Yenching
Academic
Re. Faculty + staff
Salaries, pensions, annuities
1930

April 1930

COMPARATIVE TABLE OF SALARIES

	Single	Married	Children
Presbyterian (Gold 2-1 guaranteed)	$900-960	$1,680-1,800	10 years, $200 10-21, $300
Methodist (Gold)	*1,000-1,200	*1,600-2,000	5 yrs. $150, 5-14, $200 14-21 $250 College $100 extra to 22.
x American Board (~~L.C.~~) Gold - 2 to 1	~~$550~~-750	$1,350-1,500	7 yrs. 10% of salary 7-14, 15% of salary 15-20, 20% of salary.
Yenching University (Proposed)	$950.	$1,800.	6 yrs. $200, 7-12, $300, 13-17, $400 18 -21, $500.

* Extra allowance $100.00 to single missionaries running separate establishments. $100.00 extra allowed in port cities.

x The missionaries are also to have the advantage of gain ~~in~~ exchange beyond a certain agreed upon rate.

Yenching University

N. Y.
#4

Salary Schedule

YENCHING

TRANSFER

The Special Committee on Chinese Salary votes unanimously to submit to the G. F. E. the following recommendations:

(1) That Chinese salary of all grades be increased over the present schedule in the following manner:

(a) That for members of the Staff who are three years or more full-time members of the University there be an increase of 15% at the first instance;

(b) That for members who are more than two years and less than three years full-time members of the University there be an increase of 10% at the first instance and of 15% from the second year on;

(c) That for members who are more than one year and less than two years full-time members of the University there be an increase of 5% at the first instance, of 10% in the second year, and of 15% from the third year on;

(d) That for members who have joined the staff as full-time members less than one year, there be an increase of 5% in the second year, of 10% in the third year, and of 15% from the fourth year on, there being no increase in the first instance;

Held in abeyance.

(2) That at the earliest opportune moment the University adopt a single salary schedule for all members of the staff, Western and Chinese, with only such special provisions for Western members as concern home going and outcoming travel and education of children;

(3) That as soon as the recommendation in (1) regarding increase in the salary of Chinese members becomes operative, no member of the staff be again permitted to do outside teaching with remuneration.

28 Feb. 1930.

August 5, 1930

Pension Plan

REPORT OF SUB-COMMITTEE ON SALARIES AND PENSIONS EXHIBIT A

To the Finance Committee
Yenching University
150 Fifth Avenue.
New York, N.Y.

At a meeting of the Finance Committee held December 23, 1929 the undersigned were appointed a sub-committee to make a general study of salaries and allowances paid to the foreign staff on the field and at the same time to make a study of, and if possible to make recommendations with respect to the establishment of a plan for the payment of retirement allowances to both the foreign and the Chinese members of the staff. The committee now submits the following report.

Since its appointment recommendations on the subjects referred to the committee have been received from the field. The recommendations of the field and of your committee are compared and discussed in the following report.

1. SALARIES

The recommendation of the field with regard to salaries is as follows - that the salary scale be revised to provide for flat salaries regardless of length of service as follows:

Married members	G.	$1,800.
Single	" "	950.

plus allowances for children as follows:

Under six years of age	200.
Ages 7 to 12..........	300.
" 13 " 17..........	400.
" 18 " 21..........	500.

and that furlough salaries be as follows:

Married...............	2,000.
Single................	1,000.

Rent up to G. $50.00 a month for families. G. $25.00 a month for single person on application to the trustees.

That all salary payments be made in gold with a guaranteed ratio of exchange of not less than two for one.

Your committee's recommendation - that the salary schedule as suggested by the field be made effective, with the exception of the salary of the President which your committee believes should not be reduced. The adoption of this new schedule will in one or two instances reduce the salary figure as now fixed, but such reductions will be more than offset by the gain to the staff member through the adoption of the gold basis for salary payments.

2. LIFE INSURANCE

The field has recommended that there be provided at the cost of the University life insurance equal to one year's salary, with disability clause for each staff member.

Your committee's recommendation - when life insurance is provided for staff members by the employing institution or corporation, it is done on what is known as the group life plan. Such insurance is technically known as one year term insurance. The policies have no cash reserve and no cash surrender or loan value. Such insurance may be more easily compared with fire insurance than with other forms of life insurance, since the premiums for this form of insurance cover the cost of insurance protection and nothing else. Such insurance can only be written for groups of fair size, generally not less than fifty lives, and the cost will usually vary from $5. to $10. per thousand of insurance per year, depending upon the experience of the group. Your committee has endeavored to find an insurance company which would insure the staff of the University on the group basis, but it has been impossible to find a company that would write a group policy for mixed staff in China.

The only life insurance available for all members of the staff is insurance on what is known as the endowment plan running twenty years or less. Under such a plan individual poli ies would be written and premiums necesarily would have to include not only the cost of protection, but also the cost of establishing a cash reserve within a period of twenty years (or less) equaling the face of the policy. Such insurance would cost from five to ten time the cost of group insurance. This form of insurance includes not only life insurance, but also a savings plan, and it is the judgment of your committee that such insurance should be purchased by the individuals insured, and since there is nothing to be gained by a group arrangement no recommendation is made with regard to the purchase of such insurance. Your committee would have gladly recommended the purchase of group insurance could such insurance have been obtained, but it does not believe that it is the proper function of the University to provide insurance in the forms which are available.

In this connection it should be noted that the retirement plan recommended by your committee provides death benefits in the form of a return to the beneficiary of the staff member of the contributions made to the retirement fund.

3. RETIREMENT ALLOWANCES

The desirability of a plan for the payment of retirement allowances to staff members after a period of service at an age when retirement is desirable, is now generally recognized and needs little argument to support it. Plans designed to accomplish this result have been adopted by large numbers of our leading colleges and schools, as well as by many business corporations. Many municipalities have adopted plans for the retirement of their teachers, as well as other classes of employees, and in some instances states have adopted state wide plans. Your committee is, therefore, thoroughly convinced as to the desirability of adopting some plan which will provide for the orderly retirement of the staff of Yenching University. There are a number of ways in which this might be accomplished.

a. A plan could be adopted by the trustees, following which a trust fund could be established, contributions to be made jointly by the trustees and the staff, the funds to be kept invested by the trustees for the benefit of the plan.

b. The trustees might form a separate corporation for the handling of pension funds with its own board of trustees to include representatives of both the University and the staff, this corporation to assume the handling of the funds and the payment of retirement allowances.

c. A contract could be entered into with some one of the large insurance companies which now underwrite retirement plans, under which both the University and the staff members would make their contributions to the insurance company, the insurance company in turn agreeing to pay the proper retirement allowances as arranged for.

d. Arrangements might be made with some fund already established to join that fund on a mutual basis, in much the same way that a contract could be made with an insurance company.

Your committee has considered these various ways of handling a retirement plan and believes the most desirable method for a relatively small group will be to contract with some one of the larger insurance companies for the underwriting of such a plan as the University may desire to adopt. This method will provide a considerable degree of flexibility since the life insurance companies are willing to incorporate almost any feature which may be desired which do not affect the soundness of the plan, and this will provide a degree of flexibility which it is not possible to obtain if we were to undertake to join some fund already established. As a matter of fact, as a result of inquiry and search no established pension fund has been found which would be willing to underwrite the mixed staff of Yenching University located in China, so that as a practical matter the choices available to us are but two, either to contract with a life insurance company, or to handle our own fund either as a separate trust fund in the hands of the trustees of the University, or as a separate corporation organized for the purpose.

The advantages of dealing with a life insurance company are that the company assumes complete responsibility for the investment and handling of the funds. They also supply the actuarial experience necessary for the establishment of a sound plan. The only possible disadvantage in doing business with an insurance company as against the operation of a private fund is that theoretically there might result some saving in overhead expenses in the operation of a private fund, but even a private fund cannot be operated without some expense, and it is the view of your committee that the cost of the service rendered by the insurance company is a very small price to pay for the guarantees received with respect to the handling of the funds as well as the making of annuity payments. It is entirely possible that a private fund organized for a relatively small group might be very seriously embarrassed by reason of a single annuitant living considerably beyond the average span of life. Serious embarrassment might also result from even comparatively small losses through investments. It is at once obvious that the handling of a small fund cannot adequately protect the individual members of the group against either of these happenings. Should a retirement fund be depleted from any cause through investments or by reason of annuity payments exceeding estimates, the annuitants present and future would of course be the ones to suffer since there would follow a scaling down of retirement allowances.

It is the view of your committee that the first requirement of any retirement plan is absolute safety and solvency, and that so far as it is humanly possible to accomplish it, staff members who have contributed their money to such a fund should have an absolute guaranty of either the return of their money or the payment of the annuities contracted for, and for the reasons stated your committee believes that the greatest degree of safety can be obtained by contracting with an insurance company, since our group and fund would never be sufficiently large to give a reasonable average experience if it were operated independently.

Your committee has discussed the possibilities of establishing a fund for Yenching University with a considerable number of insurance companies. We have found that none of the American companies would be willing to underwrite a retirement plan which would include both the foreign and Chinese staff. The Sun Assurance Company of Canada has presented to us a plan which originally included only the foreign staff, which has appealed to your committee as being the best plan submitted. They at first declined to include the Chinese staff in the plan on the ground that the mortality records of China were very unsatisfactory for which reason they had up to this time refused to write annuities on Chinese lives. With considerable reluctance they have agreed, however, to write a plan for Yenching University which would include both the Chinese and the foreign staff.

There will be found attached Appendix A which describes in detail the retirement plan recommended by your committee to be underwritten with the Su Life Assurance Company of Canada.

There will also be found attached Appendix B describing the plan recommended by the field.

Your committee believes that its plan includes all of the desirable features of the plan recommended by the field, Indeed it closely follows that plan in most respects. There are but four important differences as follows:

1. The field recommends that any member who prefers to take out a life insurance policy shall be permitted to do so in lieu of making contributions to the retirement fund, and that such life insurance premiums shall be considered as a prorata substitute for monthly contributions to the retirement plan. Your committee does not consider this provision desirable for the following reasons. It is the purpose of the retirement plan to provide and to guarantee retirement allowances which in the case of a lifetime of service shall be adequate to provide a comfortable retirement. Under the plan proposed the cost of providing this retirement is to be shared equally by the University and the staff member. Obviously if only the University's share is paid into the fund in the case of any individual the retirement allowance will not be adequate for the retirement of the staff member concerned, and the problem of retirement would still remain. The purchase of life insurance, while very desirable in itself, does not accomplish the same purpose. There is no guaranty that the life insurance premiums will be continued. Neither is that a guaranty that the funds received at maturity of the life insurance, or upon its cancellation, would then be applied to the retirement fund, and in fact if they were so applied, the amount would not be equal to the contributions with interest thereon which would have been made by the staff member. Your committee feels, therefore, that the complete success of the retirement plan should not be put at risk by including the provision requested.

2. The field recommends that in the case of a member of the staff retiring after three years of service and before six years, he shall be permitted to withdraw his contributions and also one-half of the University's contributions, and that after six years of service he shall be entitled to withdraw, together with his own contributions, the entire contributions of the University. Your committee feels that this provision also would be unwise for the reason that it cannot have any other effect than to put a premium on separations from the service. The purpose of a retirement plan is to provide annuities after a lifetime of service. It is not to provide additional compensation or bonuses for relatively short periods of service rendered. Your Committee's plan recognizes that a staff member leaving the service of the University at any time is entitled to his or her entire contributions with accumulated interest thereon, but provides that staff members withdrawing from the service of the University for any other cause than death or total disability shall be entitled

to a share in the University's contribution only on a graduated scale, beginning with the completion of ten years of service.

3. The plan suggested by the field provides that the University guarantee interest on accumulated funds at rates to be fixed from time to time by the General Faculty Executive Committee, but which shall in no case be less than 5% per annum. Your committee does not believe it to be sound in principle for the University to make such a guarantee. In fact the guarantee would be valueless except as the trustees of the University would be prepared, from revenues of the University, to make good any deficit. Your committee believes the retirement plan should stand upon its own resources. Such a guarantee of return might also be construed as a guarantee of the principal, which obviously is beyond the province of the University. As a matter of fact, life insurance companies underwriting retirement plans generally incorporate a guaranteed interest return of not less than 3½%. In addition to this they also pay annually what is known as an interest dividend which is dependent upon the average earnings of the insurance company on its entire investments. The Sun Assurance Company of Canada has for some years accumulated interest on its funds at a rate somewhat in excess of 5%, and it is likely that they will continue to do so in the future. This, however, cannot be guaranteed.

4. The plan suggested by the field provides that "In the case of foreign members of the staff the term 'salary' shall be defined as including the basic salary and the regular children's allowances," while your committee's plan would base retirement allowances and contributions to the fund on the basic salary excluding children's allowances. Since the purpose of the children's allowances is to provide for the education and other expenses incident to raising a family, and as the children will obviously be self-supporting long before the staff member retires and becomes eligible for an annuity, there seems to be no good reason for including the children's allowances as a part of the salary in computing contributions and annuities. For this reason your committee would exclude children's allowances from the salaries in all computations having to do with the retirement plan.

The differences between the committee's plan and that recommended by the field are not material when compared with the scope of the plan as a whole, and it is hoped that upon further consideration the committee's plan will prove acceptable to the field.

Respectfully submitted.

(L. R. Rounds, Chairman
Committee (A. L. Warnshuis
(Mrs. O. R. Williamson

3124788

3/5/30

YENCHING UNIVERSITY

PARTIAL REPORT OF THE SPECIAL COMMITTEE APPOINTED

BY THE GENERAL FACULTY EXECUTIVE TO CONSIDER

THE UNIVERSITY SALARY SCHEDULES

PROPOSED PLAN FOR INSURANCE AND ENDOWMENT AND ANNUITY

FUND FOR THE FACULTY OF YENCHING UNIVERSITY

Yenching University hereby adopts the following plan for insurance and an Endowment and Annuity Fund for all full time members of the Faculty and Staff and for employees, whose positions are included in one of the following classifications, and whose employment is not regarded as temporary.

CLASS A: Administrative officers and teaching staff of a professorial rank.

CLASS B: Lecturers, instructors and administrative officers of similar rank to be designated by the General Faculty Executive Committee.

CLASS C: All other employees not included in Classes A and B.

(The General Faculty Executive Committee shall have authority in individual cases to determine what employment is temporary.)

I. INSURANCE

1. Yenching University shall provide Life Insurance at University cost for all full time members of Class A from the date on which they assume their responsibility in the University; for all members of Class B after they have served the University for one full year; and for all members of Class C after they have served the University for two consecutive years. The amount of this insurance shall be one full year's salary of the individual concerned.

2. A disability allowance of the same amount as that provided under (1) will be made on the same conditions to all members of the three classes who may be declared by the University Physician totally and permanently disabled as the result of a bodily injury or disease contracted while in the University service.

3. Members of Classes A, B, and C must pass medical examination by the University physician before they are eligible for the Life and Disability Insurance.

II. ENDOWMENT AND ANNUITY FUND

4. Members of the University in Classes A, B, and C shall be eligible to participate in the Yenching University Endowment and Annuity

3
1
2
4
7
8
8

0658

scheme on the same terms as those set forth for insurance above.

5. Every member participating in the scheme shall contribute 5% of his monthly salary, and the University shall contribute an equal amount to provide funds for the accumulated fund.

6. Participation in the scheme shall be voluntary. In the case of eligible individuals refusing to participate in the scheme the University hereby desclaims all liability for any retiring allowances or any benefits.

7. In the case of a member who prefers to take out a life insurance policy, the University will regard that portion of the premium, up to an amount which equals 5% of his monthly salary, as a pro rata substitute for his monthly contribution to the scheme, and will fulfill its share as provided for under section 5.

8. A member entitled to benefits under this scheme may be retired, or may retire, at any age under 65 years, but at the age of 65 he shall be retired, unless the University specifically requests him to continue in its service for a further definite period.

9. A member, who retires from the University within three years from the date on which he begins to participate in this scheme, shall be entitled to withdraw the amount he has himself contributed together with the accumulated interest thereon; if he retires after three years and before six years he shall be entitled to withdraw his own contributions, and also one-half of the University's contributions together with interest on the same; after six years participation in the scheme he shall be entitled to claim the whole amount that has accrued under the scheme.

10. The University guarantees interest on the accumulated funds of each participant at a rate which shall be fixed from time to time by the General Faculty Executive Committee, but which shall be in no case less than 5% per annum.

11. Payment of the amount falling due to any individual shall be made in accordance with the following plan.

A. When the total amount does not exceed a thousand dollars, it shall be paid in one installment..

B. When the amount exceeds a thousand dollars, one thousand shall be paid on the date due, or , in case the total exceeds two thousand dollars, one-half of the whole will be paid on the date due, and the balance in annual installments equal in n u number to one third of the years of service of the individual concerned, except that, in no case shall the number of installments exceed ten.

III. DEFINITIONS

12. For the purposes of this scheme, full time service shall require that the individual concerned give his entire time to the University

and that if he takes any outside employment it shall be on the express understanding that it is approved by the University, and that the whole amount of any honorarium or salary is to be paid to the University. Any infringement of this rule will disqualify the member concerned for participating in the benefits of the scheme during any one term of service (6 years).

13. In the case of foreign members the term salary shall be defined as including the basic salary and the regular children's allowances.

YENCHING UNIVERSITY SCHEDULE OF SALARIES AND ALLOWANCES

FOR FOREIGN STAFF

(Proposed revision of December, 1929)

The University engages members of the foreign staff on what is commonly known as a missionary basis. In other words, the salary given is not fixed with entire reference to service rendered, but is regarded as an allowance to cover necessary living expenses. The schedule of salaries and allowances set down below is formulated by studying and comparing the corresponding schedules of the missions in North China with which the University is in most intimate contact. All arrangements are subject to revision from time to time, as the cost of living or other conditions may change.

A. FIVE-YEAR CONTRACTS AND PERMANENT APPOINTMENTS

1. Salaries on a Gold Basis

Salaries shall be paid on a Gold basis, with a guaranteed income of Local Currency not less than 2:1

2. Salary Schedule

Married, Gi,800 Single, G$950
Salary begins on date of sailing from home country.

3. Children's Allowances.

Under six years of age,	G$200
Age seven to twelve	300
Age thirteen to seventeen	400
Age eighteen to twenty-one	500

Allowance of $500 to continue to age of twenty-two, if study is continued.

Travel expenses of children to and from furlough will be paid, but not for return travel to China after the age of sixteen years.

Where tuition in schools in China exceeds L.C. $50.00, the University will provide toward fees not to exceed G$50.

4. Outfit Allowance.

	Married	Single
First Outgoing	G$500	G$250

Re-outfit on each return to the field G4250. G4125

5. Residence

For families the University will supply residences and keep them in repair. For single persons the University will provide living accommodations.

6. Medical Provisions

The free services of the University Physician are provided (or when the Physician is not on the field, there is a budget administered by the Medical Committee). The Trustees request each member of the Staff to have an annual examination and a semi-annual consultation with the University Physician.

7. Dental Fees.

One half of dental fees are paid if incurred with the prior approval of the University Physician or the Medical Committee.

8. Language Study.

The University will bear the expense for one year.

9. Furlough (For extended contracts or permanent appointments).

a. Frequency: At the end of the first five years of service on the field; thereafter at the end of each six years: additional service on the field. Length: Fourteen months absence from the field.

b. Salaries (annual): Married G$2,000; single G$1,000.

c. Children's allowances: Same as under No. 3.

d. Medical and Dental Fees: Same as under No's 6 and 7.

e. Rent: Up to G$50.00 per month for families; G$25.00 a month for a single person on application to the Trustees.

f. Study Allowances: Subject to recommendation by the Board of Managers in individual cases.

g. Travel Expenses: Borne by the University in both directions, as under No. 10. Freight Allowance on return to the field, two cubic tons per family, one cubic ton per single person.

h. Re-outfit: See under No. 4.

10. Travel expenses.

Provided by the University from the home of the appointee to Peking by the most direct route. On five year or permanent appointments the University will similarly provide return transportation. The University expects economy to be observed. It allows for first-class railroad travel: regular first-class fare on trans-Pacific boats, moderate priced hotels: meals, tips up to G$10.00 per adult for the entire trip; passports; baggage transfer; taxi-cab; if necessary.

Freight Allowance: First outgoing, four cubic tons per family, two cubic tons per single person. Return after furlough, two cubic tons per family one cubic ton per single person. In case of permanent retirement after a full term of service, or longer period, the University will provide for four cubic tons of freight per family, or two cubic tons per individual.

11. Pension Provisions. (See separate statement).

12. Miscellaneous Items.

Cost of medical examiniations, preliminary to appointment, is borne by the University, but not the cost of inoculation, vaccination, etc.

13. Other Work.

The salary paid to a married man on the staff is, in accordance with mission practice, expected to secure for the University the services of both man and wife, so far as is practicable. Accordingly, foreign members of the Faculty, or their wives, are not to engage in additional remunerative employment, except by special arrangement.

9 December, 1929.

B. SHORT-TERM APPOINTMENTS

Three year appointment of persons may be made in special cases, to which the following provisions apply:

1. Salaries: As in No. 2

2. Children's Allowances: As in No. 3.

3. Outfit Allowances: Furniture provided at Yenching, or in lieu thereof a furniture allowance of L.C.$400. purchases to be subject to University oversight and to be the property of the University.

4. Residences: Living quarters provided.

5. Medical and Dental Service: As in No's 6 and 7.

6. Language Study: Subject to agreement with the authorities of the University.

7. Furlough: Not provided.

8. Travel Expenses: As in No. 10 except that for three years the University will provide three-fifths of the return travel; for four years, four-fifths.

9. Pensions: Not provided.

10. Miscellaneous Items: As in No. 12

11. Other Work: As in No. 13.

When a short term appointee becomes a permanent member of the staff, or accepts of five-year contract , the outfit allowance will be brought up to full figure, and service increases will be computed from the beginning of the original service.

Howard S. Galt.

Chairman

HSG:LC
1.

For final form see Form Letter to Board of Trustees of April 9, 1930

Pension Plan

PRELIMINARY REPORT - COMMITTEE ON SALARIES AND PENSIONS

Since receiving from the field the recommendations of the staff concerning salary adjustments and retirement allowances there has not been sufficient time to reach final conclusions and render a complete report. Attached will be found, however, a report covering all of the points raised, which represents the present view of your committee. Since this report was prepared your committee learns that the Equitable Life Assurance Society would be willing to underwrite a retirement plan for the entire staff both Chinese and American under conditions very similar to those outlined in the attached report. Your committee has not yet had opportunity of comparing costs and would like, therefore, to defer its recommendation as to the company to be selected in case the board decides to approve the report.

The following will indicate the approximate additional annual cost to the University if all of the committee's recommendations should be accepted:

For a group insurance	$ 250.00
For salary increases and children's allowances.	1,244.00
Furlough Salary Increase and Rent Allowance	1,950.00
For retirement allowances	
Disregarding past service.	860.00
If all staff members should elect to take full benefits for past service.	1,584.00
Difference in exchange between arbitrary exchange ratio fixed by board and payment in gold	1,240.00

This last figure is based upon the average rates of exchange which have prevailed for the last four years. In connection with the above figures it should be borne in mind that the additional expense resulting from exchange perhaps should not properly be considered as added expense to the University since there must necessarily be some question as to the advisability of continuing to profit on this exchange particularly when the difference between the power of exchange and quoted rates is as great as it has been during recent months.

If the recommendations contained in the attached report meet with the general approval of the Board in principle, it is suggested that they be approved in principle and that the treasurer's office be authorized to put them into effect, subject to the approval by the finance committee of the final report to be submitted by this committee.

Very sincerely yours

L. R. Rounds

Chairman

3124788

0665

REPORT OF SUB-COMMITTEE ON SALARIES AND PENSIONS

This committee was appointed to make a general study of the salary question and also of the possibility of providing some plan for pensions. Since its appointment there has been received from the field recommendations of the staff which have had the consideration of the committee. The field recommendations are briefly as follows.

1. LIFE INSURANCE

That there be provided at the cost of the University life insurance with disability clause equal to one year's salary for each staff member.

2. SALARIES

That the salary scale be revised to provide for flat salaries regardless of length of service, as follows:

Marriedmembers G.	$1,800.
Single " "	950.

plus allowances for children as follows:

Under six years of age	200.
Ages 7 to 12..........	300.
" 13 to 17..........	400.
" 18 to 21..........	500.

Furlough Salaries

Married	2,000.
Single................	1,000.

Rent up to G. $50.00 a month for families. G $25.00 a month for single person on application to the Trustees.

That all salary payments be made in gold with a guaranteed ratio of exchange of not less than two for one.

3. RETIREMENT ALLOWANCES

That retirement allowances be provided in such amounts as a contribution of 10% of salary would purchase, such contribution to be made equally be the staff member and the University.

After consideration of the entire subject your committee recommends as follows:

1. LIFE INSURANCE

Present indication points to the possibilty of securing group Insurance for the foreign staff at approximate cost of G. $250.00. If this can be done at about this figure we recommend that it be authorized. Term, Payment, and Endowment are all to expensive to be considered.

2. SALARIES

Salary schedule as adopted by the field is recommended for acceptance but we believe that the flat rate should apply on all of the Foreign staff with the exception of the President whose salary has not been altered in this attached schedule. There will be a few recessions on the gold basis but the gain in local currency will more than offset this discrepancy.

3. RETIREMENT ALLOWANCES

The committee has investigated the possibility of providing retirement allowances through the Teachers Annuity & Insurance Fund (of the Carnegie Foundation) and also through some one of the larger insurance companies, many of which now operate retirement systems on the basis of annuities. So far as we can lean no American insurance company would undertake the setting up of a retirment plan for a staff in China, and particularly for the Chinese portion of the staff. The Sun Life Assurance Company of Canada is willing to set up a plan for the University and there will be found attached, Appendix A, an outline of such an plan as your committee would recommend. It is possible to get a greater degree of flexibility in the plan set up by this company than is afforded by the Teachers Annuity & Insurance Fund. Also it has been found that the plan of the Sun Life Assurance Company is less costly than that of the Teachers Annuity Fund.

The recommended plan does not conform in all particulars to the outline submitted by the field as representing its views, but it is the view of your committee that the plan recommended would accomplish its purpose and represent an adequate retirement allowance. In its consideration of various plans the committee has sought to find such a plan as would accomplish the purpose of providing reasonably adequate retirement allowances for the staff and at the same time represent a real contribution to the problem of staff development and management. Your committee feels that an adequate retirement allowance should provide at the retirement age an annuity of somewhere from one-half to two-thirds of salary. A contribution of 10% will accomplish this purpose assuming retirement age is fixed at 65 after approximately twenty-five years of service. Since it may be anticipated that some staff members will enter the service at sufficiently young ages to permit of a longer service, and since the University could hardly justify the cost of retirement allowances which would be much if any in excess of of two-thirds of salary, the plan it will be noted includes a provision that contributions by the University to the fund shall cease if and when its contributions, together with interest to be added thereafter, shall be sufficient to provide a retirement allowance of one-third of salary. This provision would in effect place a maximum on that portion of the retirement allowance to be provided by the University.

Fortunately the University has on its staff comparatively few who have served more than a very few years. In fact, the longest period of service of any member of the staff is ten years. It is the view of your committee that if possible due credit be given in computing retirement allowances to this past service, and since the cost of so doing is not prohibitive, the committee is recommending that in addition to the payment of its 5% of salary, it should also contribute such additional amount as may be necessary to provide one-half of the retirement allowance which would be represented by service already rendered at the time the plan becomes effective, provided that the staff member makes alike contribution.

It will also be noted that the plan provides that in case of resignation or other separation from the service for any cause other than death or total disability, the staff member shall be entitled to receive his contributions together with the accrued interest and interest dividends thereon, but the staff member will not receive any portion of the contribution of the University upon retirement prior to the age fixed. This provision seems to your committee important since one of the primary functions of a retirement plan is to provide for the old age of the staff member and also to provide stability of service. If it were possible for the staff member upon separation from the service to withdraw not only his own contribution, but that of the University as well, such provision would in effect place a premium upon separations from the service. It is not the proper function of a retirement plan to provide bonuses or additional salary consideration and, therefore, your committee recommends against any plan which would give to the staff member any part of the University's contribution at any time prior to the retirement age fixed in the plan.

APPENDIX A

OUTLINE OF RETIREMENT PLAN

It is proposed that arrangements be made with the Sun Life Assurance Company of Canada for the setting up of a retirement plan for the staff of Yenching University as follows.

1. MEMBERSHIP IN PLAN

It shall be optional with all staff members already in the employ of the University at the time the plan becomes operative as to whether or not they shall join the plan. In the case of election not to join, it should be understood that the University assumes no responsibility for the retirement of such members.

For all members joining the staff after the plan becomes operative, membership in the plan should be a part of the contract and should be compulsory.

2. COST OF THE PLAN

Payments will be made to the Sun Life Assurance Company of Canada equaling 10% of the salary (without children's allowances) of each staff member. One-half of this amount, or 5% to be deducted from the salary of the staff member, the other half to be contributed by the University.

Provision would be made so that any staff members whose service with the University antedates the date of inauguration of the plan, shall have the opportunity of making such larger contributions as they may desire up to the amount necessary to provide the same reitrement allowance that the member would have been entitled to had the plan been in operation from the beginning of employment; and to the extent that the staff member elects to make these additional payments, the University will make equal additional payments.

It is to be understood that contributions to this plan by the University will cease if and when the contributions made by the University together with interest and anticipated interest dividends will reach such an amount as would be sufficient to purchase a retirement allowance equaling one-third of salary. At this point the staff member would have the option of either discontinuing or reducing payments, or of continuing them.

In the case of separations from the service prior to retirement age for any cause other than death or total disability, the contributions of the University together with interest and interest dividends will be returned to it or credited upon its payments to the Sun Life Assuranne Company for the current year. There is attached a schedule showing what would be the cost and also the benefits of this plan and which, based upon the salary scale at present proposed for the foreign staff, shows a cost to the University of $90.45 per month $126.47
if past service be disregarded, or a cost of ~~$131.97~~ per month if all staff members should elect to secure the full benefits for past service. In the case of all subsequent additions to staff the cost of course would be 5% of salary (exclusive of children's allowances).

3. BENEFITS

a. Retirement Allowances

Each staff member would be entitled to receive upon retirement at age 65 such a monthly annuity as the contributions made by himself and by the University in his behalf, together with interest and interest dividends, would purchase. The table attached shows what these benefits would be for each present member of the staff on the basis of the proposed revised salaries, these figures being straight life annuities. These allowances are shown on the basis of the guaranteed interest return of 3½% compounded annually and also on the basis of the continuance of the present scale of interest dividends as paid by the Sun Life Assurance Company of Canada. There can of course be no guarantee as to the continuance of the present relatively high dividend payments. The 3½% table is guaranteed and it is unlikely that the actual annuities would not be at least equal to a figure halfway between those shown; but since compound interest is so important a factor in such a plan and there can be no certainty as to the future course of interest rates ofer a long period of years, there can of course be no guarantee except to the extent shown under the 3½% table.

At the time of retirement each staff member shall have the option to decide the form of annuity which he may elect to take, that is either a straight life annuity covering either one life or two lives, or a refund annuity. The amount of the annuity will of course be determined by the type selected and in case it covers two lives, by the age of the second person. While retirement will be compulsory at age 65, if by mutual consent and upon request of the University any staff member should serve beyond that age, the annuity payments would be correspondingly increased according to the annuity tables.

b. Death or Total Disability

In the event of total disability the staff member will be entitled to receive the sum of the combined contributions made by himself and the University, together with interest thereon and interest dividends.

In the event of death the beneficiary of the staff member will be entitled to receive the amount of the staff member's contributions together with interest and interest dividends thereon, and if such beneficiary be a person who is dependent upon the staff member, he or she shall also receive the contributions of the University with interest and interest dividends thereon.

c. Withdrawal Benefits

In the case of separation from the service by resignation or otherwise prior to the age of retirement for any cause other than death or total disability, the staff member will be en-

3124788

0671

titled to receive the full amount of contributions made together with interest thereon and interest dividends, but shall not receive any portion of the amount contributed by the University.

d. __Method of Payment__

All benefits to staff members who have retired will be paid in equal monthly amounts.

Benefits to those entitled to receive them as a result of the death or total disability of a staff member, or as a result of separations from the staff, will be paid according to the election of the beneficiary either in one payment or in a certain number of payments at fixed intervals, or in the form of a refund or straight annuity, all such deferred payments to be made in accordance with the interest and annuity tables of the Sun Life Assurance Company of Canada.

TABLE I

Income at 65
Based on $3\frac{1}{2}\%$ Guarantee, Present Dividend Scale and Present Annuity Rates

					Standard Plan			Total Income		
					Combined Monthly Contribution	Monthly Income at 65		Combined Monthly Contribution	Monthly Income at 65	
Name	Age 7/1/30	**Sex**	Annual Salary	Past Service		$3\frac{1}{2}\%$ Basis	Present Rates		$3\frac{1}{2}\%$ Basis	Present Rates
J. L. Stuart	54	M	$ 1,506.	10	$ 12.55	$ 17.13	$ 19.77	$ 23.96	$ 32.50	$ 37.74
H. Hague	42	F	950.	9	7.92	25.39	42.88	11.02	47.34	63.80
L. Conover	54	F	950.	0	7.92	9.68	11.23	7.92	9.68	11.23
B. L. Learmonth	63	M	1,800.	4	15.00	3.16	3.32	45.00	9.49	9.95
L. W. Faucet	38	M	1,800.	2	15.00	68.18	95.57	16.11	73.21	102.64
G. R. Loehr	38	M	950.	4	7.92	35.99	50.46	9.09	41.31	57.91
H. E. Shadick	28	M	1,800.	4	15.00	114.45	184.11	16.62	142.35	203.99
E. K. Smith	57	M	1,800.	0	15.00	14.10	15.75	15.00	14.10	15.75
A. M. Boring	47	F	950.	6	7.92	17.93	22.70	10.56	20.20	30.26
E. O. Wilson	40	M	1,800.	8	15.00	60.67	82.88	19.80	80.09	109.40
E. L. Konantz	56	F	950.	9	7.92	7.60	8.76	15.84	15.38	17.32
William Band	24	M	950.	0	7.92	72.82	124.14	7.92	72.82	124.14
T. M. Barker	45	M	950.	8	7.92	23.62	29.83	11.09	32.57	41.77
D. M. Bent	30	F	950.	1	7.92	43.65	77.12	5.15	50.80	79.35
M. S. Stewart	30	M	1,800.	3	15.00	103.87	162.42	16.29	112.80	176.39
V. Nash	38	M	1,800.	5	15.00	68.18	95.57	17.78	80.81	113.28
Total			21,706.		180.91			251.94		

Pension Plan

THRIFT PLAN

A MESSAGE TO THE TEACHING STAFF

FROM YENCHING UNIVERSITY

SEPTEMBER 1st, 1930.

Men and women must face the fact that as they grow older a time will be reached when they can no longer provide for themselves in the way that they have done during their prime working years. The age when this disability comes to each person is different but it is inevitable. Concern as to what will happen to them and to those depending on them is very real and causes much worry to a great many people, especially as they reach and pass middle life.

The University realizes that this is a matter for grave consideration and is anxious to assist its Teaching Staff to provide for these future years.

To this end a plan for saving has been devised called "The Thrift Plan," whereby every member of the Teaching Staff can build up for himself or herself, with the assistance that will be given by the University, a substantial and regular monthly income. This income will be guaranteed by the Sun Life Assurance Company of Canada, a great financial institution, and is as safe and sure as men can devise.

This plan will pay each member of the Plan a monthly income commencing on the first day of the month after the member reaches normal retirement age and continuing as long as the member lives, no matter how long that may be. Normal retirement age will be the September 1st, nearest to the member's 65th birthday. The regular monthly income will be such amount as can be purchased by a monthly contribution by the Teacher equal to 5% of his or her pay, increased by a like contribution by the University.

Present members of the Teaching Staff will have the privilege of increasing their regular contribution in the ratio which the number of years of service they have completed with the University up to September 1st, 1930, bears to the number of additional years they can serve before reaching normal retirement age. The University will match this special contribution by Present members of the Teaching Staff.

We recommend this plan to you and advise you to become members of it at once.

YENCHING UNIVERSITY

THRIFT PLAN

GENERAL PROVISIONS

EFFECTIVE DATE

The plan becomes effective on September 1st, 1930.

THOSE ELIGIBLE

All present members of the Teaching Staff are eligible. Participation in the plan is optional for present members, but it must be clearly understood that the University will feel no obligation to provide for members who do not participate.

New members of the Teaching Staff will start participating in the plan at the time they join the Staff.

CONTRIBUTIONS

Each member of the plan will make a regular monthly contribution equal to 5% of his or her salary and the University will contribute a like amount.

Teachers who are members of the Staff on Sept. 1st, 1930, may increase their regular monthly contributions in the ratio which the number of years of service they have completed up to September 1st, 1930, bears to the number of additional years they can serve before reaching normal retirement age. The University will match this additional contribution.

RETIREMENT INCOME

The contributions made in respect of any member during any twelve months period ending on the 1st day of September shall be accumulated to that date at such rate of interest as the Assurance Company may allow, but in no case at a rate less than 3½% per annum, and shall be applied to purchase retirement income commencing on the 1st day of the month following the attainment of normal retirement age, according to the rate set out in Schedule 1.

RETIREMENT INCOME
(Cont'd)

Normal Retirement Age will be the September 1st, nearest to the member's 65th birthday. The Assurance Company will each year make a statement of the amount of income credited to each member including any income then allocated to such member as bonus additions.

DISABILITY RETIREMENT

Any member who becomes totally and permanently disabled before reaching normal retirement age may be retired on a reduced amount of monthly income. The amount of income will depend upon the contributions which have been made, the member's sex and the member's age at time of retirement. If the health of the member be seriously impaired he or she may, subject to medical examination, receive a larger amount of income, but such special terms as may be offered shall be solely at the discretion of the Assurance Company.

OPTIONAL RETIREMENT

The retirement of a member may, with the approval of the University, be deferred beyond normal retirement age and in such event an increased amount of income will be allowed.

OPTIONS AT RETIREMENT

At the time of retirement the member shall receive the amount of annuity set forth in the paragraph entitled "Retirement Income," or such increased amount as the Company may then allow. In lieu of this annuity the member shall have the option of receiving a reduced amount of annuity with one or other of the following benefits:-

(1) In the event of the death of the member before the total of the annuity payments received is equal to the value of the said annuity immediately prior to retirement the balance will be returned to the member's beneficiary.

or (2) In the event of the death of the member during the lifetime of the designated beneficiary one-half the amount of the annuity shall continue to the beneficiary until death.

or (3) In the event of the death of the member during the lifetime of the designated beneficiary the full amount of annuity shall continue to the beneficiary until death.

OPTIONS AT RETIREMENT
(Cont'd)

or (4) In the event of the death of the member before a specified number of years has elapsed the annuity shall continue payable to the beneficiary until the expiry of the specified period.

The Company shall quote on request the amount of annuity which will be allowed to any member under any of the options.

DEATH BEFORE RETIREMENT

In the event of the death of a member before any payment of annuity has been received and while covered under this Plan there shall be paid to the designated beneficiary the then present value of the total annuity purchased in respect of such member together with any amounts of annuity allocated to such member as bonus additions, which value shall be determined according to Schedule II.

WITHDRAWAL FROM THE PLAN

Should a member of the plan withdraw from the service of the University before receiving any income payments, the withdrawing member will receive a cash payment equal to one-half of the then present value of the total income purchased in respect of such member, together with any amounts of income allocated to such member as bonus additions, which value shall be determined according to Schedule II.

ASSIGNMENTS

Except to change the beneficiary designated to receive the benefits payable on the death of a member no assignment of any benefits under the plan is permitted. The Company does not assume any responsibility for the validity of any appointment or change in beneficiary.

SCHEDULE I

Monthly amount of Annuity at age 65 Purchased by a Single Payment of $100 at the attained age.

Attained Age	Males	Females	Attained Age	Males	Females	Attained Age	Males	Females
21	3.87	3.34	36	2.31	1.99	51	1.38	1.19
22	3.74	3.23	37	2.23	1.93	52	1.33	1.15
23	3.62	3.12	38	2.16	1.86	53	1.29	1.11
24	3.49	3.01	39	2.09	1.80	54	1.24	1.07
25	3.38	2.91	40	2.01	1.74	55	1.20	1.04
26	3.26	2.81	41	1.95	1.68	56	1.16	1.00
27	3.15	2.72	42	1.88	1.62	57	1.12	.97
28	3.04	2.63	43	1.82	1.57	58	1.08	.94
29	2.94	2.54	44	1.76	1.51	59	1.05	.90
30	2.84	2.45	45	1.70	1.46	60	1.01	.87
31	2.75	2.37	46	1.64	1.41	61	.98	.84
32	2.65	2.29	47	1.58	1.37	62	.95	.82
33	2.56	2.21	48	1.53	1.32	63	.91	.79
34	2.48	2.14	49	1.48	1.28	64	.88	.76
35	2.39	2.06	50	1.43	1.23	65	.85	.74

SCHEDULE II

Tables of values of an annuity of $10 a month commencing at age 65

Attained Age	Males	Females	Attained Age	Males	Females	Attained Age	Males	Females
21	258.19	299.32	36	432.56	501.46	51	724.69	840.12
22	267.23	309.79	37	447.70	519.01	52	750.05	869.53
23	276.58	320.64	38	463.37	537.18	53	776.30	899.96
24	286.26	331.86	39	479.59	555.98	54	803.48	931.46
25	296.28	343.47	40	496.37	575.44	55	831.60	964.06
26	306.65	355.49	41	513.75	595.58	56	860.70	997.80
27	317.38	367.94	42	531.73	616.42	57	890.83	1032.72
28	328.49	380.81	43	550.34	638.00	58	922.01	1068.87
29	339.99	394.14	44	569.60	660.33	59	954.28	1106.28
30	351.89	407.94	45	589.53	683.44	60	987.68	1145.00
31	364.20	422.22	46	610.17	707.36	61	1022.25	1185.07
32	376.95	436.99	47	631.52	732.12	62	1058.02	1226.55
33	390.14	452.29	48	653.63	757.74	63	1095.05	1269.48
34	403.80	468.12	49	676.50	784.26	64	1133.38	1313.91
35	417.93	484.50	50	700.18	811.71	65	1173.05	1359.90

The value of the total annuity credited to a Member (and including bonus additions) shall be determined on the first day of September in any year according to the rate in the above table corresponding to the sex of the Member and the age at the birthday nearest to such date. In the case of a Member withdrawing at a date other than the first day of September the value so determined at the first of September preceding and all contributions in respect of the Member made after that date shall be accumulated to the first day of the month preceding withdrawal at such rate of interest as the Company shall then allow, but in no case less than three and one-half per cent ($3\frac{1}{2}$%) per annum.

3124788

0679

Annuities

YENCHING UNIVERSITY Oct, 1930

RETIREMENT PLAN AND ANNUITY FUND
FOR THE FACULTY AND STAFF OF THE UNIVERSITY

Yenching University hereby adopts the following Retirement Plan, applicable to all full-time members of the Faculty and Staff whose employment is not regarded as temporary.

I. THE COMPANY OPERATING THE PLAN.

By special arrangement amde by the Trustees of the University, the Sun Life Assurance Company of Canada shall be responsible for the custody, investment, and payment of all annuity funds, and for the operation of the Plan, in accordance with the terms and conditions as set forth below.

II. MEMBERSHIP IN THE PLAN.

Membership in the Plan shall be open to all permanent members of the University faculty and staff, but participation shall be optional.

In the case of members of the University who refuse to participate, the University disclaims all responsibility for retirement allowances or other benefits.

An eligible person may join the Plan at the beginning of any fiscal year, but after a person has entered the Plan, he shall not be permitted to withdraw, as long as he remains an eligible member of the University.

III. CONTRIBUTIONS FOR THE ANNUITY FUND.

1. Every member of the Plan shall contribute each month five (5) per cent of his salary, and the University shall contribute for him an equal amount, toward the accumulated fund.

2. And member of the University staff who, at the time the plan is adopted, has had one year or more of service in the University, may, by making prorata payments for the preceding years of service, make the application of the plan to his own came retroactive, and his payments will be matched by equal payments made for him by the University. The University reserves the right to defer, if necessary, such payments for a period not to exceed one year, in order that provision for them may be made in the budget.

3. Contributions for any member in this Plan made by the University will cease if and when the University contributions, together with accumulated interest thereon, reach an amount sufficient to provide a retirement allowance equal to one-third of such member's salary. At this stage the member may continue or discontinue his own payments at his discretion.

In case a member, after the funds accumulated for him have reached the limit stated above, receives an increase in salary, the University contributions shall be renewed, if necessary, in order that the accumulated fund may at the time of retirement purchase an annuity equal to one-third of the member's salary.

4. Inasmuch as the Plan as operated by the Sun Life Assurance Company is entirely upon a U. S. gold currency basis, whereas many members of the University staff are paid on a Chinese silver-currency basis, and the market rate between gold and silver is constantly fluctuating, payments made for such members of the staff, whether the five per cent contributed by

the members themselves, or the five per cent contributed for them by the University, shall be accepted by the University for the purchase of gold dollar credits at the silver-gold ratio of 2:1. In other words, any contribution of L.C. $2.00 shall purchase G$1.00 in the accumulated fund.

IV. BENEFITS.

1. Retirement Benefits:

A. Retirement Age. A member entitled to benefits in this scheme shall be retired at the age of sixty-five (65) years, unless the University specifically requests him to continue in its service for a further definite period.

B. Retirement Allowances. Each member of the Plan, on reaching the retirement age of sixty-five, shall be entitled to receive such a monthly annuity as the contributions made by himself and by the University on his behalf, together with accumulated interest end interest dividends, will purchase.

C. Interest Rate. The minimum rate of interest is three and one-half percent (3½%), which, being fixed by law, is guaranteed by the Insurance Company, and interest will be compounded annually. Whether or not a higher rate of interest will be applicable at any time will depend upon the general condition of the Company's business at the time.

D. Options at Retirement. At the time of retirement a member shall receive the amount of annuity to which he or she shall be entitled in the form of a straight life annuity according to the annuity tables of the Insurance Company, or in lieu of a straight life annuity the member shall have the option of receiving a reduced amount of annuity with one of the following benefits:

(1) In the event of the death of the member before the total of the annuity payments received is equal to the value of the said annuity immidiately prior to retirement the balance will be returned to the member's beneficiary.

or (2) In the event of the death of the member during the lifetime of the designated beneficiary one-half the amount of the annuity shall continue to the beneficiary until death.

or (3) In the event of the death of the member during the lifetime of the designated beneficiary the full amout of annuity shall continue to the beneficiary until death.

or (4) In the event of the death of the member before a specified number of years has elspased the annuity shall continue payable to the beneficiary until the expiration of the specified period.

The Company shall quote on request the amount of annuity which will be allowed to any member under any of the options.

While retirement will be compulsory at the age of sixty-five, if by mutual consent and upon request of the University any staff member should serve beyond that age, the annuity payments would be correspondingly increased according to the annuity tables.

2. Total Disability or Death in University Service.

A. Total Disability. In the event of total disability the staff member will be entitled to receive the sum of the combined contributions made by himself and the University, together with interest thereon and interest dividends.

B. Death. In the event of death the beneficiary of the staff member will be entitled to receive the amount of the staff member's contributions together with interest and interest dividends thereon, and if such beneficiary be a person who is dependent upon the staff member, he or she shall also receive the contributions of the University with interest dividends thereon.

3. Withdrawal Benefits.

Any member of the Plan who withdraws from the service of the University prior to retirement age, for any cause other than total disability or death, will be advised to leave with the Sun Life Assurance Company the full amount of his own contributions plus interest and dividends thereon, together with any proportion of the University's contribution to which he may be entitled, to remain and accumulate interest until he reaches the age of retirement.

To cases wherein separation from the University service prior to the age of retirement has taken place the following regulations shall apply.

A. Further contributions by the University will naturally cease.

B. If separation from University service takes place within the first ten years of the member's membership in the Plan he shall not be credited with any of the funds contributed by the University on his behalf. Such funds in the possession of the Company shall be credited to the University.

C. If separation from the University service takes place after ten years of membership in the Plan there shall remain with the Sun Life Assurance Company to the credit of the withdrawing member a graduated proportion of the contributions of the University with accumulated interest, as follow:

For service of 10 or more years, but less than 20,	50%
For service of 20 years, or more	100%

D. If a member who has withdrawn from the University leaves with the Company the accumulated fund resulting from his own contributions, then he shall be entitled to the following benefits:

(1) When he reaches the retirement age of sixty-five the accumulated fund remaining to his credit with the Company shall become due, and payable as indicated below.

(2) In the event of total disability, or of death, before the age of retirement, he or his beneficiary shall be entitled to receive the accumulated fund to his credit with the Company payable as indicated below.

E. If a member who has withdrawn from the University so elects he shall be entitled to receive either in one payment or in a series of payments as he may choose, the full amount of the accumulated fund resulting from his own contributions. But he may not withdraw that portion of the fund resulting from the University contributions.

F. A member who has withdrawn from University service, and has received that portion of the accumulated fund resulting from his own contributions, shall, if there be a sum remaining to his credit with the Company due to the University contributions, be entitled to the following benefits:

(1) When he reaches the retirement age of sixty-five, the accumulated fund remaining to his credit shall become due and payable as indicated below.

3124788

0683

(2) In the event of total disability or of death before the age of retirement, he or his beneficiary shall be entitled to receive the accumulated fund to his credit with the Company, payable as indicated below.

V. METHOD OF PAYMENT.

All benefits to staff members who have retired will be paid in equal monthly amounts.

Benefits to those entitled to receive them as a result of the death or total disability of a staff member, or as a result of separations from the staff, will be paid according to the election of the beneficiary either in one payment or in a certain number of payments at fixed intervals, or in the form of a refund or straight annuity, all such deferred payments to be made in accordance with the interest and annuity tables of the Sun Life Assurance Company of Canada.

VI. ASSIGNMENTS.

Except to change the beneficiary designated to receive the benefits payable on the death of a member no assignment of any benefits under the Plan is permitted. The Company does not assume any responsibility for the Validity of any appointment or change in beneficiary.

October, 1930.

CHINA UNION UNIVERSITIES

FUKIEN CHRISTIAN UNIVERSITY
UNIVERSITY OF NANKING

SHANTUNG CHRISTIAN UNIVERSITY
PEKING UNIVERSITY

CENTRAL OFFICE
150 FIFTH AVENUE
NEW YORK CITY

Cable Address
Nanfushan, New York

Telephone
Chelsea 2130

Executive Secretary
LESLIE B. MOSS

April 7, 1923.

Mr. H. K. Caskey,
Hotel Southern,
Baltimore, Maryland.

My dear Mr. Caskey:

Your note of April 4th to Dr. North regarding the possibility of accepting two or three thousand dollars from a woman and paying her an annuity on it during her lifetime, he has asked me to answer, saying:-

that this is a new departure, and would first have to be acted on by the Board of Trustees. Inasmuch as we are having a meeting this coming Thursday I am putting it on the docket. The docket, however, is so crowded that it is possible the trustees will not be able to reach a decision on this as well as on some other points, in which case the Executive Committee will have to take it up later. We will do our best for you.

With very best wishes for your success, I am,

Most cordially yours,

Leslie B. Moss

Assistant Secretary,
Peking University.

3124788

0685

THE SOUTHERN HOTEL CO.

W.P.FARRELL, MANAGER.

THE SOUTHERN HOTEL

EUROPEAN PLAN

EVERY BED ROOM WITH PRIVATE BATH

ABSOLUTELY FIREPROOF

BALTIMORE, MD.

April 10-1923

Reverend J.Leighton Stuart,
156 - 5th Ave.New York.

My dear Dr.Stuart:

There is a woman who is talking about turning over a small sum of money to us which she hopes will eventually provide a scholarship at the University. She has asked if we will accept it and pay her an annuity while she lives and then use it for a scholarship after her death.

I wrote Dr.North about this a few days ago and Mr.Moss replied saying that the matter might come up at the Board meeting Thursday, but he rather feared that the amount of work mapped out might crowd it out of possible discussion. I do not know how much the woman expects to give us, but I have assured her we appreciate her interest and will let her know in a few days about some of the details. We will, of course, want to accept gifts of this sort in future, and must be prepared to make a statement to such applicants.

If the matter is not definitely decided upon Thursday, would it not be all right for you to take the matter up with the Treasurer of the Methodist Board or Mr. Day, and ask them if they would accept a small amount of money and hold it for us until we are ready to assume responsibility for it? It seems to me Mr. Day could do this as the Treasurer of one of the cooperating boards, and not be given much trouble in the administration. If you can push it along and have someone let me know late in the week what I can tell her, I will appreciate it very much.

Very sincerely yours,

H.K. Caskey

New York YENCHING

January 28, 1930

INDEXED

TRANSFER

Memo to Mr. Garside:

I am handing you herewith duplicate copies of an annuity from duly signed by Miss Mary Chamberlain and witnessed by George S. Conant, undertaking to pay over to Yenching University one thousand dollars with the stipulation that Miss Chamberlain is to receive five per cent interest on this sum during her life-time.

I hand you also cashier's check for $1,000 sent by Miss Chamberlain, to which is attached a letter from Miss Chamberlain addressed to Mr. McBrier.

I shall assume that you will write Miss Chamberlain acknowledging the document and the check and explaining if there is to be any delay in the signing and returning of the document.

O.D.W.

ODW*KK

Copy to Mr. Geo. S. Conant.

YENCHING

INDEXED

Yenching University

TRANSFER

June 10, 1930

Memorandum to Mr. Wannamaker,

Yesterday I conferred with Mr. Franklin H. Warner, the President of the Board of Trustees of Yenching University, in regard to the $5,000 annuity gift of Mrs. Fannie B. Look.

We note that the annuity form signed by Mrs. Look and transmitted to us by Mr. Wills differs slightly from the form approved by the Yenching Trustees. Two of these differences are minor ones, but one is of greater importance.

The two minor differences are in the amounts of income to be paid to Mrs. Look. The action of the Yenching Finance Committee approved annuity payments to Mrs. Look at the rate of 7.3%. The income on $5,000 at 7.3% is $365; the semi-annual payments on this basis are $182.50. The form signed by Mrs. Look gives these figures as $366.00 and $183.33. I do not know just how these figures were obtained. The difference amounts to only a few cents, but it is necessary for the sake of our accounting procedure that the agreement be exactly in accordance with the action of the Committee.

The form as signed by Mrs. Look also states that the semi-annual payments of income shall commence "with the fifteenth day of December, 1930". We have adopted the policyof having all Yenching annuity payments made on January 15 and July 15. This greatly simplifies our accounting procedure, for if each annuity payment began six months after the annuity was given our accounting office would be making payments continually throughout the year, thus greatly increasing the amount of care required, and also causing a danger that some annuity payment might be delayed or overlooked.

1/15/31
205698

In the case of Mrs. Look's annuity the first payment would thus be made on July 15, 1930. The amount of this payment would be interest at 7.3% from the date of her annuity gift was received. Since Mrs. Look's check for $5,000 was received on June 9 the accrued interest on July 15 will be for the period of one month and six days and will amount to $36.50.

July 15 1930
Pd 182.50
for 6 mo

We have, therefore prepared another set of forms for this annuity agreement with Mrs. Look, making the changes I have indicated above. I am attaching hereto copies of this revised annuity agreement executed by Mr. Warner and myself, and trust that the new form will be satisfactory to Mrs. Look. I would appreciate it if you would transmit to her our apologies for the necessity of making these slight revisions so as to bring her agreement into line with the policy already adopted by the University.

BAG-H

B.A.GARSIDE

3124788

0689

TRUSTEES OF YENCHING UNIVERSITY

WHEREAS Mrs. Fannie B. Look of Los Angeles in the State of California, has this day given to the TRUSTEES OF YENCHING UNIVERSITY, a corporation established under the laws of the State of New York, and located at New York City, in said State, the sum of Five thousand dollars ($5000), said sum becoming by said gift the absolute property of said Trustees, and to be devoted to its uses and purposes, under the provisions of its By-laws.

NOW, THEREFORE, in consideration of said gift, the said Trustees agree to pay to the said Mrs. Fannie B. Look during her natural life, the annual sum of Three Hundred Sixty Five dollars ($365) in semi-annual payments of One Hundred Eighty Two and 50/100 Dollars ($182.50) each, commencing with the fifteenth day of July, A.D. 1930.

SUCH PAYMENTS shall be made at the office of the Treasurer of said corporation, in said New York City, unless otherwise requested in writing; in which latter case the payment shall be transmitted in any ordinary or usual way, as instructed.

As the above payments are made for the sole benefit of said Mrs. Fannie B. Look during her natural life, it is declared to be the intention of the parties hereto that no obligation whatever is, nor shall be considered hereby to have been, assumed by the Trustees of Yenching University to the heirs, executors, administrators, or assigns of the said Mrs. Fannie B. Look for any of said semi-annual payments that shall not have been called for by the said Mrs. Fannie B. Look as above provided during her lifetime.

WITNESS the signatures and seals of the respective parties this Ninth day of June, A.D. 1930.

Signed, sealed and delivered in the presence of

TRUSTEES OF YENCHING UNIVERSITY

____

President

____

Secretary

____

Annuitant

The execution of the foregoing agreement by the President and the Secretary of the Trustees of Yenching University in its name and behalf, has been duly authorized by the vote of the Committee on Finance, Property and Investment of said Trustees, passed the twenty-first day of May, A.D. 1930, as duly appears of record.

____

Asst. Secretary of the
Trustees of Yenching University

December 9, 1930.

Memorandum in re Yenching Pension Plan.

An examination of the recommendations adopted by the Board of Managers of Yenching University on October 20, 1930 shows that, except at one point, these recommendations are quite in accordance with the plan proposed by the Trustees' Committee on Salaries and Pensions.

Sections 1 to 8 of these proposals are in accordance with the plan worked out here in New York, and I believe the Committee on Salaries and Pensions can recommend the Trustees' approval of these sections of the plan. Of course it would be wise to have a representative of the Sun Life Assurance Company examine these proposals and pass judgment on their merits before final action is taken by the Trustees. Also it is desirable that a fairly detailed statement be prepared showing the cost involved in the adoption of the plan.

Section 9 of the Managers' proposals raises a new issue. This section provides that "in the case of permanent members of the staff whose salaries are paid in silver, the contributions made by the members and by the University, be accepted on a silver-ratio of 2 to 1 as payments toward the accumulated fund in gold." A study of this proposal at once raises a number of fundamental questions, and also indicates that such a policy would give staff members receiving their salaries in silver extremely preferential treatment over those receiving salaries in gold (under present exchange ratios). Let us examine some of the implications of such an arrangement.

Let us assume that one member of the Yenching staff draws a salary of G.$1,500.00. At the present rate of exchange this will produce approximately $5,000.00 local currency. Let us assume that a second member of staff draws a salary of L.C. $5,000.00. For the present at least these two staff members are receiving substantially the same salary (though the equality will change in one direction or the other as the rate of exchange shifts.) Yet under the proposal of the Managers the staff member receiving L.C. $5,000.00 is in a far better position than the one receiving G. $1,500.00, as revealed when we look at thevarious details involved.

(a) Amount of policy. On the 2 to 1 basis, the staff member will have a policy based on a salary of G.$2,500.00. This is 66 2/3 more than the policy of the staff member being paid in gold.

(b) Payment of Premiums. Where the staff member receiving G.$1,500.00 pays $75 in premiums, and receives the benefit of $75 from the University, the staff member receiving L.C. $5,000.00 pays ~~only~~

approximately the same amount,(his payment of L.C.$250 being equal to about G.$75) but the University pays both one half the total premium, or G.$125, and also the loss on exchange amounting to approximatelyG$50. That is to say, of the premium of G.$250. the staff member pays $75 or 3/10, whereas the University pays $175 or 7/10.

(c) Maturity of policies. Should both these policies mature at a time when the prevailing rate of exchange still holds, and should each staff member receive a pension equal to 2/3 of the basic salary, the member receiving the gold salary will receive G.$1,000 per year and the one drawing his salary in L.C. will receive G.$1,667 annually. The same disproportion would apply to any other special Benefits under the policy.

The only justifications I can see for such a proposal are the following:- First, that the present salaries paid in local currency are based on the supposition a salary of L.C.$3,000 is equal to a salary of G.$1,500, and that future salary scales will continue to be based on this supposition; Second, that the present rate of exchange is purely temporary and that we can reasonably expect that over a period of years an average ratio of 2 to 1 will prevail. I believe that the facts do not fully bear out either of these suppositions. While it probably true that salaries in local currency a few years ago were about double corresponding salaries in gold, and while Chinese salaries have probably not risen quite as rapidly as exchange has dropped; yet I believe it is also true that there has been a very substantial increase in Chinese salaries to compensate for the lessened value of the silver dollar, and it seems certain that this increase will continue if the present rates prevail until silver and gold salaries will again reach an approximate equality on the new basis. As to the second point, while nobody dares predict the future course of exchange it now seems unlikely that at any time in the near future the rate will swing back to an average of two to one. There is about as fair a chance of the silver dollar going lower as there is that it will swing higher.

The more logical course,it seems to me, would be for the field to define the Chinese local currency salaries for any given year on a basis that will approximately represent the exchange rates likely to prevail for that year, and to adjust this ratio from year to year if marked changes in exchange justify it. The pension plan contemplates changes in salary, so this should not invalidate the system.

However, I feel that this whole question of the rate at which premiums should be paid on local currency salaries is a matter of field administration rather than home administration. The Trustees have consistently adopted the policy of expressing no judgments on matters affecting Chinese salaries (which are substantially the ones affected) but leave such matters to the field. It is recognized that only a fixed amount of income is available, and we must rely on the field to so adjust salaries and other expenses as to give us the maximum value for the sums expended. If they cannot do this effectively it would be practically impossible fot the Trustees at this distance, and with so little direct contact with the situation, to formulate any satisfactory policy,or to administer such a policy if it were formulated.

I would suggest therefore, that as soon as the Committee on Pensions has consulted with a representative of the Sun Life Assurance Company and verified the actuarial soundness of this plan, the Committee recommend to the Trustees that the following general line of action be taken:-

1. That the pension and retirement plan as set forth in sections 1 to 8 of the action passed by the Board of Managers on October 20, 1930, be approved, and that authorization be given to proceed at once on the setting up of this plan.

2. That the Trustees reaffirm their policy of not taking action on salaries other than those paid to University supported Western staff, who are not affected by Section 9 of the proposed plan, and refer to the Board of Managers together with the proper administrative officers and committees on the field, all questions involving the rate of exchange which shall be used in estimating the gold equivalent at which policies shall be set up, and premiums paid, for staff members receiving their salary in silver currency.

While no official action would then be taken on the proposal that the ratio of 2 to 1 be used in connection with policies and premiums for staff members paid in silver, it would probably be in order for the Committee on Pensions to call the attention of the field, either officially or informally, to the inherent difficulties in the proposed rate of exchange.

BAG/G

B. A. GARSIDE