

MAINE STATE LEGISLATURE

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MAINE PUBLIC DOCUMENTS

1942-1944

(in three volumes)

VOLUME III

REPORT

of the

STATE EMPLOYEES' RETIREMENT SYSTEM

of the

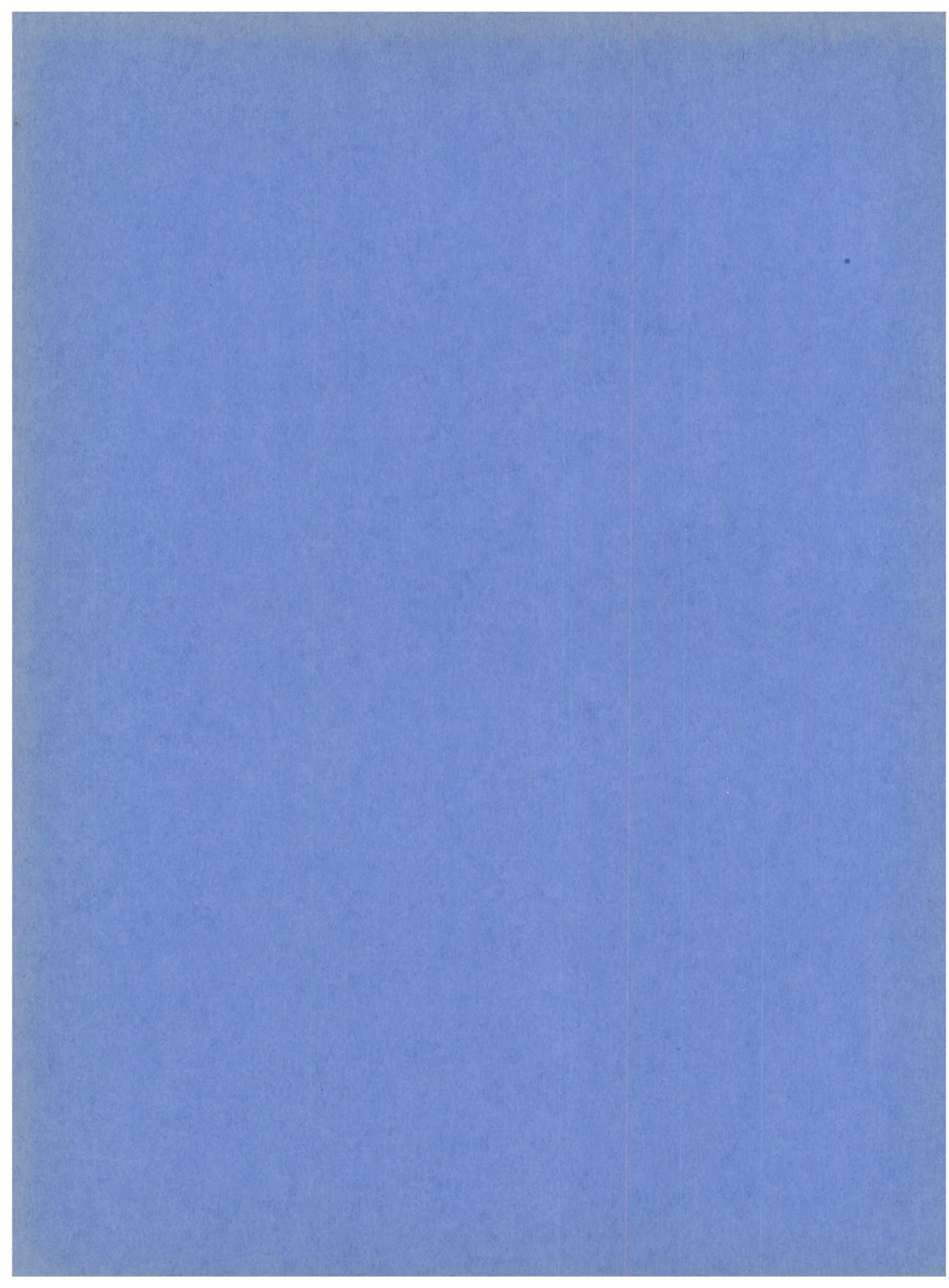
STATE OF MAINE

for the

FISCAL BIENNIUM ENDED JUNE 30, 1944

As submitted by the
BOARD OF TRUSTEES

December 31, 1944



REPORT
of the
STATE EMPLOYEES' RETIREMENT SYSTEM
of the
STATE OF MAINE
for the
FISCAL BIENNIUM ENDED JUNE 30, 1944

- - - - -

As submitted by the

BOARD OF TRUSTEES

December 31, 1944



EMPLOYEES' RETIREMENT SYSTEM

Administrative Personnel

1942 - 1944

BOARD OF TRUSTEES

- * Edward F. Dow, Chairman, 1942 -
J. A. Mossman - May, 1942 -
Albert Kane (1) June, 1942 - April, 1943
- * J. J. Allen (2) May, 1943 -
Belmont Smith - 1942 - January, 1943
- * Joseph McGillicuddy (3) - July, 1943 -

ACTUARY

Alfred Perkins (4)
A. Thomas Lehman (Acting)

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Roland L. McKay, M. D., Member
Adam P. Leighton, M. D., Secretary

SECRETARY

Earle R. Hayes

- * Present Members
- (1) Succeeded Mr. Mossman
- (2) Succeeded Mr. Kane
- (3) Succeeded Mr. Smith
- (4) On Leave for service
with U. S. Navy since
January, 1944.

Introduction

The Report of the Board of Trustees of the Maine State Employees' Retirement System for the two fiscal years of operation ending June 30, 1944 is hereby submitted in accordance with the provisions of Chapter 221 of the Public Laws of 1943.

This law, and quite properly so, provides that all Departmental reports shall hereafter be rendered once every two years, instead of annually as was formerly required under most of our departmental laws, and shall cover the two fiscal years immediately preceding each regular session of the Legislature.

In response to a considerable demand on the part of various groups of our citizens, a brief report was made some months ago, covering the activities of the Retirement System during the first year of its operation which ended June 30, 1943.

In this report covering the first two fiscal years during which the new Employees' Retirement System has been functioning, we will attempt to give to the citizens of Maine as well as the employee group a fairly complete resumé of its provisions and progress so far, and make some observations as to its future course.

State Employee Plan

The law as enacted by a special session of the Legislature held in January 1942, became operative as of July 1, 1942. It set up a Board of Trustees which is vested with broad powers as to how it shall be administered, provided for a Secretary who should be its chief administrative officer, a consulting Actuary and a Medical Board. The original make-up of the Board of Trustees included the State Controller as an ex officio member and two other members to be appointed by the Governor and Council. At the 1943 Session of the Legislature, this feature was amended to provide that the Board should thereafter be composed of the Chairman of the State Personnel Board, the State Controller and the State Treasurer, all as ex officio members, whose terms as members of the Board should be co-incidental with their terms in the offices named. The primary reason for thus fixing the membership of the Board is to be found in the generally accepted belief that the procedures and processes involved in administering an employees' retirement system are inseparably interwoven with many related functions of the Department of Personnel. Practically every move or change that takes place in the one agency is reflected in the other.

In addition to tying these two activities of state government together by designating the same person to act as Chairman of both Boards, the Director of Personnel was named

as Secretary of the Retirement System. So far this arrangement has worked to the advantage of both systems, the employee group and the public generally. Not alone is pertinent information and advice more readily available by reason of the one administrative control, but a definite saving in duplication of effort and records has been accomplished as well as substantial savings in cost of administration.

The staff consists of 4 Clerks, 1 half-time Accountant, an Actuary, who is retained on a consultant basis, and the Secretary. One of the clerks is engaged full time on ledger accounts, one full time on actuarial records, and the other two devote their time on a fairly evenly divided basis between personnel and retirement record work and detail. This arrangement and allocation of duties appears to be most satisfactory and equitable from the standpoint of both systems.

The first step which had to be taken under the law, was to acquaint all persons who were in the employ of the State as of July 1, 1942 with the fact that they must either elect to join or not to join the system during the 30 day period subsequent to that date. If they failed to so advise us, they became members automatically at the end of the 30 days. Those who did so elect not to become members, however, still had the rest of the first year in which to change their minds and become members, thereby receiving full credit for prior service. Prior Service, under the law, is a defined term, and

means service rendered to the State prior to July 1, 1942.

It was a difficult task to acquaint every state employee with all the detailed provisions of the law, within the relatively short space of time allowed. In spite of this lack of sufficient time, however, a substantial percentage of the employees signified their desire to become members during the month of July, 1942, and before the year ended on June 30, 1943, approximately 80% of the employee group were under the plan.

The Actuary's report for the year ended June 30, 1943, showed a total of 2,640 members out of a possible total employee group of some 3,400. The report of the Actuary hereto appended for the period ended June 30, 1944, shows a total membership in the State plan of 2,663 and there are in addition to this figure over 400 employees now in the Armed Forces of the United States who are potential members of the System by virtue of special provisions of law which guarantee to them their full retirement rights, if, as, and when they return to their state jobs.

The Retirement Law, except for certain special privileges granted by amendments enacted at the 1943 Legislative Session, gives to all state employees who become members of the System, the right to retire at any time after attaining age 65, and makes retirement compulsory at age 70. This feature of the law, whereby an employee may virtually control his own retirement program directly he reaches the age of 65, is in the nature

of a guaranteed privilege. To know well in advance that a definite guaranteed life income at a fixed time in the future is his for the asking is surely conducive to ease of mind on the part of the employee who might otherwise have nothing to look forward to in his old age, except the assistance of his relations or friends. To know also that he is contributing of his own income, a fair share of the ultimate cost, is also a healthy thought, and gives to any man the feeling that he is helping to provide for his well deserved rest after years of faithful service to his State. On the other side of the scales, the employee must not fail to recognize that the State is in a most substantial way, contributing toward the retirement benefits he will later receive and enjoy.

All of the Prior Service liability is paid for by the State. On the basis of the actuarial computations, as required under the law, this figure amounted to approximately \$196,000.00 for the fiscal year ended June 30, 1944 and approximately the same amount for the year ended June 3, 1945. For the first year of the next fiscal biennium, the amount required to be set up to cover this liability will be some \$159,000.00 and for the second fiscal year, \$163,600.00. The liability created by Membership Service, that is, service rendered to the State subsequent to July 1, 1942, is covered by funds paid into the System by the employees and the State jointly.

The rates of contributions for employee members are fixed at definite percentages depending on age. This rate is a

constant and will never vary unless the basic provisions of the law in this regard are changed by Legislative action. The rate of the state's contribution to the Membership liability or Normal Contribution, as it is called in the law, is fixed by means of actuarial tables and computations, on the occasion of each annual valuation of the plan, but is in effect practically a matching of that contributed by the employee members.

Except for certain special cases provided for by some of the amendments previously referred to, the basic provisions of the law relative to retirement benefits after age 65 are as follows:

A pension or "Service Retirement Allowance", as it is called in the law, consisting of (1) an Annuity which shall be the actuarial equivalent of the members accumulated contributions, (2) a pension which shall be equal to $1/140$ of the member's average final compensation multiplied by the number of years of his membership service and (3) if the member has Prior Service credit, an additional pension which shall be equal to $1/70$ of his average final compensation multiplied by the number of years of such prior service.

All of these elements that enter into the determination of the amount of retirement benefit to be paid in any given case, are figured on the basis of standard actuarial tables and formulas, and under the law each case must be figured by the Actuary of the System. Briefly stated, however, the retirement benefit that any member will receive amounts to 1/70 of his average final compensation, multiplied by the total number years of creditable service.

The law provides for Disability benefits also. Any member of the System, who has had 10 years or more service, may be retired on a Disability allowance which may never be less than 1/4 of his average final compensation but may be more, depending on how many years of service he has had in all, but in any event not to exceed 90% of half pay.

Amendments

As the law now stands, any State employee who failed to become a member prior to June 30, 1943, and who has not before or since left and returned to State Service, cannot be granted credit for Prior Service. In the light of the provisions of Sec. 1 of Chapter 50 of the Public Laws of 1943 however, this situation is anything but equitable. That amendment to the Retirement Law provides for the granting of Prior Service credit to any employee who left the State Service at any time subsequent to July 1, 1939 and who was reemployed any time prior to July 1, 1945. The employee,

however, who did not leave his job at any time during this period is denied this privilege. This would appear to be one feature of the law that should receive Legislative attention.

This brings us to the consideration of certain other amendments to the law, as enacted by the 1943 Session of the Legislature. Special provisions for retirement were granted under these amendments to five different groups of state employees. The specific amendments referred to are to be found in Chapters 58, 329, 348 and 352 of the Public Laws of 1943, and cover the following groups:

- (1) Wardens of the Inland Fisheries and Game Department, who may be retired on $\frac{1}{2}$ pay, upon completing 25 years of Creditable Service, regardless of age.
- (2) Any employee who had total Prior Service of at least 13 years may retire at $\frac{1}{2}$ pay after attaining age 65, provided he has creditable service of at least 25 years, or if upon attaining age 70, he has had creditable service of at least 20 years.
- (3) Any employee who had total Prior Service Credit of 22 years may retire at $\frac{1}{2}$ pay upon completing 25 years of

creditable service regardless of age.

(4) Guards at the Maine State Prison may retire at $\frac{1}{2}$ pay after completing 25 years of creditable service, regardless of age, and

(5) Members of the State Police may retire at $\frac{1}{2}$ pay upon completing 25 years of creditable service, regardless of age.

Another amendment to the law provides for the granting of Prior Service and Membership Credit to any Teacher, Superintendent or Supervisor who becomes a member of the System, for any service rendered in such capacities and provided any funds accumulated to his credit in the Teachers' Pension Plan is transferred to the State System.

Investments

The Board of Trustees are required under the law to keep all but 10% of the available funds of the System invested in such securities as are legal for savings banks. To date all surplus funds have been invested in United States Government Bonds, and it will be noted by referring to the appended schedule of investments that as of June 30, 1944, the System then had \$768,000.00 so invested. The controlling reason for restricting investments to "governments" at the present time is twofold, first, the Board of Trustees feel that war

emergency conditions do not warrant much diversification of investment portfolio and second, the funds are definitely in the Trust fund category in connection with which security of investment is much more important than the percent of earnings thereon.

Contrary to the understanding in some quarters, this type of retirement system is not designed ever to attain a self-supporting status. It will always be necessary for the State to make an annual contribution to cover the normal liability so called, just as it will always be necessary for each employee member to make his contributions up to actual point of retirement. The liability for Prior Service, however, will be, according to estimates of the Actuary, cleaned up in from 25 to 30 years from the start of the plan. This will reduce the total annual amount to be contributed by the State by approximately one-half.

The reason for the necessity of continuous contributions is obvious when we consider that this is a legal reserve plan, whereby reserves must always be maintained to cover every possible retirement case. To set up a fund all at once to take care forever of such reserves would not only be prohibitive but practically impossible, since no one can foresee how many employees will become members of the System in the future or predict with any degree of accuracy the many changes that will take place and which all affect the financing of such a System, such as increases or decreases in salary levels,

possible changes in interest rates, rates of contributions, ages of retirement and rates of withdrawals.

The one feature of the System that is quite definitely known, and the ultimate cost of which can be safely predicated, is the Prior Service liability, since that covers a closed group, so to speak, to which no appreciable additions will ever be made.

Since the Maine Retirement System is based largely on laws that have already proven sound and workable in many of our sister States over a considerable number of years, we may assume that it is fundamentally a good law. No new law, however, when first placed on our statute books, is perfect. There are bound to be certain provisions included that experience proves inequitable and unworkable. On the other hand, there are sure to be some omissions that only future experience can uncover. These truisms were acknowledged by the 91st Legislature which enacted some ten amendments to the original law. It is now generally conceded that further amendments are desirable and will be presented to the 92nd Legislature for its consideration and action.

Recommended Amendments

The Board of Trustees do not feel that it is within their province to sponsor any legislation that will in effect change or create policies under the law. That, they believe, is the privilege of the citizens of Maine, and their duly elected representatives in the Legislature.

There are, however, some changes that could be made which would improve administrative procedures and eliminate some obvious inequities, and to which the Board might well subscribe. If, as we understand, it is proposed that the Charter of the University of Maine be amended to clarify the status of that institution and make of it a State agency in law as well as fact, then Par. IV of Sec. 1 of Chapter 60 - Revised Statutes, 8th Revision (where now is to be found the Employees' Retirement Law) should be amended to include all employees of the said University.

In view of the existing inequity and inconsistency created by the provisions of an amendment enacted by the 91st Legislature previously mentioned in this report and which is now to be found in Par. II of Sec. 4 of the law, it appears only fair and just that Par. II of Sec. 3 should be amended to permit any employee who was employed on July 1, 1942 and who has not yet joined the System, to become a member now if he so desires and receive his Prior Service credit and intervening Membership credit also, if he wishes to pay in the necessary back contributions.

Sub. Par. A under Par. II of Sec. 3, should be amended to provide for service credits to be allowed to employees of the presently federalized employment service, in the event any of them at any time prior to the date on which this agency may be restored to State status, should be employed by any

other State department. This would appear to be in line with the original intent of the law.

Local District Plan

Sec. 15 of the law provides that the employees of any County, City or Town may participate in the plan if the governing body of such governmental unit so decides. The only action necessary to become a Local Participating District, in the case of a County is the vote of the Board of County Commissioners, in the case of a city, the vote of the City Council, and in the case of Towns, a vote of the citizens at a town meeting.

The Actuary of the System will at the request of any such governmental unit, make an initial valuation of the Plan for the unit involved. To do this he must have a list of every employee of the unit, showing sex, date of birth, length of service, and total annual salary. To this data, standard actuarial tables and formulas are applied, in exactly the same manner as for State employees. The resulting figures represent the amounts any such Local District must contribute to the System in order to guarantee to its employees the same basic retirement privileges as apply to State employee.

Funds so contributed by Local Districts are held in trust by the State and are invested in the same manner as all the other funds of the System. There is a nominal charge for the initial valuation and once the plan is put into effect each

District pays to the State once a year its pro rata share of the administrative expense.

Any County, City, or Town in the State of Maine not already in the System is invited to look into the details of the plan. The Secretary and the Actuary of the System are always available for consultation and assistance in this connection. The guaranteed benefits to be derived from this State System cannot be bought from any other insurance carrier, at anywhere near as little money as it will cost under the State plan. Nothing enters into the computations which determine the amount of contributions to be made other than the actual amounts necessary to establish the required reserves out of which all retirement benefits are to be paid. There is no loading for commissions, interest on invested capital, profit for stockholders, etc., as in the case of private insurance companies.

The first Local District to be established was for the City of Presque Isle, which started its plan as of January 1, 1943. The City of Portland came into the System on March 1, 1944 as District No. 2. The Town of Millinocket became District No. 3 as of July 1, 1943. Cumberland County as District No. 4 entered the plan on January 1, 1944. The Town of Camden as District No. 5 started its plan as of April 1, 1944. The City of South Portland became District No. 6 on September 1, 1944, and the Town of Houlton as District No. 7 will start its plan as of January 1, 1945.

The initial valuation has been made and submitted to the Cities of Rockland, Brewer, and Bangor, and it is expected that

they will soon be members of the State System. Conferences with the municipal officers of several other cities and towns have been held during the past year, as well as with Boards of County Commissioners of some Counties. From the progress so far made in these discussions, we anticipate additions to the System during the next fiscal year of at least another seven or eight Districts. For some statistics on the Districts so far included in the System, your attention is directed to the appended schedule bearing the heading Local Participating Districts.

Appended Reports

The valuation report of the Actuary is appended hereto and made a part of this report. It is followed by a Statement of the Income, Expenditures and Actual Cash Assets of the System as prepared by the State Controller, and next in order are schedules showing the condition of the various funds of the System as of June 30, 1944, both on account of the State and for the several local Participating Districts, a schedule showing the detail of Investment of the funds of the System, and a statement indicating the number of employees retired or on retirement during the period ended June 30, 1944.

Board of Trustees

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J. H. MCGILLICUDDY, MEMBER
J. J. ALLEN, MEMBER
A. THOMAS LEHMAN, ACTUARY
EARLE R. HAYES, SECRETARY



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SECRETARY

State of Maine
EMPLOYEES' RETIREMENT SYSTEM
AUGUSTA

Portland, Maine
November 21, 1944

Board of Trustees
Maine Employees' Retirement System
Augusta, Maine

Gentlemen:

I am pleased to present herein the second valuation report of the Assets and Liabilities of the Employees' Retirement System as of June 30, 1944.

The total membership valued was 2,119, including 51 pensioners, all employed by the State and 470 employed by participating districts. For the districts there were 237 men and 233 women. The participating districts included in the valuation were Presque Isle, Millinocket, Portland, and County of Cumberland. Others will not be included until they have been members of the system for at least one year. The Highway Department was not valued because sufficient information relative to past service is not yet available. This information should be completed before the next valuation date. There were approximately 740 members in the Highway Department.

Following is the Actuarial Balance Sheet covering the system including the participating districts subject to valuation:

ACTUARIAL BALANCE SHEET
June 30, 1944

ASSETS

Annuity Savings Fund	\$	377,442.71	
Annuity Reserve Fund		4,725.21	
Pension Accumulation Fund			
Prior Service		159,712.12	
Membership Service		244,803.00	
Total of above funds			\$ 786,683.04
Present Value of Prospective Contributions payable by the State and Participating Districts to the Pension Accumulation Fund as follows:			
Accrued Liability Contributions		4,833,289.88	
Normal Contributions		2,023,009.00	
Total of such contributions		<u>6,856,298.88</u>	
Total Assets			\$7,642,981.92

LIABILITIES

Annuity Savings Fund			377,442.71
Annuity Reserve Fund			4,725.21
Pension Accumulation Fund			
Present Value of prospective benefits to active members on account of:			
Service prior to membership	\$3,540,584.00		
Past Membership Service	244,803.00		
Future Membership Service	1,761,447.00		
Disability Benefits	<u>226,156.00</u>		5,772,990.00
Present Value of benefits now being paid to Pensioners retired by the system on account of:			
Prior Service	397,104.00		
Membership Service	<u>4,974.00</u>		402,078.00
Present Value of benefits now being paid to Pensioners not retired by the system			<u>1,085,746.00</u>
Total Liabilities			\$7,642,981.92

ANNUITY SAVINGS FUND

The Annuity Savings Fund is the fund in which is accumulated the amounts contributed by employees to pay part of their retirement benefits. Until they do retire the amount in this fund is shown both as an asset and as a liability.

ANNUITY RESERVE FUND

The Annuity Reserve Fund is the fund from which is paid all annuities and benefits in lieu of annuities. It is made up of reserves transferred from the Annuity Savings Fund upon retirement of members.

PENSION ACCUMULATION FUND

In this fund is accumulated all reserves for the payment of pensions and other benefits payable from contributions made by the State. From this fund is paid all pensions and other benefits on account of members with prior service credit payable from said contributions.

In the first report of the Actuary there was given the percentages which should be applied to the total salaries of members in order to determine the amounts which should be set up by the Ninety-second Legislature for the years beginning July 1, 1945 and 1946

The Secretary of the system and the Acting Actuary have collaborated in applying such percentages to the actual payroll for budget purposes with the following results:

NORMAL CONTRIBUTION PERCENTAGE

Normal Contributions necessary to be made to the Pension Accumulation Fund from funds indicated below arrived at by multiplying total salaries of members of such Funds by 3.89% in accordance with provisions of law:

Fund	Number of Members	Salaries	Normal Contributions	
			1945-46	1946-47
General	1,675	\$2,931,234.80	\$114,025.03	\$114,025.03
Highway	742	1,311,610.32	51,021.64	51,021.64
M. U. C. C.	50	94,640.52	3,681.52	3,681.52
Liquor Commission	194	364,130.00	14,164.66	14,164.66
Port of Portland Authority	2	8,440.00	328.32	328.32
Totals	2,663	\$4,710,055.64	\$183,221.17	\$183,221.17

ACCRUED LIABILITY PERCENTAGE

Accrued Liability contributions necessary to be made to the Pension Accumulation Fund from Funds indicated below arrived at by multiplying total salaries of members of such Funds by 3.38% for first year of Biennium and figuring 103% of that amount for the second year as required by law:

Fund	Number of Members	Salaries	Normal Contributions	
			1945-46	1946-47
General	1,675	\$2,931,234.80	\$ 99,075.74	\$102,048.01
Highway	742	1,311,610.32	44,332.43	45,662.40
M.U.C.C.	50	94,640.52	3,198.85	3,294.82
Liquor Commission	194	364,130.00	12,307.59	12,676.82
Port of Portland Authority	2	8,440.00	285.27	292.82
Totals	2,663	\$4,710,055.64	\$159,199.88	\$163,974.87

MILITARY LEAVE GROUP

In addition to the annual contributions shown above from the General Fund, the sum of \$10,000 has been estimated as the annual amount for the biennium to cover the Annuity Savings Fund for contributions to be made by the State as required by law for members on Military Leave.

INTEREST

In computing reserves an interest rate of 3% per annum is used prior to retirement. The net amount earned during the past fiscal year was 2.14%. This resulted in an interest deficit of \$4,850. The State's share of this deficit is \$4,659. This amount should be appropriated by the State to the Pension Accumulation Fund. The balance of \$191 is on account of the participating districts.

Contributions are also made to the Annuity Savings Fund and to the Pension Accumulation Fund by the local participating districts in accordance with separate calculations applying thereto.

A statement of the Income, Expenditures and Actual Assets of the System as prepared by the State Controller is appended.

Respectfully submitted,

A. Thomas Lehman
Acting Actuary

STATEMENT OF INCOME AND EXPENDITURES

TRUST FUNDS

Balance July 1, 1943 \$359,110.00

Receipts:

Interest received from Investments \$ 8,683.00

Members contribution plus interest 248,068.00

From Local Participating Districts 30,147.00

State Contributions:
General Funds 259,824.00
Highway " 40,000.00
Special Revenue funds 4,400.00

Total Receipts for year \$591,112.00

Total available \$950,232.00

Expenditures

Service Retirement benefits paid \$163,550.00

Balance - June 30, 1944 \$786,682.00

BALANCE SHEET

June 30, 1944

ASSETS

Cash	\$ 12,925.00
Accounts receivable	5,757.00
Invested funds:	
U. S. Government Bonds	768,000.00
	<hr/>
Total Assets	786,682.00

LIABILITIES

Reserve for Trust Funds	786,682.00
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SCHEDULES SHOWING CONDITION OF TRUST FUNDS
OF THE
EMPLOYEES' CONTRIBUTORY RETIREMENT SYSTEM
PENSION ACCUMULATION FUND

	Grand Totals	State Totals	Participating Districts				
			Totals	Portland	Presque Isle	Milli- nocket	Cumberland County
Balance June 30, 1943	\$238,252.09	\$238,252.09	\$	\$	\$	\$	\$
Additions:							
Members' Contributions	52.29	52.29					
Contributions by State, Cities and Towns	334,370.98	304,515.00	29,855.98	19,000.00	1,836.98	1,600.00	7,419.00
Interest Earned on Investments	8,682.55	8,682.55					
Transfer upon death from Annuity Reserve Fund	99.86	99.86					
Total Additions	343,205.68	313,349.70	29,855.98	19,000.00	1,836.98	1,600.00	7,419.00
Deductions:							
Pensions Paid	163,214.15	150,220.06	12,994.09	12,070.75		480.72	442.62
Military Leave (Transferred to Annuity Savings Fund)	11,811.43	11,811.43					
Interest Allowed (Transferred to Annuity Savings Fund \$1,906.39 and Annuity Reserve Fund \$10.68)	1,917.07	1,907.84	9.23	1.69		7.54	
Total Deductions	176,942.65	163,939.33	13,003.32	12,072.44		488.26	442.62
Balance June 30, 1944	\$404,515.12	\$387,662.46	\$16,852.66	\$6,927.56	\$1,836.98	\$1,111.74	\$6,976.38

ANNUITY RESERVE FUND

	Grand Totals	State Totals	Participating Districts				
			Totals	Portland	Presque Isle	Milli- nocket	Cumberland County
Balance June 30, 1943	\$137.17	\$137.17	\$	\$			
Additions:							
Interest Allowed (Transferred from Pension Accumulation Fund)	10.68	10.68					
Transferred from Annuity Savings Fund upon Retirement of Members	5,012.72	4,451.51	561.21	561.21			
Total Additions	5,023.40	4,462.19	561.21	561.21			
Deductions:							
Transfer upon death to Pension Accumulation Fund	99.86	99.86					
Pensions Paid	335.50	272.07	63.43	63.43			
Total Deductions	435.36	371.93	63.43	63.43			
Balance June 30, 1944	\$4,725.21	\$4,227.43	\$497.78	\$497.78			

ANNUITY SAVINGS FUND

	Grand Totals	State Totals	Participating Districts					*Port of Portland
			Totals	Portland	Presque Isle	Milli- nocket	Cumber- land County	
Balance June 30, 1943	\$120,721.62	\$120,395.64	\$325.98	\$.	\$325.98	\$	\$	\$
Additions:								
Members' Contributions	248,015.99	220,408.42	27,607.57	23,015.44	786.02	573.73	2,618.21	614.17
Interest allowed on Mem- bers' Contributions (Transferred from Pension Accumulation Fund)	1,906.39	1,897.16	9.23	1.69		7.54		
Contributions by State in lieu of Contributions by Members in Military Service	11,811.43	11,811.43						
Total Additions	261,733.81	234,117.01	27,616.80	23,017.13	786.02	581.27	2,618.21	614.17
Deductions:								
Transfers to Annuity Reserve Fund upon Retire- ment of Members	5,012.72	4,451.51	561.21	561.21				
Total Deductions	5,012.72	4,451.51	561.21	561.21				
Balance June 30, 1944	\$377,442.71	\$350,061.14	\$27,381.57	\$22,455.92	\$1,112.00	\$581.27	\$2,618.21	\$614.17

* Is not a Participating District but is a separate entity as to funds.

Administration Expense Fund
July 1, 1942 to June 30, 1944

<u>July 1, 1942</u>	<u>July 1, 1943</u>
to	to
<u>June 30, 1943</u>	<u>June 30, 1944</u>

Administration Expenses:

Salaries	\$ 4,985.78	\$ 9,251.75
Equipment	2,126.01	174.15
Supplies	677.11	308.19
Services and Fees	723.21	105.99
Printing and Binding	300.03	5.40
Travel Expenses	138.28	105.69
Postage	109.75	105.64
Miscellaneous	32.88	16.84

Totals

<u>\$ 9,093.05</u>	<u>\$10,073.65</u>
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Tabulation Showing Payroll Changes
for Service Retirement Benefit
Payments During Period
July 1, 1942 - July 1, 1944

State Employees:

Number on Retirement Payroll on June 30, 1942 (Retired under old law)	104	
Number retired under provisions of new law, during period	<u>87</u>	
Total		191
Number removed from Payroll during period		
By death	9	
Payments suspended due to employee returned to work	<u>1</u>	
Total		<u>10</u>
Number on payroll as of July 1, 1944		181

Participating Local Districts:

Number retired during period	24	
Number deceased during period	<u>1</u>	
Number on payroll at end of period	23	

SCHEDULE SHOWING DETAIL OF
INVESTMENTS OF FUNDS OF
RETIREMENT SYSTEM

Date of Purchase	Type of Investment	Amount Purchased	
		Year ended June 30, 1943	Year ended June 30, 1944
July 29, 1942	U. S. Treas. Series G 2½% - Due July 1, 1954	\$ 50,000.00	
October 22, 1942	U. S. Treas. Series G 2½% - Due October 1, 1954	50,000.00	
January 12, 1943	U. S. Treas. Series G 2½% - Due Dec. 15, 1963/68	50,000.00	
April 26, 1943	U. S. Treas. Series G 2½% - Due April 1, 1955	28,000.00	
May 11, 1943	U. S. Treas. Series G 2½% - Due June 15, 1964/69	<u>140,000.00</u>	
	Total for Year	\$318,000.00	
August 25, 1943	U. S. Treas. Series G 2½% - Due August 1, 1955		\$ 72,000.00
September 10, 1943	U. S. Treas. Series G 2½% - Due Dec. 15, 1964/69		13,000.00
January 22, 1944	U. S. Treas. Series G 2½% - Due January 1, 1956		100,000.00
January 27, 1944	U. S. Treas. Series G 2½% - Due March 15, 1965/70		100,000.00
April 12, 1944	U. S. Treas. Series G 2½% - Due June 15, 1964/69		100,000.00
June 22, 1944	U. S. Treas. Series G 2½% - Due March 15, 1965/70		<u>65,000.00</u>
	Total for Year		\$450,000.00
	Grand Total - 2 fiscal years		<u><u>\$768,000.00</u></u>