

No:S/30/3/5

District Governor
Samarra District
Nablus.

Headquarters
Samarra District
Nablus.
20th March, 1924.

Subject:- Municipal Pension Scheme.
Reference:- S.D.G.Tulkarem letter No.T/30/4/9 of 25-2-24.

The idea, in my opinion, is excellent, I beg leave, however, to suggest amendments providing for more accuracy and detail.

as amended

A. The scheme is shown in the following table:-

Period of Service.	Discharge by Court	Voluntary Resignation.	1.Administrative discharge	Health.
			2.Reduction	
			3.Age over 65	
1 - 5 yrs	-	25% C	50% C	75%
5-10 "	-	40% C	75% C	100%
10-15 "	-	70% C	100% C	Pension 20% S (7 - 21 yrs)
15-20 "	-	85% C	Pension 20% S (22 - ∞ yrs)	Pension 30% S (10 - 19 yrs.)
20-30 "	Pension 20% S (∞ yrs)	95% C	Pension 30% S (19 - ∞ yrs)	Pension 30% S (19 - ∞ yrs)
30 years	Pension 20% S (∞ yrs)	Pension 50% S (37 yrs)	Pension 50% S (37 yrs)	Pension 50% S (37 years)
45 years	Pension 20% S (∞ yrs)	Pension 66% S (∞ yrs)	Pension 66% S (∞ years)	Pension 66% S (∞ years)

REMARKS:-

C. = Total contribution made towards pension = 5% paid by the official plus 5% paid by Municipality during the whole period of service.

S. = Average salary of the total period of service.

The numbers of years shown in brackets represent the number of years for which the total contribution toward pension will suffice at the scale laid down.

∞ = infinity

All amounts are reckoned at 6% interest.

B.- The following should be made to apply:-

1. No officials to be taken on unless passed by a medical board as fit.
2. Periods prior to the age of 20 should be reckoned for pension purposes three years for one. The officials, however, should contribute the full 5% of their annual salary.
3. The age limit should be 65.

4. The amount to be paid to the heirs of a deceased official should in the case of pension be as laid down by the Turkish Law. In case of compensation they should receive the full amounts.

5. The heirs entitled should be as laid down by the Turkish law also.

C.- I am not in possession of statistics showing average life and number of heirs at any one age so as to show clearly whether the scheme as outlined will be a losing one or otherwise. The years quoted below each category would point out however that it is not likely that the Municipalities will lose except in the category of persons who leave service on account of health after a period of 10-12, and 15 to 17 years. The regulation of medical examination will minimize this. The profits from other categories will more than make up for it.

D.- The attached schedule shows the accumulative effect of contributions ^{at an interest now below 6%.} If a general Municipal Scheme for Palestine is adopted the Government might be the banker and might not find it a loss to pay the Municipalities 6% interest.

All the reckonings in my amended scheme are made on the basis of 6% interest.

Salaries	££.3	££.5	££.10	££.15
Number of years	££.	££.	££.	££.
@ 0%	9.0	15. 0	30. 0	45. 0
5 yrs @ 3%	9.6	15. 9	31. 8	47. 7
@ 6%	10.1	16. 9	33. 8	50. 7
0 %	18.0	30. 0	62.	90
10 yrs 3%	20.6	34. 4	68. 8	103. 2
6%	23.7	39. 6	79. 1	118. 6
0%	27.	45.	90.	135.
15 yrs.3%	33.5	55. 8	111. 6	167. 4
6%	41.9	69. 8	139. 7	209. 5
0%	36	60	120	180
20 yrs.3%	48.3	80. 6	161. 2	241. 8
6%	66.2	110. 4	220. 8	331. 3
0%	54	90	180	270
30 yrs.3%	85.7	142. 8	284. 6	428. 4
6%	142.3	237. 2	474. 5	711. 7

The above table shows the total contributions paid by an official for purposes of pension calculations.

Calculated in accordance with the formula.

$$T = D S \left(\frac{(100 \times R) N}{100} - 1 \right) \frac{100}{R}$$

Where D = annual deduction = 5%

S = salary per annum = ££.36; 60; 120; or 180

R = rate of interest percent ;= 0; 3; or 6

N = number of years = 5; 10; 15; 20; or 30.

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