

REPORT
OF THE
VIRGINIA
RETIREMENT SYSTEM

1942-1943



RICHMOND:
DIVISION OF PURCHASE AND PRINTING
1944

**BOARD OF TRUSTEES OF THE VIRGINIA
RETIREMENT SYSTEM**

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FRANK P. EVANS
Actuary, Virginia Retirement System
GEORGE B. BUCK

VIRGINIA RETIREMENT SYSTEM
FINANCE BUILDING
RICHMOND, VIRGINIA

LETTER OF TRANSMITTAL

COMMONWEALTH OF VIRGINIA
VIRGINIA RETIREMENT SYSTEM

RICHMOND, VA., February 1, 1944.

To His Excellency,
HONORABLE COLGATE W. DARDEN, JR.,
Governor of Virginia,
Richmond, Virginia.

Sir:

Pursuant to the requirements of sub-section (c) of Section 4 of the Virginia Retirement Act, the Board of Trustees of the Virginia Retirement System herewith submits its report for the fiscal year ending June 30, 1943.

Respectfully,
C. C. LOUDERBACK,
Chairman.

VIRGINIA RETIREMENT SYSTEM
Report for Fiscal Year 1942-1943

This report is issued pursuant to Section 4, Subsection (d) of the Virginia Retirement Act, which reads as follows:

"The Board shall publish annually, as to the several funds established by this act, the valuation of the assets and liabilities, a statement of receipts and disbursements, and a statement of accumulated cash and securities."

GENERAL STATEMENT

Employment conditions, equipment priorities and other problems incident to war conditions made it most difficult to provide and maintain desired administration facilities during the first year of administration of the Virginia Retirement Act. In fact, except for the cooperation of the State Comptroller in permitting the use of the tabulating equipment of his office, the Retirement System would have been presented with almost insurmountable difficulties. Mention is also made of the splendid cooperation extended by members of the staff of the Auditor of Public Accounts. War conditions also created many most difficult questions of law application and interpretation in order to avoid serious recruitment difficulties for State departments, other State agency heads and local school boards. By the end of the first year, however, reasonably satisfactory administration conditions existed, though much work remains to be done before contemplated administration plans and procedures are in complete operation in detail.

MEMBERSHIP

At the end of the fiscal year 1942-1943 there were 6,340 members of the Retirement System of the State employee group and 13,279 members of the teacher group. Of the former, however, approximately 1,000 members were not on the payroll in June, 1943, having been separated from service because of resignation, discharge, military leave, etc., leaving approximately 5,340 State employee members of the system in active service. Of the teacher members, approximately 500 were not on the payroll the last month of the school year, having been separated for reasons above mentioned, leaving approximately 12,779 teacher members in active service. The total number of State employees who, under Section 6 of the Act elected not to be included in membership of the Retirement System and waived all present and prospective benefits which would inure to them as members, was 8,396, and of teachers in the public school system, 5,238.

Expressed another way, approximately 61% of the State employees and 29% of the teachers in the public school system elected not to be included in membership of the Retirement System.

INVESTMENT OF FUNDS

The Board of Trustees of the Virginia Retirement System has set up an advisory committee on investments composed of the State Treasurer, the State Comptroller and the State Tax Commissioner. It so happens that the persons in these positions also constitute the commission which invests the sinking funds of the State and are peculiarly qualified to render this service. It will be noted from Schedule A-1, "Schedule of Investments," that up to the end of the fiscal year 1942-1943 most of the monies of the Retirement System were invested in U. S. Treasury notes and U. S. bonds. The average yield on the investments was 2.27%. It must be borne in mind, however, that it is not practicable to keep all monies invested at all times and in consequence the actual return on all monies of the system was around 2%.

RETIRED DURING FISCAL YEAR 1942-1943

Largely owing to the employment situation many teachers and State employees are remaining in active service who would have otherwise retired. During the fiscal year July 1, 1942, to June 30, 1943, members who retired with the effective date of retirement within the period stated totaled 63 teachers, of which number 3 died during the year, and 57 State employees. The average yearly retirement allowance of members retired for service for teachers was \$499.83 and for State employees \$167.34. The average retirement allowance of members retired for disability for teachers was \$431.28 and for State employees \$213.81. The average period of employment for members retired for service was for teachers, approximately 41 years, and for State employees, approximately 21 years. For members retired for disability, the average period of employment was for teachers approximately 24 years and for State employees approximately 24 years. The lowest yearly retirement allowance for any State employee retired under the act was \$17.52 and the highest was \$689.64. The lowest yearly retirement allowance for any teacher was \$164.16 and the highest \$839.28.

RETIRED UNDER FORMER TEACHERS PENSION ACT

The total amount of pensions paid to teachers retired under the former teachers pension law during the fiscal year 1942-1943 was \$449,142.73. The total number of such retired teachers on the pension roll as of June 30, 1943, was 1,388. During the fiscal year 1942-1943, 43 teachers retired under the former law died and 14 re-entered active service.

EXHIBIT A COMBINED STATEMENT OF FINANCIAL CONDITION OF TRUST FUNDS At June 30, 1943

| | State Employees Trust Funds | School Teachers Trust Funds | Total |
|---|-----------------------------------|-----------------------------------|-----------------------|
| ASSETS | | | |
| Undeposited cash in hands of Custodian..... | \$ 7,002 38 | \$ 33,202 02 | \$ 40,204 40 |
| Cash in bank | 157,029 41 | 103,076 18 | 260,105 59 |
| Contributions receivable..... | 25,398 87 | 48,102 26 | 73,501 13 |
| Investments: | | | |
| Bonds (See Schedule A-1)..... | 808,500 00 | 1,208,500 00 | 2,017,000 00 |
| Unamortized premium..... | 2,676 50 | 2,676 50 | 5,353 00 |
| Accrued interest receivable..... | 731 25 | 731 25 | 1,462 50 |
| Accrued interest purchased..... | 76 09 | 76 09 | 152 18 |
| Total..... | \$1,001,414 50 | \$1,396,364 30 | \$2,397,778 80 |
| LIABILITIES | | | |
| Due counties for overpayments..... | | \$ 84 19 | \$ 84 19 |
| Reserve for fund balances (Exhibit B): | | | |
| State Annuity Accumulation Fund..... | \$ 613,289 30 | \$ 607,627 38 | \$1,220,916 68 |
| Employee Annuity Savings Fund..... | 383,557 34 | 782,955 40 | 1,166,512 74 |
| Employee Annuity Reserve Fund..... | 819 03 | 480 36 | 1,299 39 |
| Undistributed income (from investments)..... | 3,748 83 | 5,216 97 | 8,965 80 |
| Total..... | \$1,001,414 50 | \$1,396,364 30 | \$2,397,778 80 |

SCHEDULE A-1
TRUST FUND
SCHEDULE OF INVESTMENTS HELD BY TREASURER OF VIRGINIA—CUSTODIAN
At June 30, 1948

| DESCRIPTION | Interest Rate | Yield | State Employees Trust Fund | School Teachers Trust Fund | Total |
|--|---------------|-------|----------------------------|----------------------------|-----------------------|
| CHESTERFIELD COUNTY BONDS: | | | | | |
| Manchester Sanitary District No. 1: | | | | | |
| Nos. 5-6, inclusive..... | 3% | 1.40% | \$ 1,000 00 | \$ 1,000 00 | \$ 2,000 00 |
| Nos. 17-22, inclusive..... | 3% | 2.05% | 3,000 00 | 3,000 00 | 6,000 00 |
| Nos. 23-25, inclusive..... | 3% | 2.10% | 1,500 00 | 1,500 00 | 3,000 00 |
| CITY OF HOPEWELL BONDS: | | | | | |
| Nos. 26-35, inclusive..... | 5% | 2.25% | 5,000 00 | 5,000 00 | 10,000 00 |
| Nos. 39-41, inclusive..... | 5% | 2.25% | 1,500 00 | 1,500 00 | 3,000 00 |
| Nos. 79-85, inclusive..... | 5% | 2.25% | 3,500 00 | 3,500 00 | 7,000 00 |
| WISE COUNTY BONDS: | | | | | |
| Gladeville District Refunding Bonds—Series A: | | | | | |
| Nos. 133-134, inclusive..... | 4.75% | 2.20% | 1,000 00 | 1,000 00 | 2,000 00 |
| UNITED STATES TREASURY NOTES: | | | | | |
| Series C—1945: | | | | | |
| Nos. 27313-27320, inclusive..... | 1.25% | 1.25% | 40,000 00 | 40,000 00 | 80,000 00 |
| Nos. 15788-15791, inclusive..... | 1.25% | 1.25% | 2,000 00 | 2,000 00 | 4,000 00 |
| UNITED STATES TREASURY NOTES: | | | | | |
| Series B—1946: | | | | | |
| No. 16443..... | 1.50% | 1.50% | 50,000 00 | 50,000 00 | 100,000 00 |
| UNITED STATES DEFENSE BONDS: | | | | | |
| Series G: | | | | | |
| Nos. X202498G-X202503G, inclusive..... | 2.50% | 2.50% | 30,000 00 | 30,000 00 | 60,000 00 |
| Nos. X202505G-X202508G, inclusive..... | 2.50% | 2.50% | 20,000 00 | 20,000 00 | 40,000 00 |
| Nos. X202386G-X202393G, inclusive..... | 2.50% | 2.50% | 40,000 00 | 40,000 00 | 80,000 00 |
| No. X202395G..... | 2.50% | 2.50% | 5,000 00 | 5,000 00 | 10,000 00 |
| No. X202398G..... | 2.50% | 2.50% | 5,000 00 | 5,000 00 | 10,000 00 |
| Nos. X238657G-X238666G, inclusive..... | 2.50% | 2.50% | 50,000 00 | 50,000 00 | 100,000 00 |
| Nos. X238647G-X238649G, inclusive..... | 2.50% | 2.50% | 15,000 00 | 15,000 00 | 30,000 00 |
| Nos. X238651G-X238655G, inclusive..... | 2.50% | 2.50% | 25,000 00 | 25,000 00 | 50,000 00 |
| Nos. X2386726G-X2386727G, inclusive..... | 2.50% | 2.50% | 10,000 00 | 10,000 00 | 20,000 00 |
| UNITED STATES TREASURY BONDS: | | | | | |
| Registered: | | | | | |
| Nos. 3841-3848, inclusive..... | 2.50% | 2.50% | 200,000 00 | 600,000 00 | 800,000 00 |
| UNITED STATES TREASURY BONDS: | | | | | |
| 1950-52: | | | | | |
| Nos. 1152B-1155E, inclusive..... | 2% | 2% | 200,000 00 | 200,000 00 | 400,000 00 |
| Nos. 2921A-2922B, inclusive..... | 2% | 2% | 100,000 00 | 100,000 00 | 200,000 00 |
| Total investments..... | | | \$ 808,500 00 | \$1,208,500 00 | \$2,017,000 00 |

NOTE: Par value used—Yield rate shown—Premiums amortized.

EXHIBIT B
COMBINED STATEMENT OF TRUST FUND ACCOUNTS
Year Ended June 30, 1948

| ITEMS | State Employees Trust Funds (Exhibit B-1) | School Teachers Trust Funds (Exhibit B-2) | Total |
|---|---|---|----------------|
| | | | |
| CREDITS: | | | |
| REVENUE: | | | |
| Member contributions..... | \$ 426,230 74 | \$ 794,359 75 | \$1,220,590 49 |
| General fund appropriation..... | 619,625 00 | 1,080,375 00 | 1,700,000 00 |
| Special fund appropriations..... | 7,434 34 | 12,816 88 | 20,251 22 |
| Interest income..... | 343 75 | 343 75 | 687 50 |
| Profit on sale of investments..... | | | |
| Total credits..... | \$1,053,633 83 | \$1,887,895 38 | \$2,941,529 21 |
| DEBITS: | | | |
| EXPENDITURES: | | | |
| Retirement payments—Service retirement..... | \$ 4,846 79 | \$ 16,198 74 | \$ 21,045 53 |
| Retirement payments—Disability retirement..... | 599 74 | 1,591 81 | 2,191 55 |
| Quarterly pensions (under Teachers Retirement Act of 1908)..... | | 449,142 73 | 449,142 73 |
| Amortization of premium on investment purchased..... | 235 43 | 235 44 | 470 87 |
| Total expenditures..... | \$ 5,681 96 | \$ 467,168 72 | \$ 472,850 68 |
| REFUND OF CONTRIBUTIONS: | | | |
| Upon withdrawal..... | \$ 37,996 66 | \$ 3,953 56 | \$ 41,950 22 |
| At death..... | 540 71 | 492 99 | 1,033 70 |
| TRANSFER: | | | |
| Administration Fund..... | 8,000 00 | 20,000 00 | 28,000 00 |
| Total debits..... | \$ 52,219 33 | \$ 491,615 27 | \$ 543,834 60 |
| Balance June 30, 1943..... | \$1,001,414 50 | \$1,396,280 11 | \$2,397,694 61 |

EXHIBIT B-1
STATE EMPLOYEES TRUST FUNDS
STATEMENT OF FUND ACCOUNTS
Year Ended June 30, 1948

| ITEMS | State Annuity Accumulation Fund | EMPLOYEE ANNUITY FUNDS | | Un-distributed Income | Elimination | Total |
|--|---------------------------------|------------------------|-----------|-----------------------|-----------------|----------------|
| | | Savings | Reserve | | | |
| CREDITS: | | | | | | |
| REVENUE: | | | | | | |
| Member contributions..... | | \$426,230 74 | | | | \$ 426,230 74 |
| General fund appropriation..... | \$619,625 00 | | | | | 619,625 00 |
| Special fund appropriations..... | | | | \$ 7,434 34 | | 7,434 34 |
| Interest income..... | | | | 343 75 | | 343 75 |
| Profit on sale of investments..... | | | | | | |
| Total revenue..... | \$619,625 00 | \$426,230 74 | | \$ 7,778 09 | | \$1,053,633 83 |
| TRANSFERS: | | | | | | |
| Employee annuity savings fund..... | \$ 7,055 21 | | \$ 874 65 | | \$ 7,929 86 (A) | |
| Undistributed income..... | | \$ 3,793 83 | | | 3,793 83 (B) | |
| Total credits..... | \$626,680 21 | \$430,024 57 | \$ 874 65 | \$ 7,778 09 | \$11,723 69 | \$1,053,633 83 |
| DEBITS: | | | | | | |
| EXPENDITURES: | | | | | | |
| Retirement payments—Service retirement..... | \$ 4,792 57 | | \$ 54 22 | | | \$ 4,846 79 |
| Retirement payments—Disability retirement..... | 598 34 | | 1 40 | | | 599 74 |
| Amortization of premium on investments..... | | | | \$ 235 43 | | 235 43 |
| Total expenditures..... | \$ 5,390 91 | | \$ 55 62 | \$ 235 43 | | \$ 5,681 96 |

EXHIBIT B-1—CONTINUED

| ITEMS | State Annuity Accumulation Fund | EMPLOYEE ANNUITY FUNDS | | Un-distributed Income | Elimination | Total |
|--------------------------------------|---------------------------------|------------------------|-----------|-----------------------|---------------|----------------|
| | | Savings | Reserve | | | |
| Refund of Contributions: | | | | | | |
| Upon withdrawal..... | | \$ 37,996 66 | | | | \$ 37,996 66 |
| At death..... | | 540 71 | | | | 540 71 |
| Transfers: | | | | | | |
| Employee Annuity Reserve Fund..... | | 874 65 | | | \$ 874 65 (A) | |
| State Annuity Accumulation Fund..... | | 7,055 21 | | | 7,055 21 (A) | |
| Employee Annuity Savings Fund..... | | | | \$ 3,793 83 | 3,793 83 (B) | |
| Administration Fund..... | \$ 8,000 00 | | | | | 8,000 00 |
| Total debits..... | \$ 13,390 91 | \$ 46,467 23 | \$ 55 62 | \$ 4,029 26 | \$11,723 69 | \$ 52,219 33 |
| Balance June 30, 1943..... | \$613,289 30 | \$383,557 34 | \$ 819 03 | \$ 3,748 83 | | \$1,001,414 50 |

See note following Schedule E-1.

EXHIBIT B-2
SCHOOL TEACHERS TRUST FUNDS
STATEMENT OF FUND ACCOUNTS
Year Ended June 30, 1943

| ITEMS | State Annuity Accumulation Fund | EMPLOYEE ANNUITY FUNDS | | Un-distributed Income | Elimination | Total |
|--|---------------------------------|------------------------|-----------|-----------------------|-----------------|----------------|
| | | Savings | Reserve | | | |
| CREDITS: | | | | | | |
| Revenue: | | | | | | |
| Member contributions..... | | \$794,359 75 | | | | \$ 794,359 75 |
| General fund appropriation..... | \$1,080,375 00 | | | | | 1,080,375 00 |
| Special fund appropriation..... | | | | | | |
| Interest income..... | | | | \$ 12,816 88 | | 12,816 88 |
| Profit on sale of investments..... | | | | 343 75 | | 343 75 |
| Total revenue..... | \$1,080,375 00 | \$794,359 75 | | \$ 13,160 63 | | \$1,887,895 38 |
| Transfers: | | | | | | |
| Employee annuity savings fund..... | \$ 14,170 26 | | \$ 495 76 | | \$14,666 02 (A) | |
| State annuity accumulation fund..... | | \$ 7,708 22 | | | 7,708 22 (B) | |
| Undistributed income..... | | | | | | |
| Total credits..... | \$1,094,545 26 | \$802,067 97 | \$ 495 76 | \$ 13,160 63 | \$22,374 24 | \$1,887,895 38 |
| DEBITS: | | | | | | |
| Expenditures: | | | | | | |
| Retirement payments—Service retirement..... | \$ 16,188 58 | | \$ 10 16 | | | \$ 16,198 74 |
| Retirement payments—Disability retirement..... | 1,586 57 | | 5 24 | | | 1,591 81 |

EXHIBIT B-2—CONTINUED

| ITEMS | State Annuity Accumulation Fund | EMPLOYEE ANNUITY FUNDS | | Un-distributed Income | Elimination | Total |
|--|---------------------------------|------------------------|-----------|-----------------------|---------------|----------------|
| | | Savings | Reserve | | | |
| Quarterly pensions (under Teacher Retirement Act of 1908)..... | 449,142 73 | | | | | 449,142 73 |
| Amortization of premium on investment purchased..... | | | | \$ 235 44 | | 235 44 |
| Total expenditures..... | \$ 466,917 88 | | \$ 15 40 | \$ 235 44 | | \$ 467,168 72 |
| Refund of contributions: | | | | | | |
| Upon withdrawal..... | | \$ 3,953 56 | | | | \$ 3,953 56 |
| At death..... | | 492 99 | | | | 492 99 |
| Transfers: | | | | | | |
| Employee annuity reserve fund..... | | 495 76 | | | \$ 495 76 (A) | |
| State annuity accumulation fund..... | | 14,170 26 | | | 14,170 26 (A) | |
| Employee annuity savings fund..... | | | | \$ 7,708 22 | 7,708 22 (B) | |
| Administration fund..... | 20,000 00 | | | | | 20,000 00 |
| Total debits..... | \$ 486,917 88 | \$ 19,112 57 | \$ 15 40 | \$ 7,943 66 | \$22,374 24 | \$ 491,615 27 |
| Balance June 30, 1943..... | \$ 607,627 38 | \$782,955 40 | \$ 480 36 | \$ 5,216 97 | | \$1,396,280 11 |

See note following Schedule E-1.

EXHIBIT C
TRUST FUNDS
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
Year Ended June 30, 1948

| ITEMS | State Employees Trust Fund | School Teachers Trust Fund | Total |
|---|----------------------------|----------------------------|----------------|
| Receipts: | | | |
| Member contributions..... | \$ 400,831 87 | \$ 746,257 49 | \$1,147,089 36 |
| General fund appropriation..... | 619,625 00 | 1,080,375 00 | 1,700,000 00 |
| Special fund appropriation..... | 7,236 94 | 12,619 49 | 19,856 43 |
| Interest on investments..... | 100,343 75 | 100,343 75 | 200,687 50 |
| Proceeds from sale of investments..... | | 84 19 | 84 19 |
| Overpayments by county school boards..... | | | |
| Total receipts..... | \$1,128,037 56 | \$1,939,679 92 | \$3,067,717 48 |
| Disbursements: | | | |
| Retirement payments..... | \$ 5,446 53 | \$ 466,933 28 | \$ 472,379 81 |
| Refund of contributions..... | 38,537 37 | 4,446 55 | 42,983 92 |
| Investments purchased..... | 912,021 87 | 1,312,021 89 | 2,224,043 76 |
| Transfers to administration fund..... | 8,000 00 | 20,000 00 | 28,000 00 |
| Total disbursements..... | \$ 964,005 77 | \$1,803,401 72 | \$2,767,407 49 |
| Balance June 30, 1943..... | \$ 164,031 79 | \$ 136,278 20 | \$ 300,309 99 |
| CASH ON HAND JUNE 30, 1943: | | | |
| Undeposited cash in hands of custodian..... | \$ 7,002 38 | \$ 33,202 02 | \$ 40,204 40 |
| Cash in bank..... | 157,029 41 | 103,076 18 | 260,105 59 |
| Total..... | \$ 164,031 79 | \$ 136,278 20 | \$ 300,309 99 |

EXHIBIT D
ADMINISTRATION FUND
STATEMENT OF FINANCIAL CONDITION
At June 30, 1943

| ASSETS | | Total |
|---|--------------------|-------|
| Cash in hands of Treasurer of Virginia..... | \$ 2,969 42 | |
| Total..... | \$ 2,969 42 | |
| LIABILITIES | | |
| Fund balance (Exhibit E)..... | \$ 2,969 42 | |
| Total..... | \$ 2,969 42 | |

EXHIBIT E
ADMINISTRATION FUND
STATEMENT OF REVENUE EXPENDITURES AND BALANCES
At June 30, 1943

| CREDITS | | |
|---------------------------------|--------------------|--|
| Transfers: | | |
| State Employees Trust Fund..... | \$ 8,000 00 | |
| School Teachers Trust Fund..... | 20,000 00 | |
| Total credits..... | \$28,000 00 | |
| DEBITS | | |
| Expenses (Schedule E-1)..... | \$25,030 58 | |
| Balance June 30, 1943..... | \$ 2,969 42 | |

SCHEDULE E-1
ADMINISTRATION FUND
ANALYSIS OF EXPENSES
Year Ended June 30, 1943

| Code | Object of Expense | Amount |
|-------------------------------|--|--------------------|
| PERSONAL SERVICES: | | |
| 111 | Salaries..... | \$13,802 40 |
| 112 | Wages..... | 1,479 11 |
| 113 | Special payments..... | 4,297 98 |
| CONTRACTUAL SERVICES: | | |
| 121 | General repairs..... | 121 09 |
| 124 | Traveling expenses..... | 460 73 |
| 126 | Communication..... | 674 27 |
| 127 | Printing other than office supplies..... | 1,084 59 |
| 128 | Other expenses..... | 437 49 |
| MATERIAL AND SUPPLIES: | | |
| 134 | Office supplies..... | 1,368 29 |
| EQUIPMENT: | | |
| 151 | Office equipment..... | 1,304 63 |
| | Total..... | \$25,030 58 |

Tables 3 and 4 of the report of the actuary on the first annual valuation, the net assets of the Employee Annuity Savings Funds of both school teachers and State employees are in excess of the net balances of these funds as shown by Exhibits B-1 and B-2 of the financial report. This is due to the fact that at the time the figures were compiled for the use of the actuary in his annual valuation certain contributions applicable to the period ending June 30, 1943, had not yet been received. Also in compiling our financial statements, the amount of the administrative expense chargeable against the Employee Annuity Savings Funds has been deducted, whereas these figures were not available to the actuary at the time of filing his report.

We would like, however, to point out that the liability of the Employee Annuity Savings Funds are always equal to the assets credited to it, the reason for which we quote from the actuary's report on the first annual valuation, page 33:
"Since the amount of the annuity provided by the accumulated contributions of a member is always determined by the amount of contributions made by the member, the assets and liabilities of the Employee Annuity Savings Fund are always in balance so that it is unnecessary to calculate the present value of the prospective contributions to be made to this account or the value of benefits payable from such contributions. Therefore, the liabilities of the fund as of June 30, 1943, are equal to the assets credited to it on that date, . . ."

**VIRGINIA RETIREMENT
SYSTEM**

**REPORT OF THE ACTUARY ON THE
FIRST ANNUAL VALUATION**

As of
June 30, 1943

REPORT OF ACTUARY

January 21, 1944.

*Board of Trustees,
Virginia Retirement System,
Richmond, Virginia.*

Gentlemen:

Section 4 (c) of the retirement act governing the operation of the Virginia Retirement System requires that the Board shall have an annual valuation made of the assets and liabilities of the several funds of the retirement system. By means of the annual valuations, a basis will be furnished for determining the percentage rates at which contributions are to be made by the State and other employers to the State Annuity Accumulation Fund. Also the annual valuations will prove valuable in testing the fitness of the service and mortality tables adopted by the Board and in keeping the Board informed as to the financial progress of the system as a whole.

The first annual valuation of the system, which has been prepared as of June 30, 1943, has been completed and the results are presented in this report. The percentage rates for use in determining the appropriation for the biennium 1944-46 have been determined on the basis of this valuation. These percentage rates are higher than the rates set by the retirement act for the first year of operation, principally because the latter rates were based on a 3 per cent. interest rate whereas a 2 per cent. rate was finally adopted.

No particular action to be taken by the Board was indicated by the valuation to be necessary other than to adjust the rates of contribution of the State and other employers in accordance with the valuation results. With this adjustment, the system should operate to the satisfaction of members and the Board.

Respectfully submitted,

(Signed) GEORGE B. BUCK,
Actuary.

REPORT OF THE ACTUARY ON THE FIRST VALUATION OF THE ASSETS AND LIABILITIES OF THE VIRGINIA RETIREMENT SYSTEM

The Virginia Retirement System began operation as of July 1, 1942. The system is designed to provide retirement benefits to the teachers of the State (including clerical employees of the school boards) and to State employees. The act establishing the retirement system repealed the former retirement act for teachers, and teachers are given certain special benefits on account of their coverage under the former act.

The system is jointly contributory, with the cost of benefits on account of membership service about equally divided between the members and the employer. The employer makes special provision for members who were in service at the time the system was established by allowing them credit for prior service and making additional contributions to cover the cost of the benefits based on prior service.

The act establishing the system provided for the maintenance of reserve accounts to which contributions of the members and of the employer are credited. Two sets of accounts are maintained, one for teachers and the other for State employees. The rates at which contributions are to be made to these accounts are determined by means of actuarial calculations so that, with interest earnings, the reserves accumulated will be sufficient to meet the benefit payments as set forth in the act. Once each year an actuarial valuation of the liabilities of the system is to be made to determine whether the contributions are proving sufficient to meet the accruing liabilities and to show what adjustments, if any, are necessary, on the basis of the actual experience of the system, to maintain the system in a solvent condition.

This report presents the results of the first actuarial valuation of the system made since its establishment. The valuation, which was prepared as of June 30 1943, shows the financial condition of the system as of that date and furnishes a basis for determining the rates of contribution to be used in certifying the amounts of the employer's appropriations for the biennium 1944-46.

The valuation was prepared on the basis of the mortality and other tables adopted by the Board of Trustees on July 1, 1942. Records are being maintained by the Board and by the actuary which may be used to check these tables from time to time, and periodically the actuary of the system is to report on any changes in the tables that are considered necessary to furnish a conservative basis for calculating the benefits and valuing the liabilities of the retirement system.

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

A summary of the main benefit and contribution provisions of the retirement system as interpreted for the purposes of the valuation is presented in the following digest. In accordance with the definition given in the act, the term "average final compensation" has been used throughout the digest and report to denote the average annual earnable compensation of a member during his last five years of service, of which he has less than five years of service, his average annual earnable compensation during his total years of creditable service. For all purposes of the retirement system, earnable compensation in excess of \$2,000 per annum is used as \$2,000 per annum.

SERVICE RETIREMENT ALLOWANCE-CONDITIONS FOR ALLOWANCE

A service retirement allowance is payable to any member who has attained age 65, either upon the request of the member or his employer. Retirement is compulsory at age 70, unless a special extension is granted in accordance with the provisions of the act.

AMOUNT OF BENEFIT

The annual service allowance consists of two parts, an employee annuity which is provided entirely by the member's contributions and a state annuity which will be provided from the state's contributions, described as follows:

- (a) The amount of employee annuity is determined by the amount of the

member's contributions for his annuity with interest to the date of retirement, and will be the exact annuity which these accumulated contributions will provide. The members' contributions are so calculated that on the average they will provide annuities of 1/160 of average final compensation for each year of membership service upon service retirement at age 65, that is, one half the total allowance on account of membership service.

(b) The state annuity is exactly 1/160 of average final compensation, multiplied by the number of years of service as a member.

(c) In the case of a member with credit for service rendered prior to the establishment of the system, an additional state annuity is payable equal to 1/160 of average final compensation, multiplied by the number of years of such prior service.

(d) In the case of a teacher with credit for service rendered prior to the establishment of the system, an additional state annuity is payable equal in actuarial value to the aggregate amount of all contributions made by him or on his behalf, under the provisions of the former teachers' retirement law, accumulated with interest from the date of establishment of this system to date of retirement.

(e) In no event shall the total state annuity of any member with prior service credit exceed the amount required to provide, with his employee annuity, a total service retirement allowance of one half of his average final compensation.

SPECIAL PROVISIONS APPLICABLE TO TEACHERS

Teachers in service prior to 1942 may retire under the conditions of the former retirement act for teachers, upon the completion of 30 years of service and the attainment of age 58 if a man or age 50 if a woman. Upon retirement before age 65 such teacher receives a reduced state annuity which is the actuarial equivalent of the annuity which he would receive if he were age 65, but in no event is any teacher to receive a lesser retirement allowance than he would have received were he retired under the former retirement act for teachers.

DISABILITY BENEFIT—CONDITIONS FOR ALLOWANCE

A disability allowance may be granted to any member who becomes totally and permanently incapacitated for duty before reaching the age for service retirement after having completed at least 20 years of creditable service.

AMOUNT OF BENEFIT

The total ordinary disability retirement allowance consists of an employee annuity and a state annuity as follows:

(a) The amount of employee annuity is that provided by the accumulated contributions of the member at the time he retires.

(b) The state annuity is the amount which together with the employee annuity provides a total disability retirement allowance for membership service of 1/90 of the member's average final compensation, multiplied by the number of years of his membership service.

(c) In the case of a member with credit for service rendered prior to the establishment of the system, an additional state annuity is payable equal to 1/180 of his average final compensation, multiplied by the number of years of such prior service.

(d) If the total retirement allowance described above is less than 15% of the member's average final compensation, the state annuity is increased to provide together with the employee annuity, a total disability retirement allowance of 15% of average final compensation.

(e) In no event shall the total disability retirement allowance of a member exceed 1/90 of his average final compensation multiplied by the number of years of total service with which the member would be credited were his service continued until his minimum age for service retirement.

SPECIAL PROVISIONS APPLICABLE TO TEACHERS

Subject to the maximum limit applying under the present law if, in the case of any teacher, the allowance described above is less than the allowance which the teacher would have received were he retired for disability under the provisions of the former retirement act for teachers, the state annuity is increased to provide together with the employee annuity, a total retirement allowance equal to the allowance that would have been payable under the former law.

RETURN OF CONTRIBUTIONS

Upon a member's withdrawal from service without a retirement allowance after at least two years of membership service have been rendered, or upon his death prior to retirement, the entire amount of his accumulated contributions is to be returned to him.

SPECIAL PRIVILEGES AT RETIREMENT

Members, upon retirement, may elect to receive their retirement allowance in any one of the following forms which are computed to be of equivalent value.

(a) Full amount payable in monthly instalments throughout the life of the retired member, all payments ceasing at death.

(b) Option 1. Reduced employee annuity payments during the life of the retired member, with the provision that in case of death before such annuity payments have equalled the value of his accumulated contributions at the time of his retirement, the balance shall be paid to his designated beneficiary or estate.

(c) Option 2. Reduced retirement allowance during the life of the retired member, with the provision that at his death the allowance shall be continued throughout the life of such other person as he shall have designated at the time of his retirement.

(d) Option 3. Reduced retirement allowance during the life of the retired member, with the provisions that at his death one half of the amount of his allowance shall be continued throughout the life of such other person as he shall have designated at the time of his retirement.

BENEFITS TO TEACHERS FORMERLY RETIRED

All annuities in force on June 30, 1942, payable to teachers under the former teachers' retirement fund, are thereafter continued without change in amount and paid from the State Annuity Accumulation Fund of the present system.

CONTRIBUTIONS

By MEMBERS

Each member contributes on a "savings bank" basis a percentage of his compensation based on his age at entrance into membership, which is computed to provide at his minimum service retirement age one half of his service retirement allowance on account of membership service. In addition a member contributes not more than .25% of compensation toward the expense of administering the retirement system. Any member whose rate exceeds 5% need not contribute more than 5% nor need a member contribute after he has attained the minimum service retirement age.

By EMPLOYER

The state or other employer makes annual contributions based on members' compensation to provide the state's annuities and other benefits payable from the contributions of the employer.

The employer's contribution consists of a percentage of the compensation of all members known as the "normal contribution" and a percentage of the compensation of all members known as the "accrued liability contribution." Separate normal contributions and accrued liability contributions are payable for teachers

and for state employees. The normal rates of contribution are set after each actuarial valuation of the system. The accrued liability rates of contribution are set on the basis of the results of the present valuation and are payable in order to make up the contributions due on account of service rendered prior to the establishment of the system. The accrued liability contributions will be discontinued as soon as the amount in the State Annuity Accumulation Fund is equal to the present value of the total liabilities of the account less the present value of the normal contributions to be received at the normal rates then in force on account of all members at that time.

MEMBERSHIP OF THE SYSTEM
ACTIVE MEMBERS

Membership in the system is open to all professional and clerical employees who are regularly employed by a county, city, or other local school board, and to all state employees whose compensation is payable not oftener than semi-monthly. Membership is not available to officers elected by popular vote or by the General Assembly or either House thereof, a county or city treasurer, commissioner of revenue, Commonwealth attorney, clerk, sheriff, sergeant or constable or deputies or employees of such officers, and any employee of a political subdivision of the Commonwealth.

Any person entering the service of the state after July 1, 1942 is required to become a member of the retirement system.

Teachers in the service during the school year immediately preceding the date of establishment and state employees in service on the date of establishment automatically became members of the retirement system as of the date of establishment unless they elected not to become members. A teacher or state employee who elected not to become a member may apply for membership later, but unless he became a member within one hundred and fifty days after the establishment of the system, he will not receive credit for prior service. Exceptions apply in that a person on leave from service at the time of establishment may receive credit for prior service if he makes his application for membership within one hundred and fifty days after the termination of such leave, and a person in the armed forces of the United States at the time of establishment will receive prior service credit if he makes his application for membership within one hundred and fifty days from the time he reenters the service of the state provided he reenters state service before July 1, 1945.

Upon entering the retirement system a person is classified as either a "teacher" or a "state employee".

The following table shows the number of active members in each group together with their annual compensation (not exceeding \$2,000 per annum in any case), as of June 30, 1943. Members with prior service credit are members who received credit for service rendered prior to July 1, 1943. New entrant members are those who have been admitted to membership since July 1, 1943 and who do not have credit for prior service.

TABLE 1
THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS
As of June 30, 1943

| GROUP | TOTAL | | MEMBERS WITH PRIOR SERVICE CREDIT | | NEW ENTRANTS | |
|------------------------------|---------|---------------------|-----------------------------------|---------------------|--------------|---------------------|
| | Num-ber | Annual Compensation | Num-ber | Annual Compensation | Num-ber | Annual Compensation |
| STATE EMPLOYEES: | | | | | | |
| Clerical and Administrative: | | | | | | |
| Men..... | 2,464 | \$ 4,243,356 | 1,970 | \$ 3,520,027 | 494 | \$ 723,329 |
| Women..... | 1,274 | 1,728,076 | 803 | 1,203,139 | 471 | 524,937 |
| Total..... | 3,738 | \$ 5,971,432 | 2,773 | \$ 4,723,166 | 965 | \$ 1,248,266 |
| Laborers and Mechanics: | | | | | | |
| Men..... | 2,241 | \$ 2,644,277 | 1,878 | \$ 2,298,170 | 363 | \$ 346,107 |
| Women..... | 361 | 271,245 | 161 | 126,407 | 200 | 144,838 |
| Total..... | 2,602 | \$ 2,915,522 | 2,039 | \$ 2,424,577 | 563 | \$ 490,945 |
| Total—State employees..... | 6,340 | \$ 8,886,954 | 4,812 | \$ 7,147,743 | 1,528 | \$ 1,739,211 |
| TEACHERS: | | | | | | |
| Men..... | 1,881 | \$ 2,858,196 | 1,646 | \$ 2,562,383 | 235 | \$ 295,813 |
| Women..... | 11,398 | 12,334,758 | 9,400 | 10,591,761 | 1,998 | 1,742,997 |
| Total—Teachers..... | 13,279 | \$ 15,192,954 | 11,046 | \$ 13,154,144 | 2,233 | \$ 2,038,810 |
| Total—All groups..... | 19,619 | \$ 24,079,908 | 15,858 | \$ 20,301,887 | 3,761 | \$ 3,778,021 |

RETIRED MEMBERS

The following table shows the number of retired members in receipt of retirement incomes as of June 30, 1943, together with the amount of their annual employee annuities and state annuities. The table also shows the number of beneficiaries who retired under the former teachers' retirement act, together with the amount of their annual allowances now payable from the State Annuity Accumulation Fund.

TABLE 2
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES
ON THE ROLL AS OF JUNE 30, 1943

| GROUP | Number | Employee Annuities | ANNUITIES PAYABLE FROM | | Total Retirement Allowance |
|--|--------|--------------------|---------------------------------|----------------------------|----------------------------|
| | | | State Annuity Accumulation Fund | State Annuity Reserve Fund | |
| BENEFITS TO EMPLOYEES RETIRED UNDER RETIREMENT SYSTEM SERVICE RETIREMENTS | | | | | |
| CLERICAL AND ADMINISTRATIVE EMPLOYEES: | | | | | |
| Men..... | 15 | \$ 84 24 | \$ 2,997 48 | \$ 10 44 | \$ 3,092 16 |
| Women..... | 6 | 12 00 | 1,766 04 | ..... | 1,778 04 |
| LABORERS AND MECHANICS: | | | | | |
| Men..... | 28 | 59 88 | 3,406 56 | ..... | 3,466 44 |
| Women..... | 4 | 1 56 | 530 76 | ..... | 532 32 |
| TEACHERS: | | | | | |
| Men..... | 14 | ..... | 8,147 88 | ..... | 8,147 88 |
| Women..... | 39 | 70 68 | 18,272 40 | ..... | 18,343 08 |
| Sub-total..... | 106 | \$228 36 | \$ 35,121 12 | \$ 10 44 | \$ 35,359 92 |
| DISABILITY RETIREMENTS | | | | | |
| CLERICAL AND ADMINISTRATIVE EMPLOYEES: | | | | | |
| Men..... | 1 | ..... | \$ 300 00 | ..... | \$ 300 00 |
| Women..... | 1 | \$ 96 | 237 96 | ..... | 238 92 |
| LABORERS AND MECHANICS: | | | | | |
| Men..... | 1 | ..... | 197 16 | ..... | 197 16 |
| Women..... | 1 | 1 80 | 117 36 | ..... | 119 16 |
| TEACHERS: | | | | | |
| Men..... | 2 | 8 28 | 991 80 | ..... | 1,000 08 |
| Women..... | 5 | 4 08 | 2,014 80 | ..... | 2,018 88 |
| Sub-total..... | 11 | \$ 15 12 | \$ 3,859 08 | ..... | \$ 3,874 20 |
| Total..... | 117 | \$243 48 | \$ 38,980 20 | \$ 10 44 | \$ 39,234 12 |

TABLE 2—CONTINUED

| GROUP | Number | Employee Annuities | ANNUITIES PAYABLE FROM | | Total Retirement Allowance |
|---|--------|--------------------|---------------------------------|----------------------------|----------------------------|
| | | | State Annuity Accumulation Fund | State Annuity Reserve Fund | |
| BENEFICIARIES RETIRED UNDER THE FORMER TEACHERS' RETIREMENT ACT | | | | | |
| SERVICE: | | | | | |
| Men..... | 147 | ..... | \$ 42,248 00 | ..... | \$ 42,248 00 |
| Women..... | 710 | ..... | 245,868 00 | ..... | 245,868 00 |
| Sub-total..... | 857 | ..... | \$288,116 00 | ..... | \$ 288,116 00 |
| DISABILITY: | | | | | |
| Men..... | 106 | ..... | \$ 31,044 00 | ..... | \$ 31,044 00 |
| Women..... | 425 | ..... | 125,716 00 | ..... | 125,716 00 |
| Sub-total..... | 531 | ..... | \$156,760 00 | ..... | \$ 156,760 00 |
| Total..... | 1,388 | ..... | \$444,876 00 | ..... | \$ 444,876 00 |
| Grand total..... | 1,505 | \$243 48 | \$483,856 20 | \$ 10 44 | \$ 484,110 12 |

VALUATION BALANCE SHEETS

The results of the valuation are summarized in the following two valuation balance sheets. The first valuation balance sheet shows the present and prospective assets and liabilities of the system for teachers, while the second balance sheet shows the corresponding items for state employees. The present assets in hand for teachers and for state employees as shown in the balance sheets were taken from statements prepared by the director of the system. The balance in each fund of the system with the exception of the Expense Fund, was reported separately for teachers and for state employees, and the individual balance sheets show the present and prospective assets and liabilities of each fund separately, except that future contributions of members to the Employee Annuity Savings Fund have not been valued because such contributions and the annuities provided therefrom are of equal value and therefore do not affect the respective balance sheets.

TABLE 3
SHOWING THE ASSETS AND LIABILITIES OF THE VIRGINIA RETIREMENT SYSTEM
Prepared as of June 30, 1943

| TEACHERS | |
|---|--------------|
| Assets | |
| Present assets of system creditable to: | |
| Employee Annuity Savings Fund: | |
| Credited to fund..... | \$782,921 |
| Add excess of interest transferable from the State Annuity Accumulation Fund over reserves transferable to the Employee Annuity Reserve Fund..... | 7,132 |
| | \$ 790,053 |
| Employee Annuity Reserve Fund: | |
| Credited to fund..... | \$ 480 |
| Add interest transferable from the State Annuity Accumulation Fund and reserves transferable from the Employee Annuity Savings Fund..... | 702 |
| | 1,182 |
| State Annuity Reserve Fund: | |
| Credited to fund..... | \$ 0 |
| Add reserves transferable from the State Annuity Accumulation Fund..... | 0 |
| | 0 |
| State Annuity Accumulation Fund: | |
| Credited to fund..... | \$593,503 |
| Add excess of undistributed income and profits on investments over interest transferable to other funds..... | 5,091 |
| | 598,594 |
| Prospective contributions to the State Annuity Accumulation Fund: | |
| Normal contributions based on future salaries..... | 8,857,675 |
| Accrued liability contributions as percentage of future salaries payable until the liabilities of the State Annuity Accumulation Fund on account of prior service are liquidated..... | 16,794,230 |
| Total assets..... | \$27,041,734 |
| Liabilities | |
| Present value of benefits on account of which contributions have been accumulated to date in the Employee Annuity Savings Fund..... | \$ 790,053 |
| Present value of benefits payable on account of "beneficiaries" or their dependents now drawing allowances from the Employee Annuity Reserve Fund..... | 1,128 |
| Present value of benefits payable on account of "beneficiaries" or | |

TABLE 3—CONTINUED

| | |
|--|--------------|
| their dependents now drawing allowances from the State Annuity Reserve Fund..... | 0 |
| Present value of benefits payable on account of "beneficiaries" or their dependents now drawing allowances from the State Annuity Accumulation Fund..... | 4,926,240 |
| Present value of benefits to members with prior service credit to be paid by contributions of the State into the State Annuity Accumulation Fund: | |
| Service benefits on account of service as members approximately equal to annuities provided by contributions of employees..... | \$6,256,718 |
| Additional service benefits on account of prior service rendered..... | 6,538,887 |
| Disability benefits provided by State..... | 7,017,233 |
| Total—All benefits to members with prior service credit payable from the State Annuity Accumulation Fund... | 19,812,838 |
| Present value of benefits to new entrants to be paid by contributions of the State into the State Annuity Accumulation Fund: | |
| Service benefits on account of service as members approximately equal to annuities provided by contributions of employees..... | \$1,074,449 |
| Disability benefits provided by State..... | 437,026 |
| Total—All benefits to new entrants to be paid by contributions into the State Annuity Accumulation Fund..... | 1,511,475 |
| Total liabilities..... | \$27,041,734 |

TABLE 4
VALUATION BALANCE SHEET SHOWING THE ASSETS AND LIABILITIES OF THE VIRGINIA RETIREMENT SYSTEM
Prepared as of June 30, 1943

| STATE EMPLOYEES | |
|--|------------|
| Assets | |
| Present assets of system creditable to: | |
| Employee Annuity Savings Fund: | |
| Credited to fund..... | \$ 383,307 |
| Add excess of interest transferable from the State Annuity Accumulation Fund over reserves transferable to the Employee Annuity Reserve Fund.. | 3,521 |
| | \$ 386,828 |
| Employee Annuity Reserve Fund: | |
| Credited to fund..... | \$ 819 |
| Add interest transferable from the State Annuity Accumulation Fund and reserves transferable from the Employee Annuity Savings Fund..... | 320 |
| | 1,139 |
| State Annuity Reserve Fund: | |
| Credited to fund..... | \$ 0 |
| Add reserves transferable from the State Annuity Accumulation Fund..... | 93 |
| | 93 |

TABLE 4—CONTINUED

| | | |
|---|-------------|--------------------|
| State Annuity Accumulation Fund: | | |
| Credited to fund..... | \$ 606,290 | |
| Add excess of undistributed income and profits on investments over interest and reserves transferable to other funds..... | 3,609 | 609,899 |
| Prospective contributions to the State Annuity Accumulation Fund: | | |
| Normal contributions based on future salaries..... | | 1,348,508 |
| Accrued liability contributions as percentage of future salaries payable until the liabilities of the State Annuity Accumulation Fund on account of prior service are liquidated..... | | 2,921,819 |
| Total assets..... | | <u>\$5,268,286</u> |
| <i>Liabilities</i> | | |
| Present value of benefits on account of which contributions have been accumulated to date in the Employee Annuity Savings Fund..... | \$ 386,828 | |
| Present value of benefits payable on account of "beneficiaries" or their dependents now drawing allowances from the Employee Annuity Reserve Fund..... | | 1,188 |
| Present value of benefits payable on account of "beneficiaries" or their dependents now drawing allowances from the State Annuity Reserve Fund..... | | 96 |
| Present value of benefits payable on account of "beneficiaries" or their dependents now drawing allowances from the State Annuity Accumulation Fund..... | | 67,248 |
| Present value of benefits to members with prior service credit to be paid by contributions of the State into the State Annuity Accumulation Fund: | | |
| Service benefits on account of service as members approximately equal to annuities provided by contributions of employees..... | \$1,508,962 | |
| Additional service benefits on account of prior service rendered..... | 2,009,475 | |
| Disability benefits provided by State..... | 914,040 | |
| Total—All benefits to members with prior service credit payable from the State Annuity Accumulation Fund..... | | 4,432,477 |
| Present value of benefits to new entrants to be paid by contributions of the State into the State Annuity Accumulation Fund: | | |
| Service benefits on account of service as members approximately equal to annuities provided by contributions of employees..... | \$ 303,432 | |
| Disability benefits provided by State..... | 77,017 | |
| Total—All benefits to new entrants to be paid by contributions into the State Annuity Accumulation Fund.. | | 380,449 |
| Total liabilities..... | | <u>\$5,268,286</u> |

RESULTS OF VALUATION

The preceding valuation balance sheets indicate the following facts regarding the various funds of the retirement system.

EMPLOYEE ANNUITY SAVINGS FUND

The Employee Annuity Savings Fund is the fund in which the contributions that members made to provide their annuities are accumulated. When

a member retires, his contributions with 2 per cent. interest accumulations are transferred from the Employee Annuity Savings Fund to the Employee Annuity Reserve Fund. The annuity which these accumulated contributions will provide is then paid to the retired member from the Employee Annuity Reserve Fund. Since the amount of the annuity provided by the accumulated contributions of a member is always determined by the amount of contributions made by the member, the assets and liabilities of the Employee Annuity Savings Fund are always in balance so that it is unnecessary to calculate the present value of the prospective contributions to be made to this account, or the value of benefits payable from such contributions. Therefore, the liabilities of the fund as of June 30, 1943 are equal to the assets credited to it on that date, or to \$790,053 for teachers and \$386,828 for state employees. These figures represent the amounts contributed by teachers and state employees respectively to June 30, 1943, with interest credits thereon.

EMPLOYEE ANNUITY RESERVE FUND

When a member retires, his accumulated contributions are transferred from the Employee Annuity Savings Fund to the Employee Annuity Reserve Fund, and the annuity provided by his own contributions is paid from the latter account. Fluctuations in the deficits or surpluses in this account may be expected from year to year, particularly during the early years of operation, while the annuities are small.

On June 30, 1943, the assets creditable to the fund on account of teachers amounted to \$1,182 and the present value of the liabilities amounted to \$1,128. Therefore, the fund for teachers showed a surplus of \$54 as of the valuation date.

On June 30, 1943, the assets creditable to the fund on account of state employees were \$1,139 and the present value of the liabilities amounted to \$1,188. The fund for state employees therefore showed a deficit of \$49.

STATE ANNUITY RESERVE FUND

When a new entrant member retires, the reserve on his annuity is transferred from the State Annuity Accumulation Fund to the State Annuity Reserve Fund and the state's annuity is paid from the latter account.

As no new entrant teachers had retired as of that date, the fund for teachers shows neither assets nor liabilities as of that date.

In the case of state employees, there was only one annuitant on the roll as of the valuation date. The fund showed assets of \$93 and liabilities of \$96 as of that date, or a slight deficit of \$3.

STATE ANNUITY ACCUMULATION FUND

The State Annuity Accumulation Fund is the fund to which all contributions made by employers are credited and from which are paid all benefits on account of members with prior service credit and all benefits payable to teachers retired under the former teachers' retirement system. The contributions to retired under the former teachers' retirement system on or after July 1, 1942 without pay benefits to members who enter the system on or after July 1, 1942 without credit for prior service are paid into the State Annuity Accumulation Fund, but at retirement the reserves for their state annuities are transferred to the State Annuity Reserve Fund and their state annuities are paid from the latter account.

As in the case of other funds, there is one State Annuity Accumulation Fund for teachers and a second fund for state employees, each of which is discussed separately below.

TEACHERS

The total assets creditable to the State Annuity Accumulation Fund in behalf of teacher members as of June 30, 1943 amounted to \$598,594. The liabilities of the fund to provide benefits payable to beneficiaries who were

drawing benefits amounted to \$4,926,240; the liabilities for members of the system with prior service credit who will retire in the future amounted to \$19,812,838; and the liabilities of new entrant members who will retire in the future amounted to \$1,511,475. Therefore, the total liabilities of the State Annuity Accumulation Fund in behalf of teacher members as of June 30, 1943 amounted to \$26,250,553. By subtracting the assets in hand from the total liabilities and adjusting for the surplus of \$54 in the Employee Annuity Reserve Fund, we have \$25,651,905 as the liabilities of the State Annuity Accumulation Fund in behalf of teachers to be liquidated by the future normal and accrued liability contributions to be made by the employer.

The normal contribution, which is defined as a contribution to provide the benefits of the average new entrant member of the system, is fixed after each valuation, whereas the accrued liability contribution on account of service rendered prior to the establishment of the system is fixed on the basis of the present valuation. On the basis of the valuation results for teachers, it is recommended that a normal contribution rate for teachers be payable by the employer equal to 3.49 per cent. of the compensation of members who are teachers.

The balance sheet for teachers shows that the future normal contributions at the above rate have a value of \$8,857,675. Subtracting this amount from \$25,651,905, the total liabilities of the State Annuity Accumulation Fund to be liquidated from future contributions to be made by the employer, we have \$16,794,230 as the amount to be covered by the accrued liability contributions of the employer. The act provides that a calculation be made to determine the percentage of the total payroll on the valuation date that will liquidate this accrued liability of \$16,794,230. A percentage rate of 4.41 per cent. of the payroll of teachers is calculated to be sufficient to liquidate the accrued liability on their account under the conditions set forth in the Virginia Retirement Act.

STATE EMPLOYEES

The total assets creditable to the State Annuity Accumulation Fund in behalf of state employee members as of June 30, 1943 amounted to \$609,899. The liabilities of the fund to provide benefits payable to beneficiaries who were drawing benefits amounted to \$67,248; the liabilities for members of the system with prior service credit who will retire in the future amounted to \$4,432,477; and the liabilities of new entrant members who will retire in the future amounted to \$380,449. Therefore, the total liabilities of the State Annuity Accumulation Fund in behalf of state employees as of June 30, 1943 was \$4,880,174. By subtracting the assets in hand from the total liabilities and adjusting for the combined deficit of \$52 in the Employee Annuity Reserve Fund and State Annuity Reserve Fund, we have \$4,270,327 as the liabilities of the State Annuity Accumulation Fund in behalf of state employees to be liquidated by the future normal and accrued liability contributions to be made by the employer.

The normal contribution, which is defined as a contribution to provide the benefits of the average new entrant member of the system, is fixed after each valuation, whereas the accrued liability contribution on account of service rendered prior to the establishment of the system is fixed on the basis of the present valuation. On the basis of the valuation results for state employees, it is recommended that a normal contribution rate for state employees be payable by the employer equal to 2.13 per cent. of the compensation of members who are state employees.

The balance sheet for state employees shows that the future normal contributions at the above rate have a value of \$1,348,508. Subtracting this amount from \$4,270,327, the total liabilities of the State Annuity Accumulation Fund to be liquidated from future contributions to be made by the employer, we have \$2,921,819 as the amount to be covered by the accrued liability contributions of the employer. The act provides that a calculation be made to determine the percentage of the total payroll on the valuation date that will liquidate this accrued liability of \$2,921,819. A percentage rate of 1.32 per cent. of the payroll of state employees is calculated to be sufficient to liquidate the accrued

liability on their account under the conditions set forth in the Virginia Retirement Act.

To summarize, the present valuations indicate that for teacher members a total contribution of 7.90 per cent. of teachers' payroll is payable by the employer, consisting of 3.49 per cent. as normal contribution and 4.41 per cent. as the accrued liability contribution. The corresponding rate for members classified as state employees is 3.45 per cent. of state employees' payroll, consisting of a normal contribution rate of 2.13 per cent. of payroll and an accrued liability rate of 1.32 per cent. of payroll.

COMMENTS ON OPERATION

Since the retirement system has been in operation for only a year, its experience does not furnish a basis for any specific conclusions as to its future operations. Every indication, however, is that the foundation has been laid for a satisfactory system.

APPROPRIATION PAYABLE BY EMPLOYER

The Virginia Retirement Act provides that the Board shall certify to the Comptroller, and to each contributor to the State Annuity Accumulation Fund other than the State, the normal rate of contribution and the accrued liability contribution rate. On the basis of the valuation as of June 30, 1943, it was recommended to the Board that the certification for the biennium beginning July 1, 1944 be based on a normal rate of 3.49 per cent. for teachers and 2.13 per cent. for state employees; and on an accrued liability rate of 4.41 per cent. for teachers and 1.32 per cent. for state employees, with the provision that each accrued liability appropriation for any year shall be at least 3 per cent. greater than that for the previous year.

For the year ending June 30, 1944 the employer made an appropriation of \$1,700,000 of which \$1,080,375 represented the appropriation for teachers and \$619,625 that for state employees.

TABULATIONS USED AS A BASIS FOR VALUATION

On the basis of information furnished the actuary by the director of the system, punch cards were prepared for the active and retired membership of the system and for other beneficiaries receiving income under the system. Tabulations were then made which show as of June 30, 1943 the number and salaries of members eligible for prior service credit, classified by age and length of service. Tabulations and salaries of new entrant members, classified by age and length of service. Tabulations showing the number and benefits of retired members and beneficiaries receiving income under the system were also prepared. The tabulations are summarized in the following tables.

TABLE 5

THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF MEMBERS WITH PRIOR SERVICE CREDIT
By Age as of June 30, 1943
CLERICAL AND ADMINISTRATIVE

| Central Age of Group | Number | Annual Salaries | Central Age of Group | Number | Annual Salaries |
|----------------------|--------|-----------------|----------------------|--------|-----------------|
| 15 | 1 | \$ 900 | 60 | 226 | 400,684 |
| 20 | 41 | 42,936 | 65 | 158 | 263,683 |
| 25 | 118 | 155,877 | 70 | 81 | 143,300 |
| 30 | 230 | 363,266 | 75 | 34 | 56,501 |
| 35 | 401 | 683,736 | 80 | 9 | 15,799 |
| 40 | 435 | 756,571 | 85 | 1 | 2,000 |
| 45 | 382 | 671,675 | Total..... | 2,773 | \$4,723,166 |
| 50 | 323 | 567,025 | | | |
| 55 | 333 | 599,213 | | | |

TABLE 6

THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF MEMBERS WITH PRIOR SERVICE CREDIT
By Age as of June 30, 1943
LABORERS AND MECHANICS

| Central Age of Group | Number | Annual Salaries | Central Age of Group | Number | Annual Salaries |
|----------------------|--------|-----------------|----------------------|--------|-----------------|
| 20 | 29 | \$ 26,846 | 60 | 164 | 191,521 |
| 25 | 52 | 52,413 | 65 | 134 | 152,013 |
| 30 | 158 | 181,914 | 70 | 88 | 90,792 |
| 35 | 307 | 381,059 | 75 | 38 | 42,085 |
| 40 | 327 | 411,416 | 80 | 10 | 9,468 |
| 45 | 287 | 355,078 | Total..... | 2,039 | \$2,424,577 |
| 50 | 230 | 272,208 | | | |
| 55 | 215 | 257,764 | | | |

TABLE 7

THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF MEMBERS WITH PRIOR SERVICE CREDIT
By Age as of June 30, 1943
TEACHERS

| CENTRAL AGE OF GROUP | TOTAL | | MEN | | WOMEN | |
|----------------------|--------|-----------------|--------|-----------------|--------|-----------------|
| | Number | Annual Salaries | Number | Annual Salaries | Number | Annual Salaries |
| 20 | 78 | \$ 62,266 | 3 | \$ 2,537 | 75 | \$ 59,729 |
| 25 | 910 | 861,347 | 70 | 93,486 | 840 | 767,861 |
| 30 | 1,295 | 1,391,131 | 205 | 295,498 | 1,090 | 1,095,633 |
| 35 | 2,233 | 2,597,919 | 341 | 535,323 | 1,892 | 2,062,596 |
| 40 | 2,057 | 2,472,475 | 315 | 509,893 | 1,742 | 1,962,582 |
| 45 | 1,583 | 2,021,140 | 233 | 377,889 | 1,350 | 1,643,251 |
| 50 | 1,193 | 1,524,087 | 171 | 280,269 | 1,022 | 1,243,818 |
| 55 | 803 | 1,030,090 | 141 | 226,461 | 662 | 803,629 |
| 60 | 458 | 613,537 | 71 | 102,129 | 387 | 511,408 |
| 65 | 280 | 362,891 | 50 | 69,591 | 230 | 293,300 |
| 70 | 119 | 158,900 | 33 | 50,212 | 86 | 108,688 |
| 75 | 29 | 44,861 | 11 | 15,885 | 18 | 28,976 |
| 80 | 8 | 13,500 | 2 | 3,210 | 6 | 10,290 |
| Total..... | 11,046 | \$13,154,144 | 1,646 | \$ 2,562,383 | 9,400 | \$10,591,761 |

TABLE 8

THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF MEMBERS WITH PRIOR SERVICE CREDIT
By Years of Total Service as of June 30, 1943
CLERICAL AND ADMINISTRATIVE

| Central Years of Service | Number | Annual Salaries | Central Years of Service | Number | Annual Salaries |
|--------------------------|--------|-----------------|--------------------------|--------|-----------------|
| 0 | 11 | \$ 12,690 | 35 | 65 | \$ 119,619 |
| 1 | 73 | 92,471 | 40 | 23 | 40,950 |
| 2 | 141 | 205,975 | 45 | 18 | 33,745 |
| 5 | 544 | 864,017 | 50 | 1 | 2,000 |
| 10 | 538 | 917,582 | 55 | 6 | 11,739 |
| 15 | 573 | 1,017,343 | 60 | 1 | 2,000 |
| 20 | 414 | 738,143 | Total..... | 2,773 | \$4,723,166 |
| 25 | 247 | 450,402 | | | |
| 30 | 118 | 214,490 | | | |

TABLE 9
THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF MEMBERS
WITH PRIOR SERVICE CREDIT
By Years of Total Service as of June 30, 1943
LABORERS AND MECHANICS

| Central Years of Service | Number | Annual Salaries | Central Years of Service | Number | Annual Salaries |
|--------------------------|--------|-----------------|--------------------------|--------|-----------------|
| 0 | 13 | \$ 13,380 | 30 | 43 | 52,089 |
| 1 | 55 | 52,036 | 35 | 19 | 16,354 |
| 2 | 74 | 75,430 | 40 | 14 | 12,569 |
| 5 | 275 | 310,003 | 45 | 3 | 3,510 |
| 10 | 670 | 814,613 | 50 | 2 | 1,704 |
| 15 | 485 | 600,835 | 55 | 6 | 4,848 |
| 20 | 296 | 370,515 | | | |
| 25 | 84 | 96,691 | Total..... | 2,039 | \$2,424,577 |

TABLE 10
THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF MEMBERS
WITH PRIOR SERVICE CREDIT
By Years of Total Service as of June 30, 1943
TEACHERS

| CENTRAL YEARS OF SERVICE | TOTAL | | MEN | | WOMEN | |
|--------------------------|--------|-----------------|--------|-----------------|--------|-----------------|
| | Number | Annual Salaries | Number | Annual Salaries | Number | Annual Salaries |
| 2..... | 1,005 | \$ 984,424 | 154 | \$ 213,671 | 851 | \$ 770,753 |
| 7..... | 1,973 | 2,107,479 | 356 | 511,088 | 1,617 | 1,596,391 |
| 12..... | 2,073 | 2,431,866 | 363 | 569,191 | 1,710 | 1,862,675 |
| 17..... | 2,125 | 2,559,026 | 304 | 504,560 | 1,821 | 2,054,466 |
| 22..... | 1,652 | 2,082,040 | 223 | 380,065 | 1,429 | 1,701,975 |
| 27..... | 1,085 | 1,404,756 | 100 | 157,941 | 985 | 1,246,815 |
| 32..... | 591 | 803,956 | 72 | 115,566 | 519 | 688,390 |
| 37..... | 309 | 443,916 | 38 | 61,827 | 271 | 382,089 |
| 42..... | 131 | 188,751 | 23 | 30,552 | 108 | 158,199 |
| 47..... | 63 | 88,942 | 5 | 7,717 | 58 | 81,225 |
| 52..... | 25 | 37,672 | 3 | 4,670 | 22 | 33,002 |
| 57..... | 14 | 21,316 | 5 | 5,535 | 9 | 15,781 |
| Total..... | 11,046 | \$13,154,144 | 1,646 | \$ 2,562,383 | 9,400 | \$10,591,761 |

TABLE 11
THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF NEW ENTRANTS
By Age as of June 30, 1943
CLERICAL AND ADMINISTRATIVE EMPLOYEES

| Central Age of Group | Number | Annual Salaries | Central Age of Group | Number | Annual Salaries |
|----------------------|--------|-----------------|----------------------|--------|-----------------|
| 15 | 5 | \$ 4,500 | 55 | 38 | 52,352 |
| 20 | 219 | 224,162 | 60 | 24 | 33,070 |
| 25 | 178 | 219,534 | 65 | 12 | 15,420 |
| 30 | 147 | 208,053 | 70 | 6 | 7,826 |
| 35 | 101 | 152,296 | 75 | 1 | 1,020 |
| 40 | 85 | 118,007 | 80 | 1 | 1,020 |
| 45 | 83 | 116,611 | Total..... | 965 | \$1,248,266 |
| 50 | 65 | 94,395 | | | |

TABLE 12
THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF NEW ENTRANTS
By Age as of June 30, 1943
LABORERS AND MECHANICS

| Central Age of Group | Number | Annual Salaries | Central Age of Group | Number | Annual Salaries |
|----------------------|--------|-----------------|----------------------|--------|-----------------|
| 15 | 14 | \$ 9,951 | 55 | 31 | 26,665 |
| 20 | 129 | 116,060 | 60 | 23 | 22,560 |
| 25 | 76 | 64,040 | 65 | 15 | 13,310 |
| 30 | 70 | 63,518 | 70 | 7 | 5,730 |
| 35 | 64 | 53,440 | 75 | 1 | 900 |
| 40 | 45 | 37,972 | Total..... | 563 | \$ 490,945 |
| 45 | 46 | 42,045 | | | |
| 50 | 42 | 34,754 | | | |

TABLE 13
 THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF NEW ENTRANTS
 By Age as of June 30, 1943
 TEACHERS

| CENTRAL AGE OF GROUP | TOTAL | | MEN | | WOMEN | |
|----------------------|--------|-----------------|--------|-----------------|--------|-----------------|
| | Number | Annual Salaries | Number | Annual Salaries | Number | Annual Salaries |
| 20..... | 647 | \$ 543,272 | 23 | \$ 23,270 | 624 | \$ 520,002 |
| 25..... | 636 | 576,848 | 66 | 73,657 | 570 | 503,191 |
| 30..... | 224 | 220,245 | 40 | 56,867 | 184 | 163,378 |
| 35..... | 221 | 211,932 | 26 | 34,078 | 195 | 177,854 |
| 40..... | 211 | 206,869 | 22 | 34,997 | 189 | 171,872 |
| 45..... | 139 | 130,785 | 23 | 33,078 | 116 | 97,707 |
| 50..... | 83 | 77,432 | 14 | 13,123 | 69 | 64,309 |
| 55..... | 41 | 41,956 | 8 | 11,793 | 33 | 30,163 |
| 60..... | 18 | 17,216 | 7 | 8,518 | 11 | 8,698 |
| 65..... | 9 | 8,248 | 3 | 3,347 | 6 | 4,901 |
| 70..... | 4 | 4,007 | 3 | 3,085 | 1 | 922 |
| Total..... | 2,233 | \$ 2,038,810 | 235 | \$ 295,813 | 1,998 | \$ 1,742,997 |

TABLE 16
 THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF NEW ENTRANTS
 By Years of Total Service as of June 30, 1943
 TEACHERS

| CENTRAL YEARS OF SERVICE | TOTAL | | MEN | | WOMEN | |
|--------------------------|--------|-----------------|--------|-----------------|--------|-----------------|
| | Number | Annual Salaries | Number | Annual Salaries | Number | Annual Salaries |
| 0..... | 186 | \$ 187,603 | 31 | \$ 39,738 | 155 | \$ 147,865 |
| 1..... | 2,047 | 1,851,207 | 204 | 256,075 | 1,843 | 1,595,132 |
| Total..... | 2,233 | \$ 2,038,810 | 235 | \$ 295,813 | 1,998 | \$ 1,742,997 |

TABLE 14
 THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF NEW ENTRANTS
 By Years of Total Service as of June 30, 1943
 CLERICAL AND ADMINISTRATIVE EMPLOYEES

| Central Years of Service | Number | Annual Salaries |
|--------------------------|--------|-----------------|
| 0..... | 271 | \$ 324,271 |
| 1..... | 694 | 923,995 |
| Total..... | 965 | \$1,248,266 |

TABLE 15
 THE DISTRIBUTION OF THE NUMBER AND ANNUAL SALARIES OF NEW ENTRANTS
 By Years of Total Service as of June 30, 1943
 LABORERS AND MECHANICS

| Central Years of Group | Number | Annual Salaries |
|------------------------|--------|-----------------|
| 0..... | 143 | \$ 130,160 |
| 1..... | 420 | 360,785 |
| Total..... | 563 | \$ 490,945 |

TABLE 17
THE DISTRIBUTION OF THE NUMBER AND MONTHLY RETIREMENT ALLOWANCES OF BENEFICIARIES
By Age as of June 30, 1943
SERVICE RETIREMENTS—CLERICAL AND ADMINISTRATIVE EMPLOYEES

REPORT OF VIRGINIA RETIREMENT SYSTEM

| AGE | MEN | | | | WOMEN | | | |
|-------------------------------|--------|--------------------|---------------------------------|----------------------------|--------|--------------------|---------------------------------|----------------------------|
| | Number | Employee Annuities | ANNUITIES PAYABLE FROM | | Number | Employee Annuities | ANNUITIES PAYABLE FROM | |
| | | | State Annuity Accumulation Fund | State Annuity Reserve Fund | | | State Annuity Accumulation Fund | State Annuity Reserve Fund |
| WITHOUT OPTIONAL MODIFICATION | | | | | | | | |
| 67..... | 1 | \$ 22 | \$ 16 24 | | | | | |
| 68..... | | | | | | | | |
| 69..... | | | | | | | | |
| 70..... | 1 | 1 08 | 22 05 | | | | | |
| 71..... | 1 | 53 | 43 96 | 1 | \$ 19 | \$ 4 84 | | |
| 72..... | | | | | | | | |
| 73..... | 4 | 1 04 | 58 23 | | | | | |
| 74..... | 1 | 30 | 16 01 | 2 | 10 | 44 13 | | |
| 75..... | | | | | | | | |
| 76..... | 1 | | 21 75 | 1 | 42 | 14 95 | | |
| 77..... | | | | 1 | | 57 47 | | |
| 78..... | | | | | | | | |
| 79..... | 2 | 71 | 24 98 | | | | | |
| 80..... | 1 | 1 51 | 19 01 | | | | | |
| 81..... | | | | | | | | |
| 82..... | | | | | | | | |

| | | | | | | | | |
|------------|----|---------|-----------|---|---------|-----------|--|--|
| 83..... | | | | | | | | |
| 84..... | 1 | 57 | 18 47 | | | | | |
| 85..... | | | | 1 | 29 | 25 78 | | |
| 86..... | | | | | | | | |
| 87..... | 1 | 47 | 9 09 | | | | | |
| Total..... | 14 | \$ 6 43 | \$ 249 79 | 6 | \$ 1 00 | \$ 147 17 | | |

| OPTION 1 | | | | | | | | |
|------------------|----|---------|-----------|-------|---|---------|-----------|--|
| 68..... | 1 | \$ 59 | | \$ 87 | | | | |
| Total..... | 1 | \$ 59 | | \$ 87 | | | | |
| Grand total..... | 15 | \$ 7 02 | \$ 249 79 | \$ 87 | 6 | \$ 1 00 | \$ 147 17 | |

REPORT OF VIRGINIA RETIREMENT SYSTEM

TABLE 18
THE DISTRIBUTION OF THE NUMBER AND MONTHLY RETIREMENT ALLOWANCES OF BENEFICIARIES
By Age as of June 30, 1943
SERVICE RETIREMENTS—LABORERS AND MECHANICS

REPORT OF VIRGINIA RETIREMENT SYSTEM

| AGE | MEN | | | | WOMEN | | | |
|--------------------------------------|--------|--------------------|---------------------------------|----------------------------|--------|--------------------|---------------------------------|----------------------------|
| | Number | Employee Annuities | ANNUITIES PAYABLE FROM | | Number | Employee Annuities | ANNUITIES PAYABLE FROM | |
| | | | State Annuity Accumulation Fund | State Annuity Reserve Fund | | | State Annuity Accumulation Fund | State Annuity Reserve Fund |
| WITHOUT OPTIONAL MODIFICATION | | | | | | | | |
| 65..... | 2 | \$ 64 | \$ 12 68 | | | | | |
| 66..... | 2 | 21 | 18 32 | | | | | |
| 67..... | | | | | | | | |
| 68..... | 2 | 68 | 13 19 | | 1 | \$ 13 | \$ 2 33 | |
| 69..... | 3 | 79 | 29 56 | | | | | |
| 70..... | 2 | 54 | 37 41 | | | | | |
| 71..... | 3 | 67 | 31 71 | | | | | |
| 72..... | 3 | 15 | 28 41 | | | | | |
| 73..... | 4 | 59 | 44 95 | | | | | |
| 74..... | 1 | | 13 84 | | | | | |
| 75..... | | | | | 2 | | 12 53 | |
| 76..... | 1 | | 12 34 | | | | | |
| 77..... | | | | | | | | |
| 78..... | 1 | | 9 85 | | | | | |
| 79..... | | | | | | | | |
| 80..... | | | | | | | | |

| | | | | | | | | |
|-------------------|-----------|----------------|------------------|--|----------|--------------|-----------------|--|
| 81..... | | | | | | | | |
| 82..... | | | | | 1 | | 29 37 | |
| 83..... | 1 | 05 | 10 07 | | | | | |
| 84..... | | | | | | | | |
| 85..... | | | | | | | | |
| 86..... | | | | | | | | |
| 87..... | 1 | 19 | 8 35 | | | | | |
| Total..... | 26 | \$ 4 51 | \$ 270 68 | | 4 | \$ 13 | \$ 44 23 | |

OPTION 1

| | | | | | | | | |
|-------------------|----------|--------------|----------------|--|--|--|--|--|
| 65..... | 1 | \$ 41 | \$ 9 47 | | | | | |
| Total..... | 1 | \$ 41 | \$ 9 47 | | | | | |

OPTION 2

| | | | | | | | | |
|-------------------------|-----------|----------------|------------------|--|----------|--------------|-----------------|--|
| 66..... | 1 | \$ 07 | \$ 3 73 | | | | | |
| Total..... | 1 | \$ 07 | \$ 3 73 | | | | | |
| Grand total..... | 28 | \$ 4 99 | \$ 283 88 | | 4 | \$ 13 | \$ 44 23 | |

REPORT OF VIRGINIA RETIREMENT SYSTEM

TABLE 19
THE DISTRIBUTION OF THE NUMBER AND MONTHLY RETIREMENT ALLOWANCES OF BENEFICIARIES
By Age as of June 30, 1948
SERVICE RETIREMENTS—TEACHERS

| AGE | MEN | | | | WOMEN | | | |
|-------------------------------|--------|--------------------|---------------------------------|----------------------------|--------|--------------------|---------------------------------|----------------------------|
| | Number | Employee Annuities | ANNUITIES PAYABLE FROM | | Number | Employee Annuities | ANNUITIES PAYABLE FROM | |
| | | | State Annuity Accumulation Fund | State Annuity Reserve Fund | | | State Annuity Accumulation Fund | State Annuity Reserve Fund |
| WITHOUT OPTIONAL MODIFICATION | | | | | | | | |
| 51..... | | | | | 2 | \$ 45 | \$ 70 85 | |
| 52..... | | | | | 2 | 11 | 65 32 | |
| 53..... | | | | | | | | |
| 54..... | | | | | 3 | 36 | 105 18 | |
| 55..... | | | | | | | | |
| 56..... | | | | | 2 | | 75 00 | |
| 57..... | | | | | 3 | 31 | 110 53 | |
| 58..... | | | | | 1 | 21 | 41 46 | |
| 59..... | | | | | 2 | 72 | 82 62 | |
| 60..... | | | | | | | | |
| 61..... | | | | | 4 | 74 | 120 26 | |
| 62..... | | | | | 1 | 43 | 41 24 | |
| 63..... | 1 | | \$ 41 67 | | | | | |
| 64..... | | | | | 2 | 68 | 85 70 | |
| 65..... | | | | | 2 | 1 02 | 68 22 | |
| 66..... | | | | | 1 | | 28 95 | |
| 67..... | 1 | | 45 07 | | 3 | 49 | 126 72 | |

| | | | | | | | | |
|------------|----|--|-----------|--|----|---------|-------------|--|
| 68..... | 2 | | 83 48 | | | | | |
| 69..... | 1 | | 56 10 | | | | | |
| 70..... | 1 | | 45 64 | | 3 | 37 | 122 44 | |
| 71..... | | | | | 2 | | 97 99 | |
| 72..... | | | | | 2 | | 97 76 | |
| 73..... | 2 | | 63 03 | | | | | |
| 74..... | | | | | 1 | | 60 27 | |
| 75..... | | | | | | | | |
| 76..... | 3 | | 141 68 | | | | | |
| 77..... | 2 | | 132 38 | | | | | |
| 78..... | | | | | 2 | | 80 52 | |
| 79..... | | | | | 1 | | 41 67 | |
| 80..... | | | | | | | | |
| 81..... | | | | | | | | |
| 82..... | | | | | | | | |
| 83..... | | | | | | | | |
| 84..... | | | | | | | | |
| 85..... | | | | | | | | |
| 86..... | | | | | | | | |
| 87..... | | | | | | | | |
| 88..... | 1 | | 69 94 | | | | | |
| Total..... | 14 | | \$ 678 99 | | 39 | \$ 5 89 | \$ 1,522 70 | |

TABLE 20
THE DISTRIBUTION OF THE NUMBER AND MONTHLY RETIREMENT ALLOWANCES OF BENEFICIARIES
By Age as of June 30, 1943
DISABILITY RETIREMENTS—CLERICAL AND ADMINISTRATIVE

| AGE | MEN | | | | WOMEN | | | |
|--------------------------------------|----------|--------------------|---------------------------------|----------------------------|----------|--------------------|---------------------------------|----------------------------|
| | Number | Employee Annuities | ANNUITIES PAYABLE FROM | | Number | Employee Annuities | ANNUITIES PAYABLE FROM | |
| | | | State Annuity Accumulation Fund | State Annuity Reserve Fund | | | State Annuity Accumulation Fund | State Annuity Reserve Fund |
| WITHOUT OPTIONAL MODIFICATION | | | | | | | | |
| 60..... | 1 | | \$ 25 00 | | | | | |
| 61..... | | | | | | | | |
| 62..... | | | | | | | | |
| 63..... | | | | | | | | |
| 64..... | | | | | 1 | \$ 08 | \$ 19 83 | |
| Totals..... | 1 | | \$ 25 00 | | 1 | \$ 08 | \$ 19 83 | |

TABLE 21
THE DISTRIBUTION OF THE NUMBER AND MONTHLY RETIREMENT ALLOWANCES OF BENEFICIARIES
By Age as of June 30, 1943
DISABILITY RETIREMENTS—LABORERS AND MECHANICS

| WITHOUT OPTIONAL MODIFICATION | | | | | | | | |
|--------------------------------------|----------|--|-----------------|--|----------|--------------|----------------|--|
| 57..... | | | | | 1 | \$ 15 | \$ 9 78 | |
| 62..... | 1 | | \$ 16 43 | | | | | |
| Total..... | 1 | | \$ 16 43 | | 1 | \$ 15 | \$ 9 78 | |

TABLE 22
THE DISTRIBUTION OF THE NUMBER AND MONTHLY RETIREMENT ALLOWANCES OF BENEFICIARIES
By Age as of June 30, 1943
DISABILITY RETIREMENTS—TEACHERS

| AGE | MEN | | | | WOMEN | | | |
|--------------------------------------|----------|--------------------|---------------------------------|----------------------------|----------|--------------------|---------------------------------|----------------------------|
| | Number | Employee Annuities | ANNUITIES PAYABLE FROM | | Number | Employee Annuities | ANNUITIES PAYABLE FROM | |
| | | | State Annuity Accumulation Fund | State Annuity Reserve Fund | | | State Annuity Accumulation Fund | State Annuity Reserve Fund |
| WITHOUT OPTIONAL MODIFICATION | | | | | | | | |
| 53..... | | | | | 1 | \$ 14 | \$ 28 87 | |
| 54..... | | | | | | | | |
| 55..... | | | | | | | | |
| 56..... | | | | | | | | |
| 57..... | | | | | | | | |
| 58..... | | | | | 1 | | 41 67 | |
| 59..... | | | | | | | | |
| 60..... | 1 | \$ 39 | \$ 41 28 | | | | | |
| 61..... | | | | | 1 | 20 | 41 47 | |
| 62..... | 1 | 30 | 41 37 | | 1 | | 18 39 | |
| 63..... | | | | | | | | |
| 64..... | | | | | | | | |
| 65..... | | | | | | | | |
| 66..... | | | | | | | | |
| 67..... | | | | | | | | |
| 68..... | | | | | | | | |
| 69..... | | | | | | | | |
| 70..... | | | | | | | | |
| 71..... | | | | | 1 | | 37 50 | |
| Total..... | 2 | \$ 69 | \$ 82 65 | | 5 | \$ 34 | \$ 167 90 | |

TABLE 23

THE DISTRIBUTION OF THE NUMBER AND QUARTERLY ALLOWANCES OF TEACHERS
RETIRED UNDER THE PROVISIONS OF THE FORMER TEACHERS' RETIREMENT ACT
By Age as of June 30, 1943
SERVICE RETIREMENTS

| AGE | TOTAL | | MEN | | WOMEN | |
|------------|--------|-----------|--------|-----------|--------|-----------|
| | Number | Annuities | Number | Annuities | Number | Annuities |
| 50..... | 1 | \$ 53 | | | 1 | \$ 53 |
| 51..... | 7 | 639 | | | 7 | 639 |
| 52..... | 4 | 364 | | | 4 | 364 |
| 53..... | 7 | 563 | 1 | \$ 62 | 3 | 302 |
| 54..... | 14 | 1,137 | | | 7 | 563 |
| 55..... | 7 | 522 | | | 14 | 1,137 |
| 56..... | 10 | 965 | | | 7 | 522 |
| 57..... | 10 | 921 | 1 | | 10 | 965 |
| 58..... | 19 | 1,550 | | 88 | 9 | 833 |
| 59..... | 21 | 1,773 | 1 | | 19 | 1,550 |
| 60..... | 20 | 1,747 | | 49 | 20 | 1,724 |
| 61..... | 29 | 2,689 | | | 20 | 1,747 |
| 62..... | 32 | 2,768 | 4 | 262 | 25 | 2,427 |
| 63..... | 26 | 2,101 | 7 | 567 | 25 | 2,201 |
| 64..... | 29 | 2,454 | 1 | 63 | 25 | 2,038 |
| 65..... | 43 | 3,625 | 2 | 225 | 27 | 2,229 |
| 66..... | 32 | 2,962 | 5 | 448 | 38 | 3,177 |
| 67..... | 47 | 4,359 | | | 32 | 2,962 |
| 68..... | 44 | 4,010 | 6 | 606 | 41 | 3,753 |
| 69..... | 50 | 4,357 | 6 | 561 | 38 | 3,449 |
| 70..... | 39 | 3,447 | 7 | 570 | 43 | 3,787 |
| 71..... | 41 | 3,661 | 4 | 337 | 35 | 3,110 |
| 72..... | 42 | 3,527 | 6 | 512 | 35 | 3,149 |
| 73..... | 45 | 3,577 | 8 | 476 | 34 | 3,051 |
| 74..... | 32 | 2,500 | 11 | 692 | 34 | 2,885 |
| 75..... | 31 | 2,640 | 10 | 674 | 22 | 1,826 |
| 76..... | 28 | 2,698 | 6 | 615 | 25 | 2,025 |
| 77..... | 21 | 1,737 | 6 | 508 | 22 | 2,190 |
| 78..... | 17 | 1,079 | 6 | 384 | 15 | 1,353 |
| 79..... | 14 | 1,051 | 6 | 345 | 11 | 734 |
| 80..... | 16 | 1,085 | 2 | 101 | 12 | 950 |
| 81..... | 20 | 1,431 | 9 | 562 | 7 | 523 |
| 82..... | 12 | 938 | 11 | 657 | 9 | 774 |
| 83..... | 7 | 595 | 2 | 131 | 10 | 807 |
| 84..... | 8 | 539 | 3 | 295 | 4 | 300 |
| 85..... | 9 | 794 | 5 | 294 | 3 | 245 |
| 86..... | 7 | 323 | 3 | 281 | 6 | 513 |
| 87..... | 5 | 289 | 3 | 77 | 4 | 246 |
| 88..... | 4 | 310 | 1 | 16 | 4 | 273 |
| 89..... | 1 | 33 | 1 | 31 | 3 | 279 |
| 90..... | 1 | 13 | 1 | 33 | | |
| 91..... | | | 1 | 13 | | |
| 92..... | 3 | 76 | | | 3 | 76 |
| 93..... | | | | | | |
| 94..... | | | | | | |
| 95..... | 1 | 100 | | | 1 | 100 |
| 96..... | | | | | | |
| 97..... | 1 | 27 | 1 | 27 | | |
| Total..... | 857 | \$ 72,029 | 147 | \$ 10,562 | 710 | \$ 61,467 |

TABLE 24

THE DISTRIBUTION OF THE NUMBER AND QUARTERLY ALLOWANCES OF TEACHERS
RETIRED UNDER THE PROVISIONS OF THE FORMER TEACHERS' RETIREMENT ACT
By Age as of June 30, 1943
DISABILITY RETIREMENTS

| AGE | TOTAL | | MEN | | WOMEN | |
|------------|--------|-----------|--------|-----------|--------|-----------|
| | Number | Annuities | Number | Annuities | Number | Annuities |
| 41..... | 1 | \$ 97 | | | 1 | \$ 97 |
| 42..... | 1 | 100 | | | 1 | 100 |
| 43..... | 2 | 139 | | | 2 | 139 |
| 44..... | 4 | 286 | 1 | \$ 71 | 3 | 215 |
| 45..... | 5 | 496 | | | 5 | 496 |
| 46..... | 6 | 591 | | | 6 | 591 |
| 47..... | 1 | 125 | | | 1 | 125 |
| 48..... | 6 | 604 | | | 6 | 604 |
| 49..... | 7 | 652 | | | 7 | 652 |
| 50..... | 7 | 527 | 2 | 140 | 5 | 387 |
| 51..... | 6 | 505 | 3 | 244 | 3 | 261 |
| 52..... | 11 | 1,056 | 1 | 125 | 10 | 931 |
| 53..... | 15 | 1,183 | 1 | 125 | 14 | 1,058 |
| 54..... | 15 | 1,205 | 3 | 237 | 12 | 968 |
| 55..... | 16 | 1,232 | 4 | 323 | 12 | 909 |
| 56..... | 8 | 830 | | | 8 | 830 |
| 57..... | 15 | 1,003 | 2 | 150 | 13 | 853 |
| 58..... | 13 | 1,015 | 4 | 389 | 9 | 626 |
| 59..... | 18 | 1,497 | 4 | 442 | 14 | 1,055 |
| 60..... | 19 | 1,585 | 4 | 373 | 15 | 1,212 |
| 61..... | 12 | 833 | 2 | 140 | 10 | 693 |
| 62..... | 23 | 1,881 | 4 | 354 | 19 | 1,527 |
| 63..... | 16 | 1,331 | 1 | 53 | 15 | 1,278 |
| 64..... | 19 | 1,565 | 6 | 396 | 13 | 1,169 |
| 65..... | 12 | 1,110 | 1 | 60 | 11 | 1,050 |
| 66..... | 21 | 1,472 | 7 | 508 | 14 | 964 |
| 67..... | 33 | 2,218 | 6 | 408 | 27 | 1,810 |
| 68..... | 21 | 1,520 | 6 | 93 | 19 | 1,427 |
| 69..... | 22 | 1,485 | 2 | 93 | 19 | 1,222 |
| 70..... | 18 | 1,259 | 3 | 263 | 19 | 916 |
| 71..... | 24 | 1,445 | 4 | 343 | 14 | 916 |
| 72..... | 20 | 1,464 | 4 | 236 | 20 | 1,209 |
| 73..... | 13 | 815 | 6 | 485 | 14 | 979 |
| 74..... | 15 | 1,028 | 6 | 221 | 10 | 594 |
| 75..... | 15 | 846 | 3 | 359 | 9 | 669 |
| 76..... | 11 | 749 | 4 | 251 | 11 | 595 |
| 77..... | 10 | 563 | 4 | 19 | 10 | 730 |
| 78..... | 6 | 460 | 1 | 91 | 7 | 472 |
| 79..... | 4 | 251 | 3 | | 6 | 460 |
| 80..... | 6 | 193 | | | 6 | 251 |
| 81..... | 12 | 789 | 2 | 48 | 4 | 145 |
| 82..... | 4 | 125 | 6 | 444 | 6 | 345 |
| 83..... | 5 | 325 | 2 | 67 | 2 | 58 |
| 84..... | -2 | 53 | 3 | 269 | 2 | 56 |
| 85..... | 6 | 387 | 1 | 34 | 1 | 19 |
| 86..... | 1 | 87 | | | 1 | 387 |
| 87..... | 1 | 35 | | | 1 | 87 |
| 88..... | | | | | | |
| 89..... | 1 | 76 | | | 1 | 76 |
| 90..... | | | | | | |
| 91..... | 2 | 97 | | | 2 | 97 |
| Total..... | 531 | \$ 39,190 | 106 | \$ 7,761 | 425 | \$ 31,429 |

Teachers retired for service with effective date of retirement during the fiscal year ending June 30, 1943.

| <u>Name</u> | <u>Name of Last Employer</u> |
|----------------------|------------------------------|
| Ernest Shawen | Richmond City Schools |
| Welford Cooke | Richmond City Schools |
| Evelyn I. Rex | Richmond City Schools |
| Mayme A. Stevens | Richmond City Schools |
| Herbert F. Cox | Richmond City Schools |
| Charles W. Givens | Richmond City Schools |
| David G. Jacox | Norfolk City Schools |
| Mary M. Hardy | Town of Phoebus Schools |
| Gussie B. Meade | Washington County Schools |
| John A. Newbill | Richmond City Schools |
| Samuel W. Davis | Northampton County Schools |
| Ida M. Butcher | Richmond City Schools |
| George E. Bennett | Richmond City Schools |
| Charles H. Friend | Town of South Boston Schools |
| Cora M. Reynolds | Wise County Schools |
| Elsie D. Omohundro | Fluvanna County Schools |
| Julia M. Anderson | Clifton Forge City Schools |
| Alexander W. Carmack | Washington County Schools |
| Dakota L. Swanson | Pittsylvania County Schools |
| Annie A. Blair | Pittsylvania County Schools |
| Ida B. Dodson | Henry County Schools |
| Cora L. Ross | Franklin County Schools |
| Anas Street | Richmond City Schools |
| Pearl W. Gilliam | Brunswick County Schools |
| Herbert DeG. Wolff | Petersburg City Schools |
| Lannie V. Scott | Petersburg City Schools |
| Mary L. Malloy | Petersburg City Schools |
| Sarah Dinwiddie | Washington County Schools |
| Annie H. Irby | Winchester City Schools |
| Bessie P. Brodie | Henry County Schools |
| Mildred K. Thacker | Charlottesville City Schools |
| Josephine Burroughs | Prince George County Schools |
| William J. Edmondson | Washington County Schools |
| Joseph W. Huffman | Page County Schools |
| Mary S. Howison | Williamsburg City Schools |
| Mary Urner | Richmond City Schools |
| Annye L. Allison | Richmond City Schools |
| Lanora M. Barnett | Norfolk City Schools |
| Edna E. Horner | Richmond City Schools |
| Ida Browning | Warren County Schools |
| William G. Jones | Richmond City Schools |
| Crowder W. Mason | Norfolk City Schools |
| Mary O. Bright | Mecklenburg County Schools |
| Lena G. Duke | Richmond City Schools |
| Virginia E. Gary | Richmond City Schools |

Teachers retired for service continued

| <u>Name</u> | <u>Name of Last Employer</u> |
|---------------------|------------------------------|
| Mary E. Whitley | Suffolk City Schools |
| Ella F. Tyler | Norfolk City Schools |
| Helen C. Ezekiel | Richmond City Schools |
| Adele Ogilvie | Richmond City Schools |
| Janie F. Jones | Norfolk City Schools |
| Agnes Ragland | Danville City Schools |
| Delcine M. Langley | Norfolk City Schools |
| Eleanor Barber | Norfolk City Schools |
| Ellie M. Marx | Norfolk City Schools |
| Eleanora B. Fussell | Richmond City Schools |

Teachers retired for disability with effective date of retirement during the fiscal year ending June 30, 1943.

| <u>Name</u> | <u>Name of Last Employer</u> |
|-------------------|------------------------------|
| Hattie B. Gresham | Richmond City Schools |
| Annie M. Adams | Pittsylvania County Schools |
| Jessie M. Bennett | Richmond City Schools |
| Ethel K. Sprinkel | Harrisonburg City Schools |
| Eunice J. Clark | Richmond City Schools |
| Fred B. McLaurin | Lynchburg City Schools |
| William D. Cox | Campbell County Schools |
| Berkeley G. Burch | South Boston Town Schools |

State employees retired for service with effective date of retirement during the fiscal year ending June 30, 1943.

| <u>Name</u> | <u>Name of Last Employer</u> |
|------------------------|---|
| Mary I. Bell | Department of Health |
| Sidney J. Banks | Department of Agriculture |
| Martha W. Coulling | Farmville State Teachers College |
| Rebecca B. Coles | Farmville State Teachers College |
| Benjamin F. Wood | Department of Highways |
| Ella W. Johnson | University of Virginia |
| Cora Z. Jones | Virginia State College for Negroes |
| James T. Brooke | Department of Highways |
| George W. Buckner | Department of Highways |
| Engle J. Olgers | Department of Highways |
| Mary Paige | Farmville State Teachers College |
| Reuben R. Painter | Department of Highways |
| John T. Sublett | Department of Highways |
| Clarence A. Bradshaw | Department of Highways |
| George W. Strole | Department of Highways |
| John R. Campbell | Virginia State College for Negroes |
| George B. Vick | Commission of Game and Inland Fisheries |
| Nicholas S. Jones, Sr. | Commission of Game and Inland Fisheries |
| Robert H. Beard | Catawba Sanatorium |
| George W. McGee | Department of Highways |
| James H. Taylor | Department of Highways |
| Charles N. Shepherd | Commission of Game and Inland Fisheries |
| Joseph T. Worrell | Department of Highways |
| William H. Shaw | State Penitentiary |
| Gertrude B. Loving | Department of Public Welfare |
| James A. Painter | State Penitentiary |
| John T. Blanchard | Department of Highways |
| Geo. D. Ashenfelter | Department of Highways |
| Lillian V. S. Nunn | Farmville State Teachers College |
| Sarah M. Holmes | Department of Public Welfare |
| Crawley F. Joyner | Commission of Game and Inland Fisheries |
| Elkanak Williamson | Department of Highways |
| Maggie Fox | Virginia Industrial School for Girls |
| Edmund Winston | Commission of Game and Inland Fisheries |
| Herbert L. Bridges | William and Mary College |
| Joseph P. Wilkins | Department of Highways |
| James A. Glass | Department of Highways |
| John B. Clark | Department of Agriculture |
| Edward F. Lewis | Department of Agriculture |
| George W. Roop | Virginia Polytechnic Institute |
| Robert W. Ryan | Department of Highways |
| John S. Layne | Virginia State Farm |
| Arnold W. Covington | Department of Highways |
| David A. Kiser | Department of Highways |

State employees retired for service continued.

| <u>Name</u> | <u>Name of Last Employer</u> |
|-----------------------|------------------------------|
| Frederick E. Ruediger | Commission of Fisheries |
| Vern Wood | Department of Highways |
| Julian F. Banton | Department of Highways |
| William Randolph | Department of Health |
| Edwin M. Evans | Department of Highways |
| Cameron F. Bell | Department of Highways |
| Charles Twine | Catawba Sanatorium |
| William V. Miller | Piedmont Sanatorium |
| Alfred C. Ray | Department of Health |

State employees retired for disability with effective date of retirement during the fiscal year ending June 30, 1943.

| <u>Name</u> | <u>Name of Last Employer</u> |
|--------------------|------------------------------|
| Ernest L. Micou | Department of Highways |
| Ellen F. Booth | Department of Agriculture |
| Lewis C. Neff | Department of Highways |
| Eleanor M. Mathews | Lynchburg State Colony |