

RETIREMENT PLAN
for
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 34th Meeting of the Retirement Allowance Committee was held on April 21, 1952 in the Secretary's office - 2660 North Clark Street and the following were in attendance:

Mr. C. J. Burns	Mr. T. J. Murray
Mr. J. H. Finch, alternate for Mr. E. A. Imhoff	Mr. T. B. O'Connor, alternate for Mr. R. J. McKinney
Mr. J. E. Hastings	Mr. P. J. O'Connor
Mr. D. J. McNamara	Mr. P. L. Simons
Mr. P. J. Meinardi	Mr. H. B. Storm

Chairman McNamara called the Meeting to order at 10:35 A.M.

On motion by Mr. Murray, seconded by Mr. T. B. O'Connor, the minutes of the 33rd Meeting held March 17, 1952 were unanimously approved as written.

The Secretary reported the deaths since the last meeting as per attached list.

On motion of Mr. P. J. O'Connor, seconded by Mr. Simons, the sixty-nine (69) applications which had been recommended by the Secretary were unanimously approved, as per attached list dated April 21, 1952.

The Secretary read a report of the receipts, disbursements and investments during the month of March 1952, as per attached list.

The Secretary read a report of the list of Chicago Transit Authority bills totaling \$64,920.81 and miscellaneous bills totaling \$113.81, as per attached lists. On motion by Mr. Meinardi, seconded by Mr. T. B. O'Connor, the Committee unanimously approved payment of these bills.

The Secretary advised the Committee of a letter written by Mr. V. E. Conger, a war-emergency employe, who requests that he ^{not} be included in the Plan in later years as he is unable to meet the required payment of retroactive retirement contributions at the present time. On motion by Chairman McNamara, seconded by Mr. Simons, the Committee approved that the Secretary write to the employe notifying him that he has been dropped from the Plan for the above reason.

The Secretary read the opinion of Mr. Zimring which states that laid-off employes were entitled to a refund; and that it should be up to the Committee to devise a method in which the employe return this refund in case of re-employment. The Secretary also read Mr. Hastings' opinion which stated that any employe leaving the service of the Authority was entitled to a refund. An opinion of the Committee was requested by the Chairman. Mr. Meinardi said refunding of contributions when an employe is laid off would provide a hardship and suggested holding the money until the employe's return or such time as the laid-off employe is subject to recall. Mr. Murray added that a laid-off employe continues to claim seniority rights; and for that reason, their status differs from that of a resigned employe. The Secretary reported his findings from information given by the Boston, Seattle, Cleveland and Pittsburg transit systems' pension plans. These plans make no provisions for laid-off employes. When making refunds, the Boston system returns the contributions without interest. At the next meeting, the Secretary will submit a rule covering refunds to laid-off employes. This rule will be based on the fact that a laid-off employe is not being separated from the

Authority and therefore the laid-off employe is not entitled to a refund. However, should the employe insist on a refund, he will be informed that he must resign from the Authority before any refund can be made. Mr. Meinardi brought up the question as to the status of present Authority employes who were previously employed by the Board of Supervising Engineers of the Chicago Surface Lines. His question was particularly aimed at the payment of contributions under the Plan in effect prior to June 1, 1949.

Regarding the report on the I.B.M. accumulation of earnings, Mr. Meinardi advised the Accounting Department staff is currently occupied with seniority listings and will resume work on history cards as soon as the listings are completed. The Chairman stated that he was very interested in getting this work up to date as we soon will be in our Fourth Plan Year. The Secretary questioned Mr. Meinardi in regard to answering his letter of March 24, 1952 in which he outlined steps necessary to change from Plan Year to Calendar Year in maintaining the Secretary's records of earnings and contributions. Mr. Meinardi stated that he would answer this letter within a few days. The Secretary further questioned Mr. Meinardi in regard to his letter of February 13, 1952 concerning the items to appear on the history card. Mr. Meinardi said in his opinion, all the items as suggested were necessary; however, he will recheck and advise. The Secretary recommended to the Committee, upon approval of the history card, arrangements to be made with some outside service bureau to complete this work as soon as possible. This was done at the present time for two reasons; first, our own I.B.M. section is now overloaded; and second, it would be more convenient

and probably less expensive to have an outside service bureau move their equipment to the source of information to do the work.

The report by Mr. Hastings of the Social Security liability will be postponed until a later meeting.

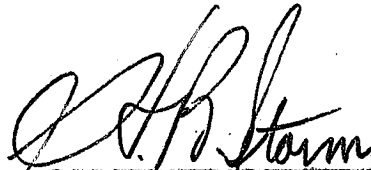
Mr. Hastings reported on the Income Tax Return filed by the Trustee for the money earned by the Funds in the Trust for the calendar year 1951. The Trustee was authorized to file a fiduciary return with the Internal Revenue Bureau with the following notation thereon:

"The Plan has been submitted to the Treasury Department for approval under Section 165 (a). The company is now in the process of executing certain amendments to the Plan at the suggestion of the local Treasury Department Agents. The Commissioners approval is expected within a reasonable period.

"In the opinion of counsel, this Trust qualifies as a tax exempt trust under provisions of Section 165 (a) of the Internal Revenue Code."

The Secretary advised the Committee that legal counsel had advised that this method of filing with the Bureau would eliminate any penalty in case the Trust was found to be not tax exempt.

There being no further business, on motion by Mr. Simons, seconded by Mr. T. B. O'Connor, the Committee unanimously approved that the meeting be adjourned. Meeting adjourned at 11:25 A.M.



H. B. Storm, Secretary
Retirement Allowance Committee

APPROVED:

Daniel J. Mc Namara

Dated: May 19, 1951