

ANNUAL REPORT

of the

**Los Angeles County
Employees Retirement
Association**

FOR THE YEAR

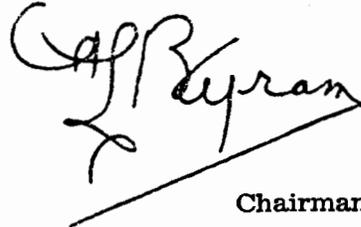
ENDING DECEMBER 31, 1951

TO THE MEMBERS:

Pursuant to instructions of the Retirement Board, I am submitting herewith a financial and statistical report of the Los Angeles County Employees Retirement Association for the year ending December 31, 1951.

Members of the Retirement Association may call upon us at any time regarding their retirement problems or for information concerning the operation of the system.

Very sincerely yours,



C. J. Ryan

Chairman

BOARD OF RETIREMENT.

GENERAL INFORMATION

Service Retirement

Members with ten years of service, who have attained the age of fifty-five, are eligible to retire. Retirement is compulsory on the first of the month following that in which a member attains the age of seventy.

Amount of Retirement Allowance

An approximate amount of your retirement allowance may be calculated by using the tables printed in the annual report. The figure shown is the amount per month calculated on a final compensation of \$100.00 per month. "Final compensation" means the average annual compensation earnable by a member during any three years elected by a member at or before the time he files an application for retirement, or, if he fails to elect, during the three years immediately preceding his retirement.

Example: A woman who has 22 years of service at age 63, and whose final compensation is \$260.00, read down the column for age 63 to 22 years of service, and multiply that figure by \$260.00 placing the decimal point six places from the right.

$$(\$48.35 \times 260.00 = \$125.71)$$

In no event can the monthly amount be more than 65% of the final compensation for the highest 3 years. We would suggest that each member keep a record of his salary changes, so that he can estimate his final compensation.

The example shown above gives the unmodified or maximum amount of retirement allowance. Under this plan, all payments stop at death unless you leave a spouse to whom you were married one year before retirement, in which case, 60% of your retirement allowance would be paid to the surviving spouse monthly for life. A member upon retiring, may select one of the options if he so wishes. The calculation of the options is extremely complicated and special annuity tables must be used. This information may be obtained from the retirement division of the Treasurer's Department.

Deferred Retirement

Members with five years of service who separate from County employment, may elect within 180 days to leave their deposits with the Retirement Association and take a deferred retirement, to become effective either:

- (a) Upon the option of the member, at any time 10 years or more after first becoming a member and after he attains age 55, or
- (b) Not later than the first day of the month following that in which he attains age 70.

Disability Retirement

Members with ten years of service, regardless of age, are eligible for disability retirement provided that the member is permanently incapacitated, physically or mentally, for the performance of his duties.

Withdrawal Charges

When a member leaves County service and withdraws his accumulated contributions, a withdrawal charge is made of one-half the interest credited to his account after June 30, 1943.

Reinstatement

Should a member leave County service and be subsequently reemployed, may receive credit for the service he had at the time of his resignation, provided he redeposits within one year after his reemployment, the money he withdrew from the retirement fund at the time of separation. He may, before the year is up, ask the Board of Retirement for an extension of time in which to repay the money withdrawn.

Death Benefit

Upon the death of a member before retirement, a death benefit is payable to his beneficiary. This benefit consists of his accumulated contributions, plus an amount equal to one month's salary for each year of service, but not to exceed six months' salary. This death benefit may be paid monthly including interest over a period not to exceed 10 years.

If a member dies, who was eligible for retirement, and who had named his spouse as the beneficiary, such spouse may, in lieu of the death benefit mentioned above, elect to receive a monthly retirement allowance equal to 60% of the amount which the member would have been entitled to had he retired on the day he died.

Beneficiary

When a member enters the Retirement System, he must sign a card naming his beneficiary. Should he desire to change his beneficiary, he must advise the Retirement Division, Treasurer's Department in writing.

STATEMENT
of
RECEIPTS AND DISBURSEMENTS
For year ending December 31, 1951

RECEIPTS

| | |
|---|------------------------|
| Balance December 31, 1950 | \$ 890,886.17 |
| Deductions from Members' Salaries | 4,464,325.25 |
| Redeposits, and in lieu of Salary Deductions | 141,292.79 |
| Deposits by Members of Additional Contributions | 3,246.05 |
| Deposits by Members of Other Contributions for Prior and Temporary Service | 174,244.28 |
| Contributions by County | 4,344,173.52 |
| Interest on Securities | 1,214,845.88 |
| Securities Sold | 1,901,495.00 |
| | <u>\$13,134,508.94</u> |

DISBURSEMENTS

| | |
|---|------------------------|
| Refunds of Additional Contributions | \$ 36,481.53 |
| Refunds to Members Leaving Service | 1,010,446.36 |
| Municipal Court Building (Advance) | 42,363.60 |
| Death Benefits Paid (67 Members) | 98,262.52 |
| Retirement Allowance—Service | 1,266,384.77 |
| Retirement Allowance—Disability | 171,773.32 |
| Securities Purchased | 10,137,302.62 |
| Balance December 31, 1951 | 371,494.22 |
| | <u>\$13,134,508.94</u> |

STATEMENT
of
ASSETS AND LIABILITIES

As of December 31, 1951

ASSETS

| | | |
|--|------------------|------------------|
| Cash on Hand | | \$ 371,494.22 |
| Securities—Par Value | \$ 45,657,250.00 | |
| Premium on Purchases | 1,373,093.92 | |
| | 47,030,343.92 | |
| Less: Discount on Purchases | 121,424.91 | 46,908,919.01* |
| Accounts Receivable | | |
| Salary Deductions (Normal) | 398,592.78 | |
| County Contributions | 372,828.01 | 771,420.79 |
| County Contributions Receivable for Military Service | | 192,597.33 |
| Accrued Interest | | 388,096.22 |
| Municipal Court Building (Advance) | | 46,535.31 |
| | | \$ 48,679,062.88 |

LIABILITIES

| | | |
|--|---------------|------------------|
| Members Deposit Reserve (Salary Deductions and Interest) | 22,620,287.88 | |
| (a) Additional Contributions and Contributions for Prior Service | 370,038.94 | |
| Unclaimed Money of Former Members | 12,087.56 | 23,002,414.38 |
| Members Reserve for Military Service, not refundable | | 192,597.33 |
| (b) County Advance Reserve | | 8,724,547.73 |
| (c) Annuity Reserve | 2,829,911.58 | |
| (d) Pension Reserve, Current Service | 5,166,147.63 | |
| (e) Pension Reserve, Prior Service | 7,747,197.68 | 15,743,256.89 |
| Surplus (Analysis on following page) | | 1,016,246.55 |
| | | \$ 48,679,062.88 |

- (a) Salary Deductions prior to January 1, 1938, plus extra deposits and interest.
 (b) Money advanced by County, not yet transferred to pension Reserves, (d) and (e).
 (c) Money Transferred from Retired Members' Account, plus interest, less annuities paid.
 (d) { Money transferred from (b) at time members retire, plus interest,
 (e) { less pensions paid.

* Securities: Appraised Value\$ 45,341,904.85

ANALYSIS OF SURPLUS

SURPLUS AS OF December 31, 1950

\$ 1,013,673.68

ADDITIONS

| | | |
|---|-----------------|-----------------|
| Interest—Received during 1951 | \$ 1,161,674.51 | |
| Less: Accrued as of December 31, 1950 | 273,334.36 | |
| | <hr/> | |
| | 888,340.15 | |
| Interest—Accrued as of December 31, 1951 | 388,096.22 | |
| | <hr/> | |
| | 1,276,436.37 | |
| Withdrawal Charges | 16,574.52 | |
| Amortization of Bond Discount | 3,014.87 | |
| | <hr/> | |
| | 1,296,025.76 | |
| | | \$ 2,309,699.44 |

DEDUCTIONS

| | | |
|---|--------------|-----------------|
| Interest—Credited to Members | 581,122.18 | |
| Interest—Credited to Reserves | 635,679.21 | |
| Amortization of Bond Premium | 64,258.19 | |
| Loss on Securities Called or Sold | 12,393.31 | |
| | <hr/> | |
| | 1,293,452.89 | |
| | | \$ 1,016,246.55 |

GENERAL STATISTICS

| | |
|---|--------|
| Number of Members as of December 31, 1951 | 18,018 |
| Number Retired during 1951 for Service | 211 |
| Number Retired during 1951 for Disability | 13 |
| Number Retired Members Deceased during 1951 | 56 |
| Number Retired Members on Roll December 31, 1951 (Service) | 1,150 |
| Number Retired Members on Roll December 31, 1951 (Disability) | 222 |

STATEMENT OF BONDS

As of December 31, 1951

| Name | Par Value | Maturity Date | Appraised Value |
|---|-----------|------------------|--------------------|
| UNITED STATES GOVERNMENT | | | |
| United States Savings Bonds Series "G" | 2,500,000 | 1954/63 | \$ 2,416,150.00 |
| United States Treasury Bonds | 8,500,000 | 1980/75 | 8,245,000.00 |
| DISTRICT | | | |
| East Bay Municipal Utility | 100,000 | 1961/76 | 140,630.00 |
| L. A. Co. Flood Control District | 725,000 | 1952/64 | 881,594.05 |
| L. A. Co. Sanitation Dist. No. 1 | 107,000 | 1952/65 | 129,565.40 |
| L. A. Co. Sanitation Dist. No. 2 | 245,000 | 1952/65 | 295,931.00 |
| L. A. Co. Sanitation Dists. Nos. 4, 5 & 8 | 78,000 | 1952/65 | 95,193.00 |
| L. A. Co. South Bay Cities Sanitation District | 10,000 | 1956/58 | 11,622.00 |
| Metropolitan Water District | 176,000 | 1967/86 | 236,847.50 |
| Misc. County Water Districts | 44,500 | 1958/70 | 53,533.80 |
| MUNICIPAL | | | |
| Long Beach | 85,500 | 1954/65 | 102,378.00 |
| Los Angeles | 1,159,000 | 1952/75 | 1,429,647.70 |
| Vernon | 108,000 | 1957/63 | 136,158.20 |
| All Others | 214,750 | 1952/68 | 262,954.30 |
| SCHOOLS | | | |
| Los Angeles | 220,000 | 1952/60 | 242,362.20 |
| All Others | 226,500 | 1952/68 | 269,092.70 |
| UTILITIES | | | |
| American Tel. & Tel. Co. | 2,850,000 | 1973/87 | 2,614,937.50 |
| Atlantic City Elec. Co. | 500,000 | 1980 | 475,000.00 |
| Cleveland Elec. Illum. Co. | 1,000,000 | 1986 | 1,045,000.00 |
| Commonwealth Edison Co. | 1,484,000 | 1999/2001 | 1,389,800.00 |
| Consolidated Edison of N. Y. | 1,000,000 | 1979/81 | 976,250.00 |
| Consolidated Gas Elec. L. & P. Co. | 450,000 | 1981 | 434,250.00 |
| Consumers Power Co. | 800,000 | 1981 | 802,000.00 |
| Dayton Power & Light Co. | 400,000 | 1978 | 400,000.00 |
| Detroit Edison Co. | 1,000,000 | 1982/85 | 945,000.00 |

| Name | Par Value | Maturity Date | Appraised Value |
|-------------------------------------|----------------------|---------------|-------------------------|
| UTILITIES (Cont'd.) | | | |
| Duquesne Light Co. | 200,000 | 1980 | \$ 188,000.00 |
| Duke Power Co. | 500,000 | 1981 | 499,375.00 |
| Illinois Power Co. | 500,000 | 1979 | 470,000.00 |
| Indianapolis Power & Light Co. | 500,000 | 1979 | 482,500.00 |
| Kansas City Power & Light Co. | 150,000 | 1978 | 148,500.00 |
| Kansas Power & Light Co. | 299,000 | 1979 | 296,010.00 |
| Michigan Bell Tel. Co. | 250,000 | 1988 | 250,000.00 |
| Mountain States Tel. & Tel. Co. | 200,000 | 1986 | 178,000.00 |
| New Jersey Bell Tel. Co. | 250,000 | 1988 | 250,000.00 |
| Northern Indiana Pub. Service | 250,000 | 1973 | 241,250.00 |
| Northern States Power Co. | 350,000 | 1975/79 | 326,625.00 |
| Ohio Power Co. | 500,000 | 1981 | 517,500.00 |
| Pacific Gas & Elec. Co. | 1,550,000 | 1974/82 | 1,512,062.50 |
| Pacific Tel. & Tel. Co. | 1,000,000 | 1978/85 | 947,375.00 |
| Public Service Elec. & Gas | 997,000 | 1979/80 | 954,605.00 |
| Southern Calif. Edison Co. | 1,000,000 | 1964/76 | 1,018,375.00 |
| Southern Calif. Gas Co. | 850,000 | 1977/80 | 809,000.00 |
| Southern Counties Gas Co. | 746,000 | 1971/78 | 722,660.00 |
| Virginia Elec. & Power Co. | 300,000 | 1980 | 278,250.00 |
| Wisconsin Elec. Power Co. | 500,000 | 1979 | 470,000.00 |
| Wisconsin-Michigan Power Co. | 500,000 | 1978 | 485,000.00 |
| RAILROADS | | | |
| Atchison, Topeka & Santa Fe Ry. | 1,100,000 | 1995 | 1,298,000.00 |
| Chesapeake & Ohio Rwy. Co. | 500,000 | 1992 | 572,500.00 |
| Norfolk & Western RR Co. | 100,000 | 1996 | 117,625.00 |
| Pere Marquette Rwy. Co. | 300,000 | 1980 | 291,375.00 |
| Pittsburgh, Bessemer & Lake Erie RR | 200,000 | 1996 | 192,000.00 |
| Terminal RR Assn. of St. Louis | 600,000 | 1985/2019 | 604,000.00 |
| Union Pacific RR Co. | 500,000 | 1976/91 | 444,750.00 |
| Union Terminal Co. of Dallas | 100,000 | 1978 | 95,000.00 |
| Virginian Railway Co. | 357,000 | 1973-95 | 335,145.00 |
| MISCELLANEOUS | | | |
| American Tobacco Co. | 741,000 | 1969 | 737,295.00 |
| Atlantic Refining Co. | 200,000 | 1966 | 197,000.00 |
| Bethlehem Steel Corp. | 989,000 | 1970/79 | 947,990.00 |
| Borden Co. | 1,000,000 | 1981 | 985,000.00 |
| National Dairy Products Co. | 996,000 | 1970/76 | 993,690.00 |
| Shell Union Oil Co. | 1,000,000 | 1971 | 922,500.00 |
| Standard Oil Co. of N. J. | 1,000,000 | 1974 | 965,000.00 |
| Union Oil Co. of Calif. | 499,000 | 1970 | 474,050.00 |
| Westinghouse Elec. Co. | 100,000 | 1971 | 93,000.00 |
| GRAND TOTALS | \$ 45,657,250 | | \$ 45,341,904.85 |

MEMBERS
of the
BOARD OF RETIREMENT

H. L. Byram, Chairman

Walter G. Gastil

W. R. Harriman

J. W. Hartman

James K. Ingham