

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 302nd Meeting of the Retirement Allowance Committee was held on June 17, 1974, in the Secretary's Office, Room 746, Merchandise Mart, and the following were in attendance:

Mr. W. A. Ashley	Mr. F. McCrea
Mr. D. M. Flynn	Mr. D. McFadden
Mr. J. E. Hastings	Mr. P. J. Meinardi
Mr. A. Kemp	

Neither Mr. Beatty, Mr. Graybiel or Mr. Tiffy, nor their alternates were present. Also present was Mr. Weather-
spoon.

The Chairman called the meeting to order at 10:35 A.M.

On a motion by Mr. Hastings, seconded by Mr. McFadden, the minutes of the 301st Meeting held on May 20, 1974, 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 three (3) Survivorship Options were submitted for approval at this meeting. The Secretary advised that one option for Philip A. Comiano had been approved at the October 15, 1973 meeting for September 1, 1974 retirement. Mr. Comiano has now decided to retire August 1, 1974 and is resubmitting the option for one month Early Retirement. On a motion by Mr. McFadden, seconded by Mr. Flynn, the Committee unanimously approved the three (3) Survivorship Options submitted by the Secretary.

The Secretary advised that thirty-two (32) applications for retirement were submitted to this office for presentation at this meeting. On a motion by Mr. Flynn, seconded by Mr. McCrea, the Committee approved the thirty-two (32) applications submitted by the Committee.

The Secretary reported that during the month three (3) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

On a motion by Mr. McFadden, seconded by Mr. Kemp, the refunds numbering thirty-four (34) and totaling \$103,059.77 to be paid June 30, 1974, as per the attached statement, were unanimously approved.

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

The Secretary presented the Chicago Transit Authority bills totaling \$13,813.48 and miscellaneous bills totaling \$65,107.37 for approval. On a motion by Mr. McFadden, seconded by Mr. Flynn, the Committee unanimously approved payment of these bills.

The Secretary reported that for the payment of June 30, 1974, Death Benefits numbering twenty-six (26) and amounting to \$36,000.00 were submitted for approval. On a motion by Mr. Flynn, seconded by Mr. Kemp, the Committee unanimously approved payment of the Death Benefits as per the attached list.

The Secretary advised that in the absence of Mr. Meinardi from the last two meetings, the discussion of Real Estate Investment had been held in abeyance. The Secretary asked Mr. Meinardi, in his opinion, what was his feeling on the Real Estate Investment proposal. Mr. Meinardi stated that he was opposed to Real Estate Investment as related to the Retirement Fund, since it would be hard to obtain your money if need be as related to Stock, etc. Mr. Meinardi also stated that future control might not be as good as today.

After general discussion by the Committee, on a motion by Mr. McFadden, seconded by Mr. Hastings, the Committee unanimously agreed to disapprove this Real Estate proposal, at this time.

The Secretary mentioned the subject of the Penn Central Suit and asked Mr. Hastings to bring the Committee up to date on this issue. Mr. Hastings stated that the suit is before Judge Frank J. McGarr, who is upholding the complaints.

The Secretary advised that it will be necessary to appoint an Actuary and Auditor for the Plan Year 1974. The Secretary recommended that because of satisfactory performance, the Wyatt Company be named Actuary and that the Arthur Young Company be named Auditor. On a motion by Mr. Meinardi, seconded by Mr. Hastings, the Committee unanimously agreed to appoint the Arthur Young Company as Auditor for the Plan Year 1974, and the Wyatt Company as Actuary for the Plan Year 1974.

The Secretary advised the Committee that a new schedule of fees has been received from the Trustee, and if approved by the Committee, would cause about a .03 per cent increase in the fees, effective July 1, 1974.

The Secretary stated he had asked the Trustee to provide something for the Committee as to justify the increase. The Secretary gave each member present a letter explaining the increase as it relates to inflation conditions.

The new rates on General Stocks, Bonds, and Cash are as follows: (Based on Market Value)

1/2 of 1% on the first	\$ 500,000.00
3/8 of 1% on the next	2,000,000.00
1/5 of 1% on the next	2,500,000.00
1/10 of 1% on the next	20,000,000.00
1/12 of 1% on the next	25,000,000.00
1/15 of 1% on the balance	

After general discussion by the Committee, a motion was made by Mr. McFadden, seconded by Mr. Flynn, to accept the new fee rates.

The Secretary submitted a Supplemental Agreement amending Paragraph 9.6 of the Trust Agreement by adding the following sentence:

"Provided, however, an employe retiring under the Plan shall have the unqualified right to authorize the Committee in writing to deduct the amount to cover his monthly Union Dues and voluntary Income Tax Withholding; the employe may rescind his authorization at any time in writing."

The Secretary asked each member present to sign the Trustee Supplemental Agreement. This Supplemental Agreement was authorized by Transit Board Ordinance No. 74-95, dated June ~~7~~, 1974.

6, The Secretary informed the Committee of the Planned Schedule of Pay Changes in the Retirement Plan as amended January 1, 1974.

The Secretary handed to each member present a letter to be distributed with the June 30, 1974 Pension Checks showing Changes in Hospital Premium Deduction, effective June 1, 1974.

For those who retired June 1, 1974, amendments effective January 1, 1974 have been used to calculate their first check.

For those included in Regular Deceased Payment of June 30, 1974, any retroactive payment due is being included.

On July 31, 1974, payment will be made as follows:

The \$10.00 per month increase of those retired prior to January 1, 1971 will be made retroactive to January 1, 1974.


The necessary adjustment will be made for those who retired from January 1, 1974 to May 31, 1974 retroactive to date of retirement.

The Retroactive Deceased Payment will be made to the named Beneficiary of employes retired prior to January 1, 1971 who have expired since January 1, 1974.


The Secretary also advised the Committee that, as soon as possible, those who have retired since January 1, 1974 will be contacted in regard to Option B. Also, it will be necessary to contact those who have left the service of the Chicago Transit Authority since January 1, 1974 with 10 years or more service in regard to Vesting.

The Secretary advised the Committee that most of the Annual Report is ready, except for the Actuary Report which is to be received this week, and hopefully will be completed and distributed the following week.

There being no further business, on a motion by Mr. Flynn, seconded by Mr. Kemp, the Committee unanimously agreed to adjourn. The meeting adjourned at 11:10 A.M.



SECRETARY
RETIREMENT ALLOWANCE COMMITTEE



CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE
JUL 15 1974
DATED: _____