PROPOSED STATUTE 17

CONTRIBUTORY RETIRING ALLOWANCES.

---

(1) On and after January 1, 1922, the University will contribute towards the payment of premiums on an annuity policy for anyone in its service and during the period of his service, who is entitled to participate in the Contributory Retiring Allowance Plan in this Statute provided for, an amount to be calculated at the rate of five per cent of the regular annual salary paid to such person, up to but in no event to exceed the sum of three hundred dollars per annum, and the said person shall contribute an equal amount annually for the same purpose.

The term "salary" shall also include compensation received as Dean but shall not include compensation for extra work, house rent or other perquisites.

(2) The annuity policy referred to in this Statute shall be the Non-Participating Deferred Annuity Policy, Teachers Retirement Plan, issued by the Teachers Insurance and Annuity Association of America, or a similar annuity policy issued by some other insurance company provided both policy and company have been approved by the Board of Trustees of the University.

(3) The following designated officers of government and instruction entering the service of the University on and after January 1, 1922, shall be eligible to and shall be required to participate in the Contributory Retiring Allowance Plan described in this Statute, viz.:

(a) The President of the University, the Director and

PROPOSED STATUTE 17

CONTRIBUTORY RETIRING ALLOWANCES.

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(3) The following designated officers of government and instruction entering the service of the University on and after January 1, 1922, shall be eligible to and shall be required to participate in the Contributory Retiring Allowance Plan described in this Statute, viz.:

(a) The President of the University, the Director and

Associate Director of the Libraries, the University Examiner, and the University Recorder:

(b) Persons of a rank not lower than Assistant Professor, and instructors, after three years service in the University as instructors.

(4) The following shall be eligible to participate in said plan:

(a) Instructors in the University, after two years of service in the University in such rank.

(b) Persons in the service of the University who entered such service prior to January 1, 1922, and who prior to that date attained therein a rank or position rendering them eligible in due time to participate in the Retiring Allowance Plan set forth in Statute 16, may, with the consent of the Board of Trustees of the University, and provided application for such transfer is made within two years from the above date, transfer to the Contributory Retiring Allowance Plan in this Statute provided for. In case of such transfer and in the event that the person shall remain in the service of the University until he has reached the age of sixty-five years, and shall until that date continue his contributions toward the payment of premiums on an annuity policy as hereinafter provided, then the University will, upon his retirement, procure for or pay to him a supplementary annuity in an amount equal to the difference, if any to his disadvantage, between the Retiring Allowance that would have been received under the provisions of Statute 16 and the amount called for by the annuity policy or policies referred to herein:

(5) A person required to participate in the Contributory

Associate Director of the Libraries, the University Examiner, and the University Recorder:

(b) Persons of a rank not lower than Assistant Professor, and instructors, after three years service in the University as instructors.

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(5) A person required to participate in the Contributory

Retiring Allowance plan shall be permitted to count towards his annual contributions the premiums paid by him on annuity policies of a similar nature already held by him, provided both the policies and the companies have been approved by the Board of Trustees of the University.

(6) It is understood that in all cases the annuity policy or policies shall be deposited with the University under an agreement that they shall not be assigned, pledged, or surrendered without the consent of the University, so long as the University continues its contributions.

(7) A person reaching the age of sixty-five years, eligible to participate in the Contributory Retiring Allowance Plan, may retire or be retired by the Board of Trustees. At the age of seventy he shall retire unless the Board of Trustees specially continue his service. In no event shall the University's contribution continue beyond the minimum age of retirement.

(8) The obligation of the University to contribute towards the payment of premiums on annuity policies shall be neither greater nor less than its obligation to pay salaries to persons in active service, so that if misfortune should compel a reduction of salaries, its contributions towards the payment of premiums may be reduced in the same proportion.

(9) Nothing in this Statute shall preclude the Board of Trustees from providing similarly for other persons in its employ than those described therein.

(10) The University reserved to itself the right from time to time to modify, amend, or repeal this Statute; but in such an event the agreement already in force with any person under this Statute shall in no way be affected except as provided in Article 8.

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(10) The University reserved to itself the right from time to time to modify, amend, or repeal this Statute; but in such an event the agreement already in force with any person under this Statute shall in no way be affected except as provided in Article 8.

Age of the Annuitant NON-PARTICIPATING DEFERRED ANNUITY POLICY *Monthly Annuity*

Years TEACHERS RETIREMENT PLAN *$*

Monthly Premium $ NUMBER *First Payment*

Monthly Premium Less Loading $ *at Age 65*

Teachers Insurance and Annuity Association of America

AGREES to Pay to , the Annuitant, whose occupation is , in

A DEFERRED MONTHLY ANNUITY OF DOLLARS

As follows: The first payment of Dollars on the first day of , if the Annuitant be then alive, and subsequent payments of a like amount on the first day of every month thereafter during the lifetime of the Annuitant.

This policy is granted in consideration of the occupation of the Annuitant, and of the payment to the ASSOCIATION of regular monthly premiums of Dollars each. The first premium is payable on the delivery of this policy, and subsequent premiums are payable on the first day of every month thereafter during the lifetime of the Annuitant until monthly premiums have been paid.

Option to Increase the Annuity. The amount of annuity payable under this policy may be increased by the payment of optional additional premiums as provided in Section XI on the second page hereof.

Reduction of Premiums on Account of Occupation. The ASSOCIATION will, on the date when any premium on this policy is due, upon receipt of satisfactory evidence that the Annuitant is then employed by a College, University, or institution engaged primarily in educational or research work, waive payment of the expense loading of ten per cent of said premium, and accept the premium so reduced as settlement in full. In such an event the regular monthly premium will be reduced to Dollars and optional additional premiums will be reduced proportionally.

Return of Premiums in Event of Death. Upon surrender of this policy, accompanied by due proof of the death of the Annuitant before payment of the annuity herein provided has begun, the ASSOCIATION, as provided in Section XII on the second page hereof, will pay, in one hundred twenty equal monthly instalments, a sum equal to all premiums, including optional additional premiums paid hereon, less any expense loading not waived on account of occupation, with interest at the rate of four per cent compounded annually from the due dates of such premiums.

Optional Modes of Settlement. In lieu of the annuity above provided, the Annuitant may elect to receive an annuity of equivalent value payable as provided in any one of the four options stated in Section XIII on the second page hereof.

The options, conditions, privileges, and provisions stated on the second page hereof are hereby made a part of this contract.

IN WITNESS WHEREOF; THE TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA has caused this policy to be executed this day of , the date of issue of this policy.

CHAIRMAN OF THE BOARD PRESIDENT

Countersigned

SECRETARY OR ACTUARY

Non-Participating Deferred Annuity Policy
Monthly Premiums
Premiums Returned with Interest in Event of Death before First Annuity Payment
Reduction of Premiums on Account of Occupation
Option to Increase Annuity
Optional Methods of Settlement

GENERAL PROVISIONS

Section I. Payment of Premiums This policy is based on the payment of regular premiums monthly in advance. All premiums are payable at the Home Office of the Association, in exchange for an official receipt signed by the President and countersigned by the Treasurer or Assistant Treasurer.

Section II. Grace in Payment of Premiums A grace of one month (not less than thirty days), subject to an interest charge at the rate of five per cent per annum, will be granted for the payment of any premium hereon, except the first, during which period the policy will be continued in force. Except as herein expressly provided, the payment of any premium shall not maintain this policy in force beyond the date when the succeeding premium becomes payable.

Section III. Non-Forfeiture Provision If any regular monthly premium hereon be not paid when due, or within the days of grace provided, this policy shall automatically become paid-up for an annuity payable as the original annuity was payable, for such reduced monthly amount as the premiums paid thereon, less any expense loading not waived on account of occupation, with interest at four per cent compounded annually from the due dates thereof, will purchase if applied as a single premium at the attained age of the Annuitant according to McClintock's Tables of Mortality Among Annuitants with interest at four per cent.

Section IV. Reinstatement If this policy shall have lapsed in consequence of the non-payment of any premium, it will be reinstated at any time upon written application by the Annuitant and payment of all premiums in default with interest at the rate of five per cent compounded annually from the due dates thereof.

Section V. Age If the age of the Annuitant has been misstated, the amount payable hereunder shall be such as the premiums paid would have purchased at the correct age according to McClintock's Tables of Mortality Among Annuitants with four per cent interest; any overpayment or overpayments by the Association, with interest thereon, shall be charged against the payments to be made after adjustment.

Section VI. Termination of the Annuity The Annuity herein provided shall terminate with the last monthly payment preceding the death of the Annuitant, and there shall be no proportionate payment to the day of such death.

Section VII. Proof of Survival Evidence that the Annuitant is living on the date that each annuity payment is due shall be furnished to the Association, and no payment will be made until such evidence is received.

Section VIII. The Contract This policy, and the application therefor, a copy of which is endorsed hereon or attached hereto, constitute the entire contract between the parties. All statements made by the applicant shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this contract or be used in defence of a claim thereunder unless contained in the written application therefor and a copy of such application is endorsed hereon or attached hereto, when issued.

This policy is issued on the non-participating plan. It is not entitled to participate in the surplus of the Association.

No person except the President, Vice-President, Secretary, Treasurer, or Actuary of the Association has the power to modify this contract, to waive any lapse or forfeiture, extend the time for paying a premium, or to bind the Association by making any promise, or by accepting any representation or information not contained in the application for this policy.

This contract is issued on the basis of McClintock's Table of Mortality Among Annuitants with four per cent interest.

Section IX. Place of Contract All premiums on this contract and all benefits herein provided are payable at the Home Office of the Association in the City of New York. This contract is made and to be performed in the State of New York, and is to be governed as to its validity and effect by the laws there in force, with reference to which it is made. No person whosoever is authorized to represent or act for the Association in any manner outside of the State of New York.

Section X. Incontestability This policy shall be incontestable after two years from its date of issue, except for non-payment of premiums.

PRIVILEGES AND OPTIONS

Section XI. Optional Additional Premiums If this policy be continued in force by the payment of regular monthly premiums, the Association will accept such optional additional premiums as the Annuitant may offer from time to time to increase the annuity herein provided. Each such additional premium shall be applied at the date when paid, (which shall be regarded as the due date of such premium), as a single premium at the attained age of the Annuitant, to purchase additional annuity, payable in the same manner, and subject to the same privileges, options, and conditions, as the annuity originally provided. Premium rates for additional annuity are shown in the schedules on the third page hereof. Provided, however, that the total additional annuity so purchased shall not exceed five hundred dollars monthly.

Section XII. Manner of Payment in Event of Death The proceeds of this policy, in event of the death of the Annuitant before payment of the annuity has begun, as provided on the first page hereof, shall be paid by the Association in one hundred twenty equal monthly instalments to the wife of the Annuitant, if living, otherwise to the Executors, Administrators, or Assigns of the Annuitant. Interest at the rate of four per cent per annum will be allowed by the Association upon any sum held for deferred payment.

Section XIII. Optional Modes of Settlement In lieu of the annuity herein provided, the Annuitant may elect, at any time before payment thereon has begun, to surrender this policy to the Association, and to receive in full satisfaction therefor the Association's policy for an annuity payable as provided in one of the following options, for such monthly amount as the premiums paid hereon, less any expense loading not waived on account of occupation, with interest at the rate of four per cent compounded annually from the due dates thereof, will purchase, if applied as a single premium at the attained age of the Annuitant, according to McClintock's Tables of Mortality Among Annuitants with interest at four per cent.

OPTION I. An annuity payable to the Annuitant as long as he shall live, to begin at an earlier age than the annuity originally provided.

OPTION II. An annuity payable to the Annuitant as long as he shall live, to begin at a later age than the annuity originally provided, with the privilege to increase said annuity by the payment of additional premiums.

OPTION III. An annuity payable to the Annuitant as long as he shall live, to continue after the death of the Annuitant for one-half the monthly amount, to the wife of the Annuitant as long as she shall survive him. The amount of the annuity payable under this option will depend upon the age of the Annuitant and of his wife. Due proof of the survival of the wife will be required at the date of each payment to her.

OPTION IV. An annuity payable to the Annuitant as long as he shall live, with the provision that if, upon the death of the Annuitant, the sum of the annuity payments already made shall not equal the amount of the premiums paid hereon, less any expense loading not waived on account of occupation, with interest at the rate of four per cent per annum compounded annually from the due dates thereof to the date of the surrender of this policy, the annuity payments shall continue to the Executors, Administrators, or Assigns of the Annuitant until the sum of the annuity payments shall equal such amount of the premiums less loading with interest as above.

PREMIUM RATES FOR ADDITIONAL ANNUITY

Additional Monthly Annuity purchased by additional premiums, as provided in Section XI, will be granted in accordance with the following schedules of premium rates. Such additional annuity is payable in the same manner, and subject to the same privileges, options, and conditions, as the annuity originally provided. Additional premiums are subject to waiver of loading, equivalent to a reduction of ten per cent, if at the date of payment the Annuitant is employed by a College, University, or institution primarily engaged in educational or research work.

A Single Additional Premium

A single additional premium of $111.11 ($100 if loading is waived) paid at the age stated will purchase the additional annuity shown in Schedule I. Due allowance will be made for fractions of a year of age.

SCHEDULE I

Age of Annuitant when single additional premium is paid	*Additional Monthly Annuity*	*Age of Annuitant when single additional premium is paid*	*Additional Monthly Annuity*
25	$4.53	46	$1.99
26	$4.35	47	$1.91
27	$4.18	48	$1.84
28	$4.02	49	$1.77
29	$3.87	50	$1.70
30	$3.72	51	$1.63
31	$3.58	52	$1.57
32	$3.44	53	$1.51
33	$3.31	54	$1.45
34	$3.18	55	$1.40
35	$3.06	56	$1.34
36	$2.94	57	$1.29
37	$2.83	58	$1.24
38	$2.72	59	$1.19
39	$2.61	60	$1.15
40	$2.51	61	$1.10
41	$2.42	62	$1.06
42	$2.32	63	$1.02
43	$2.23	64	$0.98
44	$2.15	65	....
45	$2.07		

A Series of Additional Premiums

An additional premium of $11.11 ($10 if loading is waived) paid at the age stated, and an additional premium of like amount paid on every regular monthly premium due date thereafter, will purchase the total additional annuity shown in Schedule II. Due allowance will be made for fractions of a year of age.

SCHEDULE II

Age of Annuitant when first additional premium of a series is paid	*Total Additional Monthly Annuity*	*Age of Annuitant when first additional premium of a series is paid*	*Total additional Monthly Annuity*
25	$109.81	46	$31.98
26	$104.47	47	$29.64
27	$99.35	48	$27.38
28	$94.41	49	$25.22
29	$89.67	50	$23.14
30	$85.11	51	$21.14
31	$80.73	52	$19.21
32	$76.51	53	$17.36
33	$72.46	54	$15.58
34	$68.56	55	$13.87
35	$64.81	56	$12.23
36	$61.21	57	$10.65
37	$57.74	58	$9.13
38	$54.41	59	$7.67
39	$51.21	60	$6.26
40	$48.13	61	$4.91
41	$45.16	62	$3.61
42	$42.32	63	$2.36
43	$39.58	64	$1.16
44	$36.94	65	....
45	$34.41		

Non-Participating Deferred Annuity Policy
Teachers Retirement Plan

Number

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

On the Life of

The Annuitant, of

Monthly Annuity Payment $

First Payment Due

Monthly Premium $

Payable for Months

Option to Increase the Annuity
Reduction of Premiums on Account of Occupation
Optional Modes of Settlement
Premiums Returned with Interest in Event of Death before First Annuity Payment

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+128

The University of Chicago

Office of the Counsel and Business Manager

ROOM 1204, 134 SOUTH LA SALLE ST.
TELEPHONE FRANKLIN 214

October Eighteen
1 9 2 1

President Harry Pratt Judson,
The University of Chicago.

My dear President:

Mr. Hall raises some questions in regard to the faculty annuity plan. He seems to think it would be advantageous if a fuller description of the policy could be contained in the statute, and in that connection, in describing the policy he thinks that it would be advantageous if one of the Carnegie plans could be adopted which, instead of confining strictly to annuity, would give the beneficiary the option of an annuity policy "or combined insurance and" annuity. He also suggests that it be made a little clearer at what point a member of the faculty has a vested inchoate right in the present retiring allowance plan. He also raises the question whether persons on half time might not advantageously be permitted to enter the plan.

It seems quite clear that instructors already in the service of the University, under contract prior to January 1, 1922, should not be compelled to enter the new plan until the close of existing contracts. Query: Should the three years of service of instructors prior to January 1, 1922, place them under compulsion to enter the new plan on January 1, 1922?

Perhaps if some of these questions could be clarified it might make the administration of the statute easier when it shall go into effect.

Very truly yours, Wallace Heckman

WH:MB

The University of Chicago
Office of the Counsel and Business Manager
CHICAGO, ILL.
TELEPHONE FRANKLIN 300

October Eighteen
1 9 2 1

President Harry Pratt Judson,
The University of Chicago.

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It seems quite clear that instructors already in the service of the University, under contracts prior to January 1, 1922, should not be compelled to enter the new plan until the close of existing contracts. Surely should the three years of service of instructors subject to January 1, 1922, place them under compulsion to enter the new plan on January 1, 1922?

Perhaps if some of these questions could be clarified it might make the consideration of the whole matter when it shall go into effect.

Very truly yours,

October 20, 1921.

My dear Mr. Heckman:-

In reference to your favor of the 18th instant in regard to the annuity plan I have soem very different opinions.

First, there is no such thing as a "vested inchoate right" in the present retiring allowance plan. In my opinion no right accrues until one reaches the rank of Assistant Professor.

Second, in my opinion it is entirely inadvisable to require instructors to avail themselves of the new plan. Instructors might be allowed to enter should they wish, but I should not make it a requirement.

Very truly yours,

Mr. Wallace Heckman,
134 S. LaSalle Street,
Chicago, Ill.

HPJ:CB

October 20, 1921.

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134 S. LaSalle Street,
Chicago, Ill.

HPL:CB

The University of Chicago

Office of the Counsel and Business Manager

ROOM 1204, 134 SOUTH LA SALLE ST.
TELEPHONE FRANKLIN 214

x 157

December Twenty
1 9 2 1

President Harry Pratt Judson,
The University of Chicago.

My dear President:

I am sending with this a copy of a footnote, in connection with the Contributory Retiring Allowance Statute, which states, in a less technical way, the benefits offered by the plan provided, if one is thought necessary. Before being adopted it probably ought to have the approval of the Company.

Very truly yours,

Wallace Heckman

WH:EB
Enc.

Mr. Wallace Heckman,
134 S. LaSalle Street,
Chicago, Ill.

HPJ:CB

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President Harry Pratt Judson,
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Very truly yours,

MB:MB
Enc.

December 22, 1921.

My dear Mr. Heckman:-

Thank you for yours of the 20th with enclosed copy of the foot note for "Contributory Retiring Allowances".

Very truly yours,

Mr. Wallace Heckman,
134 S. LaSalle Street,
Chicago, Ill.

HPJ:CB

Footno

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Footnote for "Contributory Retiring Allowances"

The policy of the Teachers' Insurance and Annuity Association of America, above referred to, provides, in general, for annuities yielding agreed upon monthly payments commencing at age 65 and continuing for life; together with the payment in 120 monthly instalments in the event of the death of the assured prior to age 65, to the widow or the estate of the assured, of the accumulations of all payments including interest at 4 per cent; together with sundry privileges providing for additional optional premiums with a consequent increase in the amount of the annuity payments, and also for a surrender value at any time before age 65 with several optional modes of settlement.

The surrender value is not payable in cash but in a policy for an annuity for such an amount as the accumulated payments, plus interest at 4%, will purchase. Such surrender value (with the optional modes of settlement) may be availed of (1) in the event of the withdrawal of the assured from the University's service, or of the termination of such relation by the Board of Trustees (unless the assured desires to continue the policy at his own entire expense, plus 10 per cent of the premium, if the assured should not continue to be employed in a college, university or institution engaged primarily in educational or research work); or (2) in the event the assured, while continuing in the service of the University, desires, with the approval of the Board of Trustees, to take advantage of the optional modes of settlement. These optional modes of settlement provide for payment (a) to begin at an earlier age; or (b) at a later age, than age 65; or (c) for a continuance of certain payments to the wife of the annuitant as long as she shall survive him, or (d) to the estate of the annuitant after his death until the sum of the annuity payments shall equal the accumulated payments, plus interest at 4 per cent.

For further information reference should be had to the policy contract, a copy of which is on file with the Secretary of the Board of Trustees.

The University of Chicago

Office of the Auditor

February 24, 1922.

My dear President Judson:

I am inclosing herewith carbon copy of a letter to Mr. Heckman on the subject of statutory provision for transfer from the present retiring allowance plan to the contributory retiring allowance plan.

Yours very truly,

N C Plumpton

President Harry Pratt Judson,
Harper Library.

February 24, 1922.

My dear President Judson:

I am inclosing herewith carbon copy of a letter to Mr. Hockman on the subject of statutory provision for transfer from the present retiring allowance plan to the contributory retiring allowance plan.

Yours very truly,

President Harry Pratt Judson,
Harper Library.

February 24, 1922.

My dear Mr. Heckman:

I find in my file of the various forms of the retiring allowance statutes the following, which provides for the transfer of persons under the present retiring allowance system to the contributory retiring allowance system. This legislation, however, has not been enacted by the Board. The President was of the opinion that the provisions for the transfer should be embodied in a statute which would take the form of an amendment to the present retiring allowance statutes. Perhaps in the meantime he has altered his opinion on this subject. If, however, it should be accomplished in this manner, it would take the following form in accordance with the matter that I find in my files:

ADDITION TO STATUTE 16. RETIRING ALLOWANCES

8) From and after _____, persons entering the University in the ranks or positions designated in paragraph 1 of this statute shall not be eligible to receive retiring allowances as hereinbefore described.

9) Persons in the service of the University who entered such service prior to _____ and who prior to that date attained therein a rank or position rendering them eligible in due time to participate in the retiring allowance plan set forth in this statute, may, with the consent of the Board of Trustees of the University, and provided application for

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8) From and after _____, persons entering the University in the ranks or positions designated in paragraph 1 of this statute shall not be eligible to receive retiring allowances as hereinbefore described.

9) Persons in the service of the University who entered such service prior to _____ and who prior to that date attained therein a rank or position rendering them eligible in due time to participate in the retiring allowance plan set forth in this statute, may, with the consent of the Board of Trustees of the University, and provided application for such transfer is made within

such transfer is made within two years from the above date, transfer to the contributory retiring allowance plan provided for in statute #17. In case of such transfer and in the event that the person shall remain in the service of the University until he has reached the age of sixty-five years and shall until that date continue his contributions toward the payment of premiums on an annuity policy as provided in statute #17, then the University will, upon his retirement, procure for or pay to him a supplementary annuity in an amount equal to the difference, if any to his disadvantage, between the retiring allowance that would have been received under the provisions of statute #16 and the amount called for by the annuity policy or policies referred to in statute #17.

The statute numbers used above are those previous to any renumbering of the statutes in connection with the revision that is being undertaken at this time.

Yours very truly,

M C Hampton

Mr. Wallace Heckman,
City Office.

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Yours very truly,

Mr. Wallace Heckman,
City Office.

The University of Chicago
FOUNDED BY JOHN D. ROCKEFELLER

The Board of Trustees

OFFICE OF THE SECRETARY
ELLIS AVENUE AND FIFTY-EIGHTH STREET

COPY

March 11, 1922.

Mr. James S. Dickerson, Secretary,
Board of Trustees,
University of Chicago.

Dear Mr. Dickerson:

At your request I am writing this letter to set forth more fully a suggestion made at the meeting of the Joint Committee of Trustees and Faculty on Retiring Allowances held on February 13, and later discussed with Mr. Arnett in your presence on March 8.

Under the present retiring allowance plan, the expectancy of every eligible person that, if he lives to be 65 and remains in the service of the University, he may share in it, has a present value, which, based upon past experience and actuarial tables, can probably be computed with reasonable certainty. The mode of computation would be as follows:

Assume the case of a given eligible person, X, at any age, say 50. By actuarial tables there can be computed the present capital sum which, invested now at the proper rate of compound interest, would be needed to provide the present retiring allowance to X, should he live to be 65 and remain in the service of the University. Let us designate this capital sum by the symbol C.

But, of course, (1) X may not live to be 65, and (2) he may not be then in the service of the University, even if alive. The present capital value of these contingencies should be deducted from the sum C (ascertained as above) in order to arrive at the net capital value of X's contingent interest in the present pension plan at the present time. Let us designate the capital value of contingency (1), above, the chance of death before 65, by the symbol D; and the capital value of contingency (2), above, the chance of resignation (or other severance of university connection), by the symbol R. The net present value of X's contingent interest will be C minus the sum of D and R. Our formula is then C-(D+R) = V.

The value of D, the chance of X's dying before he is 65, can be readily computed by standard actuarial tables. The value of R is more conjectural, and would have to be arrived at by a careful consideration of the experience of the University during its 30 years of existence. It is obvious that the likelihood of a given teacher leaving the University before he is 65 will depend largely upon his age and rank here at the time the value of R is computed. The chance of an assistant professor under 35 leaving is much greater than that of a professor over 50. To determine fairly what this chance is in any given case, I suggest that a table be made, showing, in the experience of the University, what percentage of the men in certain groups arranged according to age, and spaced (say) at 5-year intervals, have in fact left the University during various periods of time. The life of the University has been too short to carry many of the younger of these groups clear to age 65, but of those from 45 to 50, 50 to 55, 55 to 60, and 60 to 65 our experience ought to be fairly informing. Then, if we take the groups 35 to 40 and 40 to 45 and carry them for 15 years---that is, to ages 50 to 55 and 55 to 60, we can safely assume that from that age on their history will be like that of the older groups whose entire histories we have from 50 and 55 to 65. Thus an approximately correct figure can be obtained for the value of R, the chance of leaving before 65, for men of any given age now in the service of the University.

Having thus found the values of C, D, and R for men of any given age, the formula C - (D + R) = V gives us the present capital value of any eligible teacher's contingent interest in the present retiring allowance plan.

Based upon this formula, I make the following suggestion: In addition to the present proposed optional transfer to the new contributory plan, with a contingent liability on the part of the University to make good any deficiency between it and the present plan if the beneficiary reaches 65 in the service of the University, give to every teacher of the rank of assistant professor or higher also an option to be credited on the new plan with the capital value of V in his case, which sum is to bear compound interest like the future contributions of the University and of himself, and, with accumulations, is to go to his family or estate on his death before 65, or is to be used to buy an additional annuity at age 65 if he reaches it, provided that he dies or reaches 65 while in the service of the University. If he leaves the University before 65, all his interest in V and its accumulations is forfeited, just as he would lose all interest in the present retiring allowance under similar circumstances. If this option is elected, it is to be in lieu of all other claims to the benefit of the present retiring allowance plan.

It is believed that such an option to turn their present contingent interest in a retiring allowance into a conditional vested one of the present actual capital value of the contingent one would appeal to many teachers and induce their transfer outright to the new contributory plan, without adding anything to the present financial commitment of the University under the old plan. Teachers of middle age or beyond are perhaps not likely to transfer to the new plan voluntarily, unless it assures a rather substantial provision for their families in case of death before 65, which the present proposed plan does not seem to do, returning as it does, in that event, only the sum of the future joint contributions of the teacher and the University, with accumulations, which sum of course grows less the nearer a teacher is to 65 when the new plan goes into effect.

The above suggestion should be worked out by an actuary, and the desirability of requiring a medical examination of those who elect it should also be considered, in order to prevent the possibility of an "adverse selection" against the University, in that those of poor health might elect it and others not.

Very truly yours,

(Signed) Jas. P. Hall.

The University of Chicago

Office of the Auditor

November 3, 1922.

My dear President Judson:

I am sending to Messrs. Donnelley, Scott, Hall, and Heckman, copy of my letter to you under this date, commenting on Dean Hall's plan for recognizing the present value of the expectancy of members of the faculty under the original Retiring Allowance plan.

Yours very truly,

N E Simpson

President Harry Pratt Judson,
Harper Library.

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President Harry Pratt Judson,
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The University of Chicago

Office of the Auditor

November 3, 1922.

My dear President Judson:

Last March there was sent to you and to the other members of the Joint Committee on Retiring Allowances a copy of a letter addressed to Mr. Dickerson by Dean Hall with reference to a plan he had in mind concerning the transfer of members of the faculty from the Retiring Allowance plan to the Contributory Retiring Allowance plan. He assumed in that letter that "the expectancy of every eligible person that, if he lives to be 65 and remains in the service of the University, he may share in it, (the original Retiring Allowance plan) has a present value, which, based upon past experience and actuarial tables, can probably be computed with reasonable certainty".

For the purpose of illustrating the actual working out of the plan suggested by Dean Hall, I have assumed that at age 65 an individual would be entitled to an annuity of $3,000. I have assumed further that at the time of the transfer the individual would be 50 years of age. The sum necessary to purchase an annuity of $3,000. at age 65 is $26,468.81. In the case of an individual 50 years of age, this sum may be secured by placing $14,697.20 at compound interest at 4 per cent for the period of 15 years.

According to the American mortality tables, 29.3 per cent of a given number of persons at age 50 will die by age 65.

The University of Chicago
Office of the Auditor

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According to the American mortality tables, 29.3 per cent of a given number of persons at age 50 will die by age 65.

Another contingency consists in the possibility of persons leaving the University between the ages of 50 and 65. I have assumed that 5 per cent of the persons in the service of the University at age 50 will not be here at age 65. On the basis of our experience this is a very liberal allowance.

After deducting the percentages mentioned, 29.3 per cent and 5 per cent, from the present value, namely $14,697.20, there remains the capital sum of $9,655.99. It is Dean Hall's suggestion that the sum mentioned, $9,655.99, should be credited to the individual on the books of the University. In the case of his death before age 65, this sum with interest accumulations at 4 per cent, is to go to his family or to his estate, or if he should live until age 65, it is to be used to purchase an annuity in addition to that provided for by the Contributory Retiring Allowance plan. The annuity from both sources in the case mentioned would be in excess of $3,000.

It seems to me that there are two points at issue:

1 - Whether under the statutes the expectancy of the individual under the circumstances mentioned, does actually have a present value. It seems to me the case is somewhat analagous to a depositor in a savings bank. If his deposit remains with the bank up to the semi-annual date on which interest is figured, then the individual is entitled to interest; if his deposit is withdrawn at any time other than after the close of the semi-annual period, no interest accrues. It is undoubtedly true that with the lapse of any given number of years, a person eligible to a retiring allowance under the original plan has placed to his credit toward the required number of years, the number of years in the period elapsed, and that with the fulfillment of the additional number of years required, he would be justified in expecting a retiring allowance under the statutes. This expectation, however, is contingent upon the fulfillment of the required term, or reaching the required age, and as the statute stands, it is problematical if there is a liability on the part of the University until the required number of years has been served and the required age reached. From the foregoing it will be

Another contingency consists in the possibility of persons leaving the University between the ages of 50 and 65. I have assumed that 5 per cent of the persons in the service of the University at age 50 will not be there at age 65. On the basis of our experience this is a very liberal allowance.

After deducting the percentages mentioned, 29.3 per cent and 5 per cent, from the present value, namely $14,647.20, there remains the capital sum of $9,655.30. It is then left's suggestion that the sum mentioned, $9,655.30, should be credited to the individual on the books of the University.

In the case of his death before age 65, this sum with interest accumulations at 4 per cent, is to go to his family or to his estate, or if he should live until age 65, it is to be used to provide an annuity in addition to that provided for by the Contributory Retiring Allowance plan. The annuity from both sources in the case mentioned would be in excess of $3,000.

It seems to me that there are two points at issue:

1 - Whether under the statutes the expectancy of the individual under the allowances mentioned, does actually have a present value. It seems to me the case is somewhat analogous to a depositor in a savings bank. If his deposit remains with the bank up to the semi-annual date on which interest is figured, then the individual is entitled to interest; if the deposit is withdrawn at any time other than after the close of the semi-annual period, no interest accrues. It is undoubtedly true that with the lapse of any given number of years, a person eligible to a retiring allowance under the original plan has piled up credits toward the required number of years. The number of years in the period elapsed can start with the fulfillment of the additional number of years required. He would be justified in expecting a retiring allowance under the statutes. This expectation, however, is contingent upon the fulfillment of the required term, or reaching the required age, and on the status of affairs. It is problematical if there is a liability on the part of the University until the required number of years has been served and the required age reached. From the foregoing it will be

noted that the only liability on the part of the University under the statutes is for a retiring allowance under the conditions of the statute, and the theory of an actual liability at the close of any particular year of service is one that lies outside the statutory provision made by the Board of Trustees.

2 - Whether the University is interested in a plan whereby at its expense an individual may receive an annuity over and above the maximum of $3,000. contemplated in the original Retiring Allowance plan.

I discussed these matters with Mr. Arnett on my recent trip to New York, and he was of the opinion that the two points mentioned above constituted the main points for consideration in the matter.

Yours very truly,

M. D. Simpson

President Harry Pratt Judson,

Harper Library.

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I discussed these matters with Mr. Abbott on my recent trip to New York, and he was of the opinion that the two points mentioned above constituted the main points for consideration in the matter.

Yours very truly,

President Harry Pratt Judson,

Harper Library.

The University of Chicago

Office of the Auditor

November 6, 1922.

My dear President Judson:

Please substitute pages b and c for pages 2 and 3 of my letter of November 3 concerning the matter of a suggested basis for a transfer from the Retiring Allowance plan to the Contributory Retiring Allowance plan.

Yours very truly,

N C Shumpton

President Harry Pratt Judson,

Harper Library.

The University of Chicago

Office of the Recorder

November 6, 1923.

My dear President Judson:

Please substitute pages b and c for pages 2 and 3 of my letter of November 3 concerning the matter of a suggested basis for a transfer from the Retiring Allowance plan to the Contributory Retiring Allowance plan.

Yours very truly,

President Henry Pratt Judson,

Harper Library.

Another contingency consists in the possibility of persons leaving the University between the ages of 50 and 65. I have assumed that 5 per cent of the persons in the service of the University at age 50 will not be here at age 65. On the basis of our experience this is a very liberal allowance.

After deducting the percentages mentioned, 29.3 per cent and 5 per cent, from the present value, namely $14,697.20, there remains the capital sum of $9,655.99, which Dean Hall assumes would be the capital to be credited to the individual on the books of the University as the net present value of his expectancy.

The sum mentioned at 4 per cent compound interest for 15 years will amount to $17,381.21. This amount will purchase an annuity of $1,970.84. It is Dean Hall's suggestion that this sum be used to purchase an annuity for the individual and that the individual further be entitled to the annuity under the Contributory Retiring Allowance plan that his contribution and that of the University would purchase, together with a supplemental annuity to make up the deficiency, if such should occur, between the annuity he would receive under the original Retiring Allowance plan and that which he might actually receive under the Contributory Retiring Allowance plan. If it be assumed that the individual cited should ordinarily receive a total annuity of $3,000. at age 65, the plan suggested in this particular case would result in an additional annuity of $1,970.84.

It seems to me that there are two points at issue:

Another contingency consists in the possibility of persons leaving the University between the ages of 50 and 65. I have assumed that 5 per cent of the persons in the service of the University at age 50 will not be there at age 65. On the basis of our experience this is a very liberal allowance.

After deducting the percentages mentioned, 29.3 per cent and 5 per cent, from the present value, namely $14,697.20, there remains the capital sum of $9,655.70, which Dean Hall assumes would be the capital to be credited to the individual on the books of the University as the net present value of his expectancy.

The sum mentioned at 4 per cent compound interest for 15 years will amount to $17,351.31. This amount will purchase an annuity of $1,270.84. It is Dean Hall's suggestion that this sum be used to purchase an annuity for the individual and that the individual further be entitled to the annuity under the Contributory Retiring Allowance plan that his contribution and that of the University would purchase, together with a supplemental annuity to make up the deficiency, if such should occur, between the annuity he would receive under the original Retiring Allowance plan and that which he might actually receive under the Contributory Retiring Allowance plan. If it be assumed that the individual either should ordinarily receive a total annuity of $5,000. at age 65, the plan suggested in this particular case would result in an additional annuity of $1,270.84.

It seems to me that there are two points at issue:

1 - Whether under the statutes the expectancy of the individual under the circumstances mentioned, does actually have a present value. It seems to me the case is somewhat analagous to a depositor in a savings bank. If his deposit remains with the bank up to the semi-annual date on which interest is figured, then the individual is entitled to interest; if his deposit is withdrawn at any time other than after the close of the semi-annual period, no interest accrues. It is undoubtedly true that with the lapse of any given number of years, a person eligible to a retiring allowance under the original plan has placed to his credit toward the required number of years, the number of years in the period elapsed, and that with the fulfillment of the additional number of years required, he would be justified in expecting a retiring allowance under the statutes. This expectation, however, is contingent upon the fulfillment of the required term, or reaching the required age, and as the statute stands, it is problematical if there is a liability on the part of the University until the required number of years has been served and the required age reached. From the foregoing it will be noted that the only liability on the part of the University under the statutes is for a retiring allowance under the conditions of the statute, and the theory of an actual liability at the close of any particular year of service is one that lies outside the statutory provision made by the Board of Trustees.

2 - Whether the University is interested in a plan whereby at its expense an individual may receive an annuity over and above the maximum of $3,000. contemplated in the original Retiring Allowance plan.

I submitted these figures to Mr. Arnett on my recent trip to New York, and he was of the opinion that they showed fairly the results of the assumption made by Dean Hall, and that the two points mentioned above constituted the points for consideration in the matter.

Yours very truly,

N. D. Plimpton

President Harry Pratt Judson,

Harper Library.

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Yours very truly,

President Harry Pratt Judson,

Harper Library.

The University of Chicago
Office of the Counsel and Business Manager

ROOM 1204, 134 SOUTH LASALLE ST.
TELEPHONE FRANKLIN 214

November Eight
1 9 2 2

President Harry Pratt Judson,
The University of Chicago.

My dear President:

With respect to Mr. Hall's suggestion, discussed today: One feature not mentioned seems important: - the establishing of a vested right in the Retiring Allowance.

Is not that fact dangerous and likely to complicate the University's situation? If it were determined that a given member of the Faculty had a vested right in the Retiring Allowance Statute #16 worth $9,000 for purposes of transfer, and if he should transfer, would the President of the University or the members of the Board feel at liberty to exercise the same freedom with respect to dismissing him from the University, if the occasion should arise? If his dismissal should be thought necessary, would not litigation follow in the construction of those rights? Juries would largely sympathize, would they not, with a poorly paid professor rather than with an institution reputed to possess unlimited means?

Theoretically, the proposal is plausible, as evidenced by Mr. Donnelley's hospital attitude toward it; but, practically, I still fail to see how definite,

President Harry Pratt Judson,

dependable data can be secured as a basis of support for the proposition. It would have the further effect of inducing payments before the person arrived at the age of 65 - a feature not contemplated by the Statute.

Would it not be better to let the members of the Faculty, now under Statute 16, remain there than to offer these complicating inducements to change?

Very truly yours,

WH:EB

Warren Hickman

November 13, 1922.

My dear Mr. Heckman:-

Yours of the 8th instant is received. The questions you ask I should answer in the affirmative. I think the matter establishes what does now exist, that is, a vested right.

Very truly yours,

Mr. Wallace Heckman,
134 S. La Salle St.,
Chicago, Ill.

HPJ:CB

November 13, 1922.

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Very truly yours.

Mr. Wallace Hockman,
124 S. La Salle St.,
Chicago, Ill.

HrL:GE

F4f.

The University of Chicago

Office of the Auditor

December 14, 1922.

My dear President Judson:

I am inclosing herewith a copy of the Contributory Retiring Allowance statute including the changes suggested at the conference in your office yesterday morning. I have sent a copy to Mr. Ryerson for the purpose of securing his reaction. If he sees no necessity for further alterations, I should think it would be desirable to send copies to the members of the Conference Committee and arrange for a meeting of that body at an early date, so that the matter may be referred to the Board for final action at the January meeting.

Yours very truly,

M C Slaughton

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Harper Library.

CHANGES SUGGESTED

IN THE

CONTRIBUTORY RETIRING ALLOWANCE STATUTE

1. On and after January 1, 1922, the University will contribute toward the payment of premiums on an annuity policy for anyone in its service whose term of office in the University (as defined in Sections 3 and 4 of this Statute) begins on or after January 1, 1922, who is entitled to participate in the Contributory Retiring Allowance Plan, in this Statute provided for, during the period of his service, an amount equal to 5 per cent of the regular annual salary paid to such person by the University up to a maximum amount of $300 per annum and the said person shall contribute an equal amount for the same purpose. The term "salary" shall also include compensation received as an administrative officer but shall not include compensation for extra work, house-rent, or other perquisites.

(The only change suggested in Section 1 consists of the words "of this Statute" in the fourth line)

2. The annuity policy referred to in this Statute shall be the non-participating, deferred annuity policy, Teachers' Retirement Plan, now issued by the Teachers' Insurance and Annuity Association of America, or an annuity policy issued by that association or by some other insurance company, but in all cases both policy and company shall be subject to approval by the Board of Trustees of the University.

(No change)

3. The persons hereinafter designated shall be required to participate in the Contributory Retiring Allowance Plan

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(No change)

3. The persons hereinafter designated shall be required to participate in the Contributory Retiring Allowance Plan

described in this Statute provided they shall render service to the University averaging not less than two-thirds regular service as defined in Statute 14 of the University:

a) Persons appointed to the position of President of the University, Director and Associate Director of the Libraries, University Examiner, University Recorder, and Secretary of the Correspondence-Study Department.

b) Persons of an academic rank not lower than that of Assistant Professor and who are members of the teaching staff of the Graduate Schools of Arts, Literature and Science; the Graduate Divinity School; the Law School; the School of Commerce and Administration; the Graduate School of Social Service Administration, or the Colleges.

(There has been considerable change made in the phraseology of this section of the statute. The original statute is quoted below. The proposed change is made for the purpose of clarifying the statute)

"3. The persons hereinafter designated shall be required to participate in the Contributory Retiring Allowance Plan described in this statute provided they shall render service to the University averaging not less than two-thirds regular service:

a) The President of the University, the Director and the Associate Director of the Libraries, the University Examiner, and the University Recorder,

b) A person of an academic rank not lower than Assistant Professor and Instructors after 3 years of service in the University as Instructors,

who shall enter the service of the University on and after January 1, 1922, or shall be promoted or reappointed to those ranks or offices on and after that date, and any one of the persons above described in the service of the University on January 1, 1922, not of a rank or office entitling him to participate in the Retiring Allowance Plan described in Statute 16 of the University".

4. Instructors in the University after two years of service in the University in such rank shall be eligible to

described in this Statute provided they shall render service to the University averaging not less than two-thirds regular service as defined in Statute 14 of the University:

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4. Instructors in the University after two years of service in the University in such rank shall be eligible to

participate in said plan.

(no change)

5. A person required to participate in the Contributory Retiring Allowance Plan shall be permitted to count towards his annual contributions the premiums concurrently paid by him on annuity policies provided both the policies and the companies shall be approved by the Board of Trustees of the University.

(There has been omitted from this section the words "or insurance and annuity" between the words "annuity" and "policies" in the fourth line, since the University is not interested in the insurance arrangements of the members of its staff, but exclusively in their annuity policies)

6. In all cases the annuity policy or policies shall be deposited with the University and shall not be assigned, pledged, or surrendered without the consent of the University, so long as the University continues its contributions.

(This section appears in the form in which it was amended by the Board of Trustees on December 12)

7. A person reaching the age of sixty-five years, eligible to participate in the Contributory Retiring Allowance Plan, may retire or be retired by the Board of Trustees. At the age of seventy he shall retire unless the Board of Trustees specially continues his service. In no event shall the University continue its contribution beyond the minimum age of retirement, or after a person withdraws from the University, or after a person's relations with the University have been terminated by the Board of Trustees of the University.

(There has been added to the sentence beginning "At the age of seventy" the words "unless the Board of Trustees

participate in said plan.

(no change)

5. A person required to participate in the Contributory Retiring Allowance Plan shall be permitted to count towards his annual contributions the premiums concurrently paid by him on annuity policies provided both the policies and the companies shall be approved by the Board of Trustees of the University.

(There has been omitted from this section the words "or insurance and annuity" between the words "annuity" and "policies" in the fourth line, since the University is not interested in the insurance arrangements of the members of its staff, but exclusively in their annuity policies)

6. In all cases the annuity policy or policies shall be deposited with the University and shall not be assigned, pledged, or surrendered without the consent of the University, so long as the University continues its contributions.

(This section appears in the form in which it was amended by the Board of Trustees on December 12)

7. A person reaching the age of sixty-five years, eligible to participate in the Contributory Retiring Allowance Plan, may retire or be retired by the Board of Trustees. At the age of seventy he shall retire unless the Board of Trustees specially continues his service. In no event shall the University continue its contribution beyond the minimum age of retirement, or after a person withdraws from the University, or after a person's relations with the University have been terminated by the Board of Trustees of the University.

(There has been added to the sentence beginning "At the age of seventy" the words "unless the Board of Trustees

specially continues his service". This addition places in the Contributory Retiring Allowance Plan provision for continuing the service of a Professor after age 70 as mentioned in Statute 16, at the close of section 1)

8. Any person in the service of the University who entered such service prior to January 1, 1922, and who prior to that date attained therein a rank or position rendering him eligible in due time to participate in the Retiring Allowance plan set forth in Statute 16, may, with the consent of the Board of Trustees of the University, and provided application for such transfer is made within three years from the above date, transfer to the Contributory Retiring Allowance plan provided for in this statute. In case of such transfer and in the event that the person shall remain in the service of the University, in a rank not lower than Assistant Professor, and a member of the teaching staff of the Graduate Schools of Arts, Literature and Science, the Graduate Divinity School, the Law School, the School of Commerce and Administration, the Graduate School of Social Service Administration, or the Colleges, until he has reached the age of sixty-five years, and shall until that date continue his contributions toward the payment of premiums on an annuity policy as in the Statute provided, then the University will, upon his retirement, procure for or pay to him, in addition to the payments provided for in this Statute, a supplementary non-transferable annuity in an amount equal to the difference, if any to his disadvantage, between the retiring allowance that would have been received under the provisions of Statute 16 and the annuity which shall be receivable under the policy taken out under the provisions of

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8. Any person in the service of the University who entered such service prior to January 1, 1922, and who prior to that date attained therein a rank or position rendering him eligible in due time to participate in the Retiring Allowance plan set forth in Statute 16, may, with the consent of the Board of Trustees of the University, and provided application for such transfer is made within three years from the above date, transfer to the Contributory Retiring Allowance plan provided for in this statute. In case of such transfer and in the event that the person shall remain in the service of the University, in a rank not lower than Assistant Professor, and a member of the teaching staff of the Graduate Schools of Arts, Literature and Science, the Graduate Divinity School, the Law School, the School of Commerce and Administration, the Graduate School of Social Service Administration, or the College, until he has reached the age of sixty-five years, and shall until that date continue his contributions toward the payment of premiums on an annuity policy as in the Statute provided, then the University will, upon his retirement, procure for or pay to him, in addition to the payments provided for in this Statute, a supplementary non-transferable annuity in an amount equal to the difference, if any to his disadvantage, between the retiring allowance that would have been received under the provisions of Statute 16 and the annuity which shall be receivable under the policy taken out under the provisions of

this Statute; and the University will procure for or pay to the widow of any person transferring to the Contributory Retiring Allowance plan, an annuity of one-half of the amount of his supplementary annuity, as hereinbefore provided, during the period of her widowhood provided she was his wife at the time of his death and had been his wife for not less than ten years before his death. Any person electing to transfer from the Retiring Allowance plan to the Contributory Retiring Allowance plan shall be entitled to the benefits and shall, except as herein otherwise provided, be governed by the provisions of the latter plan. Any person electing to transfer from the Retiring Allowance plan to the Contributory Retiring Allowance plan shall not thereafter be eligible to any of the benefits of the original Retiring Allowance plan.

(This section appears in the form tentatively adopted by the Board of Trustees on December 12)

9. The obligation of the University to contribute toward the payment of premiums on annuity policies shall be neither greater nor less than its obligation to continue to pay salaries at any stated scale to persons in active service, so that if misfortune should compel a reduction of salaries, its contributions towards the payment of premiums may be reduced in the same proportion.

(No change except the number, which was changed from 8 to 9 by the Board on December 12)

10. Nothing in this Statute shall preclude the Board of Trustees from including in the provisions of this Statute other persons in its employ than those described therein, or to make provision for transfer to this Contributory Retiring

this Statute; and the University will procure for or pay to the widow of any person transferring to the Contributory Retiring Allowance plan, an annuity of one-half of the amount of his supplementary annuity, as hereinbefore provided, during the period of her widowhood provided she was his wife at the time of his death and had been his wife for not less than ten years before his death. Any person electing to transfer from the Retiring Allowance plan to the Contributory Retiring Allowance plan shall be entitled to the benefits and shall, except as herein otherwise provided, be governed by the provisions of the latter plan. Any person electing to transfer from the Retiring Allowance plan to the Contributory Retiring Allowance plan shall not thereafter be eligible to any of the benefits of the original Retiring Allowance plan.

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(No change except the number, which was changed from 8 to 9 by the Board on December 12)

10. Nothing in this Statute shall preclude the Board of Trustees from including in the provisions of this Statute other persons in its employ than those described therein, or to make provision for transfer to this Contributory Retiring

Allowance Plan of persons eligible on January 1, 1922, to participate in retiring allowances as provided for in Statute 16; nor from granting retiring allowances or allowances on account of disability to officers of administration or instruction, or their widows, where the term and character of service, or the special circumstances of the case make the same appropriate.

(The number of this section has been changed from 9 to 10. The word "by" has been changed to the word "of" after the words "Allowance Plan" in the fifth line. The words "or allowances" have been added after the words "retiring allowances" in the seventh line)

11. The University reserves to itself the right from time to time to modify, amend, or repeal this Statute, but in such event the provision already in force relating to any person under this Statute shall in no way be affected except as provided in Section 9.

(The number of this section has been changed from 10 to 11 by the Board. The word "an" is omitted at the beginning of the third line. The word "provision" has been substituted for the word "agreement" in the same line. The word "with" in the third line has been changed to the words "relating to". The number of the section referred to at the end of the section has been changed from 8 to 9. The original section is quoted:

"The University reserves to itself the right from time to time to modify, amend, or repeal this statute; but in such an event the agreement already in force with any person under this statute shall in no way be affected except as provided in Article 8".

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"The University reserves to itself the right from time to time to modify, amend, or repeal this statute; but in such an event the agreement already in force with any person under this statute shall in no way be affected except as provided in Article 8".