great Britain, Italy, Norway, and Sweden), or by an independent State or national insurance office (in Germany), or under a Federal council (in the Netherlands and Switzerland).

Tabular Comparison of Principal Features

TABLE 1 brings together, in convenient form for comparison, the principal features of the retirement systems of the United States (Federal and State), Canada, and various European countries.

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TABLE 1.—*Comparison of public service retirement systems in various countries*

Country or State and principal laws	Type of system	By whom administered	Employees covered
United States (Act of 1926, 44 Stat. L., p. 904.)	Contributory	Commissioner of Pensions under direction of Secretary of Interior.	Employees in classified civil service; certain employees working in District of Columbia; superintendents of national cemeteries; citizen employees of Panama Canal; certain unclassified employees; regular annual employees of District of Columbia; and others to whom act may be extended by Executive order.
Connecticut (Public Acts, 1919, ch. 210; 1921, ch. 74; 1923, chs. 119, 217).	Noncontributory.	State board of finance and control.	All regular State employees.
Maine (Laws of 1919, ch. 38; 1923, ch. 199; 1925, ch. 118).	do	Governor and council.	All employees of State institutions or departments.
Massachusetts (Acts of 1911, ch. 532; various amendments, now consolidated with original act in Gen. Laws, ch. 32).	Contributory	Board of 3: State treasurer, an employee member elected by his fellows, and a third elected by these two.	Permanent and regular employees not covered by some other recognized pension system. Judges and some others excepted.
New Jersey (Public Laws, 1921, ch. 109; amended 1923, 1924).	do	Board of 5: State treasurer ex officio; 2 appointed by governor; 2 employee members elected by their fellows.	All in classified civil service unless covered by some other recognized pension system.
New York (Laws of 1920, ch. 741; 1922, ch. 591; amendments each year since 1920, including 1927).	do	State comptroller	All State employees except teachers. Employees of cities, towns, and counties admitted.
Pennsylvania (Acts of 1923, No. 331 (P. L. 858); amended, Acts of 1927, No. 55).	do	Board of 5: State secretary and treasurer ex officio; 1 member appointed by governor; and 2 employees elected by their fellows.	All State employees except judges and those covered by school employees' pension system.
Austria (Constitution; acts of 1914, 1921, and 1924).	do	Ministry of Finance	Officials and employees in Government offices, establishments, and corporations.
Belgium (Acts of 1844, 1849, 1886, 1920, and 1926).	Noncontributory.	do	Government employees.
Canada (act of 1924, amended, 1927).	Contributory	Department of Finance.	Civil service employees with annual salaries of $600 or over.
Czechoslovakia (Acts of 1920 and 1924).	do	Ministry of Social Welfare.	Employees in Government offices, establishments, and corporations.
Denmark (Law of June 27, 1927).	do	Treasury Department.	All Government employees.
France (Acts of 1924 and 1926).	do	Ministry of Finance	Permanent employees in Government offices and industrial establishments.
Germany (Acts of 1873, 1881, 1886, 1888, 1907, and 1923).	Noncontributory for officials; contributory for employees.	National Insurance Office.	Government officials, employees, and laborers.
Great Britain (Superannuation Acts, 1834 to 1919, and acts of 1920 and 1924).	Noncontributory.	Commissioners of the Treasury.	Civil service employees and Crown appointees.
Italy (Law of Feb. 21, 1895).	Contributory	Ministry of Finance	All employees in Government offices and establishments.
Netherlands (Law of July 1, 1922).	do	Pension Council	All employees in offices and establishments of State, Provinces, and municipalities.
Norway (Law of July 28, 1921).	do	Pension board under Ministry of Public Welfare.	All employees in State offices and establishments, and provincial and municipal employees brought under system by special decree.
Sweden (Law of Oct. 11, 1907).	do	Ministry of Finance	Government officials and employees provided for in regular State budget.
Switzerland (Acts of 1919 and 1920).	do	Federal Council	Government officials, employees, and laborers.

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TABLE 1.—*Comparison of public service retirement systems in various countries*—Continued

Country or State	Conditions for retirement
United States	Age 70 years after 15 years' service (letter carriers, post-office clerks, sea-post clerks, laborers, and mechanics, age 65 years after 15 years' service; railway postal clerks, employees in specially hazardous or physically strenuous occupations or in occupations exposing to extreme heat or cold, and employees 15 years or more in service in Tropics, age 62 years after 15 years' service)—compulsory, with exceptions. Disability: 15 years' service; medical certification.
Connecticut	30 years' service or age 70 years after 20 years' service; larger pension for 40 years' service.
Maine	25 consecutive years' service with good record.
Massachusetts	Age 60 years, after 15 years' continuous service, or after 35 years' service regardless of age. Compulsory at 70 years. Ordinary disability: 15 years' service. Duty disability: No age or service requirements. Medical certification for all disability.
New Jersey	Optional at 60 years; compulsory at 70, except by special exemption. Ordinary disability: 10 consecutive years' service; medical certification. Duty disability: No requirements beyond medical certification.
New York	Optional at 60 years; compulsory, with exceptions up to 1936, at 70. Ordinary disability: 15 years' service; medical certification. Duty disability: No service requirement; medical certification. Discontinued service retirement. (See text.)
Pennsylvania	Optional at 60 years after 25 years' service. No set age for compulsory retirement. Disability: 5 years' service; medical certification.
Austria	Age 60 years after 10 years' service, for annuity; 3 to 10 years' service, for lump sum. Disability: No service requirement.
Belgium	Age 65 years after 30 years' service. Disability: Accident, no service requirement; other, 10 years' service. Special provisions for magistrature and school services.
Canada	Age 65 years, after 10 years' service; compulsory at 70, with exceptions. Disability: 10 years' service for yearly allowance; 1 year's service for gratuity.
Czechoslovakia	Age 65 years after 10 years' service; minimum, 5 years' service. Disability: Accident, no service requirement; other, 10 years' service; minimum, 5 years' service.
Denmark	Age 70 years after 2 to 30 years' service. Disability: No service requirement.
France	Age 60 years after 30 years' service, or 55 years after 25 years' service, including 15 years' field service. Disability: No service requirement, except when disability is incurred outside service when it is 15 years.
Germany	Officials: Age 65 years. Employees: Age 65 years after 10 years' service for males, 5 years' service for females. Disability: Officials and employees, no service requirement.
Great Britain	Age 60 years after 10 years' service. Disability: Accident, no service requirement; other, 10 years' service for pension; no service requirement for gratuity.
Italy	Age 65 years after 20 years' service; no age limit after 40 years' service. Disability: No service requirement.
Netherlands	Age 65 years after 10 years' service; deferred right to pension at age 65 after 15 years' service if discharged dishonorably or if retirement voluntary; or in certain cases, by royal decree, 55 years after 10 years' service when honorably discharged. Disability: Accident or sickness in service 7 years' service; no service requirement when disability serious, permanent, or total.
Norway	Age 70 years for males and 65 for females (age varies in State mines, State prisons, post, telegraph and telephone service, marine service, etc.) after from 10 to 30 years' service. Disability: No service requirement.
Sweden	Age 67 years after 10 years' service. Disability: No service requirement.
Switzerland	Age 70 years or 50 years' service for males, 35 years' service for females. Disability: No service requirement.

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TABLE 1.—*Comparison of public service retirement systems in various countries*—Continued

Country or State	Retirement allowances
United States	Service and disability benefits: Average annual basic salary (not to exceed $1,500) during last 10 years' service multiplied by years of service (not to exceed 30) and product divided by 45. Maximum, $1,000.
Connecticut	One-half average annual salary for last 5 years; if employee has served 40 years, three-fourths of such salary.
Maine	Not to exceed one-half of average salary for last 5 years' service.
Massachusetts	Service allowance: Annuity purchased by members' contributions plus pension of same amount from State: minimum, $300 a year; maximum one-half of final compensation. Ordinary disability: Same as for service retirement. Duty disability: One half of salary at time of injury.
New Jersey	Service allowance: For each year of service one-seventieth of final compensation. Ordinary disability: Annuity bought by members' contributions plus pension from State of not over one-fifth of final compensation. Duty disability: Annuity bought by members' contributions plus pension from State of two-thirds of final compensation.
New York	Service allowance: For each year of service one-seventieth of final compensation. Ordinary disability: Nine-tenths of one-seventieth of final compensation, multiplied by years of service. Duty disability: Annuity bought by employees' contributions plus pension from State of three-fourths of final compensation. Discontinued service: Allowance for service retirement plus extra pension if employee is 50 or over.
Pennsylvania	Service allowance: For each year of service one-eightieth or one-fiftieth of final compensation according to rate of contribution chosen. Disability: Annuity and pension to equal for each year of service one-ninetieth of final salary; minimum 30 per cent of final salary; maximum, eight-ninths of allowance receivable had member served till age 60.
Austria	Service and disability benefits: Annuities—Maximum, 78.3 per cent of last annual income from service after 40 years' service (35 years' service for employees with university education). Lump sum for less than 10 years' service—Maximum, twice 78.3 per cent of last annual income from service.
Belgium	Service and disability pensions: One-sixtieth of average salary for last five years or, in field service, one-fiftieth of such salary for each year of service. Accident pension: One-fourth of last annual salary plus one-sixtieth of such salary for each year of service over 5 years. Maximum pension in any case, three-fourths of salary used as basis for calculation. Special provisions for magistrature and school services.
Canada	Service and disability pensions: One-fiftieth of average salary of last 10 years multiplied by years of service (not exceeding 35). Gratuity for disability if less than 10 years' service.
Czechoslovakia	Service and disability benefits: From 180 to 900 crowns annually for salary classes 1 to 6; 900 crowns plus 1½ to 15 crowns for each month of contributions for classes 7 to 16. In addition one-eighth of contributions paid after 10 years' contributions. Proportionate amounts for 5 to 10 years' service. Sick benefits: 1.4 to 24 crowns per day, varying with salary.
Denmark	Service and disability pensions: From two-tenths to forty-sixtieths of annual income from service; maximum, 8,000 crowns.
France	Service pensions: From one-half to three-fourths of average income from service during last three years; maximum 18,000 francs per annum. Disability pension: For disability incurred in service, one-third to three-fourths of last salary, minimum, 1,500 francs, or longevity pension; for disability incurred outside service after 15 years' service one-sixtieth of average salary in case of office service or one-fiftieth in case of field service.
Germany	Service pensions: Officials—From 35 to 80 per cent of last annual income from service varying with years of service. Employees—From 516 to 2,280 marks per annum varying with salary, years contributing, and whether married and having children or not. Disability: Officials—Not to exceed 35 per cent of income from service. Employees—Same as service pensions.
Great Britain	Service and disability (after 10 years' service) pensions: Men—One-eightieth of final (average of last 3 years) income from service multiplied by years of service plus lump sum equal to one-thirtieth of final income from service for each completed year of service or one and one-half times the income, whichever is smaller. Women—One-sixtieth of final income from service multiplied by years of service. Lump-sum gratuity for disability if less than 10 years' service or in case of accident in service.
Italy	Service pension: One-fortieth of first 4,000 lire and one-sixtieth of remainder of average income from service of last three years for each year of service; maximum, nine-tenths of such income from service; minimum, 900 lire per annum; for 40 years' service, four--fifths of such income from service. Disability pension: One-fortieth of average income from service of last three years for each year of service; maximum, nine-tenths of such income from service; minimum one-third of last annual salary for less than 20 years' service or one-half of such salary for 20 years' service or over; in any case, 900 lire per annum.
Netherlands	Service pension: 1.75 per cent of average income from service for last three years for each year of service; maximum, 70 per cent of such average income or 4,000 florins. Disability pension: From 30 to 70 per cent of average income from service for last three years.
Norway	Service and disability pensions: From 54 to 66 per cent of highest annual salary.
Sweden	Service and disability pensions: Maximum,from 7,296 to 8,796 crowns per annum for officials; and for other employees, males from 1,320 to 6,996 crowns and females from 1,236 to 6,684 crowns per annum, according to salary.
Switzerland	Service and disability benefits: From 15 to 70 per cent of last annual salary, varying with years of service..

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TABLE 1.—*Comparison of public service retirement systems in various countries*—Continued

Country or State	Provision for survivors
United States	None.
Connecticut	None.
Maine	None.
Massachusetts	For dependents of member killed in service, pension of one-half of salary employee received at time of accident. For others, options at time of retirement.
New Jersey	Options at time of retirement. For death incurred in line of duty, pension to widow or minor children.
New York	Options at time of retirement; ordinary death benefit; accident death benefit.
Pennsylvania	Options at time of retirement; no other provision.
Austria	Widow: Half of benefits of deceased husband. Orphans: One-fifth of widow's annuity for each child up to 21 years; if no widow, undivided orphans' annuity of one-half of widow's annuity.
Belgium	No provision under retirement system, but special funds, established and regulated by law, are maintained by deductions from salaries of members. Provision varies from fund to fund; in Department of Finance it is: Widow—From 20 per cent of average salary of deceased for last 5 years to 50 per cent of last annual salary; maximum, 10,000 francs. Orphans—For each child up to 18 years, from 2 to 10 per cent of average salary of deceased; if no widow, three-fifths of widow's pension for 1, four-fifths for 2, and entire amount for 3, plus 2 per cent of average salary per orphan in excess of 3—maximum, 10 per cent.
Canada	Widow: One-half of deceased's allowance until remarriage. Orphans: For one, 10 per cent of employee's allowance (not more than $300); maximum for all children, 25 per cent. If no widow, 20 per cent of employee's allowance (not more than $600); maximum for all children, 50 per cent.
Czechoslovakia	Widow: Half of benefits of deceased husband. Orphans: For each child under 17 years, one-fifth of benefits of deceased; if no widow, two-fifths of such benefits, total not to exceed benefits of deceased.
Denmark	Widow: From one-fifth to one-third of annual income from service of deceased husband. Orphans: One, 180 crowns, two, 330 crowns, and three, 450 crowns, and each child in excess of three, 100 crowns per annum.
France	Widow: Half of pension of deceased husband. Orphans: For each child under 21 years, 10 per cent of pension of deceased; total widows' and orphans' pensions not to exceed deceased's pension; if no widow, 10 per cent of pension plus proportionate share of widow's pension.
Germany	Widow: Officials—40 per cent of pension of deceased husband. Employees—60 per cent of basic retirement benefits of deceased. Orphans: Officials—For each child under 18 years of age, one-fifth of widow's pension; if no widow, one-third of such pension; widows' and orphans' pensions, separately or together, not to exceed deceased's pension. Employees—For each child under 15 years, 50 per cent of basic retirement benefits of deceased.
Great Britain	On death incurred in discharge of duty widow and orphans may be granted a gratuity not exceeding one year's salary of deceased, or annual allowance not exceeding salary of deceased or £300, whichever is smaller.
Italy	Widow: 50 per cent of deceased husband's pension. Widow and children: 1 child, 60 per cent of deceased employee's pension; 2 children, 65 per cent; 3 children, 70 per cent; 4 or more children, 75 per cent; minimum, 600 lire per year. Whole orphans: Not more than 2 orphans, one-third of deceased employee's pension; 3 orphans, 40 per cent; 4 orphans, 50 per cent; 5 or more orphans, 60 per cent; minimum, 500 lire per annum.
Netherlands	Widow: 50 per cent of first 2,000 florins and 40 per cent of remainder of deceased husband's average income from service for last 3 years. Orphans: 10 per cent of pension base of deceased for each child under legal age. If no widow, 20 per cent of pension base of deceased for each child under legal age. Maximum pension base for calculation of widow's and orphans' pensions, 3,000 florins.
Norway	Widow: One-half of deceased husband's pension. Orphans: For one, 40 per cent of widow's pension; for two, 60 per cent; for three, 75 per cent; for four, 90 per cent; and for five or more, 100 per cent. If no widow, same percentages of father's pension.
Sweden	Widow: One-fourth of deceased husband's pension. Orphans: For children under 21 years, amount decided by pension board. Aggregate pension for widow and orphans may not exceed pension of deceased. If no widow, cost of living, schooling, and training paid by survivors' pension fund.
Switzerland	Widow: From 25 to 100 per cent (normally 50 per cent) of pension of deceased husband. Orphans: For each child under 18 years, 10 per cent of annual salary of deceased, total for all children not to exceed 30 per cent of such salary. If no widow, each child, 20 per cent of such salary.

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TABLE 1.—*Comparison of public service retirement systems in various countries*—Continued

Country or State	Contributions
United States	By employees: Three and a half per cent of basic salaries. By Government: Remainder necessary and contributions to cover prior service; cost of administration.
Connecticut	State appropriates biennially amount needed.
Maine	State appropriates amount needed.
Massachusetts	By employees: 5 per cent of salary up to $1,560; by those employed prior to June, 1918, choice of 3 or 5 per cent. By State: Monthly contributions to meet cost of pensions for prior and subsequent service, and amounts needed for disability and accident death benefits. State makes up any deficiency.
New Jersey	By employees: Percentage of salary, determined by sex, age at entrance, and kind o work. By State: (1) Normal contribution equal to sum of members' contributions; (2) contribution to cover prior service; (3) contribution for death benefits and cost of administration.
New York	By employees: Percentage of salary, determined by sex, age at entrance, and kind of work. By State: (1) Normal contribution; (2) deficiency contribution; (3) cost of administration. (1) and (2) are percentages of active pay roll, determined annually.
Pennsylvania	By employees: Percentage of salary, based on age at entrance, choice between two rates. By State: (1) Amount equal to sum of members' contributions; (2) contribution to cover prior service; (3) cost of administration.
Austria	Calculated on actuarial or mathematical basis—50 per cent by employees and 50 per cent by Government. Employees contribute 3.2 per cent of salary for full pension payable before 40 years' service and 2.8 per cent for pension payable after 40 years' service.
Belgium	Government bears entire cost, appropriating annually the necessary sums.
Canada	By employees: 5 per cent of salary; no contributions after 35 years' service. By Government: Remainder needed to maintain system.
Czechoslovakia	Calculated on actuarial or mathematical basis—50 per cent by employees and 50 per cent by the Government. Law stipulates that employee's contribution shall not exceed 5 per cent of average daily wage.
Denmark	By employees: 3 per cent of income from service. By Government: Remainder necessary.
France	By employees: 6 per cent of income from service. By Government: 9 per cent of salary (appropriating annually necessary sums).
Germany	Officials: Government bears entire cost; benefits to their widows and orphans paid partly by Government and partly by officials, who contribute 3 per cent of salary. Employees: 50 per cent by employees and 50 per cent by Government. Employees contribute from 1 to 10 marks per month, varying with salary.
Great Britain	Government bears entire cost, appropriating annually therefor.
Italy	By employees: 6 per cent of income from service. By Government: Remainder of cost of operation, provided for each year in budget.
Netherlands	10 per cent of average of total basic salaries is contributed by State, provincial, and municipal governments to employees' pension fund and 5½ per cent of average of total basic salaries to survivors' fund. Three per cent of basic salary levied upon employees for employees' pension fund and 5½ per cent of basic salary for survivors' pension fund.
Norway	By employees: 10 per cent of salary. Government guarantees payment of pensions and contributes remainder of cost each year.
Sweden	By employees: From 3 to 6 per cent of basic salary. By Government: Remainder o cost of operation of system—approximately two-thirds.
Switzerland	By employees: 5 per cent of annual salary and 4 monthly payments of any increase in salary. By Government: 7 per cent of annual salary of insured plus sum equal to 5 monthly payments of any increase in employees' salary; cost of administration; and any deficit.

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CHAPTER 2.—FEDERAL EMPLOYEES' RETIREMENT ACT

THE first law creating a retirement system of general application to Federal employees was approved on May 22, 1920. (41 U. S. Stat. L., p. 614.) This law was amended in 1922 by four separate enactments of the Sixty-seventh Congress. (42 U. S. Stat. L., pp. 364, 470, 651, 1047.) After six years' experience Congress reenacted the law with several material changes (44 U. S. Stat. L., p. 904), the most important of which provided for more liberal coverage; an increase in the percentage contributed by the Federal employees—from 2½ to 3½ per cent of their basic annual salaries; credit for every year's and every month's service up to 30 years instead of dividing the credit for services into three-year periods; an increase in the maximum annuity from $720 to $1,000; and the compilation of more complete and more valuable records.

System of Contribution

BEFORE analyzing the provisions of the law it might be advisable to have in mind the general nature of the law. The retirement act of 1920 provided for the creation of an old-age insurance system for its employees in the service after the passage of the act, and for an old-age pension system as regards service rendered prior to the act.

Under the old-age insurance system an employees' retirement and disability fund was set up. In 1920 proper statistics were not available to show the cost of the system, and until sufficient time had elapsed to enable actuaries to give a fair estimate of the cost an arbitrary rate of 2.5 per cent was fixed by Congress as the amount to be deducted as premiums from the salaries of all persons covered by the act. At the time Congress passed the act of 1920 it was believed that the law would cost the Government at least as much as it would the employees and that the cost to the Government would be immediate. The Government impliedly assumed responsibility for the difference between the 2.5 per cent and the actual cost of the system, but no appropriation was passed or percentage of contribution fixed. In 1926 Congress reduced the basis of liability of the Government to the fund from, roughly, three-eighths to one-eighth of the cost by increasing the amount of contributions or premiums deducted from salaries—from 2.5 per cent to 3.5 per cent. Again there was an implied assumed responsibility on the part of the Government for the difference between this 3.5 per cent and the actual cost. Whether the Government will follow this tendency to increase the share of the employees and eventually to relieve itself of all liability by placing the fund on a self-supporting basis or whether it will contribute something as its share for the benefit it receives under the act is for the future action of Congress to decide.

In 1920 there were many old employees immediately eligible for retirement. Under the terms of the act many were retired and were

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entitled to benefits, for which the Government assumed full responsibility. As they had contributed nothing to the fund, everything due them was in the nature of a pension. They are solely pensioners of the Government, and for their pensions the Government alone must pay the entire cost. Present employees or their fund assume no responsibility and can not be held to be liable in any way for any payments of any nature made to these pensioners.

In 1920 many employees who had been for years in the service of the Government were covered by the act, and thereafter a premium of 2.5 per cent was deducted from their salary as their contribution to the fund. As they did not enter the service after the act of 1920 they are not solely under the insurance fund. As they did not immediately retire they are not solely pensioners. To the extent that they rendered service and contributed to the fund after the act of 1920 the fund is liable for their annuity, but to the extent that they rendered service prior to the act of 1920 the Government alone is liable.

When the act of 1920 became effective it was assumed that Congress would appropriate its contribution to meet the pension payments. Congress, however, failed to do this, and, in the absence of an appropriation, those administering the act, in order to make payments to annuitants who were immediately retired, took part of the money which had been deducted from the salaries of employees and deposited in the fund, and paid it to persons who were retired under the act. This was done under the authority of the provision directing payments under the law to be made out of the fund. The amounts taken from the fund are in the nature of forced loans, "forced" because the employees who contributed premiums to create the fund had nothing whatever to say concerning the taking of their deposits, and "loans" because it must be assumed that Congress will repay them.

Under the present law the Government is liable (1) to the fund for the difference between 3.5 per cent of the salaries and the actual cost, (2) to annuitants or pensioners to the extent of benefits allowed for service rendered prior to the act of 1920, and (3) to the fund for the forced loans.

The fact that the Government made no appropriations to meet its liabilities complicated the situation. On June 30, 1927, the persons administering the act had taken $40,035,989.95 from the fund, which was the total amount paid to all retired employees as of that date, On these forced loans the Government owed the fund $4,796,549.97 interest. But as these superannuated employees had contributed $2,178,123.36 in assessments to the fund, the Government owed the fund $42,654,416.59 as of June 30, 1927, for annuities already paid.

The actuaries and those administering the act realized the danger involved in the Government's policy of postponing indefinitely the payment of these obligations and making further forced loans. In creating a plan of Government contribution to the fund, the actuaries have provided for the continuance of the system of loans, but it is planned that the Government will annually make appropriations liquidating its debt to the fund by a system of amortization or part payments which will completely pay off the debt and at the end of a 30-year period have a sufficient sum deposited to balance the accrued obligation for all service credited prior to the act of 1920.

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The actuaries estimate the value of all future payments to present annuitants and to persons now in active service who will in the future go on the retired roll as $851,668,166, made up as follows:

Funds on hand	$68, 336, 761
Future contributions of employees	342, 772, 972
Appropriations required of Government	440, 558, 433
Total	851, 668, 166

The $440,558,433 required from the Government may be divided into two parts—$47,535,058, which represents the present value of the future contributions, and $393,023,375, which represents the amount which must be placed in the fund to offset the lack of contributions in the past as of June 30, 1927. This last amount is known as the "accrued liability."

The actuaries believed that this accrued liability was too large to be covered by a single payment. They calculated that 1.97 per cent of the pay roll annually would liquidate this liability in 30 years if the pay roll increased by approximately 3 per cent per year. An annual contribution by the Government equal to 0.48 per cent of the pay roll, plus the 3.5 per cent contributed by the employees would equal 3.98 per cent, the normal cost of the plan. The actuaries recommended a contribution by the Government of 2.5 per cent instead of 2.45 per cent (1.97 per cent plus 0.48 per cent), as the time of liquidation depended upon the level of the pay roll. Explaining this the actuaries say: "As the employees are paying an arbitrary contribution of 3½ per cent of their salaries, the Government might very properly contribute a round sum equivalent to 2½ per cent of salaries instead of 2.45 per cent, and in this manner it would actually begin the liquidation of the accrued liability even if the pay roll did not increase. If the pay roll does not increase, contributions at this percentage may be expected to liquidate the accrued liability in 71 years; if the pay roll increases by 1 per cent each year, the percentage will liquidate the accrued liability in approximately 42 years; if it increases by 2 per cent each year, 33 years will be required for the liquidation of the accrued liability; while if the pay roll increases by 3 per cent each year, the period required to liquidate the accrued liability would be only about 28 years." [1]

On the basis of 2.5 per cent the Budget Bureau recommended an appropriation for the fiscal year ending June 30, 1929, of $19,950,000.[2] This item was included in the Interior Department's appropriation act for the year 1928–29 as passed (70th Cong., 1st sess., 45 Stat. 227). This was the first appropriation to be made in the liquidation of the Federal Government's "accrued liability."

Analysis of Act of 1926

Employments Covered

THE employees within the scope of the act include:

1. All employees in the classified civil service of the United States.

2. Certain specified employees working in the District of Columbia not otherwise covered, and superintendents of national cemeteries.

[1] United States Department of the Interior. Bureau of Pensions. Seventh annual report of the board of actuaries as of June 30, 1927. Washington, 1927. (H. Doc. No. 131, 70th Cong., 1st sess., p. 7.)

[2] Budget for the fiscal year ending June 30, 1929, p. 645.

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3. All employees of the Panama Canal on the Isthmus of Panama who are citizens of the United States.

4. Certain unclassified employees in cities and establishments in which appointments are made under specified conditions.

5. All regular annual employees of the municipal government of the District of Columbia appointed by the commissioners or other competent authority.

6. All employees to whom the Federal employees' retirement act of May 22, 1920, and amendments shall have been extended by Executive order.

7. Postmasters of the first, second, and third class who have been promoted, appointed, or transferred from the classified civil service.

Employees whose employment is intermittent or of uncertain duration and who fall within groups 2, 3, and 4 do not come under the act and any employee or group of employees so employed and within one of the other groups may be excluded by the President from coverage by the act.

Several classes of employees are specifically excluded from the act. They are: (*a*) Certain employees of the lighthouse service; (*b*) members of the police and fire departments and school officers and teachers of the District of Columbia; (*c*) postmasters except those described in group 7 above; (*d*) employees excluded by Executive order from the benefits of the Federal employees' retirement act of May 20, 1920. Groups (*a*) and (*b*) are covered by special retirement systems. Employees in the foreign service of the United States are also provided for by a special retirement system. (43 U. S. Stat. L. p. 144.)

Any employee or group of employees in the civil service not covered may be brought under the act by Executive order upon recommendation of the Civil Service Commission.

Conditions for Retirement

All employees covered by the act who have attained the age of 70 years and rendered at least 15 years' service are eligible for retirement and an annuity as described below; except that after 15 years' service, letter carriers, post office clerks, sea post clerks, laborers, and mechanics are eligible for retirement and the annuity upon attaining 65 years; and after 15 years' service, railway postal clerks, those employees whose occupations are hazardous or require great physical effort or which necessitate exposure to extreme heat or cold, and employees 15 years or more in service in the Tropics are eligible upon attaining the age of 62 years.

The classification of employees for the purpose of assignment to the various age groups is determined jointly by the Civil Service Commission and the heads of the department, branch, or independent office of the Government concerned. The term "mechanics" is defined to include certain employees of the Government Printing Office and special provision is made for certain mechanics transferred or reduced to minor positions.

The act provides that all employees covered by the act shall, on arriving at retirement age and having rendered 15 years' service, be automatically separated from the service and all salary shall cease, but if the head of the department, branch, or office certifies to the Civil Service Commission that by reason of the efficiency and willingness of the employee to remain in the civil service the continuance of

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such employee therein would be advantageous to the public service, such employee may be retained in the service for two years, receiving additional extensions for two-year periods thereafter; after August 20, 1930, however, no employee may be continued in the civil service more than four years beyond the age of retirement. No person receiving the old-age annuity may be employed again in any position covered by the act.

Any employee covered by the act who has had 15 or more years' service and who, before becoming eligible for old-age retirement, becomes totally disabled for useful and efficient service by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part shall, upon his request or the request or order of the head of the department or branch office concerned, be retired and allowed the annuity described below. The application for retirement must be made prior to or within six months after separation from the service. Medical examination and report by a medical officer of the United States or physicians or surgeons designated by the Commissioner of Pensions, showing disability, is required. At least one annual medical examination is required in each case (unless it is clearly evident that it is unnecessary) until the employee reaches the regular retirement age. No person shall be entitled to both the payments under this act and those under the United States employees' compensation act for the same period of time, but the employee may elect to receive the greater benefit conferred by either act for any part of the time.

Employees 45 years of age or over who, after at least 15 years' service and before becoming eligible for old-age retirement, become involuntarily separated from the service, but not by reason of misconduct or delinquency, are entitled to certain allowances described below. But these allowances cease if such employees be reemployed in the Government service.

Annuities and Refunds

The annuity allowed an employee for old-age retirement under the act is computed by multiplying the average annual basic salary (not to exceed $1,500) received by such employee during the 10 years of allowable service immediately preceding the date of retirement by the number of years of service (not to exceed 30) and dividing the product by 45. The law provides that the maximum allowance per year shall be $1,000, but it also provides that the annuity shall be fixed at the nearest multiple of 12, making the actual maximum $999.96.

An employee retired under the act because of disability shall be entitled to an annuity computed on the same basis as that for old-age retirement, but if before reaching retirement age such employee is found, after examination, to be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payments cease 90 days after such examination.

An employee 55 years of age or over who is involuntarily separated from the service after at least 15 years' service and before becoming eligible for old-age retirement may elect to be paid either (*a*) the total amount deducted from his basic salary with interest or (*b*) an immediate life annuity, beginning at the date of separation from the

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service, having a value equal to the present worth of the annuity which would have been allowed him at the age at which he would otherwise have become eligible for retirement, or (*c*) a deferred annuity beginning at the age at which he would otherwise become eligible for retirement, of the amount which would have been allowed him at that age. An employee between 45 and 55 years of age who is involuntarily separated from the service after at least 15 years' service and before becoming eligible for retirement, shall be entitled to a deferred annuity, but upon reaching 55 years of age he may elect to receive an immediate life annuity based on its present worth at the time.

Any employee covered by this act, who is transferred to an employment not under the act or who becomes separated from Government service before becoming eligible for retirement, shall be refunded the amount deducted from his salary with interest. But if such employee reenters the service in any employment covered by the act, such refund must be redeposited, with interest, in order to receive any benefit under the act. In case of the death of an annuitant after retirement but before he has received payments equal to the deductions from his salary, with interest, the excess shall be paid to his legal representatives. If an employee dies before becoming eligible for retirement or establishing his claim for an annuity, the amount deducted from his salary, with interest, shall be paid to his legal representatives. If a former employee entitled to a refund becomes legally incompetent the refund shall be paid to his guardian or committee.

None of the moneys mentioned in this act are assignable, or subject to execution, levy, attachment, garnishment, or other legal process.

The aggregate period of service which forms the basis for calculating the amount of any benefit is computed from the date of original employment, including periods of service at different times and in one or more departments, branches, or offices, and service overseas, and in the Army, Navy, Marine Corps, or Coast Guard. But in the case of an employee electing to receive a pension or retired pay on account of military or naval service, or compensation under the war risk compensation act, the period of his military or naval service upon which such pension is based is not included. He may, if so entitled, receive both a pension for his military or naval service and an annuity under this act. Employees who transfer from an employment covered by this act to an employment not so covered but in Government service and who later return to an employment covered by the act receive credit for such time in the employment not covered upon contributing to the fund the amount he would have contributed if he had continued in the covered employment. Periods of separation from the service and any leave of absence exceeding six months in the aggregate in any calendar year shall not be included in computing length of service.

All persons already retired under the provisions of the act of May 22, 1920, shall have their annuity computed and paid in accordance with the act of 1926, but in no case is the annuity to be reduced.

The act provides that payments shall be made by check on the first business day of each month following the period for which the payment has accrued. The old-age retirement annuity commences from the date of separation from the service and continues during the life of the employee.

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Source of Funds

Funds are secured by deductions from the basic salary of all employees covered by the act. From July 31, 1920, to July 1, 1926, deductions were at the rate of 2½ per cent. Since that time, however, employees have been required to contribute 3½ per cent of their basic salaries. These amounts so deducted are deposited in the Treasury of the United States to the credit of the "civil-service retirement and disability fund," out of which fund annuities, refunds, and allowances are to be paid. All employees covered are deemed to have consented to these deductions. The Secretary of the Treasury is authorized to receive as a supplement to the fund any donations by private individuals or organizations for the benefit of civil-service employees. The Secretary of the Treasury is directed to invest portions of the retirement fund in United States bonds and in Federal farm loan bonds and the income from such investments is made a part of the fund.

Administration

The administration of the act is placed in the Commissioner of Pensions under the direction of the Secretary of the Interior. An appeal from the final action of the Commissioner of Pensions is allowed to the Secretary of the Interior. The Commissioner of Pensions is required to make an annual report and to transmit to Congress, through the Secretary of the Interior, the reports and recommendations of the board of actuaries.

The Civil Service Commission is required to keep a record of essential information concerning individual service and to furnish the Commissioner of Pensions such reports therefrom as he shall request. The commission is also required to prepare and keep tables, records, and other information which may be used to serve as a guide for future valuations and adjustments of the plan for retirement.

Three actuaries (one of whom shall be the Government actuary), selected by the Commissioner of Pensions and known as the board of actuaries, shall make an annual report upon the actual operations of this act, make a valuation of the "civil-service retirement and disability fund" at least every 5 years, prepare such tables as may be required by the Commissioner of Pensions for the purpose of computing annuities under the act, and shall have authority to recommend such changes as in their judgment may be deemed necessary.

The Secretary of the Interior shall submit annually to the Bureau of the Budget, estimates of the appropriations necessary to finance the retirement fund and to continue this act in full force and effect.

The Comptroller General shall establish and maintain an account showing the annual liabilities of the Government under this act and shall keep such other accounts as may be deemed necessary.

Statistics of Operation of the Act

THE report relating to the Bureau of Pensions for the fiscal year ending June 30, 1927, found in the annual report of the Secretary of the Interior, contains some interesting statistics showing the operation of the act. In presenting figures on the number of claims for refund settled each year since the first retirement law became operative in 1920, the report states that it is believed that these

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figures present a fair index of turnover in the civil service as a whole and concludes that employment conditions in the civil service are gradually becoming stabilized and that unless some unusual condition arises the annual turnover will soon reach a normal proportion. The number of claims for refund settled during each fiscal year are:

1921	26, 116	1925	36, 742
1922	70, 978	1926	34, 005
1923	58, 502	1927	31, 760
1924	45, 434		

The following tables were taken from the report relating to the Bureau of Pensions:

Receipts and disbursements, civil-service retirement, year ending June 30, 1927

Balance in the fund July 1, 1926	$54, 629, 004. 93
Transfers on the books of the Treasury Department to the credit of the "civil-service retirement and disability fund" [amount deducted from salaries and credited to fund]	24, 355, 882. 00
Interest, profits, and miscellaneous items	2, 812, 581. 84
Total in fund	81, 797, 468. 77
Disbursements on account of annuities	9, 598, 285. 73
Disbursements on account of refunds (including $329,869.02 interest)	3, 862, 288. 82
Treasury settlement	133. 27
Total disbursements	13, 460, 707. 82
Balance in the fund June 30, 1927	68, 336, 760. 95

TABLE 2.—*Number, sex, and cause for which retired of civil-service annuitants on the roll June 30, 1927, and aggregate contributions made by them*

Class	Total number	Male		Female		Aggregate contributions
		Retired for age	Retired for disability	Retired for age	Retired for disability	
Mechanics	3, 195	2, 595	396	167	37	$361, 619
City and village letter carriers	2, 414	1, 793	621			324, 759
Rural letter carriers	2, 205	1, 918	279	2	6	268, 861
Post-office clerks	1, 222	842	226	100	54	156, 663
Railway mail clerks	1, 132	1, 017	115			136, 736
Departmental and other clerks	3, 112	1, 880	543	395	294	376, 845
Classified and unclassified laborers	805	532	113	95	65	73, 136
Tropical service and hazardous occupation	34	17	17			6, 671
Total	14, 119	10, 594	2, 310	759	456	1, 705, 290
Average contributions						120. 77

Number of civil-service annuitants receiving each classified amount, average annuity, and annual value of retirement roll, June 30, 1927

Amount of annuity	Number of annuitants
Under $100	10
Between $100 and $200	106
Between $200 and $300	409
Between $300 and $400	831
Between $400 and $500	1, 765
Between $500 and $600	1, 560
Between $600 and $700	1, 508
Between $700 and $800	1, 528
Between $800 and $900	2, 117
Between $900 and $999.96	1, 545
$999.96	2, 740
Total	14, 119
Average annual rate	$721. 39
Annual value of retirement roll	$10, 185, 305. 41

NOTE.—The annual value of the retirement roll is reached by multiplying the number of annuitants by the average annual rate, and it represents the amount necessary to pay such annuitants for one year.

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TABLE 3.—*Average salary received during last 10 years of service by annuitants on retirement roll, June 30, 1927*

Average salary	Total on roll	Eligible for retirement at—			Aggregate annuities	Aggregate compensation
		Age 62	Age 65	Age 70		
Less than $300	26		21	5	$3,377	$6,243
$300 to $600	179	1	138	40	43,781	83,910
$600 to $900	1,141	5	702	434	467,427	889,990
$900 to $1,200	2,603	27	1,966	610	1,363,028	2,819,676
$1,200 to $1,500	4,981	354	3,679	948	3,819,210	6,682,737
$1,500 to $1,800	3,652	414	2,748	490	3,117,814	5,913,517
$1,800 to $2,100	965	262	397	306	855,444	1,855,125
$2,100 to $2,400	308	87	106	115	277,778	682,165
$2,400 to $2,700	130	9	41	80	117,368	328,070
$2,700 to $3,000	56	4	20	32	52,166	159,184
$3,000 to $3,300	43	1	13	29	39,016	134,956
$3,300 to $3,600	16	2	4	10	14,197	54,998
$3,600 and over	19		6	13	16,231	83,855
Total	14,119	1,166	9,841	3,112	10,186,837	19,694,426

Average annuity $721.39
Average annual compensation 1,394.88

Number of civil-service annuitants and amount of annuities paid, by fiscal years

	Annuitants at end of year	Annuities paid during year
1920–21	6,471	$2,590,568.52
1921–22	7,576	4,188,258.89
1922–23	9,334	4,964,001.92
1923–24	10,548	5,692,443.59
1924–25	11,689	6,235,830.16
1925–26	12,524	6,766,601.17
1926–27	14,119	9,598,285.73

The total annual deductions from the salaries of Federal employees covered by the act have been sufficient, since the passage of the act, to meet the annuities of retired employees and to allow a balance to accumulate in the retirement and disability fund. As noted above, this balance in the fund as of June 30, 1927, amounted to $68,336,760.95.

The board of actuaries in its sixth annual report, for the year ending June 30, 1926, estimated that 3.98 per cent of the basic annual salaries of employees covered by the act would be sufficient to cover the continuing or normal cost of the system (not including the accrued liability). As noted above, by act of Congress, deductions are made from the salaries of employees at the rate of 3.5 per cent, regardless of the age, salary, length of service, or physical condition of the employee.

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CHAPTER 3.—STATE EMPLOYEE RETIREMENT SYSTEMS

APART from teacher-retirement systems and plans pensioning limited groups, such as judges, or war veterans employed in the public service, six States, Connecticut, Maine, Massachusetts, New Jersey, New York, and Pennsylvania, have legislation providing for the retirement of State employees on allowance. Such legislation is of decidedly recent date. Massachusetts led the way in 1911, with an act covering all persons employed "in the direct service of the Commonwealth or in the service of the metropolitan district commission, whose sole or principal employment is in such service." In 1919 Connecticut passed an act authorizing retirement pensions for persons in the State service who met certain requirements as to age and length of service and Maine recast her laws so as to extend to all State employees legislation which up to that time had applied only to those in the prison service and to public employees who were veterans of the Civil War. In 1920 New York, in 1921 New Jersey, and in 1923 Pennsylvania enacted laws establishing state-wide retirement systems, and since that time there has been a lull in such legislation.

While these plans differ in details, there is considerable resemblance in their general outlines. The Maine and the Connecticut systems are essentially at variance with the others in that they are noncontributory, and a number of differences in detail follow from this fundamental divergence. The others are alike in their main features, varying only in the manner in which these are worked out. All six are intended to apply to all regular and permanent State employees not covered by some other recognized pension plan, a provision which in all these States rules out teachers. In New York special provision is made for bringing in employees of cities, towns, and counties, and Massachusetts includes employees paid partly by the State and partly by counties.

Table 4 brings together the main features of all six plans:

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TABLE 4.—*Comparison of State employee retirement systems*

Item	Maine	Connecticut	Massachusetts	New York	New Jersey	Pennsylvania
Authorization	Laws of 1919, ch. 38; 1923, ch. 199; 1925, ch. 118.	Public Acts, 1919, ch. 210; 1921, ch. 74; 1923, ch. 119; 1923, ch. 217.	Acts of 1911, ch 532; various amendments, now consolidated with original act in ch. 32, General Laws.	Laws of 1920, ch. 741; Laws of 1922, ch. 591; amendments each year since 1920, including 1927.	Public Laws, 1921, ch. 109; amended 1923, 1924.	Acts of 1923, No. 331 (P. L. 858); amended, Acts of 1927, No. 55.
By whom administered.	Governor and council.	State board of finance and control.	Board of 3: State treasurer, an employee member elected by his fellows, and a third elected by these 2.	State comptroller	Board of 5: State treasurer, ex officio; 2 appointed by governor; 2 employee members elected by their fellows.	Board of 5: State secretary and treasurer, ex officio; 1 member appointed by governor; and 2 employees elected by their fellows.
Cost of administration borne by.	State	State	State	State	State	State.
Persons covered.	All employees of State institutions or departments.	All regular State employees.	Permanent and regular employees not covered by some other recognized pension system. Judges and some others excepted.	All State employees except teachers. Employees of cities, towns, and counties admitted.	All in classified civil service, unless covered by some other recognized pension system.	All State employees except judges and those covered by school employees' pension system.
Conditions for retirement.	25 consecutive years' service with good record.	30 years' service, or 20 if employee has reached age of 70; larger pension for 40 years' service.	Age 60 years, with 15 years' continuous service, or after 35 years' service, regardless of age. Compulsory retirement at 70. Ordinary disability retirement: 15 years' service. Disability incurred in performance of duty: No age or service requirements; medical certification.	Service retirement: Optional at 60, compulsory, with exceptions up to 1936, at 70. Ordinary disability retirement: 15 years' service; medical certification. Duty disability: Injury received in service regardless of length of service; medical certification. Discontinued service retirement. (See text.)	Service retirement: Optional at 60, compulsory at 70, except by special exemption. Ordinary disability: 10 consecutive years' service; medical certification. Disability incurred in service: No requirements beyond medical certification.	Service retirement: Optional at 60, after 25 years' service. No set age for compulsory retirement. Disability retirement 5 years' service; medical certification.
Contributions to fund.	System noncontributory. State appropriates amounts needed.	System noncontributory State appropriates biennially amount needed.	From employees: 5 per cent of salary, up to $1,560. For those employed prior to June, 1918, choice of either 3 or 5 per cent. From State: Monthly contributions to meet cost of pensions for prior and subsequent service, and amounts needed for disability and accident death benefits. State makes up any deficiency.	From employees: Percentage of salary determined by sex, age at entrance, and kind of work. From State: (1) Normal contribution; (2) deficiency contribution; (3) cost of administration. (1) and (2) are percentages of active pay roll, determined annually.	From employees· Percentage of salary determined by sex, age at entrance, and kind of work. From State: (1) Normal contribution, equal to sum of members' contributions; (2) contribution to cover prior service; (3) contribution for death benefits and cost of administration.	From employees: Percentage of salary based on age at entrance, choice between two rates. From State: (1) Amount equal to sum of members' contributions; (2) contribution to cover prior service; (3) cost of administration.

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Retirement allowances.	At discretion of governor and council, but not to exceed one-half average salary for last 5 years of service.	One-half average annual salary for last 5 years; if employee has served 40 years, three-fourths.	Service allowance: Annuity purchased by member's contributions, plus pension of same amount from State; minimum, $300 a year; maximum, one-half of final compensation. Ordinary disability: Same as for service retirement. Accident disability: One-half of salary at time of injury.	Service retirement: For each year of service one seventieth of final compensation. Ordinary disability: Nine-tenths of one-seventieth of final compensation, multiplied by years of service. Duty disability: Annuity bought by employee's contributions plus pension from State of three-fourths of final compensation. Discontinued service: Allowance as for service retirement, plus extra pension if employee is 50 or over.	Service retirement: For each year of service one-seventieth of final compensation. Ordinary disability: Annuity bought by member's contributions, plus pension from State of not over one-fifth of final compensation. Disability due to service: Annuity bought by member's contributions, plus pension from State of two-thirds of final compensation.	Service retirement: For each year of service one-eightieth or one-fiftieth of final compensation, according to rate of contribution chosen. Disability retirement: Annuity and pension to equal for each year of service one-ninetieth of final salary; minimum, 30 per cent of final salary; maximum, eight-ninths of allowance receivable had member served till age of 60.
Refunds	----------	----------	In case of withdrawal, dismissal, or death, an employee's contributions are returned with interest.	On withdrawal, dismissal, or death contributions are returned with interest at 4 per cent, compounded annually.	On withdrawal, dismissal, or death contributions are returned with interest at 4 per cent, compounded annually.	On withdrawal or dismissal member may receive accumulated contributions with compound interest at 4 per cent or their actuarial equivalent in annuity or deferred annuity. In case of death, refund is made to estate.
Provision for dependents.	None	None	For dependents of member killed in service, pension of one-half of salary employee received at time of accident. For others, options at time of retirement.	Options at time of retirement. Ordinary death benefit; accident death benefit.	Options at time of retirement. For death incurred in line of duty, pension to widow or minor children.	Options at time of retirement; no other provision.

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Administration

A COMPARISON of the six systems shows that in the matter of employee representation they are evenly divided. In Maine and Connecticut the management of the plan is intrusted to a State body, and in New York to a State official, the employees having no representation whatever. The Massachusetts, New Jersey, and Pennsylvania systems are administered by boards on which the employees have either one or two representatives, chosen by themselves from their own number.

Conditions for Retirement

AGE.—In this respect there have been many changes in the various systems since they were established, but taking them as of the present date, two make no requirements as to age, and four set 60 as the proper age for optional retirement, sometimes coupling with it a service requirement. Maine has only a service requirement, and in general this is true of Connecticut, though here a modification is made in favor of those who reach 70 without the service qualification. New York and New Jersey permit retirement at 60 without regard to service, and Massachusetts and Pennsylvania permit it at the same age with a service requirement.

Maine, Connecticut, and Pennsylvania set no age at which retirement is compulsory, but Massachusetts and New Jersey require it at 70. New York at first did the same, but there was so much complaint against this feature that the law was amended to set the compulsory age at 80, with progressive modifications which will bring it down to 70 by 1936.

Service requirements.—Maine requires 25 consecutive years' service and Connecticut 30, or 20 if the employee has reached 70 with fewer than 30 years' service. Massachusetts requires 15 years' service for retirement at 60, but permits it at any age after 35 years' service. Pennsylvania requires a minimum of 25 years, and New York and New Jersey make no service requirement.

Disability retirements.—Maine and Connecticut make no special provision for disability. The other States permit retirement on allowance for disability after a certain length of service, Massachusetts and New York fixing the term at 15 years, New Jersey at 10, and Pennsylvania at 5. Massachusetts, New York, and New Jersey make a further provision for duty disability, i. e., disability arising from injury received in the direct performance of duty. For such disability, retirement on allowance is permitted without any requirements as to either age or length of service.

All four States require that the fact of disability should be established by medical examination and certification and provide that the retirant must submit to reexamination whenever ordered.

Source of Funds

IN Maine and Connecticut the State provides the necessary funds, appropriations being made at the regular sessions of the legislature, according to estimates furnished. In the other States the

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funds are secured through contributions from the employees, contributions by the public authorities, interest on investments and money in bank, occasional profits on investments and the like, the contributions from the employees and the State being the main sources.

Contributions from employees.—In all four States the employee's contribution is made in the form of a percentage of his salary or wage, which is deducted before his salary is paid him. In Massachusetts, for all who entered the service after June 30, 1918, the contribution is 5 per cent of the salary up to $1,560 a year, all salary over that amount being exempt from contribution. In New York and New Jersey the percentage is determined by the employee's sex, age at entrance, and kind of work, and in Pennsylvania the employee is given a choice between two rates, based on age at entrance, the amount of the retirement allowance being determined by the rate chosen.

Contributions from State.—In Maine and Connecticut appropriations are made as needed for the payment of pensions. In the other systems, the State's contribution is usually divided into several parts, determined by different calculations. One part is needed to provide for the payment of pensions for service currently rendered, another to defray the cost of special benefits, such as the duty disability allowance, and another to pay the allowances for service rendered before the system went into effect. In addition the State, in all these systems, pays the full cost of administration of the plan. In theory the different amounts, except the expense of administration, are calculated either as a percentage of the active pay roll, or as a flat sum which, if continued through a specified period, will extinguish the claim, and the total amount thus found is appropriated regularly. In practice, there is occasionally some irregularity about the appropriations; the State accepts its full responsibility, but sometimes prefers to postpone its payments or part of them.

In addition to these two sources of income, interest upon the accumulated contributions of employees and the State is an important factor in building up the reserves. In 1926 the New Jersey fund received a gross amount of $61,680 from this source and the New York fund, $330,290.

Retirement Allowances

UNDER the Maine law the governor and council have entire discretion as to the amount which may be granted as an allowance, except that it may not be more than one-half the average annual salary received for the last five years of service. In Connecticut the amount is ordinarily one-half of the average annual salary for the last five years of service, but if the retirant has served 40 years it is three-fourths of this average salary.

In the other States the allowance is composed of two parts, an annuity bought by the retirant's accumulated contributions and a pension from the State, which, in the case of service retirement, is equal to the annuity. For those in the service before the system was established, the State provides both pension and annuity to cover the years of prior service, so that the total allowance is the same as

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if they had been paying contributions from the time they entered the public employ. In Massachusetts the minimum allowance is $300 a year, and the maximum is one-half of the average annual salary for the last five years of service. If the employee has served so long that his accumulated contributions would purchase an annuity amounting to more than one-fourth of this final compensation, the State returns the excess to him in a lump sum at the time of retirement. The other States do not set a maximum, but the employee's contributions have been calculated to produce, for those who enter the service at a reasonably early age and remain until they reach the retirement age, a sum which will purchase an annuity approximating one-fourth of the final compensation, so that the total allowance will be around one-half of this compensation.

The allowances for disability and duty disability retirement are usually fixed as a proportion of a normal retirement allowance, the employee's contributions being used to purchase an annuity and the State altering its pension as may be necessary to make the allowance reach the figure set. In the case of duty disability, the State will, if necessary, make up the whole allowance, and in any case its contribution is more liberal than in the case of ordinary disability or service retirement.

Refund of Contributions

AS Maine and Connecticut do not require contributions from their employees, the question of refunds does not arise. The other States all return the contributions, with compound interest, upon the death, dismissal, or withdrawal of the employee. Pennsylvania permits a retiring employee, if he prefers, to receive the actuarial equivalent of his accumulated contributions in either an annuity or a deferred annuity.

Provision for Dependents

MAINE and Connecticut make no provision for dependents. The other States permit options at the time of retirement by which the retirant may, if he chooses, receive a smaller allowance for himself with some provision for dependents after his death, the nature of the options differing considerably in the various States.

If death occurs from ordinary causes while a member is still in the service, Massachusetts, New Jersey, and Pennsylvania make no provision for the dependents, except as the refund of the accumulated contributions may be looked upon as a provision, but New York, if the decedent has served for at least one year, makes an additional lump-sum payment to his dependents, based upon length of service, but not to exceed one-half of his last year's salary.

If death results from some accident or exposure incurred in the direct performance of duty, Massachusetts, New York, and New Jersey all provide a pension of one-half of the member's final compensation to his widow during widowhood, or to children under a certain age.

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STATE SYSTEMS

CONNECTICUT

IN 1919 Connecticut passed an act to provide for retiring State employees (Public Acts 1919, ch. 210), which became effective on July 1 of that year. Since then various amendments have been passed, liberalizing the conditions for retirement. The system is noncontributory. The original act applied to all regular State employees in the service at the time the law became effective and to those who entered thereafter. In 1923 amendments were passed bringing under the terms of the act persons who had retired before 1917 with the qualifications as to age and service established by the act. Under these amendments three persons were placed on the pension roll.

Administration

THE State board of finance and control, composed of 10 members, is in charge of the system.

Source of Funds

THE State bears the whole cost of the pensions, or "retired salaries," as they are called in Connecticut. An appropriation for this purpose is made in the general fund of the budget every two years, according to an estimate of the amount needed. In case the estimate proves too small, whatever amount is needed to make up the balance is transferred from the deficiency fund.

Conditions for Retirement

THE conditions for retirement have been altered several times, but by an amendment passed in 1923 length of service is made the only qualification, except in the case of those aged 70 or over who have not completed 30 years' service. These may be retired by the board of control after they have served for 20 years or longer in the aggregate. For others, retirement is permitted, regardless of age, after 30 years' service, with a higher allowance for those who remain in the service for 40 years.

There is no provision for retirement on pension on account of disability.

Retirement Allowances

UNDER the amendment of 1923 an employee who is retired after 30 years' service, or who, being over 70, is retired after 20 years, receives an annual allowance equal to one-half his average annual salary for the last five years. One who has served for 40 years receives an allowance equal to three-fourths of his salary at the time of retirement. Those who under the earlier provisions of the act were given allowances of a different amount continue to receive the sum first set, regardless of the changes introduced by the amendment of 1923.

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Statistics of Operation of the System

AT THE end of the first year of the system's operation there were eight persons on the roll, and during that year $4,270 was paid out for pensions. At the close of the fiscal year ending June 30, 1926, after the system had been in existence for seven full years, there were but 41 on the pension roll, or approximately 1.4 per cent of the active force employed that year. The total amount paid out in pensions in 1926 was $52,411, or 0.6 per cent of the pay roll of the active force.

Since the law first went into effect 56 persons have been placed on the pension roll. For these the average age at retirement was 71 years, the average length of service was 33 years, and the average annual pension was $1,123.

In addition to these 56 persons, 11 have been pensioned under special acts having no connection with the public service system, their pensions amounting in 1926 to $12,420 a year.

The total amount paid out for pensions from July 1, 1919, to June 30, 1926, was $177,937. This total, however, includes the special pensions just mentioned, and as these varied from year to year it is not possible to say exactly what proportion of the amount was chargeable to the public service pensions.

MAINE

THE situation as to pension legislation in Maine has been a progressive development from an act passed in 1909, which applied only to officials and employees of the State prison service. These, after 30 years' service, or, if they had reached the age of 60, after 20 years' continuous service, might be retired upon the recommendation of the warden and with the approval of the board of prison commissioners and the governor and council, on a pension of one-half the salary received at the time of retirement. In 1913 an act was passed providing a similar pension and retirement for veterans of the Civil War in the State service if they became incapacitated for active duty after 25 years' continuous service. In 1919 a third act authorized the retirement, after 25 years' continuous service, of any employee in any State institution or State department, upon the recommendation of the superintendent and board of trustees. In this case, while no minimum was set for the pension, its maximum was placed at one-half the average salary received for the last five years. In 1923 an amendment to this act carefully defined the word "employee" so as to include clerks and other employees of the several State departments and State institutions, and teachers in the State normal schools, including such as had retired since March 1, 1920. In 1925 another amendment brought within the scope of the law teachers in the Madawaska Training School, including those who had retired since March 1, 1920.

The plan, as established by these acts and amendments, is noncontributory, and does not give the employee any absolute right to retirement or pension. The superintendent of an institution or the head of a department may recommend an employee's retirement, after 25 years' service, if he considers it best to do so. Such recommendations are sent to the governor and his council, who have full

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discretion as to what action they shall take, except that, if they decide to approve the retirement, the pension granted must not exceed the limit set by law. No fund is maintained, but the legislature at each biennial session makes an appropriation to cover pension payments for the next two years, estimating the amount required on the basis of the last two years' experience. Should a deficiency occur, the amount needed is transferred from one of the other State funds.

Very few retirements have been made under these provisions. Since the first law went into effect 19 in all have been placed upon the pension roll, of whom 14 were still alive at the end of 1926. Eight of these retirants were prison employees, 4 were Civil War veterans, 4 were employed in the State hospital, 2 in the statehouse, and 1 was a teacher. The pensions allowed them ranged from $252 per annum to $884, the average being $539. As of December 31, 1926, the annual pension outlay was $8,000.

MASSACHUSETTS

PREVIOUS to the passage of chapter 532 of the Acts of 1911, which established the State Employees' Annuity Fund of Massachusetts, the present contributory system, there was no general retirement plan for the employees of the Commonwealth or the metropolitan district. Some special groups had from time to time been covered by noncontributory pension systems which the State administered and of which it bore the entire cost. These earlier systems may be summed up in a few words. The groups covered comprised judges, court officers and messengers, veterans of the Civil War, certain persons employed in prisons and reformatories, the metropolitan park police, the district police, veterans of the Spanish War (veterans of the World War were later included with these), and scrub women employed in the statehouse. All of the laws under which these pensions were granted have been amended so that persons belonging to these groups who entered the public service after July 1, 1921, should come under the general contributory plan, but those already in the service at that time remained under the provisions of the earlier plans.

Under the noncontributory plans persons were retired by their department head, subject to the approval of the governor and council. Their pensions are paid from special appropriations made in accordance with the laws providing for the different groups. The total amount paid in pensions under these plans during the year ending November 30, 1926, was $167,478.

The new system was established by the act referred to above and became effective June 1, 1912. It has been amended several times, and in its present form is contained in chapter 32, General Laws of Massachusetts.

Scope of System

IN GENERAL, the system covers all persons permanently and regularly employed in the direct service of the Commonwealth or in the service of the metropolitan district commission, whose sole or principal employment is in such service. Membership, after a probationary period, is obligatory upon all employed since the establishment of the system, but those in the service before that date were

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given their choice of entering or remaining outside. The law required them to make this choice before January 31, 1912, but this period was afterwards extended, and in 1924 a special amendment gave those who had failed to enter the privilege of becoming members at any time before reaching age 70, provided they paid into the fund a sum equal to what would have been the amount of their regular contributions, with accumulated interest, had they entered June 1, 1912.

Certain classes of State employees are excluded from membership, and certain others come in under special provisions. The excluded classes are, briefly, as follows: (1) Officers elected by popular vote; (2) persons devoting too little time to the service to make it their "sole or principal employment"; (3) persons aged 55 or over when employed; (4) judges; (5) certain groups of employees entitled to pensions under the earlier schemes.

Those brought in by special provision include employees paid partly by the State and partly by a county having a retirement system; persons, regardless of age, in the employ of a department or institution formerly administered by a city, county, or corporation which is taken over by the State; the nonteaching force, such as janitors, engineers, etc., employed in training schools maintained and controlled by the department of education in buildings owned by the Commonwealth (if the building is not so owned, these are not employees of the State, and consequently are not included); and persons aged 55 or over who, previous to entering the State service, have been members of the teachers' retirement association. Officials appointed by the governor for a fixed term of years, if under 55 at the time of appointment, may become members of the system by making written application within one year from the date of appointment or reappointment.

A further special provision covered employees who were 55 or over at the time the system was adopted. These might not become members, but were entitled upon retirement to a nonmembers' pension of $200 a year.

Administration

THE administration of the retirement system is vested in a board of three members, the State treasurer, ex officio, one employee member elected by his fellows, and the third chosen by these two. The State treasurer is custodian of the funds of the system and has power to invest and reinvest, in accordance with the law, any amounts not required for current disbursements. The board is required to file annually with the commissioner of insurance a sworn detailed statement showing the financial condition of the system on December 31, and its financial transactions for the year ending on that date. Subject to the same conditions and requirements the treasurer must file a sworn statement showing the financial condition of the system on the same date.

Source of Funds

CONTRIBUTIONS from members.—The employees are required to make contributions of 5 per cent of their salaries up to $1,560 a year, any amounts received in excess of that sum being exempt from the requirement. The original law provided that the contributions should be not less than 1 nor more than 5 per cent of the salaries,

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but it was found difficult to establish any general plan of percentage which would accomplish the same proportionate retirement allowance for all members, since at that time there were no data as to ages at which employees would elect to retire. It was decided that members should be given the choice of contributing 3 per cent or 5 per cent of the salary, but later it was ruled that all who entered the service after June 1, 1918, must pay the 5 per cent rate. In 1926 an amendment to the law permitted those employees who had at some time contributed only 3 per cent of their salary or wages and who had changed to the 5 per cent basis to make up the amount required to bring the accumulated contributions up to what they would have been had the 5 per cent rate been chosen from the first. As the retirement allowance depends on the amount of accumulated contributions, as well as on the age at retirement, the importance of this provision is evident.

Contributions from the State.—The State contributes such amounts as are needed (*a*) to meet its share of the allowances for current service; (*b*) to pay the full allowance for service rendered prior to June 1, 1912; (*c*) to make up any deficiencies due to an inadequate estimate of the needs of the preceding year; and (*d*) to meet the cost of disability retirements and benefits to dependents of employees who die as a result of injury received in the service. The board submits each year estimates of the amount of appropriations required from the State to pay the allowances for the following year. It has been found that about 7 per cent of the members eligible for retirement leave the service without waiting for compulsory retirement at 70. The State also pays the entire cost of administering the system.

Conditions for Retirement

SUPERANNUATION or service retirement is permitted at age 60, after 15 or more years' continuous service, or, regardless of age, after 35 years' continuous service. Employees who, when the system was established in 1912, had reached the age of 55 years might be retired at any time after reaching 60, whatever their length of service might have been. Retirement is compulsory at 70.

Retirement is permitted after 15 years' continuous service if an employee becomes permanently disabled. Medical certification is required and reexamination may be ordered by the board at any time.

Duty disability retirement is permitted, without requirement as to age or length of service, for any member who is found, after examination by one or more physicians selected by the board, to have been permanently incapacitated, mentally or physically, by injuries sustained through no fault of his own while in the actual performance of duty.

Written application for disability retirement must be received by the board within two years from the date of the applicant's last salary payment.

Other retirements.—When members of the system are husband and wife, if one of the two retires or is retired, the board may also retire the other at the same time. When this is done, the enforced retirant receives an allowance calculated in the usual way for the age attained, except that the provision for minimum allowances does not apply in such a case.

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Retirement Allowances

UPON service or superannuation retirement the member receives an allowance consisting of an annuity bought by his accumulated contributions, plus a pension of equal amount paid by the State. The amount of the annuity, and consequently of the pension, depends upon the sex and age of the retirant, and the amount of the accumulated contributions (which in turn depends upon the length of service). The total allowance may not fall below $300 a year nor exceed one-half of the retirant's final compensation; i. e., his average annual salary for five years before retirement. If the accumulated contributions would purchase an annuity amounting to more than one-fourth of the final compensation, the extra amount is returned to the retirant in a lump sum. For those in the service prior to 1912, if their accumulated contributions will not purchase an annuity equal to one-fourth of their final compensation, the State pays whatever pension is needed to bring the total allowance up to the maximum permitted, one-half of the final compensation.

The allowance for permanent disability retirement is calculated in the same way as the allowance for service retirement.

For duty disability retirement, the allowance is one-half the salary received at the time of the accident, the State paying whatever pension is needed to bring the total allowance up to this figure. If the retirant is entitled, as a result of his injury, to receive compensation under the workmen's compensation law, he must choose between this and the retirement allowance, as he can not receive both.

Options.—Instead of taking the normal retirement allowance, calculated as above, a member may if he prefers take upon retirement a smaller allowance with the proviso that, if he dies before having received the full actuarial equivalent of his contributions at the time of retirement, any difference will be paid to his estate.

Refunds.—In case of withdrawal, dismissal, or death, a member's accumulated contributions are returned either to him or to his estate.

Provision for dependents.—If a member is killed, or dies as a direct result of an accident incurred in the performance of duty, his widow receives, during widowhood, the allowance to which he would have been entitled had the result been permanent disability instead of death—one-half of his salary at the time the accident occurred. If there is no widow, the same allowance is paid to a child or children under 16, and is continued until the youngest child reaches 16.

In other cases no provision is made for dependents, except as the choice allowed under the options at the time of retirement makes some such provision.

Statistics of Operation of the System

THE contributory system has been in operation approximately 15 years. It must be remembered that it exists side by side with the old noncontributory systems which still cover quite a number of the State employees; therefore, the number of State employees and the members of the system are not identical. As mentioned before, since 1921 no new memberships in noncontributory systems have been allowed.

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Table 5 shows, for the years specified, the approximate number of State employees, the active membership of the State system, and the number of its beneficiaries:

TABLE 5.—*Membership and beneficiaries of State retirement system, 1913, 1920, and 1926*

Year ending Nov. 30—	Number of State employees	Active membership of system	Number of beneficiaries	Per cent beneficiaries form of State employees	Per cent beneficiaries form of active membership
1913		4,020	77		1.92
1920	10,593	6,282	209	1.97	3.33
1926	13,654	8,693	[1] 352	2.58	4.05

[1] Includes 3 widows.

The difference between the membership of the system and the number of State employees is not quite so great as indicated by this table, because the latter group includes employees who have not finished their probationary period, but who will at its close become members of the State system.

It will be seen that the increase in beneficiaries has been gradual and that their ratio to the number of active members at the close of the period is small. The number on the pay roll is, of course, continually changing as the old annuitants die and the new ones are placed on the roll.

Since the time the law became operative, June 1, 1912, to the end of November, 1926, 532 employees had been granted retirement allowances, and in addition 3 allowances had been granted to widows on account of death of husband from accidental injuries received in the line of duty. Of this total, 183 had died, so there were at the end of 1926, 349 former employees receiving retirement allowances, in addition to the 3 dependents. Of the retirants on the roll then, 123 were retired compulsorily at age 70 or over; 186 were retired upon their request between 60 and 70 years of age; 12 were under age 60 with 35 years of service; 4 were wives retired at the time of retirement of husbands; 19 were retired for ordinary permanent disability, and 4 for permanent accident disability because of injuries received in the line of duty. One beneficiary, an employee aged over 55 when the retirement law was passed, was retired under the special provisions made for such cases. The average age of the 349 on the retired list at the close of the fiscal year 1926 was 70.46 years, the range being from 42 to 91 years. Twenty-eight were 80 years or over.

It was not possible to obtain full information regarding the average age and years of service of all who had retired since the plan became

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effective, but the data for the latest four years covered are given in Table 6:

TABLE 6.—*Average age and years of service of retirants, 1923 to 1926*

Year ending Nov. 30—	Superannuation			Disability			Total		
	Number of cases	Average age	Average years of service	Number of cases	Average age	Average years of service	Number of cases	Average age	Average years of service
1923	44	66.0	26.0	4	55	21.0	48	66.0	26.0
1924	46	67.0	25.0	5	55	20.0	51	65.0	25.0
1925	30	68.0	25.0	5	57	21.0	35	67.0	25.0
1926	32	68.2	24.2	[1] 3 [2] 2	[1] 54 [2] 62	[1] 24.8 [2] 13.0	37	66.5	22.7

[1] Ordinary permanent disability. [2] Accident disability.

Considering first the superannuation retirants it is evident that during these four years there has not been much variation in either the average age at retirement or the average length of service, but that the trend in the two items is in opposite directions; i. e., the average age has increased, while the average length of service has decreased. The average age seems distinctly high. When a retirement system is installed, the first few years are apt to see a disproportionately large number of aged retirants, since those who have grown too old for efficient service are placed upon the pension rolls as soon as possible, and thereafter the average age at retirement tends to be lower. The earliest data shown in this table are for the twelfth year of operation, so that this particular cause would have ceased to affect the figures, and the age at retirement can only be taken to show the tendency of the employees to remain in the service as long as they feel able to do so.

The age of the disability retirants is also high, and the average length of service is considerably in excess of that required before such retirement is permitted.

Allowances and benefits.—The relation between the pay roll of the active force and the amounts paid out in allowances and benefits for the two years 1920 and 1926 is shown in Table 7. Unfortunately it was not possible to obtain the pay-roll data for the year 1913, so for that year the relationship has necessarily been omitted.

TABLE 7.—*Relation between pay roll and pensions, 1920 and 1926*

[The pay-roll figures are as of Nov. 30 of each year, while the benefits are for the calendar year]

Year	Pay roll of active force	Allowances for member beneficiaries			Pension roll for dependents	Total pension roll	
		Superannuation retirement		Disability retirement		Amount	Per cent of active pay roll
		Amount	Per cent of active pay roll				
1913		$18,367				$18,367	
1920	$13,428,471	66,140	0.49	$1,774		67,914	0.51
1926	18,618,904	133,876	.72	8,108	$1,843	143,827	.77

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It will be noticed that while the amount paid out in allowances and benefits shows a large actual increase, its relative increase has been small, so that after the system had been in operation for 14 years, it formed less than 1 per cent of the pay roll of the active force.

The total average allowance paid in 1926 was $414. This item has increased considerably since the first year of operation as shown in Table 8, giving the average and largest retiring allowance paid during each year since the system was installed.

TABLE 8.—*Average and largest retirement allowance paid in specified years*

Year ending Nov. 30—	Average retirement allowance	Largest retirement allowance	Year ending Nov. 30—	Average retirement allowance	Largest retirement allowance
1913	$291	$905	1920	$334	$1,200
1914	283	905	1921	355	1,363
1915	285	905	1922	372	1,557
1916	305	1,170	1923	382	1,363
1917	305	1,150	1924	385	1,363
1918	315	1,159	1925	395	1,771
1919	328	1,200	1926	414	1,961

The highest allowances, being individual matters, naturally vary widely from year to year, and while their amount has increased materially, there has been no regular progression. The average allowances, on the other hand, show a slow but continuous increase. With the exception of 1914 there is not a single year in which the average is less than that paid in the preceding year, and only one in which it is not greater.

The dependents are so few that their pensions do not affect the general averages. In 1926 there were but three of these, widows, for whom the average allowance was $614 and the highest was $750 a year.

For the period 1923 to 1926 it was possible to obtain in considerable detail facts as to the average final compensation of the retirants and their average annuity, pension, and total allowance. Table 9 shows these data:

TABLE 9.—*Average annuity, pension, and total retirement allowance, 1923 to 1926*

Year ending Nov. 30—	Number of cases	Average salary last 5 years	Average annuity	Average pension	Average retirement allowance
	Superannuation				
1923	44	$1,415.00	$65.00	$411.00	$476.00
1924	46	1,628.00	75.00	350.00	447.00
1925	30	1,598.00	97.00	362.00	459.00
1926	32	1,766.00	116.95	443.14	560.00
	Disability				
1923	4	$1,528.00	$50.00	$260.00	$310.00
1924	5	1,339.00	37.00	325.00	362.00
1925	5	1,445.00	49.00	348.00	397.00
1926	[1] 3	1,045.00	28.07	267.00	296.00
	[2] 2	1,492.00	51.70	605.00	657.00
	Total				
1923	48	$1,425.00	$64.00	$400.00	$462.00
1924	51	1,492.00	71.00	347.00	419.00
1925	35	1,578.00	90.00	360.00	450.00
1926	37	1,680.00	104.00	432.00	536.00

[1] Ordinary permanent disability. [2] Accident disability.

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As these averages refer to the retirants of a single year, they naturally differ from the averages shown in Table 8, which are based on all the allowances current during a given year. Comparing the tables it will be seen that the average allowance received by the retirants of 1926 was $536, an increase of 84 per cent over the average allowance, $291, prevailing in 1913, which, being the first full year of the system's operation, is not much affected by earlier retirements. Disability allowances, however, are included in the total for 1926, while no such allowances were paid before 1914, so a fairer comparison is between the average for 1913 and the average superannuation allowance of 1926. This shows an increase of 92 per cent.

Finances of the System

TABLE 10 shows the income and expenditures of the system for the first year of operation, for 1920, and for 1926:

TABLE 10.—*Receipts and expenditures of Massachusetts State Employees' Annuity Fund, 1913, 1920, and 1926*

Receipts	1913	1920	1926	Expenditures	1913	1920	1926
From employees	$108,256	$272,481	$510,791	Superannuation allowances	$18,367	$66,140	$133,876
From State	24,935	75,391	141,443	Disability allowances		1,774	8,108
All other sources	4,080	44,082	132,980	Dependents			1,843
Total	137,271	391,954	785,214	Total benefits	18,367	67,914	143,827
				Refunds	7,321	106,716	242,050
				Cost of administration	6,649	11,749	12,731
				Total expenses	32,337	186,379	398,608

The increase in the contributions from employees is due not only to the increase in the membership of the system, but also to a change in the rate of contribution required. It will be remembered that at first employees were permitted a choice between a contribution of 3 and one of 5 per cent of the amount of salary subject to contribution, but that beginning with June, 1918, the 5 per cent rate was made obligatory on all new entrants.

In regard to expenditures, the table shows how the system has been extended since its inception. As first established, it provided only for superannuation retirement. In 1914 allowances for disability retirants were added and in 1921 benefits to dependents of those dying from injuries received in the performance of duty were included.

It will be noticed that the cost of administration is moderate, being in 1926 $1.46 per capita for the active membership of the system, and amounting to only 1.62 per cent of the total amount paid into the fund.

The total receipts of the system from the time it began operation up to December, 1926, were $5,770,554, and the total expenditures for the same period $2,394,595.

NEW JERSEY

THE State Employees' Retirement System of New Jersey is an actuarial reserve system, organized under a bill signed in March, 1921 (Laws of 1921, ch. 109), which provides for a yearly actuarial valua-

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tion of the funds. Contributions began in January, 1922, and pensions were first paid in July, 1922. Membership is compulsory upon all new appointees within one year after their appointment, but optional upon those in State employment when the system was adopted. The plan covers all in the classified civil service, unless expressly excluded by decision of the board of trustees, except those covered by some other system authorized by law.

Administration

THE system is managed by a board of five trustees, made up of the State treasurer, who is an ex-officio member, two appointees of the governor, and two employee members of the system who are elected by their fellow members.

Contributions

CONTRIBUTIONS from employees.—The employees pay monthly contributions, deducted from their salaries, sufficient to secure upon retirement at age 60 an annuity amounting to one one-hundred-and-fortieth of their final average compensation for each year of service rendered. The rate of contribution differs according to sex, age at entrance, and character of work, whether manual or clerical.

Contributions from the State.—Under the law, the State makes two contributions regularly, the first to cover the liability assumed by the system on account of the service rendered by members during the year, and the second to cover the liability of the system for prior service, i. e., service rendered before the system was adopted. For the first purpose the State appropriates sufficient each year to provide for all in the system a pension at retirement of one one-hundred-and-fortieth of the final compensation for the current year's service. For the year beginning July 1, 1926, the contribution for this purpose was fixed at $140,090, which was 3.01 per cent of the total pay roll. For the second purpose, the law calls for a series of flat payments, sufficient to defray the entire liability by 1946. For the year beginning July 1, 1926, this payment was set at $85,724.

In addition, the State bears the expense of managing the system, appropriating for this purpose each year.

Conditions for Retirement

RETIREMENT is optional at age 60 and compulsory at 70, except that an employee of 70 may be retained for a time at the request of the head of his department. No stated period of service is required, but the retirement allowance is affected by the length of time served.

Two forms of disability retirement are permitted: Ordinary disability, permitted at any age after 10 consecutive years of service, and duty disability, due to injury received in the performance of duty, for which no requirement as to age or service is made. There are the usual requirements as to medical certification of disability and periodic examinations.

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Retirement Allowances

SERVICE retirement.—A member retiring at or after 60 years of age receives an allowance made up of the annuity purchased by his contributions plus a pension of the same amount from the State's contributions, the two together amounting to one-seventieth of his final compensation for each year of service rendered since 1922. For each year of service credited to his account before 1922 he receives the same proportion of his final compensation, the State bearing the entire cost of this.

Disability retirement.—Upon ordinary disability retirement the member is entitled to the annuity purchased by his own contributions plus a pension of one-fifth of his final compensation; this pension, however, must not exceed four-fifths of the pension to which he would have been entitled had he remained in the service until 60 years of age. For duty disability he receives his annuity, as above, and a pension from the State of two-thirds of his final compensation.

Options

UPON retirement members may elect to receive the actuarial equivalent of their annuities and pensions in any of the following forms:

1. Total amount payable in monthly installments, all payments ending at death.
2. Reduced payments during life, with a provision that in case of death before such payments have equaled the present value of the pension and annuity at date of retirement, the balance shall be paid to the member's heirs or assigns.
3. Reduced payments covering two lives, with a provision that at the death of the member the same payments or one-half of such payments shall be continued throughout the life of such other person as the member shall have designated.
4. Such other form of actuarial equivalent as may be certified by the actuary and approved by the retirement board.

Refunds

IF A member withdraws from the system or dies before reaching pensionable status his accumulated contributions, with interest compounded annually at 4 per cent, are returned to him or to his estate.

Provision for Dependents

IN normal cases no provision is made for dependents except as the retiring member chooses to provide for them by means of the options given. If, however, a member dies from an accident occurring in the actual performance of duty, in addition to the return of his contributions with compound interest the State gives to his widow until her remarriage or death, or to his minor children until they reach the age of 18, a pension of one-half of his final compensation. If he leaves neither a widow nor a child or children under 18, the State pays a sum equal to the amount of his final compensation to his estate or designated beneficiary.

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Statistics of Operation of the System

ON June 30, 1923, at the close of its first full year of operation, the system had an active membership of 1,951, and a pension roll of 36, of whom 31 were service retirants, 3 were cases of ordinary disability, 1 was a case of duty disability, and 1 was the widow of a member who had been killed by an accident in the performance of his duty. The growth of the active membership and of the pension roll since that date, and the increase in the amount paid out in benefits, together with the relation between the total payments to beneficiaries and the pay roll of the active force, are shown in Table 11:

TABLE 11.—*Relation between active force and beneficiaries, and between pay roll of active force and outlay for benefits, of New Jersey State Employees' Retirement System, 1924 to 1926*

Data as of June 30—	Number on active force	Member beneficiaries				Dependents		Total beneficiaries	
		Service retirants		Disability retirants					
		Number	Per cent of active force	Number	Per cent of active force	Number	Per cent of active force	Number	Per cent of active force
1924	2,176	36	1.7	5	0.2	4	0.2	45	2.1
1925	2,527	52	2.1	6	.2	5	.2	63	2.5
1926	2,883	62	2.2	6	.2	7	.2	75	2.6

Data as of June 30—	Pay roll of active force	Payments to member beneficiaries				Payments to dependents of members		Total payments to beneficiaries	
		Service retirants		Disability retirants					
		Amount	Per cent of pay roll	Amount	Per cent of pay roll	Amount	Per cent of pay roll	Amount	Per cent of pay roll
1924	$3,365,382	$15,774	0.5	$3,053	0.1	$1,699	-------	$20,526	0.6
1925	3,995,202	21,939	.6	3,308	.1	2,461	0.1	27,708	.8
1926	4,648,655	28,216	.6	3,649	.1	3,319	.1	35,184	.8

It will be noticed that the proportion of beneficiaries to the active force has increased but slowly, and that the service retirants are the only ones showing any marked increase. The membership of the system is continually fluctuating as people enter and leave the State's service. In the secretary's annual report for 1926, the following summary of such changes is given:

On June 30, 1926, there had been enrolled 4,286 members, of whom 1,269 had left the service and withdrawn their contributions with interest; 185 had separated from the service, but had not withdrawn their funds, of whom 45 had been suspended from membership on account of the lapse of two years since separation; 89 had been placed on the retirement roll, 14 of whose allowances had ceased on account of death, leaving 75 on the retirement roll, of whom 6 are widows or other beneficiaries of deceased members, and 1 is a minor beneficiary, whose allowance we are holding in trust until he reaches his majority.

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Of the 89 who had been retired, 77 had been normal retirements and 12 disability retirements. The average age of those normally retired was 65.8 years, of those retired for disability, 50.5 years, and of all retirants, 62.8 years. The retirement allowances drawn ranged upward to $1,432.08 a year. As no maximum is set on the allowance, its amount being determined by the number of years the retirant has served and the amount of his final compensation, this range will probably vary considerably as time goes on.

Finances of the System

THE main sources of financial support for the system are, of course, the contributions from the employees and the State, though as the reserves grow interest becomes an increasingly important item. The employees are required to contribute a percentage of their salaries, varying according to age at entrance, sex, and kind of work performed. Table 12 shows the rates of contribution, which were fixed when the system was inaugurated and in which no change has as yet been made:

TABLE 12.—*Rates of contribution (per cent of salary) required of members of the New Jersey State employees' retirement system*

Age at entrance	Laborers		Clerks		Age at entrance	Laborers		Clerks	
	Male	Female	Male	Female		Male	Female	Male	Female
15 years	3.53	3.55	4.20	4.43	38 years	4.68	4.89	5.02	5.66
16 years	3.53	3.56	4.16	4.44	39 years	4.77	4.99	5.10	5.75
17 years	3.52	3.58	4.14	4.46	40 years	4.87	5.09	5.18	5.84
18 years	3.51	3.60	4.12	4.48	41 years	4.97	5.19	5.26	5.93
19 years	3.52	3.63	4.11	4.50	42 years	5.07	5.29	5.34	6.03
20 years	3.54	3.66	4.11	4.52	43 years	5.17	5.39	5.43	6.13
21 years	3.56	3.69	4.11	4.55	44 years	5.27	5.50	5.52	6.23
22 years	3.59	3.73	4.12	4.59	45 years	5.37	5.61	5.61	6.33
23 years	3.62	3.77	4.14	4.63	46 years	5.47	5.72	5.70	6.43
24 years	3.66	3.82	4.17	4.67	47 years	5.58	5.83	5.80	6.53
25 years	3.71	3.87	4.21	4.72	48 years	5.69	5.94	5.90	6.64
26 years	3.76	3.92	4.25	4.77	49 years	5.80	6.05	6.00	6.75
27 years	3.81	3.98	4.29	4.83	50 years	5.91	6.17	6.10	6.87
28 years	3.87	4.04	4.34	4.89	51 years	6.04	6.30	6.21	7.01
29 years	3.93	4.11	4.39	4.95	52 years	6.17	6.43	6.33	7.15
30 years	4.00	4.19	4.45	5.01	53 years	6.30	6.57	6.46	7.29
31 years	4.08	4.27	4.51	5.08	54 years	6.43	6.71	6.59	7.43
32 years	4.16	4.35	4.58	5.16	55 years	6.56	6.85	6.72	7.57
33 years	4.24	4.44	4.65	5.24	56 years	6.69	6.99	6.85	7.71
34 years	4.32	4.53	4.72	5.32	57 years	6.82	7.13	6.98	7.85
35 years	4.41	4.62	4.79	5.40	58 years	6.95	7.27	7.11	8.00
36 years	4.50	4.71	4.86	5.48	59 years	7.09	7.41	7.24	8.15
37 years	4.59	4.80	4.94	5.57					

As before mentioned, the State pays two contributions to the pension and benefit funds, one to cover current service and one for service rendered before the system was adopted, and in addition pays the expense of maintenance. The receipts and disbursements of

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the scheme from its establishment in 1922 up to the close of the fiscal year 1925–26 have been as follows:

TABLE 13.—*Receipts and disbursements of New Jersey State Employees' Retirement System, 1922 to 1926*

Year ending June 30—	Receipts			
	Contributions from employees	Appropriations by State	Other sources	Total
1923 [1]	$112,798	$31,000	$2,946	$146,744
1924	163,227	92,575	13,706	269,508
1925	189,981	185,372	22,519	397,872
1926	227,198	156,266	44,144	427,608
Total	693,204	465,213	83,315	1,241,732

Year ending June 30—	Disbursements				
	Retirement allowances	Other allowances	Refunds	Administration	Total
1923 [1]	$12,801		$4,296	$14,979	$32,076
1924	18,550	$1,080	13,011	10,666	43,307
1925	24,092	888	25,417	12,276	62,673
1926	30,827		41,515	12,460	84,802
Total	86,270	1,968	84,239	50,381	222,858

[1] Jan. 1, 1922, to June 30, 1923.

It will be noticed that while expenditures have increased materially with each year covered, the difference between receipts and expenditures has increased even more rapidly, and the assets of the system at the end of 1926 showed a satisfactory condition.

NEW YORK

THE New York State Employees' Retirement System was organized under a law passed in 1920 as the result of an investigation and report made by a commission on pensions appointed in 1918 to study and report on the whole question of pension systems in the State. The commission found that apart from militia pensions and pensions maintained by cities or other local subdivisions of the State, there were in existence six different pension systems for State employees, varying widely in their requirements and in the benefits bestowed. There were also a number of city and county systems, some supported wholly by the employing agency, some wholly by the employees, and some jointly. There was no uniformity in the conditions for securing a pension, and in the majority of cases there was no particular relation between the contributions required, when such a requirement was made, and the benefits received. Also, the financial soundness of the plans was in many cases questionable.

Although the commission had not the means to make actuarial investigations of the financial condition of these funds, it came to the conclusion that, judged by the conditions found to exist in funds that were known to be on an insolvent basis, the governmental plans for employees throughout the State, with the

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exception of certain plans in New York City, could not be said to be operating on sound bases.[1]

As a first step the commission proposed a plan which should include State employees not covered by specified existing pension plans, and which should also be open to the employees of a municipality or county desiring to come into the plan, provided that the employing agency should pay the same portion of the final benefits received by its employees that the State pays on behalf of those whom it employs directly. This plan was enacted into law in 1920, and the State retirement system was established January 1, 1921.

Meanwhile the commission continued its work, and in sucessive reports presented plans for bringing into the system other bodies of employees, until finally all State employees should be covered by either the State employees' or the State teachers' retirement system. These recommendations were adopted and the law amended accordingly, until the plan was extended to all State employees—excepting, of course, teachers, who were provided for by their own system—and county, city, town, and village employees, provided the local authorities were willing to assume the responsibilities of the system, and the employees desired to enter.

The law under which the system was established was passed in 1920. (Laws of 1920, ch. 741.) The inclusion of employees of local subdivisions was authorized by chapter 591 of the Laws of 1922. The original act has been amended every year, up to and including 1927, and the act of 1922 was amended in 1923, 1924, and 1926.

Scope of System

IN ITS present form, the system covers State, municipal, and county employees of every class and kind, excepting those covered by some other approved system. For State employees, membership was made optional for those in the service at the time of its adoption, and compulsory upon those entering thereafter. City, county, town, and village employees are brought into it only by the action of the local legislative body, i. e., the board of aldermen, the board of supervisors, the town board, or village trustees, as the case may be. When the local legislative body has adopted the system, all employees paid by the municipality are eligible to membership, and must become members during the first year after adoption if they wish to secure credit for the service they have already rendered.

The law as originally enacted called for the classification of employees covered into five groups: Male clerical, administrative, professional, and technical employees engaged upon duties requiring principally mental exertion; (2) female employees coming under the same definition; (3) mechanics and laborers engaged upon duties requiring principally physical exertion; (4) male employees engaged upon duties in State institutions; (5) female employees engaged upon duties in State institutions. It also permitted the establishment of other groups who might have some peculiarity of mortality or service experience, provided no group should include less than 2,500 persons. Under this provision, as the employees of local bodies have come into the State system, two additional groups have been established—policemen and firemen.

[1] New York. Commission on Pensions. Second report, Mar. 30, 1921. Albany, 1921, p. 5.

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Administration

THE State comptroller is the administrative head of the system, and has power, subject to the limitations of the law, to establish rules and regulations for the transaction of the business of the system and for the custody and control of its funds. He is required to engage the services of an actuary, and may employ such other technical and administrative assistance as may be necessary. A medical board is provided, the State commissioner of health being chairman ex officio, and two other physicians being appointed by the comptroller and holding office at his pleasure. The attorney general of the State is the legal adviser of the system. An actuarial investigation of the system and a valuation of the funds is to be made every five years, the first period beginning with 1921.

Source of Funds

CONTRIBUTIONS from employees.—The employees make regular contributions, varying according to sex, age at entrance, and class of work on which engaged, calculated to provide at age 60 an annuity of one one-hundred-and-fortieth of the final compensation for each year of service after the coming into force of the law. The "final compensation" is the average of the annual payments for the last five years of service.

Contributions from the State.—The State appropriates annually for the retirement system a normal contribution, sufficient to meet its obligation for benefits accruing during the current year, and a deficiency contribution to provide for liabilities for service rendered before the establishment of the system. The normal rate is defined as a percentage of the compensation of the average new entrant, which, if contributed on the basis of his compensation throughout his entire period of active service, would be sufficient to provide at the time of his retirement or death the total amount of the benefit or the reserve on any pension payable on his account. On the basis of the first six months' experience of the system, this normal rate was set for the year ending June 30, 1921, at 1.53 per cent of the total pay roll of the employees covered. Since then the rate for normal contribution has gradually risen, owing to the taking on of additional benefits and the inclusion of new workers, especially police and firemen, the cost of whose benefits is always higher than for other workers, until in 1926 it was 3.08577 per cent of the pay roll.

The rate for the deficiency contribution was set at 3.04263 per cent of the pay roll for the period ending June 30, 1921. For the year ending June 30, 1926, it was 2.98920 per cent of the pay roll. Both rates were higher in 1926 than they would otherwise have been, owing to the addition of a so-called ordinary death benefit to the payments made from the fund.

The expenses of carrying on the system are borne by the public authorities, the cost being divided between the State and the separate local bodies whose employees have come under the plan.

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Conditions for Retirement

RETIREMENT at age 60 is permitted, regardless of the length of service rendered. Originally 70 was set as the age for compulsory retirement, but this was so strongly protested that an amendment was adopted under which the compulsory age was set at 80 for the year ending June 30, 1926, and thereafter it was to decrease annually by one year until in 1936 it should reach 70, where it should remain. Judges, justices, elective officers, and a few others are exempt from the compulsory retirement feature.

Disability retirement is of two kinds, ordinary and duty disability. Ordinary disability retirement is granted to any employee who becomes incapacitated for the discharge of his duties after 15 years' service. Duty disability retirement is granted without any requirement as to length of service to an employee incapacitated as the result of an accident sustained in the actual performance of duty.

Retirement Allowances

UPON superannuation or service retirement, the employee receives an allowance made up of the annuity purchasable by his accumulated contributions, and a pension of the same amount provided by the State, the two together making a total of one-seventieth of his final compensation for each year of service rendered since the adoption of the system. For those who have to their credit service rendered before the system was adopted, the State provides both annuity and pension for each year of such prior service. Not more than 35 years of prior service may be included in the credit given.

Upon ordinary disability retirement the State adds to the annuity purchasable by the employee's accumulated contributions whatever is needed to make up an allowance of 90 per cent of one-seventieth of his final compensation for each year of service rendered. The minimum disability allowance is 25 per cent of the final compensation, and the maximum is 90 per cent of the amount to which the employee would have been entitled had he remained in service until 60 years of age.

An employee retiring under duty disability is entitled to whatever annuity his contributions will purchase and to an allowance from the State amounting to three-fourths of his final compensation.

It will be seen that in superannuation retirement the allowance is determined by two factors—length of service and average salary for the last five years before withdrawal; that in ordinary disability retirement a minimum is introduced which modifies these two factors; and that in retirement for accident disability length of service plays only a minor part in fixing the final allowance. Take, for instance, an employee retiring at 60 after 25 years of service, whose average salary for the last five years has been $1,800; his retirement allowance will be approximately twenty-five seventieths of $1,800, or $643 a year. If he becomes physically or mentally disabled before reaching 60 his retirement allowance can not fall below one-fourth of his average salary for the last five years, or $450; if, as in the first example, he has served 25 years, his allowance will be nine-tenths of twenty-five seventieths of $1,800, or $579. If at any time after

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entering the service he is disabled by an accident occurring in the performance of his duty, his allowance from the State would be three-fourths of $1,800, if that is the average salary he received during the five years preceding the accident, and in addition he would have whatever annuity his own contributions would purchase, the amount depending upon the length of time he had been contributing.

Options

UPON retirement, the member has a choice between several options. The standard method is that the retirement allowance shall be paid to him in monthly installments throughout his life. Instead of this he may elect to receive only part of the annuity, pension, or complete allowance to which he is entitled, the balance being paid in one of the following methods:

1. If he dies before receiving the full present value of his allowance, as it was at the time of retirement, the difference shall be paid in a lump sum to some selected beneficiary.
2. Upon his death, his annuity, pension, or retirement allowance shall be continued and paid to some selected beneficiary, as long as the latter shall live.
3. This is like option No. 2, except that it is specified that one-half of the annuity, pension, or allowance shall be continued to the beneficiary.
4. Some other form of benefit may be chosen, provided that the actuary of the retirement board shall certify that it is of equivalent actuarial value to the allowance to which the employee is entitled, and that the comptroller shall approve it.

The beneficiary under any option must have an insurable interest in the life of the member.

Additional Benefits

IN ADDITION to the various retirement allowances, the system provides death benefits and a so-called "discontinued service benefit." The ordinary death benefit is payable if a member of the system dies from ordinary causes while in service, after having been a member for at least one year. In such a case, one-twelfth of his salary for his last year of service multiplied by the years of service rendered, but not to exceed 50 per cent of such salary, is paid to his beneficiary. Thus, if a member receiving $1,800 a year dies after six years of service, his beneficiary receives, in addition to the refund of his contributions, a lump payment of $900. Accident death benefit is payable in the case of a member killed in the performance of his duty. It consists of an allowance to the widow, dependent children, or dependent father or mother of one-half the final average salary, continued as long as the widow remains unmarried or the children are under 18. The accident death benefit was incorporated into the system in 1924, and the ordinary death benefit in 1926.

The discontinued service benefit is payable to any member whose services are discontinued through no fault of his own after 20 years of total service, provided he has been in the service of the State for six months continuously just before his retirement, or, in the case of legislative employees and laborers, for at least parts of the last two

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years. The retired employee receives a retirement allowance, composed, as in the case of a superannuation allowance, of annuity and pension to equal one-seventieth of the final average salary for each year of service. In addition, if he is aged 50 or over, he receives a further pension, equal to one-half the difference between his pension figured as above, and the pension he would receive were he aged 60.

Refunds

IF A member dies, resigns, or is dismissed from the service, except as provided for under the discontinued service benefit, his contributions, with interest at 4 per cent compounded annually, are returned to the member or to his estate.

Provision for Dependents

THIS matter is fully covered by the options allowed at retirement, by the ordinary and accident death benefits, and the refunds of contributions in case of death before retirement.

Membership, Beneficiaries, and Benefit Outlay of System

THE numbers covered by any pension system are apt to increase with time, owing to a normal growth of the working force, but in the case of the New York State system this process has been accelerated by the inclusion of successive groups of workers and by the admission of city, town, and county employees en bloc. Table 14 shows the increase in the number of members and beneficiaries of the system since its inauguration, together with the relation between the number of beneficiaries and of the active force; and also the increase in the amount paid out in benefits and its relation to the pay roll of the active force:

TABLE 14.—*Relation between active force and beneficiaries and between pay roll of active force and outlay for benefits of the New York State Employees' Retirement System, 1921 to 1926*

Data as of June 30—	Number on active force	Service beneficiaries		Disability beneficiaries		Total beneficiaries		Pay roll of active force	Payments to beneficiaries	Per cent benefits form of pay roll
		Number	Per cent of active force	Number	Per cent of active force	Number	Per cent of active force			
1921 [1]	4,500	42	0.93	1	-------	43	0.95	$8,976,828	$17,766	0.20
1922	6,217	131	2.11	6	-------	137	2.20	11,886,592	77,192	.65
1923	11,679	269	2.30	12	0.10	281	2.41	21,138,331	146,600	.69
1924	13,741	496	3.61	25	.18	521	3.78	25,102,465	294,770	1.17
1925	17,402	670	3.85	36	.21	706	4.06	31,869,505	385,471	1.21
1926	19,996	915	4.58	50	.25	965	4.83	37,823,453	549,664	1.45

[1] End of first 6 months of operation.

The active force, it will be noted, has increased by over 344 per cent. Up to the close of 1922 only State employees were covered; the following year not far from 4,000 city, town, and county employees were admitted and from that time onward these classes have formed something over two-fifths of the membership. The figures for 1921

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represent the situation at the close of the system's first six months of operation. At that time the average age of the original members, who formed 95 per cent of the force, was 43.9 years, of new members 28 years, and of the total active force, 43.1 years.

The beneficiaries have increased at a far more rapid rate than the membership, which is an entirely normal development for the early years of any system. The total given for June 30, 1926, includes 13 cases of dependents of deceased members drawing benefits under options chosen by the members upon retirement, 3 cases of accidental death benefits, and 1 case of a dependent of a deceased member who had been retired under the ordinary disability provisions. At that time the average age of superannuation retirants was 70.9 years, of disability retirants 54.6 years, and of all retirants 69 years.

So far, it will be noticed, the total benefits paid out in any one year have not amounted to quite 1½ per cent of the pay roll of the active force, and for the earlier years they fell much below this figure. Disability retirements, including cases of accidental deaths, play only a small part in the general total. From the beginning of the system up to June 30, 1926, the sums paid out on account of such retirements form only 4.1 per cent of the total outlay for benefits.

Finances of System

THE main sources of the financial support of the system are of course the contributions received from the employees and the appropriations made by the State and the local administrative bodies for its support. The rates of contributions required from the employees vary according to sex, age at entrance, and occupational group, as shown in Table 15:

TABLE 15.—*Rates of contribution, based on salary, to be provided by employees*

Age at entrance	Clerical and administrative employees		Mechanics and laborers	Institutional employees		Firemen	Policemen
	Group 1, male	Group 2, female	Group 3	Group 4, male	Group 5, female	Group 6	Group 7
12 years	0.0421	0.0475	0.0306	0.0358	0.0403		
13 years	.0422	.0476	.0310	.0360	.0406		
14 years	.0423	.0477	.0314	.0363	.0409		
15 years	.0424	.0478	.0318	.0366	.0413		
16 years	.0425	.0479	.0322	.0369	.0416		
17 years	.0426	.0480	.0327	.0372	.0419		
18 years	.0427	.0481	.0332	.0376	.0423		
19 years	.0428	.0482	.0337	.0380	.0427		
20 years	.0429	.0483	.0342	.0384	.0432	0.0369	0.0366
21 years	.0430	.0484	.0347	.0388	.0437	.0372	.0370
22 years	.0431	.0486	.0352	.0392	.0442	.0375	.0374
23 years	.0433	.0488	.0358	.0397	.0447	.0378	.0378
24 years	.0435	.0490	.0364	.0402	.0452	.0381	.0382
25 years	.0437	.0493	.0370	.0407	.0458	.0385	.0386
26 years	.0439	.0496	.0376	.0412	.0464	.0389	.0390
27 years	.0441	.0499	.0382	.0417	.0470	.0393	.0394
28 years	.0444	.0502	.0388	.0423	.0477	.0397	.0399
29 years	.0448	.0506	.0396	.0429	.0484	.0401	.0404
30 years	.0453	.0511	.0404	.0436	.0492	.0406	.0409
31 years	.0458	.0516	.0412	.0443	.0500	.0411	.0414
32 years	.0463	.0522	.0420	.0450	.0508	.0416	.0420
33 years	.0468	.0528	.0428	.0457	.0516	.0421	.0426
34 years	.0474	.0534	.0436	.0465	.0524	.0427	.0432
35 years	.0480	.0541	.0444	.0473	.0533	.0433	.0438
36 years	.0486	.0548	.0452	.0481	.0542	.0439	.0444
37 years	.0493	.0555	.0460	.0489	.0551	.0445	.0450
38 years	.0501	.0563	.0468	.0497	.0561	.0451	.0456

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TABLE 15.—*Rates of contribution, based on salary, to be provided by employees*—Continued

Age at entrance	Clerical and administrative employees		Mechanics and laborers	Institutional employees		Firemen	Policemen
	Group 1, male	Group 2, female	Group 3	Group 4, male	Group 5, female	Group 6	Group 7
39 years	0.0509	0.0572	0.0478	0.0506	0.0571	0.0458	0.0462
40 years	.0517	.0582	.0488	.0515	.0581	.0465	.0470
41 years	.0525	.0592	.0498	.0524	.0591	.0472	.0477
42 years	.0533	.0602	.0508	.0533	.0601	.0479	.0484
43 years	.0542	.0612	.0518	.0542	.0611	.0486	.0491
44 years	.0551	.0622	.0528	.0551	.0622	.0493	.0498
45 years	.0561	.0633	.0539	.0561	.0633	.0500	.0505
46 years	.0571	.0644	.0550	.0571	.0644	.0507	.0512
47 years	.0581	.0655	.0561	.0581	.0655	.0514	.0519
48 years	.0591	.0666	.0572	.0591	.0666	.0522	.0527
49 years	.0602	.0678	.0584	.0602	.0678	.0530	.0535
50 years	.0613	.0691	.0596	.0613	.0691	.0538	.0543
51 years	.0624	.0704	.0608	.0624	.0704	.0546	.0551
52 years	.0635	.0717	.0620	.0635	.0717	.0554	.0559
53 years	.0647	.0730	.0632	.0647	.0730	.0562	.0567
54 years	.0659	.0743	.0644	.0659	.0743	.0571	.0575
55 years	.0672	.0757	.0656	.0672	.0757	.0580	.0583
56 years	.0685	.0771	.0668	.0685	.0771	.0589	.0591
57 years	.0698	.0785	.0680	.0698	.0785	.0598	.0599
58 years	.0711	.0799	.0693	.0711	.0799	.0607	.0608
59 years	.0724	.0813	.0707	.0724	.0813	.0616	.0617

The rates thus established for the employees have not been changed since the system was established, but the rates of contribution for the State and local bodies have changed considerably, as mentioned above, as new bodies of employees have been taken in and new benefits added to the plan. The actual contributions made have varied even more widely, for the amounts appropriated each year do not always correspond to the rates set, and the situation is further complicated by the fact that as employees under another system transfer to the State plan both the assets and liabilities of the old system are taken over bodily. The annual cash receipts and disbursements of the scheme have been as follows:

TABLE 16.—*Receipts and disbursements of New York State Employees' Retirement System, 1921 to 1926*

Year ending June 30—	Receipts				Disbursements			
	Contributions from employees	Appropriations by public bodies	Other sources	Total	Allowances, pensions, and benefits	Refunds	All other purposes	Total
1921 [1]	$235,720	$50,000	$1,270	$286,990	$11,139	$2,402	$91,038	$104,579
1922	589,351	360,485	28,653	978,489	93,248	29,244	917,014	1,039,506
1923	739,154	13,907	69,582	822,643	123,988	72,420	450,815	647,223
1924	1,279,907	863,427	161,921	2,305,255	257,683	108,512	1,901,183	2,267,378
1925	1,660,986	2,058,992	1,265,434	4,985,412	403,003	174,538	3,997,670	4,575,211
1926	1,923,764	1,527,149	608,606	4,059,519	585,862	258,109	2,974,906	3,818,877
Total	6,428,882	4,873,960	2,135,466	13,438,308	1,474,923	645,225	10,332,626	12,452,774

[1] Six months only.

The expenditure for all other purposes includes investments, so that the difference between income and outgo is no indication of the

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fund's real state. This is shown to some extent by the accumulated cash and securities at the end of each fiscal year, the figures for these being as follows:

1921	$280, 91919	24	$3, 626, 548
1922	1, 137, 46319	25	6, 985, 029
1923	1, 749, 50119	26	9, 838, 764

The cost of administering the system is covered by special appropriations, and up to the close of 1923 no figures relating to this matter were included in the annual tables of income and outgo. For the three succeeding years these items are included under the heading "All other purposes" in the above table. In 1925 the cost of administration was $46,329, and in 1926 it was $84,378.

The accumulated cash and securities on hand at the end of 1926 amounted, it will be noticed, to nearly $10,000,000. At the close of 1925, in accordance with the terms of the law, an investigation was made into the service and mortality experience of the members of the system, with a view to discovering whether the tables on which the rates of contribution and benefit had been based needed modification. The conclusion reached was that the system was working satisfactorily, and that there was no necessity for any change.

While the experience under some of the rates has been unfavorable to the system, other rates have proved favorable, so that the experience as a whole has been good. In view of the fact that only one experience investigation has been made since the system was established, it does not seem necessary to change individual rates until the need for a change has been confirmed by the results of another check on the experience, or the appearance of a deficit in the valuation balance sheet.[2]

PENNSYLVANIA

THE Pennsylvania State Employees' Retirement System was established under an act signed June 27, 1923, and contributions and retirements began in 1924.

Scope of Plan

THE plan covers all holding a State office or employed by the year or the month, excepting judges and those who are covered by the State school employees' plan. Membership is compulsory, after 12 months' service, upon all entering the State service after December 31, 1924. Those in service when the plan was adopted were given the option of joining or remaining outside. The time during which they might exercise this option has been extended to December 31, 1928, but those who did not decide to enter within a year after the plan went into operation must, if they come in later, make up the contributions they would have paid during the interval.

Administration

THE system is administered by a board of five consisting of the secretary of the State, the State treasurer, one member appointed by the governor, and two members belonging to the system and elected by their fellows.

[2] New York. Comptroller's Office. Fifth report on the operation of the State employees' retirement system, as of June 30, 1925. Albany, 1926, p. 67.

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Contributions From the Employees

THE employee has the right to choose between two rates of contribution, the first of which is calculated to produce upon retirement at age 60 an annuity of one one-hundred-and-sixtieth of the average salary for the last five years multiplied by the years of service, while the second gives a similar annuity of one one-hundredth. Most employees choose the higher rate. The rates are based upon the employee's age on entering the system and are as follows:

TABLE 17.—*Per cent of salary deducted as contribution to fund under Pennsylvania State Employees' Retirement System*

Age at entrance	Per cent of salary deducted under—		Age at entrance	Per cent of salary deducted under—		Age at entrance	Per cent of salary deducted under—	
	Rate 1	Rate 2		Rate 1	Rate 2		Rate 1	Rate 2
20	2.68	4.28	34	3.73	5.97	48	5.08	8.13
21	2.74	4.39	35	3.82	6.11	49	5.19	8.30
22	2.81	4.50	36	3.91	6.25	50	5.30	8.49
23	2.88	4.61	37	4.00	6.39	51	5.41	8.66
24	2.95	4.72	38	4.09	6.54	52	5.52	8.84
25	3.02	4.84	39	4.18	6.68	53	5.64	9.02
26	3.10	4.95	40	4.27	6.84	54	5.76	9.21
27	3.17	5.07	41	4.37	6.99	55	5.87	9.40
28	3.25	5.20	42	4.45	7.15	56	5.99	9.59
29	3.32	5.32	43	4.56	7.30	57	6.12	9.79
30	3.40	5.44	44	4.66	7.46	58	6.24	9.98
31	3.48	5.57	45	4.77	7.63	59	6.36	10.18
32	3.57	5.70	46	4.87	7.79			
33	3.65	5.84	47	4.97	7.96			

An employee who has contributed for 10 years may, upon reaching the age of 60, cease making contributions if he chooses, but in that case his retiring allowance will be proportionately smaller.

Contributions From the State

THE State contributes for each employee a sum equal to his own contributions, so that each year a sum is put away entitling him to a retiring allowance made up of his own annuity plus the State's pension, amounting on retirement to either one-eightieth or one-fiftieth of his final average compensation, multiplied by the number of years served since entering the system. For those who were in the service before the retirement system went into effect the State makes a further contribution to provide both annuity and pension for the years served prior to 1924.

The State also bears the full cost of administering the system.

Conditions for Retirement

RETIREMENT for service is permitted at age 60, after 25 years' service. No age has been set for compulsory retirement. Retirement for disability is permitted, after five years' service, for physical or mental incapacity rendering the employee unfit for the discharge of his duty. Medical certification of the incapacity is required.

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Retirement Allowances

FOR service retirement, the allowance consists of annuity plus pension to equal, for each year of service, either one-eightieth or one-fiftieth of the final compensation. Since most of the employees choose the higher rate, those with 25 years' service to their credit retire with an allowance of at least one-half their final average compensation. For instance, an employee retiring under such circumstances whose salary for the last five years has been $1,500 per year would receive an annual allowance of $750 if he had chosen the higher rate, and of $468.75 if he had taken the lower. There is no minimum or maximum to this allowance, except as it is determined by the salary received. If the employee serves for more than 25 years and continues to pay contributions while in the service his allowance will be proportionately greater.

The disability allowance for those retiring as disabled before reaching age 60 is one-ninetieth of the final compensation for each year of service in the State. The minimum is 30 per cent of the final salary and the maximum is eight-ninths of the allowance the employee would have received had retirement not occurred until the superannuation age of 60 had been reached.

Options: Instead of taking his straight allowance the retiring employee may elect to receive a smaller annuity, pension, or allowance, with the proviso that—

1. If the recipient dies before receiving what was, at the date of retirement, the present value of the whole allowance, the balance shall be paid to a beneficiary having an insurable interest in his life, formally designated at the time of retirement; or
2. The annuity, pension, or retirement allowance shall be paid to such a designated beneficiary throughout his or her life; or
3. One-half of the annuity, pension, or allowance shall be continued to such a beneficiary throughout his or her life; or
4. "Some other benefit or benefits shall be paid to either the contributor or such other person or persons as he or she shall nominate, provided such other benefit or benefits shall, together with such lesser members' annuity, or lesser State annuity, or lesser retirement allowance, be certified by the actuary of the retirement board to be of equivalent actuarial value, and shall be approved by the retirement board."

Refunds

IF AN employee is discharged or resigns before reaching pensionable status he is entitled to a return of all the contributions he has made, with compound interest at 4 per cent. If he prefers, he may take instead either an annuity, or a deferred annuity, not to exceed in value the actuarial value of his contributions.

Provision for Dependents

THIS matter is covered by the options given on retirement. If the retiring employee fails to take one of them the State assumes no responsibility for any dependents he may have.

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CHAPTER 4.—RETIREMENT SYSTEMS FOR MUNICIPAL EMPLOYEES

AS A generalization it is probably safe to say that there is not a city in the United States which does not have a retirement system for at least some of its employees. Retirement systems for firemen and the police are practically universal, retirement systems for teachers are common, and in many cities it will be found that there are several other schemes, each covering a special group of employees. Within recent years, however, various cities have concluded that it is fairer and more effective to provide for the retirement of all city employees, and have established retirement systems of varying degrees of inclusiveness. Among the cities having a population of 400,000 or over there are nine with inclusive systems. These, with the date at which the comprehensive system went into effect, are as follows: Baltimore, 1926; Boston, 1923; Chicago, 1922; Detroit, 1923; Minneapolis, 1922; New York City, 1920; Philadelphia, 1915; Pittsburgh, 1915; San Francisco, 1922.

Ordinarily these systems are organized under State laws applying to all cities of a given class, in addition to which there may or may not be a city ordinance authorizing the establishment of a system under the terms of the law.

Scope of Systems

A COMMON method when introducing a municipal retirement system is to make it apply to all employees not covered by some existing pension scheme. The police and firemen almost universally have schemes of their own, which they often prefer to maintain, so that it is rather unusual to find them included in a general scheme. Teachers also frequently have their own established plans. In some cities it is optional with such employees to come into the general system or to remain under their own, so that there is considerable variation in the inclusiveness of the municipal systems. The Boston plan includes both police and firemen, and the Baltimore plan covers firemen, but elsewhere these two groups are outside of the general system. In Boston, Baltimore, and San Francisco the teachers have elected to come under the city plan, but in the other cities they either have their own retirement scheme or are included in a State system. The tendency is to make the municipal system as inclusive as possible, with the idea of substituting one efficient and well-managed plan for a number of small schemes covering limited groups and offering widely varying benefits to the different classes of city employees.

Ordinarily employees in the service at the time a system is adopted are given their choice of entering or remaining outside, but for those entering the service thereafter membership is compulsory.

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Employee Representation in Management

SIX of the plans are administered by boards on which the employees are represented, the other members usually being city officials who hold the position ex officio. In the Boston plan one of the three board members is chosen by the other two from among the employees covered by the system. In Baltimore, Minneapolis, and Pittsburgh, two, and in Chicago, three of the five board members are employees elected by their fellows. In San Francisco, where the board consists of seven members, three are elected by the employees from their own number.

In the other three cities the employees have no direct representation, the system being administered in Detroit by the city comptroller and the civil service commission, in New York City by the board of estimate and apportionment, and in Philadelphia by a board of five, of whom three are city officials and two are elected by the city councils from their membership.

Character of Plans and Source of Funds

OF THE nine cities, Detroit, Philadelphia, and Pittsburgh have cash disbursement and the others actuarial reserve schemes. Detroit stands alone in having a noncontributory system. In the other eight cities, the employees are required to make specified contributions, which are deducted from their salaries or wages. In Pittsburgh the contribution is 2.5 per cent of the salary, with a maximum of $72 a year, in Philadelphia 4 per cent, with a yearly maximum of $48, and in Boston 4 per cent without any maximum. Elsewhere the contribution is calculated on a savings-bank basis to insure a certain annuity after specified conditions as to age and length of service have been fulfilled, and therefore varies with the age at entrance and, in some cases, with sex and kind of work done, the clerical group, for instance, having a lower rate of contribution than employees in more hazardous occupations. Minneapolis exempts from contribution all employees, mostly laborers, who do not earn as much as $750 a year, classing these as noncontributing members, and making special provisions for their retirement allowances, period of service, and the like. Chicago has rather a complicated contribution plan. Any amount over $3,000 a year is exempt, but on salary up to that amount the employee contributes 3.25 per cent for his own annuity, 1 per cent for his widow's annuity (female employees do not make this contribution), and one-tenth of 1 per cent for expenses of administration. In addition he contributes annually one-half of 1 per cent of two months' salary to provide his share of the allowance for ordinary disability.

The cities having cash disbursement systems appropriate such amounts as are required to maintain pension payments. As Detroit bears the whole cost of the allowances, appropriations have been made annually since the plan was started. Philadelphia did not consider any appropriation until 1924, when it devoted $50,000 to the purpose, and Pittsburgh made its first appropriation in 1925, to cover

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a deficit in the 1924 operations. The cities having actuarial reserve systems make annual appropriations to cover their share of the liability for current service, and also to meet the accrued liability for service before the plan went into effect. In general, the city bears the cost of extra benefits, such as special allowances for disability incurred in the performance of duty, and special provision for the widows and children of employees killed in the service.

In the actuarial reserve systems, interest on the accumulating contributions of the employees and the city forms an important part of the revenue. In the New York City system, for instance, the interest on the fund for the year 1926 was $1,136,080, while from the establishment of the fund up to the end of 1926 it was $3,354,600. In Minneapolis, which has comparatively a small system covering 1,739 members as against the 31,000 to 32,000 of New York, interest for 1926 amounted to $26,745, or very nearly one-fifth as much as the city's contribution.

Conditions for Retirement

MOST of the systems recognize at least three kinds of retirement on allowance: For service or superannuation, for ordinary disability, and for duty disability. For service retirement the two factors of age and length of service are frequently linked together. One purpose of a retirement system is to relieve the employing agency of employees too old to give the best service, so there is a tendency in the newer systems to fix an age at which retirement is compulsory. The following statement shows the conditions for service or superannuation retirement in the systems considered:

Conditions for superannuation or service retirement

Baltimore: Optional at 60 years of age, compulsory at 70; no service requirement.

Boston: Optional at 60 years of age, compulsory at 70; no service requirement.

Chicago: No age requirement; at least 10 years' service required. The allowance may not be drawn, however, until the retirant has reached age 55.

Detroit: No age requirement; 25 years' service required, unless employee reaches 70 first, when 15 suffice.

Minneapolis: Optional for women at 60, and for men at 62; compulsory for women at 70, and for men at 72; no service requirement.

New York City: Optional for clerks at 60; mechanics, 59; laborers, 58. Compulsory for all at 70, with possible extensions for 2-year periods; no service requirement.

Philadelphia: Optional at 60; no compulsory age; 20 years' service required.

Pittsburgh: Optional at 60; no compulsory age; 20 years' service required. Retirement may be permitted with less, in which case contributions must be continued to close of 20-year period.

San Francisco: Optional at 62 (at 60, after 30 years' service) and compulsory at 70; 10 years' service required.

It will be noticed that of the three cash disbursement systems one ignores age altogether, and the other two, while setting a fairly early optional age, do not make retirement compulsory at any time. All three, however, have a definite service requirement—20 years in two cases, 25 in the third. Of the actuarial reserve systems, on the other hand, four make no service requirement, and the other two call for only 10 years' service. In an actuarial reserve system,

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of course, it is of no importance from a financial standpoint how early an employee retires. Each year the contributions he makes and the contributions the city makes on his behalf are credited to his account, the interest they draw is also credited to the same account, and it is of no possible importance, financially, to anyone but himself whether he withdraws early and takes the small allowance his account would then purchase, or remains late and secures a larger allowance. But from the standpoint of the work to be done, it is important both that employees should not be leaving in the prime of life after they have served their full apprenticeship, and that they should not remain after they have become less efficient through age, so five of these six cities set an age below which employees may not retire on allowance and another beyond which they may not remain in the service at all. In general, 60 seems to be the accepted age for voluntary and 70 for compulsory retirement.

Conditions for Disability Retirement

ORDINARILY two kinds of disability retirement on allowance are permitted—retirement for ordinary disability which arises in the normal course of life and is not due to the sufferer's fault or wrong living, and retirement for duty or accident disability, arising from some condition or accident to which the employee was exposed in the actual performance of his duty. Medical examination and certification are required before retirement is permitted for either of these causes, and in many cases periodic reexaminations are required as long as the disability allowance is drawn.

The Detroit system makes no provision for disability retirement of any kind, and the Philadelphia and San Francisco systems provide simply for disability retirement, making no distinction between the two kinds. The other six cities permit retirement on allowance for duty disability without regard to age or length of service, the only essential being that the disability results from the direct performance of duty.

For ordinary disability retirement all the cities except Chicago have a service requirement, ranging from 5 years in Baltimore to 20 in Philadelphia. In 1923 Philadelphia reduced this period to 15 years in the case of employees totally incapacitated for any kind of work. New York, Minneapolis, Pittsburgh, and San Francisco require 10 years' service. Chicago safeguards its lack of a service requirement by providing that for ordinary disability the allowance will be paid only for a period not longer than one-fourth the length of service, and not, in any case, exceeding five years.

Retirement Allowances

IN THE cash disbursement systems the allowance for service or superannuation retirement is very simply calculated. In Detroit it is one-half the annual salary received at the time of retirement, with a maximum of $900 a year, and in Philadelphia and Pittsburgh, one-half the average annual salary received during the last five years' service, with a maximum of $1,200 a year. Under the

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actuarial reserve systems the allowance consists of two parts—an annuity purchased by the retirant's accumulated contributions, and another, called a pension, purchased by the city's accumulated contributions to his credit. The contributions have been so calculated that for each year of service the allowance will be a specified fraction—the service fraction—of the average annual compensation received during either the last 5 or the last 10 years' service. The service fraction may vary with the class to which the worker belongs. In the New York system, for instance, the service fraction for clerical workers is one-seventieth; for mechanics, one sixty-eighth; and for laborers, one sixty-sixth of the average final compensation. As a result the retirants from these groups receive an allowance of approximately one-half their average final compensation after terms of service of 35, 34, and 33 years, respectively. Under all the actuarial reserve systems the city pays the whole allowance for years of service rendered before the system was adopted.

The custom varies as to setting minimum and maximum limits. Minneapolis sets a maximum of $500 a year for noncontributing members—i. e., those who have earned less than $750 a year and have consequently been freed from the obligation to contribute to the retirement fund—but has no limits on allowances for contributing members. Baltimore and New York City have no limits, but Boston and San Francisco both provide that allowances may not be less than $480 a year—in San Francisco this provision is confined to those already in the service when the system was adopted, who are forced to retire on account of reaching the age of 70—and Chicago has a minimum for those in service before the present system was adopted of $600. Boston provides that no retirant with credit for prior service may draw an allowance of more than one-half his average annual salary for the last five years, and Chicago sets a maximum of $1,800, beyond which no allowance may go. With these exceptions the amount of the allowance is determined by the amount of the accumulated contributions to the retirant's credit, including the double contribution made by the city for his years of prior service, and by his age at retirement, the latter factor determining the amount of the annuity which the contributions will purchase.

Allowances for Disability Retirement

THERE is the same difference between the two kinds of systems concerning disability allowances as in regard to the allowances for service retirement, the cash disbursement systems paying a fixed amount, usually half of the last salary received, while under the actuarial reserve systems the allowance is made up of annuity and pension in varying proportions, the pension being enlarged to meet the needs of the situation. Table 18 shows the allowance for ordinary and for duty disability retirement under each of the city plans:

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TABLE 18.—*Disability retirement allowances in nine municipal employees' retirement systems*

City	Ordinary disability [1]	Duty disability [1]
Baltimore	Annuity, plus pension sufficient to bring allowance up to nine-tenths of what superannuation allowance would be; minimum, one-fourth of average final compensation.	Annuity, plus pension of two-thirds of retirant's average final compensation.
Boston	Annuity, plus pension of nine-tenths of what it would have been had retirant remained in service at same salary up to age 60.	Annuity, plus pension sufficient to bring allowance up to three-fourths of salary during last year of service.
Chicago	One-half salary received at time of retirement, to be paid for period not longer than one-fourth retirant's length of service, but in no case for over 5 years.	Three-fourths of salary at time disability was incurred, with $10 per month for each child under 18, total not to exceed 90 per cent of full salary.
Detroit	No allowance	No allowance.
Minneapolis	Annuity, plus pension to bring allowance up to what contributions to retirant's credit would purchase if kept at compound interest until earliest date at which service retirement would be permissible.	Annuity, plus pension to bring allowance up to what it would be if employee's and city's contributions were continued up to earliest date at which service retirement would be permissible.
New York City	Annuity, plus pension to bring allowance up to nine-tenths of service allowance at same date, with minimum, if retirant entered service under 40, of one-fourth of average final compensation.	Annuity, plus pension of three-fourths of average final compensation.
Philadelphia	One-half of average final compensation, with maximum of $1,200 a year.	One-half of average final compensation, with maximum of $1,200 a year.
Pittsburgh	do	Do.
San Francisco	1.25 per cent of average final compensation multiplied by number of years of service.	1.25 per cent of average final compensation multiplied by number of years of service.

[1] "Average final compensation" means the average salary, in Baltimore and San Francisco for the last 10, and in New York, Philadelphia, and Pittsburgh the last 5, years of service.

Refunds

ALL of the systems considered make some provision for returning the employee's contributions in case he dies or leaves the service before retiring on allowance. Philadelphia and Pittsburgh return the contributions, without interest, to the employee or to his estate. The other cities return them with interest, usually 4 per cent, compounded annually. In the systems in which the employee is required to make specific contributions for expenses of administration or other nonannuity purposes, it is usually provided that only contributions intended to apply to the purchase of an annuity are to be returned.

Provision for Dependents

WITH the exception of Chicago, all the cities having actuarial reserve systems so arrange that on retirement an employee may either receive his straight allowance or may take one of several options under which he will receive a smaller allowance, but on his death it will be continued to a beneficiary he has named or some other benefit of similar actuarial value will be paid. If an employee on retirement does not choose to take one of these options, the city does not assume any responsibility for his dependents in case of his death. Chicago does not offer options, since under its system allowances are provided for the widows and in some cases for the minor children of employees. The cash disbursement systems do not make any provision for the dependents of a retired employee.

Upon the death of an employee before retirement, all the cities return to his heirs his contributions, usually with interest. If the

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death was due to normal causes, New York City and San Francisco pay to the dependents a lump-sum benefit equal to the decedent's salary for the last six months of his life, while Baltimore pays 50 per cent of his average final compensation. If death was due to accident or injury incurred in the performance of duty, Boston, Baltimore, and New York City pay to the widow, the children under 18, or to dependent parents a pension of one-half the decedent's annual salary or one-half of his average final compensation, according to the city, while San Francisco pays, in addition to the ordinary death benefit, whatever amount is due to the heirs under the State compensation law. Chicago, under the same circumstances, increases the pension paid by the city to the widow so as to bring her total allowance up to 60 per cent of the employee's salary at the time of death. Minneapolis pays a death benefit of $150 to the heirs of a noncontributing member who dies before retirement, while Detroit, Philadelphia, and Pittsburgh make no provision for dependents.

CITY SYSTEMS

BALTIMORE

TYPE of system.—The Employees' Retirement System of the City of Baltimore is a contributory system.

Contributions.—The city makes two contributions, one to cover benefits earned during the current year and one to liquidate the accrued liability for service prior to 1926; it also pays the cost of administering the system. On the basis of the experience from January 1 to June 30, 1926, the rate for the first or normal contribution was set at 4.10 per cent of the active pay roll, and for the accrued liability contribution at 3.64 per cent. This would make a contribution for the year 1927 of $924,540, exclusive of cost of administration.

Employees contribute a percentage of their salary, based on sex, age at entrance, and character of work, calculated to purchase, on retirement, an annuity of one one-hundred-and-fortieth of the average final compensation for each year of service after the adoption of the system. For the year ending December 31, 1926, the employees' contributions amounted to $406,150.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension of equal amount from the city, the two together being equal to one-seventieth of the average final compensation for each year of service after the adoption of the system. For those in service before the system was adopted, the city pays the full allowance for each year of such prior service.

For ordinary disability retirement the allowance consists of annuity plus pension to equal nine-tenths of one-seventieth of the average final compensation for each year of service, with a minimum allowance of 25 per cent of the average final compensation.

For duty disability retirement, the allowance consists of the annuity plus a pension of two-thirds of the average final compensation.

The ordinary death benefit consists of a lump-sum payment equal to one-half of the average final compensation.

The accidental-death benefit, paid in case of death resulting from an accident incurred in the performance of duty, consists of a pension

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of one-half the average final compensation, paid to the widow during widowhood, or to minor children until they reach the age of 18, or to a dependent parent or parents. In addition, the decedent's accumulated contributions with interest are returned to the estate.

Number of employees covered.—As of June 30, 1926, the number of employees under this system was 7,311.

Conditions for retirement.—Retirement is optional at age 60 and compulsory at 70. There is no service requirement, but the amount of the allowance is affected by the length of service.

Ordinary disability retirement is permitted after five years' service.

For duty disability retirement, there is neither age nor service requirement, the only condition being that the disability results from injuries received in the actual performance of duty.

Medical examination and certification are required in all cases of disability retirement.

Administration.—The system is administered by a board of five consisting of the city comptroller, ex officio, two members appointed by the mayor, and two city employees elected by the entire membership of the system.

Average age of retirants.—The average age of the 28 employees who retired during the six months ending June 30, 1926, was 71.1 years.

Statistics.—The system is too newly inaugurated for much to be available in the way of summary data. The city made an initial contribution of $1,000,000 and a balance of nearly $59,000 was taken over when the teachers' retirement system was merged with the city employees' system. As of June 30, 1926, the system was paying retirement allowances of an annual value of $75,749, of which amount $61,382 went to those pensioned under the former retirement system for teachers.

BOSTON

TYPE of system.—The Boston Retirement System is a contributory system.

Contributions.—The city makes one contribution to cover the cost of benefits earned during the current year, and a second to meet the accrued liability for prior service; this second contribution is calculated to liquidate the entire accrued liability within 30 years from the adoption of the system. The city also bears the cost of administration. For the year ending December 31, 1926, the city's contributions to the system amounted to $1,583,000, and the cost of administration was $18,406.

Employees contribute 4 per cent of their salaries or wages. For the year ending December 31, 1926, their contributions amounted to $708,386.

Retirement allowances.—The allowance for superannuation retirement consists of an annuity purchased by the employee's accumulated contributions, and a pension of equal amount from the city. The city provides the full allowance for years of service prior to the adoption of the system. The minimum, if an employee has served for 15 years, is $480 a year; the maximum is one-half of the average annual salary for the last five years.

For ordinary disability retirement the allowance consists of the annuity bought by the retirant's accumulated contributions, plus a pension of 90 per cent of the pension which would have been received

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had the member remained in service till age 60, without change in compensation.

For duty disability the allowance consists of the retirant's annuity, plus a pension sufficient to bring the allowance up to three-fourths of the compensation received during the last year of service.

The accidental-death benefit, payable in case of death resulting from the performance of duty, consists of a pension equal to one-half the compensation received during the decedent's last year of service, paid to his widow during widowhood, or to dependent children until they reach age 18 or to dependent parents.

Number of employees covered.—As of December 31, 1926, the number of employees under this system was 18,926.

Retirement allowances.—Retirement is optional at age 60 and compulsory at 70. There is no service requirement, but the amount of the allowance is affected by length of service.

Ordinary disability retirement is permitted after 15 years' service.

For duty disability retirement there is no age or service requirement, the only condition being that the disability results from injuries received in the discharge of duty.

Medical examination and certification are required in all cases of disability retirement.

Administration.—The system is administered by a board of three—the city treasurer, ex officio, one appointed by the mayor, and one selected by these two from those eligible to membership in the system.

Statistics.—The total receipts of the system from January 31, 1923, when contributions first became payable, to December 31, 1926, were $7,480,582; total disbursements for the same period, $1,511,697.

CHICAGO

TYPE of system.—The Municipal Employees' Annuity and Benefit Fund of Chicago is a contributory system.

Contributions.—The city contributes for each employee as follows: For employee's pension, an amount equal to 5.75 per cent of his salary up to $3,000, all over that amount being omitted from the calculation; for widow's pension, 1.75 per cent; for cost of administration and for ordinary disability benefit, the same amount as the employee. In addition, the city bears the whole cost of the duty disability allowance, the compensation annuity, and the child's annuity. The amount needed is raised by a special tax levy, which must not exceed nine-tenths of a mill on the dollar of assessed valuation. (Beginning July 1, 1927, this levy may not exceed 0.45 of a mill, the reduction having been made on account of a change in the method of assessing valuation.) For the year ending December 31, 1926, the city's contributions amounted to $1,800,004.

The employees contribute a percentage of their salary up to $3,000, all over that amount being exempt. The contribution is thus allotted: For own annuity, 3.25 per cent; for widow's annuity, 1 per cent; for cost of administration, one-tenth of 1 per cent; and for ordinary disability allowance, one-half of 1 per cent of two monthly salary payments a year. Woman employees do not make the contribution for widow's annuity. For the year ending December 31, 1926, the employees' contributions amounted to $868,798

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Retirement allowances.—For superannuation retirement, the allowance consists of an annuity bought by the employee's contributions, plus a pension bought by the city's contributions to his credit. If the employee has served 20 or more years, the whole amount to his credit is used in purchasing this allowance; if he has served less, the city's pension is reduced proportionately. For those entering the service after the system was established, there is no minimum allowance, but a maximum of $1,800 a year is set for all employees. For those in service before the system was adopted, who have served 20 years and are 55 or over, there is a minimum of $600 a year.

For ordinary disability retirement, an allowance of one-half the employee's salary will be paid for a period not longer than one-fourth his length of service, and not in any case over five years.

For duty disability, the allowance consists of the annuity bought by the retirant's contributions, plus a pension sufficient to bring the total up to three-fourths of the salary received at the time the injury was incurred; in addition, $10 a month is allowed for each child under 18, but the total of this "child's annuity" must not exceed 15 per cent of the salary received at the time the injury was incurred.

Upon the death of a contributor or pensioner, his widow receives the annuity purchasable by the accumulated contributions for this purpose made by her husband and the city.

If the death is due to injuries received in the performance of duty, the city increases its share of the annuity to bring the total up to 60 per cent of the salary the husband received at the time of his death, and gives an additional allowance of $10 a month for each child under 18.

Number of employees covered.—As of December 31, 1926, the number of employees covered by this system was approximately 13,000.

Conditions for retirement.—There is no age set for superannuation retirement, but an employee must have served at least 10 years in order to draw a retirement allowance. If he retires earlier, having fulfilled the service requirement, he may not draw the allowance until he reaches age 55.

Ordinary disability retirement is permitted without regard to age or length of service, the only requirements being medical examination and certification.

For duty disability retirement, the requirements are the same as for ordinary disability, plus proof that the disability was incurred in the performance of duty.

Administration.—The system is managed by a board of five, consisting of the city comptroller and the city treasurer, ex officio, and three municipal employees, elected by their fellows.

Statistics.—For the year ending December 31, 1926, the total receipts of the system from all sources amounted to $3,772,057; the total expenditures were $925,369.

DETROIT

TYPE of system.—The Retired Employees' Pension Fund of Detroit is a noncontributory system.

Contributions.—The city makes annual appropriations from its ordinary funds raised by taxes, appropriating whatever amount is needed. For the year ending June 30, 1926, the appropriation was $55,030; for the year ending June 30, 1927, it was $65,932.

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The employees make no contribution.

Retirement allowances.—For superannuation retirement the allowance consists of one-half the salary at the time of retirement, with a maximum of $900 a year.

No allowance is granted for disability retirement.

Number of employees covered.—The number of employees under the system, as of June 30, 1926, was 11,802.

Conditions for retirement.—There is no age requirement for superannuation. Twenty-five years' service is required, but if an employee is 70 or over, he may retire with only 15 years' service.

Neither ordinary nor duty disability retirement on allowance is permitted.

Administration.—The system is administered by the civil service commission and the city comptroller.

Statistics.—The plan was authorized from April, 1923, but no appropriations were made and no pensions paid until 1925, when the pensions were made effective as of 1924, arrearages being paid. The total receipts of the system from the date of its establishment to June 30, 1927, were $141,099; total disbursements for the same period, $141,099.

MINNEAPOLIS

TYPE of system.—The Municipal Pension and Retirement Board Annuity and Benefit Fund of Minneapolis is a contributory system, except for employees receiving less than $750 a year who do not contribute.

Contributions.—The city makes a normal contribution to cover the cost of benefits earned during current year, and another to cover accrued liability. It pays expenses of administration, and bears the whole cost of pensions for noncontributing members. The amount needed is raised each year by a special tax levy. For the year ending December 31, 1926, the city's contribution was $134,801.

Employees receiving over $750 a year contribute a percentage of salary ranging from 3 to 8, based on age at entrance. Those receiving less than $750 make no contribution. For the year ending December 31, 1926, the employees' contributions amounted to $108,763.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension bought by the city's accumulated contributions to his credit. For those in the service before the system was adopted, the city provides the whole allowance for the years of prior service. For contributing members, there is no maximum or minimum upon the allowance; for noncontributing members, the maximum is $500, the amount of the pension depending upon length of service.

For ordinary disability, the allowance consists of the pension and annuity which would be purchasable if the accumulated contributions to the retirant's credit were carried at compound interest until the employee had reached the retiring age.

For duty disability, the allowance consists of the pension and annuity which would be purchasable if both parties continued their contributions until the employee had reached the retiring age.

Number of employees covered.—The number of contributing members under this system, as of December 31, 1926, was 1,739.

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Conditions for retirement.—Retirement is optional for women at age 60 and for men at 62, and compulsory for women at 70 and for men at 72. Noncontributing members must serve till they reach 70. There are no service requirements for contributing members, but for noncontributing members there are requirements as to service varying according to circumstances.

For ordinary disability retirement, 10 years of service and of contribution to the system are required.

For duty disability retirement there is no requirement either of age or service.

Medical examination and certification are required in all cases of disability retirement.

Administration.—The system is administered by a board of five, consisting of the mayor, the city comptroller and chairman of the ways and means committee of the city council, ex officio, and two representatives elected by the employees.

Average age of retirants.—For the year ending June 30, 1926, the average age of all retirants was 69.21 years.

Statistics.—The total receipts of the system from its establishment up to December 31, 1926, were $1,019,105; total disbursements for the same period were $386,584.

NEW YORK CITY

TYPE of system.—The New York City Employees' Retirement System is a contributory system.

Contributions.—The city makes two contributions, calculated on an actuarial basis, one to cover the cost of pensions for current service and to pay death benefits and the "compassionate allowance," and one to defray accrued liability for prior service. It also bears the cost of administering the system. For the year ending December 31, 1926, the city's contributions to the system amounted to $4,202,567.

The employees contribute a percentage of their salary, varying according to sex, age at entrance, and kind of work performed, calculated to provide a fund sufficient, if they continue in the service to the minimum age for retirement, to purchase an annuity of approximately one-fourth of their average final compensation. The rates of contribution range from 3.84 per cent of the salary for men entering the clerical group at age 20 to 8.3 per cent for women entering the laboring group at age 57. For the year ending December 31, 1926, the employee's contributions amounted to $3,525,777.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension from the city of approximately the same amount, the total being equal to a fraction of the retirant's average final compensation, multiplied by the number of years he has served. This service fraction is, for members of the clerical group, one-seventieth, for mechanics, one sixty-eighth, and for laborers, one sixty-sixth of the average final compensation. For those in the service when the system was adopted, the city provides the whole allowance for the years of prior service.

For ordinary disability retirement, the allowance is nine-tenths of what the service allowance would be, with a minimum, if the retirant entered the service under age 40, of 25 per cent of the average final

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compensation. The city increases its pension, if necessary, to bring the allowance up to this minimum.

For duty disability retirement, the allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension from the city of three-fourths of his average final compensation.

If a member is dropped from the service without fault on his part, he is entitled, in addition to the return of his contributions, to a payment equal in value to a pension, deferred to age 60, of one one-hundred-and-fortieth of his average final compensation, multiplied by his years of service. This is known as the "compassionate allowance."

In case of the death from ordinary causes of a member in active service, a cash sum, equal to his compensation for the last six months, is paid to his estate or to any beneficiary he may have designated.

If the death of an active member results from an accident sustained in the performance of duty, a pension of one-half of his average final compensation is payable to his widow during widowhood, or to his minor children until they reach age 18, or to his dependent parent or parents.

Options are offered at the time of retirement, permitting provision for dependents at the cost of a smaller allowance to the retirant during his lifetime.

Number of employees covered.—As of December 31, 1926, the number of employees covered by the system was 31,421.

Conditions for retirement.—Retirement is optional for the different classes of workers at the following ages: Clerical group (including technical and administrative employees), 60; mechanics, 59; laborers, 58. It is compulsory at 70 for all classes, although extensions may be granted in individual cases. There is no service requirement, but the amount of the allowance is affected by this factor.

For ordinary disability, arising from causes other than the actual performance of duty, retirement on allowance is permitted after 10 years' service.

For duty disability retirement is permitted at any time.

Medical examination and certification are required in all cases of disability retirement.

Administration.—The system is administered by the city board of estimate and appropriation.

Statistics.—From the coming into operation of the system on October 1, 1920, to December 31, 1926, the total receipts of the system were $38,605,703, and the total disbursements, $6,871,076.

PHILADELPHIA

TYPE of system.—The Municipal Pension Fund of the City and County of Philadelphia is a contributory system.

Contributions.—The city undertakes to make such contributions as are needed to maintain the payment of pensions, and also bears the cost of administration, but has not committed itself to any systematic method of building up a reserve fund. In 1924, the city appropriated $50,000 for the support of the system, and in 1925 a like amount. This amount may be increased as necessity arises.

Employees contribute 4 per cent of their salaries or wages, with a maximum contribution of $4 a month. If an employee retires on

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allowance before having contributed for 20 years, he must contribute 4 per cent of his allowance annually till the 20-year period is made up. In 1926 the employees' contributions amounted to $312,782.

Retirement allowances.—The retirement allowance is 50 per cent of the retirant's average annual salary for the last five years, with a maximum of $1,200 a year.

Conditions for retirement.—Superannuation retirement is optional from age 60 onward, after 20 years' service.

Disability retirement is permitted after 20 years' service, regardless of age. If the disability totally incapacitates the employee for work of any kind, retirement on allowance may be permitted after 15 years' service.

Administration.—The system is administered by a board of five, consisting of the mayor, the city comptroller, and the city treasurer, ex officio, and one member each of the select and common councils, chosen annually by the said councils.

Average age of entrants.—The average age at retirement is estimated at from 62 to 63, with a minimum of 25 years' service, on the average.

Statistics.—From the establishment of the system to December 31, 1926, the employees had contributed $2,277,770, while the net amount paid out in pensions was $1,786,744.

PITTSBURGH

TYPE of system.—The Pension Fund of the City of Pittsburgh is a contributory system.

Contributions.—The city appropriates annually whatever amount is considered necessary. For the year ending December 31, 1926, the appropriation was $44,000.

Employees contribute 2.5 per cent of their salaries, all salary over $2,400 a year being exempt from contribution. If an employee is retired with less than 20 years' service, he must contribute 2.5 per cent of his allowance until the 20-year period has been completed. For the year ending December 31, 1926, the employees' contributions amounted to $94,022.

Retirement allowances.—The superannuation retirement allowance is one-half the average annual compensation for the last five years of service, with a maximum of $1,200 a year.

The disability retirement allowance is the same as the superannuation.

Number of employees covered.—The number of employees under this system as of December 31, 1926, was approximately 2,400.

Conditions for retirement.—Retirement is optional at 60, after 20 years' service. There is no compulsory age.

Ordinary disability retirement is permitted after 10 years' service.

Duty disability retirement is permitted without regard to age or length of service.

Medical examination and certification are necessary in all cases of disability.

Administration.—The system is administered by a board of five, consisting of the mayor, the city comptroller, and the president of the city council, ex officio, with two municipal employees chosen by their fellows.

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Average age of retirants.—The average age at retirement is 66.4 years, with an average of 24.6 years of service.

Statistics.—The total receipts of the system from October 1, 1915, to December 31, 1926, were $876,787; the total disbursements for the same period were $817,604.

SAN FRANCISCO

TYPE of system.—The City Employees' Retirement System of San Francisco is a contributory system.

Contributions.—The city makes each year a contribution covering its share of the benefits earned by that year's service, and another to cover the accrued liability. It also pays the cost of administering the system. For the year ending June 30, 1926, its contributions amounted to $688,142.

Employees contribute a percentage of their salary based on sex and age at entrance. The present range is from 2.87 per cent for men entering at 20 to 6.37 per cent for those entering at over 60. For the year ending June 30, 1926, their contributions amounted to $510,884.

Retirement allowances.—The superannuation allowance consists of an annuity bought with the retirant's accumulated contributions and a pension bought with the city's accumulated contributions to his credit. If retirement takes place at age 62, the annuity and pension combined amount to, for men, 1⅓ per cent and for women 1.172 per cent of their average final compensation multiplied by each year of service rendered since the adoption of the system. For those in service before the adoption of the system, the city provides the full allowance for each year of such prior service. In general, there is neither minimum nor maximum set, but for those in the service before the system was adopted who are forced to resign on account of reaching age 70, a minimum of $480 a year is fixed.

For disability retirement the allowance is 1.25 per cent of the average compensation for the last 10 years of service, multiplied by the total number of years of service.

For duty disability retirement, the allowance is the same, but the city pays in addition whatever benefits the State compensation law provides under the circumstances.

In case of the death of a member from ordinary causes, there is a death benefit of an amount equal to the compensation earnable during the last six months.

In case of death resulting from the performance of duty, the dependents receive in addition to the above benefit whatever the State compensation law calls for under the circumstances.

Upon retirement, a member is given options enabling him to make provision for his dependents, if he wishes to do so, at the cost of a smaller allowance during his life.

Number of employees covered.—As of June 30, 1926, the number of employees under the system was 6,775.

Conditions for retirement.—Retirement is optional at age 62 (60 if retirant has served 30 years) and compulsory at 70. There is a service requirement of 10 years.

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Disability retirement is permitted after 10 years, the requirement being the same for ordinary and for duty disability. Medical examination and certification are required in both cases.

Administration.—The system is administered by a board of seven, made up of the chairman of the finance committee and the city auditor, ex officio; three elected from the active membership of the retirement system; a resident official of a life insurance company and an officer of a bank, both appointed by the mayor.

Statistics.—From the establishment of the system, April, 1922, up to June 30, 1926, the total receipts were $3,761,699, and the total disbursements were $769,381.

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TABLE 19.—*Comparison of municipal public service retirement systems*

Name of system and authorization	Employees' contribution	City's contribution	Conditions for retirement	Retirement allowances	Other benefits
Employees' retirement system of the City of Baltimore (Acts of 1924, ch. 411; city ordinance No. 553 of 1925).	Percentage of salary (based on sex, age at entrance, and kind of work) calculated to purchase annuity of one one-hundred-and-fortieth of average final compensation for each year of service.	Annual contributions to cover its share of benefits earned by current service and to meet accrued liability; cost of administration and extra benefits.	Superannuation: Optional at age 60; and compulsory at 70. No service requirement. Ordinary disability: 5 years' service. Duty disability: No age or service requirement. Medical certification for all disability retirements.	Superannuation: Annuity and pension to equal, for each year of service, one-seventieth of average final compensation; full allowance for prior service. Ordinary disability: Nine-tenths of retirement allowance; minimum, 25 per cent of average final compensation. Duty disability: Annuity plus pension of two-thirds of average final compensation.	Ordinary death benefit; accidental-death benefit; options.
Boston retirement system (Mass. Acts of 1922, ch. 521; 1923, ch. 381; 1925, ch. 18; and 1926, ch. 390).	4 per cent of salary or wages.	An annual amount sufficient to meet its liability for current service, and to defray part of accrued liability; cost of administration.	Superannuation: Optional at age 60 and compulsory at 70; no service requirement. Ordinary disability: After 15 years' service. Duty disability: No age or service requirement. Medical certification in all cases of disability.	Superannuation: Annuity plus pension; minimum, after 15 years' service, $480; maximum, one-half average annual salary of last 5 years. Ordinary disability: Annuity, plus pension equal to 90 per cent of pension payable if retirant had served till 60. Duty disability: Annuity plus pension equal to three-fourths of compensation during year preceding injury.	Accidental-death benefit; options.
Municipal employees' annuity and benefit fund of Chicago (Ill. Laws of 1921, p. 205).	Percentage of salary up to $3,000 (all over that amount being exempt) toward own annuity, widow's annuity, ordinary disability allowance and cost of administration.	Percentage of employee's salary to cover city's share of ordinary benefits, and also entire cost of duty disability allowance, and other extra benefits.	Superannuation: No age requirement, but at least 10 years' service. Ordinary and duty disability: No age or service requirement. Medical certification.	Superannuation: Annuity plus pension, amount depending on length of service, salary, and age at retirement; maximum, $1,800. Ordinary disability; 50 per cent of final salary, paid for not more than 5 years. Duty disability: 75 per cent of final salary, for life; also allowance for minor children up to 15 per cent of salary.	Provision for dependents; special provision if employee killed in performance of duty.
Retired employees' pension fund of Detroit (City Charter, Tit. IX, Ch. V).	No contribution..	Amount needed to carry the system.	Superannuation: Twenty-five years' service, or 15 if employee has reached age 70. No disability retirement.	Superannuation: One-half annual salary at time of retirement; maximum, $900.	None.
Municipal pension and retirement board annuity and benefit fund of Minneapolis (Sess. Laws 1919, ch. 522).	From 3 to 8 per cent of salaries, according to age at entrance; employees receiv-	Contribution to cover its share of benefits earned by current service and to meet accrued liability;	Superannuation: Optional at age 60 for women and 62 for men, compulsory at 70 for women, 72 for men. Non-contributing members must	Superannuation: Annuity bought by retirant's contributions plus pension bought by city's contributions on his behalf. Supplemental pension for those in service before plan was adopted. For	For contributing members, options; for non-contributors, death benefit.

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	ing less than $750 a year do not contribute.	cost of administration and entire cost of pensions for noncontributing members.	serve till 70 and meet certain service requirements; no service requirement for others. Ordinary disability: Ten years' service. Duty disability: No age or service requirement. Medical certification and periodic examination.	noncontributing members, pension not to exceed $500 a year. Ordinary disability: Allowance purchasable if present accumulated contributions were kept at compound interest till retirant reached retiring age. Duty disability: Allowance purchasable if both parties continued their contributions till employee reached retiring age.	
New York City employees' retirement system (Laws of 1920, ch. 427; Greater New York Charter, Ch. XXVI).	Percentage of salary (based on sex, age at entrance, and character of work) calculated to produce sum which will purchase at retirement an annuity of one-fourth of final average compensation; ranges from 3.84 to 8.3 per cent of salary.	Cost of pensions for current service, accrued liability, cost of extra benefits, and expense of administration.	Superannuation: Optional at age 60 for clerical group, 59 for mechanics, and 58 for laborers; compulsory for all at 70, with possible extensions. No service requirement. Ordinary disability: Ten years' service. Duty disability: No age or service requirement. Medical certification in both cases.	Superannuation: Annuity plus pension, to equal for each year of service a fraction of average final compensation—for clerks, one-seventieth, for mechanics one sixty-eighth, and for laborers one sixty-sixth. Ordinary disability: Nine-tenths of superannuation allowance; minimum, one-fourth of average final compensation. Duty disability: Annuity, plus pension of three-fourths of average final compensation.	Ordinary death benefit; duty death benefit; compassionate allowance; options.
Municipal pension fund of city and county of Philadelphia (P. L. 566 of 1915; amended, P. L. 689 of 1917).	4 per cent of salary or wages; maximum, $48 a year.	Appropriation of whatever is deemed necessary for maintenance of system.	Superannuation: Optional at age 60, after 20 years' service. No compulsory age. Total disability: Fifteen years' service. Medical certification.	Superannuation and disability: One-half of average annual pay for last 5 years; maximum, $1,200.	None.
Pension fund of the city of Pittsburgh (P. L. 596; Laws of 1925, No. 404).	2.5 per cent of salary or wages up to $2,400 a year.	Annual amount needed to maintain system.	Superannuation: Optional at age 60, after 20 years' service. No compulsory age. Ordinary disability: Ten years' service. Duty disability: No age or service requirement. Medical certification and periodic examinations in both cases.	Superannuation and ordinary and duty disability: One-half average final compensation; maximum, $1,200.	None.
City employees' retirement system, San Francisco (City Charter, Art. XVII; charter amendment No. 37 (adopted, 1924); city ordinance 5561, new series).	Percentage of salary based on sex and age at entrance; for those entering under 60, not to exceed 5 per cent.	Cost of benefits for current service; accrued liability; cost of administration.	Superannuation: Optional at age 62, after 10 years' service (at 60 if retirant has 30 years' service); compulsory at 70. Disability: Ten years' service. Medical certification and periodic examinations.	Superannuation: Annuity plus pension, to equal, for each year of service, for men 1⅓ per cent and for women 1.172 per cent of average final compensation. Full allowance for prior service, with minimum of $480; no maximum. Disability: For each year of service 1.25 per cent of average final compensation.	Death benefit; options.

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TABLE 20.—*Income and expenditures of municipal public service retirement systems*

Name of system	Year ending—	Receipts from—				Expenditures for benefits			Refunds	Cost of administration	Other items	Total expenditures
		Employees	Public sources	All other sources	Total receipts	Retirement allowances	Other benefits	Total				
Employees' retirement system of the city of Baltimore	Dec. 31, 1926	$406,150	$1,000,000	$86,157	$1,492,307	$55,898	$39,472	$95,370	$8,078			$103,448
Boston retirement system	do	708,386	1,583,000	198,826	2,490,212			537,455	56,708	$18,406		612,569
Municipal employees' annuity and benefit fund, of Chicago	do	868,798	1,800,004	1,103,255	3,772,057	647,610	167,643	815,253	67,538	42,578		925,369
Retired employees' pension fund of Detroit	June 30, 1926		55,030		55,030	55,030		55,030				55,030
Municipal pension and retirement board annuity and benefit fund, Minneapolis	Dec. 31, 1926	108,763	134,801	26,932	270,496	96,696	1,500	98,196	17,462	12,511		129,304
New York City employees' retirement system	do	3,525,777	4,202,567	1,151,432	8,879,776	649,920	498,398	1,148,318	659,906		$9,891	1,818,115
Municipal pension fund, city and county of Philadelphia	do	312,782	50,000					306,119	82,543			
Pension fund of the city of Pittsburgh	do	94,022	44,000	5,895	143,917	120,758		120,758	23,227	5,749		149,734
City employees' retirement system, San Francisco	June 30, 1926	510,884	688,142	110,631	1,309,657	126,407	70,738	197,145	41,043	14,063	2,605	254,856

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TABLE 21.—*Relation of beneficiaries to active force and of benefit expenditures to pay roll of active force—Municipal public service retirement systems*

Name of system	Year ending —	Number on active force	Pay roll of active force	Number of beneficiaries	Amount spent in benefits	Per cent beneficiaries form of active force	Per cent benefits form of active pay roll
Employees' retirement system of the city of Baltimore	June 30, 1926	7,311	$11,485,536	165	$95,370	2.25	8.3
Boston retirement system	Dec. 31, 1926	18,926	36,185,205	709	537,455	3.75	1.49
Municipal employees' annuity and benefit fund of Chicago	do	[1] 13,000		1,467	815,253		
Retired employees' pension fund, of Detroit	June 30, 1926	11,802	19,932,162	73	55,030	.62	.28
Municipal pension and retirement board annuity and benefit fund, Minneapolis	Dec. 31, 1926	1,739		244	98,196	.14	
New York City employees' retirement system	do	31,421		966	1,148,318	3.07	
Municipal pension fund of the city and county of Philadelphia	do			534	306,119		
Pension fund of the city of Pittsburgh	do	[1] 2,400		182	120,758		
City employees' retirement system, San Francisco	June 30, 1926	6,775		279	197,145	4.12	

[1] Approximate number.

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CHAPTER 5.—STATE AND CITY RETIREMENT SYSTEMS FOR TEACHERS

IN THE summer of 1927, when the inquiry as to retirement systems was undertaken by the Bureau of Labor Statistics, 21 state-wide teacher-retirement systems were in effect, and in addition seven cities having a population of 400,000 and over had retirement systems for their teachers, independent of those of the States. Of the State systems, those of Arizona, Maine, and Nevada do not lend themselves readily to tabulation, so a brief summary of their principal features will be given, after which the systems of the remaining States and the seven cities will be discussed in detail.

The Arizona law, passed in 1912, provides for a noncontributory system under which a teacher is permitted to retire after 25 years of service, on an allowance of $600 a year. The administration of the system is intrusted to the State board of education, and the pensions are to be paid from the school fund of the State.

The Nevada law, passed in 1915, provides for an annual contribution of $9 (later raised to $12) from the teacher, and permits retirement after 30 years of service, 15 of which must have been in the State, on an annual allowance of $500. In 1919, this amount was raised to $600. Retirement for disability is permitted after 15 years of service, with a proportionately smaller allowance. The system is administered by the State board of education, and the money for the State's part of the allowance is raised by an ad valorem tax of 3 mills on the $100. The secretary of the system states that on June 21, 1927, there were 24 teachers on the pension roll, 11 being on service and 13 on disability retirement, with average allowances of $584 for service and $389 for disability retirements. The average age of those on service retirement was 55.5 and their average period of service was 30.5 years. For those on disability retirement the corresponding figures were 53 and 20.6 years. The amount paid out in allowances during 1926 was $10,846.

The situation in Maine is rather involved. In 1913 a noncontributory system was established under which teachers might retire at 60 on pensions ranging from $200 to $300 a year, according to their length of service. In 1923 this system was abolished, except that pensions were confirmed to all to whom they had been granted under its terms, and a new scheme was established under which members contribute 5 per cent of their salaries, while the State is to give annually an amount equal to the combined contributions of the members. Retirement is permitted at 60, after 30 years of service, on an allowance bought by the combined contributions of the teacher and the State. Membership in the system is optional, and so far only seven teachers have elected to come under its terms. Pensions granted under the old system are still being paid, but none of the members of the new scheme have as yet qualified for retirement.

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Scope of Systems

MOST of the systems, whether of State or city, limit membership to teachers, usually including superintendents and similar officials under this title. New Jersey and Pennsylvania include other employees of the school system—janitors, engineers, and the like. In New York City the teachers' system covers only the teaching force, but the board of education has established a special system, included in this study, for all its permanent, nonteaching employees except superintendents, who come under the teachers' system.

Date of Establishment and Membership

THE following table shows the date of establishment and the approximate membership of the systems included:

TABLE 22.—*Date of establishment and approximate membership of State and city retirement systems for teachers*

State or city	Year established [1]	Membership	State or city	Year established [1]	Membership
State systems:			State systems—Continued.		
California	1913	36,108	Rhode Island	1908	3,599
Connecticut	1917	9,749	Vermont	1919	----------
Illinois	1915	38,888	Virginia	1908	----------
Indiana	1915 (1921)	12,341	Wisconsin	1911 (1921)	18,054
Maryland	1927	----------	City systems:		
Massachusetts	1914	20,019	Chicago	1896 (1907)	11,927
Michigan	1917	24,471	Detroit	1895 (1923)	6,300
Minnesota	1915	16,866	Milwaukee	1909 (1921)	2,054
Montana	1915	5,600	Minneapolis	1909 (1924)	2,344
New Jersey	1903 (1919)	19,830	New Orleans	1910 (1918)	1,619
New York	1921	39,648	New York	1894 (1917)	25,995
North Dakota	1913	8,226	New York Board of Education	1921	2,507
Ohio	1920	42,972	Washington, D. C	1920	2,761
Pennsylvania	1921	58,409			

[1] Figures in parentheses indicate year of change in system.

Some of the earlier systems were established with rather loosely planned provisions, which were gradually found to be unwise or unworkable, and the systems were modified accordingly. Sometimes a complete reorganization took place and a practically new system was installed; in these cases the year of the change is given in parentheses in the above table. Maryland made a complete change while this study was in progress, substituting, for a partial plan of earlier date, an actuarial reserve plan which became effective in 1927. In other instances an unsatisfactory system was modified, feature by feature, so that the plan now in operation may bear but slight resemblance to the original, yet no date can be given at which its character was radically changed.

The figures as to membership are, for the most part, as of 1926. They are not comparable, owing to differences in the time of enumeration and in practice as to including those who have not formally withdrawn, but who may not be active members at a given time. The membership may fluctuate materially as between June and December, for instance, and a comparison as to size between two systems using different dates for their enumeration might be misleading in the extreme. The figures are given merely as conveying an

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approximate idea of the size of the different groups, and can not be safely used for other purposes.

Employee Representation in Management

THE employees very generally share in the management, and sometimes theirs is the dominant voice. In five systems they have no representation on the administrative body. In three of these—the State systems of California, Rhode Island, and Virginia—the system is administered by the State board of education; in Washington, D. C., it is in the hands of the Commissioners of the District of Columbia, and the system of the Board of Education of New York City is managed by the board itself. With these exceptions the employees have, or may have, representation on all the boards of management.

The boards usually consist of certain specified officials of the State or city, holding their position ex officio, and of other members who, according to the particular system, are either appointed by some specified authority or elected by the teachers. In six of the States those who are not ex officio members are appointed by the governor. In three of these—Indiana, Montana, and Wisconsin—the governor has free choice as to whom he will appoint, except that the Indiana system provides that not more than two of his appointees may be members of the teaching force. Illinois, Michigan, and North Dakota, on the other hand, specifically provide that some or all of the governor's appointees must be teachers, either in active service or retired on pension. In Michigan, moreover, at least one must be a woman teacher in the public schools. The Wisconsin system really provides for greater representation of the teachers than is apparent from the above statement, since it calls for three boards of first instance, one each for the public schools, the normal schools, and the university, the members of all of which are elected by their fellows. These act upon all claims for retirement from their respective departments, but a right of appeal lies from them to the upper board, composed of two ex officio members and five appointees of the governor, which also handles the funds and investments.

The systems of the remaining nine States all provide that one or more members of the administering body must be elected by the teachers from among their own number.

In two of the city systems, as mentioned above, the employees are not represented by elective or appointive members of the administering body. In the other six systems the teachers elect representatives and in three of them—Chicago, Minneapolis, and New Orleans—their representatives form a majority of the board. In New York City and Detroit the teachers elect 3 of the 7 members, and in Milwaukee 4 of the 9. In Milwaukee it is specified that two of the teachers' representatives must be women.

Character of Plans and Source of Funds

RHODE ISLAND has a noncontributory system under which the State bears the whole expense, and Michigan and Montana have wholly contributory systems under which the teachers contribute all, the State paying in nothing to the fund. With these

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exceptions, all the systems, both State and city, call for a division of the cost between employer and employee, the proportion borne by each and the methods of determining contributions varying widely. All the funds may be increased by interest on deposits, profits on investments, gifts, legacies, and the like, but the contributions from the members of the systems and the employing agencies are the chief reliance.

Contributions from Employees

IN TWO States the teachers contribute a flat sum yearly, California requiring $12 per teacher and Montana assessing each teacher $1 for each month of the school year, as the school year varies in length in different parts of the State, the contributions vary accordingly, but it is provided that a teacher must have paid in at least $300 (raised, in 1927, to $600) in order to be eligible for a superannuation allowance. Three States modify this plan by requiring a graded flat sum. Illinois calls for $5 annually from those who have taught 10 years or less, $10 a year from those who have taught from 10 to 15 years, and $30 a year from those who have taught over 15 years. After 25 years of teaching contributions may cease. Minnesota calls for $5 annually for the first 5 years, $10 for the next 5, $20 for the next 10, and $30 for the next 5, making a total of $425 for 25 years of teaching, after which contributions may cease. Those with salaries over $1,500 a year may be required to contribute on a percentage basis, but the annual contribution must not fall below what the flat sum for the corresponding year would be. Indiana introduces a further modification of the idea by requiring a flat contribution, based on age at entrance, designed to produce at age 60, after 40 years' service, an annuity of $300. The range of contributions is from $35.77 for those entering the service at age 20 to $18.04 for those entering at age 40.

Four States require the teachers to contribute a flat percentage of their salaries. In Wisconsin the rate is 5 per cent, but teachers under 25 years of age are not called upon to contribute. New York and Ohio fix the rate at 4 per cent. Ohio exempts from contribution all salary over $2,000, but places an additional assessment of $1 per annum on all teachers to meet the expenses of administration. Virginia requires a contribution of only 1 per cent of the salary, but provides that if, at the time of retirement, the teacher's contributions have not reached 30 per cent of the average annual salary for the last five years of teaching, a deduction shall be made from the first year's pension to bring the credits up to that amount.

The systems of three other States call for a flat percentage, but set limits upon the amounts to be collected. Connecticut, Massachusetts, and Vermont all require 5 per cent of the salary, and all fix the maximum contribution at $100 a year, but Connecticut sets a minimum of $25, Massachusetts of $35, and Vermont of $16 a year.

Two States, Michigan and North Dakota, provide for a graded percentage. Michigan changed its rate in 1927 and now requires 1 per cent of the salary, not to exceed $10 per annum, for the first five years; 2 per cent, not to exceed $20, for the next 10 years; and 3 per cent, not to exceed $30, for the next 15 years. The teacher must have contributed at least 100 per cent of the first year's retirement

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allowance. North Dakota requires a contribution of 1 per cent of the salary, not to exceed $10 annually, for the first 10 years, and then 2 per cent, but not to exceed $40 a year for 15 years, after which contributions may cease.

In three States the contribution is a percentage of the salary, based on sex and age at entrance, which will produce, after normal requirements as to age and length of service have been fulfilled, a sum sufficient to purchase a specified annuity. In these States the percentage ranges, according to age at entrance, as follows:

		Men	Women
Maryland	per cent	4. 28 to 6. 28	4. 08 to 7. 75
New Jersey	per cent	3. 60 to 6. 11	3. 91 to 7. 42
Pennsylvania	per cent	3. 33 to 5. 30	3. 69 to 6. 59

The city systems show much the same kind of arrangements. Chicago and Milwaukee teachers pay graded flat sums. Chicago requires monthly payments of $1 for the first 4 years of teaching, of $1.50 for the second 4, $2.50 for the third 4, and thereafter $5 a month for as long as the teacher continues in service. In Milwaukee the contribution is $4 per month for the first 10 years of service, $6 per month for the next 5 years, and $8 a month thereafter. Both cities count 10 months to a school year.

Detroit, Minneapolis, and New Orleans require a contribution of a flat percentage of the salary. Detroit places the rate at 3 per cent, but exempts salary above $1,500; Minneapolis calls for 5 per cent, but does not require contributions from those under 25; and New Orleans sets the amount at 2 per cent.

New York, Washington, and the system of the New York Board of Education all require a percentage of the salary, based on age at entrance and calculated to produce, at the normal age for retirement, a sum sufficient to purchase a specified annuity.

Contributions from State and City

AS MENTIONED before, Michigan and Montana make no contributions to the retirement systems. Rhode Island and Virginia appropriate annually from their general funds the amounts needed for payment of current pensions. Four States contribute annually either the proceeds of a special tax or an arbitrarily determined amount. Of these California gives 5 per cent of the inheritance tax, Illinois and Minnesota the proceeds of a special tax levied for the purpose, and North Dakota gives 10 cents annually for each child in the State aged 6 and under 21 years.

The remaining 10 States make regular contributions sufficient to provide a definite share of the retirement allowance earned by current service and to liquidate gradually the accrued liability. This contribution is frequently calculated as a percentage of the teachers' salary roll for the year. Wisconsin, included in this group, raises the necessary amount by a special tax, while the others appropriate what is needed from the general revenues.

Of the eight city systems, four (those of Minneapolis, New York, Washington, and the New York Board of Education) make appropriations calculated to provide a definite part of the retirement allowance for each employee, covering both current and accrued liability. The

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other four have no uniform principle of contributions. Chicago gives $2 for each $1 contributed by the teachers. The amount is raised by a special tax levy, and if at any time it should prove insufficient the board of education is to appropriate from the general education fund whatever amount is needed to make up the deficiency. So far, this has not been found necessary. Detroit contributes the interest on the daily balances of the teachers' salary fund and tuition fees from nonresident pupils, Milwaukee gives 40 per cent of the surtax on net incomes in excess of $3,000, and New Orleans makes an appropriation equal to 3 per cent of the teachers' salary roll, but not to be less than $30,000 a year.

The systems, it will be seen, fall into two groups. In the first, the contributions made by the employing agency and by the employees are carefully calculated to build up a fund which will be increased each year by an amount sufficient to cover the liability incurred that year and to meet a definite portion of the accrued liability. Usually these contributions are invested at compound interest, and their earnings are an important factor in building up the reserves. In the other group, contributions have been fixed without sufficiently careful calculations as to what the future demands on the fund will be, and the schemes are, from an actuarial point of view, unsound. In a system like that of Rhode Island, the question of soundness hardly enters, since the State bears the whole expense. Some of the other systems of this group have large balances on hand, and the claim is made that their condition is entirely satisfactory. Thus, the report of the Chicago teachers' system shows that for the year ending August 31, 1926, the excess of total income over total disbursement was $745,731, and that the total reserve fund was $4,324,025. To any suggestion that this reserve is startlingly smaller than the future liabilities already incurred, the reply is made that under the law, if the funds should at any time prove insufficient the board of education must appropriate from the general education fund whatever is needed, and that therefore it is absurd to speak of the danger of insolvency.

On the other hand, some of these systems are already in distress and others are trying to recast their schemes so as to avoid future difficulties. In Montana, for instance, the expenditures of the fund in 1926 exceeded its income by $18,573, and it was calculated that in about four years more the reserves would be entirely exhausted. In 1927 accordingly, the law was so amended that no teacher might receive a pension without having contributed at least $600 to the fund, and that the total amount paid out in pensions in any year might not exceed the fund's income for that year. If necessary, pensions must be reduced below their nominal figure to bring outlay down to income.

The Minnesota system guarded against danger of bankruptcy by inserting a proviso that "The board of trustees may ratably reduce the annuities provided in this act whenever, in the judgment of the board, the condition of the fund shall require such reduction." So far, the trustees have never felt that the condition of the fund justified paying the full allowances called for, and only a percentage has been paid.

The Minneapolis plan shows a curious variation. When the system was under consideration it was estimated that to provide the

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contribution called for from the city a tax levy of approximately 1⅓ mills would be required. As adopted, however, the plan limited the tax to 1 mill, until a higher rate should be authorized after 1927, and included a proviso that, until such a higher rate should be authorized, the city's contribution to the credit of the individual teachers should be reduced pro rata as much as might be necessary to bring its total contribution within the amount raised by the lower tax.

Expenses of Administration

IN SIX States the expenses of administering the system are paid out of the general fund, in seven the State makes a specific appropriation for the purpose, and in two they are carried as part of the general expenses of the department of education. In Ohio a special fund for the purpose is raised by an assessment of $1 a year on each teacher. Vermont maintains a special fund, made up of gifts and receipts from any other source than the contributions of teachers and State; and interest thereon, and from this pays cost of administration and meets any unforeseen expenses that may arise. Wisconsin provides that the costs are to be paid out of the interest earned by the fund.

In four of the cities, Chicago, Detroit, Minneapolis, and Milwaukee, expenses are met from the funds of the system. In New York the city defrays the cost, apart from its other contribution. The New York Board of Education carries the system as part of its normal expenses, and in New Orleans and Washington the department of education bears the cost.

Conditions for Retirement

Superannuation or Service Retirement

SUPERANNUATION retirement may be based on age, on service, or on a combination of the two. Of the 18 States considered, 5 (California, Minnesota, North Dakota, Rhode Island, and Wisconsin) have no age requirements of any kind. The others set the following ages:

TABLE 23.—*Age for optional and compulsory retirement set by State teachers' retirement systems*

State	Age for optional retirement	Age for compulsory retirement	State	Age for optional retirement	Age for compulsory retirement
Connecticut	60	70	Ohio	60	70
Illinois	50	----------	Pennsylvania	62	70
Indiana	60	----------	Vermont:		
Maryland	60	70	Women	60	----------
Massachusetts	60	70	Men	65	----------
Michigan	60	----------	Virginia:		
Montana	55	----------	Women	50	----------
New Jersey	62	70	Men	58	----------
New York	60	70			

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Michigan had no age provisions up to 1927, when it amended its law to make 60 the age for optional retirement. Connecticut and New York, modify their age provision to permit retirement, regardless of age, after 35 years' service, and Ohio after 36.

Five States (Maryland, Massachusetts, New Jersey, Ohio, and Wisconsin) make no service requirements for employees in general, but Massachusetts and Wisconsin enforce one against those employed before the system was adopted who wish to claim credit for prior service. The other States make the following service requirements:

California—30 years, of which 15, including the last 10, must have been in the State.

Connecticut—15 years in State. If retirement is claimed under 60 by virtue of 35 years' service, 20 must have been in State.

Illinois—25 years, of which 15 must have been in State, outside of Chicago and Peoria.

Indiana—40 years; on partial allowance, after 25. One-fourth of service may have been outside State.

Michigan—30 years, of which 15 must have been in State; on partial allowance, after 25 years' service.

Minnesota—20 years, of which 15 must have been in State.

Montana—25 years (raised to 30 in 1927), of which 15 must have been in State.

New York—25 years. Retirement permitted after 35 years, regardless of age.

North Dakota—25 years, of which 18 must have been in State.

Pennsylvania—10 years.

Rhode Island—35 years, of which 25 must have been in State.

Vermont—30 years, of which 20 must have been in State.

Virginia—30 years, all within the State.

It will be seen that one State requires only 10 years of service, one demands 15, one sets it at 20, four at 25, four at 30, and one each at 35 and 40 years.

Of the eight city systems, Chicago, Detroit, and Minneapolis have no age requirement; Milwaukee, New Orleans, and New York permit retirement, with a service qualification, at 65; Washington at 62, with a service requirement; and the New York Board of Education at 60, regardless of service. Milwaukee and the New York Board of Education permit retirement, regardless of age, after 35 years of service. New York City and Washington set 70 as the age for compulsory retirement (Washington permits extensions after this age), while the other systems do not provide for compulsory retirement.

The service requirements of the city systems are as follows:

Chicago—25 years, of which 15 must have been in Chicago; increased allowance for service over 25 up to 35 years.

Detroit—30 years, of which the last 20 must have been in Detroit.

Milwaukee—25 years, of which 15 must have been in Milwaukee; retirement at any age after 35 years' service, of which 20 must have been in the city.

New Orleans—40 years; retirement on smaller allowance after 30 years.

New York—35 years, of which 20 must have been in New York City.

Washington—Must serve in District for 10 years preceding retirement, and for the whole period since reaching age 52. Credit for not to exceed 10 years given for service outside District.

Minneapolis has no service requirements, and neither has the system of the New York Board of Education, though the latter, which places the optional retirement age at 60, permits retirement at any age after 35 years of service.

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Conditions for Disability Retirement

Ordinary disability such as to unfit the sufferer for performing satisfactorily the duties of his position is looked upon in all the systems as a cause for retirement on allowance, though various restrictions are put on such retirement. Medical certification of the fact and character of the disability is almost universally required, and often periodic reexaminations are enforced. In some cases it is provided that the disability must be permanent, and in others that when it occurs after the age for optional retirement, superannuation and not disability retirement must be taken. None of the systems take age into consideration in this matter, but all have a service requirement. In this respect the qualifications are as follows: Maryland and Wisconsin, 5 years; Vermont, 6; Connecticut, Indiana, New Jersey, Ohio, and Pennsylvania, 10; California, Illinois, Michigan, Minnesota, Montana, and North Dakota, 15; and Massachusetts, Rhode Island, and Virginia, 20 years. New York requires 20 years' service for present teachers and 15 for new entrants.

Among the city systems, Minneapolis and New Orleans permit retirement on allowance for disability after five years' service, but Minneapolis specifies that the disability must be complete and permanent. Detroit, New York, and Washington require 10 years' service, Washington coupling this with a proviso that the retirant must be 45 or over; if he is under that age, he must have served 15 years. Chicago requires 12 years, and Milwaukee 25. The New York Board of Education system, which permits ordinary disability retirement after 10 years' service, provides also for duty disability retirement, permitting retirement on allowance, regardless of length of service, if the disability is due to accident or injury incurred in the performance of duty.

Superannuation Retirement Allowances

IN THE manner of determining the superannuation or service allowance, the systems fall into two groups. In the first the amount of the allowance is determined arbitrarily and is usually given either as a flat sum or as a percentage of the average final salary, a maximum and minimum being set in many cases. In some of these systems it is provided that the retirant must have paid contributions for a certain length of time or must have paid a specified sum into the fund in order to draw the full allowance, but there is no definite relation between the amount of his contribution and the amount of the allowance. In the second group the allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension bought by the employing agency's accumulated contributions to his credit, so that the relation between contributions and allowance is direct and immediate.

Eight of the State systems belong to the first group. Of these, California pays an allowance of $500 and Montana of $600 a year. (In Montana, beginning in 1927, allowances had to be cut below this figure to bring the outlay within the limits of the system's income.) Illinois allows, for each year of service, an annual payment of $16, with a maximum of $400 a year, while North Dakota gives 2 per cent of the average final salary, with a minimum of $350 and a maximum of $750. The Minnesota system contemplates an allowance of $350

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a year to those retiring after 20 years of service, with a progressive increase for longer service, up to a maximum of $500 after 25 years. The allowances in practice, however, have had to be scaled down from this, owing to the insufficiency of the State's contribution to meet the share of this allowance assigned to it. Michigan, Rhode Island, and Virginia allow one-half of the average final salary, but Michigan provides for a minimum of $300 and a maximum of $500, Rhode Island a minimum of $500 and a maximum of $700, and Virginia, setting no minimum, puts a maximum of $400 a year for those whose salaries have been below $1,000 and of $500 for those whose salaries have exceeded that amount.

The 10 States of the second group vary as to the part of the allowance provided by the employer and as to the limitations upon the total amount to be received. Roughly, the allowance is determined by the amount of the annual contributions, the length of service, and the age at retirement, but some variable factors are often introduced. If the retirant was in the service before the retirement system was adopted, the employing agency usually either increases the allowance up to what it would have been had the system been in effect for the whole period of employment, or provides a part of what this extra amount would have been.

Several States place a limit upon the amount to be paid. Connecticut has a minimum of $350 and a maximum of $1,000, Indiana a minimum of $131 and a maximum of $700, New York a minimum of $400 after 25 years' service, and Ohio a minimum of $300 after 36 years' service. Massachusetts fixes as a maximum the equivalent of an annuity of $1,000, purchased at age 60, but provides that if by reason of long service a retirant's accumulated contributions reach a sum which would purchase more than one-half of this, the excess is to be returned to him on retirement, while the State discontinues its contributions to his credit when they reach a sum sufficient to purchase the other half.

The city systems are evenly divided between these two methods of determining the retirement allowance. Of those in the first group, Chicago pays an allowance of $800 after 25 years of service, with an increase of $20 annually for each year over that period, up to a maximum allowance of $1,000. In Detroit the allowance is $1,200. In Milwaukee it is $600 after 25 years of service, with an increase of $20 per annum for each additional year of service up to a maximum allowance of $900. In New Orleans it is one-half the average final salary after 40 years of service, and for an earlier retirement one-fortieth of this amount for each year of service rendered; the minimum is $300 and the maximum is $600.

In the systems of New York, Minneapolis, Washington, and the New York Board of Education, no limits in either direction are placed upon the amount of the allowance, which consists of an annuity bought by the retirant's accumulated contributions and a pension bought by the employing agency's accumulated contributions to his credit. Minneapolis, however, provides that the pension may not be drawn until the retirant reaches the age of 50. The city's contributions in Minneapolis have not been sufficient to provide the amount of pension contemplated in the system adopted in 1923, and the pensions paid have been prorated accordingly.

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Disability Retirement Allowances

THESE are usually closely related to the service allowances. In Illinois, North Dakota, and Virginia they are calculated in exactly the same manner. In California, Michigan, Minnesota, Montana, and Rhode Island they are such a proportion of the superannuation allowance as the retirant's years of service are of the number required to qualify for the superannuation allowance. In Connecticut, Indiana, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Vermont, and Wisconsin the retirant receives the annuity purchasable by his accumulated contributions as in the case of the superannuation allowance, but the pension granted by the State is increased, if necessary, to bring the total allowance up to some specified minimum or to some fraction of what the retirant would have received had he qualified for the superannuation allowance.

The city systems show the same relation between the two forms of allowance. In Chicago, Milwaukee, Detroit, and New Orleans the disability allowance is such a fraction of the superannuation allowance as the retirant's years of service form of the number required for service retirement. In Minneapolis and in Washington the allowance consists of annuity and pension, calculated as for superannuation retirement. Under the New York system the retirant receives, in addition to the annuity bought by his own contributions, a pension of one-fifth of his average final salary, with an allowance for prior service; the total, however, must not exceed one-half of his average final salary. Under the New York Board of Education system the retirant receives his annuity and a pension sufficient to bring the allowance up to nine-tenths of what would be the service retirement allowance for the years of service rendered. In case of duty disability, the retirant receives a pension of three-fourths of the average annual salary for the last five years, plus the benefit of his own contributions, which are either used to purchase an annuity or returned to him in a lump sum, at his option.

Refunds

AS RHODE ISLAND has a noncontributory system, the question of refunds does not arise there. California, Montana, and Virginia make no refunds under any circumstances. In the other States refunds of part or all of the employee's contributions are usually made in case of withdrawal or dismissal, or of death before reaching pensionable status; Illinois and Indiana, however, do not make any refund in case of such a death, though they do for dismissal or withdrawal. Illinois, Michigan, Minnesota, and North Dakota refund one-half of the amount contributed, and Connecticut, Maryland, Massachusetts, New Jersey, New York, Ohio, and Pennsylvania return the whole amount with interest, usually compounded. Indiana returns the whole amount on separation after 10 years' service, and makes a partial refund for a shorter period of service. Vermont provides that if the teacher has served as long as six years he shall receive the amount of the State's contributions on his behalf as well as his own, and Wisconsin makes the same payment of the

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total amount to the teacher's credit in case of death before reaching pensionable status, though in case of dismissal or withdrawal the State's contributions are retained, the retirant receiving the total amount of his own contributions.

Turning to the city systems, Chicago returns contributions, without interest, on dismissal or withdrawal, but in case of death no refund is made to the estate. New Orleans returns one-half the contributions, without interest, in case of death or withdrawal; in case of dismissal the total contributions, without interest, are returned. The other systems all provide that in case of the separation of the employee from the service, whether by death, resignation, or dismissal, the full amount of the contributions is to be returned. Detroit varies this by providing that the full amount, with simple interest, of the contributions paid in between 1923 and 1927 is to be returned, but only one-half, without interest, of contributions paid in after September, 1927. Milwaukee specifies that the refund is to be without interest, but the two New York systems, and Minneapolis and Washington allow interest on the contributions returned.

Provision for Dependents

NINE of the State systems—Connecticut, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Vermont, and Wisconsin—provide that at the time of retirement the employee may choose one of several options, either taking a straight allowance to be continued through his life, or choosing a smaller allowance, part or all of which is to be continued after his death to some selected beneficiary, or receiving some other actuarial equivalent of the total amount credited to him. In case of the death of a contributor before reaching pensionable status, Maryland and Wisconsin give death benefits. The other 9 systems make no provision for dependents.

Among the city systems, New York, Minneapolis, and the New York Board of Education provide options at the time of retirement. Under the Minneapolis system if a member dies in service the amount of the city's deposits to his credit, with interest, is paid as a death benefit. New York gives six months' salary as a death benefit if the decedent had qualified for retirement, and the Board of Education system gives the same amount if a member dies in the service from ordinary causes. If, however, the death was due to injury received in the service, a pension of one-half the average annual salary for the last five years is given to the widow, dependent children, or dependent parent. The other systems make no provision for dependents of either contributors or pensioners, though in Milwaukee and in Washington if a pensioner dies before he has drawn benefits to the amount of his own contributions to the fund the difference will be returned to his heirs.

STATE SYSTEMS

CALIFORNIA

TYPE of system.—The California Public School Teachers' Retirement Salary Plan provides for a contributory system.

Contributions.—The State contributes 5 per cent of the inheritance tax. The legislature may, if necessary, make special appropriations

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in addition, but this has not yet been done. All previous county and city annuity funds are incorporated in the permanent State fund, but only the income from them is to be expended. For the year ending June 30, 1926, the State's contribution amounted to $321,157.

Employees contribute $12 a year in semiannual payments. For the year ending June 30, 1926, the employees' contributions amounted to $406,527.

Retirement allowances.—The allowance for superannuation retirement is $500 a year.

The allowance for disability retirement is such part of $500 a year as the retirant's years of service form of 30, with a minimum of $250.

Number of employees covered.—As of June 30, 1926, the number of employees covered by the system was 36,108.

Conditions for retirement.—There is no age qualification for retirement. For superannuation retirement, the employee must have served 30 years, of which 15, including the last 10, must have been in California.

For disability retirement, the employee must have served 15 years in State, of which the last 10 must have been unbroken by service outside the State.

The retirant must have contributed $12 for each year for which credit is claimed, up to 30. If, owing to service outside the State, this has not been done, the unpaid amount may be deducted from his allowance at the rate of $40 a quarter.

Administration.—The plan is administered by the State board of education.

Statistics.—The total receipts of the system from the time it became effective, August 10, 1913, to June 30, 1926, were $6,261,504; disbursements for the same period were $3,782,747.

CONNECTICUT

TYPE of system.—The Connecticut Teachers' Retirement System is a contributory system.

Contributions.—The State contributes every two years the amount which the retirement board estimates is needed. For the year ending December 31, 1926, its contribution amounted to $108,531.

Employees contribute 5 per cent of their salaries, with a minimum of $25 and a maximum of $100 a year. For the year ending December 31, 1926, their contributions amounted to $557,372.

Retirement allowances.—The allowance for superannuation retirement consists of an annuity bought by the teacher's accumulated contributions, plus a pension of equal amount from the State, with an additional allowance for prior service in the case of those employed before the system went into effect. The minimum allowance is $350 and the maximum $1,000 a year.

For disability retirement the allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension from the State of one-thirtieth of what the pension would have been had the retirant served till 60, multiplied by the years of service. No minimum or maximum set.

The retirant is given a choice between taking the straight allowance or a smaller allowance to be continued in case of his death to a designated beneficiary.

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Number of employees covered.—As of July 1, 1926, the number of employees covered by the system was 9,749.

Conditions for retirement.—Retirement is optional at 60, after 15 years' service within the State, and at any age after 35 years' service, of which 20 must have been within the State. Compulsory at 70.

Disability retirement is permitted after 10 years' service in the State, upon medical examination and certification.

Administration.—The plan is administered by a board of five, consisting of the State insurance commissioner, bank commissioner and commissioner of education, with two members elected by the teachers.

Average age of retirants.—The average age at retirement is 65.28 years; average years of service, 38.45.

Statistics.—The total receipts of the system from all sources from the time it became effective (September 1, 1917) to December 31, 1926, were $4,989,675; total expenditure for the same period, including refunds and cost of administration, $1,230,582.

ILLINOIS

TYPE of system.—The Illinois State Teachers' Pension and Retirement Fund is a contributory system.

Contributions.—The State contributes the proceeds of a tax levy of two-fifteenths of a mill (increased to one-fifth of a mill January 1, 1928) on the dollar of assessed valuation. For the year ending June 30, 1926, the State contributed $302,777.

The employees make an annual payment of $5 during the first 10 years of teaching, $10 during the next 5 years, and $30 during the next 10 years, after which contributions cease. For the year ending June 30, 1926, the employees' contributions amounted to $267,452.

Retirement allowances.—The superannuation allowance is $16 for each year of service up to 25, both minimum and maximum being $400.

The disability retirement allowance is $16 for each year of service, with a minimum of $240 and a maximum of $400.

Number of employees covered.—For the year ending June 30, 1926, the number of employees covered by the system was 38,888.

Conditions for retirement.—Superannuation retirement is optional from age 50 onward, after 25 years' service, 15 of which must have been in Illinois, outside of Chicago and Peoria. Disability retirement is permitted, on medical examination and certification, after 15 years' service, of which 9 must have been in Illinois.

Administration.—The system is administered by a board of five, consisting of the superintendent of public instruction and the State treasurer, ex officio, and three members of the system, active or retired, appointed by the governor.

Average age of retirants.—The average age at retirement for superannuation retirants is 57.22 years and for disability retirants 53.64 years.

Statistics.—The total receipts from the time the system began operation in 1915 to June 30, 1926, were $5,459,798. The total disbursements for the same period were $4,010, 326.

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INDIANA

TYPE of system.—The Indiana State Teachers' Retirement Fund is a contributory system.

Contributions.—The State contributes an amount, determined by actuarial investigation, sufficient to meet four-sevenths of the retirement allowances and the extra payments for disability retirement. It also bears the cost of administration. The amount is raised by a special tax levy. For the year ending September 30, 1926, the State's contributions amounted to $754,563.

The employee's contribution is based on age at entrance, ranging from $18.04 to $35.77 a year. For the year ending September 30, 1926, the contributions from the employees amounted to $434,484.

Retirement allowances.—For superannuation retirement the allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension bought by the State, with a minimum of $131 and a maximum of $700 a year. If prior service is claimed, the retirant must have paid in the full amount, with interest, which would have accumulated had he been paying contributions for the period claimed. In that case, the State pays the pension for the period covered.

For disability retirement, the allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension from the State, calculated as for superannuation retirement, except that if necessary the State's pension will be increased to bring the allowance up to a minimum of $500 a year; the maximum is five-eighths of the final salary.

Number of employees covered.—As of September 30, 1926, the number of employees covered by the system was 12,341.

Conditions for retirement.—Retirement is optional from age 60 onward, with no compulsory age. There is a normal service requirement of 40 years, 30 of which must have been in Indiana. Retirement is permitted after 25 years' service, but with a proportionately smaller allowance.

Retirement for disability is permitted, on medical examination and certification, after 10 years' teaching, three-fourths of which must have been in the State.

Administration.—The plan is administered by a board of five, appointed by the governor, of whom not more than two may be teachers.

Average age of retirants.—The average age for superannuation retirants is 61 years and for disability retirants 51 years; average years of service for superannuation retirants, 36; for disability retirants, 24.5.

Statistics.—The total receipts from the establishment of the system in 1922 to September 30, 1926, were $4,462,285; total disbursements for the same period, $1,187,196.

MARYLAND

TYPE of system.—The Teachers' Retirement System of Maryland is a contributory system.

Contributions.—The State makes annually a contribution to meet its liability for current services and another to meet the accrued liability;

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it also pays the cost of administering the system. For the year 1927–28 the normal contribution is fixed at 2.89 per cent of the pay roll of the members of the system and the accrued liability contribution at 3.56 per cent. The amount contributed for cost of operation must not exceed three-tenths of 1 per cent of the pay roll of active members.

Employees contribute a percentage of salary, based on sex and age at entrance, calculated to produce a sum sufficient to purchase at retirement an annuity of one one-hundred-and-fortieth of the average final compensation for each year of service rendered after the adoption of the system. The range of contributions was calculated at, for men, from 4.28 to 6.28 per cent, and for women from 4.08 to 7.75 per cent.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions plus a pension from the State of approximately the same amount, the two forming one-seventieth of the average final compensation for each year of service rendered after the adoption of the system. For those in the service earlier the State provides the full allowance for the years of prior service.

The disability allowance consists of an annuity bought by the retirant's accumulated contributions plus a pension from the State sufficient to bring the allowance up to nine-tenths of one-seventieth of the retirant's average final compensation multiplied by his years of service. If the retirant entered the service before reaching 40 the minimum disability allowance is 25 per cent of his average final compensation.

Upon the death of a member in service in addition to the return of his accumulated contributions the State pays a death benefit equal to one-half of his average final compensation.

Instead of taking the straight allowance upon superannuation retirement the retirant may choose among several options.

Conditions for retirement.—Retirement is permitted at age 60 and compulsory at 70; there is no service requirement.

Disability retirement is permitted after 5 years' service, upon medical examination and certification.

Administration.—The plan is administered by a board of five, consisting of the State superintendent of education, the State comptroller, and the State treasurer, ex officio, and two members of the system, elected by their fellows.

MASSACHUSETTS

TYPE of system.—The Massachusetts Teachers' Retirement System is a contributory system.

Contributions.—The State appropriates annually the amount needed to meet its share of the benefits provided by the system and to pay the cost of administration. For the year ending December 31, 1926, the State's total appropriation for the system amounted to $528,460, of which $419,677 was for benefits, $108,783 for reimbursement of cities and towns, and $10,779 for cost of administration.

Employees contribute 5 per cent of their salaries with a minimum of $35 and a maximum of $100 a year. This contribution is not required after 30 annual assessments have been paid, but it may be continued if an employee wishes to secure a larger allowance. For

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the year ending December 31, 1926, the employees' contributions amounted to $1,464,500.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, and a pension, normally of equal amount, from the State. For those in the service at the time the system was adopted who retire after 15 or more years' service, the pension is increased to what it would have been had the retirement taken place at age 60 with 30 years' service, an extra amount being given for any service actually rendered in excess of 30 years. The maximum allowance is $1,000 if retirement takes place at age 60, $1,200 at 65, and approximately $1,500 at 70; any excess of accumulated contributions over what is required to purchase an annuity of one-half of these amounts at the respective ages is returned to the contributor.

For disability retirement the allowance consists of an annuity bought by the retirant's accumulated contributions and a pension of not less than one-thirtieth of $250 for each year of service rendered.

Options are given at the time of retirement, permitting the retirant to make, if he chooses, some provision for his dependents.

Number of employees covered.—As of June 30, 1926, the number of employees under this system was 20,019.

Conditions for retirement.—Superannuation retirement is optional at age 60 and compulsory at 70. For those who entered the service after the adoption of the system there is no service requirement, but those who entered earlier and who claim credit for prior service must have had at least 15 years' service in Massachusetts, the last five of which must have been continuous.

Disability retirement is permitted, upon medical examination and certification, after 20 years' service in the State, the last five of which must be consecutive.

Administration.—The plan is administered by a board of three—the State commissioner of education, ex officio, one teacher member elected by his fellows, and a third, chosen by these two.

Average age of retirants.—The average age of service retirants is 65.22 years, for disability retirants, 54.28 years, and for the two classes combined, 64.38 years. The average length of service for service retirants is 37.89 years, for disability retirants, 29.48 years, and for all combined, 37.25 years.

Statistics.—The total receipts of the system from the time it became effective, September 1, 1914, to December 31, 1926, were $14,630,274; total disbursements for the same period, $4,920,158.

MICHIGAN

TYPE of system.—The Michigan Teachers' Retirement Fund is a contributory system, so far as teachers are concerned.

Contributions.—The State makes no contribution of any kind.

The employees contribute a percentage of their salaries, based on length of service. These rates were changed by the 1927 legislature, and at present are as follows: For the first 5 years' service, 1 per cent, with a maximum of $10 a year; for the next 10 years, 2 per cent, with a maximum of $20 a year; and for the next 15 years, 3 per cent, with a maximum of $30 a year. For the year ending September 30, 1926, the employees' contributions amounted to $205,341.

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Retirement allowances.—For superannuation retirement, the allowance consists of one-half the average annual salary for the last five years' service, with a minimum of $300 and a maximum of $500 a year. For retirement with 25 but less than 30 years' service, one-thirtieth of the normal superannuation allowance is given for each year of service.

For disability retirement, the allowance is one-thirtieth of the average annual salary for the last five years' of teaching for each year of service rendered.

Number of employees covered.—As of September 30, 1926, the number of employees under this system was 24,471.

Conditions for retirement.—Retirement was permitted at any age up to 1927, when 60 was set as the age for optional retirement. There is no age for compulsory retirement. There is a service requirement of 30 years, of which 15, including the last five, must have been in the State.

Disability retirement is permitted, on medical examination and certification, after 15 years' service in the State.

Administration.—The plan is administered by a board of six, consisting of the superintendent of public instruction, who holds the position ex officio, and five members appointed by the governor, of whom one must be a woman teacher in the public schools.

Statistics.—The total receipts of the system from January 1, 1917, to September 30, 1927, were $1,728,393; total disbursements, $882,741.

MINNESOTA

TYPE of system.—The Minnesota Teachers' Insurance and Retirement Fund is a contributory system.

Contributions.—The State contributes the proceeds of a tax of one-twentieth of a mill on all taxable property. For the year ending June 30, 1926, the State contribution amounted to $70,060.

The employees contribute an amount varying with the length of service. For the first 5 years' teaching they contribute annually $5; for the second five, $10 a year; for the next 10 years, $20 a year; and for the next five, $30 a year. If the salary exceeds $1,500 a year, a percentage basis may be adopted, with a maximum of $20 for the first 10 years, and $40 for the succeeding 15, but with the proviso that the percentage payment shall never amount to less than the flat rate payment provided for that year of service. For the year ending June 30, 1926, the employees' contributions amounted to $126,469.

Retirement allowances.—For superannuation the allowance consists of $350 a year after 20 years' service, with increments of $30 for each additional year of service, up to a maximum of $500 a year.

For disability retirement, the allowance is one-twentieth of $350 for each year of service rendered.

Number of employees covered.—As of June 30, 1926, the number of employees under this system was 16,866.

Conditions for retirement.—Superannuation retirement is permitted at any age, after 20 years' service, 15 of which must have been in the State.

Disability retirement is permitted on medical examination and certification after 15 years' service, of which 10 must have been in the State.

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Administration.—The plan is administered by a board of five—the State superintendent of education, State auditor, and attorney general, ex officio, and two teachers, elected by their fellows.

Statistics.—From September 1, 1915, to June 30, 1926, the total receipts of the fund from all sources amounted to $2,355,519, and the total disbursements to $1,086,573.

MONTANA

TYPE of system.—The Montana Teachers' Retirement Salary Fund is a contributory system, so far as the employees are concerned.

Contributions.—The State makes no contribution of any sort.

The employees are required to contribute $1 a month for each month of the school year, the annual amount thus differing with the length of the school term. For the year ending June 30, 1926, the employees' contributions amounted to $41,041.

Retirement allowances.—The superannuation allowance is $600 a year for those who have fulfilled the service requirements and paid $300 into the fund. (This required amount was raised, in 1927, to $600.)

For disability retirement the allowance consists of such a fraction of $600 a year as the number of the retirant's years of service is of 30.

Number of employees covered.—As of June 30, 1926, the number of employees under this system was 5,600.

Conditions for retirement.—Retirement is optional at age 55; there is no compulsory age. For superannuation retirement there is a service requirement of 25 years (raised to 30 in 1927), of which 15 must have been in the State.

Retirement for disability is permitted after 15 years' service in the State.

Administration.—The plan is administered by a board of five—the governor, State superintendent of schools, and State treasurer, ex officio, and two others appointed by the governor.

Average age of retirants.—The average age of service retirants is 55 years, and of disability retirants 49.6 years. The average length of service for service retirants is 28.5, and for disability retirants 16.5 years.

NEW JERSEY

TYPE of system.—The State Teachers' Pension and Annuity Fund of New Jersey is a contributory system.

Contributions.—The State makes three contributions annually: A normal contribution, to meet its liability for current service; a deficiency contribution to meet its accrued liability; and a contribution to cover the cost of administration. For 1927 the normal contribution was set at 2.73 per cent of the active pay roll, and the deficiency contribution at 4.29 per cent. For the year ending June 30, 1926, the State's normal and deficiency contributions amounted to $2,008,309, and the cost of administration was $37,522.

Employees contribute a percentage of their salaries, based on sex and age at entrance, calculated to produce at retirement at age 62 a fund sufficient to buy an annuity of one one-hundred-and-fortieth of the average final compensation for each year of service rendered

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after the adoption of the system. For the year ending June 30, 1926, the employees' contributions amounted to $1,572,759.

Retirement allowances.—The superannuation allowance consists of an annuity bought with the retirant's accumulated contributions, plus a pension of equal amount, the two forming, for each year of service rendered after the adoption of the system, one-seventieth of the average final compensation. For years of service before the system was adopted, the State pays the full allowance. For one who has taught 20 years or more, the minimum allowance is $400; there is no maximum.

For disability retirement, the allowance consists of annuity, as above, and pension to make for each year of service one-seventieth of the average final compensation, with a minimum of $300 a year and a maximum of nine-tenths of the amount the employee would have received had he remained in the service until age 62.

Upon retirement several options are offered, through which the employee may, if he chooses, make some provision for his dependents.

Number of employees covered.—As of June 30, 1926, the number of employees under this system was 19,830.

Conditions for retirement.—Retirement is optional at age 62 and compulsory at 70. There is no service requirement, but present employees are permitted to retire, regardless of age, after 35 years' service.

Disability retirement is permitted, upon medical examination and certification, after 10 years' service in the State.

Administration.—The plan is administered by a board of seven—the State commissioner of education and the State treasurer, ex officio; one member appointed by the governor; three members of the system elected by their fellows; and one, not a teacher nor a State official, elected by the other six.

Statistics.—From the establishment of the system up to June 30, 1926, the total receipts of the system were $16,631,490, and the total disbursements were $6,043,865.

NEW YORK

TYPE of system.—The New York State Teachers' Retirement Fund is a contributory system.

Contributions.—The State makes a normal contribution to cover liability for current services, and a deficiency contribution to meet the accrued liability. The two together are calculated at 5.2 per cent of the total salary roll of teachers. For the year ending July 31, 1926, the contribution was $3,131,496.

The employees contribute annually 4 per cent of their salaries. For the year ending July 31, 1926, their contributions amounted to $1,693,334.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, and a pension from the State of one-fourth of the average final salary. If the retirant was in service at the time the system was adopted, the State gives an additional pension of one one-hundred-and-fortieth of the average final salary for each year of prior service. The minimum allowance for retirants with 25 years' service is $400.

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The disability retirement allowance consists of the retirant's annuity, as above, and a pension from the State of one-fifth of his average final salary. If the retirant was in service when the system was adopted, the State gives the same additional pension as in the case of superannuation retirement.

On retirement, options are offered, allowing the retirant to make some provision for his dependents if he chooses.

Number of employees covered.—As of July 31, 1926, the number of employees under the system was 39,648.

Conditions for retirement.—Retirement is optional at age 60 after 25 years' service in the State, and may be demanded at 70. It is permitted regardless of age after 35 years' service.

Disability retirement is permitted, upon medical examination and certification, after 15 years' service in the State, or, in the case of those in the service when the system was adopted, after 20 years' service, of which 10 must have been in the State.

Administration.—The system is administered by a board of seven—State comptroller, ex officio, two appointed by the commissioner of education, one elected by the regents of the university, and three members of the system elected by their fellows.

Average age of retirants.—The average age of superannuation retirants during the year ending July 31, 1916, was, for men, 65, and for women, 64 years; of disability retirants, men, 54, and women, 50 years.

Statistics.—The total receipts of the system from August 1, 1921, to July 31, 1926, were $19,565,904; total disbursements, $5,301,805.

NORTH DAKOTA

TYPE of system.—The North Dakota Teachers' Retirement System is a contributory system.

Contributions.—The State contributes annually 10 cents for each child in the State between the ages of 6 and 21. For the year ending June 30, 1926, the amount thus contributed was $21,343.

Employees contribute 1 per cent of salary, with a maximum of $20 a year for first 10 years of teaching; then 2 per cent, with a maximum of $40 a year, for the next 15. Contributions may cease at the end of 25 years. For the year ending June 30, 1926, the employees' contributions amounted to $83,254.

Retirement allowances.—The superannuation allowance is 2 per cent of the average salary for the last five years of teaching, multiplied by the number of years the retirant has served, with a minimum of $350 and a maximum of $750 a year.

The allowance for disability retirement is calculated in the same manner as the superannuation allowance, and has the same limits.

Number of employees covered.—As of June 30, 1926, the number of employees under the system was 8,226.

Conditions for retirement.—Superannuation retirement is permitted at any age after 25 years' service, of which 18 must have been in North Dakota.

Disability retirement is permitted after 15 years' service.

Administration.—The system is administered by a board of five—the State superintendent of public instruction and the State treasurer, ex officio, and three members of the system, appointed by the governor.

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OHIO

TYPE of system.—The Ohio State Teachers' Retirement System is a contributory system.

Contributions.—The State makes annually a normal contribution to meet its liability for current service and a deficiency contribution to meet the accrued liability. For the year ending August 31, 1926, the State's contributions amounted to $2,416,559.

The employees contribute 4 per cent of their salary up to $2,000 a year, all over that amount being exempt. In addition, each pays $1 a year for costs of administration. For the year ending August 31, 1926, the employees' contributions amounted to $2,429,110.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension from the State of equal amount. The State gives also an additional pension to cover years of service rendered before the system was adopted. There is a minimum of $300 a year for those who have served 36 years.

For disability retirement, the allowance consists of the retirant's annuity, plus a pension from the State sufficient to bring the total allowance up to 1.2 per cent of the average final compensation (salary over $2,000 a year not being taken into account) for each year of service rendered. The minimum is 30 per cent of the average final compensation, salary over $2,000 a year being omitted from the calculation.

Upon retirement, options are offered by which a retirant may make some provision for his dependents if he chooses.

Number of employees covered.—As of August 31, 1926, the number of employees under this system was 42,972.

Conditions for retirement.—Retirement is optional at age 60, except for new entrants with less than 5 years' service, and compulsory at 70. Optional at any age after 36 years of service. There is no service requirement, but allowance is affected by the length of service.

Retirement for disability is permitted, on medical examination and certification, after 10 years' service.

Administration.—The plan is administered by a board of five—the State auditor, State director of education, and attorney general, ex officio, and two teacher members of the system, elected by their fellows.

Average age of retirants.—The average age at retirement of the superannuation retirants was 63.57 years, and their average length of service was 36.723 years; for disability retirants, the corresponding figures were 50.31 and 23.686.

Statistics.—The total receipts from September 1, 1920, when the plan became effective, to August 31, 1926, were $34,639,722; total disbursements for the same period, $6,666,071.

PENNSYLVANIA

TYPE of system.—The State School Employees' Retirement Fund of Pennsylvania is a contributory system.

Contributions.—The State makes annually a normal contribution to meet the liability for current service and a deficiency contribution to

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defray the accrued liability. From July, 1925, this second contribution has been fixed at 2 per cent of the active pay roll, at which rate it is expected the whole accrued liability will be paid off within 30 years from the adoption of the system. The State also contributes the cost of administration. For the year ending June 30, 1925, the State contributions for benefit purposes amounted to $7,774,770, and for cost of administration, $40,000.

Employees contribute a percentage of their salaries, based on sex and age at entrance, calculated to produce a fund sufficient upon their retirement at 62 to purchase an annuity of one one-hundred-and-sixtieth of the average final salary for each year of service. Salary in excess of $2,000 a year is exempt from contribution. For the year ending June 30, 1925, the employees' contributions amounted to $2,717,508.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension from the State of the same amount, the two together equaling one-eightieth of the average final salary for each year of service rendered after the adoption of the system. For those in the service when the plan was adopted, the State gives an additional pension, calculated in the same manner, covering the years of prior service.

For disability retirement, the allowance consists of the retirant's annuity, plus a pension from the State sufficient to bring the allowance up to one-ninetieth of the average final compensation for each year of service rendered, with a minimum of 30 per cent of the average final compensation.

Upon retirement, options are offered, enabling the retirant to make some provision for his dependents in exchange for a smaller allowance.

Number of employees covered.—As of June 30, 1925, the number of employees under this system was 58,409.

Conditions for retirement.—Retirement is optional at age 62 and compulsory at 70, with a minimum service requirement of 10 years.

Disability retirement is permitted, upon medical examination and certification, after 10 years' service.

Administration.—The plan is administered by a board of seven—State superintendent of public instruction and the State treasurer, ex officio; one appointed by the governor; three elected by members of the system, and one chosen by the other six.

Average age of retirants.—For those retired during the year ending June 30, 1925, the average age at retirement was 67, and the average length of service 38 years; for the disability retirants, the average age at retirement was 49, and the average length of service 25 years.

Statistics.—From July 1, 1921, when the system became operative, to June 30, 1925, the total receipts were $33,973,869, and the total disbursements were $5,455,016.

RHODE ISLAND

TYPE of system.—The Rhode Island State Teachers' Pension System is a noncontributory system.

Contributions.—The State appropriates annually whatever amount is needed to pay current pensions. For the year ending June 30, 1926, the appropriation was $87,500.

The employees make no contribution.

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Retirement allowances.—The superannuation allowance is one-half the average annual salary for the last five years of teaching, with a minimum of $500 and a maximum of $700.

The disability allowance is such fraction of the superannuation allowance as the number of the retirant's years of service forms of 35.

Number of employees covered.—As of June 30, 1926, the number of employees under the system was 3,599.

Conditions for retirement.—Retirement is permitted, regardless of age, after 35 years' service, of which 25, including the last 15, must have been in Rhode Island.

Retirement for disability is permitted after 20 years' service in the State.

Administration.—The plan is administered by the State board of education.

Statistics.—The total receipts of the system from its establishment up to November 30, 1926, were $892,927; total disbursements for the same period, $878,538.

VERMONT

TYPE of system.—The Vermont Teachers' Retirement System is a contributory system.

Contributions.—The State appropriates annually for the benefit of the system an amount equal to that contributed by the teachers, up to $20,000. As the membership of the system grows, it is intended that this maximum shall be increased.

Employees contribute a part of their salaries, not to exceed 5 per cent, with a minimum of $16 and a maximum of $100 a year. After 30 years' service, contributions are not required, but a member may continue to make them if he wishes to secure a larger allowance. For the year ending June 30, 1926, the employees' contributions amounted to $22,105.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension of equal amount from the State. For those in the service before the system was adopted, the administering board may make an additional allowance, in its discretion. The total, however, may not exceed one-half of the average annual salary received during the whole period of service.

The allowance for disability retirement consists of annuity and pension, as above, with such additional allowance as the board may consider just. There is the same maximum as for the superannuation allowance.

Upon retirement, the employee has the choice of an option, making some provision for his dependents, if he prefers this to the straight allowance.

Number of employees covered.—Membership in the system is voluntary. As of June 30, 1927, the membership was approximately 425.

Conditions for retirement.—Retirement is optional at age 65 for men and 60 for women, after 30 years' service, of which 20 must have been in the State. There is no compulsory age.

Disability retirement is permitted on medical examination and certification after six years' service in the State.

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Administration.—The plan is managed by a board of five—the State commissioner of education, State commissioner of insurance and banking, and the State treasurer, ex officio, and two members of the system elected by their fellows.

Average age of retirants.—The average age at retirement for men is 70, and for women 65, the average length of service being 40 years in both cases.

Statistics.—The total receipts of the system up to June 30, 1927, were $408,385; total disbursements, $39,253.

VIRGINIA

TYPE of system.—The Virginia Public School Teachers' Retirement Fund is a contributory system.

Contributions.—The State appropriates annually such an amount as is necessary to pay its share of the current allowances. For some time past the appropriation has been $10,000 a year.

Employees contribute 1 per cent of their salary. If, at the time of retirement, their contributions have not reached 30 per cent of the average annual salary received during the last five years, a deduction is made from the first year's pension, sufficient to bring the contributions up to this amount. For the year ending June 30, 1926, the employees' contributions amounted to $125,648.

Retirement allowances.—The superannuation allowance is one-half of the average annual salary received during the last five years. There is no minimum, but there is a maximum of $400 if the salary was below, and of $500 if it was over, $1,000.

The disability allowance is the same as the superannuation allowance.

Number of employees covered.—The number of employees under this system, as of June 30, 1926, was 17,055.

Conditions for retirement.—Retirement is optional at age 58 for men and 50 for women, after 30 years' service in the State. There is no compulsory age for retirement.

Retirement for disability is permitted, upon proof of disability, after 20 years' service.

Administration.—The plan is administered by the State board of education.

Average age of retirants.—The average age of superannuation retirants for men is 60, and for women 55, the average duration of service for both being 33 years.

For disability retirants, the average age is 45 for men and 42 for women.

Statistics.—The total receipts of the system from June 30, 1918, to June 30, 1926, were $1,031,529; the total disbursements for the same period were $834,676.

WISCONSIN

TYPE of system.—The Wisconsin Teachers' Insurance and Retirement System is a contributory system.

Contributions.—The State contributes annually to meet its liability for benefits for current service and its accrued liability, raising the

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necessary funds by a surtax on net incomes in excess of $3,000. For the year ending June 30, 1926, the State's contribution was $1,402,612.

Employees aged 25 and over contribute 5 per cent of salary; those under 25 do not contribute. For the year ending June 30, 1926, the employees' contributions amounted to $800,917.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension bought by the State's accumulated contributions to his credit. Retirants under 50 years may not draw the State's pension until they reach that age. For those in service before the system was adopted who retire at the age of 50 or over with at least 25 years' service to their credit, the State makes an extra allowance in respect of prior service.

The disability allowance is calculated in the same way as the superannuation allowance, except that the State's pension may be drawn without regard to the retirant's age. In case of total disability, incurred before the employee has reached 50, the State, after a waiting period of 60 days, pays an extra allowance of $25 a month while disability lasts.

Options are given at time of retirement.

In case of the death of a contributor before reaching pensionable status, the full amount of his own and the State's accumulated contributions to his credit are returned to his estate or beneficiary.

Number of employees covered.—The number of employees under this system, as of June 30, 1926, was 18,054.

Conditions for retirement.—Superannuation retirement is permitted without regard to age or length of service, except in the case of those claiming credit for prior service, who must have served at least 25 years in all.

Disability retirement is permitted, upon medical examination and certification, after 5 consecutive years' service.

Administration.—The public schools, the normal schools and the university have each an administrative board of their own, and over these is an annuity board of seven, consisting of the State superintendent of public instruction and the commissioner of insurance, ex officio, and five others appointed by the governor.

Average age of retirants.—The average age at retirement is 54.35 years, with an average of 29.19 years' service.

Statistics.—From 1911 to June 30, 1926, the total receipts of the system were $11,902,954, and the total disbursements, $2,637,939.

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TABLE 24.—*Comparison of State teachers' retirement systems*

Name of system	Contribution from employees	Contribution from State	Conditions for retirement [1]	Retirement allowances	Other benefits
California public school teachers' retirement salary plan (Stats. 1913, ch. 694).	$12 a year in semi-annual payments.	5 per cent of inheritance tax; extra appropriations, if needed.	Superannuation: No age requirement; 30 years' service, of which 15, including the last 10, must have been in California. Disability: 15 years' service in State.	Superannuation: $500 a year. Disability: Such part of $500 a year as the number of years of teaching forms of 30 years; minimum, $250.	None.
Connecticut teachers' retirement system (Pub. Acts 1917, ch. 411).	5 per cent of salary; minimum $25 and maximum $100 a year.	Biennial appropriation of amount estimated as necessary.	Superannuation: Optional at age 60, after 15 years' service in State, and at any age after 35 years' service, of which 20 was in State; compulsory at 70. Disability: 10 years' service in State.	Superannuation: Annuity bought by retirant's accumulated contributions, plus pension of equal amount from State. Minimum, $350; maximum, $1,000 a year. Allowance for prior service. Disability: Annuity bought by retirant's accumulated contributions plus pension from State of one-thirtieth of what pension would have been at age 60 multiplied by years of service.	Options.
Illinois State teachers' pension and retirement fund (Laws of 1915, p. 649; 1919, p. 746).	Annual payments of $5 for first 10 years of teaching, $10 for next 5, and $30 for next 10. Contributions cease after 25 years' service. Must amount to $400.	Proceeds of tax levy of one-fifth of a mill on dollar of assessed valuation in State.	Superannuation: Optional at age 50; no compulsory age; 25 years' service, of which 15 must have been in State. Disability: 15 years' service, of which 9 must have been in State. Contributions must be made up to $400.	Superannuation and disability: $16 for each year of service rendered. For superannuation, minimum and maximum alike are $400 a year; for disability, minimum, $240; maximum, $400.	None.
Indiana State teachers' retirement fund (Acts of 1915, ch. 182; 1921, ch. 256).	From $18.04 to $35.77 a year, according to age at entrance.	Amount sufficient to pay four-sevenths of cost of retirement allowances, and extra benefits; cost of administration.	Superannuation: Optional at age 60; no compulsory age; 40 years' service, of which 30 must have been in State; permitted after 25 years, with smaller allowance. Disability: 10 years' service, of which three-fourths must have been in State.	Superannuation: Annuity bought by retirant's contributions, plus pension, amount depending on length of service and age; minimum, $131; maximum, $700. Disability: Minimum, $500 a year; maximum, five-eighths of final salary.	Do.
Teachers' retirement system of Maryland (Laws of 1927, ch. 344).	Percentage of salary, ranging from 4.28 to 7.75, based on sex and age at entrance.	Two contributions, calculated as percentages of active pay roll: (*a*) To cover liability for benefits earned by current service, and (*b*) to meet accrued liability; cost of administration.	Superannuation: Optional at age 60, compulsory at 70; no service requirement, but allowance is affected by length of service. Disability: 5 years' service.	Superannuation: Annuity bought by retirant's contributions, plus pension of equal amount, the two making one-seventieth of average final compensation for each year of service. Allowance for prior service. Disability: Annuity plus pension necessary to make nine-tenths of what superannuation allowance would be; minimum, 25 per cent of average final compensation.	Options; death benefit of one-half of average final compensation.

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Massachusetts teachers' retirement system (Gen. Laws, ch. 32; Acts of 1923, ch. 381; 1926, ch. 212).	5 per cent of salary; minimum $35 and maximum $100 a year; not required after 30 years' contributions.	Annual appropriations to cover current and accrued liabilities, and to pay costs of administration.	Superannuation: Optional at age 60 and compulsory at 70. Fifteen years' service in State required of employees entering before system was adopted; for others, no service requirement. Disability: 20 years' service in State.	Superannuation: For future entrants and present employees with less than 15 years' service, annuity bought by retirant's contributions and pension of equal amount; maximum, $1,500. For present employees with 15 years' service, additional pension if needed to make minimum of $400. Disability: Annuity and pension based on service; minimum pension, one-thirtieth of $250 for each year of service.	Options.
Michigan teachers' retirement fund (Pub. Acts 1915, act 174; 1927, act 135).	From under $5 to $20 a year, according to length of service; maximums increased in 1927 to $10, $20, and $30.	No contribution	Superannuation: No age requirement until 1927, when 60 was set for optional retirement; 30 years' service, of which 15, including last 5, must have been in State. Disability: 15 years' service in State.	Superannuation: One-half of average final compensation; minimum, $300; maximum, $500; partial pension for 25 years' service. Disability: Fraction of superannuation allowance, proportioned to length of service.	None.
Minnesota teachers' insurance and retirement fund (Laws of 1915, ch. 199).	From $5 to $30 a year, according to length of service; not required after 25 years' service.	Proceeds of a State tax of one-twentieth of a mill on all taxable property.	Superannuation: No age requirement; 20 years' service, of which 15 must have been in State. Disability: 15 years' service, of which 10 must have been in State.	Superannuation: $350 a year after 20 years' service, with increments of $30 for each additional year, up to maximum of $500. Disability: Fraction of above, proportioned to length of service.	Do.
Montana teachers' retirement salary fund (Laws of 1915, ch. 95).	$1 a month for each month of school year.	No contribution	Superannuation: Optional at age 55; no compulsory age; 25 years' service (raised to 30 years in 1927), of which 15 must have been in State. Disability: 15 years' service in State.	Superannuation: $600 a year for those who have paid in $300 (raised to $600 in 1927); in practice, allowance is determined by condition of fund. Disability: Such proportion of full pension as retirant's service is of 30 years.	Do.
State teachers' pension and annuity fund of New Jersey (Acts of 1919, ch. 80).	Percentage of salary, based on sex and age at entrance.	Appropriations to cover benefits earned by current service, accrued liability, and cost of administration.	Superannuation: Optional at age 62; compulsory at 70; no service requirement. Present employees may retire at any age after 35 years' service. Disability: 10 years' service in State.	Superannuation: Annuity bought by retirant's contributions, plus pension of equal amount, the two forming one-seventieth of average final compensation for each year of service. Allowance for prior service. Disability: One-seventieth of average final compensation for each year of service; minimum, $300 a year.	Options.
New York State teachers' retirement fund (Laws of 1920, ch. 503, art. 43-b, secs. 1100-1109q; amended, 1923 and 1927).	4 per cent of salary.	Annual amount equal to 5.2 per cent of teachers' salary roll.	Superannuation: Optional at age 60, after 25 years' service in State, or at any age after 35 years' service; may be demanded at 70. Disability: For present teachers, 20 years' service, of which the last 10 must have been in State; for others, 15 years in State.	Superannuation: Annuity bought by retirant's contributions plus pension of one-fourth of final compensation; minimum, after 25 years' service, $400. Allowance for prior service. Disability: Annuity as above; pension of one-fifth of average final salary, but not over four-fifths of pension receivable had retirant remained in service to age 70.	Do.

[1] All the systems require medical examination and certification as conditions for disability retirement.

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TABLE 24.—*Comparison of State teachers' retirement systems*—Continued

Name of system	Contribution from employees	Contribution from State	Conditions for retirement	Retirement allowances	Other benefits
North Dakota teachers' retirement system, 1913 (Laws of 1913, ch. 251; 1919, ch. 161).	1 or 2 per cent of salary, according to length of service, with maximums of $20 and $40 a year; contributions cease after 25 years.	Ten cents annually for each child in State between ages of 6 and 21.	Superannuation: No age requirement. Requires 25 years' service, of which 18 must have been in the State. Disability: 15 years' service.	Superannuation and disability: 2 per cent of average final compensation, multiplied by years of service; minimum, $350; maximum, $750.	None.
Ohio State teachers' retirement system (Laws of 1919, secs. 7896-1 to 7869-63).	4 per cent of salary up to $2,000. In addition, $1 a year for cost of administration.	Percentage of teachers' salary roll, varying with actuarial state of fund, to cover pensions for current service, and accrued liability.	Superannuation: Optional at age 60, except for new entrants with less than 5 years' service, and at any age after 36 years' service; compulsory at 70. Disability: 10 years' service.	Superannuation: Annuity bought by retirant's accumulated contributions plus pension of equal amount; minimum, after 36 years' service, $300. Full allowance for prior service. Disability: Annuity plus pension to bring allowance to 1.2 per cent of average final compensation for each year of service; minimum, 30 per cent of average final compensation.	Options.
Pennsylvania State school employees' retirement fund (Laws of 1917, No. 343).	Percentage of salary, based on sex and age at entrance; all salary above $2,000 exempt.	Regular contribution to cover liability for current service, and accrued liability; cost of administration.	Superannuation: Optional at age 62; compulsory at 70; 10 years' service. Disability: 10 years' service.	Superannuation: Annuity bought by retirant's contributions plus pension of same amount, together equaling one-eighteth of average final compensation for each year of service. Allowance for prior service. Disability: Annuity plus pension sufficient to bring allowance to one-ninetieth of average final compensation for each year of service; minimum, 30 per cent of average final compensation.	Do.
Rhode Island State teachers' pension system (Laws of 1907, ch. 1468; 1909, ch. 461; 1914, ch. 1090; 1921, ch. 2054; 1926, ch. 776).	No contribution	Annual appropriation of amount needed to pay current pensions.	Superannuation: No age requirement; 35 years' service, of which 25, including the last 15, must have been in State. Disability: 20 years' service in State.	Superannuation: One-half of average salary of last 5 years; minimum, $500; maximum, $700. Disability: Such proportion of superannuation pension as years of service are of 35.	None.
Vermont teachers' retirement system (Acts of 1919, ch. 57).	Percentage of salary (at present 5); minimum, $16, and maximum, $100 a year.	Annual amount equal to total contribution of teachers, up to $20,000.	Superannuation: Optional at age 65 for men, and 60 for women; no compulsory age; 30 years' service, of which 20, including the last 5, must have been in State. Disability: 6 years' service in State.	Superannuation: Annuity bought by retirants' accumulated contributions and pension of equal amount from State. Maximum, one-half average salary during service. Disability: Annuity plus pension, as above, with such additional pension from State as the retirement board may consider just; same maximum as above.	Options.

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Virginia public school teachers' retirement fund (Code of 1919, ch. 36, secs. 787-805).	1 per cent of salary.	Annual appropriation of amount needed; at present, contribution is $10,000.	Superannuation: Optional at age 58 for men, and 50 for women; no compulsory age; 30 years' service in State. Disability: 20 years' service.	Superannuation and disability: One-half of average salary for last 5 years; no minimum set; maximum, $400 if salary was below, and $500 if it was over $1,000.	None.
Wisconsin teachers' insurance and retirement system (Stats. 1923, secs. 42.20-42.57, 20.251, and 20.30).	5 per cent of salary; teachers under 25 do not contribute.	Proceeds of a surtax on net incomes in excess of $3,000, to cover liability for current service, and accrued liability.	Superannuation: No age set, but State's part of allowance will not be paid until claimant is 50; no service requirement except for those claiming prior service allowance. Disability: 5 consecutive years of service.	Superannuation: Annuity bought by retirant's accumulated contributions plus pension bought by State's accumulated contributions to his credit, State's part not to be paid until retirant reaches 50. Disability: Same as for superannuation, except that 50-year limit for State's pension does not apply. For retirants in service before system was adopted with 25 years' service and having reached age of 50, the State makes an extra allowance in respect of prior service.	Options; death benefit.

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TABLE 25.—*Income and expenditures of State teachers' retirement systems*

Name of system	Year ending—	Income from—				Expenditures for benefits				Refunds	Cost of administration	Total expenditures
		Employees	Public sources	All other sources	Total income	Superannuation allowance	Disability allowances	Other benefits	Total			
California public school teachers' retirement salary plan	June 30, 1926	$406,527	$321,157	$91,082	$818,766				$457,095		$18,020	$475,115
Connecticut teachers' retirement system	Dec. 31, 1926	557,372	108,531	154,961	820,864				95,592	$167,637	8,827	272,056
Illinois State teachers' pension and retirement fund	June 30, 1926	267,452	302,777	58,940	629,169				566,705	2,188	12,641	581,534
Indiana State teachers' retirement fund	Sept. 30, 1926	434,484	754,563	157,629	1,346,676	$217,614	$25,361	$75	242,450	56,418	13,157	312,025
Massachusetts teachers' retirement system	Dec. 31, 1926	1,464,500	419,677	386,736	2,270,913				449,781	400,544	10,779	861,104
Michigan teachers' retirement fund	Sept. 30, 1926	205,341		38,746	244,087	175,691	6,753		181,844	17,567	16,359	215,770
Minnesota teachers' insurance and retirement fund	June 30, 1926	126,469	70,060	62,856	259,385				98,577	16,491	5,337	120,405
Montana teachers' retirement salary fund	do	41,041		7,800	48,841				65,214		2,200	67,414
New Jersey State teachers' pension and annuity fund	do	1,572,759	2,008,309	428,561	4,009,629				910,918	309,067	37,522	1,257,507
New York State teachers' retirement fund	July 31, 1926	1,693,334	3,131,496	475,769	5,300,599				1,202,619	356,314	74,558	1,633,491
North Dakota teachers' retirement system	June 30, 1926	83,254	21,343	27,075	131,672				43,680	7,836	1,831	53,347
Ohio State teachers' retirement system	Aug. 31, 1926	2,429,110	2,416,559	1,389,492	6,235,161				772,704	722,646	51,741	1,547,091
Pennsylvania State school employees' retirement system	June 30, 1925	2,717,508	7,774,770	922,720	11,414,998	347,584	73,529		421,113	609,811	40,000	1,070,924
Rhode Island teachers' pensions	June 30, 1926		87,500		87,500				87,516			87,516
Vermont teachers' retirement system	do	22,105	20,000	12,638	54,743	3,051			3,051	6,199	521	9,771
Virginia public school teachers' retirement fund	do	125,648	10,000	10,525	146,173				129,665			129,665
Wisconsin teachers' insurance and retirement system	do	800,917	1,402,612	404,943	2,608,472	[1] 216,832	(2)	35,370	252,202	195,255	41,067	488,524

[1] Including disability allowances.

[2] Included in superannuation allowances.

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TABLE 26.—*Relation of beneficiaries to active force and of benefit expenditures to pay roll of active force—State teachers' retirement systems*

Name of system	Year ending—	Number on active force	Pay roll of active force	Total number of beneficiaries	Amount spent in benefits	Per cent beneficiaries form of active force	Per cent benefits form of active pay roll
California public school teachers' retirement salary plan	June 30, 1926	36,108		1,061	$457,095	2.9	
Connecticut teachers' retirement system	July 1, 1926	9,749	$16,315,757	186	95,592	1.9	0.59
Illinois State teachers' pension and retirement fund	June 30, 1926	38,888		1,486	566,705	3.8	
Indiana State teachers' retirement fund	Sept. 30, 1926	12,341		496	242,450	4.0	
Massachusetts teachers' retirement system	June 30, 1926	20,019	33,600,364	852	449,781	4.25	1.34
Michigan teachers' retirement fund	Sept. 30, 1926	24,471	31,943,893	619	181,844	2.53	.57
Minnesota teachers' insurance and retirement fund	June 30, 1926	16,866		589	98,577	3.49	
Montana teachers' retirement salary fund	do	5,600		130	65,214	2.32	
New Jersey State teachers' pension and annuity fund	do	19,830	36,771,514	1,062	910,918	5.36	2.48
New York State teachers' retirement fund	July 31, 1926	39,648	61,271,438	1,996	1,202,619	5.03	1.96
North Dakota teachers' retirement system	June 30, 1926	8,226		79	43,680	.96	
Ohio State teachers' retirement system	Aug. 31, 1926	42,972	59,682,674	1,829	772,704	4.26	1.29
Pennsylvania State school employees' retirement system	June 30, 1925	58,409	61,155,692	1,206	421,113	2.06	.69
Rhode Island teachers' pensions	June 30, 1926	3,599	4,984,540	180	87,516	5.00	1.76
Virginia public school teachers' retirement fund	do	17,055	13,035,894	758	129,665	4.44	.99
Wisconsin teachers' insurance and retirement system	do	18,054	16,018,540	565	252,202	3.13	1.57

[1] Including 460 taken over from city systems.

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CITY SYSTEMS

CHICAGO

TYPE of system.—The Chicago Public School Teachers' Pension and Retirement System is a contributory system.

Contributions.—The city pays into the fund annually an amount equal to $2 for every dollar deducted from the teachers' salaries, raising the amount by a tax of three-tenths of a mill on each dollar of assessed valuation of Chicago property. Should this tax not reach the amount required, the board of education is to add an appropriation from the educational fund sufficient to bring the contribution up to the requisite figure. For the year ending August 31, 1926, the city's contribution amounted to $772,865.

The employees contribute $1 a month for the first four years of service, $1.50 a month for the second four, $2.50 a month for the third four, and thereafter $5 a month, the school year containing 10 months. For the year ending August 31, 1926, the employees' contributions amounted to $445,120.

Retirement allowances.—The superannuation allowance, after 25 years' service, is $800 a year with $20 extra for each year of service over 25, up to 10. The maximum is $1,000 a year.

The disability allowance is such proportion of $800 a year as the retirant's contributions form of $850, with a minimum of $300 a year.

Number of employees covered.—As of October 31, 1926, the number of employees under this system was 11,927.

Conditions for retirement.—There is no minimum age requirement. In 1926 a law was passed making retirement compulsory at age 75, with progressive decreases in the age until in 1930 retirement should be compulsory at 70. There is a service requirement of 25 years, 15 of which must have been in Chicago.

Disability retirement is permitted for permanent disability, after 12 years' service, the last three-fifths of which must have been in Chicago.

Administration.—The system is administered by a board of nine—three members of the board of education, and six teachers elected by their fellows.

DETROIT

TYPE of system.—The Detroit Public School Teachers' Retirement Fund is a contributory system.

Contributions.—The city gives the tuition paid by nonresident pupils, deductions from teachers' salaries on account of absence from duty, and the interest on the daily balances of the teachers' salary fund. For the year ending August 31, 1926, the city's contribution amounted to $121,624.

Up to September 1, 1926, the employees contributed 2 per cent of their salaries, but at that date the rate of contribution was increased to 3 per cent. All salary over $1,500 a year is exempt from contribution. For the year ending August 31, 1926, the employees' contributions amounted to $175,329.

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Retirement allowances.—The superannuation allowance is $1,200 a year. For disability retirement, the allowance is such part of $1,200 as the retirant's years of service are of 30; minimum, $400.

Number of employees covered.—As of August 31, 1926, the number of employees covered by the system was 5,569.

Conditions for retirement.—There is no age set for retirement. There is a service requirement of 30 years, of which the last 20 must have been in Detroit. Disability retirement is permitted after 10 years' service in Detroit, on medical certificate.

Administration.—The system is administered by a board of seven—three members of the board of education, the superintendent of schools, and three resident teachers, elected by their fellows.

Average age of retirants.—Data are not obtainable concerning all retirants, but for those placed on the pension roll in 1926, numbering 38, the average age at retirement was 58.66 years, and the average length of service 36.29 years.

Statistics.—The present system succeeds an earlier one, concerning which full data could not be obtained. From 1911, however, to August 31, 1923, the total receipts of the earlier system were $1,127,-657, and the total disbursements were $464,030; from September 1, 1923, when the present system was established, to August 31, 1926, the total receipts were $1,066,959, and the total disbursements were $582,392.

MILWAUKEE

TYPE of system.—The Milwaukee Public School Teachers' Annuity and Retirement Fund is a contributory system.

Contributions.—The city contributes annually 40 per cent of the proceeds of a surtax on net incomes, computed at one-sixth the rate for taxable incomes in excess of $3,000. For the year ending August 31, 1926, its contribution amounted to $240,221.

Employees contribute $4 a month for the first 10 years' service, $6 a month for the next 5, and thereafter $8 a month, the school year containing 10 months. Contributions are not required after 40 years' service. For the year ending August 31, 1926, the employees' contributions amounted to $70,673.

Retirement allowances.—The superannuation allowance is $600 a year for those retiring after 25 years' service, with $20 additional for each year of service over 25, up to 15; maximum, $900 a year.

Disability retirement allowance is calculated in the same way as the superannuation allowance, and has the same minimum and maximum.

Number of employees covered.—As of June 30, 1926, the number of employees under this system was 2,054.

Conditions for retirement.—Retirement is optional at age 65, after 25 years' service, of which 15 must have been in Milwaukee, and at any age after 35 years' service, of which 20 must have been in Milwaukee. No compulsory age.

Disability retirement is permitted, on medical certification, after 25 years' service, of which 15 must have been in Milwaukee.

Administration.—The system is administered by a board of nine—the president and four members of the board of school directors, and four teachers, two men and two women, elected by their fellows.

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Average age of retirants.—Average age at retirement, 59.25 years; average years of service, 36.08.

Statistics.—Total receipts from September 1, 1909, to August 31, 1926, amounted to $1,987,097; total disbursements for same period, $449,962.

MINNEAPOLIS

TYPE of system.—The Minneapolis Teachers' Retirement Fund Association is a contributory system.

Contributions.—The city contributes annually the proceeds of a tax of one mill on the dollar. For the year ending December 31, 1926, its contribution amounted to $296,783. (The plan contemplates a contribution from the city of the proceeds of a tax of 1⅓ mills on the dollar, but as yet only the smaller contribution has been made.)

Employees aged 25 and over contribute 5 per cent of their salaries. No contribution is required from those under 25. For the year ending December 31, 1926, their contributions amounted to $261,536.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension bought by the city's accumulated contributions on his behalf; the latter is not to be drawn before reaching age 50. City provides allowance for prior service.

The disability allowance is the same as the superannuation allowance except that the pension from the city is available at once, regardless of age.

Upon the death of a member in service, the total amount of his contributions and of the city's accumulated contributions on his behalf is paid to his dependents or estate.

Options are offered upon retirement.

Number of employees covered.—As of December 31, 1926, the number of employees covered by the system was 2,344.

Conditions for retirement.—There is no age set for retirement, but the city's part of the superannuation allowance may not be drawn before the retirant reaches 50. There is no service requirement, but the amount of the allowance is affected by this factor.

Disability retirement is permitted upon medical certification after 5 consecutive years' service. The retirant must submit to periodic examinations.

Administration.—The plan is administered by a board of nine—four city officials, and five teachers elected by their fellows.

Average age of retirants.—The average age of retirants in 1926 was 53 years, and their average length of service 29 years

Statistics.—The present system, which was inaugurated at the beginning of 1924, had received up to December 31, 1926, a total of $2,100,945, and had disbursed $437,747. The earlier system which it superseded, which was inaugurated in 1909, had received up to December 31, 1923, a total of $1,246,696, and had disbursed $843,448.

NEW ORLEANS

TYPE of system.—The New Orleans Teachers' Retirement Fund is a contributory system.

Contributions.—The city appropriates annually for the system an amount equal to 3 per cent of the teachers' salaries. For the year ending August 31, 1926, the amount thus appropriated was $80,936.

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Employees contribute 2 per cent of their salary. The employees' contribution for the year ending August 31, 1926, amounted to $53,678.

Retirement allowances.—The superannuation retirement allowance after 40 years' service is one-half of average salary for last 5 years. For service of less than 40 years, it is one-fortieth of the normal allowance multiplied by the years of service. The minimum is $300 and the maximum is $600. For disability retirement, for each year of service one-fortieth of normal retirement allowance.

Number of employees covered.—The number of employees under this system, as of August 31, 1926, was 1,619.

Conditions for retirement.—Retirement is optional up to age 65; thereafter the teacher may be retired at discretion of board. The service requirement is 30 years as a minimum and 40 years as a normal requirement. For disability retirement, five years of service and medical certification are necessary.

Administration.—The system is administered by a board of nine—the superintendent of public schools, three of the school directors elected by the board of school directors, and five teachers, elected by their fellows.

Average age of retirants.—The average age for superannuation retirants is 62, with 41.1 years' service; average age for disability retirants, 46.7 years, with 18.3 years' service.

NEW YORK CITY

TYPE of system.—The Teachers' Retirement System of the City of New York is a contributory system.

Contributions.—The city makes three appropriations for the fund: A flat contribution of $1,000,000 to meet accrued liabilities; a contribution calculated on an actuarial basis to meet its share of the benefits for current service; and an appropriation to cover the cost of administration. For the year ending December 31, 1925, the city's contributions amounted to $4,324,399.

The employees contribute a percentage of salary based on age at entrance. For the year ending December 31, 1925, the employees' contributions amounted to $3,077,570.

Retirement allowances.—The superannuation allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension from the city, amounting together to one-seventieth of the average final salary for each year of service after the establishment of the system. For those in service earlier, the city pays the whole allowance for each year of such prior service.

The disability allowance consists of the annuity bought by the retirant's accumulated contributions, plus a pension from the city of 20 per cent of the average final compensation; if the retirant is eligible for service retirement, the pension shall be 25 per cent of the average final compensation.

In case of the death of a teacher in active service who has qualified for service retirement, a death benefit of one-half of the last year's salary is paid to his estate or beneficiary.

Options are offered at the time of retirement.

Number of employees covered.—As of December 31, 1925, the number of employees under the system was 25,995.

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Conditions for retirement.—Retirement is optional at age 65 and compulsory at 70. There is a service requirement of 35 years; in the case of new entrants, 20 years of this must have been in New York City.

Disability retirement is permitted after 10 years' service, upon medical certification. Periodic examinations are required.

Administration.—The system is administered by a board of seven—the president of the board of education and the comptroller of New York, ex officio; two appointed by the mayor; and three teachers, elected by their fellows.

NEW YORK CITY BOARD OF EDUCATION

TYPE of system.—The New York City Board of Education Retirement System is a contributory system.

Contributions.—The city contributes annually for each employee an amount equal to his own contribution, and for those in the service before the system was established a further sum to cover accrued liability. The city also bears the cost of the extra benefits. The costs of administration are carried as part of the normal expenses of the board of education. For the year ending June 30, 1926, the city's contributions amounted to $331,216.

The employees contribute a percentage of salary based on sex, age at entrance, and the kind of retirement desired, whether age or service. The contribution is calculated on an actuarial basis to produce at retirement an annuity of one one-hundred-and-fortieth of the average salary for the last five years, multiplied by the number of years of service. For the year ending June 30, 1926, their contributions amounted to $311,295.

Retirement allowances.—For age and service retirement, the allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension of equal amount bought by the city's accumulated contributions to his credit, the two together making one-seventieth of the average annual salary for the last five years, multiplied by the number of years of service. For years of service prior to 1921, when the system was established, the city provides the whole allowance.

For ordinary disability retirement the allowance consists of an annuity bought by the retirant's contributions, plus a pension from the city sufficient to bring the allowance up to 90 per cent of the normal allowance for the retirant's years of service.

For duty disability retirement, the city provides a pension of three-fourths of the average annual salary for the last five years, and either returns the retirant's accumulated contributions, or, at his option, uses them to purchase an annuity for his benefit.

Upon the death from ordinary causes of a member in service, a death benefit of an amount equal to his earnings for the last six months is paid to his estate or designated beneficiary.

If a member dies as the result of injuries received in the performance of duty, his contributions are returned to his estate, and his widow receives a pension during widowhood of one-half his average annual salary for the last five years' service. If there is no widow the pension may go to children under 18, or, if there are no such children, to a dependent parent.

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Options are offered upon retirement.

Number of employees covered.—As of June 30, 1926, the number of employees covered by the system was 2,507.

Conditions for retirement.—Age retirement is optional from 60 onward. Service retirement is optional at any age after completing 35 years' service.

Ordinary disability retirement is permitted after 10 years' service upon medical examination and certification.

Duty disability retirement is permitted without regard to age or length of service, upon medical examination and certification.

Administration.—The system is administered by the board of education.

Statistics.—For the year ending June 30, 1926, the total receipts of the system were $723,452, and the total expenditures, $207,622.

WASHINGTON, D. C.

TYPE of system.—The Teachers' Retirement Fund of Washington, D. C., is a contributory system.

Contributions.—The District pays into the fund annually a percentage of the pay roll of all participants in the fund, calculated on an actuarial basis to cover liability for current service, and to liquidate within 30 years from July 1, 1926, the accrued liability for prior service. For the year ending June 30, 1926, the District's contribution was $61,000; for the year ending June 30, 1927, it was $91,965.

The teachers contribute a percentage of their salaries calculated on an actuarial basis to provide a specified annuity upon retirement. The percentage must not exceed 8, and salary over $2,000 is exempt from contribution. For the year ending June 30, 1926, the teachers' contributions amounted to $263,920, and for the year ending June 30, 1927, to $284,287.

Retirement allowances.—The superannuation allowance consists of an annuity made up of two parts: (1) A sum equal to 1 per cent of the average annual salary for the last 10 years multiplied by the number of years of service; and (2) a sum equal to $15 for each year of service prior to 1926. Service exceeding 40 years is not to be used in either calculation.

The allowance for disability retirement is calculated in the same manner as for superannuation.

Options are offered upon retirement.

Number of employees covered.—As of June 30, 1926, the number of employees covered was 2,761; as of the same date of 1927 it was 2,852.

Conditions for retirement.—Retirement is optional at age 62, and compulsory at 70. The retirant must have served in the District for at least 10 years, and for the whole of the period between attaining age 52 and retirement. Credit will be given for service outside the District for not more than 10 years, but the teacher claiming it must make up his contributions to the sum they would have reached had this service been given in the District.

Disability retirement is permitted on medical examination and certification, if the teacher is aged 45 or over, after 10 years' continuous service in the District, or, if he is under 45, after 15 years' continuous service in the District.

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Administration.—The plan is administered by the Commissioners of the District.

Average age of retirants.—The average age at retirement for superannuation retirants is 67, with 43 years' service; for disability retirants, 57, with 29 years' service.

Statistics.—The total receipts of the system from July 1, 1920, to June 30, 1926, amounted to $1,876,533, and up to June 30, 1927, to $2,314,921; for the same periods the total disbursements were $387,072 and $528,523.

NOTE.—The Washington system was reorganized in 1920 along the general lines of the present system. Later a Federal statute was passed, effective July 1, 1926, making some changes in regard to contributions, calculation of allowances, and conditions for retirement. The outline given above is for the system as modified by the changes of 1926. Statistical data are given for two years, to show conditions before and after the changes.

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TABLE 27.—*Comparison of city teachers' retirement systems*

Name of system	Contributions from employees	Contributions from city	Conditions for retirement [1]	Retirement allowances	Other benefits
Chicago public school teachers' pension and retirement system (Laws of 1921, p. 821; 1925, p. 571).	Contributions, graded by length of service, ranging from $10 to $50 a year and totaling $850 in 25 years.	Appropriation of $2 for each $1 from teachers; if insufficient, amount needed is to be transferred from general education fund.	Superannuation: No age requirement; 25 years' service, of which 15 must have been in Chicago. Permanent disability: 12 years' service, three-fifths of which must have been in Chicago.	Superannuation: After 25 years' service, $800 a year, with $20 extra for each year of service over 25, up to 10; maximum, $1,000. Disability: Such proportion of $800 a year as retirant's contributions form of $850; minimum, $300 a year.	None.
Detroit public school teachers' retirement fund (Pub. Acts of 1923, No. 152).	3 per cent of salary (2 per cent prior to September, 1926) but salary over $1,500 a year exempt.	Interest on daily balances of teachers' salary roll, and tuition fees paid by nonresident pupils, etc.	Superannuation: No age requirement; 30 years' service, of which the last 20 must have been in Detroit. Disability: 10 years' service in Detroit.	Superannuation: $1,200 a year. Disability: Such proportion of $1,200 a year as retirant's years of service are of 30; minimum, $400.	Do.
Milwaukee public school teachers' annuity and retirement fund (Laws of 1909, ch. 510; 1911, ch. 189; 1921, ch. 591; 1925, ch. 243).	Contributions, graded by length of service, ranging from $4 to $8 a month; not required after 40 years' service.	40 per cent of proceeds of a surtax on net incomes.	Superannuation: Optional at age 65, after 25 years' service, and at any age after 35 years' service, of which 15 and 20, respectively, must have been in Milwaukee. Disability: 25 years' service, 15 in Milwaukee.	Superannuation and disability: After 25 years' service, $600 a year, with $20 additional for each year of service over 25, up to 15; maximum, $900.	Do.
Minneapolis teachers' retirement fund association (Gen. Laws 1909, ch. 343; 1923, ch. 310).	5 per cent of salary. Those under 25 do not contribute.	Amount raised by a tax levy of 1 mill on the dollar.	Superannuation: No age requirement, but city's share of allowance not to be paid till age 50 is reached; no service requirement. Disability: 5 consecutive years' service.	Superannuation: Annuity bought with retirant's accumulated contributions plus pension bought with city's accumulated contributions on his behalf; latter not available under age 50. Allowance for prior service. Disability: Same as superannuation, except that city's pension is available at once, regardless of age.	Options; death benefit.
New Orleans teachers' retirement fund (Act No. 116 of 1910; No. 263 of 1914; and No. 17 of 1918).	2 per cent of salary.	Amount equal to 3 per cent of teachers' salary roll; minimum, $30,000 a year.	Superannuation: Optional up to age 65, after which compulsory retirement may be demanded if advisable; 30 years' service as minimum, 40 as normal requirement. Disability: 5 years' service.	Superannuation: After 40 years' service one-half of average salary for last 5 years; under 40 years' service, one-fortieth of normal allowance for each year of service; minimum, $300; maximum, $600. Disability: For each year of service, one-fortieth of normal retirement allowance.	None.

[1] All the systems require medical examination and certification as conditions for disability retirement.

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TABLE 27.—*Comparison of city teachers' retirement systems*—Continued

Name of system	Contributions from employees	Contributions from city	Conditions for retirement	Retirement allowances	Other benefits
Teachers' retirement system of the city of New York (Laws of 1917, ch. 303; Charter of Greater New York, sec. 1092).	Percentage of salary, based on age at entrance.	Regular appropriations, calculated on actuarial basis, to cover current and accrued liability; and cost of administration.	Superannuation: Optional at age 65; compulsory at 70; 35 years' service, of which, in case of future entrant, 20 must have been in New York City. Disability: 10 years' service.	Superannuation: Annuity bought by retirant's accumulated contributions plus pension bought by city's accumulated contributions, amounting to one-seventieth of average final salary for each year of service. Allowance for prior service. Disability: Annuity bought by retirant's accumulated contributions plus pension of 20 or 25 per cent, according to circumstances, of average final compensation.	Death benefit; options.
New York City board of education retirement system (Laws of 1921, ch. 713).	Percentage of salary, based on sex, age at entrance, and kind of retirement (age or service) desired.	Annual contribution for each employee of an amount equal to his own contribution; also contribution to cover accrued liability and cost of extra benefits.	Age retirement: Optional at age 60. Service retirement: On completion of 35 years' service. Ordinary disability: 10 years' service. Duty disability: No service requirement.	Age or service retirement: Annuity bought by retirant's contributions plus pension bought by city's contributions to his credit, the two amounting to one-seventieth of average annual salary for last 5 years multiplied by years of service. Allowance for prior service. Ordinary disability: Annuity as above with pension to bring allowance up to 90 per cent of normal allowance for years of service. Duty disability: Annuity as above (or retirant may have his contributions returned) plus pension of three-fourths of average annual salary for last 5 years.	Provision for dependents; death benefits; options.
Teachers' retirement fund of Washington, D. C. (41 U. S. Stat. L. p. 387; 44 U. S. Stat. L. pt. 2, p. 727).	Percentage of salary, not to exceed 8, calculated on actuarial basis, but all salary over $2,000 a year exempt.	District contributes a percentage of teachers' salary roll to cover its share of benefits earned by current service, and its accrued liability.	Superannuation: Optional at age 62; compulsory at 70; 10 years' service in District and since reaching age 52. Disability: 10 years' service, if retirant is 45 or over, and 15 years, if under that age.	Superannuation and disability: Annuity consisting of two parts: (1) An amount equal to 1 per cent of the average salary for last 10 years multiplied by years of service; (2) an amount equal to $15 multiplied by years of service prior to 1926. Service in excess of 40 years not used in calculating allowances.	Options.

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TABLE 28.—*Income and expenditures of city teachers' retirement systems*

Name of system	Year ending—	Income from—				Expenditure for benefits			Refunds	Cost of administration	Total expenditures
		Employees	Public sources	All other sources	Total income	Superannuation and disability allowances	Other benefits	Total			
Chicago public school teachers' pension and retirement system	Aug. 31, 1926	$445,120	$772,865	$194,785	$1,412,770	$647,495		$647,495	$5,583	$13,961	$667,039
Detroit public school teachers' retirement fund, 1895	do	175,329	121,624	69,440	366,393			256,509	8,165	1,221	265,895
Milwaukee public school teachers' annuity and retirement fund	do	70,673	240,221	64,637	375,531			69,495	3,868	9,292	82,655
Minneapolis teachers' retirement fund association	Dec. 31, 1926	261,536	296,783	69,637	627,956	123,728	$8,793	132,521	11,186	13,385	157,592
New Orleans teachers' retirement fund	Aug. 31, 1926	53,678	80,936	36,950	171,564	41,042		41,042	6,105	1,093	48,240
Teachers' retirement system of the city of New York	Dec. 31, 1925	3,077,570	4,324,399	1,185,005	8,586,974	1,712,010	729,483	2,441,493	235,501		2,676,994
New York City Board of Education retirement system	June 30, 1926	311,295	331,216	80,941	723,452	100,734	75,922	176,656	30,966		207,622
Teachers' retirement fund of Washington, D. C.	June 30, 1926	263,920	61,000	52,456	377,376	64,778		64,778	31,737		96,515
	June 30, 1927	284,237	91,965	62,137	438,389	109,214		109,214	32,238		141,452

TABLE 29.—*Relation of beneficiaries to active force and of benefit expenditures to pay roll of active force—City teachers' retirement systems*

Name of system	Year ending—	Number on active force	Pay roll of active force	Total number of beneficiaries	Amount spent in benefits	Per cent beneficiaries form of active force	Per cent benefits form of pay roll
Chicago public school teachers' pension and retirement system	Oct. 31, 1926	11,927	$32,281,174	973	[1] $647,495	8.16	2.0
Detroit public school teachers' retirement fund, 1895	Aug. 31, 1926	5,569	13,396,922	242	256,509	4.35	1.91
Milwaukee public school teachers' annuity and retirement fund	June 30, 1926	2,054	4,621,816	89	[1] 69,495	4.33	1.5
Minneapolis teachers' retirement fund association	Dec. 31, 1926	2,344	4,554,714	293	132,521	12.5	2.9
New Orleans teachers' retirement fund	Aug. 31, 1926	1,619	2,541,722	101	41,042	6.24	1.62
Teachers' retirement system of the city of New York	Dec. 31, 1925	25,995		2,041	2,441,493	7.85	
New York City board of education retirement system	June 30, 1926	2,507	5,854,690	126	176,656	5.02	3.0
Teachers' retirement fund of Washington, D. C.	June 30, 1926	2,761	5,703,848	84	64,778	3.04	1.13
	June 30, 1927	2,852	6,027,865	108	109,214	3.79	1.81

[1] Year ending August 31.

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CHAPTER 6.—RETIREMENT SYSTEMS FOR POLICE AND FIREMEN

RETIREMENT systems covering the police and firemen are usually the earliest established in a community, and often they may be found even where no other systems have been adopted. The present investigation, as mentioned in earlier discussions, covered cities having a population of 400,000 and upwards. Of these, there were 17 having retirement systems for the police, the firemen, or the police and firemen combined. (Boston is omitted, as there both police and firemen are included in the general plan for the retirement of municipal employees.) Thirteen cities have separate systems for the police, 13 (not quite identical) have separate systems for the firemen, and 3 have combined the systems covering the two departments.

POLICE RETIREMENT SYSTEMS

OF THE cities studied, St. Louis is the only one which does not have some plan for permitting its police to retire on allowance, but in Los Angeles, Newark, and Washington, D. C., the systems for police and firemen have been combined. This chapter, therefore, deals with 13 systems for the police, 13 for firemen, and 3 for the police and firemen combined, which will be treated separately.

The majority of the police retirement systems date well back into the last century. Probably the oldest is that of New York City, which was established in 1857. Practically all of the earlier schemes have been materially changed from their first forms, and it seems unnecessary to attempt to fix the precise date of origin. The membership of the systems, by cities, is as follows:

Baltimore	1, 864	Minneapolis	499
Buffalo	1, 144	New Orleans	877
Chicago	6, 080	New York City	15, 950
Cincinnati	525	Philadelphia	5, 600
Cleveland	1, 421	Pittsburgh	904
Detroit	2, 762	San Francisco	1, 186
Milwaukee	938		

The numbers here given are not comparable, since there are differences as to the classes of employees included in the schemes, and occasionally local circumstances affect the number of the force. These figures are given merely as conveying in a general way some idea of the number covered.

The custom differs as to the inclusiveness of the systems, some limiting membership to the uniformed force and detectives, while others take in all employees of the department. In general, if a city maintains an inclusive municipal employee system, the civilian members of the department, such as clerks, janitors, and the like, are covered by this, and only the so-called "fighting" force comes under the terms of the police retirement system. Where women police are employed, they are counted as part of the uniformed force, and some of the systems specifically include police matrons and assistant matrons.

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Employee Representation in Management

IN THE matter of giving employees a voice in the management, the systems are almost evenly divided, seven having employee representatives on the board of control, while six intrust the administration either to a single official or to a board composed of city officials. In the latter group, the Baltimore and the New York systems are managed by the commissioner of police, the New Orleans system by the commissioner of public finance and the secretary of the board of police commissioners, the San Francisco system by the board of police commissioners, the Buffalo system by a board composed of the mayor and four councilmen, and the Detroit system by a board of city officials in which the police commissioner is included. In the remaining systems the administrative boards contain, in addition to ex-officio members, a certain number of employee representatives elected by their fellows, and in several cases, these form a majority of the board. In Milwaukee, for instance, there are three employee representatives in a board of five, in Minneapolis five in a board of eight, and in Cincinnati six in a board of seven.

Source of Funds

ALL of the systems included in this study are contributory, but they vary considerably in the proportionate amounts contributed by the force and by the employing agencies. In many of the systems, in addition to the contributions from employer and employees there are receipts from unclassified sources which materially increase the annual income.

Contributions from employees.—Under four of the systems the employees contribute a flat sum monthly, the amount being $1 in Cincinnati, $2 in San Francisco, in Cleveland a payment ranging from 50 cents to $1.25 according to the rank of the contributor, and in Philadelphia an amount equal to one day's pay, disregarding all salary in excess of $3,000 a year. In the other nine cities the employees pay a percentage of their salaries, ranging from 1 per cent in Detroit and Minneapolis to 4.625 per cent in Milwaukee and 4.75 per cent of the salary up to $2,600 a year in Chicago. In the last two cities the proportion of the percentage for each of several distinct purposes has been carefully allotted. In Chicago, for instance, a member pays 3.5 per cent of his salary toward the allowance he expects to draw upon retirement, 1 per cent for the widow's annuity, one-eighth of 1 per cent to provide for ordinary disability retirement, and the same amount toward the expenses of administration. In Milwaukee the division is the same, except that the employee pays 3 per cent toward his own retirement allowance, and one-half of 1 per cent for ordinary disability retirement. In the other cities the employee pays simply the prescribed percentage and its exact assignment is not specified. In Minneapolis, in addition to the percentage contribution, the members who have completed their probationary period pay 50 cents quarterly toward expenses of administration.

Contributions from employers.—With few exceptions, the cities make a practice of turning over to the police retirement fund various miscellaneous moneys, which in the aggregate make a considerable addition to its resources. The sources of the amounts thus turned

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over vary from city to city. A rather typical list includes all fines and costs imposed by station-house magistrates, fines imposed upon the police for disciplinary purposes, all or a part of any rewards and donations to officers for special services or extraordinary valor, fees for permits for public entertainments, special permits to dancing schools and physicians, fees for licenses issued to private detectives, unclaimed money, and the proceeds of sale of unclaimed property left beyond a certain length of time in the hands of the police, proceeds of the sale of unfit, condemned, and unserviceable property belonging to the department, and other unclassified receipts. Some cities include the fees for dog licenses, and others the fees for permits for boxing contests.

In general, all cities, whether or not they make these miscellaneous contributions, make a direct appropriation for the support of the system. Baltimore, Buffalo, New York, and Philadelphia provide that the city shall make appropriations as needed to maintain the system, New Orleans devotes to this purpose 2 per cent of the amount appropriated for the support of the police department, and Chicago, Cincinnati, Cleveland, Detroit, Milwaukee, and Minneapolis provide for raising, by a special tax, the amounts needed to pay the city's share of the system's benefits. Pittsburgh provides that a certain percentage of the amount raised by general taxation may be used for this purpose, while San Francisco makes no direct appropriation but uses the money derived from certain fines and licenses for this purpose. In some cases the city simply undertakes to supply what is necessary to maintain the payment of allowances, while in others its share of responsibility for benefits promised under the system is carefully defined. In Chicago, for instance, the city contributes for each member of the force an amount equal to 10.5 per cent of his salary, of which 2 per cent is for the widow's pension and 8.5 per cent for his own future pension. The city also bears the entire cost of the extra benefits provided by the system, and makes up any deficiency in the cost of administration, if the amounts contributed by the employees for this purpose are not sufficient.

Other sources of income.—In some cities a custom still prevails under which the police raise funds for retirement and benefit purposes by staging an annual ball game, or a dance or other entertainment for which admission is charged. Sometimes they hold a carnival, or receive the proceeds of a benefit performance, or sell advertising space in a yearbook, or resort to other money-making devices. Often very considerable sums are raised by such means, but the practice is looked upon with less favor than in the earlier days, and there is a general tendency to give it up and support the retirement system by definite contributions from employer and employees.

Interest on deposits and occasional profits on good investments are also sources of income, and most systems provide that gifts, donations, and legacies for the benefit of the fund may be accepted.

Cost of Administration

THREE cities (Chicago, Milwaukee, and Minneapolis) require contributions from the employees toward the expenses of management. In Chicago and Milwaukee each employee contributes one-eighth of 1 per cent of his salary monthly and in Minneapolis after a

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six months' probationary period each employee is assessed 50 cents quarterly for this purpose. In other cities the costs are frequently merged with the general expenses of the department. Sometimes a particular item of expense, such as the salary paid for doing the secretarial work, or cost of printing or postage is paid from the fund, the department meeting the remaining expenses, and sometimes the city carries the whole matter as part of the routine cost of the department.

Conditions for Retirement

SERVICE or superannuation retirement.—Age as a condition for retirement plays rather an unimportant part in these systems. In seven cities (Baltimore, Buffalo, Cincinnati, Cleveland, Detroit, New Orleans, and Pittsburgh) there is no age requirement and no age fixed for compulsory retirement, though it is sometimes provided that after a given age a man may be compulsorily retired if his condition renders this advisable. New York expects retirement after 25 years' service unless an extension is secured, but at 55 retirement is optional if 20 years' service has been given, and at 60 regardless of length of service. Of the other cities, Minneapolis and Philadelphia permit retirement from 50 onward, but couple this with a service requirement of 20 years. Chicago and Milwaukee have rather complicated age requirements. Those in service when the system was adopted may retire from 50 onward, if they have completed 20 years of service, and will receive the full allowance. Those who entered after the adoption of the system may retire under the same conditions, but will not receive as large an allowance as if they remain until 57; at that age their allowance is fixed and is not increased by service given thereafter. San Francisco makes no provision for optional retirement but enforces retirement at 65.

Baltimore alone among these cities has no service requirement, basing retirement upon disability rather than upon age or service. The disability may be due to the infirmities of age, but in that case it is the disabilities, not the number of years the retirant has lived or served, which condition the retirement. Of the other cities, seven (Buffalo, Chicago, Minneapolis, New Orleans, Philadelphia, Pittsburgh, and San Francisco) require 20 years' service, though Chicago does not insist on this qualification unless the retirant is under 57. Cincinnati, Cleveland, Detroit, and New York require 25 years' service, New York modifying this requirement as mentioned above, while Milwaukee calls for 15 years' service if the retirant is 57 or over, and 20 if he is under that age.

Disability retirement.—In all the cities disability due to injuries or illness incurred in the direct performance of duty is recognized as a cause for retirement on allowance, regardless of age or length of service rendered. All but three (Minneapolis, New Orleans, and Pittsburgh) recognize disability arising from ordinary causes as ground for retirement on allowance, though several require service qualifications in addition. Cincinnati sets this service requirement at 5 years, New York and Philadelphia at 10, Cleveland at 15, and Baltimore at 16. All the systems require medical examination and certification before retirement for disability is permitted, and in the case of ordinary disability it is frequently specified that the disability must not be due to the employee's own fault or misconduct.

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Retirement Allowances

MOST of the systems provide the same allowance for service and for duty-disability retirement, and the commonest amount fixed is one-half the salary drawn at the time of retirement. Two cities, Cleveland and Pittsburgh, grade the allowance according to the rank held by the retirant, the monthly payments ranging in Cleveland from $87.66 to $125, and in Pittsburgh from $50 to $75. In Chicago and Milwaukee the allowance consists of an annuity bought by the retirant's accumulated contributions and a pension bought by the city's contributions on his behalf, the maximum in Chicago being 75 per cent of the salary received at the time of withdrawal (salary over $2,600 a year being omitted from the calculation) and in Milwaukee 75 per cent of the highest salary received during the period of service. In Chicago, if the retirant was in the service before the adoption of the present system, has reached the age of 50, and has given 20 years of service, he is entitled to retire on an allowance of one-half his salary, whether or not the accumulations to his credit will purchase such an annuity, the city making up any deficiency. In Milwaukee the city provides an allowance for prior service for those on the force when the system was adopted.

Of the other nine cities, seven fix the allowance at one-half the salary drawn at the time of retirement, Philadelphia puts it at one-half the average salary for the last 10 years, and San Francisco at one-half the salary of the rank held 3 years prior to retirement. Detroit introduces an interesting variant by fixing the pension at one-half the salary of the rank held by the retirant at the time of withdrawal; if, later on, the salary attached to that rank is changed, the allowance changes accordingly. Minneapolis puts the allowance at one-half the salary, but fixes $75 a month as the maximum to be paid. Since the adoption of the system, salaries have been raised, and now the salary of the lowest rank is $150 a month, therefore, $75 a month is at once the minimum and the maximum payable under this system.

Disability retirement allowances.—In 10 of the cities the allowance for duty disability is normally the same as for service retirement, though in some of these a certain latitude is permitted, the proviso reading that the amount is not to exceed one-half the salary at time of retirement. Of the three remaining cities, Chicago provides for duty disability an allowance of three-fourths of the recipient's salary, with an additional allowance for each child under 18, the whole not to exceed the salary drawn at the time of injury. Milwaukee gives 55 per cent of the salary with $10 a month for each child under 18, the whole not to exceed 75 per cent of the salary, and Pittsburgh provides that the retirant shall receive for 52 weeks one-half of the salary at the time of injury, and then, if permanently injured, he is entitled to a lump sum of $1,200 from another fund.

As mentioned before, the Minneapolis, New Orleans, and Pittsburgh systems do not permit retirement on allowance in case of ordinary disability. Of the 10 cities which permit such retirement, four give the same allowance as for duty disability and 6 either permit or enforce a different pension. Thus, in Buffalo the council is to set the allowance, but may not give more than one-half the salary at the time of retirement. In New York, if the retirant has

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served 10 but less than 20 years, the pension is to be not less than one-fourth nor more than one-half the salary, but if he has served 20 or more years, it is one-half the salary. Chicago and Milwaukee give one-half the salary, with the usual deductions for annuity purposes, and both cities provide that this allowance may not be paid for a period longer than one-fourth the retirant's term of service, and not in any case for over five years. Philadelphia allows for each year of service one-twentieth of the normal retirement allowance, and Cincinnati gives $36 for each year of service, with a maximum of $900 a year.

Dismissal allowances.—Only two systems, those of Cincinnati and Cleveland, include these allowances. Both provide that if a man is dismissed after 15 years' continuous service, except for certain specified faults or misconduct, he is entitled to an allowance which in Cincinnati is not to exceed $600 a year, and in Cleveland is to be one-half the allowance for service retirement for his rank.

Refunds

ONLY four of these systems provide for a return of contributions in case of the death or separation from the service of a member before reaching pensionable status. In Chicago if a member withdraws or is dismissed before reaching pensionable status, he receives a refund, with interest, of his contributions for annuity purposes, but not of what he has paid in for ordinary disability retirement (this being looked upon as in the nature of insurance) nor of his contributions toward expenses of maintenance. If a member is unmarried or a widower, upon reaching age 57 or at the time of his retirement, if that takes place before 57, he is entitled to a refund, with interest, of his contributions for the widow's annuity. Upon the death of a member his heirs are entitled to a refund, without interest, of his contributions for annuity purposes, provided they have not been paid out to the policeman himself or to his dependents in the form of annuity. Milwaukee has a somewhat similar system. Upon withdrawal or dismissal before reaching pensionable status, the officer is entitled to a refund of the entire amount contributed for his own and his widow's annuity with interest. A similar refund is made to his heirs or estate in case of death. In Pittsburgh a refund of contributions without interest is made in case of the withdrawal, dismissal, or death of a member, and in San Francisco, while no refund is made in case of withdrawal or dismissal, a refund of contributions, without interest, is made, in case of death from natural causes after 10 years of service, to the widow, minor children or dependent mother of the deceased.

Provision for Dependents

ALL the systems considered recognize a responsibility toward the immediate dependents of a man killed in the performance of duty or dying as a result of injuries so received, and 9 of the 13 also make some provision for dependents in case of death from normal causes. There is a good deal of variety in the kind and degree of provision made. In some of the older systems a flat pension was fixed for the widow or for the dependent children under a certain age; sometimes the amount was revised as the cost of living rose, but

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this was not invariably done, and so it happens that in some cases the widow's pension, which was doubtless entirely satisfactory when the system was adopted, is now a scant provision for any normal needs. In the systems which have been reorganized in recent years, the provision for dependents sometimes receives as careful and detailed attention as the arrangements for the benefit of the member himself. Chicago and Milwaukee are good examples of this, annuities for the widows and provision for minor children of the members being basic features of the schemes.

The Chicago plan provides that if a member dies from ordinary causes, his widow is entitled to an allowance purchased by the accumulated contributions made for this purpose by the member and the city, the maximum allowance being 60 per cent of the member's salary. A prior-service allowance is provided by the city alone for the widows of members in service before the system was adopted. In case a member is killed in the performance of duty, his widow is entitled to what is called the compensation annuity, amounting to three-fourths of the decedent's salary, which is paid to her until her husband, had he lived, would have reached age 57, when it ceases and she receives only the ordinary widow's allowance, described above. This ordinary allowance continues during life, not being affected by her remarriage. Whether the man's death was due to normal causes or to injuries received in the service, an allowance of $10 is made for each child under 18, until it reaches that age. If the mother as well as the father is dead, the allowance for the children is increased to $25 a month. The compensation annuity and the children's allowances combined must not exceed the full salary received by the deceased, any excess being taken from the children's allowances.

The Milwaukee system is in the main similar to that of Chicago in this matter, though under its terms the combined allowances of the widow and children may not exceed 75 per cent of the deceased member's salary. Also in Milwaukee the extra allowance made to the widow of a man killed in the performance of duty is whatever amount is needed to bring her annuity up to the amount which she would have received had her husband attained age 57 or, having reached that age, had completed 15 years of service before his death. This extra amount is stopped in case of her remarriage, but the normal annuity continues throughout her life. The allowance for each child under 18 is, as in Chicago, $10 a month, but if the mother as well as the father is dead this is increased only to $15 a month instead of to the $25 provided under the Chicago plan.

Few of the other cities make such elaborate provisions. Baltimore, Detroit, Philadelphia, and San Francisco provide for dependents only in case death is due to the performance of duty. In that case Baltimore allows the police commissioner in his discretion to give the widow during widowhood the pension the man would have received if retired; Detroit gives the widow a pension of $100 a month until remarriage, with an allowance of $20 a month for each child under 16; Philadelphia gives a pension of $20 a month with $6 a month for each child under 14; and San Francisco gives one-half the decedent's salary to the widow during widowhood. In case no widow

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survives the decedent the allowance may be paid to dependent children or, if there are none, to a dependent parent or parents.

In the other cities provision is made for dependents, whether or not death is incurred in the performance of duty, though occasionally it is provided that an officer must have served for a specified period or else the dependents are not entitled to the allowance. In Pittsburgh a flat payment of $1,200 is made. New York provides that in case of a duty death the allowance is to be not less than $600 a year, nor more than one-half the decedent's salary, and that in addition there shall be a lump-sum payment equal to the annual salary the decedent was receiving at the time of his death. In the case of a death from ordinary causes the dependents are entitled to a pension of $300 a year. In New Orleans the widow of an officer killed in the discharge of duty or dying from ordinary causes after 20 years of service is entitled to $150 a year, and in the other cities the allowances range from $300 to $1,200 a year, or, in some cases, to one-half the salary the officer was receiving at the time of his death. In these cities the widow's pension continues only during widowhood. Allowances for each child under a given age are common, the age limit varying from 14 to 18, and the amount of the allowance from $6 to $25 a month, Detroit alone exceeding this last figure with a proviso that if the widow dies or remarries, the person responsible for the care of the children shall receive $40 a month for each child under 16.

RETIREMENT SYSTEMS FOR FIREMEN

IN BALTIMORE and in Boston the firemen are included in the general scheme covering city employees, and in three cities they and the police are merged in a common system. Elsewhere they are covered by plans of their own, often dating back to a period very near the organization of the service as a city department. With the exception of the San Francisco system, all of these retirement plans were formed in the last century, the oldest being that of New York City, which commenced paying benefits in 1871. A number, however, have been so changed within recent years that they are practically new systems. Minneapolis, for instance, introduced important changes in 1921, Milwaukee and Pittsburgh in 1924, and Detroit in 1925. Chicago made various changes in its system in 1917, and since 1925 has had several plans under consideration for reorganizing it, or for including it with the general municipal retirement plan.

The systems covered, with their approximate membership in 1926, are as follows:

Buffalo	946	New Orleans	628
Chicago	2,341	New York City	6,078
Cincinnati	624	Philadelphia	2,100
Cleveland	1,061	Pittsburgh	931
Detroit	1,698	St. Louis	940
Milwaukee	723	San Francisco	967
Minneapolis	513		

These systems commonly cover only the uniformed force, but in a few cases it is specifically stated that all members of the department are to be included, while in others certain groups of the nonuniformed members are covered. The Detroit system, for instance, applies to

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the uniformed and civilian groups alike, while the Chicago plan covers the fire-fighting force, the fire-alarm operators, and the linemen connected with the department.

Employee Representation in Management

IN BUFFALO the system is managed by a board of 5, consisting of the mayor and 4 councilmen, in Detroit by a board of 5 all of whom are ex officio members, in New York the commissioner of the department is trustee of the fund with full power to administer and control it, and in San Francisco the board of fire commissioners has the trusteeship of the fund. In the nine remaining cities the members of the force are represented on the administrative body, and not infrequently form a majority there. In New Orleans, for instance, the board consists of the president and secretary of the board of fire commissioners and the chief engineer of the department, ex officio, and 6 members of the uniformed force elected by their fellows; the Minneapolis board of 8 includes 6 active members of the force elected by their fellows, and in Milwaukee the board of 5 consists of the city treasurer, 1 member appointed by the mayor, and 3 elected by the firemen from their own number.

Character of Schemes and Sources of Funds

THREE of the systems, those of Detroit, New York City, and San Francisco, are noncontributory, the cities bearing the whole expense, but elsewhere the employees and the cities join in supporting the plans. In regard to contributions from employees the contributory systems are evenly divided, five fixing the contribution at a flat sum monthly, and five requiring a percentage of the salary. In the first group the Cincinnati system calls for a contribution of 50 cents a month from each member, in Cleveland the payment ranges from 50 cents to $1.25, according to the rank of the member, in Minneapolis it is fixed at $1.50 a month, with an initiation fee of $10, in St. Louis it is $2 per month with an initiation fee of $5, while in Philadelphia members in active service contribute one day's pay and pensioners one-half of a day's pay, based on their salary at the time of retirement. In the second group the firemen of New Orleans pay 1 per cent of their salaries for pension purposes, those of Chicago and Pittsburgh 2.5 per cent, and those of Buffalo 4 per cent. Under the Chicago system a fireman who retires before reaching 50 must contribute an amount equal to 2.5 per cent of his final salary yearly until he reaches that age. Milwaukee has a carefully worked out system under which members pay 3 per cent of their salaries for their own annuities, 1 per cent for widows' annuities, one-half of 1 per cent for ordinary disability benefits, and one-eighth of 1 per cent toward administrative expenses. In Minneapolis, New Orleans, and Pittsburgh, members are liable to assessments of from $1 to $2 upon the death of a fellow member.

As in the case of the police retirement systems, it is common for the cities to use for the benefit of the firemen's fund a number of miscellaneous receipts. New Orleans, for instance, turns over to the fund all fines imposed upon the force and fines imposed upon others for violations of the fire regulations, 1 per cent of all license

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fees, payments for special details, rewards for special services, and proceeds from the sale of surplus and condemned property of the department.

Another source of income is often the tax on business done in the State by outside fire-insurance companies. It is not unusual for a State to levy a tax on such business and to turn over to the cities in which it is done all or part of the tax on the business done in that city, often specifying that a certain percentage of it is to go to the fire department's pension fund.

The city also very generally makes a direct contribution of whatever amount is needed to maintain payment of pensions and benefits, either appropriating it each year from the general revenues or levying a tax especially for the purpose. Of the cities covered, Milwaukee alone has a carefully worked out system of contributions designed to cover each year the liabilities incurred that year. For each man on the pay roll it contributes annually 9 per cent of his salary for his pension, 2.5 per cent for the widow's allowance, and one-half of 1 per cent for ordinary disability benefits. In addition, it contributes yearly one-eighth of 1 per cent of the aggregate pay roll toward expenses of administration and makes a deficiency contribution to meet extra benefits and the prior-service liability. Its contribution is raised by a tax levy of not to exceed five-tenths of a mill on the dollar.

In several cities the fire department still maintains the custom of having an annual carnival, getting up an annual handbook with charges for advertising, or in some similar manner raising money either for the retirement fund or for the benefit association which is sometimes maintained in close connection with the retirement system.

Cost of Administration

IN MILWAUKEE the city and the members of the force make regular contributions to defray the cost of administration, but elsewhere either such expenses are paid out of the general funds of the system or there is a rather vague division of costs between the system and the city, the former perhaps paying for clerk hire, postage, printing, and the like, while the latter carries such expenses as rent, heat, and light without making any distinction between what might justly be debited to the system and what is strictly chargeable to the department. In a few cases the whole cost of the system is carried as part of the department's expenses.

Conditions for Retirement

SERVICE or superannuation retirement.—As a condition for retirement on allowance, age is rather an unimportant matter in the firemen's systems, only five cities imposing an age qualification, and several of these modifying it by other circumstances. Philadelphia puts the age for optional retirement at 45, with a service requirement of 20 years. Chicago puts it at 50, but permits retirement earlier if the claimant has served for 20 years; in such a case, however, contributions to the fund must be continued until the retirant reaches 50. Minneapolis sets 50 as the normal age for optional retirement, but permits it earlier if 20 years of service have been given; in that case,

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however, the allowance does not begin until the retirant has reached 50. San Francisco makes retirement optional at 55 after 20 years of service, but permits it at any age after 25 years' service. Milwaukee varies its age requirement according to length of service and to the allowance to be paid. Retirement is optional at 57 if the retirant has served 15 years, or as soon after 57 as 15 years of service have been completed. It is also permitted at 50, after 20 years' service, or, with a reduced allowance, at 50 after 10 years' service. The remaining eight cities have no age requirements.

It is not customary to set an age for compulsory retirement, the arrangements for disability retirement taking the place of such a provision. The San Francisco system specifies that a member may be compulsorily retired at 60 or over, if infirm or incapable, but in the other systems this is taken for granted.

A service requirement is universal. Milwaukee sets it at 15 years, though, as mentioned above, it sometimes permits retirement after 10 years, reducing the allowance when this privilege is claimed. Eight cities (Buffalo, Chicago, Minneapolis, New Orleans, New York, Philadelphia, Pittsburgh, and St. Louis) fix it at 20 years. San Francisco requires either 20 or 25 years, according to age, and Cincinnati, Cleveland, and Detroit call for 25 years.

Disability retirement.—All these systems provide for retirement on allowance in case of disability incurred in the performance of duty, without imposing any conditions as to age or length of service. This is the only form of disability retirement on allowance permitted in Detroit, Philadelphia, St. Louis, and San Francisco, but the other systems give pensions in case of ordinary disability, providing it is not due to the man's own fault or misconduct. Cincinnati requires that such a retirant must have served not less than 5 years, and New York makes a difference in the amount of pension granted if the service is of less than 10 years' duration, but with these exceptions there are no age or service limitations. Medical certification of disability, based upon examination, is generally required, and under some systems periodic reexaminations must be taken so long as disability pensions are paid.

Retirement Allowances

NINE cities (Buffalo, Chicago, Cincinnati, Cleveland, Detroit, New Orleans, New York, Philadelphia, and San Francisco) give as the normal retirement allowance half or "not less than half" the salary drawn at the time of retirement, five of them modifying this provision somewhat. Chicago places on it a minimum of $600 and a maximum of $3,000 a year; Cincinnati puts a minimum of $75 and a maximum of $100 a month; Cleveland has the same maximum, but makes the minimum $87.66 a month; Detroit specifies that the allowance is to be half the salary attached to the rank held at the time of retirement, and that if this salary is changed at any time the pension is to undergo a corresponding change; and Philadelphia sets the allowance at one-half of the average annual salary for the last four years of service.

The four remaining cities use different plans. Under the Milwaukee system the allowance consists of an annuity bought by the

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retirant's accumulated contributions, plus a pension bought by the city's accumulated contributions to his credit, the two together not to exceed 75 per cent of the highest salary received during the period of service. For those in the service before the present system was adopted, the city provides a prior service allowance. Minneapolis gives $600 a year to those retiring after 20 years' service, and increases this by progressive additions for each 5-year period in excess of the required 20. Pittsburgh grades its allowances into six classes, according to the rank held by the retirant, the annual amounts running from $600 to $900. St. Louis gives $600 a year.

Disability allowances.—Only two of these cities, Milwaukee and Minneapolis, make any distinction between the service allowance and the duty disability allowance. Cincinnati and New York, while making no difference between these allowances, pay a smaller allowance to those retiring on account of ordinary disability with only a limited term of service. The nine remaining cities pay the same allowance, whatever the cause of the retirement.

In cases of ordinary disability, Cincinnati pays no allowance unless the retirant has served at least five years. For those meeting this condition, the allowance is $3 per month for each year of service up to 25, at which point it reaches the minimum for service and for duty disability, and there it stops. In actual practice, since service retirement is permissible after 25 years of service, the retirant would probably claim that, rather than the disability allowance.

Under the Milwaukee system the allowance for duty disability is 55 per cent of the salary drawn at the time the disability was incurred, with an additional allowance of $10 a month for each child under 18 years old, the total amount not to exceed 75 per cent of the highest salary drawn during the period of service. For ordinary disability the allowance is 50 per cent of the salary, from which 4 per cent is deducted for annuity purposes; this allowance may not be paid for over five years.

Minneapolis grades the allowance according to the degree of incapacity. For those who are totally disabled the allowance is $900 a year; those who are permanently incapacitated for work as firemen but are able to do light manual labor or office work receive $480, and those who are disqualified for firemen's service but able to do ordinary manual labor receive $180 yearly.

In New York the allowance is the same for service retirement, for duty disability, and for ordinary disability after 10 years of service; for ordinary disability with less than 10 years of service, the allowance is not to exceed one-third of the final salary.

Dismissal allowances.—The Cincinnati and Cleveland systems provide that if a member is dismissed after a stated period of service, unless it be for certain faults specified in the regulation, he is entitled to a dismissal pension. In Cincinnati it is given for dismissal after 15 years of service and amounts to $2 a month for each year of service rendered, up to 25. In Cleveland the service period is 12 years, and the amount of the allowance is fixed at three-eighths of the salary

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Refunds

ONLY two of the ten contributory systems, those of Milwaukee and Pittsburgh, provide for a refund of contributions in case of separation from the service before reaching pensionable status. Milwaukee provides that in case of withdrawal or dismissal the accumulated contributions for annuity purposes shall be returned with compound interest. In case of death, if the decedent leaves dependents no refund is made, since the plan embodies provisions for their care, but if there are none, a refund is made to the heirs or the estate. If a fireman in service at age 57 is unmarried or a widower he may receive a refund, with compound interest, of his contributions for the widow's annuity, but if he marries thereafter his widow will not be entitled to any allowance. Under the Pittsburgh plan there is no refund in case of death, but if a member withdraws or is dismissed, his contributions are returned to him without interest.

Provision for Dependents

WITHOUT exception these systems make provision for widows and dependent children of members, and quite frequently it is provided that if there are no dependents of these categories, a pension will be paid to a dependent father or mother of the deceased. Under the Milwaukee system the funds for the care of dependents are financed as carefully as those for the firemen themselves, the employees and the city together contributing for the widows' allowances, and the city alone contributing for the children's allowances. Under this system in case of death from ordinary causes the widow's allowance is the annuity purchasable by the accumulated contributions for this purpose. If death occurs in the line of duty the widow receives an extra allowance sufficient to bring the annuity up to what it would have been had her husband lived and continued his contributions up to the age of 57, or to such time thereafter as he would have completed 15 years of service. For each child under 18 there is an allowance of $10 a month, or $15 if the mother is not living. In the case of a duty death, the combined allowances of mother and children may reach a maximum of 75 per cent of the decedent's highest salary, but in case of a death from ordinary causes they may not exceed 50 per cent of the final salary. The ordinary widow's allowance is continued throughout her life, but the extra allowance given in case of a duty death is discontinued if she remarries.

The plans of the other cities present certain variations. Pittsburgh has no pensions for dependents, but pays a death benefit of $1,100. Detroit and New Orleans do not pension dependents unless the death was due to injuries received in the service, but New Orleans in any case pays a death benefit of $1,000. The other systems all provide pensions for the widow, whether or not the death was due to the performance of duty, but in several cities the pension is larger in case of a duty death. They also either give a monthly allowance for the benefit of each child under a stated age, or provide that the pension shall go to the children if there is no mother living, or be continued to them if the mother dies before they have reached the age limit. In all these systems the widow's pension is limited to the duration of her widowhood.

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RETIREMENT SYSTEMS FOR POLICE AND FIRE DEPARTMENTS, COMBINED

IN EACH case these systems were formed by combining existing systems covering the separate departments, and none of the plans has been in operation long in its present form. The oldest is the Washington system, established in 1916. Newark combined its two systems in 1920 and Los Angeles in 1923. In Los Angeles, however, the system was radically changed in 1926, the new plan commencing to operate in January, 1927. The Los Angeles scheme covers only the uniformed forces of the two departments, including the policewomen, the Newark plan takes in also the clerical and administrative officers, and in Washington the system, in its present form, includes the uniformed members of the fire department, the metropolitan police force, the street railway crossing officers, the White House police, and the United States park police.

Administration

THE Los Angeles system is managed by a citizens' board of 5, appointed by the mayor, and the Newark system by a board of 5 consisting of the mayor and the chief financial adviser of the city, ex officio, 1 policeman and 1 fireman, each elected by his fellows, and 1 nonoffice-holding citizen, elected by the 4 other members. In Washington the system is managed by a board of three, consisting of the corporation counsel of the District, and one member each from the police and the fire department, designated by the District commissioners, who are authorized to change the personnel of the board from time to time, and are further empowered to make, modify, and amend the regulations and rules of procedure for the board.

Source of Funds

ALL three systems are contributory. In Los Angeles the members, since January 1, 1927, have contributed 4 per cent of the salary, in Newark they contribute 2 per cent of the salary, except those who were 35 years of age or over on entering the service, for whom the contribution is 4 per cent, and in Washington the contribution is 2½ per cent of salary, raised in 1924 from 1½ per cent.

In Los Angeles the city makes an annual contribution of several different sums. It appropriates first a percentage of the pay rolls of the two departments sufficient to cover the liability incurred for that year's services; second, a deficiency contribution of $635,000, which is to be continued for 36 years to liquidate the accrued liability; and, third, it pays into the fund all fines and deductions from the salaries of members of the two forces, all proceeds from the sale of unclaimed property, interest, and rewards and donations. The amount of the two appropriations is raised by taxation. In Newark the city contributes annually a sum equal to 4 per cent of the combined pay rolls of the two departments, and also turns into the fund all fines imposed on members, all deductions from their salaries for absences or lost time, and half of all rewards. If at any time the pension fund should prove inadequate to the demands upon it, the city is to include in any tax levy a sum sufficient to meet its requirements for the time being. Under the Washington system no specific contribution is required

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from the District, but if at any time the fund is insufficient to meet the expenditures authorized, the District commissioners are to direct that such amounts, appropriated from the general revenues of the District, are to be paid into it as may be necessary. Also, the fund is to receive all fines imposed for disciplinary purposes upon the members of the two forces, all rewards, donations, and the net proceeds of the sale of unclaimed property in custody of the clerk of the police force.

Cost of Administration

IN LOS ANGELES the city meets the cost of administration, in Newark it is paid from the fund, and in Washington it is carried as part of the general expenses of the departments.

Conditions for Retirement

SERVICE or superannuation retirement.—Los Angeles has no age qualification for retirement, Newark permits it at 50 and requires it at 65, and Washington sets 60 as the age at which it may be permitted. Los Angeles requires 35 years of service as a qualification for the full retirement allowance, but permits retirement with a smaller allowance after 25 years of service. For those in service before the adoption of the present system, 30 and 20 years of service are required. Newark sets 20 years of service as a minimum, while Washington has no service requirement.

Disability retirement.—All three systems permit retirement on allowance for duty disability, without regard to age or length of service. Medical certification, based on examination, is requisite, and reexamination may be required from time to time. The Los Angeles and the Newark systems make no provision for ordinary disability, but the Washington plan permits retirement on allowance in case of permanent disability arising from ordinary causes if the member has reached age 55 and has given 25 years of service.

Retirement Allowances

LOS ANGELES gives those who retire after 35 years of service a pension of two-thirds of the average salary received for the last three years before retirement. If the service was for 25 years or longer, but under 35, the pension is one-half of the average salary for the last three years, with an addition of 1⅔ per cent of such salary for each year over 25. For those who were in the service before the present plan was adopted, these allowances are paid for service of 30 and 20 years, respectively. The maximum pension for those entering the service after this plan was adopted is $1,800; there is no minimum, except as determined by the amount of the salary. For disability retirement, the board may fix the pension in its discretion according to the degree of disability, except that it may not be less than 10 nor more than 90 per cent of the salary received at the time of retirement.

In Newark the allowance for service and for duty disability retirement is the same—one-half of the salary received at the time of retirement. In 1926 the lowest salary paid was raised to $2,500, so

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that thereafter the minimum pension would be $1,250 a year; no maximum is set.

In Washington the allowance, whether for service or disability retirement, is one-half the salary attached to the retirant's rank; if the salary is increased thereafter, the pension is to be increased proportionately.

Refunds

NO REFUND of contributions is provided for in any of these systems.

Provision for Dependents

UNDER the Los Angeles system the widow of a pensioner, or of an active member eligible for retirement, or of a member dying from injuries or illness due to the discharge of duty, receives during widowhood a pension equal to one-half the decedent's average annual salary for the last three years of service, with an additional allowance for children under 18 until they marry or reach that age. Except in the case of a duty death, the widow must have been married to the decedent for at least a year before his death in order to receive the pension; if the decedent is a pensioner, she must have been married to him for at least a year before he left the service. If there is no widow, the pension will be paid to a child or children under 18, or to dependent parents.

In Newark, the widow of a retired or active member, provided she was married to the decedent before he reached the age of 50, receives a pension of $1,000 a year during widowhood. If there is no widow, a pension of $25 per month may be paid to children under 16, or to dependent parents.

In Washington the widow of a pensioner or member in active service is given a pension during widowhood of $60 a month, with an allowance of $10 a month for each child under 16.

POLICE RETIREMENT SYSTEMS

BALTIMORE

TYPE of system—The police pension plan of Baltimore, Md., is a contributory system.

Contributions.—The city contributes fines and costs imposed by station-house magistrates, disciplinary fines imposed upon the police, fees for permits for public entertainments and dancing schools, fees for licenses for private detectives and for physicians' "Blue Cross" permits, percentage of receipts from telephone pay stations, interest on deposits, deductions from rewards and donations to officers, unclaimed money, proceeds from sale of unclaimed property and of unfit, condemned, or unserviceable property, and interest on deposits and stock belonging to the fund. For the year ending December 31, 1926, the total receipts from these sources were $138,566.

If the fund at any time proves insufficient to meet authorized pension claims, the city is to appropriate for its benefit whatever amount may be needed. Under an act of 1924, the city is no longer obliged

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to pay into the fund the miscellaneous amounts listed above, but may instead make a direct appropriation of whatever amount is needed. Up to the close of 1926, however, it had not taken advantage of this authorization, but had continued along the original lines.

The employees contribute 2 per cent of their salaries. For the year ending December 31, 1926, their contributions amounted to $64,690.

Retirement allowances.—The retirement allowance is one-half the salary received at the time of retirement, with no minimum or maximum except as determined by the amount of the salary. If a contributor's or pensioner's death is due to injuries received in the actual performance of duty, his widow or his minor children may be granted a pension, the matter being left to the discretion of the police commissioner.

Number of employees covered.—As of December 31, 1926, the employees covered by the plan numbered 1,864.

Conditions for retirement.—Retirement on pension is permitted only for incapacity to perform the duties of the position, whether that incapacity is due to age or other causes. If the incapacity results from injuries received in the performance of duty, retirement on pension is permitted regardless of length of service, but if it is due to other causes, retirement on pension is permitted only after 16 years' service. If a man is retired for ordinary incapacity before he has served 16 years, the commissioner, if he thinks best, may grant him a lump-sum benefit, not to exceed the amount of one year's salary.

Administration.—The management of the system is in the hands of the police commissioner.

Average age of retirants.—No data are available as to average age at retirement. For those retiring in 1926, the average length of service was 23 years.

Statistics.—For the year ending December 31, 1926, the total receipts of the system were $203,256, and the total amount spent for benefits was $233,167, of which $8,727 was for allowance to widows of members killed in service.

BUFFALO

TYPE of system.—The police pension fund of the city of Buffalo, N. Y., is a contributory system.

Contributions.—The city contributes money from various sources, such as fines, donations, gifts, lost time, moneys realized from the sale of condemned and unclaimed property, dog-license fees, and interest. For the year ending December 31, 1926, the total income from such sources amounted to $52,028. It also makes a direct appropriation, when needed, of an amount sufficient to maintain the pensions for the current year. No direct appropriation was necessary for the year 1925–26, but for the year 1924–25 an appropriation of $76,158 was made.

Employees contribute 4 per cent of their salaries, which amounted to $88,141 for the year ending December 31, 1926.

Retirement allowances.—For service retirement and for retirement on account of duty disability the allowance is not less than one-half the salary or compensation at the time of retirement.

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For ordinary disability retirement, the amount of the allowance may be fixed by the council, but can not exceed one-half the salary or compensation received at the time of retirement.

On the death of a member in active service, or one retired for superannuation or duty disability, his widow, until she remarries, is entitled to a pension of not less than $25 per month, and for each child under the age of 18 years, of $10 per month. If the widow dies, the pension she was receiving is paid to such children. The combined amount paid to a widow and children is not to exceed one-half the salary received by the member.

If there be no widow nor minor children of such member, then a dependent parent is entitled to receive an allowance of $25 per month during the period necessary for support.

If the death of a member occurs on account of ordinary disability, the council may grant to his widow, until she remarries, a pension not to exceed $25 per month.

The widow of a member who is killed in the discharge of his duties, or who dies within one year after being injured while in the line of duty, receives for one year a pension equal to his salary, and thereafter, until she remarries, $50 per month.

Number of employees covered.—The approximate number of employees under this system December 31, 1926, was 1,144.

Conditions for retirement.—There is no age requirement for retirement. For service retirement, 20 years' service is required. Disability retirement, both ordinary and duty, is permitted regardless of length of service.

Administration.—The system is managed by a board of five members, consisting of the mayor and four councilmen.

Average age of retirants.—For the 19 retirants placed on the roll during the 18 months ending December 31, 1926, the average age was 57 years, and the average years of service, 29.

Statistics.—The total income of this fund from July 1, 1918, to December 31, 1926, amounted to $1,451,149, and the disbursements for the same period to $1,215,174.

CHICAGO

TYPE of system.—The police annuity and benefit fund of Chicago is a contributory system.

Contributions.—The city contributes annually for each member of the system an amount equal to 8.5 per cent of his salary to provide for his retirement allowance and ordinary disability benefit, and 2 per cent to provide for his widow's pension; in addition, it bears the whole cost of the extra benefits, i. e., duty disability benefits, compensation annuity, and child's annuity. The city also makes up whatever part of the cost of administration is not covered by the employees' contribution for that purpose. To pay these amounts the city is authorized to levy a special tax not to exceed 1.6 mills on the dollar. For the year ending December 31, 1926, its contribution to the fund amounted to $2,911,841.

The employees contribute annually 4.75 per cent of their salary up to $2,600 a year, all salary over that amount being exempt. This contribution is allotted as follows: Employee's own retirement annuity, 3.5 per cent of salary; widow's annuity, 1 per cent; ordinary

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disability benefit, one-eighth of 1 per cent; cost of administration, one-eighth of 1 per cent. For the year ending December 31, 1926, the employees' contributions amounted to $599,958.

NOTE.—A present employee, i. e., one in the service when the plan was adopted, ceases at age 57 to pay the portion of his contribution to cover a widow's annuity and the ordinary disability benefit, thereafter contributing only for his own annuity and the cost of administration. A member who entered after the system was adopted ceases altogether to pay into the fund on reaching the age of 57 and the city likewise ceases its contribution to his credit. His annuity is fixed at that age and can not be increased no matter how long he remains in the service. A policeman who is not married on reaching the age of 57 is entitled to a refund, with interest, of the amount of his contributions for the widow's annuity; if he retires before reaching 57, he is entitled to the same refund.

Retirement allowances.—For superannuation retirement, the allowance consists of an annuity bought by the retirant's accumulated contributions, plus a pension bought by the city's accumulated contributions to his credit, the total not to exceed $1,950 per annum. An employee who was in the service before this system was adopted is entitled, after he has reached 50 years of age and given 20 years' service, to an allowance of one-half his salary at the time of retirement, without regard to the amount of his contributions.

For ordinary disability retirement, the allowance consists of one-half his salary at the time of retirement, from which the usual deductions for pension purposes are made; this allowance may not be continued for more than five years, its continuance within this limit being determined by the retirant's length of service.

For duty disability, the allowance is three-fourths of the salary received at the time of the injury, with an extra benefit of $10 a month for each of the retirant's children under 18 years of age, the whole amount received not to exceed the full salary at the time of the injury. If the retirant lives to reach the age of 57, the duty disability benefit is discontinued and he is given the superannuation allowance he would have received had he continued in service to that age.

In case of death from ordinary causes, the widow's annuity consists of an annuity purchased by the combined contributions to her husband's credit for these purposes, with a maximum of 60 per cent of the salary he was receiving at the time of his death. For a widow whose husband was in the service when this system was adopted, the minimum annuity is $30 for each year of her husband's service up to 20.

The compensation annuity which is paid to the widow of a man who died from injuries received in the performance of duty consists of three-fourths of the salary the man was receiving at the time he was injured, which is continued until her husband, had he lived, would have reached the age of 57, when it is discontinued, and she receives thereafter the annuity to which she would have been entitled had the man continued in the service and died at that age.

Child's annuity: An allowance of $10 a month is paid for the benefit of each child under 18 of a deceased policeman, continued until the child reaches 18. If the mother also is dead, the allowance is $25 instead of $10 a month. The compensation annuity and children's allowances combined must not exceed salary of deceased.

Number of employees covered.—The number of employees under the system as of December 31, 1926, was 6,080.

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Conditions for retirement.—Retirement is optional at or after the age of 57. There is no compulsory age. For those entering the service after this system was established, there is no service requirement, but the amount of the allowance depends in part on the length of service. Those in the service before this system was adopted may retire at 50 years of age, after they have completed 20 years' service.

There are no age or service requirements for either ordinary or duty disability retirement.

Administration.—The system is administered by a board of seven members—the city treasurer, three appointed by the mayor, one pensioner, and two policemen elected by their fellows.

Statistics.—For the year ending 1926, the last for which these figures could be secured, the total receipts of the system from all sources amounted to $3,758,447. The total amount paid in benefits for the same year was $2,056,160, of which $1,187,277 was paid to beneficiaries of the system prevailing before the present plan went into effect.

CINCINNATI

TYPE of system.—The police relief and pension fund of the city of Cincinnati, Ohio, is a contributory system.

Contributions.—The city turns over to this fund rewards paid to members of the department, donations, proceeds from sale of unclaimed property, and interest, and also makes a direct appropriation of whatever amount is needed, being authorized to levy, for this purpose, a tax not to exceed three-tenths of a mill on each dollar on all real and personal property. The city's direct appropriation for the year ending December 31, 1926, amounted to $200,387, and the amount turned over from miscellaneous sources was $19,212.

Employee members pay dues of $1 per month. For the year ending December 31, 1926, their contributions amounted to $6,744.

Retirement allowances.—For service retirement the allowance is one-half the salary at the time of retiring, with a minimum of $75 and a maximum of $100 per month.

If a member is discharged, except through fault of his own, after 15 consecutive years' service, he is entitled to a pension of $2 per month for each consecutive year of service, not to exceed $50 per month.

For ordinary disability, after five consecutive years' service the pension is $3 per month for each consecutive year of service, not to exceed $75 per month.

For disability incurred while in the performance of duty the allowance is the same as for service retirement.

If a member is killed or dies from the effects of an injury received while in active service, and his death occurs within eight months from the date of the accident, his widow, until she remarries, is entitled to a pension equal to one-half of the pay of deceased member, not to exceed $100 nor less than $75 per month.

Should any member die after having passed the period of probation or after retirement, his widow, until she remarries, receives $50 per month, provided the marriage took place before the member's

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retirement, and each child, until reaching the age of 16 years, receives $15 per month. If there be no widow, a pension may be paid to a dependent parent or parents.

Number of employees covered.—The number of employees under the system as of December 31, 1926, was 525.

Conditions for retirement.—There is no age requirement, but 25 consecutive years' service is required for service retirement and 5 consecutive years' service for ordinary disability retirement. Duty disability retirement is permitted regardless of length of service,

Administration.—The system is managed by a board of seven members—the director of personnel, ex officio, and six members elected by the force.

Average age of retirants.—Data as to the average age of disability retirants were not available, but for service retirants the ages at time of retiri g anged from 60 to 65 years.

Statistics.—For 24 years ending December 31, 1926, the total receipts of this fund from all sources amounted to approximately $2,469,633, and the total disbursements for the same period to $2,426,200.

CLEVELAND

TYPE of system.—The police relief fund of the city of Cleveland, Ohio, is a contributory system.

Contributions.—The city turns over to this fund donations, rewards, fees, proceeds of gifts and emoluments for extraordinary services, moneys realized from the sale of unclaimed property, and interest, and also makes a direct appropriation of whatever amount is needed, being authorized to levy for this purpose a tax not to exceed three-tenths of a mill on each dollar of all real and personal property. The city's appropriation for the year ending December 31, 1926, amounted to $202,055, and the amount turned over from miscellaneous sources was $11,169.

Employees are classified into 10 groups, according to rank, and contribute monthly dues ranging from 50 cents for patrolmen to $1.25 for the chief. Their contributions for the year ending December 31, 1926, amounted to $8,771.

Retirement allowances.—For service retirement the allowances range from $87.66 to $125 per month, according to rank classification.

For ordinary disability retirement, after 15 consecutive years' service, and for duty disability retirement without regard to length of service, the allowance is the same as for service retirement.

If a member is discharged, except through fault of his own, after 15 continuous years' service, he is entitled to one-half of the allowance for service retirement, and in case of the death of such member the allowance is paid to the widow until she remarries, or to minor children under the age of 16 years.

If a member is killed, or dies from injury received while in the performance of duty, or from any disease contracted while a member of the police department, or from any cause, after 15 consecutive years' service, or while retired, his widow, while unmarried, is entitled to a pension of $35 a month, and each child, until reaching the age of 16 years, to $10 per month.

Number of employees covered.—The approximate number of employees under this system December 31, 1926, was 1,421.

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Conditions for retirement.—There is no age requirement, but 25 consecutive years' service is required for service retirement. For duty disability retirement is permitted regardless of length of service. For ordinary disability retirement 15 years' service is required.

Administration.—The system is administered by the board of police commissioners and five members of the force, elected by their fellows.

Statistics.—For the period of 15 years ending December 31, 1926, the total income of this fund from all sources amounted to approximately $2,309,050, and the total disbursements for the same period were $2,304,486.

DETROIT

Type of system.—The police pension and retirement fund of Detroit, Mich., is a contributory system.

Contributions.—The city contributes annually, by tax levy, such money as is required to make the pension payments over and above the money received for licensing dogs, sale of dogs, release fees on dogs, sale of unclaimed property, gambling money confiscated, special officer's fees, storage of abandoned or stolen cars, and donations to the pension fund. For the year ending June 30, 1926, the city's contribution to the fund from tax levy amounted to $152,756.

The employees contribute 1 per cent of their yearly salary and the retired members contribute 1 per cent of their pension. For the year ending June 30, 1926, the employees' contributions amounted to $62,252.

Retirement allowances.—The retirement allowance for superannuation and disability alike is one-half the salary in the rank in which retirant was serving at the time of his retirement. The minimum and maximum are fixed by the salary. There is also a provision which states that in the event of a change in the salary of the policemen of the city of Detroit, the pensions granted shall be made to conform to the new salary.

If a member dies from the effect of injury received while in the service, his widow is paid a pension of $100 per month until remarriage, and each child under 16 years of age receives $20 per month. If there is no widow or if the widow dies or remarries, each child receives $40 per month. If there is neither a widow nor children, a dependent mother, or if no mother a dependent sister, is granted $100 per month until marriage or remarriage.

Number of employees covered.—The number of employees under the system in 1926 was 2,762.

Conditions for retirement.—Retirement is optional after 25 years' service regardless of age. Disability retirement is granted without any limitation as to age or years of service, but the police surgeon must certify that the member is permanently incapacitated, physically or mentally, and reexamination may be required at any time.

Administration.—The system is managed by a committee of five members—mayor, police commissioner, president of the common council, city clerk, and city comptroller.

Statistics.—The system was established in 1923. The total receipts and disbursements from July 1, 1923, to June 30, 1926, were the same—$908,857. The contributions of the city vary according to the amount needed each year to cover the pensions.

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MILWAUKEE

TYPE of system.—The policemen's annuity and benefit fund of Milwaukee is a contributory system.

Contributions.—The city contributes annually for each member of the system an amount equal to 9 per cent of his salary for his retirement allowance, 2.5 per cent for his widow's pension, and one-half of 1 per cent for ordinary disability. It also gives one-eighth of 1 per cent of the aggregate annual salaries for administrative costs, makes a deficiency contribution to cover the allowances for prior service, and pays the whole cost of the duty disability benefits, child's annuity, and extra provision for dependents in case of duty deaths. The tax levy for the fund must not exceed five-tenths of a mill on the dollar. For the year ending December 31, 1926, the city's contribution amounted to $300,000.

The employees contribute annually 3 per cent of their salaries for their own annuity, 1 per cent for widow's annuity, one-half of 1 per cent for ordinary disability, and one-eighth of 1 per cent for administrative costs. This last amount may be varied as circumstances demand. For the year ending December 31, 1926, the employees' contributions amounted to $88,931.

Retirement allowances.—The superannuation allowance is made up of the annuity purchasable by the retirant's accumulated contributions plus a pension purchased by the city's accumulated contributions to his credit. For those in the service when the system was adopted there is an additional allowance covering this prior service. The maximum allowance is 75 per cent of the highest salary received during the retirant's service.

For ordinary disability, the allowance is one-half the salary at the time of retirement, minus a 4 per cent deduction for annuity purposes. It may be paid for a period up to one-fourth of the retirant's service, but not to exceed five years.

The duty-disability allowance is 55 per cent of the salary at the time of injury, with $10 a month extra for each child under 18, the whole not to exceed 75 per cent of salary.

If a disability retirant lives to the age of 57, the ordinary or duty disability benefits are discontinued, and the retirant receives the superannuation allowance he would have received had he served to that age.

The widow's allowance is made up of the annuity and pension purchasable by the accumulated contributions to her husband's credit for that purpose. If the decedent was in the service before 1922, the widow receives also a prior-service annuity. If death was due to injuries received in the discharge of duty, the widow receives an extra allowance, known as a compensation and supplemental annuity, which ceases in case of remarriage, while the ordinary widow's allowance is not affected by that fact.

Child annuity is paid to each child under 18 years of age to the amount of $10 a month ($15 if the mother is not living). If the father's death was due to injuries received in the service, the combined allowances of the widow and children may amount to 75 per cent of his final salary, but if death was due to normal causes, they may not exceed 50 per cent of his salary.

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Number of employees covered.—The number of employees under this system in 1926 was 938.

Conditions for retirement.—Retirement on full allowance is permitted at age 57, if the employee has completed 15 years' service, or as soon thereafter as he has completed it; it is also permitted from age 50 onward after 20 years' service. Retirement on partial allowance is permitted from age 50 onward after 10 years' service.

There are no age or service requirements for either duty or ordinary disability retirement.

Administration.—The system is managed by a board of five members—the city treasurer, an appointee of the mayor, and three members of the police force elected by their fellows.

Average age of retirants.—The average age at retirement is 51.45 years, and the average length of service is 25 years.

Statistics.—The total receipts for the year ending December 31, 1926, were $456,656, and the total disbursements $179,208. The total receipts from the beginning of the old plan in 1899 to December 31, 1926, were $2,785,313, and the total disbursements for the same period $1,216,387.

NOTE.—A future entrant ceases to pay into the fund altogether at age 57, or so soon thereafter as he has completed 15 years' service if he had not done so at that age, and the city likewise ceases its contributions to his credit. His annuity is "fixed" at that age and can not be increased by further service no matter how long he remains on the force. A present employee ceases to pay contributions when the amount standing to his credit is equal to what it would have been at age 57 had he been contributing from the beginning of his service.

A policeman who is unmarried on reaching age 57 is entitled when he retires to a refund, with interest, of the amount contributed for the widow's annuity.

MINNEAPOLIS

TYPE of system.—The Minneapolis Police Relief Association is a contributory system.

Contributions.—The city contributes annually an amount equal to two-tenths of 1 mill, and not to exceed two-fifths of 1 mill, upon each dollar of all taxable property. Rewards received by police officers for services in making arrests, all unclaimed moneys or property in the hands of the police, if unclaimed for six months, and all gifts are also contributed. For the year ending December 31, 1926, the city's contribution to the fund amounted to $107,703.

The employees contribute 1 per cent of their monthly salary and dues of 50 cents per quarter after six months' probationary service. For the year ending December 31, 1926, the employees' contribution amounted to $11,761.

Retirement allowances.—The retirement allowance for superannuation is one-half of the compensation allowed the member at the time of his retirement. If a member retires before he has served one year in the grade in which he is serving when he retires, he receives compensation as though he retired in the next lower grade. The maximum allowance is $900 a year, and as the lowest salary paid is $1,800, the minimum allowance is also $900.

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The allowance for duty-disability retirement is the same as for service retirement.

The widow of a member who dies in the service or of a pensioner receives a pension of $40 per month, and children under 16 years of age receive $10 per month. However, the pension to the widow and children together must not exceed $75 per month and the widow's pension ceases upon remarriage.

Number of employees covered.—The number of employees under the system as of the year ending December 31, 1926, was 499.

Conditions for retirement.—Retirement is optional from age 50 onward after 20 years' service. There are no age or service requirements for disability retirement, but retirement on allowance is permitted only if disability, either physical or mental, results from an injury received in the performance of his duty.

Administration.—The system is administered by a board of eight members—the mayor, the city treasurer, the chief of police, and five members of the force elected by their fellows.

Average age of retirants.—No data are available on the age at retirement, but it is estimated that the average age of those retired was about 60 years at the time of retirement.

Statistics.—The total receipts for 1926 were $119,937 and total disbursements, $96,814. The total receipts from the inauguration of the plan January 1, 1924, up to December 31, 1926, were $256,764 and the total disbursements for the same period, $230,280.

NOTE.—The city did not appropriate sufficient money to carry out the full provisions of the law for the first two years after this system became effective, and because of the resultant shortage of money the service pensions were prorated for the years 1924 and 1925, and the disability pensions for the years 1924 to 1926, inclusive, to $780 per year.

NEW ORLEANS

TYPE of system.—The police pension system of New Orleans is a contributory system.

Contributions.—The city pays into the fund annually 2 per cent of the amount appropriated for the maintenance of the police department, and in addition turns over to it money from various miscellaneous sources, such as fees, rewards, etc., paid to the police for special service, except when permission is given to the officers concerned to retain these; money remaining unclaimed for one year with the property clerk of the criminal district courts; money from the sale of unclaimed goods or property or from the sale of outworn or unneeded equipment of the department; all unexpended balances to the credit of the department at the close of each year's business, and all proceeds of suits for penalties. For 1926 the amount received from all sources other than the contributions of employees was $69,462.

Employees contribute 2 per cent of their salaries. For 1926 their contributions amounted to $25,195.

Retirement allowances.—The retirement allowance may not exceed one-half of the salary received at the time of retirement. In practice, it is always fixed at one-half with no maximum or minimum except as determined by the amount of the salary. The allowance is the same for service and for disability retirement.

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A pension of $150 a year is granted to dependents of officers killed in service or dying after 20 years' service.

Number of employees covered.—Number of employees covered was 877

Conditions for retirement.—There is no age qualification for retirement. Service retirement is permitted after 20 years' continuous service. Disability retirement is permitted, regardless of length of service, for permanent disability resulting from injuries received in the performance of duty.

Administration.—The system is managed by the secretary of the board of police commissioners and the commissioner of public finance.

Average age of retirants.—No definite information as to age at retirement is obtainable, but officials state that in general the men retire "around 58."

Statistics.—For 1926 the total receipts of the system were $94,657 and the total expenditures were $61,086.

NEW YORK CITY

TYPE of system.—The police pension plan of the City of New York is a contributory system.

Contributions.—The city pays into the fund a number of miscellaneous sums, such as the proceeds from the sale of lost, stolen, or abandoned property left beyond a prescribed period with the property clerk, the fees received for pistol, masked ball, and boiler permits, and any unexpended balances of appropriations for the salaries of the force. It also assigns to the fund all disciplinary fines imposed upon the police, deductions from their salary for absences from duty for which full pay is not allowed, a percentage of rewards, and so on. In addition it appropriates each year for the benefit of the system whatever amount is needed to make up the pension payments for the year, this amount being included in the annual budget to be raised by tax levy. For the year ending December 31, 1926, the city's direct appropriation for the fund was $2,700,000 and the amount turned over from miscellaneous sources, including interest on deposits, was $636,753.

The employees contribute 2 per cent of their salaries. For the year ending December 31, 1926, their contributions amounted to $681,956.

Retirement allowances.—The superannuation allowance is one-half the salary received at the time of retirement, with no minimum or maximum except as determined by the amount of the salary. For duty disability the allowance is not less than one-fourth nor more than one-half of the salary at the time the injury is received. For ordinary disability, the allowance varies with the length of service, ranging from not less than one-quarter nor more than one-half of the salary at the time of retirement, in case of disability after 10 but under 20 years' service, to one-half the salary after 20 years' service.

If a member dies from natural causes, his widow and minor children are entitled to a pension of $300 a year, the widow until remarriage and the children until reaching 18 years of age. If death is incurred in the performance of duty, the widow, minor children, or dependent parents are entitled to a pension of not less than $600 nor more than one-half of the deceased member's salary, and in addition a cash payment equal to the decedent's salary for one year.

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Number of employees covered.—As of December 31, 1926, the number of employees covered by the plan was 15,950.

Conditions for retirement.—Superannuation depends on service rather than on age, retirement being expected after 25 years' service, unless an extension is secured. Retirement is optional at 55 after 20 years' service, and at 60 regardless of length of service. For ordinary disability retirement a minimum of 10 years' service is required. Duty disability retirement is permitted at any time, regardless of length of service.

Administration.—The system is managed by the police commissioner.

Average age of retirants.—For the year ending December 31, 1926, the average age of the superannuation or service retirants was 54.87 years, and of disability retirants 47 years.

Statistics.—The police pension plan of New York dates back to 1857, when legislation was passed authorizing the establishment of a fund for the benefit of officers injured in the discharge of duty, or for their dependents in case they died of their injuries. The plan has undergone many changes, and full data are not obtainable as to total receipts and expenditures. From January 1, 1916, to December 31, 1926, however, the total amount paid in pensions was $36,725,-291; for the year ending December 31, 1926, the total amount was $4,303,157. Pensions to dependents are included in both these totals.

For the year ending December 31, 1926, there were 6,061 pensioners, of whom 3,568 were retired members of the force and 2,493 were dependents of deceased members.

PHILADELPHIA

TYPE of system.—The police pension plan of Philadelphia is a contributory system.

Contributions.—The city undertakes to contribute annually whatever amount may be necessary to maintain the system, making a direct appropriation for this purpose. It also turns over to the fund what is known as "detail money," i. e., payments for the service of police detailed to special duty, such as guarding buildings under the course of construction and the like. For the year ending December 31, 1926, the city's direct contribution to the fund was $100,000.

The employees contribute one day's pay each month, but salary in excess of $3,000 a year is omitted when calculating their contribution. For the year ending December 31, 1926, the employees' contributions amounted to $304,475.

Retirement allowances.—For service retirement the allowance is one-half the average salary received during the last 10 years' service, with a maximum of $1,500 per annum. For ordinary disability retirement the allowance is one-fortieth of the average salary for the last 10 years, multiplied by the number of years of service. For disability due to injury received in the line of duty, the allowance is the same as for service retirement.

If an officer is killed in the performance of duty, a pension is payable to his widow, children under 14, or dependent parents. The widow's

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pension is $20 a month during widowhood, with an allowance of $6 a month for each child under 14. For dependent parents the pension is $12 a month.

Number of employees covered.—For the year ending December 31, 1926, the number of employees covered was 5,600.

Conditions for retirement.—Retirement on pension is permitted from age 50 onward after 20 years' service. Ordinary disability retirement is permitted after 10 years' service regardless of age, and for disability due to injury received in the performance of duty retirement is permitted without regard to age or length of service.

Administration.—The system is managed by representatives of the city council and of the police, the latter being chosen from their own number by a group elected by the members of the force.

Average age of retirants.—From the beginning of 1897 to December 31, 1926, the average age of retirants was 57.1 years, the range being from 52.2 in 1925 to 61.3 years in 1897; for 1926 it was 56.1 years. For those retiring in 1926 the average length of service was 24 years.

Statistics.—Complete data as to receipts are not obtainable, but from the inauguration of the system in 1892 to the close of 1926 the amount spent in pensions was $7,929,903. For the year 1926 the amount spent in pensions was $522,627.

NOTE.—Up to the early part of the present decade, the police raised money for their pension fund by ball games and entertainments of various kinds for which they sold tickets. By such methods they accumulated a large reserve fund, so that interest formed quite an important item in their revenue. A few years ago the city stopped these ways of raising funds, undertaking to appropriate for the fund any amount that might be necessary to keep up the payment of pensions. Since then the city's annual appropriations for the fund have not been sufficient to pay current pensions, and the reserves are being used up to meet the deficit.

PITTSBURGH

TYPE of system.—The Police Pension Fund Association of the City of Pittsburgh is a contributory system.

Contributions.—The city allows fines and assessments levied on police for violation of rules of the department to be credited to this fund, and also gives a certain amount, not to exceed 1½ per cent, of the city taxes. For the year ending January 31, 1927, the sum credited to the fund from the city taxes was $181,141.

Employee members contribute 2 per cent of their salaries. For the year ending January 31, 1927, employees' contributions amounted to $49,311.

Retirement allowances.—Superannuation allowances range from $600 to $900 a year, according to the retirant's rank.

For duty disability retirement the allowance is one-half salary for 52 weeks, and then, if permanently injured, a lump sum of $1,200 is paid from another fund.

NOTE.—A disability and death benefit fund is maintained apart from the pension system, for which members of the force are assessed $1 a month and from which the lump-sum payment of $1,200 is made in case of permanent disability. In case of the death of any active

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or pensioned member of the force, a death benefit of $1,200 is paid his dependents from this second fund.

Number of employees covered.—The approximate number of employees under the system December 31, 1926, was 904.

Conditions for retirement.—There is no age requirement, but 20 years' service is required for ordinary retirement. Disability retirement is permitted regardless of length of service, if the disability is incurred in the actual performance of duty.

Administration.—The system is managed by a board consisting of 3 city officials, ex officio, and 11 men elected by the members of the force.

Average age of retirants.—The average age of retirants as of January 1, 1927, was 54 years.

Statistics.—Complete data are not obtainable, but for the year ending January 1, 1927, the total receipts of the pension general fund were $310,685, and the amount paid out in pensions was $130,470

SAN FRANCISCO

TYPE of system.—The police relief and pension fund of San Francisco is a contributory system.

Contributions.—The city turns over to the fund all money derived from dog licenses, police fines, sales of unclaimed property, a part of the license fees paid by pawnbrokers, billiard-hall keepers, second-hand dealers and junk dealers, all fines for carrying concealed weapons, 25 per cent of fines for violation of city ordinances, all special detail money, and rewards given to members of the force. For the year ending June 30, 1926, the receipts from these sources amounted to $182,823.

The employees contribute $2 a month. For the year ending June 30, 1926, their contributions amounted to $28,518.

Retirement allowances.—The retirement allowance is one-half of the salary attached to the rank held three years prior to retirement, with no maximum or minimum, except as determined by the amount of salary. The allowance is the same for superannuation and for duty disability retirement.

If a policeman dies from injuries received in the service, the death occurring within three years after the injury, a pension of one-half his salary is paid his widow, children under 16, or dependent parents.

Number of employees covered.—As of June 30, 1926, the number of employees covered was 1,186.

Conditions for retirement.—There is no optional retirement, but retirement is compulsory at age 65. To receive a pension the retirant must have served at least 20 years, or must have been disabled by injuries received in the performance of duty, in which case no age or service qualifications are required.

Administration.—The system is managed by the board of police commissioners.

Statistics.—For the year ending June 30, 1926, the total receipts of the system were $211,341, and the total expenditures $214,975.

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TABLE 30.—*Comparison of police pension systems*

Name of system and authorization	Employees' contribution	City's contribution	Conditions for retirement[1]	Retirement allowances	Other benefits
Police pension plan of Baltimore, Md. (Maryland Laws of 1900, chs. 263, 266; 1924, ch. 411, sec. 2).	2 per cent of salaries.	Certain miscellaneous moneys and a direct appropriation when fund requires it.	Permitted only for incapacity to perform duties of position, whether due to age or other causes. If incapacity results from duty injuries, retirement permitted regardless of length of service; if due to other causes, only after 16 years' service.	One-half salary at time of retirement; no maximum or minimum except as determined by the amount of salary.	Certain provisions for widows and minor children of men killed in performance of duty.
Police pension fund of the city of Buffalo, N. Y. (Local law No. 8).	4 per cent of salaries.	Certain miscellaneous moneys and a direct appropriation when needed.	Superannuation: No age requirement, 20 years' service. Duty and ordinary disability: No age or service requirement.	Superannuation and duty disability: One-half salary at time of retirement. Ordinary disability: Amount fixed by council, but not to exceed one-half salary at time of retirement.	Provisions for widows and children under 18, and in some cases for dependent parents.
Police annuity and benefit fund of Chicago. (Illinois Laws of 1921, p. 262; Laws of 1925, p. 208).	4.75 per cent of salary up to $2,600, all over that amount being exempt.	For each member, an amount equal to 8.5 per cent of his salary for his retirement and ordinary disability benefit, and 2 per cent for widow's pension; city also bears whole cost of extra benefits and makes up any deficiency in cost of administration of fund.	Superannuation: Optional at or after age 57; no compulsory age. No service requirement for those entering service since system was established, but amount of allowance depends on length of service. Those in service before system was adopted may retire at 50 after 20 years' service. Ordinary and duty disability: No age or service requirement.	Superannuation: Annuity bought by retirant's contributions, plus pension bought by city's contributions to his credit; maximum, $1,950 per annum. For employee in service before system was adopted, after reaching age 50 and giving 20 years' service, one-half salary at time of retirement, regardless of amount of contributions. Ordinary disability: One-half salary at time of retirement, from which usual deductions for pension purposes are made, allowance not to be continued more than 5 years. Duty disability: Three-fourths of salary at time of injury, plus allowance for children under 18. If retirant lives to reach 57, this allowance is discontinued and he is given superannuation allowance he would have received had he continued in service to that age.	Provisions for widows and children under 18.

[1] All the systems require medical examination and certification as conditions for disability retirement.

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TABLE 30.—*Comparison of police pension systems*—Continued

Name of system and authorization	Employees' contribution	City's contribution	Conditions for retirement	Retirement allowances	Other benefits
Police relief and pension fund of the city of Cincinnati, Ohio (Gen. Code 1910, secs. 4616–4631).	Dues $1 per month.	Certain miscellaneous moneys and a direct appropriation when needed.	Superannuation: No age requirement; 25 years' service. Ordinary disability: 5 years' service. Duty disability: No age or service requirement.	Superannuation and duty disability: One-half salary at time of retirement; minimum, $900; maximum, $1,200 per year. Ordinary disability: After 5 years' service, $36 for each year of service, maximum, $900 per year. If discharged after 15 years' service, except for specified faults, not to exceed $600 a year.	Provisions for widows, children under 16, or dependent parents.
Police relief fund of the city of Cleveland, Ohio (City Ordinance, 37945; Gen. Code, 1910, secs. 4616–4631).	Monthly dues range from 50 cents to $1.25, according to rank of member.	do	Superannuation: No age requirement; 25 years' service. Ordinary disability: 15 years' service. Duty disability: No age or service requirement.	Superannuation and disability: From $1,052 to $1,500 per year, according to rank. If discharged, except through his own fault, after 15 years' service, one-half of allowance for superannuation.	Provisions for widows and children under 16.
Police pension and retirement fund of Detroit (City Charter, 1925, ch. 21, secs. 19–26).	1 per cent of salary; retired members, 1 per cent of pension.	Certain miscellaneous moneys, and an annual appropriation sufficient to maintain pension payments.	Superannuation: No age requirement; 25 years' service. Disability: No age or service requirement.	Superannuation and disability: One-half of salary attached to rank held at time of retirement. If salary scale is changed, pensions undergo a corresponding change.	Pensions for dependents of man killed in service or dying from injuries received in service.
Policemen's annuity and benefit fund of Milwaukee (Wis. Laws of 1921, ch. 589; City Ordinance, F 20714).	4.625 per cent of salaries. Rate may vary slightly with cost of administration.	12 per cent of salary of each member, and also 0.125 per cent of aggregate salaries of whole force for cost of administration. In addition, an annual deficiency contribution to meet accrued liability and pays whole cost of duty disability benefits, child's annuity, and compensation and supplemental annuity.	Superannuation: Optional at age of 57, with 15 years' service, or at 50, with 20 years' service; also at 50, with 10 years' service, but smaller allowance given. Ordinary and duty disability: No age or service requirement.	Superannuation: Annuity bought by retirant's contributions, plus pension bought by city's contributions on his behalf; maximum, 75 per cent of highest salary received by retirant. City bears whole cost of allowance for years of of service before system was established. Ordinary disability: One-half salary at time of retirement, minus 4 per cent for annuity purposes, to be paid for not more than 5 years. Duty disability: 55 per cent of salary at time of injury, with extra allowance for child or children under 18, total not to exceed 75 per cent of salary.	Provisions for widows and children under 18; special benefits if decedents' death due to service.

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Minneapolis police relief association (Minn. Gen. Stats. of 1923, secs. 1432, 1442; amended by Minn. Laws of 1925, ch. 197; City Council Proceedings, Dec. 14, 1923, vol. 49, p. 712).	1 per cent of monthly salary and dues of 50 cents per quarter after 6 months' probationary service.	Certain miscellaneous moneys, and an annual amount equal to two-tenths, and not to exceed two-fifths of one mill, upon each dollar of all taxable property.	Superannuation: Optional at age 50 after 20 years' service. Disability: No age or service requirement, but allowance paid only for duty disability.	Superannuation and disability: One-half salary at time of retirement; minimun and maximum, $900.	Provisions for widows and children under 16.
Police pension system of New Orleans (La. Laws of 1904, act 32, sec. 11; 1910, act 10; 1912, act 253; 1920, act 97).	2 per cent of salaries.	Certain miscellaneous moneys, and annually 2 per cent of amount appropriated for maintenance of police department.	Superannuation: No age requirement; permitted after 20 years' continuous service. Duty disability: No age or service requirement.	Superannuation and disability: Not to exceed one-half salary at time of retirement.	Provisions for dependents in some cases.
Police pension fund of the city of New York (Greater New York Charter, secs. 351-357, 366).	2 per cent of salaries.	Certain miscellaneous moneys, and a direct appropriation for amount needed.	Superannuation: No age requirement; compulsory after 25 years' service, unless extension secured. Optional, at 55, after 20 years' service, and at 60, regardless of length of service. Ordinary disability: 10 years' service. Duty disability: No age or service requirement.	Superannuation: One-half salary at time of retirement. Ordinary disability: Varies with length of service, ranging from "not less than one-quarter nor more than one-half" of salary at time of retirement after 10 but under 20 years' service, to one-half salary after 20 years' service. Duty disability: Not less than one-fourth nor more than one-half salary at time of retirement.	Provisions for widows, and children under 18, and, in some cases, dependent parent.
Police pension plan of Philadelphia (Brown's Philadelphia Digest, secs. 7-11, p. 47).	One day's pay each month, but salary in excess of $3,000 per year is omitted when calculating contribution.	Certain miscellaneous moneys, and annual appropriation of amount needed.	Superannuation: Optional at age 50, after 20 years' service. Ordinary disability: 10 years' service regardless of age. Duty disability: No age or service requirement.	Superannuation and duty disability: One-half average salary for last 10 years; maximum $1,500 per year. Ordinary disability: One-fortieth of average salary for last 10 years, multiplied by years of service.	Provisions for widows, children under 14, or dependent parents if death occurs in line of duty.
Police pension fund association of city of Pittsburgh, Pa. (Pittsburgh Digest, pp. 50, 51, secs. 163-169).	2 per cent of salary.	Certain miscellaneous moneys, also direct appropriation not to exceed 1.5 per per cent of city taxes.	Superannuation: No age requirement; 20 years' service. Duty disability: No age or service requirement.	Superannuation: From $50 to $75 per month. Duty disability: One-half salary for 52 weeks; then, if permanently injured, a lump sum of $1,200 is paid from another fund.	Disability and death benefit fund is maintained; dues $1 per month.
Police relief and pension fund of San Francisco (Charter of San Francisco, Art. VIII, ch. 10).	$2 per month	Certain miscellaneous moneys.	Superannuation: Compulsory at age 65; 20 years' service. Duty disability: No age or service requirement.	Superannuation and duty disability: One-half salary attached to rank held three years prior to retirement.	Provision for widows and children under 16 and dependent parents if death due to service.

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TABLE 31.—*Receipts and expenditures of police pension systems*

Name of system	Year ending—	Receipts from—				Expenditures for benefits			Expenditures for—			
		Employees	Public sources	All other sources	Total receipts	Retirement allowances	Other benefits	Total benefits	Refunds	Cost of administration	Other items	Total expenditures
Police pension plan of Baltimore	Dec. 31, 1926	$64,690	$127,610	$10,956	$203,256	$224,440	$8,727	$233,167			$339	$233,507
Police pension fund of Buffalo	do	88,141	52,028		140,169	173,533		173,533		$293		173,826
Police annuity and benefit fund of Chicago	do	599,958	2,911,841	246,648	3,758,447	1,241,834	814,326	2,056,160				
Police relief and pension fund of Cincinnati	do	6,744	200,387	19,212	226,343	270,379	24,787	295,166		879		296,045
Police relief fund of Cleveland, Ohio	do	8,771	202,055	11,169	221,995			218,836		251		219,087
Police pension and retirement fund of Detroit	June 30, 1926	62,252	152,756	125,744	340,752	278,746	62,006	340,752				340,752
Policemen's annuity and benefit fund of Milwaukee	Dec. 31, 1926	88,931	300,000	67,725	456,656			170,816	$6,257	2,135		179,208
Police relief association of Minneapolis	do	11,761	107,703	473	119,937			95,998		816		96,814
Police pension system of New Orleans	do	25,195	24,940	44,522	94,657	52,819	7,863	60,682	180	224		61,086
Police pension fund of the City of New York	do	681,956	2,700,000	636,753	4,018,709	3,533,104	770,053	4,303,157			1,199	4,305,156
Police pension plan of Philadelphia	do	304,475	100,000	30,930	435,405			522,627		11,992	1,453	536,072
Police relief and pension fund of San Francisco	June 30, 1926	28,518	182,823		211,341			214,975				214,975

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TABLE 32.—*Relation of beneficiaries to active force and of benefits to pay roll—Police pension systems*

Name of system	Year ending—	Number on active force	Pay roll of active force	Total number of beneficiaries	Amount spent in benefits	Per cent beneficiaries form of active force	Per cent benefits form of pay roll
Police pension plan of Baltimore	Dec. 31, 1926	1,864	$3,377,738	257	$233,167	13.78	6.9
Police pension fund, city of Buffalo	do	1,144	1,969,825	259	173,533	22.64	8.8
Police annuity and benefit fund of Chicago	do	6,080	13,323,654	2,933	2,056,160	48.24	15.4
Police relief and pension fund of Cincinnati	do	525	1,015,661	412	295,166	[1] 78.48	29.1
Police relief fund of Cleveland	do	1,421	3,076,315	376	218,836	26.46	7.1
Police pension and retirement fund of Detroit	June 30, 1926	2,762	6,657,744	304	340,752	11.01	5.1
Policemen's annuity and benefit fund of Milwaukee	Dec. 31, 1926	938	1,934,685	222	170,816	23.67	8.1
Police relief association of Minneapolis	do	499	1,086,726	173	95,998	34.67	8.8
Police pension system of New Orleans	do	877	1,063,199	127	60,682	14.48	5.7
Police pension fund of the City of New York	do	15,950	34,583,087	6,061	4,303,157	38.0	12.44
Police pension plan of Philadelphia	do	5,600	9,521,863	869	522,627	15.5	5.49
Police Pension Fund Association of the City of Pittsburgh		904					
Police relief and pension fund of San Francisco	June 30, 1926	1,186	3,096,632	160	214,975	13.0	6.94

[1] Retired members number 203 and form 38.7 per cent of the active force; the others are dependents.

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FIREMEN'S RETIREMENT SYSTEMS

BUFFALO

TYPE of system.—The Firemen's Relief and Pension Fund of Buffalo, N. Y., is a contributory system.

Contributions.—The city contributes various moneys, such as a certain per cent of all rewards, salary forfeitures for lost time, money realized from the sale of condemned property, fees for licenses for keeping certain explosive materials, 2 per cent of foreign fire insurance premiums, and interest. For the year ending December 31, 1926, the total amount from such sources was $47,370. The city also makes a direct appropriation when needed of an amount sufficient to maintain the pensions for the current year. No direct appropriation was needed for the year 1926, but for the year 1925 $75,000 was appropriated.

Employees contribute 4 per cent of their salaries. For the year ending December 31, 1926, their contributions amounted to $75,863.

Retirement allowances.—For service and for duty disability retirement, the allowance is not less than one-half the salary or compensation at the time of retirement.

For ordinary disability retirement, the amount of the allowance may be fixed by the council, but may not exceed one-half the compensation received at time of retirement.

On the death of a member in active service or a pensioner, his widow is entitled to a pension of not less than $25 a month during widowhood, with $10 a month for each child under 18 years of age, the whole not to exceed one-half the final salary received by the decedent. The allowance for the children is not paid if the decedent was a pensioner retired for ordinary disability. If the deceased left no widow or children, a pension of $25 a month may be paid to a dependent parent during the period necessary for support.

The widow of a member who is killed in the discharge of duty, or who dies within one year from injuries so received, is entitled to a pension equal to her husband's salary for one year, and thereafter to $50 a month during widowhood.

Number of employees covered.—As of December 31, 1926, the approximate number of employees under this system was 946.

Conditions for retirement.—There is no age condition for retirement. For normal retirement 20 years' service is required. Disability retirement, both ordinary and duty, is permitted regardless of length of service.

Administration.—The system is administered by a board composed of the mayor and four councilmen.

Average age of retirants.—For the 29 retirants placed on the roll during 18 months ending December 31, 1926, the average age was 55 years and the average length of service was 27 years.

Statistics.—The total receipts of the fund from July 1, 1918, to December 31, 1926, were $1,132,650, and the total disbursements for the same period, $1,129,527.

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CHICAGO

TYPE of system.—The Firemen's Pension Fund of Chicago is a contributory system.

Contributions.—The city contributes the proceeds of a tax levy of one-third of a mill on the dollar of assessed valuation, and also turns over to the fund various miscellaneous sums, such as the fines imposed on firemen for disciplinary purposes. For the year ending December 31, 1926, its contribution amounted to $628,049. (By an amendment passed in 1927, the tax levy is reduced from one-third to one-sixth of a mill.)

The employees contribute 2.5 per cent of their salaries. Those who retire before reaching age 50 must continue their contributions to that age in order to maintain eligibility for the pension at that age. For the year ending December 31, 1926, the employees contributed $132,896.

Retirement allowances.—The retirement allowance is one-half of the salary received at the time of retirement, with a minimum of $600 and a maximum of $3,000 a year.

In case of the death of a member or pensioner, his widow receives $45 a month during widowhood, with an allowance of $10 a month for each child under 18. If there is no widow, an allowance of $15 a month is made in respect of each child under 18 years of age. If there are neither widow nor children, a pension of $25 a month may be allowed to dependent parents.

Number of employees covered.—For the year ending December 31, 1926, the number of employees covered was 2,341.

Conditions for retirement.—Retirement is optional from age 50 onward after 20 years' service. A man may retire before 50 if he has served 20 years, but he must continue his contributions up to that age in order to get the pension. Retirement on pension for disability is permitted without regard to age or length of service. No age is set for compulsory retirement, but the board has the right to retire a firemen compulsorily whenever it finds that he is physically or mentally incapable of performing his duties.

Administration.—The system is administered by a board of eight members—city treasurer, city clerk, city comptroller, chief of the fire department, three members elected by the active force of the department, and one elected by the pensioners.

Average age of retirants.—The average age at retirement is estimated as 55 years, with an average of 28 years' service.

Statistics.—The present system, which was established in 1917, succeeded an earlier system which dated back to 1887. From the beginning of the present system to December 31, 1926, the total receipts were $5,352,841, and the total disbursements $5,053,722. The total receipts of the earlier system were $5,424,533, and its total expenditures $4,801,436.

CINCINNATI

TYPE of system.—The firemen's pension fund of the city of Cincinnati, Ohio, is a contributory system.

Contributions.—The city turns over to this fund fines imposed upon members, donations, and interest, and also makes a direct

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appropriation of whatever amount is needed, being authorized to levy, for this purpose, a tax of not to exceed three-tenths of a mill on each dollar on all real and personal property. The city's direct appropriation for the year ending November 30, 1926, amounted to $170,293, and the amount turned over from miscellaneous sources was $18,550.

Employees pay 50 cents per month dues. Their contributions for the year ending November 30, 1926, amounted to $3,722.

Retirement allowances.—For service retirement, the allowance is one-half of the full pay at the time of retirement, with a minimum of $900 and a maximum of $1,200 per annum.

If a member is discharged, except through fault of his own, after 15 years' service, he is entitled to receive a pension of $2 per month for each year of service, not to exceed $50 per month..

For ordinary disability retirement, after not less than 5 years' service, the pension is $3 per month for each year of service up to 25 years. For duty disability, the allowance is the same as for service retirement.

In case of the death of a retired member, his widow receives a pension of $50 per month until remarriage, and for each child under 16 years of age there is a pension of $15 per month. If the deceased had no wife, the pension may be paid to his dependent parent or parents.

If a member is killed or dies from the effects of an injury while in active service and his death occurs within one year from the date of accident, the widow, until she remarries, receives a pension equal to one-half the full pay the member was drawing at the time of death, not to exceed $100 per month.

Number of employees covered.—The number of employees under this system November 30, 1926, was 624.

Conditions for retirement.—There is no age requirement, but 25 years' service is required for service retirement, and 5 years' service for ordinary disability retirement. For duty disability, retirement is permitted regardless of length of service.

Administration.—The system is managed by a board of six members—the director of public safety and five members of the fire department.

Average age of retirants.—Data as to average age of all retirants were not available, but for service retirants the ages at time of retiring range from 55 to 65 years.

Statistics.—For 24 years ending November 30, 1926, the total receipts to this fund from all sources amounted to approximately $2,430,521, and the total disbursements for the same period to $2,266,999.

CLEVELAND

TYPE of system.—The firemen's pension fund of the city of Cleveland, Ohio, is a contributory system.

Contributions.—The city turns over to this fund rewards for service, court fees, donations, and interest, and also makes a direct appropriation of whatever amount is needed, being authorized to levy for this purpose a tax of not to exceed three-tenths of a mill on each dollar on all real and personal property. The city's direct appropriation

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for the year ending December 31, 1926, was $195,000, and the amount turned over from miscellaneous sources was $15,156.

Employees are classified under nine groups, according to rank, and contribute monthly dues ranging from 50 cents for firemen to $1.25 for the chief. Their contributions for the year ending December 31, 1926, amounted to $7,020.

Retirement allowances.—For service retirement, the allowance is one-half salary at time of retirement, with a maximum of $100 per month, except for the present chief, first chief, and second chief. On account of their long service they will be permitted to retire on full salary.

For disability retirement, the allowance is the same as for service retirement.

If a member is discharged, except through fault of his own, after 12 consecutive years' service, he is entitled to a pension of six-sixteenths of his salary at time of dismissal.

On the death of a member of the force, or a pensioner, the widow, until she remarries, receives a pension of $35 per month and each child, until reaching the age of 16 years, receives $10 per month.

Number of employees covered.—The approximate number of employees under this system December 31, 1926, was 1,061.

Conditions for retirement.—There is no age requirement, but 25 consecutive years' service is required for service retirement, and permanent disability retirement is granted regardless of length of service.

Administration.—The system is administered by a board of six members—the director of public safety and five members of the fire department.

Statistics.—For the period of 15 years ending December 31, 1926, the total income to this fund from all sources amounted to approximately $2,337,365, and the total disbursements for the same period were $2,334,669.

DETROIT

TYPE of system.—The firemen's pension and retirement fund of Detroit, Mich., is a noncontributory system.

Contributions.—City contributes annually whatever amount is needed to maintain pension payments, raising it by special tax levy. For the year ending June 30, 1926, the city's contribution was $258,064.

Employees do not contribute.

Retirement allowances.—For superannuation and duty disability alike, the retirement allowance is one-half the salary attached to the rank held at time of retirement. If after retirement this salary is changed, the allowance is changed to correspond. There is no allowance for retirement on account of ordinary disability.

If a member dies from injuries received in the service, his widow is paid a pension of $100 a month until remarriage, with an allowance of $20 per month for each child under 16 years of age. If there is no widow, or if the widow dies or remarries, the allowance for each child under 16 is $40 a month. If there are neither widow nor children, a dependent mother, or if there is no mother a dependent sister, is given a pension of $100 a month until marriage or remarriage.

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Number of employees covered.—The number of employees under the system in 1926 was 1,698.

Conditions for retirement.—Retirement is optional after 25 years' service, regardless of age. Retirement upon allowance is permitted without regard to age or length of service for employees totally disabled in the discharge of duty. Ordinary disability is not a cause for retirement on allowance.

Administration.—The system is managed by a committee of five city officials, who hold their positions ex officio.

Statistics.—The reorganized system was adopted in 1925. The total receipts and disbursements for the year ending June 30, 1926, were the same—$258,064. The contributions of the city vary according to the amount needed each year to cover the pensions.

MILWAUKEE

TYPE of system.—The firemen's annuity and benefit fund of Milwaukee is a contributory system.

Contributions.—The city contributes annually for each member an amount equal to 12 per cent of his salary, 9 per cent of the salary being for the man's own retirement allowance, 2.5 per cent for his widow's allowance, and 0.5 per cent for ordinary disability. It also gives an amount equal to one-eighth of 1 per cent of the aggregate salary roll for expenses of administration, and makes a deficiency contribution to cover prior service liability and the cost of extra benefits, such as the allowance for duty disability, the child's annuity, and extra allowances in case of duty deaths. Its contribution is raised by a tax levy of not to exceed five-tenths of a mill on the dollar. For the year ending December 31, 1926, its contribution to the fund amounted to $150,000.

Employees contribute annually 3 per cent of salary for their own retirement allowance, 1 per cent for widow's annuity, one-half of 1 per cent for ordinary disability, and one-eighth of 1 per cent for costs of administration. The last amount may vary slightly from year to year as circumstances demand. For the year ending December 31, 1926, the employees' contributions amounted to $67,753.

Retirement allowances.—The service or superannuation allowance consists of an annuity purchased by the retirant's accumulated contributions and a pension purchased by the city's contributions to his credit. For those in service before the present system was adopted, the city provides an extra allowance covering prior service. The maximum allowance is 75 per cent of the highest salary received while in the service.

For ordinary disability retirement the allowance is one-half the salary received at the time of retirement, minus a deduction of 4 per cent for annuity purposes. This allowance is paid for a period not exceeding one-fourth of the period of service, and in any case for not more than five years.

For duty disability, the allowance is 55 per cent of the salary received at the time of injury, with an extra allowance of $10 a month for each child under 18 years, the whole not to exceed 75 per cent of the salary. If a disability retirant lives to reach 57 years of age, the disability allowance is discontinued, and he receives the superannuation allowance payable if his service had continued to that age.

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In case of the death from ordinary causes of a fireman, his widow's annuity consists of the annuity purchasable by the accumulated contributions of her husband and the city for this purpose, with an extra allowance for prior service if her husband was in the service before the adoption of the present system. If the husband's death was received in the performance of duty, the widow receives an additional amount sufficient to bring the allowance up to what she would have received had her husband continued in the service until reaching age 57. This additional amount is forfeited upon remarriage, but the normal widow's allowance continues through life. For each child under 18 $10 per month is paid or $15 if mother is not living. The maximum for widow's and children's annuities combined is 75 per cent of the highest salary received by her husband during his term of service.

Number of employees covered.—In 1926 the number of employees under the system was 723.

Conditions for retirement.—Retirement is optional at age 57, if the employee has completed 15 years of service, or as soon thereafter as he has completed such period of service. If 20 years' service has been given, it is optional at age 50. It is also permitted at 50 after 10 years' service, but in that case only a part of the city's contribution toward the allowance will be granted.

Ordinary and duty disability retirement are permitted without regard to age or length of service.

Administration.—The system is managed by a board of five members—one appointed by the mayor, three firemen elected by their fellows, and either the city treasurer or a member of the finance committee of the common council.

Statistics.—The total receipts for the year ending December 31, 1926, were $258,989, and the total disbursements $174,939. The total receipts from the beginning of the old plan in 1899 to December 31, 1926, were $2,086,729, and the total disbursements for the same period were $1,550,639.

NOTE.—A future entrant ceases to pay into the fund altogether at the age of 57, or as soon thereafter as he has completed 15 years' service, and the city at the same time ceases its contributions to his credit. His allowance is "fixed" at that age, and can not be increased no matter how long he remains in the service. A present employee ceases to pay when the amount standing to his credit is equal to what it would have been at age 57 had he been contributing from the beginning of his service.

A fireman who is unmarried on reaching age 57 is entitled on retirement to a refund, with interest, of his contributions for widow's annuity.

MINNEAPOLIS

TYPE of system.—The Minneapolis Fire Department Relief Association is a contributory system.

Contributions.—The city contributes annually an amount raised by a tax levy of one-tenth of a mill on the dollar. The State contributes 2 per cent of the premiums on foreign insurance written in the city of Minneapolis. For the year ending December 31, 1926, the city and State together contributed $101,881.

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Employees contribute $1.50 per month, with an initiation fee of $10 upon entrance. In addition there may be special assessments of $2 per active member if death benefits bring the general fund below $5,000. For the year ending December 31, 1926, the employees' contributions amounted to $9,270.

Retirement allowances.—The superannuation allowance is $600 a year after 20 years' service, increased by $2.80 a month for each year of service over 20 up to 25; by not exceeding $3.20 a month for each year over 25 up to 30; by $3.60 a month for each year over 30 up to 35; and by $4 a month for each year over 35.

The disability allowances are divided into three classes: For those so disabled by illness or injury as to be no longer able to be active firemen, or to do manual labor or office work, $900 a year. For those permanently disabled for service as fire fighters, but able to do light manual labor or office work, $480 a year. For those unable to be active firemen, but able to do manual labor, $180 a year.

The widow of an active member or of a pensioner receives a pension of $480 a year, with an extra allowance of $15 a month for each child under 16 years of age. The total allowance, however, must not exceed $75 a month, and the widow's pension ceases upon remarriage.

If a pensioner leaves a child under 16, upon reaching that age it receives $1,000, less the amounts paid on its behalf, as stated above.

If an active member dies leaving no widow or child under 16, the sum of $1,000 will be paid to a child, parent, brother, or sister who is his beneficiary.

Upon the death of an active member or a pensioner a funeral benefit of $200 is paid.

Number of employees covered.—In 1926 the number of employees under the system was 513.

Conditions for retirement.—Retirement is optional after 20 years, service, but the service pension will not be paid until the retirant has reached age 50, after which it is paid as though he had retired at that age. Those retiring before 50, however, are not entitled to any of the system's benefits except the pension and the funeral benefit.

Retirement on account of either duty or ordinary disability is permitted without regard to age or length of service.

Administration.—The system is managed by a board of eight members—two city officials, and six active members of the department elected by their fellows.

Average age of retirants.—No data on the age at retirement are available, but officials estimate that 60 years is the average age for service retirement.

Statistics.—The total receipts for the year ending December 31, 1926, were $131,192, and total disbursements $133,633. The total receipts for the period January 1, 1897, to December 31, 1926, were $2,006,573, and total disbursements for the same period $1,678,421.

NEW ORLEANS

TYPE of system.—The firemen's pension and relief fund of New Orleans is a contributory system.

Contributions.—The city devotes to the fund all fines imposed on the force and fines imposed on others for violations of fire ordinances; 1 per cent of all license fees, payments for special details, rewards for

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special services, proceeds of sale of surplus and condemned property of the department, and 1 per cent of the tax on foreign insurance companies. During the year ending December 31, 1926, the amount received from the city was $32,583.

Employees contribute 1 per cent of their salaries for pension purposes, and 75 cents a month for relief purposes; in addition, they are assessed $2 upon the death of a member of the department. For the year ending December 31, 1926, the contributions from employees amounted to $25,629.

Retirement allowances.—The pension for both superannuation and disability retirement is one-half of the salary received at the time of retirement.

If a member is killed in the performance of duty, or dies within six months from injuries so received, his widow receives a pension of $15 a month during widowhood, with $6 a month extra for each child under 14 years of age, the whole not to exceed one-half the salary received by the decedent at the time of his death. If there is neither widow nor child under 14, the pension may be paid to a dependent mother.

Upon the death of a member, whether in active service or retired, $1,000 is paid to his beneficiaries.

Number of employees covered.—In 1926 the number of employees covered by the system was 628.

Conditions for retirement.—Retirement is permitted after 20 years' service, without regard to age. It is also permitted at any time if the member is permanently incapacitated, either mentally or physically, for the discharge of his duties.

Administration.—The system is managed by a board of nine members—three ex-officio members and six elected from the uniformed force by their fellows.

Statistics.—For the year ending December 31, 1926, the total receipts of the system were $83,545, and the total expenditures $70,629.

NEW YORK CITY

TYPE of system.—The New York City fire department relief fund is a noncontributory system.

Contributions.—The city turns over to the fund various miscellaneous receipts, including all fines and deductions from salary imposed on members of the department, part of the proceeds of suits for penalties for violations of the fire regulations, proceeds of sales of condemned property of the department, and 45 per cent of the tax upon foreign insurance companies and their agents. When necessary it also makes a direct appropriation of any amount needed to maintain payment of current pensions. For the year ending December 31, 1926, the city's contributions amounted to $2,854,150.

Employees do not contribute.

Retirement allowances.—For service or superannuation retirement, the pension is one-half the salary received at the time of retirement. For retirement on account of duty disability, or of ordinary disability after 10 years' service, the pension is the same—one-half the salary. For retirement on account of ordinary disability with less than 10 years' service, the pension is not to exceed one-third of the salary at time of retirement.

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Upon the death of a member killed in the performance of duty or dying as a result of injuries so received, a pension of one-half of his salary, with a minimum of $600 and a maximum of $1,000 a year, is paid to his widow during widowhood, or to his children under 18 years of age, or to dependent parents. If the death is due to ordinary causes, the pension to dependents is not to exceed $300 a year.

Number of employees covered.—As of December 31, 1925, the number of employees covered was 6,078.

Conditions for retirement.—Retirement is based on service or disability, regardless of age. After 20 years' service a member may be retired upon his own application, or compulsorily upon proof of disability. A member may be retired at any time for complete and permanent disability, but the amount of his pension varies according to whether the disability was incurred in the line of duty or otherwise, and in the latter case according to length of service. If disability is not complete, the member is retained as part of the force, subject to the performance of duties within his power at a salary not exceeding one-third of the salary drawn at the time he was relieved from ordinary duties, or less, as the fire commissioner may determine.

Administration.—The fire commissioner is trustee of the fund, with full power to administer and control it.

PHILADELPHIA

TYPE of system.—The firemen's pension fund of Philadelphia is a contributory system.

Contributions.—The city contributes regularly 2 per cent of the tax paid by foreign fire insurance companies, and has undertaken to make direct appropriations when needed. For the two years ending January 7, 1926, the system received from the city $366,278.

Active members of the force contribute one day's pay per month; pensioners contribute one-half of one day's pay, based on salary received at time of retirement. For the year ending January 7, 1926, the contributions from the active force and pensioners combined amounted to $122,136.

Retirement allowances.—The retirement allowance, being the same for superannuation and for disability retirement, is one-half of the average annual salary received for the last four years' service.

A member's widow receives a pension of $20 a month, with $6 a month extra for each child under 16 years of age; the combined allowances of the widow and children, however, must not exceed 50 per cent of the salary the man received at the time of his death.

Number of employees covered.—For the year ending January 7, 1926, the number of employees covered was 2,100.

Conditions for retirement.—Retirement may be allowed from age 45 onward after 20 years' service. The application for retirement must be approved by the board, which may, in its discretion, refuse approval. Disability retirement is permitted only for permanent disability resulting from injuries received in the line of duty, and for this there is neither age nor service requirement.

Administration.—The system is administered by a board of 15 members, elected by the active members of the force; in addition, the city council has representation ex officio on this board.

Average age of retirants.—No records are kept of age at retirement, but officials state that it ranges from 50 to 60; while retirement is theoretically possible at 45, in practice none retire earlier than 50.

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Statistics.—For the year ending January 6, 1926, the total receipts of the system were $566,127, and the total expenditures were $193,370.

PITTSBURGH

TYPE OF SYSTEM.—The firemen's pension fund of Pittsburgh, Pa., is a contributory system.

Contributions.—The city turns over to the fund all fines imposed upon members of the department, donations, and interest, and also makes a direct appropriation each year, according to the needs of the fund. For the year ending December 31, 1926, the direct appropriation amounted to $141,000, and the amount turned over from other sources to $4,049.

Employees contribute 2.5 per cent of their salaries, and are assessed $1 on the death of a member. For the year ending December 31, 1926, their contributions amounted to $53,275.

Retirement allowances.—Pensions vary from $600 to $900 per annum, according to the rank held at retirement. The pensions are the same for service and for permanent disability retirement. If a member retired on pension enters Federal, State, or municipal service, his pension is discontinued during the period of such service.

A death benefit of $1,100 is paid to the beneficiary of a deceased member.

Number of employees covered.—The approximate number of employees under this system as of December 31, 1926, was 931.

Conditions for retirement.—There is no age qualification for retirement. Service or superannuation retirement is permitted after 20 years' service, and retirement on account of permanent disability incurred in the performance of duty is permitted without regard to age or length of service.

Administration.—The system is administered by a board of nine members—six city officials who hold the position ex officio, and three members of the department elected by their fellows.

Statistics.—The total income of the fund from December, 1924, to December 31, 1926, was $409,344, and the total disbursements for the same period were $364,545.

ST. LOUIS

TYPE of system.—The firemen's pension fund of St. Louis, Mo., is a contributory system.

Contributions.—The city contributes annually part of the tax on fire insurance agencies; part of license fees and of gasoline tax; also fines imposed on firemen by the department for disciplinary purposes; and all rewards in moneys, fees, and gifts that may be paid or given for or on account of extraordinary services by the fire department, or any member thereof, except when permitted by the order of the board to be retained by said member. For the year ending December 31, 1926, these contributions amounted to $107,681.

The employees contribute dues of $2 per month and also an initiation fee of $5 when becoming a member. For the year ending December 31, 1926, the employees' contribution amounted to $23,319.

Retirement allowances.—The allowance for superannuation and for disability retirement is the same—$600 per year.

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The widow of a member or pensioner is granted $30 per month, until remarriage, with an extra allowance of $7.50 per month for each child under 16 years of age. If there is no widow, $30 per month is granted to a dependent parent, and if no widow or children, $7.50 per month to a dependent brother or sister under 16 years.

A funeral benefit of $75 is paid at the death of each fireman.

Number of employees covered.—The number of employees under the system in 1926 was 940.

Conditions for retirement.—Retirement is optional, regardless of age, after having given 20 or more years' service, the last two of which must have been continuous.

Disability retirement is granted regardless of age or service, but an examination by a medical officer must show that the member has become, physically or mentally, permanently disabled by reason of his service as a fireman.

Administration.—The system is managed by a board of 10 members—five ex-officio members, four active members of the department, elected by their fellows, and one retired and pensioned member.

Average age of retirants.—Data on age at retirement are unavailable. However, for the 8 members retired in the year 1926, the average age for the service retirants was 48.33 and for disability retirants 60; and the average years of service for the former were 22.67, and for disability retirants 32.83.

Statistics.—This system was established in 1894. The total receipts of the system for the year 1926 were $142,706 and the total disbursements $119,153. The total receipts for the period from January 1, 1895, to December 31, 1926, were $2,154,308 and the total disbursements for the same period $2,088,038.

SAN FRANCISCO

TYPE of system.—The firemen's relief fund of San Francisco is a noncontributory system.

Contributions.—The city raises whatever amount is needed by a special tax levy. In 1925 the tax rate for this purpose was 4.7 cents per $100, and in 1926 it was 5.04 cents. The amount raised was $326,171 in 1925 and $349,902 in 1926.

The employees make no contribution.

Retirement allowances.—The pension is one-half of the salary received at the time of retirement. On the death of a pensioner, or of a member of the force, his widow is entitled to this pension during widowhood. If there are children but no widow, the pension is paid to them until the youngest reaches 16 years of age.

Number of employees covered.—As of June 30, 1926, the number of employees covered was 967.

Conditions for retirement.—Retirement is optional at age 55 after 20 years' service, and at any age after 25 years' service. It may be compulsory from age 60 onward, in the discretion of the commissioners. Disability retirement is permitted only if the disability has been incurred in the line of duty, in which case no age or service requirements are imposed.

Administration.—The system is administered by the board of fire commissioners, acting as a board of trustees for the fund.

Statistics.—For the year ending June 30, 1926, the total receipts of the system were $349,902, and the total expenditures were $376,355.

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FIREMEN'S AND POLICE SYSTEMS COMBINED

LOS ANGELES

TYPE of system.—The fire and police pension system of Los Angeles is a contributory system.

Contributions.—The city makes two annual contributions based on actuarial calculations, the first to meet the cost of benefits for current service and the second to defray the accrued liability. For the year 1927 the first consisted of an amount equal to 17.1 per cent of the fire department pay roll and 14.5 per cent of the police department pay roll, totaling $1,100,000. The second is an annual payment of $635,000, to be continued through 36 years. The city also turns over to the fund fines and the proceeds of sales of unclaimed property and other miscellaneous sums, amounting to approximately $7,000 a year.

Beginning January 1, 1927, employees contribute 4 per cent of their salaries, which is calculated to produce approximately $140,000 a year.

Retirement allowances.—For service retirement, after 35 years' service, the allowance is two-thirds of the average salary for the three years preceding retirement; for retirement after 25 years' service, it is one-half of such salary, with an additional allowance for each year over 25 but under 35 of 1⅔ per cent of such salary. For those in the service before 1927 the same allowances are given for service periods of 30 and 20 years, respectively. For those entering the service after this system was adopted the maximum allowance is $1,800 per annum.

For disability retirement the allowance is fixed by the board, but it may not be less than 10 nor more than 90 per cent of the salary received at the time the disability was incurred.

The widow of a pensioner or an active member eligible for retirement or of an active member whose death was due to the performance of duty is entitled to a pension during widowhood of one-half the average annual salary the decedent received during the last three years of service, with an additional allowance for each child under 18 years of age. To receive this pension the widow must have been married to the decedent for at least a year before his withdrawal from service, except in the case of a duty death, when no restriction is imposed.

If the decedent leaves neither widow nor minor child an allowance may be made to a dependent parent or parents.

Number of employees covered.—For the year ending June 30, 1926, the police force numbered 2,439 and the fire force 1,540.

Conditions for retirement.—There is no age qualification for retirement. The normal service requirement is 35 years, but a member may retire or be retired on a smaller allowance after 25 years' service. For present members these periods are reduced to 30 and 20 years.

Disability retirement is permitted without regard to length of service if the disability arises from the performance of duty.

Administration.—The system is managed by a board of five members, appointed by the mayor.

Average age of retirants.—The average age of service retirants is 53 years, of disability retirants, 39.3 years, and of both classes combined, 44.3 years.

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NOTE.—The police and fire departments of Los Angeles originally had separate pension systems, but in 1922 charter amendments were adopted combining the two systems under one board of commissioners. The combined system was organized in March, 1923. In 1926 the charter was again amended, and the provisions as to contributions, retirement, and allowances were materially modified. The outline given above is of the system as changed by the 1926 amendments.

NEWARK

TYPE of system.—The police and fire pension fund, Newark, N. J., is a contributory system.

Contributions.—The city contributes annually an amount equal to 4 per cent of the total salaries paid members of the two departments, and turns over to the fund in addition all fines and deductions from salary which may be imposed upon the members, as well as gifts or rewards paid to either force. Under the law, the city is also authorized to make up any deficiency in the fund which may occur at any time, but, so far it has not been called upon to do this. For the year ending December 31, 1926, the city's contribution was $186,648.

The normal contribution from employees is 2 per cent of salary, but if a member is 35 years or over on entering the force, he pays 4 per cent of his salary. For the year ending December 31, 1926, the employees' contributions amounted to $98,424.

Retirement allowances.—For both service and duty disability retirement, the allowance is one-half of the salary received at the time of retirement, with no maximum or minimum except as determined by the salary. In 1926 the minimum salary, previously $2,000, was raised to $2,500, so that thereafter the minimum retirement allowance would be $1,250.

Widows of pensioners or of members in active service receive a pension of $1,000 a year, provided the marriage took place before the deceased reached age 50. If there are children under 16 years of age but no widow, a pension is paid to them, and if there is neither widow nor child under 16, a pension may be given to dependent parents.

Number of employees covered.—As of December 31, 1926, the number of employees covered was 2,200.

Conditions for retirement.—Retirement is optional at age 50, after 20 years' service and compulsory at 65. For disability incurred in the performance of duty, retirement on allowance is permitted without regard to age or length of service.

Administration.—The system is managed by a board of five members, composed of two city officials, one policeman and one fireman elected by their fellows, and one nonoffice-holding citizen elected by these four.

Average age of retirants.—No precise data are available, but the officials estimate that men remain in the service up to 65, unless compelled to retire earlier through disability.

Statistics.—Up to 1920 the police and firemen of Newark had separate pension plans, but in that year they combined and formed the present system, which took over both the funds and the pensioners of the earlier systems. The total amount paid in pensions in 1926 was $320,191. The total receipts of the system for 1926 were $297,752; total expenditures, $323,074.

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WASHINGTON, D. C.

TYPE of system.—The policemen's and firemen's relief fund of Washington, D. C., is a contributory system.

Contributions.—The District contributes money from various sources, such as fines, rewards, gifts and emoluments received by the members for extraordinary services, donations, and net proceeds from the sale of unclaimed property. For the year ending June 30, 1926, the income from these sources amounted to $6,149. Also, when the amount in the fund is insufficient to defray expenditures, the amount needed to meet the deficiency is transferred from the general revenue of the District of Columbia. For the year ending June 30, 1926, this amount was $376,705.

Employees contribute 2.5 per cent of their salaries. For the year ending June 30, 1926, their contributions amounted to $140,186.

Retirement allowances.—The retirement allowance, for service and disability alike, is 50 per cent of the annual salary received at the time of retirement. If the basic salary of the rank to which a retirant belonged is increased after his retirement, he is entitled to a corresponding increase in his pension.

Upon the death of a member his widow is entitled, during widowhood, to a pension not to exceed $60 a month, with an allowance of $10 a month for each child under 16 years of age. The pension is not allowed if the marriage took place after the member had retired.

Number of employees covered.—As of June 30, 1926, the approximate number of employees under this system was 2,286.

Conditions for retirement.—Service retirement is permitted at age 60. Retirement on account of duty disability may take place without regard to age or length of service. Retirement for ordinary disability is permitted if a member has reached age 55 and served for 25 years or more.

Administration.—The system is administered by a board of three members, consisting of the corporation counsel and one member each from the police and fire departments, designated by the District Commissioners.

Statistics.—For the 10-year period ending June 30, 1926, the total receipts of the fund were $2,808,890, and the total disbursements were $2, 770, 937.

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TABLE 33.—*Comparison of firemen's and of police and firemen's pension systems*

Name of system	Employees' contributions	City's contributions	Conditions for retirement [1]	Retirement allowances	Other benefits
Firemen's pension systems					
Firemen's relief and pension fund of Buffalo (Local laws of Buffalo, No. 7; City Charter, secs. 275-275J, 277-283).	4 per cent of salary.	Various miscellaneous sums and 2 per cent of foreign fire insurance premiums, and in addition direct appropriation of amount needed to maintain pension payments.	Service: No age requirement; optional after 20 years' service. Ordinary and duty disability: No age or service requirement.	Service and duty disability: Minimum, one-half salary at time of retirement; no maximum set. Ordinary disability: Maximum, one-half salary at time of retirement; no minimum set.	Provision for dependents.
Firemen's pension fund of Chicago, (Ill. Rev. Stats. 1917, ch. 24, secs. 417-419K, pp. 461-466).	2.5 per cent of salary.	Various miscellaneous sums and direct appropriation raised by tax levy.	Service: Optional after 20 years' service, but member retiring under age 50 must continue contributions to that age in order to draw pension. Disability: No age or service requirement.	Service and disability: One-half salary received at time of retirement—minimum $600, and maximum $3,000 a year.	Do.
Firemen's pension fund of Cincinnati (Ohio Gen. Code 1910, secs. 4600-4615).	50 cents a month.	Various miscellaneous sums, and proceeds of a tax, not to exceed three-tenths of a mill on the dollar.	Service: No age requirement; optional after 25 years' service. Ordinary disability: Five years' service. Duty disability: No age or service requirement.	Service and duty disability: One-half salary at time of retirement—minimum $900, and maximum $1,200 a year. Ordinary disability: $36 multiplied by number of years of service up to 25. If discharged without fault of his own after 15 years' service: Annual pension of $24 for each year of service—maximum, $600 a year.	Do.
Firemen's pension fund of Cleveland, Ohio (Gen. Code 1910, secs. 4600-4615).	From 50 cents to $1.25 a month according to position held.	Various miscellaneous sums, and appropriate amount needed to maintain pension payments, raising this by tax levy not to exceed three-tenths of a mill on the dollar.	Service: No age requirement; optional after 25 years. Permanent disability: No age or service requirement.	Service and disability: One-half salary at time of retirement—maximum, $1,200 a year. If discharged except for fault on his part after 12 consecutive years' service, pension of six-sixteenths of salary at time of dismissal.	Do.

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Firemen's pension and retirement fund of Detroit, Mich. (City Charter (1925), ch. 15, secs. 14-19).	No contributions.	Appropriates annually amount required to meet pension payments raising amount by special tax levy.	Service: No age requirement; 25 years' service. Duty disability: No age or service requirement.	Service and duty disability: One-half of salary attached to rank held at time of retirement. If this salary is changed later, allowance is changed to correspond.	Provision for dependents.
Firemen's annuity and benefit fund of Milwaukee. (Wis. Laws of 1923, ch. 423; City Ord., F 25191).	4.625 per cent of salary.	Annually for each member 12 per cent of his salary; also one-eighth of 1 per cent of total salaries for costs of administration. Contribution to cover accrued liability and extra benefits, raising amount by special tax levy.	Service: Optional at age 50 after 20 years' service, and at 57 after 15 years' service, also permitted at 50, after 10 years' service, but with reduced allowance. Ordinary and duty disability: No age or service requirement.	Service: Annuity bought by retirants' contributions, plus pension bought by city's contributions on his behalf. Maximum, 75 per cent of highest salary while in service. City provides full allowance for years of prior service. Duty disability: Annuity, as above, with pension to bring it up to 55 per cent of salary when injury was received; extra allowance for children under 18. Ordinary disability: One-half of salary at time of disability, not for over 5 years.	Widow's annuity, widow's compensation and supplemental annuity, and child's annuity.
Minneapolis fire department relief association (Gen. Stats. 1923, secs. 3748, 3752; amended, Laws of 1925, ch. 204, 205).	$1.50 per month, with initiation fee of $10. Occasional assessments of $2 per member for death benefits.	Proceeds of tax of one-tenth of a mill on the dollar, and 2 per cent tax on foreign insurance premiums.	Service: Optional after 20 years' service, but allowance may not be drawn until retirant reaches age 50. Disability: No age or service requirement.	Service: Proportioned to length of service, with a minimum of $600 per annum for 20 years' service and progressive rates of increase for each 5 years over that. Disability: Graded according to degree of disability, ranging from $180 to $900 a year.	Provision for dependents and funeral benefit of $200.
Firemen's pension and relief fund of New Orleans (La. Acts, 1902, No. 43; 1904, No. 17; 1912, No. 152; 1914, No. 27; and 1926, No. 321).	1 per cent of salary, plus 75 cents a month, and $2 upon death of member.	Various miscellaneous sums and 1 per cent of tax on foreign insurance companies.	Service: Optional after 20 years' service regardless of age. Disability: No age or service requirement.	Service and disability: One-half salary received at time of retirement.	Death benefits; pension for dependents if death due to service.
New York fire department relief fund (Greater New York Charter, secs. 789-791, 809).	No contributions.	Various miscellaneous funds and direct appropriation of amount needed to maintain pension payments.	Service: No age requirement; optional after 20 years' service. Disability: No age or service requirement.	Service, duty disability, and ordinary disability after 10 years' service: One-half of salary at time of retirement. Ordinary disability retirement with less than 10 years' service: Not to exceed one-third of salary at time of retirement.	Provision for dependents.
Firemen's pension fund of Philadelphia. (Brown's Philadelphia Digest, sec. 7-11, p. 47.)	Active force contribute one day's pay per month; pensioners one-half day's pay.	2 per cent of tax on foreign fire insurance companies, and direct appropriations as needed.	Service: Optional from age 45 onward after 20 years' service. Duty disability: No age or service requirement.	Service and duty disability: One-half of average annual salary for last 4 years' service. Ordinary disability: No pension.	Do.

[1] All the systems require medical examination and certification as conditions for disability retirement.

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TABLE 33.—*Comparison of firemens' and of police and firemens' pension systems*—Continued

Name of system	Employees' contributions	City's contributions	Conditions for retirement	Retirement allowances	Other benefits
Firemen's pension fund, of Pittsburgh, Pa. (City Ord. No. 490, 1924.)	2.5 per cent of salaries, plus assessment of $1 on death of member.	Various miscellaneous sums and direct appropriations as needed.	Service: Optional after 20 years' service without regard to age. Duty disability: No age or service requirement.	Service and duty disability: From $600 to $900 a year, according to rank of retirant.	Death benefit.
Firemen's pension fund of St. Louis. (Mo. Rev. Stats. 1919, ch. 72, Art. XXVII; City Ords. 30561-63.)	$2 per month, and initiation fee of $5.	Certain taxes and various miscellaneous sums.	Service: No age requirement; optional after 20 years' service, the last two continuous, Duty disability: No age or service requirement.	Service and duty disability: $600 a year. Ordinary disability: No allowance.	Provision for dependents.
Firemen's relief fund of San Francisco. (City Charter, Art. IX, Ch. VII.)	No contributions.	Appropriates amount necessary, raising it by special tax levy.	Service: Optional at age 55, after 20 years' service, and at any age after 25 years' service. Duty disability: No age or service requirement.	Service and duty disability: One-half of salary received at time of retirement.	Do.
Police and firemen's pension systems					
Fire and police pension system of Los Angeles. (Los Angeles Charter, secs. 180-189.)	4 per cent of salary since January 1, 1927.	A percentage of pay rolls of the two departments, and an annual flat sum to liquidate accrued liability; also miscellaneous sums, fines, etc.	Service: No age requirement; 35 years' service, but permitted after 25 years with smaller allowance. Duty disability: No age or service requirement.	Service: From one-half to two-thirds of average salary for last three years according to length of service (from 25 to 35 years, except that for those in service before system was adopted, it is from 20 to 30 years). Duty disability: Fixed by board, with minimum of 10 per cent and maximum of of 90 per cent of salary at time of retirement.	Do.
Police and fire pension fund of Newark, N. J. (New Jersey Laws, 1920, ch. 160.)	2 per cent of salary. If employee is 35 or over on entrance, 4 per cent.	Various miscellaneous sums and annual appropriation equal to 4 per cent of combined pay rolls of the two departments.	Superannuation: Optional at age 50, after 20 years' service, and compulsory at 65. Duty disability: No age or service requirement.	Superannuation and duty disability: One-half of annual salary received at time of retirement.	Do.
Policemen's and firemen's relief fund of Washington, D. C. (U. S. Stats. at Large, vol. 39, p. 718; vol. 43, p. 176.)	2.5 per cent of salary.	Various miscellaneous funds, and direct contribution from general revenue of District as needed.	Service: Optional from age 60 on. Duty disability: No age or service requirement. Ordinary disability: Age 55, after 25 years' service.	Service and disability: One-half of salary received at time of retirement. If the salary is increased after retirement, the pension is increased to correspond.	Do.

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TABLE 34.—*Receipts and expenditures of firemen's and of police and firemen's pension systems*

Name of system	Year ending—	Receipts from—				Expenditures for benefits			Expenditures for—			
		Employees	Public sources	All other sources	Total receipts	Retirement allowances	Other benefits	Total	Refunds	Cost of administration	Other items	Total expenditures
Firemen's pension systems												
Firemen's relief and pension fund of Buffalo, N. Y.	Dec. 31, 1926	$75,863		$47,370	$123,233			$138,213			$64	$168,277
Firemen's pension fund of Chicago, Ill.	do	132,896	$628,049	9,951	770,896			852,259		$3,264		855,523
Firemen's pension fund of Cincinnati, Ohio	Nov. 30, 1926	3,722	170,293	18,550	192,565			236,627			666	237,293
Firemen's pension fund of Cleveland, Ohio	Dec. 31, 1926	7,020	195,060	15,156	217,176			208,765			116	208,881
Firemen's pension and retirement fund, Detroit	June 30, 1926		258,064		258,064	$217,059	$41,005	258,064				258,064
Firemen's annuity and benefit fund of Milwaukee, Wis.	Dec. 31, 1926	67,753	150,000	41,236	258,989			171,985	$930	2,024		174,939
Minneapolis fire department relief association	do	9,270	101,881	20,041	131,192			131,909		1,724		133,633
Firemen's pension and relief fund of New Orleans	do	25,629	32,583	25,333	83,545	44,110	25,717	69,827		785	17	70,629
New York fire department relief fund	do		2,854,150	849,148	3,703,298	2,288,554	494,391	2,782,945		1,705	66,509	2,851,159
Firemen's pension fund of Philadelphia	Jan. 7, 1926	122,136	366,278	77,713	566,127			191,716		1,604	50	193,370
Firemen's pension fund of Pittsburgh, Pa.	Dec. 31, 1926	53,275	141,000	27,863	222,138	163,894	24,208	188,102	86	660		188,848
Firemen's pension fund of St. Louis, Mo.	do	23,319	107,681	11,706	142,706	117,450	1,125	118,575		578		119,153
Firemen's relief fund of San Francisco	June 30, 1926		349,902		349,902			376,355				376,355
Police and firemen's pension systems												
Fire and police pension system of Los Angeles	do				1,233,213	221,831	64,935	286,766				286,766
Police and fire pension fund of Newark, N. J.	Dec. 31, 1926	98,424	186,648	12,680	297,752	177,707	142,484	320,191		2,882		323,074
Policemen and firemen's relief fund of Washington, D. C.	June 30, 1926	140,186	376,705	6,149	523,040			523,753				523,753

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TABLE 35.—*Relation of beneficiaries to active force and of benefits to pay roll—Firemen's, and police and firemen's pension systems*

Name of system	Year ending—	Number of active force	Pay roll of active force	Number of beneficiaries	Amount spent in benefits	Per cent beneficiaries form of active force	Per cent benefits form of pay roll
Firemen's pension systems							
Firemen's relief and pension fund of Buffalo, N. Y.	Dec. 31, 1926	946	$1,977,553	309	$168,213	32.66	8.5
Firemen's pension fund of Chicago	do	2,341	5,463,140	1,337	852,259	57.11	15.6
Firemen's pension fund of Cincinnati	Nov. 30, 1926	624	1,193,155	356	236,627	57.05	19.8
Firemen's pension fund of Cleveland	Dec. 31, 1926	1,061	2,286,919	342	208,765	32.23	9.1
Firemen's pension and retirement fund of Detroit, Mich.	June 30, 1926	1,698	3,880,110	229	258,064	13.49	6.7
Firemen's annuity and benefit fund of Milwaukee, Wis.	Dec. 31, 1926	723	1,500,769	288	171,985	39.83	11.46
Minneapolis fire department relief association	do	513	1,081,462	242	131,909	47.17	12.20
Firemen's pension and relief fund of New Orleans	do	628	985,189	115	69,827	18.31	7.1
New York fire department relief fund	Dec. 31, 1925[1]	6,078	15,316,180	3,047	2,503,382	50.13	16.3
Firemen's pension fund of Philadelphia	Jan. 7, 1926	2,100		350	191,716	16.67	
Firemen's pension fund of Pittsburgh	Dec. 31, 1926	931	1,933,060	242	188,102	26.00	9.7
Firemen's pension fund, St. Louis, Mo.	do	940	1,813,854	308	118,575	32.77	6.5
Firemen's relief fund, San Francisco	June 30, 1926	967	2,376,642	293	376,355	30.3	15.8
Police and firemen's pension systems							
Fire and police pension system of Los Angeles	do	3,979	7,902,496	351	286,766	8.72	3.6
Police and fire pension fund of Newark	Dec. 31, 1926	2,200	4,601,930	365	320,191	16.59	6.95
Policemen and firemen's relief fund of Washington, D. C.	June 30, 1926	2,286					

[1] Data for 1926 not available.

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CHAPTER 7.—RETIREMENT SYSTEM OF THE TERRITORY OF HAWAII

THIS system, which was established by act 55 of the Laws of 1925, and came into force January 1, 1926, applies to all the employees, including teachers, of the Territorial Government, and, by an amendment passed in 1927, is now open to county and city employees also. Membership was optional for those in service when the act was passed, but compulsory upon those who should enter thereafter. It is a joint contributory system, established upon an actuarial basis.

Contributions

THE employees contribute a percentage of their salaries, determined by sex, occupational group, and age at entrance. Members are divided into two groups, general employees and teachers, and for each the rates are so calculated that for those who enter after the system was adopted the contributions will build up a fund sufficient, by the time the member has reached 60, to provide one-half of the service retirement allowance. For general employees the rates for men range from 4.06 per cent for those entering the service at age 20 but under 21 to 7.15 per cent for those entering at 59 and over; for women the corresponding rates are 4.58 per cent and 8.06 per cent. For teachers the range is from 3.76 per cent to 6.23 per cent for men, and from 4.50 to 7.73 per cent for women.

The Government's contribution, calculated as a percentage of the aggregate pay roll, consists of two parts, a normal contribution to cover its share of the cost of benefits earned by that year's service and a deficiency contribution to meet the accrued liability. For the first two years of operation, the normal contribution was fixed at 3.05 and the deficiency contribution at 2.91 per cent of the pay roll.

Benefits of System

THE benefits provided by the system are service retirement allowance; ordinary disability and accidental-disability benefits; ordinary and accidental-death benefits; withdrawal benefit; and options at the time of retirement, by which a member may, if he chooses, make some provision for dependents in case of his death by taking a smaller benefit himself.

Service retirement is permitted at the age of 60, and is compulsory at 70. The normal retirement allowance is one-seventieth of the average annual compensation received for the last 10 years of service, multiplied by the number of years of service. For those employed after January 1, 1926, it is expected that their accumulated contributions will provide one-half of this, and the Government contributions to their credit will provide the other half. For those in the service at that time, the Government will bear the whole cost of the allowance for the years of prior service.

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The ordinary disability benefit, which is granted after a minimum of 10 years' service, consists of whatever annuity is purchasable by the retirant's accumulated contributions, plus a pension from the Government sufficient to bring the allowance up to nine-tenths of what the employee would be entitled to after the same period of service if he were retired upon a service allowance. The minimum allowance is 25 per cent of the average final compensation unless the retirant entered the service after age 40, in which case he receives nine-tenths of what he would have received at age 60 had he remained in service to that age.

Accidental or duty disability benefit, given in case of disability resulting from an accident incurred in the discharge of duty, consists of whatever annuity the retirant's accumulated contributions will purchase, plus an allowance from the Government equal to two-thirds of the average final compensation.

If death occurs from ordinary causes, after one or more years of service, in addition to the return of the decedent's contributions the Government pays the beneficiaries a lump sum equal to 50 per cent of the compensation received during the year immediately preceding death. If death results from an accident incurred in the discharge of duty, the widow, children under 18, or dependent parents are entitled, in that order, to a pension equal to one-half the average final compensation of the decedent, in addition to the return of the accumulated contributions.

The withdrawal benefit, claimable when an employee leaves the service for any cause other than death or retirement, consists of the return of the retirant's contributions, with interest at 4 per cent, compounded annually.

If an employee is dropped from the service without fault or delinquency after 20 years of creditable service, he is entitled to a discontinued service retirement allowance. This consists of a service retirement allowance, payable at age 60, figured on the basis of service rendered and compensation received prior to the discontinuance of service.

Several options are offered at the time of retirement, whatever the cause of retirement. The general idea is that if the retirant chooses to accept a smaller allowance himself, certain benefits will be continued to his designated beneficiaries.

Scope of System

WHEN this plan was adopted, it was provided that the teachers' pension system then in existence was to be taken into this, and the teachers' accounts credited with contributions paid under their former retirement plan. Also, all pensions in force June 30, 1925, granted on account of service in the Territory of Hawaii were to be continued under the provisions of this act. Consequently the system began operations with a pension list already in force. As of June 30, 1927, retirement allowances amounting to $83,627 per annum were being paid in respect of 101 former employees, of whom 26 had been retired under the act of 1925 and 75 under earlier pension acts. At that time the system included 2,682 members, whose annual salaries aggregated $4,790,712. The members' contributions for the year amounted to $221,119, contributions from the Territory to the

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amount of $194,674 were paid in, and interest amounting to $14,781 was received.

Administration

The retirement system is administered by a board of trustees, consisting of the treasurer and the auditor of the Territory of Hawaii, ex officio, a member elected by the membership of the system, and two citizens of Hawaii, not employees, one of whom shall be a responsible officer of a bank in the Territory or shall have had similar experience.

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CHAPTER 8.—RETIREMENT SYSTEM FOR EMPLOYEES OF THE CANADIAN GOVERNMENT

THE present Canadian system was established by an act passed in 1924 and modified by amendments passed in 1927. It applies to all permanent employees of the civil service who receive as much as $600 per annum, and whose duties require so much of their time as to prevent them from engaging in any other substantially gainful service or occupation. Membership was made optional for those in the service on July 19, 1924, and compulsory for those entering thereafter. Those who had enrolled under earlier schemes were given the option of transferring to this plan, credit being given for contributions already made.

Contributions

THE system is contributory, the employees paying in 5 per cent of their salaries up to 35 years of service, after which time no further contributions are required. The Government supplies whatever amount in addition may be needed to maintain the system.

Benefits of System

THE benefits of the system are summarized as follows:

The superannuation age is 65. Retirement is compulsory at 70 except for cases of peculiar efficiency and fitness for position in which annual extensions up to age 75 may be granted.

The allowances are as follows:

After 10 years' service—

(*a*) *Superannuation allowance.*—On attaining superannuation age, one-fiftieth of the average salary for the last 10 years for each year of service but not exceeding 35 years. The maximum allowance is therefore 70 per cent of such average salary.

(*b*) *Retiring allowance.*—On occurrence of disability or on abolition of office, allowance equal to superannuation allowance to which he would have been entitled if he had attained the age of 65.

(*c*) *Withdrawal allowance.*—On voluntary withdrawal or dismissal (for causes other than misconduct), return of contributions without interest.

(*d*) *Widow's allowance.*—On death of contributor before superannuation or retirement, one-half the allowance to which he would have been entitled. On death of employee after superannuation or retirement, a continuance of one-half his allowance. In both cases the widow's allowance ceases on remarriage.

(*e*) *Children's allowance.*—If the mother is alive, allowance to each child under 18 years in addition to widow's allowance, 10 per cent of employee's allowance, with maximum for any one child of $300, and maximum for all children of 25 per cent of employee's allowance.

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If the mother is dead, allowance to each child under 18 years may be increased to 20 per cent of employee's allowance, with maximum for any one child of $600, and maximum for all children of 50 per cent of employee's allowance.

(*f*) *Dependent's allowance.*—If contributor dies in the civil service and leaves no widow and no child under 18 years of age, an amount may be granted to the dependents not exceeding the amount of the contributions made by the contributor without interest. "Dependent" is defined to mean father, mother, brother, sister, or child of a contributor who is at the date of death of the contributor dependent upon the contributor for support.

Before 10 years' service has been rendered—

(*g*) On occurrence of disability or on abolition of office, a gratuity not exceeding one month's pay for each year of service.

(*h*) On being required to retire on marriage, a gratuity not exceeding the amount of contributions without interest.

(*i*) On the death of the contributor in the service, a gratuity to the widow or children under 18 years of age not exceeding one month's pay for each year of service. If a contributor leaves no widow or child under 18 years of age, a gratuity may be granted to dependents not exceeding the amount of contributions without interest.

Administration

THE system is administered by the Department of Finance.

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CHAPTER 9.—PUBLIC-SERVICE RETIREMENT SYSTEMS IN EUROPEAN COUNTRIES

THE following is a summary of the most important points in the public-service retirement systems in Austria, Belgium, Czechoslovakia, Denmark, France, Germany, Great Britain, Italy, Netherlands, Norway, Sweden, and Switzerland.

Right to Pension or to Insurance Benefits

THE right of civil-service employees to service, disability, and survivors' pensions, or to corresponding insurance benefits is recognized by all the above-named countries

Types of Systems and Contributions

RETIREMENT systems in these countries are of two types: (*a*) A system in which the employees do not contribute and the pensions are paid and expenses borne entirely by the public treasury might be held to be a true pension system. Such systems are in operation in Belgium and Great Britain, and in Germany for officials (*Beamte*) only. (*b*) A system in which the employees contribute either the entire cost or only a percentage, usually 50 per cent, is of the nature of social insurance, though it is often called, even in law, a pension system. Such insurance systems for civil-service employees are in operation in all of the above countries except Belgium and Great Britain. In France 6 per cent of the salary is contributed by employees and 9 per cent by the Government. In Italy the employees pay 6 per cent of their salary and the Government contributes each year the rest of the cost of operation. In Germany—for employees (*Angestellte*)—50 per cent of the necessary contributions is made by the employees and 50 per cent by the Government; the same proportions of the contributions are paid by the employees and the Government in Austria and in Czechoslovakia. In Denmark 3 per cent of the salary is contributed by employees and the remainder of the cost of operation of the system is contributed by the Government. In Sweden from 3 to 6 per cent of the salary is contributed by employees, the rest, approximately two-thirds of the cost of the operation of the system, being contributed by the Government. In the Netherlands the employees contribute 3 per cent of their basic salaries to the employees' pension fund and 5½ per cent to the widows and orphans' pension fund, and the State, provincial, and municipal governments contribute 10 and 5½ per cent, respectively, of the average of the total basic incomes of their respective employees. In Norway 10 per cent of the salary is contributed by employees and the remainder of the cost by the Government, In Switzerland 5 per cent of the salary and four monthly payments of any salary increase are paid by the employees, and 7 per cent of the salary, five monthly payments of any salary increase, cost of administration and any deficit is paid by the Government.

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Conditions for Retirement

THE conditions as to age and length of service for retirement benefits are as follows: (*a*) The retirement age varies from country to country. It is 60 years in Austria, France, and Great Britain, 65 years in Belgium, Czechoslovakia, Germany, Italy (after 20 years' service), and the Netherlands, 67 years in Sweden, and 70 years in Denmark, Norway, and Switzerland.

The retirement age, however, varies in the same country, in certain cases. For instance, in France it is 60 years after 30 years' service, or 55 years after 25 years' service, including 15 years' field service. In Denmark an employee is compelled to retire at 70 years of age, but at 65 years of age he acquires a pension right. In the Netherlands in certain cases, by royal decree, an employee who is honorably discharged at the age of 55 years, when he has rendered 10 years' service, is allowed a pension. The retirement age for male employees in Norway is 70 years and for female employees 65 years, but for certain occupations requiring nervous strain and exposure to elements the retirement age is lower—68 years in State mines, etc., 65 years in the State prison, post, telegraph and telephone services; 60 years for female employees in prison service and State medical establishments; 55 years for female telegraph and telephone operators; and 52 years in the State marine service. In Italy, after 40 years' service, there is no age limit.

(*b*) The required length of service for pension or insurance benefits varies still more from country to country. It is 10 years in Austria, Czechoslovakia, Germany (5 years for female employees), Great Britain, the Netherlands, and Sweden; 30 years in France (or 25 years, including 15 years' field service) and Belgium; from 2 to 30 years in Denmark (full or maximum pension for 30 years' service; for shorter periods of service the pension is proportionally decreased); from 10 to 30 years in Norway (the size of pension varies proportionally to the years of service); 40 years' service, or 20 years' service at the age of 65, in Italy.

(*c*) In case of disability caused by accident or sickness in service or otherwise, usually the length of service is not considered, with the exception of the following countries: In France, 15 years' service is required when disability is caused outside of service; in the Netherlands, 7 years when disability is not serious, permanent, or total.

Retirement Allowances

THE allowances vary according to the size of the salary or income from service, to the length of service rendered, or to the amount of contributions made. In Austria the full allowance is 78.3 per cent or approximately three-fourths of the salary, while in Belgium it is one-sixtieth of the average annual salary of the last five years and in field service one-fiftieth of such salary multiplied by the number of years of service rendered, with a maximum of three-fourths of basic salary per annum. In Czechoslovakia the regular allowance, after 120 monthly contributions, amounts to from 180 to 900 crowns per annum for salary classes 1 to 6; 900 crowns plus from 1½ to 15 crowns for each monthly contribution for salary classes 7 to 16; in

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addition one-eighth of the contributions paid after the required 120 months' contribution. The pension allowance for male employees in Great Britain is one-eightieth of the average of the salary of the last three years multiplied by the number of years of service, plus a lump sum equal to one-thirtieth of such salary multiplied by the number of years of service, or one and one-half times the salary, whichever is smaller, and for female employees it is one-sixtieth of such salary multiplied by the number of years of service, which is equal to one-half of the salary per annum after 30 years' service. In France, the allowance is from one-half to three-fourths of the average salary during last three years. In Germany the pension to officials is from thirty-five to eighty one-hundredths of the last annual income from service, and insurance benefits to employees are from 516 to 2,280 marks per annum. The pension in Italy is one-fortieth of the first 4,000 lire and one-sixtieth of the remainder of the average income from service of the last three years for each year of service—maximum nine-tenths of such income from service and minimum 900 lire —and for 40 years' service the pension is four-fifths of such income from service. In Switzerland the allowance is from 15 to 70 per cent of the last annual salary, and in Denmark from two-tenths to forty-sixtieths of the annual income from service—maximum, 8,000 crowns. Sweden provides maximum pensions to chiefs and other officials of from 7,296 to 8,796 crowns per annum, and to other employees, males from 1,320 to 6,996, and females from 1,236 to 6,684 crowns per annum, varying with salary. In the Netherlands for each year of service the allowance is 1.75 per cent of the average income from service for the last three years, with a maximum of 70 per cent of such such average income. In Norway for the lower salaries, from 1,000 to 6,000 crowns per annum, the pension amounts to 66 per cent of the highest annual salary, for salaries of 6,100 crowns the pension amounts to 65.7 per cent of such salary, and for salaries over 6,100 crowns this amount is gradually decreased by 0.3 for each salary base to 54 per cent for the salary of 10,000 crowns or over.

Usually the disability allowance, when disability is permanent and caused by accident or sickness in service, is equal either to the full-service pension or to the salary. In Great Britain (for accidental injury) it is equal to the salary, with a maximum of £300 per annum; in France it is from one-third to three-fourths of the salary, with a minimum of 1,500 francs per annum, or the full service pension; and in Austria, Belgium, Czechoslovakia, Denmark, Germany (employees), Norway, Sweden, and Switzerland, it is equal to the full service pension. In Italy, the disability allowance is one-fortieth of the average income from service of the last three years for each year of service, with a maximum of nine-tenths of such income from service and a minimum of one-third of the last annual salary for less than 20 years' service or one-half of such salary for 20 years' service or more, in any case 900 lire per annum; in the Netherlands it varies from 30 to 70 per cent of the average income from service for the last three years; and in Germany (for officials) it may not exceed thirty-five one-hundredths of the income from service.

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Survivors' Allowances

THE allowances paid to widows and orphans in the various systems are as follows: (*a*) Widow: In Great Britain widows and orphans, where the employee died from injury in discharge of duty, may be granted an allowance not to exceed the salary of the deceased. In Italy the widow and children are entitled to a pension equal to the following proportion of deceased employees' pension: Widow, 50 per cent; widow with children—one child, 60 per cent; two children, 65 per cent; three children, 70 per cent; four or more children, 75 per cent, with a minimum of 600 lire per annum. In Austria, Czechoslovakia, France, Norway, and Switzerland, the widow is awarded one-half of the deceased husband's pension; in Belgium, from 20 to 50 per cent of the deceased husband's salary (paid from special funds); in Germany, in the case of officials, 40 per cent, and of employees 60 per cent of the deceased husband's pension; in Denmark, from one-fifth to one-third of the deceased husband's income from service; in the Netherlands, 50 per cent of the first 2,000 florins and 40 per cent of the remainder of the basic income from service of deceased husband; and in Sweden, one-fourth of the deceased husband's pension.

(*b*) Widow's children: The children's allowance in France is 10 per cent of the pension of the deceased for each child under 21; in Austria, one-fifth of the widow's pension for each child under 21; in Belgium, from 2 to 10 per cent of the average salary of the deceased for each child under 18; in Czechoslovakia, one-fifth of the pension of the deceased for each child under 17; in Germany, for officials, one-fifth of the widow's pension for each child under 18, and for employees 50 per cent of basic retirement benefits of deceased for each child under 15; in Switzerland, 10 per cent of the annual salary of the deceased for each child under 18; in Denmark, for one child, 180 crowns; for two children, 330 crowns; for three children, 450 crowns; and for each child in excess of three, 100 crowns per annum; in the Netherlands, 10 per cent of the pension base of the deceased (maximum base for calculation, 3,000 florins) for each child under legal age; and in Norway, for one child 40 per cent, for two children 60 per cent, for three children 75 per cent, for four children 90 per cent, and for five or more children 100 per cent of the widow's pension. For provision for children in Great Britain and Italy, see under "Widow."

(*c*) Whole orphans: Great Britain (see "Widow"); for whole orphans the allowance in France is 10 per cent of the pension of the deceased for each child under 21 plus proportionate share of widow's pension; in Austria, an undivided orphans' pension of half of widow's pension; and in Belgium three-fifths of widow's pension for one orphan, four-fifths for two orphans, entire widow's pension for three orphans, plus 2 per cent of average salary for each child over three under 18, maximum 10 per cent. Czechoslovakia pays two-fifths of benefits of deceased for each child under 17, maximum, total benefits; Germany, for officials, one-third of widow's pension for each child under 18 and for employees 50 per cent of the basic retirement benefits of the deceased for each orphan under 15; Switzerland, 20 per cent of the annual salary of the deceased for each child under 18; Sweden, living expenses, schooling, and training of orphans under 21 (paid by the survivors' pension fund); and Italy, where there are

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not more than two orphans, one-third of deceased employee's pension; where three orphans, 40 per cent; four orphans, 50 per cent; and five or more orphans, 60 per cent, subject to a minimum of 500 lire per year. In the Netherlands this allowance is 20 per cent of the basic income from service of the deceased (maximum basic income for calculation, 3,000 florins) for each orphan under legal age; and in Norway it is double the amount of pension given to widow's children.

Administration of Pensions

CIVIL-SERVICE pensions are administered by a special council or board, or office, under either the treasury department, as in Austria, Belgium, Denmark, France, Great Britain, Italy, and Sweden or under the department of public or social welfare, as in Czechoslovakia and Norway, or by an independent State or national insurance office, as in Germany, or under a Federal council as in Netherlands and Switzerland.

AUSTRIA [1]

Legislation

THE main laws on which the present Austrian civil-service retirement and pension system is based are the Austrian Constitution; the law of January 25, 1914; the pension law of December 17, 1921; and the salary law of July 18, 1924. There are other laws [2] affecting retirement and pensions, but they are rather of a supplementary nature, concern certain details, or contain temporary measures in connection with war-time emergencies and the rise of the cost of living.

Employees Covered

THE officials and employees in Government offices and establishments, including State corporations, have the right to pension, with the exception of contract civil employees. "Contract employees" are employees engaged for a specific task.

Retirement Age and Length of Service

A CIVIL-SERVICE employee may be compelled to retire when he has passed the age of 60 and has acquired the right to full pension. Judges retire on December 31 following their sixty-first birthday.

As a rule a pension claim arises only after 10 years' service. For a shorter term of service than 10 years a lump sum is usually paid.

[1] The data on which this section is based are from Reichsgesetzblatt, Jan. 27, 1914, and July 31, 1917; Staatsgesetzblatt, Nov. 30, 1918, Dec. 18 and 30, 1919, and June 5 and Oct. 13, 1920; Bundesgesetzblatt, Dec. 29, 1921, July 29 and Oct. 22, 1922, May 16 and July 24, 1924, Dec. 18 and 31, 1926, and Apr. 14, 1927; unpublished material furnished to the Department of Labor through the Department of State.

[2] These laws, which are still in force either in whole or in part, are the following: Imperial decree of Dec. 9, 1866 (granting pensions to civil-service employees); law of May 21, 1868 (relating to civil-service employees in the judiciary); law of May 14, 1896; imperial decree of June 9, 1915, and administrative resolution of Dec. 10, 1915; decree of Ministry of Finance of June 20, 1917; executive order of State Finance Office of Nov. 28, 1918; law of Oct. 20, 1919 (relating to the military police); law of Oct. 30, 1919 (relating to guards in the Finance Bureau); law of Oct. 30, 1919 (relating to the police); law of Oct. 1, 1920 (concerning civil-service employees in the post and telegraph service); law of Oct. 1, 1920 (known as the accident survivor law); law of July 14, 1921; decree of Apr. 27, 1922; law of July 24, 1922; resolution of Sept. 28, 1922; resolution of Feb. 14, 1923; law of Mar. 21, 1925; law of Apr. 3, 1925; executive order of Ministry of Commerce and Transportation of Apr. 7, 1925, No. 11470 (referring to the postal service); law of May 26, 1926; decree of Dec. 7, 1926 (referring to mail carriers on a commission basis and to their survivors); law of Dec. 10, 1926; law of Apr. 1, 1927; decree of Apr. 12, 1927 (referring to postal employees and their survivors); decree of Ministry of Social Welfare of May 4, 1927.

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Retirement Allowances

A CIVIL-SERVICE employee, upon retirement from service, is paid either a pension or a lump sum. He draws his pension from the 1st of the month following his retirement, of which he is formally notified, and until that date he continues to receive his salary in full.

The annual pension is calculated on 78.3 per cent of the salary or income from service (that income which is recognized by the proper authority as the basis for calculation). This 78.3 per cent of the income is called the "pension calculation basis" (*Ruhegenussbemessungsgrundlage*), and the maximum pension may not exceed this amount.

After 10 years' service the pension is 40 per cent of the pension calculation basis, and increases by 2 per cent for each additional year of service, so that the maximum pension is reached after 40 years' service. The pension increase to a civil-service employee who has completed a university course is 2.4 per cent of the pension calculation basis for each year after 10 years' service, so that he can obtain the maximum pension after 35 years' service.

For a shorter term of service than 10 years a lump sum is usually paid, which for a term of from 3 to 5 years' service amounts to the equivalent of the pension calculation basis, and for a term of 5 to 10 years' service is equal to twice the pension calculation basis.

Pension privileges.—The special per cent of 2.4 of the pension calculation basis for each year of service after 10 years is also granted to civil-service employees in executive positions in the post, telegraph, and telephone service and in supervisory positions in Federal prisons and jails.

For civil-service employees in the customs service and for police officers three years' service is counted as four. For military police officers one full year of service is counted as 16 months.

Lump-sum payment.—A lump sum will be granted a civil service employee at his request, provided he renounces for himself and his family all claims which may have arisen from his service. The lump sum amounts to the total salary for two years calculated at the rate of his last annual salary; that is, the salary or income which serves as the basis for calculation of pension.

Loss of right to pension.—The right to a pension expires on the loss of Austrian citizenship or when a civil-service employee is sentenced for a crime, or declares his intention to leave the service and renounces his claim to the pension, or when a disciplinary court decrees the forfeiture of the pension.

Appeal.—If a civil-service employee is dissatisfied with the disposition of his pension claim, he may appeal to the administrative authorities, and if not satisfied with their decision he may, within six months, carry his case to the constitutional court for redress.

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Disability

A CIVIL-SERVICE employee who is disabled for service is entitled to retire either permanently or temporarily, according to whether the disability is permanent or temporary. An employee who is permanently disabled may be compelled to retire. Under legal regulations an employee is pensioned when he has been absent from his work more than one year on account of sickness.

The cause, degree, and probable duration of the disability must be ascertained by an officially appointed physician, but no examination is required when the employee has passed his sixtieth birthday. In doubtful cases the proper authorities may reexamine the case.

A judge may be compelled to retire permanently or temporarily on the ground of bodily or mental defects, ascertained by a disciplinary court.

The disability pension is calculated in the same way as the service pension.

War-time privileges.—If a civil-service employee is retired because of permanent disability half a year is added to the period of his civil service for every calendar year of the war during which he was at least six months in active civil service, provided he is not entitled to other war pension privileges under paragraph 2 of the law of November 28, 1918. One year is added to his civil-service time for each calendar year in which a civil-service employee had at least three months of active military service, and in case he took part in fighting, was wounded by the enemy, or became disabled through war service (by disease), the counting of the calendar year as a "war year" is his right without regard to the duration of his military service.

Survivors' Allowances

IN CASE of the death of a civil-service employee his surviving family is entitled to a death benefit either in the form of a lump sum amounting to three times his last monthly salary, or of a pension. "Family," as used in the pension law, includes the widow, unless a divorce can be proved in which the wife was the guilty party, and the legitimate children or children who have been legitimated by a subsequent marriage. The children of a civil-service employee are entitled to the death benefit only if there is no widow with a valid claim.

Widow's pension.—If a civil-service employee at the time of his death had not acquired the right to a pension, his widow is entitled to a lump-sum payment amounting to one-fourth of the last annual salary which serves as the pension calculation basis; otherwise she is entitled to a widow's pension, equal to 50 per cent of the pension which her deceased husband was receiving or would have been entitled to at the time of his death.

The widow of a civil-service employee who had passed his sixty-fifth year of age before the marriage took place is entitled to a widow's pension only if such employee had had at least 15 years' service and if the marriage had lasted at least two years, or, in the case of the marriage of a retired employee, three years. In the latter case the difference in age between the married couple may not exceed 25 years.

However, the condition as to the duration of a marriage contracted by a civil-service employee after he was of 65 years of age is not insisted

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upon if a child has been born in wedlock or has been legitimated by the marriage, or if proof can be furnished that the widow, at the time of the death of her deceased husband, was pregnant.

The widow loses her right to a pension when she marries again. If a widow has not claimed the lump sum which may be paid instead of a pension, the widow's pension is suspended as long as the second marriage lasts.

Orphans' pension.—Besides the widow's pension a widow is granted for each of her children for their education an amount equal to one-fifth of the widow's pension. The total of the pensions of the widow and the orphans of a civil-service employee who died during service may not exceed the pension calculation basis. The total pension of the widow of a retired employee may not exceed the sum of his pension.

The orphan's pension is paid until the child reaches 21 years of age, or has been otherwise provided for; if by reason of physical or mental defect the child is unable to earn a livelihood, the pension may be granted for a longer time, i. e., for the lifetime of the child. Should a child, because of studies or extended special training, not be able to earn its living at the age of 21 years, the pension may be continued until its twenty-fourth year.

The children, if no widow files a claim, are entitled, in case the civil-service employee at the time of his death was not entitled to a pension, to a lump sum, amounting to one-fourth of the last annual salary which serves as the basis of pension calculation; otherwise they are entitled to an undivided orphans' pension amounting to half the customary widow's pension.

If the total sum of the orphans' pension to which the widow would have had a claim exceeds the amount of the widow's pension, the excess is to be allotted as a supplement to the widow's pension, for the orphans' pension may not exceed that of the widow. Whenever a child starts earning its own living, this supplement is reduced by the sum representing the portion for one child.

Contributions and Administration

THE contributions are calculated on an actuarial or mathematical basis—50 per cent by the Government and 50 per cent by the employees. A civil-service employee pays pension contributions equal to 3.2 per cent of his salary for the duration of his service if he is entitled to a full pension before the fortieth year of service, and amounting to 2.8 per cent in the case of a pension payable after 40 years of service. The Ministry of Finance administers the retirement and pension system.

Contract Civil-Service Employees

UNDER the ordinance of January 16, 1925, a contract civil-service employee in full-time employment, when prevented by illness from performing his service and this is not due to carelessness or design, has a claim to full pay for a month, or, if he has served more than two years, for two months. In exceptional cases the salary may also be paid for a third month.

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BELGIUM [3]

Legislation

CIVIL-SERVICE retirement and pensions in Belgium are governed and regulated by numerous laws. The most important is, perhaps, the law of July 21, 1844, covering the system of civil-service pensions. This law was successively amended and modified by the laws of February 17, 1849, January 10, 1886, June 3, 1920, and July 29, 1926. There have also been enacted special laws relating to pensions of judges (law of July 25, 1867), high-school teachers (law of July 30, 1879), grammar-school teachers and professors, and teachers in public or elementary schools (laws of 1876, 1884, 1901, and 1912), and the clergy (law of April 24, 1900.)

General Provisions

SINCE July 1, 1924, all pensions are composed of a fixed sum and a changeable sum. The latter varies according to the fluctuations of the value of the franc in relation to the cost of living. This combination has given satisfactory results to all concerned so far, except that it has somewhat complicated the administrative work. Whether it will be retained or will be abandoned or modified, owing to the stabilization of the franc, remains to be seen.

In examining the existing laws governing civil-service retirement and pensions in Belgium, a decided line must be drawn between pensions to civil-service employees themselves and pensions to their widows and orphans.

Retirement Pensions

THE pensions to civil-service employees are gratuitous, being charged to the public treasury. There is no special pension fund to maintain these pensions, the necessary sums for their payment being included yearly in the budget of the public debt.

The pensions paid are, as a general rule, proportioned to the salaries and the length of service. The payment of more than one pension to a civil-service employee or the payment of a pension and a salary to him is authorized only under certain conditions.

The regulations as to retirement and the payment of pensions of civil-service employees in the various administrative departments may be summed up as follows:

Magistrature

Age and length of service.—Retirement is required at the age of 70 years in the jurisdiction of lower courts, and from 70 to 75 years in the jurisdiction of higher courts. For 30 years of civil service, of which at least 15 years have been in the magistrature, an annual pension is paid equal to the average salary of the last three years.

In case a civil-service employee has reached the retirement age and has been in civil service less than 30 years his annual pension is

[3] The data on which this section is based are from Les Codes et les lois spéciales les plus usuelles en vigueur en Belgique, Brussels, 1925; Axters, Henry, Commentarie de la loi organique, Brussels, 1898, XIV, pp. 427–460—des pensions; and unpublished material furnished to the Department of Labor through the Department of State.

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one-thirtieth less per year than the average salary of the last three years.

Disability pensions.—When a civil-service employee who has been in the service five years or over is disabled from any cause other than accident in the service, he is entitled to an annual pension of one-sixth of the average salary of the last five years, and in addition one thirty-fifth of the same average salary for each year of service over five years.

Accident pension.—In case of a permanently disabling accident occurring in the service the employee is entitled to an annual pension equal to one-fourth of the last year's salary, and in addition one thirty-fifth of the last year's salary for each year of service over five years.

Maximum pension.—The maximum pension in each of the above cases in the magistrature is a sum equal to the salary or income which served as the basis for settlement.

High-School Instruction Service

Age, length of service, disability, and pension.—When a civil-service employee has been 30 years in the service, or when he has reached the age of 70 years and has been in the service 10 years, or when he has served 20 years and has been permanently incapacitated in the service by a cause other than accident, he is entitled to an annual pension equal to the average salary of the last five years of service. When he has reached the age of 60 years and is disabled in service by a cause other than accident, he is entitled to an annual pension amounting to one-sixth of the average salary of the last five years of service and in addition to one thirty-fifth of the same average salary for each year of service over five years.

Accident pension.—In case a civil-service employee has suffered an accident in service, permanently disabling him, he is entitled to an annual pension equal to one-fourth of the last salary and, in addition, one thirty-fifth of the last salary for each year of service over five. This is increased to one-third of the last salary when he has shown extraordinary courage and devotion.

Maximum pension.—The maximum pension in each of the above cases in the high-school instruction service is equal to the salary or income which served as the basis for settlement.

Normal-School and Intermediate Instruction Service

Age, length of service, disability, and pension.—When a civil-service employee has reached the age of 55 years and has served 30 years, or the age of 60 years and has served 15 years, or when he is permanently disabled in the service by a cause other than accident, he is entitled to an annual pension amounting, per year of service, to one fifty-fifth of the most favorable average salary of five consecutive years during his service. The maximum pension is two-thirds of the most favorable average salary of five consecutive years during his service.

Accident pension.—In case of a permanently disabling accident the employee is entitled to an annual pension amounting to one-fourth of the last annual salary, and in addition one fifty-fifth of the last annual salary for each year of service over five years.

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Maximum pension.—The maximum pension in each of the above cases in the normal and intermediate instruction service is equal to two-thirds of the salary or income which served as the basis for settlement.

Public or Elementary School Instruction Service

Age, length of service, disability, and pension.—When a civil-service employee has reached the age of 50 years and has been in service 30 years, or the age of 60 years and has been in service 15 years, or when he has been in service 10 years and is permanently disabled in the service by a cause other than accident, he is entitled to an annual pension amounting, for each year of service, to one-fiftieth of the average salary of the last five years of service.

Accident pension.—When a civil-service employee has suffered an accident in service which permanently disables him he is entitled to an annual pension equal to one-fourth of the last salary, and in addition one-fiftieth of the same salary for each year of service over five years.

Maximum pension.—The maximum pension in each of the above cases in the public or elementary school instruction service is equal to two-thirds of the salary or income which served as the basis for settlement.

All Other Civil-Service Employees

Age, length of service, disability, and pension.—When a civil-service employee has reached the age of 65 years and has been in the service 30 years, or when he has been in the service 10 years and is permanently disabled in the service by a cause other than accident, he is entitled, in case of office service, to an annual pension amounting, for each year of service, to one-sixtieth of the average salary of the last five years, or in case of field service to one-fiftieth of the average salary of the last five years.

Accident pension.—An employee who in the course of his employment has suffered a permanently disabling accident is entitled to an annual pension amounting to one-fourth of the last annual salary, and in addition one-sixtieth of the same salary for each year of service over five years.

Maximum pension.—The maximum pension in each of the above cases is equal to three-fourths of the salary or income which served as the basis for settlement.

Widows' and Orphans' Pensions

THE pensions to widows and orphans are paid from special funds established and regulated by law. These funds are maintained by means of deductions from the salary of their members, and, at least in principle, the funds can not be subsidized by the public treasury. However, it became necessary to break this rule in 1920 after a general revision and owing to the depreciation of the franc.

The funds for widows and orphans are placed under the control of a board of governors composed of civil-service employees appointed by the Government. The funds must be converted into State securities or treasury bonds.

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The law simply outlines the organization of the funds, and so each fund has its own by-laws, which differ greatly in respect to deductions and the conditions as to payment of pensions.

The most important points in the by-laws of the various funds for widows and orphans of civil-service employees in the Departments of Finance, Justice, and Colonies are as follows:

Department of Finance

Amount of deductions.—For all affiliated employees in the department: (*a*) Five per cent of the salary; (*b*) salary of the first month; (*c*) first two months of all increases; (*d*) 5 per cent on all pensions of widows and orphans. In addition, for married employees: (*a*) One and one-half per cent of the salary from the time of entering the department; (*b*) 1 per cent of the salary in case of disproportion in age of the married couple; (*c*) 5 per cent on pensions of married employees.

Conditions for approval of pensions.—Five years' service and three years' married life in cases of widow's pension and five years' service only in cases of orphans' pensions are required for approval of pension.

Widow's pension.—For 10 years' service or less, 20 per cent of average salary of last 5 years and 1 per cent for each year of service over 10 years, this 1 per cent not to exceed 140 francs per year. The maximum annual pension is 10,000 francs, or one-half of the last annual salary.

Orphans' pensions.—The pension paid to whole orphans up to 18 years of age is a sum equal to three-fifths of the widow's pension in case of one orphan, to four-fifths in case of two orphans, and to the widow's pension in case of three orphans; and in addition, 2 per cent of the average salary per orphan in excess of three, with maximum of 10 per cent. Where the mother is living the orphans' pension is, for each child, 2 per cent of the average salary, with maximum of 10 per cent.

Department of Justice

Amount of deductions.—For all affiliated employees in the department: (*a*) Five per cent of the salary; (*b*) salary of the first month; (*c*) first three months of all increases; (*d*) 5 per cent on all pensions of widows and orphans. In addition, for married employees: (*a*) Two and one-half per cent of the annual salary during 10 years and 1 per cent of salary thereafter; (*b*) 5 per cent on pensions of married employees.

Condition for approval of pensions.—Five years' service and three years' married life in cases of widow's pension and five years' service only in cases of orphans' pensions are required for approval of pension.

Widow's pension.—The basis for the calculation of widow's pension is 26½ per cent of total deductions from husband's salary, with maximum of 10,000 francs, and in case of disproportion in age, 1 per cent less for each year of difference in age.

Orphans' pension.—The pension for orphans up to 18 years of age is equal to three-fifths of the widow's pension in case of one orphan; to four-fifths in case of two orphans; to the widow's pension in case of three orphans; and to 10 per cent of the widow's pension for each child in excess of three. Where the mother is living, the pension to each child amounts to 10 per cent of the mother's pension.

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Department of Colonies

Amount of deductions.—For all affiliated employees in the department: (*a*) Five per cent of salaries; (*b*) salary of first month; (*c*) first three months of all increases; (*d*) five per cent on all pensions of widows and orphans. In addition, for married employees: (*a*) One per cent of salary; (*b*) 10 per cent on pensions of married employees less than 65 years of age; (*c*) 3 per cent on pensions of married employees over 65 years of age.

Widows and orphans' pensions.—Pensions to widows and orphans are calculated on actuarial or insurance bases.

CZECHOSLOVAKIA [4]

CZECHOSLOVAKIA is a new State composed of certain Provinces which formerly belonged to Austria, Hungary, and Germany. The new State inherited from these countries their civil-service retirement, pension, and insurance systems, which have been coordinated and amended to include certain new features. The successive laws and amendments have each included new groups of employees under the insurance system until practically all employees in private and Government service who are not otherwise entitled to pensions or compensation in some form are under compulsory insurance.

As a result of the numerous laws and amendments, the present-day Czechoslovakian pension and insurance system has become quite complicated. According to information obtained from the Czechoslovakian Legation in Washington, a new system is now under consideration.

Law of February 5, 1920

CZECHOSLOVAKIA became an independent Republic on October 28, 1918. On February 5, 1920, a law (No. 89) was passed, effective July 1, 1920, which amended the old imperial pension law of December 16, 1906.

The law of February 5, 1920, made insurance compulsory for all employees in the Czechoslovakian Republic between the ages of 16 and 55 years, including brain workers and employees in supervisory positions, clerical workers in offices, commercial houses, warehouse-transportation enterprises, and law and notary offices, but excluding unskilled and day laborers and those employees of the Government and of religious organizations recognized by the Government who were already insured.

Employees liable to compulsory insurance were grouped into 16 salary classes, the first class including those with an annual salary up to 900 crowns, and the sixteenth or highest class those with an annual salary of 9,000 crowns and over.

The law declares that the objects of the insurance are to provide: (*a*) Disability benefits; (*b*) old-age benefits; (*c*) educational allowances (for bringing up children) in addition to disability and old-age pension; (*d*) widow's pensions; (*e*) educational allowances for orphans; (*f*) funeral allowances; and (*g*) lump-sum payments to widow, orphans, or needy parents.

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[4] The data on which this section is based are from Sbirka zákonů a nařízení, státu Československeho, pt. XVIII, Feb. 24, 1920, pt. CXLIV, Dec. 31, 1920, pt. 112, Oct. 30, 1924, pt. 24, Nov. 15, 1924, and pt. 93, Nov. 1, 1925; Finanči Zákon Republika Československé (Statni Rozposnet-budget) 1924–1927.

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To be entitled to full benefits the insured employee must have contributed to the fund for 120 months (called "waiting time" or "term"). If disability or old age or death occurs after 60 but before 120 monthly payments have been made, the benefits are payable in reduced amounts proportioned to the number of payments made. In case of a disabling accident, the employee is entitled to full benefits regardless of the number of his monthly contributions.

Disability and old-age benefits.—The benefit consists of two parts, "regular" and "additional."

The size of the "regular" benefit is determined by the salary class of the insured employee, the income of the last 24 contribution months being used as the basis of calculation. The regular disability benefit per year is as follows: Class 1, 180 crowns; class 2, 270 crowns; class 3, 360 crowns; class 4, 540 crowns; class 5, 720 crowns; class 6, 900 crowns.

If the wage class is higher than the sixth the benefit is computed by adding to the benefit in class 6 the following specified amount for each month the insured employee has paid his contribution: Class 7, 1½ crowns; class 8, 3 crowns; class 9, 4½ crowns; class 10, 6 crowns; class 11, 7½ crowns; class 12, 9 crowns; class 13, 10½ crowns; class 14, 12 crowns; class 15, 13½ crowns; class 16, 15 crowns. The regular disability benefit, however, may not be less than one-fourth of the total contributions of the insured employee for the entire waiting time (120 months) or up to the date of injury.

The "additional" disability benefit begins after the completion of the waiting time (120 months) and amounts annually to one-eighth of the contribution paid after the required 120 months' contribution.

After 60 months' contribution the insured employee is entitled to an annual benefit equal to two-thirds of the "regular" benefit, and for every additional contributing year one-fifteenth of the regular disability allowance is added, but the reduced disability pension payable after 60 contributing months must not be less than one-sixth of the amount of the contributions paid to date.

The disability benefit may be increased as much as 50 per cent if the insured employee is so disabled that he requires care by persons outside his family.

The old-age benefit is a life pension, payable from the day the insured becomes 65 years of age.

The disability or old-age benefit of a person whose child or children would be entitled to an educational allowance in case of his death may be increased to allow for his care of such children. For each child this addition amounts to one-sixth of the regular disability benefit. If the person receives a reduced benefit the additional allowance shall be only one-sixth of this amount for each child. But the total of such additional allowances may not be more than 50 per cent of the regular or partial disability allowance received.

Survivors' benefits.—A widow's pension is payable from the day of the death of her husband until she remarries or dies.

Every child under 18 years of a deceased insured father or mother who received or was entitled to a disability or old-age benefit at the time of his or her death is entitled to an educational benefit. Illegitimate children are also entitled to this benefit if the paternity of the deceased insured was legally established before his death. Educational allowances are payable from the day of the death of

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the parent until the child is 18 years of age or until the child dies, marries, or finds other means of support. In exceptional cases this allowance may be continued beyond the time when the child reaches 18 years.

If the insured dies before the completion of 60 contributing months but not as the result of an industrial accident, and if all other conditions necessary for a widow's pension or educational allowance are met, the widow may claim a final settlement. If there is no widow or if she is not entitled to make such a claim the orphan children may claim it in equal parts If there are neither widow nor orphan children entitled to such a settlement claim to it may be made by the needy mother of the deceased, provided she was dependent on him for support. If there is no mother a needy father previously dependent on the deceased may claim it.

As a final settlement the widow or children get twice the regular annual disability allowance of the deceased, while the father or mother receive only the amount of the annual disability allowance to which the deceased was entitled, according to the wage class and after the completion of 120 contributing months.

Funeral benefits.—The survivors of an employee who under this law was entitled to disability or old-age or widow's or educational allowances and who had completed 60 contributing months, if they have given him burial, are entitled to funeral benefits equal to one-fourth of the benefit which the deceased received or to which he was entitled.

Time of payment of benefits.—All benefits, including educational allowances, are payable monthly and in advance

Law of December 22, 1920

THE law of December 22, 1920, amends the workmen's insurance law of March 30, 1888, as amended May 15, 1919. It provides for medical aid, maternity pensions, and funeral allowances, but does not apply to those Government employees who are entitled to at least a year's salary in case of illness.

Sick benefits.—If illness continues beyond three days and the patient is incapable of work he receives the following daily sickness benefit from the day sickness began.

	Crowns		Crowns
Wage class 1	1. 4	Wage class 8	14. 0
Wage class 2	2. 7	Wage class 9	16. 0
Wage class 3	4. 0	Wage class 10	18. 0
Wage class 4	6. 0	Wage class 11	20. 0
Wage class 5	8. 0	Wage class 12	22. 0
Wage class 6	10. 0	Wage class 13	24. 0
Wage class 7	12. 0		

Sick benefits are paid at the end of each week until the patient recovers, but not longer than one year.

Maternity benefits.—Maternity benefits are paid in the above amounts for six weeks preceding and six weeks following childbirth, provided the mother does not engage in remunerative labor during that period. A mother who nurses her baby receives, in addition to the sick benefit, one-half of that amount for 12 weeks following childbirth. This period may be extended to 26 weeks.

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Funeral benefit.—If the sick person dies within six months after his claim to sick benefit expires his survivors may receive as a funeral allowance an amount equal to 30 times the average daily wage of the insured, but not less than 150 crowns.

Benefits to members of family of insured.—The sick benefits enumerated above are also available to the members of the family of the insured, including husband, wife, and legitimate, illegitimate, and step children until the completion of their sixteenth year of age, parents, brothers, sisters, grandparents, father-in-law, and mother-in-law, who constitute the household of the insured and who are not subject to compulsory insurance. But funeral benefits may not exceed 60 crowns for a child up to 2 years of age, 180 crowns for a child over 2 and under 14 years of age, and 300 crowns for a person 14 years of age or older. Insured employees having a taxable annual income exceeding 20,000 crowns are not entitled to sickness insurance benefits for members of their household.

A maternity benefit of up to one-half of the regular sick benefit may be paid for six weeks before and six weeks after childbirth to mothers in the family of the insured.

The allowance to a member of the family of the insured may run up to one-fourth of the regular sick benefit and may be extended up to 26 weeks.

Persons and prospective mothers who are being cared for at home may, with their consent, be supplied nursing care. Prospective mothers, with their consent, may be sent for confinement to institutions caring for such cases, in which event the expenses shall be charged against the sick benefit but may not consume more than one-half of it.

Wage and contribution classes.—The wage and contribution classes of the employees insured for sickness are as follows:

	Daily wage in crown	Monthly contributions in crowns
Wage class 1	up to 3	2
Wage class 2	over 3 and up to 5	4
Wage class 3	over 5 and up to 7½	6
Wage class 4	over 7½ and up to 10½	9
Wage class 5	over 10½ and up to 13½	12
Wage class 6	over 13½ and up to 16½	15
Wage class 7	over 16½ and up to 19½	18
Wage class 8	over 19½ and up to 22½	21
Wage class 9	over 22½ and up to 25½	24
Wage class 10	over 25½ and up to 28½	27
Wage class 11	over 28½ and up to 31½	30
Wage class 12	over 31½ and up to 34½	33
Wage class 13	over 34½	36

By a special ruling sick benefits may be increased beyond those specified above as follows: The daily sick benefit in class 1 may be raised to 2¼ crowns and in the other classes to 90 per cent of the lowest wages in each class, and the funeral allowance may be raised to 45 times the daily average wage.

The sick benefit may be increased 10 per cent of the regular benefit, if the sickness continues beyond 13 weeks, 20 per cent if sickness continues beyond 26 weeks, and 30 per cent if sickness continues beyond 39 weeks.

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For employees whose daily wage is over 37½ crowns a special wage class may be created with average daily wage of over 39 and up to 42 crowns, and with a daily sick benefit of over 26 and up to 28 crowns.

Law of December 30, 1920

THE law of December 30, 1920, amends the previous laws in the following respects: If the insured dies after the completion of the waiting time (120 months) the final settlement made to his surviving mother or father is calculated on the basis of the income of the deceased during his last 24 contributing months. However, the amount may not be less than one-fourth of the contributions paid during the last 120 contributing months.

Law of October 9, 1924

THE law of October 9, 1924, relates to insurance of the employees in private and Government service in case of sickness, disability, and death. Those employees who are already insured or have a right to pension or compensation are excluded.

Disability and old-age benefits.—The insured person receives 500 crowns a year plus one-fifth of the amount he contributed to the disability and old-age fund. At the age of 65 years the disability benefit becomes an old-age benefit if the insured is no longer able to perform his usual service because of age, even though he is not disabled.

Sickness benefits.—The sickness benefits are as follows: Free medical attention, nursing care, medicine, etc., are given from the beginning of illness, but not to continue longer than one year. Medical attention is also given to the members of the family of the insured during his illness. From the fourth day of illness the following daily benefit, to continue only for one year, is provided:

Daily benefit:	Crowns	Daily benefit:	Crown
Class 1	2.7	Class 6	16.0
Class 2	5.3	Class 7	18.0
Class 3	8.0	Class 8	20.0
Class 4	10.6	Class 9	22.0
Class 5	13.3	Class 10	24.0

Funeral benefits.—Funeral benefits are as follows: If the insured dies within six months after the expiration of his claim to sick benefits his family receives as a funeral benefit 30 times the amount of his average daily wage, but not less than 150 crowns.

For funeral expenses of immediate members of the family of the insured the following benefit is paid: 60 crowns for each child under 2 years of age; 180 crowns for each child from 2 to 14 years of age; 250 crowns for each person over 14 years of age.

Maternity benefits.—Maternity benefits are as follows: Free service of midwife, and, if necessary, of physician; sickness benefits for six weeks preceding and six weeks following childbirth. To mothers who nurse their children, an additional benefit for 12 weeks following childbirth in an amount equal to one-half of the sick benefit is provided.

Survivors' benefits.—A widow is entitled to one-half of her husband's former disability or old-age benefits, provided her physical condition

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renders her incapable of earning more than one-third of the wage she might otherwise earn.

A half-orphan under 17 years of age is entitled to one-fifth of the disability or old-age benefit received by the deceased insured parent, while a whole orphan under 17 years of age is entitled to two-fifths of such benefit. The total orphans' benefits in a single family, however, may not exceed the amount of the disability or old-age benefits to which the deceased insured was entitled.

Dependent grandchildren are considered as children.

Contributions by employees.—The employees are divided into the following wage classes:

	Daily wage in crowns	Basic daily wage in crowns for calculation of contributions
Class 1	up to 6	4
Class 2	from 6 up to 10	8
Class 3	from 10 up to 14	12
Class 4	from 14 up to 18	16
Class 5	from 18 up to 22	20
Class 6	from 22 up to 25½	24
Class 7	from 25½ up to 28½	27
Class 8	from 28½ up to 31½	30
Class 9	from 31½ up to 34½	33
Class 10	from 34½	36

The actual size of the contribution in each class is calculated on an actuarial or mathematical basis. The law specifies only that the employee's contribution is not to exceed 5 per cent of his average daily wage. The contribution is paid half by the employees and half by their employers (Government and private).

The sickness-insurance wage and contribution classes are grouped into the following classes for disability and old-age insurance:

	Employees' weekly contributions in crowns
Class A (classes 1–3)	4. 3
Class B (classes 4 and 5)	5. 7
Class C (classes 6 and 7)	7. 1
Class D (classes 8–10)	8. 8

Government contributions.—The Government contribution to the disability and old-age insurance fund is as follows: (*a*) 500 crowns a year for each employee insured; (*b*) 250 crowns a year for each widow or widower receiving benefits; (*c*) 100 crowns a year for each half orphan receiving benefits; and (*d*) 200 crowns a year for each whole orphan receiving benefits. The total Government contribution for orphans in a single family is not to exceed 500 crowns per annum. The Government does not, however, contribute anything to the fund for the benefit of employees whose income the previous year, exclusive of any insurance benefits, was large enough to be subject to an income tax.

Total contributions and expenditures.—Contributions of civil officials, employees, and laborers to the pension and insurance funds from 1924 to 1926 were as follows: 1924, 71,145,000 crowns; 1925, 77,212,000 crowns; 1926, 59,800,000 crowns. State expenditures for pensions to and insurance of civil officials, employees and laborers

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during the same period were: 1924, 459,810,360 crowns; 1925, 469,-179,000 crowns; 1926, 404,555,230 crowns.

Administration.—The pension and insurance funds are under the control of the Ministry of Social Welfare.

DENMARK [5]

THE present public-service retirement and pension system in Denmark is based upon law No. 126, enacted on June 27, 1927. The second chapter of the law contains general provisions relating to civil-service retirement and pensions, while the other chapters relate to details and measures of a temporary nature, such as cost-of-living and locality allowances.

Employees Covered

EVERY Government employee is entitled to a pension for himself and for his surviving widow and children. Permanent employees in the service of Parliament (*Rigsdag*) or of those Government institutions whose receipts and expenditures are fixed by law also have the right to a pension, as do the ministers at the head of the Government departments, after they have served one year.

Retirement Age and Length of Service

RETIREMENT is obligatory at the end of the month in which an employee reaches the age of 70 years, but an employee is entitled to retire with a pension when he has reached 65 years of age. Thirty years' service entitles the employee to the maximum pension.

Retirement Pensions

THE PENSION is calculated on the basis of length of service (called "pension age") and the income from service of the employee. The income from service taken as the basis for calculation of the pension includes the basic salary, with any increases, and payments in kind, such as the use of land, free dwelling, and fuel, allotted as a part of salary. For each specified number of years of service the proportion of the income from service given as a pension is as follows:

Over 2 and up to 4 years, two-tenths.
Over 4 and up to 7 years, three-tenths.
Over 7 and up to 10 years, four-tenths.
Over 10 and up to 15 years, five-tenths.
Over 15 and up to 17 years, thirty-one sixtieths.
Over 17 and up to 19 years, thirty-two sixtieths.
Over 19 and up to 21 years, thirty-three sixtieths
Over 21 and up to 23 years, thirty-four sixtieths.
Over 23 and up to 25 years, thirty-five sixtieths.
Over 25 and up to 27 years, thirty-six sixtieths.
Over 27 and up to 28 years, thirty-seven sixtieths.
Over 28 and up to 29 years, thirty-eight sixtieths
Over 29 and up to 30 years, thirty-nine sixtieths
Over 30 years, forty-sixtieths

[5] Lov (Nr. 126—1927) om Statens Tjenestemænd, Christiansborg, den 27. Juni 1927, Copenhagen, 1927; unpublished material furnished to the Department of Labor through the Department of State.

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No pension may exceed 8,000 crowns annually.

An employee whose position is abolished after he has served 30 years is entitled, when no other suitable position is offered him with at least the same income from service, to continued pay for five years.

Payment of the pension ceases: (*a*) When the pensioner is again engaged in a position entitling him to pension; (*b*) when it is proved that the disability caused by accident or sickness has been removed but the employee refuses to accept permanent reinstatement in a suitable position with the same or a higher salary; (*c*) when a pensioner, without official permission, has entered the service of a foreign Government; (*d*) when he establishes his residence abroad without the knowledge of his official chief; (*e*) when for three years he has not claimed his pension, without later being able to prove legal hindrances; (*f*) when he is found guilty of a dishonorable act.

Disability

IF AN employee during the performance of his duties is so injured as to necessitate his permanent retirement from service, he is entitled, regardless of his age or length of service, to a pension of two-thirds of the income from service last received by him.

Survivors' Pensions

WIDOW'S pension.—The widow of a deceased employee is entitled to a pension of one-fifth of the income from service of her deceased husband if he, at his death, was not entitled to pension or had not had five years' service; or one-third of such income if he had over five years' service, or had died in the execution of his duty or as a result of injury in service, or had been pensioned for the same reason.

The widow's pension ceases: (*a*) When the widow contracts a new marriage; (*b*) when she, without official permission, enters the service of a foreign Government; and (*c*) when she is found guilty of a dishonorable act.

Orphans' pensions.—For her children (including stepchildren and adopted children for the support of whom her deceased husband was responsible) the widow is entitled to the following pension additions: For one child, 180 crowns annually; for two children, 330 crowns annually; for three children, 450 crowns annually; for each child in excess of three, an additional 100 crowns annually.

Contributions by Employees

EACH employee contributes 3 per cent of his salary or income from service, which is deducted upon each payment of salary. In case an employee resigns or is dismissed without a pension, his contributions are refunded without interest.

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Administration

PENSIONS are paid by the Treasury Department unless existing or future regulations direct otherwise.

As the civil-service retirement and pension system in Denmark, above outlined, has been only recently put into effect, no report has been made on its operation and no statistics connected with it are available.

FRANCE [6]

Legislation

RECENT legislation.—Retirement and pensions of civil servants in France are governed by the law of April 14, 1924. Provisions of the law were amplified by (1) an administrative ruling of September 2, 1924, (2) a general instruction of the Ministry of Finance of October 12, 1924, and (3) a decree of September 19, 1926, based upon article 30 of the law of August 3, 1926. The ruling and instruction merely interpret certain provisions in detail and contain regulations for the execution of the law of April 14, 1924, while article 30 of the law of August 3, 1926, interpreted by the decree, provides for "a supplementary and temporary compensation to civil-service employees, soldiers, agents, and workers of the State"; that is, to all those persons who are retired by the State, and who receive pensions based upon length of service, a supplementary compensation calculated on the basis of a diminishing ratio, from 20 to 5 per cent, of the pension, as follows: 20 per cent, up to 1,000 francs; 15 per cent, from 1,001 to 3,000 francs; 10 per cent, from 3,001 to 5,000 francs; and 5 per cent, from 5,001 to 10,000 francs.

Previous legislation.—Before the eighteenth century there were no retirement or pension laws. Material assistance was given to aged or disabled public employees only by the grace of the monarch and even then in rare cases. Assistance to widows and orphans was provided by a regulation issued in 1788. The only public employees for whom assistance was given in cases of dire need were those engaged in postal service, King's domain, and revenue collection.

The first act providing pensions to public employees was issued on August 22, 1790. This act, though it legalized the principle of civil-service pensions, did not recognize the right of public employees to pension. This right was definitely established by the acts of June 9 and November 9, 1853, which also provided assistance to widows and children.

The acts of 1853 were amended and modified a number of times under the pressure of constantly changing conditions. But the underlying principle—the right of public employees and their widows and children to pension—has stood the test up to our day. The decree of December 30, 1913, relates merely to procedure and practice.

[6] Journal Officiel, Apr. 15, Sept. 10, and Oct. 21, 1924, and Aug. 3 and 4, and Oct. 14 1926; France, Ministère des Finances, project des loi portant fixation du budget général de l'exercice 1924-1927; Rapport, Commission des Pensions civiles et militaires, Chambre des Deputés, session 1913, No. 2644; Rapport de la Commission des Finances, chargé d'examiner de project de loi portant reforme du régime des pensions civiles, Chambre des Deputés, session 1922, No. 4225; Les Pensions civiles de l'état, Commentaire par Charles Rabany, Paris, 1916; Recueil périodique et critique de jurisprudence, 1925, 4e partie, Pensions civiles et militaire, Dallez; Répertoire général alphabétique du droit français, par Herman Fuzier, Paris, 1902, vol. 30, pp. 379-518; unpublished material collected and complied by the Legislative Reference Division, Library of Congress, and unpublished material furnished to the Department of Labor through the Department of State

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However, the development of the field of civil service, the appearance of new classes of employees, and new hazards in their work made it necessary to reform the existing civil-service retirement and pension system. The World War caused the reform to be postponed until August 5, 1919, when a special parliamentary commission was formed for the purpose of making a study of the existing pension conditions and of working out recommendations as to the required reform. A number of the recommendations of this commission were embodied in the temporary acts of March 25, 1920, and July 8, 1921, and the reports of the commission served as a basis for a new retirement and pension bill prepared by the Government, introduced to the Parliament, and enacted as a law on April 14, 1924.

Provisions of the earlier acts relating to retirement and pensions were in part left in force independently, in part expressly repealed, and in part embodied in the new law, which now covers the entire field of civil-service retirement and pensions, with the exception of certain earlier enactments left in force.

No regulative provisions have as yet been issued regarding the operation of the retirement funds provided by article 85 of the law of April 14, 1924. The operation of the pension fund is postponed until January 1, 1928, by the terms of the same article of the law.

Employees Covered

THE provisions of the law in force apply to civil-service employees on the permanent staff of the State administration and of the Government industrial establishments, and to their widows and children.

Retirement Age and Length of Service

A CIVIL-SERVICE employee has the right to retire when he is 60 years of age and has had 30 years of office service, or, when he has been 15 years in field service, he can retire at the age of 55 years after 25 years of service. The age limit is not required when the health of an employee becomes such that he is not able to continue his service. In case of service outside Europe, additional credit of one-third of its actual length is given (one-fourth in the case of service in north Africa).

An employee retires either at his own request or he is put on the retired list officially by the proper authority. The proceedings must be started six months in advance.

Civil-service employees detached from the permanent staff, and assigned to and paid, wholly or in part, by a Department, commune, colony, public or private establishment, or foreign government retain their right to pensions. They must continue contribution on the basis of the salary corresponding to the class and grade of the service from which they were detached, their pension being computed on the basis of the average remuneration that they would have received during the last three years if they were paid by the State.

When a civil-service employee, except in case of disability, leaves the service, for any reason, earlier than the retirement age, his contribution is refunded in the following manner: His contribution, with interest, at the time of his leaving the service is transferred to his

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credit in the national insurance fund against death to form a deferred capital insurance, the time of payment of which is fixed at not less than five years from the date of his resignation.

Woman civil-service employees, when married or mothers of families and having served at least 15 years, have the right to a retirement pension calculated for each year of service on the basis of one-sixtieth of the average salary in case of office service or one-fiftieth in case of field service. In determining the time of retirement of such employees, an allowance of one year for each child born to them is added to the age and the length of service.

Retirement Pensions

THE pensions are calculated on the basis of average salary, wages, and various allowances received by the employee during the last three years of service.

The minimum pension for length of service is, as a rule, one-half of the average salary. It is increased to three-fourths, but not more than 4,000 francs, when the average salary is not above 8,000 francs per annum. The minimum is increased for service over and above the required length of service to one-sixtieth of the average salary for a year of service in office, and to one-fiftieth of the average salary for a year of service in the field. The pension is further increased by 10 per cent when the employee has three children under the age of 16 years. For each additional child an increase of 5 per cent is provided. The maximum pension may not exceed three-fourths of the average salary, or 18,000 francs per annum.

Disability

WHEN a civil-service employee is disabled through an act of courage in the public interest or through risking his life in saving one or more persons, or through a fight or attack during his employment, he may, in exceptional cases, be retired regardless of age and length of service. The pension in such cases is three-fourths of the last salary received.

A civil-service employee disabled by sickness, wounds, or serious infirmity has the right to retire at his own request or may be retired officially.

Disability must be ascertained by a commission consisting of (1) a sworn Government physician; (2) three employees appointed by the minister; and (3) two employees in the same service in which the applicant is engaged, selected by their colleagues.

The applicant has the right to see the papers in the case and to have a physician of his own choosing appear before the investigating commission.

A civil-service employee disabled in office service has the right to a pension of at least 1,500 francs per annum, or equal to one-third of his last salary in service, or to a longevity pension counted, per year of service, as one-thirtieth for office service or one twenty-fifth for field service of the minimum pension previously quoted, together with any allowances for military or colonial service he may be receiving.

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The pension of a colonial civil-service employee retired as a result of wounds or infirmity contracted during service may not, on account of the risk incurred, be less than the minimum longevity pension based on his last salary, together with the allowances.

When disability is incurred outside the service, an employee who has had 15 years' service or more has the right to pension at the rate of one-sixtieth of his average salary in case of office service, and one-fiftieth in case of field service.

A disabled civil-service employee with less than 15 years' service is given a life annuity from the national old-age retirement fund formed by the deposit therein of the sum contributed by him out of his salary together with the interest credited to the depositors by the Savings and Provident Fund of Paris. This amount, according to the wish of the employee, is either held by the Government and a life pension is paid to the employee, or it is returned to him instead of life pension. Should the employee prefer pension, the Government adds an equal amount to the sum formed out of his contributions, together with the interest, and the sum total is turned over to the old-age retirement fund, out of which the pension or life annuity is paid to him.

Widows' and Orphans' Pensions

A WIDOW of a civil-service employee has the right to a pension of 50 per cent of the longevity or disability pension which her husband was receiving or would have received at the time of his death.

The right of a widow to pension, in the case of disability pension, is conditioned upon the marriage having taken place before retirement or death, and in the case of age or length of service pension, upon its having taken place not later than two years before retirement, except in cases when there were one or more children born of the marriage before retirement.

Each orphan up to the age of 21 years has the right to a temporary pension of 10 per cent of the longevity or disability pension, but the sum of the mother's and the orphans' pensions may not exceed the pension the father received or would have received.

In case of the death of the mother, or her loss of the right to pension, or of her not being able to receive pension, such right as she may have had goes to her minor children, and the temporary pension of 10 per cent is maintained for each minor child under 21 years of age within the maximum sum defined in the preceding clause.

The minor children of a deceased woman employee who was receiving a pension or had the right to receive one are entitled to a pension as determined above.

In case the father is living his minor children have the right to a temporary pension of 10 per cent of the pension received by their mother, or which she would have been receiving had she lived.

Contributions

CIVIL-SERVICE employees contribute 6 per cent of the salary, wages, and allowances received by them. The State contributes to the civil-service pension about 9 per cent of the salary, and the necessary sum is appropriated each year on the basis of the pensions and allowances, permanent and temporary, to be paid civil-service

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employees during the fiscal year. Extra appropriations for pensions are authorized by special law.

The total contributions of employees from 1924 to 1927 were as follows:

	Contribution, in francs
1924	150, 000, 000
1925	206, 000, 000
1926	245, 300, 000
1927	[7] 382, 000, 000

The State appropriations for civil pensions each year from 1924 to 1926 and those estimated for 1927 are shown in Table 36:

TABLE 36.—*State appropriations for civil pensions each year, 1924 to 1926, and estimated appropriations for 1927*

Civil pensions	1924	1925	1926	1927 (estimated)
	Francs	*Francs*	*Francs*	*Francs*
Law of Aug. 22, 1790, and others	479, 000	1, 300, 000	1, 000, 000	1, 384, 000
Law of Apr. 14, 1924	183, 000, 000	600, 000, 000	953, 000, 000	1, 448, 385, 000
Law of July 17, 1856 [1]	33, 000	1, 512, 700	1, 232, 000	1, 534, 000
To judges, law of Aug. 30, 1883	137, 000			
Increase, law of Mar. 25, 1920	301, 000, 000			
Increase, for children, law of Apr. 14, 1924		800, 000	1, 400, 000	12, 300, 000
Family allowances, law of Apr. 14, 1924		700, 000	11, 663, 000	44, 800, 000
Pensions to widows, law of Apr. 14, 1924, sec. 27		300, 000	100, 000	100, 000
Pensions to widows, law of Apr. 14, 1920, sec. 68		15, 000, 000	7, 380, 000	7, 410, 000
Temporary to retired minor employees	45, 000, 000	17, 000, 000	11, 000, 000	9, 582, 000
Temporary, high-cost-of-living allowances	225, 000, 000	15, 000, 000	10, 000, 000	10, 000, 000
Refund to national old-age pension fund		600, 000	500, 000	800, 000
State share in the pensions to civil servants and employees of Paris police department, and of the administration of Algeria	150, 000	552, 000	640, 000	1, 033, 000
Total	754, 799, 000	652, 764, 700	997, 915, 000	1, 537, 328, 000

[1] This law provides to ministers, marshals and admirals, and other high public servants and their widows and children a pension up to 20,000 francs, when these officials have rendered eminent services to the nation, and when their lack of means make such pension necessary.

Administration

THE retirement and pension system is administered by the Ministry of Finance.

GERMANY [8]

Legislation

ON March 31, 1873, a law was enacted which granted pensions to civil officials. This law was modified by the laws of April 20, 1881, April 21, 1886, March 5, 1888, May 18, 1907, and June 18, 1923.

It should be observed that the German system of civil-service retirement and pensions makes a distinction between officials (*Beamte*) and employees (*Angestellte*). The distinction lies in a certain variation in nature of employment.

The law of 1907 defines an "official" as any official appointed either directly by the Kaiser or according to the constitution of the State or regulations issued by the Kaiser. At present officials are appointed

[7] Estimated.

[8] Data on which this section is based are from Reichsgesetzblatt, 1873, 1881, 1886, 1888, 1907, 1923–1927; unpublished material furnished the Department of Labor by the Department of State; unpublished material collected and compiled by the legislative reference division, Library of Congress; Die Angestelltenversicherung nach dem Stande Vom. 1. Juli 1926, an official publication.

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in the main either by the President or under administrative general regulations, while employees are appointed under the regulations of the specific department, Government corporation, or establishment. Their appointment might be considered temporary in the sense that they can be discharged when the conditions of service require their retirement. Officials, on the contrary, are as a rule appointed for life.

The civil employees called "contract employees" are engaged for a specific task or serve a preliminary term before they can be appointed to the position of officials.

Civil employees in the service of the Federal Government, of the States, and of the municipalities or communes have, in contrast to officials, no claim whatsoever at the time of their retirement to any pension on account of their service. Therefore, no special funds exist in the Government departments for the granting of pensions to such retired employees.

All such employees, however, are subject to insurance in accordance with the insurance regulations of November 20, 1911, as stated in the proclamation of May 28, 1924, if their annual salaries do not exceed a certain limit, which at the present time is 6,000 reichsmarks. If the conditions are complied with they receive a pension from the Government insurance office.

The employees' insurance laws have since been changed by the following rules and ordinances: Law of August 30, 1924 (relating to State railroad employees); ordinance of December 12, 1924; and laws of March 23, 1925, July 28, 1925, June 25, 1926, April 3, 1927, and April 8, 1927

Retirement and Pensions of Civil Officials

Retirement Age and Length of Service

A CIVIL official leaving the service at the age of 65 years has the right to a pension if he applies for retirement. The granting of the pension rests with the central authority (oberste Reichsbeholde) if he was appointed by departmental authority; if he was appointed by the President the latter's approval is required.

The length of service is counted from the day of taking oath of office. The time of service of an official when he is employed on half pay, or when he is in the service of one of the German States, or when appointed on probation as a former soldier entitled to a civil pension in the service of a State, or of a local government, is counted. The time spent in military service is added to the time of civil service.

Retirement Pensions

The annual pension for service of 10 years or under is thirty-five one-hundredths of the annual salary. It increases from the tenth to the twenty-fifth year of service by two one-hundredths for each additional year and thereafter by one one-hundredth. A pension is not to exceed eighty one-hundredths of the salary.

The pension is calculated on the basis of the last aggregate annual salary received by a civil official. This includes, under certain

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circumstances, gratuities, allowances, fixed fees, and perquisites, but does not include money for keeping up the official State and office expenses.

A pension starts from the end of the quarter following the month during which official notice has been given the retired civil official of the pension and its amount, when a shorter term is not fixed in the application or by formal consent of the official. Pensions are payable quarterly and in advance.

Disability

A civil official of the Federal Government who has completed 10 years' service and is not physically able to continue his service has the right to a pension. If he is permanently disabled for service by reason of sickness, wound, or accident incurred in the service he has the right to a pension before he has served 10 years. If, before completing 10 years' service, he is disabled outside the service and can not continue the latter, he may be granted either a temporary or a life pension by the Federal Council.

In case of retirement on account of disability incurred outside service a pension is not to exceed thirty-five one-hundredths of the salary.

Widows' and Orphans' Allowances

When a deceased pensioner leaves a widow or other legitimate heirs a lump sum is paid to them in an amount equal to three monthly payments of pension.

The widow and legitimate or legitimated children of a civil official who at the time of his death would have had the right to a pension, and those of a retired official receiving a life pension, have the right to widow's and orphans' pensions.

A widow's pension is forty one-hundredths of the pension which the deceased received or would have been entitled to at the time of his death.

Each child whose mother is living and entitled to a widow's pension on the death of the official is entitled to an orphan's pension equal to one-fifth of the widow's pension, and in the case of children whose mother is dead or not entitled to a widow's pension on the death of the official each orphan has the right to a pension of one-third of the widow's pension.

Widow's and orphans' pensions, separately or together, are not to exceed the amount of pension which the deceased official was receiving or would have been entitled to. If in the aggregate they would reach a higher sum they are proportionally reduced.

If the widow was more than 15 years younger than her deceased husband her pension is reduced by one-twentieth per year of difference in age from the sixteenth to the twenty-fifth year. But for each additional year of marriage after five years her pension is increased by one-tenth until the full amount of the widow's pension is reached. A widow is not entitled to a pension if the marriage took place less than three months before death and was for the purpose of securing a widow's pension.

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The widow and orphans of a retired civil official are not entitled to pension if the marriage took place after his retirement. Widows' and orphans' pensions are payable monthly and in advance.

The right to a widow's pension ceases at the end of the month in which she marries or dies. In case of an orphan the right to pension ceases at the end of the month during which he completes his eighteenth year or of his death before that age.

Pensions Paid by Government

Pensions of civil officials are paid out of funds provided entirely by the Government. Pensions to widows and orphans of such officials are paid partly out of Government funds and partly out of a special contribution by the officials of 3 per cent of their salary or pension.

Insurance of Civil Employees

INSURANCE of employees in the Government service and that of employees in private service are governed by the same laws, rules, and regulations, but in this review we are concerned only with employees in the service of the Federal Government, States, communes, and Government corporations and establishments.

Employees Covered

The insurance laws apply: (*a*) To those employees who are subject to compulsory insurance (*Versicherungspflichtige*) in the services specified by the law; (*b*) to those employees who, having left such service after having made insurance contributions for at least four months and who are still fit for service, of their own free will again become subject to insurance (*freiwillig Weiterversichern*); and (*c*) to those employees who have not been insured and are not subject to compulsory insurance, but who voluntarily become subject to insurance (*Selbtversicherte*).

If the annual salary of a civil employee is more than 6,000 marks he is not subject to compulsory insurance. If he formerly received an aggregate annual salary of not more than 6,000 marks and was therefore compulsorily insured, then, in case of an increase of his salary to more than 6,000 marks per annum, he falls out of the group of employees liable to compulsory insurance, but may of his own free will continue or again become subject to insurance.

An insured employee receives a pension in the event of either old age or disability, and in case of his death his survivors get a pension.

Conditions for Insurance Benefits

To become eligible for a pension an employee must have paid contributions for a certain minimum period of time specified by law, which is called the waiting time or term (*Wartezeit*). Its length is as follows: (*a*) For pension to an insured female employee, 60 contribution months; (*b*) for pension to an insured male employee, 120 contribution months; (*c*) for pension to survivors of employees of both sexes, 120 contribution months.

When an employee has passed his sixty-fifth year he is entitled to a pension.

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Retirement Pensions

The amount of the annual pension paid to a retired employee who is unmarried and to one who is married and has two children, after 10, 20, and 30 years' contribution, in the various salary classes, is shown in Table 37:

TABLE 37.—*Amount of annual pensions paid to married and unmarried retired employees in specified salary classes*

Salary class	After 10 years' contribution		After 20 years' contribution		After 30 years' contribution	
	Unmarried employee	Married employee with 2 children	Unmarried employee	Married employee with 2 children	Unmarried employee	Married employee with 2 children
	Marks	*Marks*	*Marks*	*Marks*	*Marks*	*Marks*
Class A	516	600	552	600	588	600
Class B	552	732	624	804	696	876
Class C	624	804	768	948	912	1,092
Class D	696	876	912	1,092	1,128	1,308
Class E	768	948	1,056	1,236	1,344	1,524
Class F	840	1,020	1,200	1,380	1,560	1,740
Class G	930	1,110	1,380	1,560	1,830	2,010
Class H	1,020	1,200	1,560	1,740	2,100	2,280

Disability

An employee who is permanently disabled receives a pension. When an employee is disabled continuously for 26 weeks he is entitled to a pension during the further continuation of his occupational disability (sickness pension).

Survivors' Pensions

The widow's or widower's pension amounts to six-tenths and the orphan's pension to five-tenths of the retirement pension exclusive of the additional sum known as "child support" (*Kinderzuschutz*). The child support is an addition to the pension of 90 marks per annum for each child up to 15 years of age, or up to 21 years of age when the child is in school or in occupational training or when the child, as a result of bodily or mental defect, is not able to earn its living.

"Children" include legitimate children, legitimated children, adopted children, illegitimate children of an insured male employee when their paternity is legally proven, illegitimate children of an insured female employee, and stepchildren when they are dependent upon the insured.

The pension, together with the total amount of child support, is not to exceed the highest salary in the class of the insured; if it does exceed that amount the child support is accordingly reduced.

The following is an example of the pension to survivors: After the death of an employee whose pension was or would have been in case of permanent incapacity 1,283.8 marks, the survivors' annual pension for the widow and two children is as follows:

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Widow's pension (six-tenths of the pension of her deceased husband, or 1,283.8 marks)	$770. 28
Orphan's pension (five-tenths of 1,283.8 marks, or 641.9 marks) for two children	1, 283. 80
Total	2, 054. 08

Medical Treatment

To prevent an insured employee from becoming permanently disabled as a result of sickness the National Insurance Office may provide for medical treatment if it can be expected that medical treatment will restore his ability for further service. During his medical treatment in a hospital or in an institution for convalescents his dependents receive from the insurance office an allowance for the support of the family, called "house money" (*Hausgeld*), amounting daily to 23 per cent of the last monthly contribution made by such employee. For instance, if his last monthly contribution was 12 marks the daily allowance for the support of his family will be 2.76 marks.

Contributions Toward Insurance

The amount of contribution toward the insurance is in proportion to the employee's salary, as may be seen in Table 38:

TABLE 38.—*Monthly contribution in specified salary classes of civil employees*

Salary class	Annual salary	Monthly salary	Monthly contribution
			Marks
Class A	Under 600 marks	Under 50 marks	2
Class B	From 600 to 1,200 marks	From 50 to 100 marks	4
Class C	From 1,200 to 2,400 marks	From 100 to 200 marks	8
Class D	From 2,400 to 3,600 marks	From 200 to 300 marks	12
Class E	From 3,600 to 4,800 marks	From 300 to 400 marks	16
Class F	From 4,800 to 6,000 marks	From 400 to 500 marks	20

The highest monthly salary in any group subject to compulsory insurance is 500 marks. If an employee works only half time the contribution for insurance is only half the amount he would pay if he were on full time.

Employees pay 50 per cent and the Government pays 50 per cent of the contribution; for instance, the entire monthly contribution on a monthly salary of from 100 to 200 marks (class C) is 8 marks, the insured employee paying 4 marks, and the Government 4 marks. If the monthly salary of an employee is not more than 50 marks the Government pays the entire contribution. The same rule applies to apprentices.

Each employee receives an insurance card from the local insurance office. The National Insurance Office, through the local insurance offices, sells insurance stamps to the employers, the salary class and the money value being designated on the stamp. The employer affixes the proper stamps to the insurance cards of his employees on a pay day near the end of each calendar month and writes the date in ink on the stamps. Half of the value of the stamps so used is deducted form the salary of the employee.

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Insurance Offices

A local insurance office consists of an official appointed by the Government, who acts as chairman, one representative of the insured employees, and one representative of the employers.

A district or provincial insurance office consists of an official appointed by the Government, who acts as chairman, six representatives of the insured employees, and six representatives of the employers. The office is divided into various chambers.

The National Insurance Office is composed of permanent members appointed by the Government, and six members elected by the employees and six by the employers, and its decisions are final.

Appropriations for Pensions

The appropriations for civil pensions granted during the past three years were as follows: 1925, 45,445,566 reichsmarks; 1926, 85,466,000 reichsmarks; and 1927, 87,626,000 reichsmarks (estimated).

GREAT BRITAIN [9]

Legislation

THE present retirement system of Great Britain is a development of over a century's growth, the first general superannuation act having been passed in 1810. This established a noncontributory system, which continued in force for 12 years, until in 1822 an act was passed providing for deductions to be made for pension purposes from the salaries of those receiving more than £100 a year. This provision was repealed and reestablished, but was not definitely accepted until 1834, when the first of the acts now effective was passed, under which contributions were enforced against all who entered the civil service after August 4, 1829. In 1859 another act repealed most of the act of 1834 and established a system of uniform noncontributory pensions for all persons employed in the permanent civil service of the State. Numerous changes in detail have been made since then, but the system is still noncontributory.

At present the civil-service retirement plan is operated under a series of acts grouped together under the general title, "Superannuation Acts, 1834 to 1919," of which eight are treated as a single act for purposes of construction, while four are not so considered. In addition to these there are two other acts in force, the pensions (increase) acts of 1920 and 1924, providing for larger pension payments.

General Provisions

THE act of 1834 contained a proviso, continued in force to the present time, that "nothing in this act contained shall extend or be construed to extend to give any person an absolute right to compensation for past services, or to any superannuation or retiring allowance under this act."

[9] Great Britain, Civil Service, Digest of Pension Laws and Regulations, London, 1924; Great Britain, House of Commons, Civil Estimates for the Year Ending Mar. 31, 1928, London, 1927; Report from United States Embassy at London, dated Oct. 7, 1927; and United States Bureau of Labor Statistics, Civil Service Retirement in Great Britain and New Zealand, by Herbert D. Brown (printed as S. Doc. No. 290, 61st Cong., 2d sess.), Washington, 1910.

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Pensions are to be paid without any abatement or deduction "in respect of any taxes or duties whatever at present existing, except the tax upon property or income."

Employees Covered

THE persons eligible for superannuation allowances are those who hold office direct from the Crown, or who have entered the civil service with a certificate from the civil-service commissioners. This certificate will not be granted unless physical fitness has been proved. Various exceptions to these general rules are made. Thus provision is made for cases in which through inadvertence a certificate has not been secured, for cases in which employees are transferred, without certificate, to the civil service as some new service function is taken over, and for similar situations which may arise from time to time.

Conditions for Retirement

ORDINARILY, pensions are granted only to those who have reached the age of 60, except in cases which are practically disability retirement, although not known by that name. Certain prison officers, however, may retire on pension at 55, even though they are not disabled. There is no age at which retirement is compulsory. A minimum of 10 years' service is required.

In addition to the age and service requirements the retirant must produce a certificate, signed by the head officer of his department, or by two head officers if there are more than one, stating that he has served with diligence and fidelity to the satisfaction of his head officer or officers. Pensions are sometimes granted to those not having such certificate but not freely.

In every case in which any superannuated allowance is granted after the refusal of such certificate, the minute granting it shall state such refusal, and the grounds on which the allowance is granted

Retirement Allowances

THE retirement allowance differs as between men and women. In general, men receive upon retirement a pension, plus a lump-sum payment. The pension is calculated by multiplying one-eightieth of the final salary and emoluments by the number of years served; if, however, the retirant has served more than 40 years, the extra years are disregarded and the pension is fixed at one-half the final salary and emoluments. The "final salary" is the average amount of salary for the last three years of service. The lump sum is equal to one-thirtieth of the final salary and emoluments for each completed year of service, or to one and a half times the salary and emoluments, whichever is the smaller. For women the annual pension is one-sixtieth of the final salary and emoluments, multiplied by the years of service, and there is no lump-sum payment.

Special provision is made for those who lose their positions through reorganizations of the service.

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A person who retires because his or her office is abolished may be granted compensation not exceeding the pension (plus, in the case of men, the lump-sum payment) he or she would have received if the retirement had been for ill health; and similar provision is made for the case of a civil servant who is removed from his office for inefficiency.

Disability

RETIREMENT under age 60 is permitted upon a medical certificate that the employee concerned is unable from infirmities of body or mind to discharge the duties of his position, and that the incapacity is likely to be permanent. The pension for an employee retired on the ground of ill health before reaching the age of 60 is calculated in the same way as if he had retired at or after 60 No pension is allowed, however, unless he has served at least 10 years, but an employee who has not completed the 10 years before being obliged to retire may be given a gratuity amounting to one month's pay for each completed year of service, plus, in the case of a male employee with not less than 2 years' service, a lump sum of one-thirtieth of his emoluments for each completed year of service.

Accidental injury allowances and gratuities.—When a person employed in the civil service is injured in the discharge of his duty, through no fault of his own, if the injury is directly attributable to the nature of his duty, provision is made for his care.

The Treasury may grant to him, or, if he dies from the injury, to his widow, his mother if wholly dependent on him at the time of his death, and to his children or to any of them, such gratuity or annual allowances as the Treasury may consider reasonable. * * *

Provided, That a gratuity under this section shall not exceed one year's salary of the person injured, and an allowance under this section shall not, together with any superannuation allowance to which he is otherwise entitled, exceed the salary of the person injured, or £300 a year, whichever is less.

Retirement Gratuities

THE above provisions as to qualifications, allowances, and the like relate to what is known as the established service, which broadly speaking, includes the administrative, clerical, and manipulative classes of the civil service, the industrial classes not being covered, though a certain number of established posts are reserved for them. The provision for the industrial classes in general, however, is limited to gratuities, the position being thus summarized by an official in the service:

An unestablished employee who retires or is removed from his or her employment receives a gratuity of £1 or one week's pay, whichever is the greater, for each completed year of service, provided that (a) the employment was a whole-time one, and (b) the service was not less than 7 years in the case of abolition of the employment or 15 years in the case of retirement for ill health.

If an unestablished employee who has served for 15 years or more in whole-time employment dies while in employment a gratuity may be granted to his dependents equal to £1 or one week's pay, whichever is the greater, for each completed year of service.

Marriage gratuities.—A variation of the retirement gratuity is the marriage gratuity, given to women in cases in which their resignation upon marriage is required by the regulations of their department. Persons thus retired, if they have served for at least six years, receive a gratuity calculated on the basis of one month's pay for each completed year of service, the maximum amount being 12 months' pay.

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Expenditures for Retirement Service

THE following figures, taken from the civil estimates for the year ending March 31, 1928, show the amount appropriated for retirement purposes in 1926 and the estimated amount for 1927:

TABLE 39.—*Total expenditure on civil-service superannuation and allied allowances and gratuities, 1926 and 1927*

Item	1926	1927
Gross estimate for allowances, etc., under sundry superannuation acts	£1,530,072	£1,644,941
Gross amounts included in other estimates:		
House of Commons	16,399	15,650
Royal commissions, etc	13,000	----------
Diplomatic and consular services	1,500	1,500
Royal Irish Constabulary	1,946,060	1,933,049
Revenue departments:		
Customs and excise	862,000	820,850
Inland revenue	189,382	186,750
Post office	2,947,200	3,349,300
Fighting services (civilian staff only):		
Navy	868,027	963,056
Army	240,100	247,100
Air	23,900	21,500
Consolidated fund: Judicial, etc., pensions	181,550	183,282
Total expenditures	8,819,190	9,366,978
Less total receipts	1,847,757	1,817,856
Net expenditure	6,971,433	7,549,122

The total receipts, to be deducted from the gross amount appropriated, are in the main sums recoverable from the Governments of the Irish Free State and of Northern Ireland for pension expenditures on their behalf. For 1927 the amount recoverable from the Irish Free State was £1,447,492 and from Northern Ireland, £364,948. Various small receipts in behalf of the army, navy, and air forces, etc., amounted to £5,416, making a total of £1,817,856, and leaving the net expenditure of the British Government for retirement purposes at £7,549,122. This does not include pensions for the combatant forces, only their civilian staff being covered by these figures.

The first item in the above table, "Gross estimate for allowances, etc.," covers the superannuation allowances and gratuities considered in the preceding pages. Detailed figures for these are given, as follows:

TABLE 40.—*Total expenditure for specified civil-service superannuation and allied allowances and gratuities, 1926 and 1927, and increase or decrease*

Kind of pension or gratuity	1926	1927	Increase (+) or decrease (−)
Superannuation allowances	£1,085,000	£1,118,500	+£33,500
Compensation allowances	59,500	63,150	+3,650
Additional allowances and gratuities to established officers	258,000	301,500	+43,500
Compassionate gratuities to unestablished officers	14,000	20,000	+6,000
Diplomatic pensions	48,000	48,000	----------
Colonial governors' pensions	13,000	13,500	+500
County court judges, etc., supplementary pensions	6,200	5,600	−600
Mercantile marine fund, pensions and allowances	331	----------	−331
British Antarctic expedition 1910–1912 annuities	741	741	----------
Marriage gratuities	17,000	37,000	+20,000
Injury grants	10,800	10,800	----------
Compassionate fund	500	500	----------
Northern Ireland pensions and gratuities	17,000	25,650	+8,650
Gross total	1,530,072	1,644,941	+114,869
Deductions	90,780	85,800	+4,980
Net total	1,439,292	1,559,141	+119,849

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In this table also most of the amount to be deducted is recoverable from the Irish Free State and the Government of Northern Ireland. The compensation allowances are those granted to persons who have lost their posts through reorganization of the service or abolition of the position. The compassionate gratuities are those given to persons who do not come under the terms of the superannuation acts, and the injury grants are those made to persons injured in the service —accidental disability allowances, as they would probably be termed in the United States.

The amount of the allowances, as shown above, is affected to some extent by the cost-of-living bonuses, which vary with the rise and fall of the index number. The following explanation is given of this factor:

This bonus, which is given in addition to ordinary remuneration on a pre-war basis and which varies from time to time in accordance with the average increased cost-of-living index figure, ranks as a pensionable emolument but the amount of the pension attributable to the bonus is subject to quarterly revision in accordance with the fluctuations in the average cost-of-living index figure. In calculating gratuities and lump-sum payments, 75 per cent of the bonus counts as salary.

Administration

THE Commissioners of the Treasury administer the pension system.

ITALY[10]

Legislation

CIVIL-SERVICE retirement and pension legislation in Italy dates back to 1864, when, on May 12, a law was passed regulating civil-service retirement. This law was amended from time to time until the law of February 21, 1895, on the basis of which the entire system was consolidated. This law, in turn, has been amended by numerous subsequent decrees and instructions, especially during the postwar period, such as the royal decrees of October 23, 1919, November 21, 1923, and May 8, 1924. The decree of May 14, 1925, provides for reorganization of the central administration of civil-service retirement and pensions, while the decree of September 30, 1927, provides for codification of all laws and decrees relating to the civil-service retirement and pension system.

The principal provisions of the law of February 21, 1895, and subsequent amendments follow.

Employees Covered

ALL employees in the offices and establishments of the State are covered by the civil-service retirement and pension law.

Retirement Age and Length of Service

WHEN a civil-service employee has rendered 40 years' service, or when he has reached the age of 65 years and has rendered 20 years' service, he is entitled to retire with a pension.

[10] Corte dei conti del regno d'Italia, Codice delle pensioni, Rome, 1927; Ministero delle finanze. Disposizioni sullo stato giuridico degl'impiegati civili dell'amministrazione dello stato, Rome, 1924.

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Retirement Pensions

THE pension is calculated on the basis of the average salary and allowances during the last three years of service. The amount of the pension is equal to one-fortieth of the first 4,000 lire of such income from service and one-sixtieth of the remainder for each year of service, with a maximum of nine-tenths of such income from service and a minimum of 900 lire per annum. An employee who has rendered 40 years' service is entitled to a pension amounting to four-fifths of such income from service per annum

Disability

IN CASE of permanent disability contracted either by accident or disease in service an employee is entitled to retire with a pension without regard to his age or length of service. Such a pension amounts to one-fortieth of the average income from service of the last three years for each year of service, and in any case not less than one-third of the last annual salary for less than 20 years' service nor one-half of such salary for 20 years' service or over. The disability pension may not exceed nine-tenths of the average income from service during the last three years nor be less than 900 lire per annum.

Lump-sum payment.—After 10 years' service, a lump sum is paid to an employee who is either disabled or has lost his position without loss of the right to pension, amounting to one-twelfth of the last annual salary for the first 4,000 lire and one-fifteenth of the remainder of the salary per year of service.

Survivors' Pensions

WIDOW and children.—The widow and children of an employee who has died after 20 years' service have a right to a pension equal to a certain per cent of the pension the deceased employee either was receiving or was entitled to receive at the time of his death, as follows: Widow, 50 per cent; widow with children—one child, 60 per cent; two children, 65 per cent; three children, 70 per cent; four or more children, 75 per cent. The pension of a widow with children must not be less than 600 lire per year. When the widow and all or any of her children or the children of a previous marriage of the deceased employee live apart, the pension is divided as follows: Of the amount of the deceased husband's pension which would be awarded a widow with children, 40 per cent to the widow and the remainder divided equally among the children.

Whole orphans.—Where there is no widow, the orphans are awarded the following share of the deceased employee's pension: Not more than two orphans, one-third; three orphans, 40 per cent; four orphans, 50 per cent; five or more orphans, 60 per cent—the entire pension not to be less than 500 lire per year.

Children of a deceased woman employee are entitled to whole orphans' pension.

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Contributions

THE contribution of each employee amounts to 6 per cent of his income from service. The remainder needed for the operation of the system is contributed by the Government each year in the budget.

Administration

THE Ministry of Finance administers the civil-service retirement and pension system.

NETHERLANDS [11]

Legislation

ON NOVEMBER 8, 1915, a State commission was appointed in the Netherlands to investigate the general conditions of civil-service retirement and pensions and to work out a project for regulations. As a result of the commission's report the pension law now in force was passed on February 15, 1922, becoming a law on July 1, 1922. Subsequent amendments and decrees of June 23 and 30, 1923, and of May 28, 1925, relate to details and, in the main, to the administration of the law.

Employees Covered

THE law covers all employees serving in the offices and establishments of the State, Provinces, and municipalities, including the entire educational staff and the staff serving waterworks, moors, or bog lands.

Retirement Age and Length of Service

AN EMPLOYEE who has reached the age of 65 years and has had 10 years' service is entitled to a pension. In case of an employee being retired upon his own request or dishonorably discharged after 15 years' service, he has a deferred right to a pension at age 65 or earlier in case of disability. In certain cases, by royal decree, if he has reached 55 years of age, has had 10 years' service, and is honorably discharged, he is allowed a pension.

A minister retiring from service is entitled to a pension without consideration of the length of his service as minister. A consular officer is entitled to pension when he has served 35 years.

Retirement Pensions

THE average of the income from service, in money and in kind (expressed in money value), for the last 3 years, or for the last 10 years, or for the number of years of service, whichever average is the highest, or if an employee has served less than 3 years the average of the shorter period, serves as the basis for the calculation of the pension.

[11] Staatsblad, No. 240, 1922, Nos. 293 and 307, 1923, and No. 216, 1925, Tekst van de Pensioenwet 1922. Alphen, N. Samsom, 1926; Rinnooij, H. A. J., De Pensioenwet 1922, met Toelichtingen, Alphen, N. Samsom, 1926, and Tweede Deel Uitvoeringsbesluiten, Alphen, N. Samsom, 1927.

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The amount of the pension is equal to 1.75 per cent of the basic income from service for each year of service, the maximum pension being 70 per cent of such basic income. The pension to a minister is equal to one-twelfth of the basic income from service. If he served in other positions before he was appointed minister then the pension to which he is entitled for his service in other positions is added to his pension as minister.

The pension to a minister may not exceed 6,000 florins per annum, and that to other civil-service employees may not exceed 4,000 florins per annum.

Disability

WHEN a civil-service employee is disabled for service by accident or sickness in service if he has had seven years' service he is entitled to a disability pension. If a civil-service employee is seriously, permanently, or totally disabled in service so that a larger disability pension is required, the time of service is not considered. Disability pensions may not be less than 30 nor more than 70 per cent of the basic income from service.

Survivors' Pensions

WIDOW'S pension.—The widow of a deceased employee, if the marriage took place before the latter reached the age of 65 years, is entitled to a pension amounting to 50 per cent of the first 2,000 florins and 40 per cent of the remainder of the basic income from service of her deceased husband the basic income used in calculating such pension not to exceed 3,000 florins.

Orphans' pensions.—The widow's children who are under legal age are each entitled to a pension of 10 per cent and every whole orphan under legal age to 20 per cent of the basic income from service of the deceased, such pension calculation base not to exceed 3,000 florins. Foster, adopted, and legitimated children, when adoption and legitimation took place before the civil-service employee reached the age of 65 years, are counted as orphans.

Contributions

THE State, provincial and municipal governments contribute to the employees' pension fund 10 per cent and to the widows' and orphans' fund 5½ per cent of the average of the total basic incomes from service of their respective employees, as determined on March 15 and September 15 each year.

Contributions to the employees' pension fund of not more than 3 per cent and to the widows' and orphans' pension fund of not more than 5½ per cent of their basic salaries are required of the civil-service employees.

Administration

THE civil-service employees' pension fund and the widows' and orphans' pension fund are administered by a Pension Council (*Pensioenraad*) consisting of three members, and a secretary and a medical adviser appointed by the Queen.

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NORWAY [12]

Legislation

THE civil-service retirement and pension system in Norway was reorganized on the basis of the law of July 28, 1921. Subsequent regulations and instructions, notably those of April 28, 1922, October 12 and December 15, 1923, November 28, 1924, and December 19, 1927, relate principally to the administration of the law.

Employees Covered

THE law covers all employees in the offices and establishments of the State and those employees in the offices and establishments of provincial and municipal governments who are brought under the State retirement and pension system by royal decree; for instance the law covers all school-teachers, though the vast majority of them are under the jurisdiction of the provincial and municipal governments.

Retirement Age and Length of Service

WHEN a male civil-service employee has reached the age of 70 years or a female employee the age of 65 years, he or she is entitled to retire with a pension. For certain occupations requiring nervous strain and exposure to the elements, however, the retirement age varies. In the State mines, gas works, fisheries, electrical works, shipyards, port works, ammunition plants, etc., it is 68 years; in the State prisons (for prison guards), in the State post, telegraph and telephone service, etc., 65 years; for female employees in the State prisons, correction houses, State medical establishments, etc., 60 years; for female telegraph and telephone operators, 55 years; and in the marine service, 52 years.

For the minimum pension at least 10 years, and for the maximum pension 30 years, of service is required. If an employee who has served 10 years retires before he has reached the age of 70 years—for instance, at the age of 65 years—he is entitled to a deferred pension; that is, the pension does not begin until he reaches 70 years of age.

Retirement Pensions

THE amount of the pension varies according to the salary received and years of service. The highest annual salary received by the employee serves as the basis for the calculation of his pension, the minimum salary being 1,000 crowns and the maximum 10,000 crowns per annum.

The pension scale represents 90 salary bases for the calculation of the pension. Beginning with the minimum of 1,000 crowns per annum each succeeding base is 100 crowns higher than the preceding until the maximum of 10,000 crowns per annum is reached. For the lower bases—from 1,000 crowns up to 6,000 crowns—the pension

[12] Lov om Statens Pensjonskasse, av 28. juli 1921, Oslo, 1921; Norway, Hovedstyret for Statsbanene, Circulære nr. 241 Vedtekter for Statsbanenes Pensjonskasse, Oslo, 1923; Årsberetning for 1925 for Statens Pensjonskasse, Oslo, 1926; Norway, Socialdepartementet, Utkast til Lov om forandringer i Lov om Statens Pensjonskasse av 28. juli 1921, Oslo, 1927, and Om omordning av Statskassens tilskudd til Statens Pensjonskasse, Oslo, 1926.

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for 30 years' service is equal to 66 per cent of the basic salary; for 6,100 crowns it is 65.7 per cent; and this percentage is decreased by 0.3 for each succeeding base to the maximum of 10,000 crowns, for which the pension is 54 per cent.

For service of less than 30 years a proportionate pension is paid; for instance, the pensions on the minimum basic salary of 1,000 crowns and on the maximum basic salary of 10,000 crowns for each number of years up to 30 years of service, as calculated, are as follows:

TABLE 41.—*Minimum and maximum pensions for specified years of service*

Years of service	Minimum annual pension	Maximum annual pension	Years of service	Minimum annual pension	Maximum annual pension
	Crowns	*Crowns*		*Crowns*	*Crowns*
15 years and less	330.00	2,700	23 years	506.40	4,140
16 years	352.80	2,880	24 years	528.00	4,320
17 years	374.40	3,060	25 years	550.80	4,500
18 years	396.00	3,210	26 years	572.40	4,680
19 years	418.80	3,420	27 years	594.00	4,860
20 years	440,40	3,600	28 years	616.80	5,040
21 years	462.00	3,780	29 years	638.40	5,220
22 years	484.80	3,960	30 years	660.00	5,400

Pensions on all salary bases between the minimum and maximum are graduated according to the years of service approximately in the same proportion.

Disability

MUCH latitude is left by the law to the pension board in the matter of awarding disability pensions, but certain principles are followed. In case of permanent disability, caused by accident or sickness in service, a pension equal to the full service pension is awarded. If upon investigation it appears that permanent disability was due to causes other than accident and sickness in service, the award is usually three-fourths of the full service pension.

Survivors' Pensions

WIDOW'S pension.—A widow's pension is equal to 50 per cent of her deceased husband's pension. If she remarries she loses her pension rights.

Orphans' pensions.—The pension for the widow's children is as follows: For one child, 40 per cent of the widow's pension; for two children, 60 per cent; for three children, 75 per cent; for four children, 90 per cent; and for five or more children, 100 per cent. Whole orphans receive the same percentage of their deceased father's pension. Orphans' pensions are paid until they reach 18 years of age. Foster, adopted, and legitimated children, if marriage or their adoption and legitimation took place before the employee reached the retirement age, are counted as orphans.

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Contributions

CIVIL-SERVICE employees contribute 10 per cent of their salary or income from service to the pension funds. The Government guarantees the payment of pensions and contributes the balance of the cost each year.

Pension Funds and Their Administration

THERE are a number of separate State pension funds—the employees' pension fund (*Statens Pensjonskasse*), the widow's pension fund (*Enkekasse*), the State railway employees' pension fund (*Statsbanenes Pensjonskasse*), and other smaller funds—but all these funds operate under the same laws and regulations and are under the same central administration. The funds are administered by a pension board under the general direction of the Ministry of Public Welfare. The board consists of a general director (chairman), two directors, a treasurer, a secretary, and a chief physician, all of whom are appointed by the King.

SWEDEN [13]

THE law of October 11, 1907, with some subsequent modifications, contains the principal provisions for civil-service retirement and pensions in Sweden.[14]

Employees Covered

THE retirement and pension law applies to all State office holders and employees provided for in the regular State budget, with the exception of certain groups of employees whose retirement is governed by special regulations and royal decrees and those civil-service employees who are insured by the General Social Insurance Office.

Retirement Age and Length of Service

AS a rule, retirement is obligatory at the age of 67 years. If, on reaching such age, a civil-service employee has served at least 10 years, he is entitled to an annual pension, but must have served a certain number of years, generally 35, to receive a full pension. If, for causes other than disability contracted in service, an employee leaves the service before he has completed 10 years' service, he is not entitled to a pension and his contributions are not refunded.

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[13] Svensk Författnings-Samling, Nr. 85, 1907, and Nr. 276-279, 1925; Sweden, Statskontorets, Utdrag ur de under Kungl. statskontorets förvaltning stående fonders och diverse medels räkenskaper för budgetåret 1926-27, Stockholm, 1927; and unpublished material furnished to the Department of Labor through the Department of State.

[14] There are a number of regulations and decrees concerning retirement and pensions of certain groups of civil-service employees; for instance, in the State postal, telegraph, railway, and water power services. Among these regulations and decrees, perhaps the most important are: Salary regulation of June 19, 1919, somewhat modified by the law of June 4, 1920; public land service regulation of June 22, 1920, modified by law of June 12, 1925; royal decree of June 9, 1922, relating to pilotage and lighthouse service; salary regulation of May 21, 1926, and royal decree of June 18, 1926, relating to State and provincial medical service.

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Retirement Pensions

THE basis for the calculation of the annual pension is two-thirds of the last annual salary, the amount being generally stated either in the current State budget or in a special regulation or decree, but if not so stated the whole of the last annual salary serves as the basis for the calculation of the pension, the maximum being 6,000 crowns per annum.

A full pension is equal to the basic salary ascertained as above stated. If the number of years' service is smaller than the specified maximum but amounts to 10 or more, the pension granted is proportional to the years of service, so that, for example, an employee who is entitled to a full pension after 35 years of service but has served only 27 years is entitled, when he retires, to a pension equal to twenty-seven thirty-fifths of the basic salary.

The maximum amount of the annual pension granted to civil-service employees (which is the basis for calculation of the pension) was fixed by the laws of 1907 and 1920, and by the royal decree of June 12, 1925 (No. 277). Those of chiefs and other officials are, by salary grades, as follows:

Grade:	Crowns	Grade:	Crown
First	7, 296	Third	8, 496
Second	7, 896	Fourth	8, 796

The maximum pensions of other civil service employees of the various salary grades are:

Grade:	Men (crowns)	Women (crowns)	Grade:	Men (crowns)	Women (crowns)
First	1, 320	1, 236	Sixteenth	3, 240	3, 036
Second	1, 404	1, 320	Seventeenth	3, 444	3, 240
Third	1, 476	1, 404	Eighteenth	3, 684	3, 444
Fourth	1, 560	1, 476	Nineteenth	3, 924	3, 684
Fifth	1, 644	1, 560	Twentieth	3, 924	3, 684
Sixth	1, 716	1, 644	Twenty-first	4, 200	3, 924
Seventh	1, 824	1, 716	Twenty-second	4, 476	4, 200
Eighth	1, 920	1, 824	Twenty-third	4, 764	4, 476
Ninth	2, 040	1, 920	Twenty-fourth	5, 076	4, 764
Tenth	2, 160	2, 040	Twenty-fifth	5, 400	5, 076
Eleventh	2, 304	2, 160	Twenty-sixth	5, 724	5, 400
Twelfth	2, 436	2, 304	Twenty-seventh	6, 036	5, 724
Thirteenth	2, 640	2, 436	Twenty-eighth	6, 360	6, 036
Fourteenth	2, 844	2, 640	Twenty-ninth	6, 684	6, 360
Fifteenth	3, 036	2, 844	Thirtieth	6, 996	6, 684

Disability

IN CASE of retirement for permanent disability caused by accident or sickness in the service an employee may be awarded a pension equal to the full service pension

Survivors' Pensions

IN MANY cases the survivors of a civil-service employee are taken care of by the General Social Insurance Office. But in cases where the widow is not insured, she receives a pension amounting to approximately one-fourth of the pension her deceased husband

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was receiving or to which he was entitled at his death. If the orphans are not entitled to benefits from the General Social Insurance Office, they receive a pension until they reach 21 years of age in amounts varying with the circumstances and the decision of the pension board. The orphans' pensions and the widow's pension together may not exceed the pension of the deceased employee. The cost of living, schooling, and training of whole orphans is paid by the survivors' pension fund until they reach the age of 21 years, or until they are able to earn their own living.

Contributions

EVERY civil-service employee is required to make annual contributions (*pensionsavgift*), varying, as a rule, between 3 and 6 per cent of the basic salary, which is paid into the civil pensions fund. It is calculated that when the pensions service reaches the stage where the income of the pension fund just covers its expenses, the contributions of the employees will represent approximately one-third of the pensions.

The annual contributions of the civil-service employees of the various salary grades to the pensions fund are as follows:

Chiefs and other officials

Grade:	Crowns	Grade:	Crowns
First	438	Third	510
Second	474	Fourth	528

Other civil-service employees

Grade:	Crowns	Grade:	Crowns
First	36	Sixteenth	141
Second	39	Seventeenth	156
Third	42	Eighteenth	174
Fourth	45	Nineteenth	192
Fifth	48	Twentieth	192
Sixth	51	Twenty-first	213
Seventh	57	Twenty-second	234
Eighth	63	Twenty-third	255
Ninth	69	Twenty-fourth	279
Tenth	75	Twenty-fifth	303
Eleventh	84	Twenty-sixth	330
Twelfth	90	Twenty-seventh	354
Thirteenth	102	Twenty-eighth	378
Fourteenth	114	Twenty-ninth	399
Fifteenth	129	Thirtieth	420

Civil-service employees who are insured by the General Social Insurance Office do not receive a civil-service pension and do not contribute toward it, but are required to contribute to the civil-service survivors' pension fund such sums as are assessed by the board in charge of this fund.

Pension Funds and Their Administration

THERE are two pension funds, one for civil-service employees and the other for their survivors (called "fonden för familjepensionering"). Both funds are administered by special boards under the authority of the Ministry of Finance. The members of the pension

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board for employees are appointed by the King. The board for the survivors' fund consists of five members, of whom the chairman and managing director are appointed by the King and three members are appointed by 60 electors chosen by the contributors to the fund.

Financial Standing of Pension Funds

THE financial standing of the civil-service pension funds during the fiscal year 1926–27 was as follows:

	Crowns	Crowns
Employees' pension fund		
Balance on hand		21, 018, 248. 55
Income:		
Interest	1, 105, 421. 44	
Employees' contributions	1, 698, 640. 78	
Total income		2, 804, 062. 22
Expenses: Pensions, and other		335, 292. 26
Survivors' pension fund		
Balance on hand		110, 265. 83
Income:		
Interest	7, 359. 99	
Employees' contributions	127, 812. 03	
Total income		135, 172. 02
Expenses: Pensions		1, 172. 35

SWITZERLAND [15]

Legislation

INSTEAD of pensions the Swiss Government has a system of obligatory or compulsory insurance of civil-service employees (*fonctionnaires, employés, et ouvriers fédéraux*), based upon the laws of September 30, 1919, and October 6, 1920, amplified and interpreted, in certain particulars, by the decisions of the Federal Council of January 18, 1921, and of May 8, 1923.

General Provisions

THE insurance laws provide benefits for civil-service employees in case of old age and disability caused either by sickness or accident and, in case of death, for their survivors.

Insurance begins at the time of entering the service, and leaving the service means giving up the insurance. If a civil-service employee leaves the service for any cause other than disability or death and if he has not the right to a lump-sum payment his insurance contributions are returned to him without interest. The return of his contributions or the payment of a lump-sum precludes all claim to insurance benefits. Should he reenter the service, which means

[15] The data on which this section is based are from Statuts de la caisse d'assurance des fonctionnaires, employés, et ouvriers fédéraux du 6 octobre 1920; Arrêté du Conseil fédéral concernant l'execution de certaines dispositions des statuts de la caisse d'assurance du 17 janvier 1921; Decisions du conseil d'administration concernant l'admission des ouvriers et du personnel auxilaire dans la caisse d'assurance du 18 janvier 1921; Annexe au Comte d'Etat de la Confédération suisse, la caisse d'assurance des fonctionnaires, employés et ouvriers fédéraux en 1921–1925.

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again becoming subject to insurance, he must return his refunded contributions or the lump-sum payment and his previous service time is added to his second period of service.

A service year for officials and employees is considered as consisting of 12 months' service, and for laborers as consisting of 330 days' labor, except that for those laborers who work also on Sundays and holidays it consists of 365 days' labor.

The maximum yearly salary or wages considered for insurance purposes is 15,000 francs.

Employees Covered

THOSE insured are the elected or appointed civil employees. Persons who have left the service for the third time and those who are provided for from communal or other sources are not eligible for insurance.

Civil-service employees who can not present a certificate of good health or who are over 40 years of age when entering the service can be insured only as savings contributors. If during their service their health appears to be good they may be insured, and in that case the savings contributions they have made are converted into insurance contributions.

Retirement Age and Length of Service

A PENSION is paid to the insured employee when he, having reached 70 years of age or having had 50 years' (in the case of a woman 35 years') service,[16] retires, not being able to continue service, or when after 15 years' service he is not reelected or is discharged for no fault of his.

Insurance Benefits

INSURANCE benefits consist of pensions or lump-sum payments.

The amount of pension is calculated as a percentage of the last annual salary when a civil-service employee retires.

Annual payments in the case of a life pension are made according to the following scale:

Years of service	Per cent of last annual salary	Years of service	Per cent of last annual salary
Less than 1 year	15. 0	16 years	47. 0
1 year	20. 0	17 years	48. 0
2 years	25. 0	18 years	49. 5
3 years	30. 0	19 years	51. 0
4 years	35. 0	20 years	52. 5
5 years	36. 0	21 years	54. 0
6 years	37. 0	22 years	55. 5
7 years	38. 0	23 years	57. 0
8 years	39. 0	24 years	58. 5
9 years	40 0	25 years	60. 0
10 years	41. 0	26 years	62. 0
11 years	42. 0	27 years	64. 0
12 years	43. 0	28 years	66. 0
13 years	44. 0	29 years	68. 0
14 years	45. 0	30 years	[17] 70. 0
15 years	46. 0		

[16] Retirement at reaching 70 years of age or after 50 years' (in the case of a woman 35 years') service is not compulsory.
[17] Maximum.

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Lump sum.—If after five years' service and before the completion of the fifteenth year the insured is not reelected or is discharged for no fault of his, he receives a lump-sum payment as follows: From 5 to 8 years' service, 125 per cent of the last annual salary; from 8 to 12 years' service, 150 per cent; from 12 to 15 years' service, 200 per cent.

Partial pension.—If an employee who receives a pension is reelected or reappointed for service his pension ceases and he again comes under the insurance system, making corresponding contributions if his annual salary is higher than the pension he received. If his salary is lower than the latter he receives a partial pension in order to equalize his income from his service with his pension.

Disability

A PENSION is paid to an insured employee when, after 5 years' service in the case of a married employee or 15 years' service in the case of an unmarried employee, he is permanently disabled in service either by sickness or accident; a lump sum is paid to the insured if he is disabled during the first five years of service.

Partial pension.—When an employee is disabled in service and as a result is transferred, at a lower salary, to some other work which he is still able to perform, he has the right to a partial disability pension as compensation for his lost earning power.

Increase and decrease of pension.—A female civil-service employee who has served at least 15 years in the first or second classes of the telephone and telegraph service has the right to an increase of her disability pension by 1 per cent per year of the annual salary which serves as the basis for calculation of her pension, but the increased pension is not to exceed 70 per cent of her annual salary at retirement.

If a retired employee receives a pension from other sources for previous service his disability pension is decreased in the amount of his other pension.

Lump sum.—If an unmarried employee during his first five years of service is disabled in service he is paid a lump sum equal to a percentage of his annual salary as follows: When disabled in the first year of service, 50 per cent; in the second year, 75 per cent; in the third year, 100 per cent; in the fourth year, 125 per cent; and in the fifth year, 150 per cent.

Relief

RELIEF is paid out of a special relief fund in particular cases of need. For instance, if the deceased had grandparents or other close relatives, except widow and children, dependent upon him, an annual relief payment of not to exceed 20 per cent of his annual salary is made. The relief is also given as an addition to the pension of a disabled civil-service employee if after his retirement there appears in his family an additional dependent. Whether relief is needed and in what amount are decided in each case by the governing council.

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Survivors' Pensions

WIDOW'S pension.—The widow's pension is normally 50 per cent of the pension of her deceased husband, but never less than 25 per cent and never in excess of his pension. If the widow is 20 years younger than her deceased husband she is entitled to only half of the usual widow's pension. If the marriage took place after her deceased husband had reached 60 years of age the widow has no right to a pension. If a widow remarries she is paid a lump sum equal to three times her annual pension.

Orphans' pensions.—Each legitimate child of the deceased insured civil-service employee is entitled to 10 per cent of the annual salary of the deceased till he reaches the age of 18 years, but if the child is not capable of remunerative employment by reason of some physical or mental defect he is entitled to a pension during his lifetime. A child over 18 years of age at the time of the death of his father is not entitled to a pension.

The aggregate sum of the pensions to all the children of the deceased must not exceed 30 per cent of his annual salary. If after the death of an insured employee no widow appears, or if she loses her right to pension or dies the orphan's pension is doubled.

Contributions

THE Government contributes 7 per cent of the annual salary of the insured, a sum equivalent to five monthly payments of any increase in the salary of the insured, and expenses of the upkeep of the insurance offices, and also makes up any deficits that may occur.

The employee contributes 5 per cent of his annual salary and four monthly payments of any increase in his annual salary.

When an insured male civil-service employee has reached the age of 70 years, or when he has been in the service 50 years, he is released from making contributions; a female employee is released after 35 years' service.

For the relief fund the Government contributed an initial amount of 250,000 francs. The insured employees contribute 1 per cent of their annual salary on December 31 of each year. The relief fund is augmented by gifts, legacies, uncollected pensions, etc.

Savings Deposits

IF AN official or employee is not able at the time of entering service to present a certificate of good health or is over 40 years of age he is not eligible for insurance, but must make savings deposits equal to the insurance contributions he would make if insured. The Government contributions are the same as in the case of the insured employee. The savings deposits bear interest, which is compounded at certain intervals.

When a savings depositer leaves the service his savings deposits, with interest, are returned to him, or, in case of his death, are paid to his heirs, in which case the Government contributions are added to the general relief fund.

When a savings depositor, after at least five years' service, resigns on account of disability acquired in the service, or because he is not

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reelected or is discharged for no fault of his, his savings deposits plus the Government contributions, with interest, are paid to him or his heirs.

Insurance Offices

GENERAL control over the insurance system is vested in the Federal Council. The highest executive office is the governing council, while the actual insurance business is done by various offices of the Federal financial departments.

The governing council consists of a president and 18 members. The Federal Council appoints the president and 10 members, and 8 members are elected by the insured, the method of election being prescribed by the Federal Council. The tenure of service of the president and the members is three years. Important questions are brought to the governing council for mediation and decision. The rights, duties, and procedure of the governing council are prescribed by the Federal Council.

Total Contributions and Payments

THE total contributions and the contributions by the Government and by the civil-service employees to the insurance fund, the savings deposits, and the relief fund, and the amount paid out in pensions and lump sums and for relief, and the deposits returned are shown in Table 42:

TABLE 42.—*Financial statement of Swiss insurance system for civil-service employees, 1921 to 1925, by years*

Year	Contributions to the insurance fund			Savings deposits (contributions)		
	By Government	By insured	Total	By Government	By insured	Total
	Francs	*Francs*	*Francs*	*Francs*	*Francs*	*Francs*
1921	12, 925, 294	9, 619, 652	22, 544, 946	775, 334	560, 235	1, 335, 569
1922	10, 498, 514	7, 913, 934	18, 412, 448	599, 259	429, 571	1, 028, 830
1923	9, 855, 054	7, 026, 421	16, 881, 475	520, 689	375, 772	896, 461
1924	12, 052 099	8, 795, 654	20, 847, 753	520, 951	378, 401	899, 352
1925	9, 934, 833	7, 134, 523	17, 068, 356	510, 321	370, 373	880, 694

Year	Contributions to relief fund			Paid in pensions	Paid in lump sums	Paid for relief	Deposits returned
	By Government	By insured	Total				
	Francs	*Francs*	*Francs*	*Francs*	*Francs*	*Francs*	*Francs*
1921	250, 000	180, 000	430, 000	7, 328, 127	498, 150	4, 040	54, 263
1922	3, 330	159, 000	162, 330	9, 836, 394	144, 083	9, 357	245, 875
1923	3, 850	159, 000	162, 850	10, 933, 207	224, 406	697, 993	299, 113
1924	----------	146, 000	146, 000	12, 835, 990	200, 145	789, 013	2, 055, 368
1925	----------	139, 000	139, 000	13, 891, 312	116, 249	800, 388	552, 200

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