

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 297th Meeting of the Retirement Allowance Committee was held on January 21, 1974, in the Secretary's Office, Room 746, Merchandise Mart, and the following were in attendance:

Mr. W. A. Ashley	Mr. J. D. King
Mr. L. Beatty	Mr. F. McCrea
Mr. D. M. Flynn	Mr. D. McFadden
Mr. G. S. Graybiel	Mr. P. J. Meinardi
Mr. J. E. Hastings	Mr. J. Tiffy

The Chairman called the meeting to order at 11:05 A.M.

On a motion by Mr. Tiffy, seconded by Mr. Beatty, the minutes of the 296th meeting held on December 17, 1973, were unanimously approved.

The announcements of deaths since the last meeting were made by the Secretary as per the attached list.

The Secretary advised that no Survivorship Options were submitted for approval at this meeting.

The Secretary advised that eighty-five (85) applications for retirement were submitted to this office for presentation at this meeting. On a motion by Mr. McFadden, seconded by Mr. King, the Committee unanimously approved the eighty-five (85) applications submitted by the Committee.

The Secretary reported that during the month four (4) employees on Total & Permanent Disability were examined by the Medical Department or their records reviewed.

On a motion by Mr. Beatty, seconded by Mr. McCrea, the refunds numbering fifty-one (51) and totaling \$165,767.47 to be paid January 31, 1974 as per the attached statement were unanimously approved.

The Secretary read a report of the deposits, disbursements and investments during the month of December as per the attached statement.

The Secretary presented the Chicago Transit Authority bills totaling \$6,963.98 and miscellaneous bills totaling \$77,307.81 for approval. On a motion by Mr. Flynn, seconded by Mr. Graybiel, the Committee unanimously approved payment of these bills.

The Secretary reported that for the payment of January 31, 1974 Death Benefits numbering thirty-six (36) and amounting to \$51,500.00 were submitted for approval. On a motion by Mr. Beatty, seconded by Mr. McCrea, the Committee unanimously approved payment of the Death Benefits as per the attached list.

The Secretary informed the Committee that the matter of Mr. Samuel Glover, Retirement No. 13536, who retired on October 1, 1973, at the age of 65, was discussed again with Mr. Glover on January 2, 1974. Mr. Glover insisted that he wanted to provide additional proof to prove he is not 65 years of age. Mr. Glover was told that if he could come up with original documents prior to 1916 which shows evidence of his proof of birth, the Secretary would then take these documents before the Retirement Committee for reconsideration.

The Secretary reported for the Committee's information, Stanley McClure, Retirement No. D-1787, who has been retired on disability since November 1, 1973, and who talked previously about resigning so he could go to Colorado, did resign and was refunded his contributions after twenty-three (23) years of service.

The Secretary informed the Committee that Jerry Thomas, Operator #2707 - 77th Street, was told that his twenty-six (26) weeks sick benefit would expire on November 15, 1973. He was offered a job as a ticket agent on October 26, 1973 and again on November 26, 1973, which he refused. He was informed at that time that he would lose all disability benefits by refusing this job. On December 18, 1973, Mr. Thomas was again offered a ticket agent's job and he stated that he didn't think he could handle it. At a later date, he was offered a collector's job close to his home and again refused. The Secretary stated that under Section 12, Mr. Thomas' Application for Disability would not be acted upon. Mr. McFadden asked the Secretary what Mr. Thomas' trouble had been. The Secretary stated that he had a brain tumor. Mr. McFadden asked why Mr. Thomas had declined the jobs. The Secretary responded that Mr. Thomas stated that he couldn't handle the ticket agent's job, but gave no explanation for refusing the collector's job. Mr. McFadden asked if Mr. Thomas was getting anything now and the Secretary stated that he was not getting anything as his Application for Disability Pension on January 1, 1974 was not being acted upon.

The Secretary opened a discussion on the Trustee's fee to the Committee. The Secretary reviewed the Continental Bank's position regarding an increase in fees for administering the Retirement Plan. He pointed out that this was only the second increase in fees since 1957. On a question as to the amount of the fee, the Secretary responded an estimate of approximately \$75,000.00 for the first year and stated that the fee for the previous year was some \$60,000.00 plus. Mr. Beatty then made a motion that on the terms previously quoted by Continental Bank, which would be based on the market value of the assets in the Trust at the beginning of each quarter period, adjusted by prorating contributions based by the length of time they were in the Trust and authorizing a 15% discount from the fee in 1974, that the proposed increase in the Trust fee be accepted. Mr. Flynn seconded the motion and it was unanimously approved.

The Secretary brought up the question of the interest factor to be used for the Plan Year January 1, 1973 to December 31, 1973, to be applied to contributions up to December 31, 1972. The Secretary advised that the gross income for the Plan Year ending December 31, 1973 for interest earned and the net gains or losses of sales of securities was \$5,005,874.62. The net income for the above-mentioned Plan Year, after deducting \$186,004.54 for expenses during the Plan Year, was \$4,819,870.08. Using the formula set forth in Paragraph 15.6 of the Plan, the interest earned on the net income during the Plan Year was 3.7913%.

On a motion by Mr. Beatty, seconded by Mr. Flynn, the Committee unanimously approved the setting of the interest rate at 1.90% on the employee contributions for the Plan Year ending December 31, 1973 in accordance with the maximum amount to be applied to the total contributions or to December 31, 1972.

The Secretary mentioned to the Committee as a point of information that Walter C. Norvilas, D-1779, who retired on September 1, 1973, returned to duty on December 20, 1973 as a mail clerk in the General Office.

The Secretary also notified the Committee that Clarence D. Baker, D-1728, who retired on December 1, 1972, has returned to duty as a bus operator on December 20, 1973.


The Secretary mentioned that the February meeting which is scheduled to be held on February 18, 1974, should be moved up to Tuesday, February 19, 1974, at 10:30 A.M. because of the possibility of the General Office being closed in celebration of Washington Birthday. On a motion by Mr. Tiffy, seconded by Mr. King, the Committee unanimously approved the date for the February meeting as February 19, 1974.

The Secretary also reported that Elmer J. Stokes, #13610, Electrical Department, submitted an application for retirement for February 1, 1974 with an entered service date of July 19, 1935. A review of the Insurance Department's file revealed an employment date of July 16, 1930. The July 16, 1930 employment date was verified by the Employee Relations Department and was used as his official entered service date.

There being no further business, on a motion by Mr. Tiffy, seconded by Mr. King, the Committee unanimously agreed to adjourn. The meeting adjourned at 11:45 A.M.



SECRETARY
RETIREMENT ALLOWANCE COMMITTEE



CHAIRMAN PRO TEM.
RETIREMENT ALLOWANCE COMMITTEE

FEB 19 1974

DATED: _____

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