

**ANNUAL REPORT**  
OF THE  
**BOARD OF ADMINISTRATION**  
*City Employees' Retirement System*  
OF THE  
**CITY OF LOS ANGELES**  
**CALIFORNIA**



**FOR THE FISCAL YEAR ENDED JUNE 30, 1938**  
With  
**CHARTER AND ORDINANCE PROVISIONS**  
**GOVERNING CITY EMPLOYEES' RETIREMENT SYSTEM**



October 1, 1938.

To the Honorable Fletcher Bowron, Mayor  
and the Honorable Council of the  
City of Los Angeles.

Gentlemen:

In accordance with the provisions of Section 64, Article 4, of the Charter of the City of Los Angeles, the Board of Administration respectfully submits its annual report for the fiscal year ended June 30, 1938.

Very truly yours,

Wm. J. McNichols, President,  
C. J. Turner, Vice-President,  
Mrs. Paul William Lawrence,  
M. M. Meyer,  
N. T. Powell.

Attest:

C. J. Dunn,  
Manager-Secretary.

Personnel of the  
BOARD OF ADMINISTRATION

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WM. J. McNICHOLS, President  
(Term expires July 1, 1940)

C. J. TURNER, Vice-President  
(Term expires July 1, 1942)

MRS. PAUL WILLIAM LAWRENCE  
(Term expires July 1, 1941)

M. M. MEYER  
(Term expires July 1, 1938)

N. T. POWELL  
(Term expires July 1, 1939)

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C. J. DUNN, Manager-Secretary

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# BOARD OF ADMINISTRATION CITY EMPLOYEES' RETIREMENT SYSTEM ANNUAL REPORT

The City Employees' Retirement System became operative July 1, 1937, by virtue of a majority vote cast by the electorate on May 4th, 1937, and which was identified on the ballot as Charter Amendment No. 1. The new article of the Charter of the City of Los Angeles is numbered Article XXXIV.

A Board of Administration was created on June 3rd, 1937, and, as specifically provided for under Article XXXIV, said Board consists of five members, three of whom are appointed by the Mayor subject to the approval of the City Council, and two are elected by the active members of the Retirement System. All five members of the first Board of Administration, however, were appointed by the Mayor, as provided for in Article XXXIV, three being citizen members and two employee members, chosen from a list of nominees presented by the officers and employees affected by the System. The members of the Board of Administration serve without compensation, and they are charged with the exclusive management and control of the System and of the investment and disbursement of the Retirement Fund.

Subsequent to the organization of the Board of Administration on June 3, 1937, a tremendous amount of work had to be accomplished in order that the System might become operative as of July 1, 1937, in accordance with the mandate of the City Charter. This work involved, among other requirements, the purchase of office equipment and the employment of the necessary personnel.

## OFFICE PERSONNEL

The City Employees' Retirement System is under the management and control of the Board of Administration. Administrative and routine operations are carried on through the Manager-Secretary and Assistant Secretary, with a temporary office personnel of nine employees as of the end of the fiscal year, including seven record and computation clerks, one junior stenographer and one senior stenographer. In addition, a Deputy City Attorney is assigned to the legal work of this department on a part-time basis. All salaries are charged to Administrative Expense.

There was a gradual reduction in personnel during the last half of the first year's operation of the System, and plans for the establishment of the permanent staff, effective July 1, 1938, further reduced the number of employees.

### MEMBERSHIP ROLL

The active membership roster of the System at the completion of the current fiscal year comprised 6,120 employees, representing 36 City departments, excluding firemen, policemen and employees of the Department of Water and Power. Contributions from said members approximated \$50,000 each month by pay roll deductions, payable to the Retirement Fund. Of the total number of 6,120 employee members, 5,827 were under Civil Service, while 293 were non-Civil Service, known as exempt employees.

### CONTRIBUTIONS OF MEMBERS

Members' contributions are deducted from each pay check and forwarded by the Controller to the Board of Administration, who in turn deposits those amounts in the City Treasury to the credit of the City Employees' Retirement Fund. The rates of contribution vary from 3.96 per cent at age 18 to 6.78 per cent at age 59 or over. The rate paid by each individual depends upon his age at the time of entrance into the System. The average rate of contribution was calculated to be 5.65 per cent. These rates were determined by Consulting Actuaries based on mortality, service, and compensation.

The total contributions for the fiscal year received from members and which have been deposited with the City Treasurer aggregate \$609,568.20. Refunds made to members who have terminated their service with the City total \$13,010.80, while the total net amount of cash on deposit with the Treasurer on June 30, 1938, was \$1,054.68, the balance of moneys received by virtue of members' contributions having been invested in bonds authorized by the laws of the State of California as legal investments for savings banks.

### RETIREMENT ALLOWANCES

The total retirement allowances paid up to and including June 30, 1938, under three classifications, namely, service retirements, disability retirements, and limited pensions payable to widows and other dependents, amounted to \$109,842.76. Death benefits, payable in the amount of \$500 to the Estate of each deceased member after retirement as imposed under Section 511 (C) of Article XXXIV, totaled \$7,500.00.

## RETIREMENT ROLL

The number of retirements granted at the completion of the first year's operation of the System equaled 327. Of this number 279 were voluntary service retirements, 22 disability retirements, and 26 limited pensions payable to widows and other dependents.

Sufficient funds to pay the actual cost and expense of the Retirement System have been made available under an express provision of the Charter Amendment directing the Controller to loan such sums as may be required to the Retirement Fund from the Reserve Fund, such loan to be repaid by the Retirement Fund from the first available money placed therein. During the current fiscal year \$172,436.94 was appropriated to the Retirement Fund by the Controller.

## FINANCIAL STRUCTURE

The plan for financing of the Retirement System calls for the accumulation and maintenance of a fund on an actuarial reserve basis. The portion to be contributed by the City is clearly defined in the following resume of the decision rendered by the California State Supreme Court on December 23, 1937 on the Writ of Mandamus action, John F. McAlpine vs. John W. Baumgartner, et al. This favorable decision handed down by the Supreme Court definitely settled the City's financial obligation toward the Retirement System and was one of the most noteworthy events in the brief history of the City Employees' Retirement System.

## RESUME

(Supreme Court Decision, December 23, 1937)

The ruling of the court is, that Sec. 506 of the Charter requires any appropriation for the Retirement Fund to be made not later than the last day of August. The court further holds that on or before the last day of August, the City Council must levy a tax clearly sufficient to provide for the Retirement Fund in accordance with the requirements set up in the budget of the Board of Administration.

It is indicated in the opinion that no appropriation toward the cost of the System can be made for any particular fiscal year after the last day of August, the court saying (on page 8 of the typewritten opinion):

"The intention of the electors of the City of Los Angeles was not to confer upon the City Council the right to make such appropriation excepting at a time which preceded the date when the City Council was required to adopt the general tax ordinance."  
And again on page 10 the court says:

"Since in accord with other provisions of the Charter the general tax levy must be made 'before the last day of August,' it follows that the making of an appropriation is similarly limited."

So far as the 1937-1938 budget is concerned, under the decision, the time has gone by when either an appropriation or a tax might be levied. However, the court points out that the Board of Administration should include in its annual budget any deficit in the fund arising out of the fact that the appropriation for the previous year has proved inadequate, and that, for the fiscal year 1938-39, it would be entirely proper to include in the budget of the Retirement System whatever deficit may have resulted through the failure to tax or appropriate for the fiscal year 1937-38.

The final order of the court is that the City Council levy, on or before the last day of August, 1938, a tax, in addition to all other city taxes, which shall be sufficient to provide the total amount of all items in the budget of the Retirement Fund for the fiscal year 1938; or, as an alternative, if before the last day of August, 1938 the said City Council shall have appropriated all or any part of the total of the items in said budget, then and in that event that the Council, on or before said last day of August, shall levy a tax for the Retirement Fund clearly sufficient to provide the difference between any amount appropriated and the total amount of all items in the budget.

The court, in its decision, notes the special provision in Article XXXIV relative to the advancement of money for the Retirement Fund as a loan from the Reserve Fund until such loan can be repaid, and the general provision in the Charter empowering the Controller to keep all funds on a parity with their obligations so that for the balance of the present fiscal year the Retirement Fund may be provided for. Subsequent fiscal years will be provided for under the order of the court, either by tax or appropriation to be made each year, based upon the requirements of the Fund as set forth in the budget of the Board of Administration for each such fiscal year.

### STATISTICAL RECORDS

One of the most important achievements since the inception of the Retirement System was the intensive task of recording, condensing, and filing of the service record of each and every member of the System prior to July 1st, 1937, a great many of which went back more than 40 years.



## MAJOR ACTIVITIES

The three major activities of the System during the first half of 1938 were: First, a complete actuarial survey rendered to the Board of Administration at the commencement of the new calendar year. One of the essential points of this statistical report was to enable the Board to make the necessary budgetary estimates for the fiscal year of 1938-39. Second, the preparation of a budget for the fiscal year of 1938-39. Third, completion of all arrangements for the compulsory retirement of 120 employees 70 years of age and over, on July 1, 1938, as provided for in Section 508 (A) of Article XXXIV.

## ACTUARIAL SURVEY

An actuarial survey to determine the assets and liabilities of the System based on the first six months' operation, July 1, 1937 to December 31, 1937, inclusive, was conducted by a firm of Actuarial Consultants. It was imperative to perform this investigation in order to conform with requirements prescribed under Section 505 of Article XXXIV, and prior to the preparation of a budget applicable to the fiscal year, July 1, 1938 to July 1, 1939.

## BOND INVESTMENTS

Investments were not made during the first six months' period of the System because of litigation instituted to clarify the extent of authority vested in the City Council as to the establishment of the City's contribution required by Article XXXIV.

Par value of investments made during the last half of the fiscal year aggregated \$477,000. A complete description of all securities owned on June 30, 1938 is shown in detail on pages 14 and 15.

Securities purchased by the Board of Administration are in the custody of the Treasurer of the City of Los Angeles. The investments were recently inspected by the City Controller and found to be in agreement with this report.

A premium has been paid on all bonds purchased to date. These premiums are being amortized over the life of the bonds affected, which reduces the Earnings on Investments to the amount which the bonds were purchased to yield.

The unamortized bond premiums show a net sum of \$91,287.20 as of June 30, 1938, and represents the amount on that date which is to be charged off over the life of the bonds affected.

Interest earned but not received on bonds owned on June 30, 1938, amounting to \$6,106.77 is shown on page 12 of this report.

#### BOARD ELECTION

A primary nominating election was held by the members of the City Employees' Retirement System on June 3, 1938, for the offices of the Employee Members of the Board of Administration, and at its meeting held on June 22, 1938, the Board of Administration declared Mosier M. Meyer re-elected for the term commencing July 1, 1938 and ending June 30, 1943, and George A. Terhune elected for the unexpired term commencing July 1, 1938 and ending June 30, 1939, which resulted because of the resignation of Commissioner N. T. Powell and his subsequent retirement from city service.

**CITY OF LOS ANGELES**  
**CITY EMPLOYEES' RETIREMENT SYSTEM**

**INCOME AND DISBURSEMENTS**

As of June 30, 1938

**INCOME**

Members' contributions .....		\$584,350.40
Loan from City .....		172,436.94
Interest received on investments .....		5,532.50
<b>TOTAL INCOME</b> .....		<b>\$762,319.84</b>

**DISBURSEMENTS**

Investments—Par value .....	\$477,000.00	
Premiums .....	91,569.28	
Interest paid .....	7,248.14	575,817.42
Retirement allowances—Service—Prior .....	103,524.04	
Subsequent .....	140.05	
Disability .....	6,043.27	109,707.36
Annuities—Service .....	106.92	
Disability .....	28.48	135.40
Limited pensions—Widows .....	13,191.47	
Minors .....	1,043.87	14,235.34
Death claims .....		7,500.00
Refund of members' contributions .....		13,010.80
<b>Administrative Expense</b>		
Salaries .....	24,907.59	
Office expense and supplies .....	683.24	
Postage .....	228.50	
Printing .....	729.40	
Telephone .....	269.71	
Medical examinations .....	1,465.00	
Bond premiums (Surety) .....	250.00	
Actuarial expense .....	2,975.00	
Miscellaneous expense .....	2,447.25	33,955.69
Equipment—Furniture .....	1,100.58	
Typewriters .....	573.60	
Filing equipment .....	1,810.40	
Miscellaneous .....	3,418.57	6,903.15
Cash on Hand in City Treasury .....		1,054.68
<b>TOTAL DISBURSEMENTS</b> .....		<b>\$762,319.84</b>

**CITY OF  
CITY EMPLOYEES'  
BALANCE  
As of June**

**ASSETS**

Cash in Treasury .....		\$ 1,054.68
<b>Investments</b>		
Bonds—Par Value .....	\$477,000.00	
Bond Premiums—Unamortized (Net) .....	91,287.20	
	<u>                    </u>	
Total Bonds .....	\$568,287.20	
Accrued Interest on Investments .....	6,106.77	
	<u>                    </u>	
Total Investments .....		574,393.97
Contributions Due from City .....		172,436.94
Contributions of Members for Last Half of June, 1938, in Transit, Not Deposited in Fund .....	25,215.30	
Contributions of Members in Transit from Playground Dept. to Adjust June 15 Payroll .....	2.50	
	<u>                    </u>	
Total Members Contributions in Transit .....		25,217.80
<b>Suspense</b>		
Duplicate Refund of Contribution .....		41.70
		<u>                    </u>
TOTAL ASSETS .....		<u><u>\$773,145.09</u></u>

**LOS ANGELES  
RETIREMENT SYSTEM**

**SHEET**

30, 1938

**LIABILITIES**

Refunds from Members' Contributions Payable to Representatives of Deceased Members .....	\$ 506.09	
Refunds from Members' Contributions Payable to Living Non-Active Members and Members Whose Service has Terminated .....	5,178.56	
Total Refunds Payable .....		\$ 5,684.65
Accumulated Contributions of Members		
Not Retired .....	561,826.17	
Retired .....	3,872.98	
In Transit (Last Half of June) .....	25,215.30	
Total Members Contributions .....		590,914.45
Loan from City Reserve Fund .....		172,436.94
Undistributed Interest on Investments .....		432.52
Interest Credited to Members' Accounts .....		3,676.53
TOTAL LIABILITIES .....		<u>\$773,145.09</u>

**CITY OF LOS ANGELES**  
**CITY EMPLOYEES' RETIREMENT FUND—INVESTMENTS**  
As of June 30, 1938

Issue	Description	Coupon	Yield	Par Value	Unamortized 6-30-38	Accrued 6-30-38	Date of Maturity
1930	Golden Gate Bridge and Highway District.....	4.75 %	3.40 %	\$ 2,000.00	\$ 523.79	\$ 35.10	7-1-70
1930	Golden Gate Bridge and Highway District.....	4.75	3.40	3,000.00	709.09	52.64	7-1-71
1924	City of Long Beach Harbor.....	4.00	3.25	4,000.00	461.22	66.67	8-1-59
1924	City of Los Angeles City Hall.....	4.50	3.30	30,000.00	5,948.00	127.50	8-1-66
1924	City of Los Angeles City Hall.....	4.50	3.35	1,000.00	191.13	13.75	2-1-63
1926	City of Los Angeles City Hall.....	4.50	3.35	2,000.00	396.66	27.50	8-1-66
1924	City of Los Angeles City Hall.....	4.50	3.15	27,000.00	5,188.04	503.25	2-1-57
1924	City of Los Angeles City Hall.....	4.50	3.15	34,000.00	6,780.88	640.50	2-1-58
1926	City of Los Angeles City Hall.....	4.50	3.275	5,000.00	1,127.15	69.37	8-1-66
1924	City of Los Angeles Electric Plant.....	4.50	3.30	2,000.00	412.42	22.50	10-1-64
1926	City of Los Angeles Electric Plant.....	4.50	3.25	15,000.00	2,983.20	168.75	10-1-66
1926	City of Los Angeles Electric Plant.....	4.50	3.31	20,000.00	4,070.00	225.00	10-1-63
1924	City of Los Angeles Electric Plant.....	4.50	3.25	5,000.00	992.21	56.25	10-1-64
1921	City of Los Angeles Electric Plant.....	5.00	3.20	10,000.00	2,956.97	208.33	10-1-61
1928	City of Los Angeles Electric Plant.....	4.50	3.35	2,000.00	367.06	27.50	7-1-68
1928	City of Los Angeles Electric Plant.....	4.50	3.45	1,000.00	174.78	9.62	7-1-64
1924	City of Los Angeles Fire Boat.....	4.75	3.30	1,000.00	232.25	14.65	7-1-64
1923	City of Los Angeles Fire Protection.....	4.50	3.35	1,000.00	183.40	11.25	4-1-62
1921	City of Los Angeles Harbor Improvement.....	4.50	3.25	5,000.00	894.50	2.50	11-1-61
1928	City of Los Angeles Harbor Improvement.....	4.75	3.35	1,000.00	245.09	11.88	10-1-68
1931	City of Los Angeles Park Construction.....	4.00	3.20	5,000.00	812.60	58.33	3-16-71
1924	City of Los Angeles Police Protection.....	4.50	3.275	5,000.00	1,040.50	79.37	7-1-64
1925	City of Los Angeles Sewage Disposal.....	4.75	3.30	15,000.00	3,311.15	67.29	2-1-65
1925	City of Los Angeles Sewage Disposal.....	4.75	3.40	13,000.00	2,688.40	125.21	2-1-65
1925	City of Los Angeles Sewage Disposal.....	4.75	3.275	5,000.00	1,216.35	73.22	2-1-65
1925	City of Los Angeles Sewage Disposal.....	4.75	3.15	50,000.00	13,410.49	989.58	2-1-62
1925	City of Los Angeles Sewage Disposal.....	4.75	3.20	25,000.00	6,808.77	494.79	2-1-64
1925	City of Los Angeles Street Construction.....	4.00	3.25	10,000.00	1,306.13	37.78	1-1-71
1931	City of Los Angeles Street Construction.....	4.00	3.15	5,000.00	828.92	85.00	1-1-69
1931	City of Los Angeles Street Construction.....	4.00	3.15	5,000.00	812.95	85.00	1-1-68
1931	City of Los Angeles Street Construction.....	4.00	3.30	4,000.00	480.08	48.89	1-1-71
1931	City of Los Angeles Street Construction.....	4.00	3.15	5,000.00	820.35	58.34	3-16-68
1931	City of Los Angeles Street Construction.....	4.00	3.15	5,000.00	753.50	58.33	3-16-64
1924	City of Los Angeles Water Works.....	4.75	3.45	2,000.00	445.62	7.92	6-1-64
1934	City of Los Angeles Water Works.....	4.50	3.30	1,000.00	214.14	3.76	6-1-74
1936	City of Los Angeles Water Works.....	3.50	3.10	25,000.00	2,018.68	218.76	4-1-70

Fourteen

CITY EMPLOYEES' RETIREMENT SYSTEM

1031	City of Los Angeles Water Works.....	4.00	3.40	5,000.00	591.40	40.00	4-1-71
1924	City of Los Angeles Viaduct.....	5.00	3.20	5,000.00	1,177.00	104.17	2-1-55
1918	County of Los Angeles Flood Control District.....	5.00	3.30	3,000.00	630.71	45.83	7-1-54
1918	County of Los Angeles Flood Control District.....	5.00	3.30	2,000.00	459.10	30.55	7-1-58
1918	County of Los Angeles Flood Control District.....	5.00	3.30	2,000.00	477.97	30.56	7-1-57
1918	County of Los Angeles Flood Control District.....	5.00	3.30	2,000.00	405.29	30.56	7-1-58
1924	County of Los Angeles Flood Control District.....	5.00	3.30	1,000.00	229.26	15.42	7-2-64
1924	County of Los Angeles Flood Control District.....	5.00	3.35	5,000.00	1,011.04	68.06	7-2-54
1924	County of Los Angeles Flood Control District.....	5.00	3.35	5,000.00	1,058.30	68.06	7-2-55
1924	County of Los Angeles Flood Control District.....	5.00	3.45	1,000.00	230.07	10.41	7-2-64
1918	County of Los Angeles Flood Control District.....	5.00	3.20	5,000.00	1,274.26	105.56	7-1-57
1918	County of Los Angeles Flood Control District.....	5.00	3.20	6,000.00	1,585.82	126.67	7-1-56
1924	County of Los Angeles Flood Control District.....	5.00	3.25	5,000.00	1,186.05	116.00	7-2-56
1924	County of Los Angeles Flood Control District.....	5.00	3-25	7,000.00	1,729.47	162.33	7-2-57
1922	County of Los Angeles Los Angeles City High School District .....	4.75	3-45	3,000.00	622.92	30.48	9-1-62
1922	County of Los Angeles Los Angeles City High School District .....	4.75	3.30	3,000.00	707.40	42.34	9-1-62
1924	County of Los Angeles Los Angeles City High School District .....	5.00	3.35	1,000.00	284.63	15.28	7-1-64
1922	County of Los Angeles Los Angeles City High School District .....	4.75	3.35	1,000.00	226.50	14.51	9-1-62
1936	County of Los Angeles Los Angeles City High School District .....	3.25	3-10	5,000.00	121.02	69.06	1-1-61
1936	County of Los Angeles Los Angeles City High School District .....	3.50	3.05	5,000.00	329.10	74.37	1-1-58
1924	County of Los Angeles Los Angeles City High School District .....	5.00	3.20	5,000.00	1,199.56	104.17	8-1-55
1937	Metropolitan Water District of Southern California.....	4.00	3.65	5,000.00	385.80	1.66	8-1-63
1937	Metropolitan Water District of Southern California.....	4.00	3.05	25,000.00	1,910.50	8.34	8-1-62
1937	Metropolitan Water District of Southern California.....	4.00	3-65	12,000.00	908.52	4.00	8-1-61
1937	Metropolitan Water District of Southern California.....	4.00	3.65	1,000.00	76.42	.32	8-1-62
1937	Metropolitan Water District of Southern California.....	4.00	3.65	6,000.00	462.72	2.00	8-1-63
<b>TOTAL.....</b>				<b>\$477,000.00</b>	<b>\$ 91,287.20</b>	<b>\$ 6,106.77</b>	

**CITY OF LOS ANGELES  
CITY EMPLOYEES' RETIREMENT SYSTEM**

**STATEMENT OF MEMBERS ACCUMULATED CONTRIBUTIONS**

End of Fiscal Year June 30, 1938

<b>Members Accumulated Contributions:</b>		
Members Contributions Received During Year.....	\$584,350.40	
Members Contributions in Transit June 30, 1938.....	25,217.80	
Members Contributions Due from F. L. Brown.....	41.70	
		<u>\$609,609.90</u>
Less Withdrawals of Accumulated Contributions During Period		
July 1, 1937-June 30, 1938.....		<u>13,010.80</u>
Members Accumulated Contributions Balance Forward June 30, 1938.....		<u>\$596,599.10</u>

**ACCUMULATED CONTRIBUTIONS OF MEMBERS**

End of Fiscal Year June 30, 1938

	Cash and Payroll Deductions	Deduct Contributions Withdrawn	Add Interest Declared	Members Contributions at End of Year
June 30, 1938 (includes last half of June payroll deductions .....	\$609,609.90	\$13,010.80	\$3,676.53	\$600,275.63

**MEMBERS' CONTRIBUTIONS RECEIVED**

Fiscal Year 1937-1938

July 25, 1937.....	\$ 25,238.62
Aug. 10.....	26,731.26
Aug. 25.....	25,774.86
Sept. 10.....	27,186.52
Sept. 25.....	24,247.42
Oct. 10.....	25,545.65
Oct. 25.....	25,297.03
Nov. 10.....	25,288.39
Nov. 25.....	24,876.03
Dec. 10.....	25,603.52
Dec. 25.....	25,278.71
Jan. 10, 1938.....	25,331.05
Jan. 25.....	25,215.59
Feb. 10.....	23,850.67
Feb. 25.....	26,443.49
Mar. 10.....	25,384.44
Mar. 25.....	25,557.05
Apr. 10.....	25,444.78
Apr. 25.....	25,292.72
May 10.....	25,158.53
May 25.....	25,127.74
June 10.....	25,302.56
June 25.....	25,173.77
July 10.....	25,217.80
	<u>\$609,568.20</u>



**CITY OF LOS ANGELES**  
**CITY EMPLOYEES' RETIREMENT SYSTEM**

**MEMBERSHIP BY DEPARTMENTS**

As of June 30, 1938

Department	Civil Service	Exempt
1. Airport	11	—
2. Art	1	—
3. Assessments	39	—
4. Attorney	—	47
5. Budget and Efficiency	15	—
6. Building and Safety	243	—
7. City Clerk	37	—
8. City Employees' Retirement	9	2
9. Civil Service	32	—
10. Construction	35	9
11. Controller	59	2
12. Council	7	—
13. Custodian	216	—
14. Fire	69	9
15. Harbor	232	144
16. Health	272	23
17. Humane	54	—
18. Library	460	8
19. Mayor	4	—
20. Mechanical Engineers	20	—
21. Park	516	3
22. Fire and Police Pension	7	—
23. Planning	16	—
24. Playground and Recreation	263	2
25. Police	373	—
26. Printing	25	—
27. Public Defender	7	—
28. Public Utilities	20	—
29. Public Works	24	—
30. Purchasing	8	—
31. Receiving Hospital	106	—
32. Social Service	5	—
33. Street Lighting	49	—
34. Supplies	15	—
35. Treasury	76	—
36. Engineering	2,502	44
	<u>5,827</u>	<u>293</u>
<b>TOTAL MEMBERSHIP</b>	<b>6,120</b>	

**CITY OF LOS ANGELES  
CITY EMPLOYEES' RETIREMENT SYSTEM**

**RETIREMENTS—BY DEPARTMENT**

**Fiscal Year 1937-1938**

Engineering .....	242
Bureau of Assessments .....	1
Budget and Efficiency .....	1
Building and Safety .....	14
City Clerk .....	1
Civil Service .....	1
Controller .....	1
Custodian .....	8
Fire .....	1
Harbor .....	4
Health .....	8
Library .....	3
Mechanical Engineers .....	1
Park .....	29
Playground .....	2
Police .....	5
Right of Way and Land .....	1
Receiving Hospital .....	1
Street Lighting .....	1
Treasury .....	2

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**CITY OF LOS ANGELES  
CITY EMPLOYEES' RETIREMENT SYSTEM**

End of Fiscal Year, 1937-1938

**MEMBERSHIP EXPERIENCE**

	Members at End of Year	New Members During Year	Withdrawals During Year	Members Repositing	Deaths During Year	Retired During Year	Limited Pensions Granted Widows	Minors	Dep. Parents
June 30, 1938.....	6,120	6,403	283	.....	82‡	301	24°	2	.....

**EXPERIENCE IN MISCELLANEOUS AVERAGES**

	Average Service Retirement Allowance Paid	Average Attained Age of Service Retirements	Average Disability Retirement Allowance Paid	Average Attained Age of Disability Retirements	Average Attained Age of Active Members Deceased
June 30, 1938.....	\$40.23	72.67	\$45.65	55.55	50.92

**SERVICE RETIREMENT ALLOWANCES PAID**

	Annuities	Prior Service	Subsequent Service	Total
June 30, 1938.....	\$106.92	\$103,524.04	\$140.05	\$103,771.01

**DISABILITY RETIREMENT ALLOWANCES PAID**

	Annuities	Disability Allowances	Total
June 30, 1938.....	\$28.48	\$6,043.27	\$6,071.75

**SERVICE AND DISABILITY RETIREMENT ROLLS**

	Number Retired During Year		Number Deceased During Year		Retirements Discontinued		Optional Retirements to Survivors	Retirement Roll at June 30, 1938	
	Service	Disability	Service	Disability	Service	Disability		Service	Disability
June 30, 1938.....	279	22	24	2	...	...	...	258‡	21†

† Discontinued in May.  
 ‡ Deceased during June.  
 † Deceased during June.  
 ‡ Eligible for limited pensions to dependents.

**CITY OF LOS ANGELES  
CITY EMPLOYEES' RETIREMENT SYSTEM  
STATISTICAL STATEMENT OF DEATHS  
Fiscal Year 1937-1938  
ACTIVE MEMBERS**

NAME	Dept.	Date of Death	Age at Death	Length of Service	Amount Paid Dependents
Adams, Geo. T.	Engrg.	1-12-38	75	30	\$ 617.42
Ashford, L. D.	Park	1-2-38	69	14	296.77
Beecher, Henry N.	Bldg.&Safety	9-3-37	70	35	1,466.39
Blake, Andrew B.	Police	1-2-38	56	6	—
Boyer, Peter	Harbor	11-12-37	63	13	886.69
Booher, Grant	Harbor	4-1-38	56	5	—
Burg, H. C.	Mech. Revolving	12-12-37	69	22	—
Carroll, J. A.	St. Maint.	1-30-38	76	14	—
Casey, F. M.	Engrg.	3-20-38	54	22	436.13
Chatman, Joe	Engrg.	3-29-38	45	12	—
Davis, Chas. T.	Engrg.	1-9-38	62	16	310.43
Dee, Geo. W.	Engrg.	2-23-38	43	11	679.02
Dimitry, G. F.	St. Maint.	2-2-38	75	27	486.69
Driskell, Clyde N.	Bldg.&Safety	1-21-38	45	1	—
Edmonds, Walter C.	Park	3-25-38	49	10	—
Fisher, H. M.	Engrg.	7-7-37	77	29	496.75
Ford, G. K.	St. Maint.	1-18-38	65	14	—
Gaines, Andrew	Engrg.	12-25-37	52	15	—†
Gattiglio, Michele	Engrg.	11-1-37	66	12	421.60
Gordon, John W.	Custodian	7-1-37	78	11	626.15
Gray, Walter C.	Park	3-3-38	47	11	—
Harman, Roy	Park	7-1-37	57	10	—
Harrison, G. T.	Engrg.	6-24-38	31	10	—‡
Harrison, J. H.	Park	8-12-37	64	11	557.18
Hayes, Robt. F.	Engrg.	8-27-37	33	10	—
House, John	Engrg.	2-12-38	52	1	—
Hundley, A.	St. Maint.	12-21-37	55	10	—
Jackson, Charlie	Engrg.	9-14-37	54	16	—†
Johnson, C. B.	St. Maint.	10-11-37	38	4	—
Lasser, August	Engrg.	7-30-37	73	26	644.50
Lawyer, Ila C.	Harbor	12-13-37	64	7	—
Le Cates, Wm. T.	Bldg.&Safety	7-27-37	38	12	—
Lewis, Earl A.	Police	2-26-38	54	13	—
Marsteller, John J.	Custodian	11-13-37	52	9	—
McCarrel, Roy	Humane	3-16-38	49	18	—
McClanahan, Algie	Engrg.	6-24-38	56	11	—‡
McConnell, B. F.	Engrg.	7-9-37	76	26	622.13
McGlinicy, E. A.	Recg. Hospital	5-19-38	39	12	111.18
Miller, Geo.	St. Maint.	11-29-37	65	26	—
Mittenzwei, F. E.	Bldg.&Safety	10-24-37	61	25	819.13
Nelson, August	Engrg.	10-24-37	39	7	—
Ransom, J. V.	St. Maint.	4-18-38	54	26	—§
Rossiter, Frank J.	Park	4-14-38	55	8	—
Rosvold, Nils	Harbor	9-23-37	56	11	837.93
Ruthstrom, Elinor	Council	2-28-38	31	4	—
Seebold, A. H.	Health	10-15-37	63	14	719.01
Smith, Wm. B.	Engrg.	4-27-38	59	6	—
Taylor, Clarence E.	Health	6-18-38	48	16	—†
Threats, Benjamin	Engrg.	10-15-37	56	23	456.74
Thorne, H. M.	St. Maint.	7-13-37	40	8	—
Voorhes, K. E.	Bldg.&Safety	11-17-37	61	20	819.12
Wagner, Geo.	Engrg.	2-4-38	44	1	—
Walker, J. M.	Police	3-1-38	52	21	317.42
Webb, A. G.	Engrg.	6-25-38	37	15	—§
Wiard, Ross	Engrg.	2-3-38	55	13	489.29
Woodley, M. W.	St. Lighting	7-15-37	44	21	1,117.67

TOTAL	\$14,235.34
Accumulated Contributions Refunded to Beneficiaries	1,956.15
<b>GRAND TOTAL</b>	<b>\$16,191.49</b>

†No Application filed for limited pension.

‡Payable during next fiscal year.

\*Ineligible.

†Pending.

**CITY OF LOS ANGELES**  
**CITY EMPLOYEES' RETIREMENT SYSTEM**  
**STATISTICAL STATEMENT OF DEATHS**  
**Fiscal Year 1937-1938**

NAME	Dept.	Date of Death	Age at Death	Length of Service	Amount Paid Estate
Arrington, Milton	Engrg.	5-31-38	82	12	\$ _____
Boswell, John R.	Park	12-23-37	67	25	500.00
Brawley, Harry E.	Engrg.	4-10-38	69	21	500.00
Browder, John W.	Engrg.	1-20-38	80	12	500.00
Coscarelli, Michele	Engrg.	6-24-38	71	11	_____
Dodge, Herbert B.	Engrg.	5-7-38	78	22	_____
Dye, James	Engrg.	3-6-38	65	21	500.00
Emmett, Thomas A.	Park	12-4-37	71	16	500.00
Ernsberger, Raymond J.	Engrg.	5-23-38	66	13	_____
Furtsch, George	Health	6-13-38	88	36	_____
Grau, William A.	Engrg.	10-27-37	65	16	500.00
Hoech, George W.	Engrg.	3-7-38	77	19	500.00
Jessup, Elmer L.	Engrg.	6-8-38	65	28	_____
Johnson, Edward J.	Park	6-21-38	54	13	_____
Leachman, Robert H.	Park	2-7-38	44	11	_____
McCuen, T. B.	Engrg.	4-3-38	78	24	500.00
Martin, Wesley C.	Park	5-8-38	63	10	_____†
Pickard, Samuel	Engrg.	4-26-38	83	17	_____
Sawyer, Alexander D.	Playground	5-1-38	72	14	_____
Snyder, Charles H.	Custodian	11-13-37	70	10	500.00
Stassi, Joe	Engrg.	12-10-37	72	24	500.00
Vincent, Emil	Engrg.	5-1-38	69	22	500.00
Wilkerson, Niles E.	Engrg.	10-28-37	68	11	500.00
Williams, Major	Engrg.	2-16-38	69	12	500.00
Wilson, Henry B.	Custodian	10-23-37	80	32	500.00
Wilson, Thomas	Park	4-5-38	74	25	500.00
<b>Total</b>					<b>\$7,500.00</b>
<b>Unused Accumulated Contributions</b>					
<b>Refunded to Beneficiaries</b>					<b>156.03</b>
<b>GRAND TOTAL</b>					<b>\$7,656.03</b>

\*Pending.

†No claim filed.

**CITY OF LOS ANGELES  
CITY EMPLOYEES' RETIREMENT SYSTEM  
Fiscal Year 1937-1938**

<b>SEGREGATION OF SERVICE RETIREMENT ALLOWANCES</b> Showing Various Amounts Drawn		<b>SEGREGATION OF DISABILITY RETIREMENT ALLOWANCES</b> Showing Various Amounts Drawn
\$ 30.00 and Under.....	84	13
30.01 to 35.00.....	24	1
35.01 " 40.00.....	42	—
40.01 " 50.00.....	53	4
50.01 " 60.00.....	24	1
60.01 " 70.00.....	8	—
70.01 " 80.00.....	4	—
80.01 " 90.00.....	8	1
90.01 " 100.00.....	3	—
100.01 " 110.00.....	2	1
110.01 " 120.00.....	2	—
120.01 " 130.00.....	1	—
160.01 " 170.00.....	1	—
180.01 " 190.00.....	2	—
<b>TOTAL</b> .....	<b>258*</b>	<b>21†</b>

**SEGREGATION OF AGES  
ATTAINED BY SERVICE**  
Retirement Pensioners in 1937-1938  
Age as of Birthday Nearest  
June 30, 1938.

60.....	1	76.....	7
61.....	5	77.....	5
62.....	6	78.....	15
63.....	12	79.....	8
64.....	13	80.....	4
65.....	10	81.....	4
66.....	9	82.....	11
67.....	16	83.....	2
68.....	15	84.....	5
69.....	19	85.....	5
70.....	17	86.....	3
71.....	11	87.....	1
72.....	8	88.....	3
73.....	12	89.....	1
74.....	8	90.....	—
75.....	18	91.....	1
<b>TOTAL</b> .....		<b>255</b>	

**SEGREGATION OF AGES  
ATTAINED BY DISABILITY**  
Retirement Pensioners in 1937-1938  
Age as of Birthday Nearest  
June 30, 1938.

44.....	2	54.....	—
45.....	—	55.....	3
46.....	—	56.....	2
47.....	1	57.....	2
48.....	—	58.....	2
49.....	—	59.....	1
50.....	1	60.....	2
51.....	1	61.....	1
52.....	—	75.....	1
53.....	1		
<b>TOTAL</b> .....		<b>20</b>	

\* Deceased during month of June.  
† Deceased during month of June.

# CHARTER AND ORDINANCE PROVISIONS GOVERNING CITY EMPLOYEES' RETIREMENT SYSTEM

## ARTICLE XXXIV

### CITY EMPLOYEES' RETIREMENT SYSTEM

**Sec. 500.** There is hereby created, established and adopted a retirement system for all officers and employees of the City of Los Angeles not now included within any pension or retirement system under the provisions of this charter, whereby such employees who shall have reached the age of sixty (60) years or over, or who shall have become incapacitated as the result of any disability, may, without hardship or prejudice, be replaced by more capable employees, and whereby the widows or minor children or dependent parents of such employees may be temporarily provided for upon the death of such employees. Said retirement system shall be known as "CITY EMPLOYEES' RETIREMENT SYSTEM."

**Sec. 501. DEFINITIONS.** For the purpose of this Article the following words and phrases shall have the meaning ascribed to them in this section unless a different meaning is clearly indicated by the context:

**"Accumulated Contributions":** Shall mean the total of the amounts paid into the fund by deduction from the employee's salary, together with regular interest thereon.

**"Annuity":** Shall mean payments for life derived from the accumulated contributions of a member as provided in this Article.

**"Beneficiary":** Any person receiving, or entitled to receive, any benefit provided by this Article.

**"City Service" or "Service":** Service rendered as an employee of the city for compensation, and for the purpose of this Article a person shall be considered as being in the city service only while he is receiving compensation from the city for such services.

**"Compensation Earnable":** Shall mean the salary, wage or compensation established for any position or office in the city service for the particular period involved in any calculation required, provided that any portion of such salary or wage in excess of Five Hundred Dollars (\$500) per month shall be disregarded.

**"Continuous Service":** As applied to prior service means all prior city service regardless of interruptions in such service; and as applied to service as a member it shall mean uninterrupted city service except that discontinuance of such service of a member for any cause whatever, followed by re-entrance into the city service within three years from the date of such discontinuance, shall not be considered as a break in the continuity of service.

**"Employee":** Shall mean any person in the employ or service of the City of Los Angeles in any capacity or rank whatever and regard-

less of whether the position held by any such person is classed as an office or employment, at a regular salary, wage, or compensation of more than Sixty (\$60.00) Dollars per month, provided that any person occupying a half-time position at a salary which, multiplied by two, amounts to One Hundred (\$100.00) Dollars or more per month, shall be included within the definition of "employee" as used herein.

**"Final Compensation"**: The average annual compensation earnable by a member during the ten-year period of service immediately preceding the date of his retirement.

**"Member"**: Any person included in the membership of the retirement system under the provisions of Sec. 502 of this Article.

**"Prior Service"**: The city service of an employee as defined herein, at any time before the 1st day of July, 1937.

**"Regular Interest"**: Interest upon the accumulated contributions of the members at such rate as the Board of Administration may deem proper in the light of the earnings on the retirement fund, such interest to be credited to the individual account of each member as of the first days of January and July of each year.

**"Reserve Basis"**: A system which provides for the accumulation and maintenance of a fund which will at all times be equal to the difference between the present value of the obligations assumed and the present value of the money to be received for paying such obligations, where such present values are estimated in accordance with accepted actuarial methods and on the basis of an assumed rate of interest and the mathematical probabilities of the occurrence of such contingencies as affect both the payment of the assumed obligations and the receipt of money with which they are to be paid.

#### Sec. 502—MEMBERS OF THE SYSTEM.

A. All employees in city service in the classified Civil Service of the city under the provisions of this charter, on the 1st day of July, 1937, shall become members of said retirement system, and all persons entering the city service as Civil Service employees after said date shall, upon the expiration of their probationary period, become members of said system; provided that any employee who would be excluded from membership under the foregoing provisions may become a member of the system upon filing with the Board of Administration a written declaration of his desire to become such member, such written declaration to be filed within thirty (30) days after July 1st, 1937, as to all persons in the city service on said date, and within thirty (30) days after the commencement of such city service in the case of all employees entering the service after said date. In the event of such declaration being filed, membership in said system shall be effective, for all purposes of this Article, as of the said 1st day of July, 1937, or as of the date of entry into the city service, as the case may be. Nothing herein contained, however, shall permit the inclusion in said system of those persons excluded by the provisions of subdivision B of this section.

B. The following employees shall not become members of said retirement system:

- (1) Elective officers;



(2) All appointive officers, other than those holding full-time positions at a regular salary, wage, or compensation fixed by this charter or by ordinance. Nothing in this subsection, however, shall be deemed to exclude the employee members of the Board of Administration created by this Article.

(3) Those members or employees of the Fire Department and the Police Department who are entitled to benefits under the provisions of Article XVII of this Charter; the employees of the Department of Water and Power, entitled to benefits under the general plan and system authorized under the provisions of Sec. 220.1 of this charter.

(4) The employees of the Board of Education, of the Advisory Borough Boards, of the Board of Trust Commissioners, of the Municipal Housing Commission, and of any other board or department now or hereafter excluded by this charter from pension provisions.

(5) Employees appointed to temporary positions other than employees who, at the time of such appointment, are not members of said retirement system.

(6) Employees serving under emergency appointment to positions in the classified Civil Service who, at the time of such appointment, are not on a leave of absence from a Civil Service position.

(7) Inmates of city institutions who are allowed compensation for such services as they are able to perform.

(8) Persons in city institutions principally for the purpose of receiving training but who receive compensation.

(9) Persons employed under contract for a definite period or for the performance of a particular special service.

(10) Employees serving on a part-time basis of less than one-half ( $\frac{1}{2}$ ) time.

### Sec. 503. ADMINISTRATION.

The City Employees' Retirement System shall be under the exclusive management and control of a Board of Administration which is hereby created. Said Board shall consist of five members, three of whom shall be appointed by the Mayor subject to the approval of the Council, and two of whom shall be elected by the active members of said retirement system in such manner as the Council shall, by resolution, determine, provided that the first Board of Administration shall be appointed by the Mayor, subject to the approval of the Council, within twenty days from the ratification of this Article by the legislature, and the first two employee members shall be chosen from a list of nominees presented by the officers and employees who may be affected by such system.

The members of such Board shall serve without compensation and their terms of office shall be five years, provided that the members of the first Board shall so classify themselves by lot that the term of office of one such member shall expire each year, beginning July 1st, 1938.

Said Board of Administration and general manager shall have and exercise all of the powers and duties now or hereafter granted or imposed under the provisions of Article VI of the charter upon the boards of commissioners and general managers of the several departments of the city government the finances of which are not included in the general budget,

save only as such powers and duties may be limited or enlarged by the provisions of this article, said City Employees' Retirement System being considered for all purposes as a department of the city government given control of definite revenues and funds.

Upon their appointment the members of the Board of Administration shall forthwith proceed to organize for the management and operation of the retirement system hereby created, by securing suitable quarters, equipment and supplies, and by the employment of such personnel as may be necessary. The position of general manager of said retirement system shall be exempt from the Civil Service provisions of this charter and the position of secretary may be consolidated with that of general manager, in the discretion of the Board.

Said Board of Administration shall have and hereby is granted full power and authority to adopt and enforce all such rules and regulations as it may deem necessary for the carrying out of the provisions of this Article. If it shall be impracticable for said Board to determine from the records the length of service, the compensation, either final or earnable, or the age of any member, the Board may estimate, for all purposes of this Article, such length of service, compensation, or age. It shall determine and fix the amount of service rendered, which shall be the equivalent of a year of service, provided that not more than one year of service shall be credited for all services rendered during any one year. In all cases where compensation of any member consists in part of payment for the use of equipment owned and operated by such member personally, the Board of Administration shall fix and determine for all purposes of this Article a compensation for the personal service of such member which shall be in keeping with the salary or wage paid by said City for comparable service, and the compensation so fixed by the Board shall be the basis and the only basis for the calculation of the contributions of such member and any and all benefits provided for in this Article. Each member shall file with said Board such information affecting his status as a member of said retirement system, as said Board may require, and the administrative head of each department of the city shall furnish to said Board such information relative to any member, and his status, as it may request.

#### **Sec. 504. RETIREMENT FUND.**

That there be and there is hereby created and established a fund to be known as "City Employees' Retirement Fund" for the payment of administration expense, retirement allowances and other benefits of the retirement system, which fund shall consist of all money paid into said fund in accordance with the provisions of this Article, and earnings from investments. The Board of Administration shall have exclusive control of the administration and investment of said fund; provided, however, that any money in said fund shall be kept on deposit in the city treasury or be invested in bonds or other securities authorized by the laws of the State of California as legal investments for savings banks. Such bonds or securities purchased under the provisions of this section shall be placed in the custody of the Treasurer, who is hereby directed to act as a depositary for such bonds or securities.

All payments from said fund shall be made by the Treasurer only

upon demands prepared and approved in accordance with the provisions of this charter. In order that the system created by this article may become operative as of the 1st day of July, 1937, the Controller is authorized and directed to loan to the Retirement Fund from the Reserve Fund such sums as may be required, such loan to be repaid by the Retirement Fund from the first available money therein. Any other provision of this charter to the contrary notwithstanding, no part of said fund shall be transferred to any other fund, in any manner or for any purpose except in the payment of an obligation of the retirement system as provided in this article.

#### **Sec. 505. ACTUARIAL STANDARDS.**

The said Board of Administration shall adopt an actuarial report showing the cost of maintaining, upon a reserve basis, said retirement system and fund, and shall, at intervals of not to exceed five years from the time of securing the first actuarial report, cause to be made an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries, and shall further cause to be made an actuarial valuation of the assets and liabilities of said retirement fund. Said Board shall keep in convenient form such data as shall be necessary for the actuarial valuation of the retirement fund herein established.

A. Upon the basis of such investigation and valuation the said Board of Administration shall:

(1) Adopt for said retirement system such interest rate and such mortality, service and other tables as shall be deemed necessary by said Board;

(2) Revise or change the rates of contributions by members, on the basis of such mortality, service, and other tables.

B. In addition to other records and accounts, said Board shall keep such records and accounts as shall be necessary to show at any time:

(1) The total accumulated contributions of the members, both individually and collectively;

(2) The total accumulated contributions of retired members, less the annuity payments made to such retired members;

(3) Separately the amounts paid into said fund by the City on account of that part of the cost of the System to be borne by said City.

C. Said Board shall cause to be prepared at the close of each fiscal year a financial statement showing the assets and liabilities of said retirement system and fund.

#### **Sec. 506. BUDGET.**

Said Board shall annually prepare and transmit to the Mayor and Controller a budget setting forth the estimated cost of maintaining said retirement fund, which said budget shall include therein separate items as follows:

(1) A sum equal to a percentage of the salaries of all members of said retirement system, which said percentage shall be the same as that shown in the last actuarial report rendered, as hereinbefore provided to

be the percentage required for members of such departments with no past service.

(2) A sum sufficient to liquidate, over a period of years to be determined by said Board, the deficit shown by said last rendered actuarial report to have accrued because of prior service of members.

(3) The amount of any deficit which may remain in said retirement fund in the event the appropriation of any previous year shall have proved insufficient to pay the demands drawn against said retirement fund.

(4) Administration expense.

For the purpose of providing funds to meet the budget for said City Employees' Retirement Fund the Council or Controller shall annually levy, in addition to all other taxes levied by the City, a tax clearly sufficient to provide the total amount of all items in said budget; provided, however, that said City Council may appropriate from any available funds, all or any part of the total amount of all or any of the items in the budget for said City Employees' Retirement Fund, in which event the tax levy to be made for said fund shall be clearly sufficient to provide the difference between the amount so appropriated and the total amount of all items in said budget.

#### Sec. 507. CONTRIBUTIONS OF MEMBERS.

Each member of said retirement system shall contribute to said retirement fund by salary deduction at the rate of contribution established by the Board of Administration. The rate of such contribution and deduction shall be expressed as a percentage of the compensation earned and shall be based on age at the time of entrance into the system, and shall be such as will accumulate on the average and on a reserve basis a sum sufficient for the payment of an annuity one one-hundred fortieth (1/140) of the final compensation of such member, multiplied by the number of years and parts thereof of city service subsequent to the 1st day of July, 1937; provided that deductions for members who are more than fifty-nine (59) years of age at the time of becoming members must be at the rate of contribution established and adopted for the age of fifty-nine (59) years.

The Board of Administration shall certify to the administrative head of each department or office the rate of contributions for each member in said department or office. The administrative head of each such department or office shall cause to be applied such rate of contribution to so much of the compensation of each member as does not exceed Five Hundred (\$500.00) Dollars per month and shall cause to be certified to the Controller on each and every payroll the amount to be contributed by each member whose name appears on such payroll, and shall cause to be deducted from the compensation of each member, exclusive of compensation for overtime, the amount of the contribution of such member, and shall cause to be drawn a payroll check for the total amount of such contributions which shall be paid into said City Employees' Retirement Fund. It shall be the duty of the administrative head of each department or office to cause to be furnished to said Board a copy of each and every payroll hereinbefore mentioned. Said Board shall cause to be credited, together with regular interest, to an individual ac-

count of each member, the contribution made by or for such member as hereinabove provided.

Each member shall be deemed to consent and agree to each deduction made as provided for herein and the payment of each payroll check to such member shall be a full and complete discharge and acquittance of all claims and demands whatever for the services rendered by each member during the period covered by such payroll except such claims as such member has to the benefits or payments provided for in this Article. The right of each and every member to be paid his accumulated contributions and the further right to be paid his accumulated contributions in the event of any subsequent repeal of this Article, are hereby declared to be vested property rights of each such member.

#### **Sec. 508. SERVICE RETIREMENT.**

Retirement of a member for service shall be made by the Board of Administration as follows:

A. Every member who shall have reached the age of seventy (70) years or more at any time prior to the first day of July, 1938, shall be retired forthwith on said date. After said date each member, upon reaching the age of seventy (70) years, shall be retired as of the first day of the calendar month next succeeding that month during which he shall have reached said age of seventy (70) years, provided, however, that the compulsory retirement at age seventy (70) hereinabove provided for shall not apply to the chief administrative officer of any department when the Board or officer having the power of appointment of such chief administrative officer requests in writing to the Board of Administration the retention of such chief administrative officer. Notwithstanding any other provision of this charter, from and after the 1st day of July, 1938, no person over the age of seventy (70) years shall occupy or continue to occupy any position or employment in the city service where such occupant in such position would be a member of said retirement system if under age seventy (70).

B. Any member who shall have completed ten (10) or more years of continuous service as defined herein, and who shall have reached the age of sixty (60) years, may be retired upon filing with said Board of Administration a written application for retirement setting forth the date upon which said member desires such retirement to become effective, which said date shall be not less than thirty (30) days or more than sixty (60) days from and after the date of filing such application.

C. Any member retired on account of service shall receive a retirement allowance which shall consist of:

(1) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, calculated in accordance with approved actuarial methods.

(2) A pension for services rendered subsequent to July 1, 1937, which pension shall be equal to one one-hundred-fortieth (1/140) of the final compensation of such member, multiplied by the number of years and parts thereof of such subsequent service.

(3) Each member having credit for prior service shall receive an additional pension provided by the city equal to one-seventieth (1/70) of

the final compensation of such member, multiplied by the number of years of such prior service; provided that every member who becomes such by virtue of being an employee on the 1st day of July, 1937, and who is compulsorily retired by reason of having reached the age of seventy (70) years as herein provided, shall receive such additional pension that his retirement allowance shall be not less than thirty (30) percent of the average annual compensation earnable by such member during the last ten-year period or such portion thereof as he was employed immediately preceding his retirement.

No person who shall have been retired from the service and employment of the City of Los Angeles pursuant to the provisions of this article shall, during such retirement, be paid for any service rendered to said city as an official or employee of said city after the date of such retirement except for service rendered as an election officer or as an officer elected by the electors of said city.

#### **Sec. 509. OPTIONAL RETIREMENT ALLOWANCE.**

At the time of making application for a voluntary retirement or at any time before the first payment of the retirement allowance on account of any compulsory retirement, the member to be retired, or retired, as the case may be, may elect to receive in lieu of his retirement allowance as provided in Sec. 508 the actuarial equivalent at that time of such retirement allowance in a lesser amount, payable throughout the balance of his life, with the provision that upon his death his lesser allowance shall be continued through the life of and paid to (1), his surviving widow; or (2), his minor children, in the event there be no surviving widow; or (3), his dependent parents in the event there be no surviving widow or minor children; provided that any optional allowance payable to a minor child shall terminate with the monthly payment next preceding the date on which said child attains the age of eighteen (18) years. Such election shall be evidenced by a written statement filed with the Board of Administration.

The amount of every such optional retirement allowance shall be so calculated that the liability of the system at the date of retirement under the optional allowance shall be equal to the liability of the system at the same date under the retirement allowance provided in Sec. 508. For the purpose of this section, the liability of the system is defined as the present value, in accordance with tables adopted by the Board, of the retirement allowance or optional retirement allowance, calculated by approved actuarial methods, giving due weight to the average probabilities of survivorship of all parties involved in the allowance, or optional allowance, to the limitation of payments to age eighteen in the case of a minor child, and to the requirement for refund of unused contributions after the death of the member or beneficiary as provided for in Sec. 511.

#### **Sec. 510. DISABILITY RETIREMENT.**

A. Any member who has ten or more years of continuous service and who has become physically or mentally incapacitated and who is incapable, as a result thereof, of performing his duties, may be retired upon written application of such member, or of any person acting in his behalf, or of the head of the department in which such member is em-

ployed. Any such written application may be made at any time within, but not exceeding, six months after the discontinuance of the service of such employee if such incapacity has been continuous from the discontinuance of such service.

Said Board shall cause such member to be examined by and a written report thereon rendered by three regularly licensed, practicing physicians selected by said Board and shall hear such other evidence relating to such disability of such member as may be presented to said Board. If, upon considering the report of such physicians and such other evidence as shall have been presented to it, said Board finds that said member has become physically or mentally incapacitated and is incapable, as a result thereof, of performing his duties and if said Board finds that such disability was not due to intemperance or the wilful misconduct of such member, he shall be retired forthwith and shall receive a disability retirement allowance which shall consist of:

(1) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement calculated in accordance with approved actuarial methods; and

(2) A pension which, together with his annuity, shall make his retirement allowance equal to one-eightieth ( $1/80$ ) of his final compensation, multiplied by the number of years of continuous service of such member; provided, however, that any member whose service if continued to the age of sixty (60) years would amount to eighteen (18) years or more, shall receive a pension which, together with his annuity, shall make his retirement allowance not less than one-fourth ( $1/4$ ) of his final compensation.

B. The Board of Administration may, in its discretion, require any beneficiary under the age of sixty (60) years who shall have been retired because of disability, to submit to medical examination by three regularly licensed practicing physicians selected by the Board; upon the basis of such examination and other proper evidence, said Board shall determine whether such beneficiary is still incapacitated for service in the position held by him at the time of his retirement. If said Board shall determine that such beneficiary is not so incapacitated, he shall be restored to duty in the position held by him at the time of said retirement order, and upon his return to active service his retirement allowance shall be cancelled.

Should any such beneficiary re-enter the service of the city, as hereinabove provided, and be eligible for membership in said retirement system, he shall immediately upon such re-entry become a member of said retirement system, and thereafter his rate of normal contributions shall be that established for his age at the time of such re-entry. The balance, if any, of his accumulated contributions, after deducting the annuity payments made to him on account of his disability retirement allowance, shall be credited to the individual account of such member and he shall receive credit for services rendered by him prior to the date of such retirement order in the same manner as though such member had never been retired for disability.

C. The failure, neglect, or refusal of any beneficiary, under the provisions of this section, to submit to such medical examination as the Board may order pursuant to subdivision B hereof, within such reasonable time as said Board may determine upon, shall be sufficient cause for

the cancellation of such retirement allowance, in the discretion of said Board, in which event the accumulated contributions of such beneficiary, less any payments made on account of the annuity provided herein, shall be returned to such beneficiary.

Said Board of Administration shall have the power to hear and determine all matters pertaining to the granting or termination of any retirement allowance provided for in this section, and the determination of said Board shall be final and conclusive.

#### **Sec. 511. PAYMENTS UPON DEATH.**

A. Upon the death of any member before retirement his accumulated contributions shall be paid to his estate or to such person having an insurable interest in his life as he shall have nominated by written designation duly executed and filed with the Board of Administration, and, in the event that any such deceased member shall have had ten or more years of continuous service, then in addition to the payment of his accumulated contributions as hereinbefore provided there shall be paid to:

- (1) His widow, or
- (2) His minor children in the event that there be no surviving widow, or
- (3) To his dependent parents, in the event that there be no surviving widow nor minor children, a limited pension, amounting to one-half ( $\frac{1}{2}$ ) of the compensation earnable of such member during the last year of service, which pension shall be paid in twelve equal monthly payments, provided, however, that no such limited pension shall be paid in the event that the Board of Administration, upon investigation and after a hearing in the matter, shall find that the death of such member was due to or resulted from the intemperance or the wilful misconduct of such member.

B. Upon the death of any member after retirement, or upon the death of the beneficiary in the event such member determined upon an optional retirement allowance as provided in Section 509, then the unused contributions of such deceased member shall be paid to his estate or to such person having an insurable interest in his life as he shall have nominated by written designation duly executed and filed with the Board of Administration.

For the purpose of this sub-section, the phrase "unused contributions" shall mean the remainder, if any, of the accumulated contributions of such deceased member after deducting the total of all amounts paid on account of any annuity to such member and to his beneficiaries in the event optional allowance has been taken as herein provided.

C. Upon the death of any member, after retirement, there shall be paid to the estate of such deceased member, in addition to any other payments hereinbefore provided to be made, the sum of \$500.00.

#### **Sec. 512. WITHDRAWAL OF ACCUMULATED CONTRIBUTIONS.**

Every member who becomes separated from the service of the city and who does not receive any retirement allowance as provided in this Article, shall nevertheless, receive and be paid his accumulated contribu-



tions upon written demand made to the Board of Administration; provided that he may permit such accumulated contributions to remain in the fund, in which event should he thereafter, and within three years from the date of his separation from the city service, re-enter such service and as a result of such re-entry again become a member in said retirement system, he shall be entitled to all benefits of this Article and his rate of contribution shall be that provided for his age as of his original entry into such system. Any person re-entering the service, as hereinabove provided, who has withdrawn his accumulated contributions, may, upon such re-entry, deposit in said retirement fund by a single payment, an amount equal to the amount previously withdrawn, in which event his rate of contributions thereafter shall be that provided for his age as of his original entry into the system, otherwise such rate shall be the rate of contribution for his age as of the time of re-entry into the city service.

#### Sec. 513. MISCELLANEOUS.

(a) No modification of the benefits provided in this Article shall be made on account of any amount or amounts payable to a member or beneficiary as defined herein, under the provisions of any law providing for the payment of any compensation or damages arising out of or in the course of any employment, nor shall any such modification of benefits be made on account of any amount or amounts payable under the provisions of any pension or retirement system now or hereafter established by the State of California.

(b) Any retirement allowance granted under the provisions of this article shall be payable in equal monthly installments.

(c) The right of every member and of every beneficiary to receive and be paid any money under any of the provisions of this Article is hereby declared to be a right personal to such member or beneficiary which cannot be assigned by him to any other person, in any manner or for any purpose, the intent being that any such payments shall in all cases be made directly to such employee or member.

(d) In computing the service and employment by the City of Los Angeles for any member, the amount of time served in the United States Army, Navy, Marine Corps, or any division thereof, in time of war, by any member who shall have left the service of said city to enter said United States Army, Navy, Marine Corps, or any division thereof, and who shall have re-entered the service and employment of said city within a period of one (1) year after having been honorably discharged from such service in the said United States Army, Navy, Marine Corps, or any division thereof, shall be counted as a part of such member's service for, and employment by, said city in computing the length and years of service of any such member, for the purposes of this Article.

(e) The purpose of this Article is to provide a means whereby superannuated public employees or those incapacitated as a result of age or disability may be replaced by more capable employees, thus promoting economy and efficiency in the public service without prejudice and without inflicting hardship upon the employees removed, and to recognize a public obligation to such employees and to their surviving widows and minor children or dependent parents. The intent

and meaning of this Article is such that if any section, subsection, sentence, phrase or clause shall be held to be void or inoperative for any reason whatever, such decision shall not affect in any manner the remaining portions of this Article.

(f) Save and except as otherwise provided in this Article its provisions shall not be limited or controlled by the provisions of any other article, section, subsection, sentence, phrase or clause in this Charter.

(g) In the event that this amendment is not submitted to and approved by the Fifty-second (52nd) Session of the Legislature of the State of California, then upon such submission and approval at any subsequent session it shall become operative for all purposes upon such approval, provided only that the date of the 90th day following such approval shall take the place of and be considered as the first day of July in the years 1937 and 1938 wherever such dates are mentioned herein.

ROBT. DOMINGUEZ,  
City Clerk of the City of Los Angeles.

(Amendment, 1937).