

THIRTY-FIRST ANNUAL STATEMENT

of the Condition of the

Public School Teachers' Pension and Retirement Fund CITY OF CHICAGO

December 31, 1936

SUMMARY

Cash on hand January 1, 1936.....	\$ 341,218.25
Income, January 1 to December 31, 1936.....	\$3,170,781.53
Expenditures	2,209,612.48
Excess of total income over total expenditures.....	961,169.05
Added to Reserve Fund Jan. 1 to Dec. 31, 1936.....	1,010,310.93
Total Reserve Fund December 31, 1936 (Face Value).....	7,458,010.93

Interest on Investments, Jan. 1 to Dec. 31, 1936:

Total Interest Received.....	\$ 418,982.53
Less Accrued Interest.....	19,844.51

Interest on Investments (Net)..... \$ 399,138.02

Tax Levy January 1 to December 31, 1936*..... \$1,086,919.96

Deductions from payrolls.....	\$1,175,936.50
Less Refunds a/c Error.....	345.20

Net Deductions from payrolls..... \$1,175,591.30

Paid to Annuitants..... \$2,122,004.22

Less payments from Annuitants:

Unearned Pension	\$ 3,711.24
Annuitants completing payments.....	87,270.92

90,982.16

Paid to Annuitants (Net)..... \$2,031,022.06

Cash on Hand, December 31, 1936..... \$ 228,463.50

* See: "Note: Public Money" at end of this report.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

for the year ending

December 31, 1936

INVESTMENT ACCOUNT

Amount in Reserve Fund, January 1, 1936..... \$6,447,700.00

Which amount consisted of:

(a) Bonds of the United States, and of the State of Illinois and its subdivisions.....	\$6,447,550.00
(b) Board of Education 6% Tax Anticipation Warrants	150.00
	<u>6,447,700.00</u>

To (a) above..... \$6,447,550.00

Add: Invested January 1 to December 31, 1936,
\$2,300,230.29, this being the purchase price
of bonds having a face value of..... 2,255,800.93

\$8,703,350.93

Less Matured Bonds transferred to cash..... 1,245,490.00

Total bonds of the United States and of the State of Illinois and its subdivisions, December 31, 1936..... \$7,457,860.93

To (b) above..... \$ 150.00

Add: Chicago Board of Education 6% Tax Anticipation Warrants received as payments from teachers and annuitants..... 50.00

\$ 200.00

Less Tax Warrants redeemed..... 50.00

Total Chicago Board of Education 6% Tax Anticipation Warrants on December 31, 1936..... 150.00

Total Reserve Fund, December 31, 1936..... \$7,458,010.93

RECEIPTS

Cash on Hand, January 1, 1936..... \$ 341,218.25

Income, January 1 to December 31, 1936

Deductions from payrolls..... \$1,175,936.50

Interest:

On Bonds\$418,975.28

On Tax Warrants..... .34

On Tax Money 10.86

\$418,986.48

Less Cost of Collection..... 3.95

Interest Received 418,982.53

Public Money—Tax Levy..... 1,086,919.96

Refund of Excessive Premium paid..... 25.90

Reimbursement a/c original and duplicate pension checks cashed 160.00

Refund of overpayment on cost of collection..... 5.00

Payments into the Fund by teachers and annuitants:

(a) Annuity completing payments..\$ 87,270.92 ✓

(b) Unearned pension a/c annuitants deceased 3,182.69

(c) Unearned pension a/c annuitants returning to service..... 528.55

(d) Payment for Outside Service..... 281,671.00 ✓

(e) Non-contributors becoming contributors 114,321.42 ✓

(f) Teachers becoming contributors a/c wrong grouping 158.21 ✓

(g) Former teachers returning refund. 668.85 ✓

(h) Bequest—estate of Alice Barnard.. 1,000.00

\$488,801.64

Less Tax Anticipation Warrants received as part payment and added to Reserve Fund 50.00

Leaving cash received from teachers and annuitants. 488,751.64 ✓

Total Income \$3,170,781.53

Matured Bonds transferred to cash and reinvested... 1,245,490.00

Premium on Bonds redeemed before maturity..... 611.00

Tax Anticipation Warrants redeemed..... 50.00

Total Receipts \$4,416,932.53

\$4,758,150.78

DISBURSEMENTS

January 1 to December 31, 1936

Paid to Annuitants.....	\$2,122,004.22
Refunds a/c error in deductions.....	\$ 345.20
Refunds to teachers resigning from service.....	12,967.20
Refunds to estates of deceased teachers.....	31,768.19
Refunds to teachers a/c over-payment for Outside Service	54.00
	45,134.59
Duplicate checks issued to annuitants.....	275.20
Excessive Bond Interest received.....	82.50

Expenses of Administration

Printing and Binding.....	\$ 4,207.14
Clerical and Stenographic Services.....	14,320.46
Supplies and Equipment.....	2,085.06
Rent	2,580.00
Electricity	119.48
Cost of Collection of Bonds.....	244.29

Contingent Expenditures from November 26, 1935 to October 29, 1936:

Postage	\$1,184.65
Supplies and Equipment	44.32
Dinners for Canvassing Board—Pension Election	44.87
Clerical Services in re Pension Election....	93.00
Miscellaneous	16.25

New Warrants for Contingent Expenditures.....	1,383.09
Medical Examiners' Fees.....	139.00
Mary E. Dutton, Recording Secretary, June 15, 1935 to June 15, 1936.....	300.00
Catherine J. Trout, Assistant Secretary of Pension Board	3,300.00
I. T. Greenacre, Legal Services.....	4,760.00
Henry R. Corbett, Actuarial Survey, Audit, etc.....	3,305.40
National Council of Teachers' Retirement Systems, Dues	12.00
Consultation service re purchase of bonds.....	3,460.50
Surety Bonds for City Treasurer.....	1,881.25
Expenses in re Brei case.....	18.30

Total Administration Expense..... 42,115.97

Total Expenditures \$2,209,612.48

DISBURSEMENTS (Continued)

Transferred for Investment:	
Face value of bonds purchased.....	\$2,255,800.93
Premium on bonds purchased.....	44,429.36
Purchase Price	\$2,300,230.29
Accrued Interest	19,844.51
Total transferred for investment.....	\$2,320,074.80
Total Disbursements	\$4,529,687.28
Cash on Hand, December 31, 1936.....	228,463.50
	\$4,758,150.78

NOTE: PUBLIC MONEY. The Chicago Teachers' Pension Law provides that deductions from teachers' salaries in any one year must be equalled by the collections from taxes levied in that year. Taxes are normally collected in the year following the levy. The deductions of 1936 are therefore to be equalled by the taxes collected in 1937. 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 money due the pension fund from the Board of Education has not been received, although appropriation therefor has been 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; in 1934 and 1935 the rate was one-half of a mill, and beginning with 1936 the rate will be eight-tenths of a mill on each dollar of assessed valuation.

Annuitants of December, 1936

Number of persons drawing pension December 31, 1935, including disability annuitants	2,240
Number of persons drawing pension December 31, 1936, including disability annuitants	2,374
Number of persons drawing disability pension December 31, 1936....	116
Number of annuitants deceased since last report.....	100
Number of annuitants returned to service since last report.....	1
Highest annuity paid for December, 1936.....	\$120.00
Lowest annuity paid for December, 1936.....	48.00
Highest disability annuity paid for December, 1936.....	79.58
Lowest disability annuity paid for December, 1936.....	20.00

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

Number of Teachers by Pension Groups

A check-up of the December, 1936 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.....	1,149
2	5 years to 8 inclusive.....	1,550
3	9 years to 12 inclusive.....	1,637
4	More than 12 years.....	8,630
Total number of Contributors.....		12,966
Number of Non-Contributors.....		79
Number on Temporary Certificates*.....		82
Number on Probationary Service†.....		49
Number of Assigned Teachers.....		13,176

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, 1937

NOTE: The Financial Secretary reports 2,374 annuitants drawing pension in December, 1936. This includes only those who have completed their payments for the "basic" pension—that is, the pension for 25 years of service. The Recording Secretary, reporting the number in February, subtracts from 2,374 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 classified by years of service and arranged in three groups according to the dates on which their names were placed on the pension roll:

Group I includes all those who retired before July 1, 1923.

Group II includes those who retired between July 1, 1923, and July 11, 1935.

Group III includes those who retired after July 11, 1935.

The Disability Annuitants constitute a fourth group.

Annuitants in Group One (all who retired before July 1, 1923) were granted the increases authorized by the legislature of 1923, but those increases 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. These persons

receive a maximum of \$600 per year. Before July 1, 1907, women teachers could retire on pension with 20 or more years of service.

Annuitants in Group Two receive the rates authorized by the law of 1923—that is from \$800 to \$1,000 depending on length of service. In May, 1926, the compulsory retirement law became effective, and before July, 1935, the compulsory retirement age was 70.

Annuitants in Group Three receive the rates authorized by the legislature of 1935, which raised the maximum to \$1,200 for 35 years of service. At the same session the legislature fixed the compulsory retirement age at 65.

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.

TABLE I

Years of Service	Group I	Group II	Group III	Disability	Total
12.....	..	..	..	13	13
13.....	..	..	..	6	6
14.....	..	..	..	5	5
15.....	..	..	..	9	9
16.....	..	..	..	15	15
17.....	..	..	1	5	6
18.....	..	..	1	8	9
19.....	..	..	3	11	14
20.....	22	..	1	12	35
21.....	20	1	4	5	30
22.....	11	..	4	14	29
23.....	7	2	3	10	22
24.....	3	..	4	6	13
Less than 25 years...	63	3	21	119	206
25.....	80	72	9	..	161
26.....	31	48	11	..	90
27.....	27	39	8	..	74
28.....	28	38	11	..	77
29.....	30	39	4	..	73
30.....	24	51	17	..	92
31.....	14	51	11	..	76
32.....	9	32	22	..	63
33.....	10	33	7	..	50
34.....	7	40	9	..	56
25 years to 34 years ..	260	443	109	..	812
35 years and over	46	927	407	..	1380
Total number of Annuitants	369	1373	537	119	2398

TABLE II

Years of Service	Group I	Group II	Group III	Total
35.....	13	79	35	127
36.....	8	64	24	96
37.....	7	53	12	72
38.....	3	56	22	81
39.....	4	56	29	89
40.....	4	51	32	87
41.....	3	64	25	92
42.....	..	55	28	83
43.....	..	68	47	115
44.....	1	75	46	122
45.....	..	75	41	116
46.....	..	60	24	84
47.....	2	49	15	66
48.....	..	40	14	54
49.....	1	31	8	40
50.....	..	22	5	27
51.....	..	8	..	8
52.....	..	14	..	14
53.....	..	3	..	3
54.....	..	3	..	3
55.....	..	..	..	0
56.....	..	..	..	0
57.....	..	1	..	1
35 years and over....	46	927	407	1380

Respectfully submitted,

MARY E. DUTTON,

February 19, 1937.

Recording Secretary.

Public School Teachers' Pension and Retirement Fund

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Members 1936-1937

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