

after the establishment of the retirement system, with the exception of officers elected by popular vote and employes eligible for a pension from the municipality for any reason other than membership in the association.

In addition to pensions for subsequent service, pensions for prior service are provided; that is, employes in the service when the retirement plan is established are to receive, in addition to the pension which they may secure through their contributions to the annuity fund, an extra allowance equal to the amount of the annuity they might have earned for themselves had the scheme been in operation when they entered the service and had they made contributions to the fund from that time in proportion to their current wages or salaries. It should be noted, further, that employes who had reached the age of 60 years when the retirement system was established, and employes who had reached the age of 55 years at that date and also became members of the association, may be retired with pensions for prior service without having completed the otherwise required service period of 15 years. Employes who had reached that age and decline to join the association may be retired with the minimum allowance provided in the act.

Provision is made for refunding the contributions of employes who withdraw from the service without becoming entitled to a pension. In case a member of the association leaves employment for any cause other than death before becoming entitled to a pension, there shall be refunded to him all the money that has been paid in by him, with regular interest. In case a member of the association dies before becoming entitled to a pension, there shall be paid to his legal representatives all the money that has been paid in by him, with such interest as may have been earned on the deposits.

The administration of the system is intrusted to a Board of Retirement,

consisting of the city or town treasurer, *ex officio*, another member chosen by the Retirement Association composed of the participating employes, and a third member selected by the first two, or appointed by the mayor or the chairman of the Board of Selectmen in case of their failure to agree. The Insurance Department of the Commonwealth is given certain powers of supervision with reference to the actuarial administrative features of the system.

Thus for the case in favour of the establishment of some system of retirement allowances for municipal employes has been stated without direct reference to objections that have been urged against the proposed policy. It remains now to consider some of these objections. The economy of a pension system for municipal employes is not universally admitted. In general, the objection has been raised that the conditions of the municipal service are essentially different from those of the private service of the railroad and industrial corporations, and that consequently, while it may be sound policy for the latter to adopt pension systems, it would be unwise and wasteful in the case of the cities. Municipal administration, it is said, involves financing out of other people's pockets. The natural tendency, therefore, is toward extravagance and corruption. The element of politics must be taken into account. The establishment of a general retirement system for employes would furnish corrupt politicians new means of exploiting the taxpayers. For example, men might be placed on the pay-roll and then retired promptly to make room for others. Thus the pension roll might be padded like the pay-roll.

The force of this argument depends on the nature of the retirement system adopted and the safeguards thrown about its administration. The objection carries weight against any loosely drawn pension