

TWENTY-NINTH ANNUAL STATEMENT

of the Condition of the

Public School Teachers' Pension and Retirement Fund CITY OF CHICAGO

December 31, 1934

SUMMARY

| | |
|---|----------------|
| Cash on hand January 1, 1934..... | \$ 146,214.11 |
| Income, January 1 to December 31, 1934: | |
| Cash | \$2,444,791.72 |
| Chicago Board of Education Tax Anticipation Warrants | 74,825.00 |
| Total Income | \$2,519,616.72 |
| Total Disbursements | 1,662,484.28 |
| Excess of total income over total disbursements..... | 857,132.44 |
| Added to Reserve Fund Jan. 1 to Dec. 31, 1934..... | 762,550.00 |
| Total Reserve Fund Dec. 31, 1934 (Face Value)..... | 5,987,425.00 |
| <hr/> | |
| Interest Jan. 1 to Dec. 31, 1934: | |
| Total Interest Received..... | \$ 195,507.54 |
| Less Accrued Interest..... | 9,981.84 |
| Interest Earned | 185,525.70 |
| <hr/> | |
| Public Money Jan. 1 to Dec. 31, 1934:* | |
| Tax Levy | 713,293.63 |
| <hr/> | |
| Deductions from payrolls: | |
| Cash | \$1,489,093.55 |
| Board of Education Tax Anticipation War- rants | 55,650.00 |
| Total Deductions | \$1,544,743.55 |
| Less Refunds a/c Error..... | 221.25 |
| Net Deductions from payrolls..... | 1,544,522.30 |
| Paid to Annuitants..... | 1,577,380.70 |
| Less payments from Annuitants: | |
| Unearned Pension | \$ 4,611.62 |
| Annuitants completing payments..... | 16,996.67 |
| | 21,608.29 |
| Paid to annuitants (net)..... | \$1,555,772.41 |
| <hr/> | |
| Cash on Hand, December 31, 1934..... | \$ 176,060.26 |

* See Note on Public Money at end of this Report.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

for the year ending

December 31, 1934

INVESTMENT ACCOUNT

Amount in Reserve Fund, January 1, 1934..... \$5,224,875.00

Which amount consisted of:

| | | |
|--|----------------|-----------------------|
| (a) Bonds of the United States, and of the State of Illinois and its subdivisions..... | \$4,728,500.00 | |
| (b) Board of Education 6% Tax Anticipation Warrants | 495,750.00 | |
| (c) Tax Warrant of Barrington Park District.... | 625.00 | |
| | | <u>\$5,224,875.00</u> |

| | | |
|---|-----------------------|---------------------|
| To (a) above..... | \$4,728,500.00 | |
| Add: Invested Jan. 1 to Dec. 31, 1934, \$1,062,974.45, this being the purchase price of bonds having a face value of..... | 1,028,500.00 | |
| | <u>\$5,757,000.00</u> | |
| Less Matured Bonds transferred to cash..... | 319,750.00 | |
| Total bonds of the United States and of the State of Illinois and its subdivisions, Dec. 31, 1934 | | <u>5,437,250.00</u> |

| | | |
|---|----------------------|-------------------|
| To (b) above | \$ 495,750.00 | |
| Add: Chicago Board of Education 6% Tax Anticipation Warrants received: | | |
| For deductions from salary..... | 55,650.00 | |
| For payments from teachers and annuitants | 19,175.00 | |
| | <u>\$ 570,575.00</u> | |
| Less Tax Warrants redeemed..... | 20,400.00 | |
| Total Chicago Board of Education 6% Tax Anticipation Warrants on Dec. 31, 1934..... | | <u>550,175.00</u> |

| | | |
|--|-----------|---------------|
| (c) Tax Warrant of Barrington Park Dist..... | \$ 625.00 | |
| Redeemed | 625.00 | |
| | | <u>000.00</u> |

Total Reserve Fund, Dec. 31, 1934..... \$5,987,425.00

RECEIPTS

Cash on Hand, January 1, 1934..... \$ 146,214.11

Income, January 1 to December 31, 1934

Deductions from payrolls..... \$1,489,093.55

Interest on Investments:

| | | |
|--|--------------|------------|
| On Bonds | \$193,109.83 | |
| On tax warrants..... | 2,385.98 | |
| Refund of Interest from Ballman and Main | 11.73 | |
| | | 195,507.54 |

Public Money—Tax Levy..... 713,293.63

Received from Chicago Division, I. S. T. A., reimbursement for paper, etc..... 10.60

Anonymous Contribution to Fund..... 37.00

Reimbursement for forged checks..... 166.00

Payments into the Fund by teachers and annuitants:

| | | |
|---|--------------|---|
| (a) Annuitants completing payments.. | \$ 16,996.67 | ✓ |
| (b) Unearned Pension a/c annuitants deceased | 4,511.62 | |
| (c) Payments for Outside Service..... | 22,491.25 | ✓ |
| (d) Former teachers returning refund. | 596.55 | ✓ |
| (e) Teachers becoming contributors a/c wrong grouping | 809.93 | ✓ |
| (f) Unearned Pension a/c annuitant returned to service..... | 100.00 | |
| | | |
| | \$ 45,506.02 | |

Less tax anticipation warrants received as part payment and added to Reserve Fund 19,175.00

Accrued interest

| | | |
|--|-------|--------------|
| | 47.62 | |
| | | \$ 19,222.62 |

\$ 19,222.62

Leaving cash received from teachers and annuitants 26,283.40

Payments from teachers and annuitants by tax warrants redeemed

| | | |
|--|-----------|--|
| | 20,400.00 | |
| | | |

Total Income \$2,444,791.72

Matured bonds transferred to cash and reinvested.... 319,750.00

Tax Anticipation Warrant of Barrington Park District redeemed

| | | |
|--|--------|--|
| | 625.00 | |
| | | |

Premium on bonds redeemed before maturity..... 120.00

Total Receipts \$2,765,286.72

\$2,911,500.88

DISBURSEMENTS

January 1 to December 31, 1934

| | |
|---|----------------|
| Paid to Annuitants..... | \$1,577,380.70 |
| Paid to Annuitants a/c forgery..... | 166.00 |
| Refunds account of error in deductions..... | 221.25 |
| Refunds to teachers resigning from service..... | 11,519.36 |
| Refunds to estates of deceased teachers..... | 38,390.84 |

Expenses of Administration

| | |
|---|-------------|
| Printing | \$ 3,052.42 |
| Clerical and Stenographic Services..... | 12,515.75 |
| Supplies and Equipment..... | 3,148.00 |
| Rent | 2,604.50 |
| Electricity | 79.09 |
| Cost of Collection of Bonds..... | 128.04 |
| Cost of Registration of Bonds..... | 118.84 |

Contingent Expenditures from November 18, 1933, to November 16, 1934:

| | |
|----------------------------|----------|
| Postage | \$930.57 |
| Supplies | 68.23 |
| Service | 221.25 |
| Miscellaneous | 2.90 |
| Federal Tax on Checks..... | .78 |

New Warrants for Contingent Expenditures..... 1,223.73

Catherine J. Trout, for cash advanced for dinners for
Canvassing Board

53.76

Medical Examiners' Fees..... 159.00

Wilma Rhinesmith, Rec. Sec'y., June 15, 1933, to Jan.
22, 1934

150.00

Mary E. Dutton, Rec. Sec'y., Jan. 22 to June 15, 1934.. 150.00

I. T. Greenacre, Legal Services..... 4,858.75

Henry R. Corbett, Audit of Pension Fund..... 1,346.00

Catherine J. Trout, Asst. Sec'y. of Pension Board.... 3,300.00

Surety Bonds for City Treasurer..... 1,906.25

National Council of Teachers' Retirement Systems,
Dues

12.00

Total Administration Expense..... \$ 34,806.13

Total Disbursements

\$1,662,484.28

Transferred for Investment:

Face value of bonds purchased..... \$1,028,500.00

Premium on bonds purchased..... 34,474.45

Purchase price

\$1,062,974.45

Accrued interest

9,981.84

Total transferred for investment..... \$1,072,956.29

\$2,735,440.57

Cash on Hand, December 31, 1934..... 176,060.26

\$2,911,500.83

NOTE: PUBLIC MONEY. For the Public School Teachers' Pension and Retirement Fund a separate tax of three-twentieths of a mill was levied each year up to 1930 on each dollar of assessed valuation of property in Chicago. To this tax the Board of Education was required to add an appropriation from the Educational Fund sufficient to make the total public money \$2.00 for each \$1.00 deducted from teachers' salaries and paid into the Pension Fund. Owing to the delay in the collection of taxes, only part of the tax money has been received and the money due the pension fund from the Board of Education has not been received, although appropriation therefor was made in the budget of the Board.

In 1931 the tax rate was one-fourth of a mill on each dollar, in 1932 and 1933 the rate was four-tenths of a mill, and beginning with 1934 the rate is one-half of a mill on each dollar of assessed valuation.

Annuitants of December, 1934

| | |
|--|----------|
| Number of persons drawing pension December 31, 1933, including disability annuitants | 1,828 |
| Number of persons drawing pension December 31, 1934, including disability annuitants | 1,921 |
| Number of persons drawing disability pension December 31, 1934..... | 112 |
| Number of annuitants deceased since last report..... | 105 |
| Number of annuitants returned to service since last report..... | 1 |
| Highest annuity paid for December, 1934..... | \$100.00 |
| Lowest annuity paid for December, 1934..... | 64.00 |
| Highest disability annuity paid for December, 1934..... | 79.58 |
| Lowest disability annuity paid for December, 1934..... | 30.00 |

Note: See "Report on Annuitants" for information concerning amounts withheld from payment.

Number of Teachers by Pension Groups

A check-up of the December, 1934 payroll of the Board of Education made in pension office, shows the following number of teachers in each of the pension groups:

| Group | Time of Service | No. of Contributors |
|--|------------------------------|---------------------|
| 1 | 4 years or less..... | 673 |
| 2 | 5 years to 8 inclusive..... | 1,880 |
| 3 | 9 years to 12 inclusive..... | 1,788 |
| 4 | More than 12 years..... | 8,314 |
| Total number of Contributors..... | | 12,665 |
| Number of Non-Contributors..... | | 168 |
| Number on Temporary Certificates*..... | | 26 |
| Number on Probationary Service†..... | | 48 |
| Number of Assigned Teachers..... | | 12,907 |

Respectfully submitted,

HENRY G. GEILEN,
Financial Secretary.

* This is the number of teachers on Temporary Certificates whose names appear on the payroll.

† These are teachers serving their first four months in high school. Some are from outside Chicago, and some are transfers from the elementary school, but they pay no pension while on probation.

The Annuitants of February, 1935

NOTE: The Financial Secretary reports 1,921 annuitants drawing pension in December, 1934. This includes only those who have completed their payments into the fund. The Recording Secretary, reporting the number in February, subtracts from 1,921 the sum of those who have returned to service and those whose deaths have been reported, and adds those who were placed on the pension roll in January, including all those whose payments are not completed.

The following table shows the number of annuitants who have from 25 to 35 years of service, with the rate of annuity for each such year and the amount that will be paid to each group when all payments into the fund are completed. It also shows the number of disability annuitants and the number of annuitants who retired under the old law (that is, before July 1, 1907) with less than 25 years of service. The amounts are computed at the rates authorized by the legislature of 1923, although the increases granted by the legislature in that year have been withheld since September 1, 1927 from those persons who were placed on the pension roll before July 1, 1923, on account of Injunction proceedings instituted against the Pension Board.

The Pension Law as amended by the Legislature of 1931, provides that any person retired by the Board of Education under the Compulsory Retirement Law with less than 25 years of service shall receive as pension such proportion of \$800 as his time of service bears to 25 years. These are the "Special" annuitants shown in the Table.

TABLE I.

| Years of Service | Number of Annuitants | Rate of Annuity | Amount of Annuity |
|------------------|----------------------|---------------------|-----------------------|
| 12 to 25..... | 112 | (Disability) | \$ 58,786.00 |
| 20 to 25..... | 74 | (Old Law) | 50,650.60 |
| 20 to 25..... | 4 | (Special) | 2,961.60 |
| 25..... | 154 | \$800.00..... | \$ 123,200.00 |
| 26..... | 84 | 820.00..... | 68,800.00 |
| 27..... | 70 | 840.00..... | 58,800.00 |
| 28..... | 68 | 860.00..... | 58,480.00 |
| 29..... | 73 | 880.00..... | 64,240.00 |
| 30..... | 81 | 900.00..... | 72,900.00 |
| 31..... | 68 | 920.00..... | 62,560.00 |
| 32..... | 46 | 940.00..... | 43,240.00 |
| 33..... | 48 | 960.00..... | 46,080.00 |
| 34..... | 51 | 980.00..... | 49,980.00 |
| 35 and over..... | 1,000 | 1,000.00..... | 1,000,000.00 |
| | <u>1,743</u> | | <u>\$1,648,280.00</u> |
| Total..... | 1,933 | | |

Payroll for the 1,933 annuitants of January, 1935, when all payments into the fund have been completed..... \$1,760,678.20

TABLE II.

| Years of Service | No. of Annuitants | Years of Service | No. of Annuitants | Years of Service | No. of Annuitants |
|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| 35..... | 100 | 43..... | 66 | 51..... | 9 |
| 36..... | 79 | 44..... | 76 | 52..... | 16 |
| 37..... | 65 | 45..... | 77 | 53..... | 3 |
| 38..... | 58 | 46..... | 58 | 54..... | 3 |
| 39..... | 65 | 47..... | 50 | 55..... | 0 |
| 40..... | 54 | 48..... | 44 | 56..... | 1 |
| 41..... | 63 | 49..... | 36 | 57..... | 1 |
| 42..... | 54 | 50..... | 22 | | |
| | | | | | 1,000 |

The 1,743 annuitants who have 25 or more years of service have an average time of 36.5 years.

The amendment to the law providing additional annuity for additional service became effective July 1, 1923. The average time of service for the 1,794 annuitants who retired since that is 38.3 years.

Respectfully submitted,

MARY E. DUTTON,
Recording Secretary.

June 6, 1935.

Public School Teachers' Pension and Retirement Fund

Room 856, 228 N. La Salle St., Chicago

Telephone Dearborn 7801

Members 1935:

MARY E. DUTTON
MARY B. LIVINGSTON
ARLINE MAYHEW
HENRY G. GEILEN
LEILA E. WHITEHEAD
SARA C. LARKIN
IRWIN N. WALKER
ERNST BUEHLER
PAUL DRYMALSKI

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