CITY OF CAMBRIDGE
795 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 349-4332
FAX. 349-4307

PERSONNEL DEPARTMENT
MICHAEL P. GARDNER
Director

MEMORANDUM

TO: Robert W. Healy
City Manager

FROM: Michael P. Gardner
Personnel Director

DATE: June 13, 1995

RE: City Council Order #19, dated 5/15/95, RE: Report of Deferred Compensation Program

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Attached please find the report of the City Personnel Department on the City's Deferred Compensation Program, as requested by the City Council May 15, 1995.

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PERSONNEL DEPARTMENT
MICHAEL P. GARDNER
Director

MEMORANDUM

DATE: June 5, 1995

TO: Michael Gardner,
Personnel Director

FROM: Duane Brown,
Benefit & Training Manager

RE: City of Cambridge Deferred Compensation analysis

DEFERRED COMPENSATION

The City has a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan permits employees to defer paying taxes on a portion of their current salary, up to $7,500 or 25% of gross pay, whichever is less. There is also a "catch-up" provision available in the 3 years prior to retirement with a ceiling of $15,000 per year for three years. The deferrals as well as interest earned on these deferrals are exempt from Federal and State Taxes until the funds are withdrawn from the plan. Deductions are made through payroll deductions. The funds deferred are not available to the participants until termination , retirement, death or an unforeseeable emergency. In accordance with Section 457 of the Internal Revenue Code, all amounts of compensation deferred under the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are (until made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the City's general creditors.

The City offers three carriers, AETNA Life Insurance and Annuity Company, began writing business with the City in 1976. Prudential Insurance Company of America, administered by the London Agency, LTD joined the City in 1980 and The Security First Group, administered by the Holden Group began in 1981. Currently only Aetna and Prudential write new business with the City of Cambridge. The three plans offer a variety of Annuity options including:

- **Guaranteed Interest Account (fixed dollar)**
- **Money Market accounts**
- **Bond portfolios**
- **Conservatively Managed Flexible Portfolio**
- **Aggressively Managed Flexible Portfolio**
- **Capital Growth Account**
- **Common Stock Portfolio**
- **Stock Index Portfolio**

DEFERRED COMPENSATION

CARRIER	QUARTER ENDING 3/31/95 PLAN TOTALS	TOTAL # PARTICIPANTS
AETNA	$10,899,352.50	648
PRUDENTIAL	$4,338,775.19	200
SECURITY FIRST	$3,722,340.75	67
TOTAL	$19,010,468.44	915

OBRA ACCOUNT

Part-time employee program

The Obra program was instituted by the Federal Government as a retirement program for part-time municipal employees. this program took effect January 1, 1992. In lieu of social security, employees who fall in this category are given a choice of three investment options to join within the deferred compensation program. One of the advantages to the employee is the ability to access the money upon separation of service unlike Social Security where you have to earn quarters to benefit. With the institution of this program the City does not have to match employee Social Security (non - medicare) deductions resulting in a significant cost savings.

OBRA ACCOUNT

CARRIER	QUARTER ENDING 12/31/1994	TOTAL # PARTICIPANTS
AETNA	$776,974.82	1,864
PRUDENTIAL	$531,255.74	1,536
TOTAL	$1,308,230.56	3,400

In December of 1991 the City began meeting with representatives from each plan to review on a regular basis the Deferred Compensation program. To insure safety and liquidity of the companies the City does business with we require a minimum **A** rating from the industry rating companies such as those listed below.
Such a rating is required to continue to do business under the plan.

	A.M.BEST	STANDARD & POOR	MOODY'S
PRUDENTIAL	**A**	**AA-**	**Aa3**
AETNA	**A++**	**AA**	**Aa2**
HOLDEN GROUP	**A**	**AA**	**N/A**

AetnaPlus

Historical Performance as of March 31, 1995
Account C   Large Case $15 Fee
Average Annual Total Returns

	1 Year		3 Years		5 Years		10 Years	
	w/o DSC	with DSC	w/o DSC	with DSC	w/o DSC	with DSC	w/o DSC	with DSC
Stocks								
Aetna Variable Fund	6.77%	1.43%	5.46%	3.67%	8.29%	7.19%	11.92%	11.92%
Alger American Small Cap Portfolio	12.36%	6.74%	8.62%	6.78%	13.73%	12.57%	18.41%*	17.49%*
Janus Aspen Series Aggressive Growth Portfolio	20.89%	14.84%	21.76%*	17.78%*				
Lexington Natural Resources Trust	0.37%	-4.66%	21.78%	19.72%	8.28%	7.17%	8.49%*	7.54%*
Neuberger & Berman Growth Portfolio	7.99%	2.58%	7.06%	5.25%	8.07%	6.97%	9.92%*	9.32%*
Scudder International Portfolio	-3.91%	-8.72%	8.85%	7.00%	4.13%	3.07%	7.04%*	6.35%*
TCI Growth	5.51%	0.23%	6.01%	4.21%	8.92%	7.81%	10.05%*	9.28%*
Balanced Fund								
Aetna Investment Advisers Fund, Inc.	5.94%	0.64%	5.52%	3.73%	7.25%	6.15%	7.12%*	6.17%*
Calvert Socially Responsible Series	5.75%	0.46%	5.94%	4.14%	6.93%	5.84%	9.01%*	8.36%*
Income Fund								
Aetna Income Shares	2.34%	-2.78%	4.53%	2.76%	7.65%	6.55%	9.00%	9.00%
Franklin Government Securities Trust	3.99%	-1.21%	4.47%	2.69%	7.00%	5.90%	6.97%*	6.03%*
Janus Aspen Series Flexible Income Portfolio	3.36%	-1.81%	1.95%*	-1.38%*				
Money Market Fund								
Aetna Variable Encore Fund**	3.48%	-1.70%	2.44%	0.70%	3.67%	2.61%	5.01%	5.01%

Returns are adjusted for applicable expense factors and the 1, 3 and 5 year returns reflect the impact of a 5% maximum deferred sales charge (DSC). Results without a deferred sales charge are also presented. Investment returns and principal values fluctuate so that, if surrendered, an investment may be worth more or less than the original amount. Results are historical and not intended to portray future performance.

Guaranteed Interest Accounts (Large Case)				
Aetna Fixed Plus Account	6.47%	6.93%	7.57%	8.34%
Aetna Fixed Account	6.27%	6.82%	7.50%	8.31%

*Performance from date of inception. Alger American Small Cap Portfolio was established September 21, 1988, Janus Aspen Series Aggressive Growth Portfolio September 13, 1993, Scudder International Portfolio May 1, 1987, TCI Growth November 20, 1987, Neuberger & Berman Growth Portfolio January 1, 1986, Lexington Natural Resources Trust May 31, 1989, Aetna Investment Advisers Fund, Inc. June 23, 1989, Calvert Socially Responsible Series October 1, 1986, Janus Aspen Series Flexible Income Portfolio September 13, 1993, and Franklin Government Securities Trust May 30, 1989.

**An investment in Aetna Variable Encore Fund, a money market fund, is neither insured nor guaranteed by the U.S. Government.

AetnaPlus

Account C - Annual Percent Change - Large Case Credit

	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985
STOCKS										
Aetna Variable Fund	-2.19%	5.41%	5.37%	24.82%	2.01%	27.46%	13.21%	4.19%	17.48%	29.66%
Alger American Small Cap Portfolio	-5.23%	10.65%	2.26%	55.60%	7.33%	62.44%	-3.69%*			
Janus Aspen Series Aggressive Growth Portfolio	14.91%	17.61%*								
Lexington Natural Resources Trust	-6.64%	10.63%	65.58%	-6.14%	-16.02%	14.41%*				
Neuberger & Berman Growth Portfolio	-6.14%	8.13%	8.11%	28.07%	-9.32%	29.66%	24.40%	-6.09%	13.51%*	
Scudder International Portfolio	-2.08%	35.28%	-4.12%	10.06%	-8.80%	36.08%	15.28%	-11.39%*		
TCI Growth	-2.39%	12.87%	-2.35%	40.10%	-2.46%	27.09%	-3.49%	7.05%*		
BALANCED FUNDS										
Aetna Investment Advisers Fund	-1.59%	8.52%	5.05%	16.88%	4.40%	4.37%*				
Calvert Socially Responsible Series	-4.37%	7.38%	5.78%	14.95%	6.30%	15.56%	10.25%	4.36%	11.30%*	
INCOME FUNDS										
Aetna Income Shares	-4.99%	8.31%	6.11%	17.94%	7.77%	13.17%	6.29%	3.23%	12.59%	20.75%
Franklin Government Securities Trust	-4.92%	6.33%	6.03%	14.50%	9.10%	5.81%*				
Janus Aspen Series Flexible Income Portfolio	-2.12%	0.33%*								
MONEY MARKET FUND										
Aetna Variable Encore Fund	2.80%	1.92%	2.39%	5.21%	7.08%	8.02%	6.16%	5.48%	5.56%	7.12%
GUARANTEED INTEREST ACCOUNTS (LARGE CASE)										
Aetna Fixed Account	6.26%	6.88%	7.73%	8.50%	8.75%	8.75%	8.64%	8.79%	9.64%	10.25%
Aetna Fixed Plus Account	6.46%	6.96%	7.73%	8.50%	8.75%	8.75%	8.64%	8.79%	9.64%	10.25%

Percent change in unit value represents total after the deduction of annuity contract charges. Returns include hypothetical performance for periods before the independently managed funds were available in the Aetna contract on which contract charges were applied to actual fund NAV's to determine the performance the funds would have achieved inside the separate account.

*Performance from date of inception. Alger American Small Cap Portfolio was established September 21, 1988, Janus Aspen Series Aggressive Growth Portfolio September 13, 1993, Scudder International Portfolio May 1, 1987, TCI Growth November 20, 1987, Neuberger & Berman Growth Portfolio January 1, 1986, Lexington Natural Resources Trust May 31, 1989, Aetna Investment Advisers Fund, Inc. June 23, 1989, Calvert Socially Responsible Series October 1, 1986, Janus Aspen Series Flexible Income Portfolio September 13, 1993, and Franklin Government Securities Trust May 30, 1989.

AETNA LIFE INSURANCE AND ANNUITY COMPANY
AETNA PLUS (ACES) MONTHLY INVESTMENT REPORT
PERCENTAGE CHANGE IN ACCUMULATION UNIT VALUES
(ACCOUNT C - NET OF APPLICABLE EXPENSE FACTORS)

	Last Year Jan.-Dec. 1994	Last 12 Calendar Months 04/29/94-04/28/95	1995 Year to 04/95	Last Month 04/95
Aetna Variable Fund	-2.19%	9.16%	8.65%	2.82%
Aetna Variable Encore Fund*	2.80%	3.78%	1.55%	.38%
Aetna Income Shares	-4.99%	5.67%	5.51%	1.55%
Aetna Investment Advisers Fund, Inc.	-1.59%	8.47%	7.20%	2.50%
Aetna GET Fund*****	1.60%	9.48%	7.81%	2.55%
Neuberger & Berman Advisers Management Trust	-6.14%	8.24%	10.70%	.36%
Calvert Socially Responsible Series	-4.37%	9.31%	9.48%	2.56%
Franklin Government Securities Trust	-4.92%	6.49%	6.45%	1.32%
Lexington Natural Resources Trust	-6.64%	1.29%	5.03%	.20%
Scudder Variable Life Investment Fund**	-2.08%	-.95%	2.33%	5.10%
TCI Growth***	-2.39%	7.57%	8.37%	2.78%
Alger Small Capitalization Portfolio****	-5.23%	16.31%	12.65%	4.29%
Janus Aspen - Aggressive Growth Portfolio******	14.91%	23.54%	-1.65%	-2.06%
Janus Aspen - Flexible Income Portfolio******	-2.12%	5.95%	7.05%	1.90%

This information must be preceded or accompanied by the effective Aetna Plus Product and fund prospectuses. The returns update the figures shown in the condensed financial information of the current prospectuses.

* An investment in Aetna Variable Encore Fund is neither insured nor guaranteed by the U. S. Government.

** Scudder Variable Life Investment Fund became available as an investment option under the Contract on April 27, 1992. The returns shown prior to that date reflect actual investment performance for the fund adjusted for the Contract charges.

*** TCI Growth became available as an investment option under the Contract on September 16, 1992. The returns shown prior to that date reflect actual investment performance for the fund adjusted for the Contract charges.

**** Alger became available as an investment option under the Contract on October 1, 1993. The returns shown prior to that date reflect actual investment performance for the fund adjusted for the contract charges.

***** Aetna GET Fund became available as an investment option under the Contract on March 14, 1994.

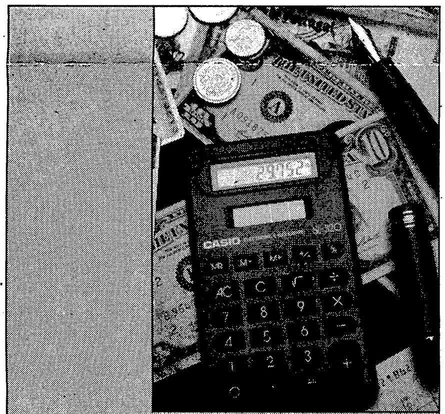
****** These two Janus Funds became available as an investment option under the Contract on August 30, 1994.

QUARTERLY BULLETIN

SECURITY FIRST LIFE INSURANCE COMPANY

Deferred Compensation Annuity Options

March 31, 1994



NATIONAL CUSTOMER SERVICE CENTER

(800) 992-9785

THE HOLDEN GROUP
P.O. Box 92193
Los Angeles, CA 90009

Now Is The Time To Start Planning For Your 1994 Taxes

After the tax filing deadline is over, most of us believe that we do not have to worry about looking for deductions, tax credits, and yes, those complex tax forms for another year. The best time for tax planning is now. You have just finished reviewing your finances while doing your taxes, so everything is still fresh in your mind. The best tax planning strategies are those put into motion early in the year, not when it is almost time to file your income tax returns. A disciplined tax plan is your best move. With that in mind, here are some tax planning hints that you can do now.

Take Advantage Of The Following Tax Hints

Identify your tax bracket

Identifying your tax bracket may be the most important step you can take to maximize your tax savings. Knowing how the tax brackets work will help you identify how and when to take income and distributions from your tax-deferred savings. Many people assume that the same rate of tax applies to all of their taxable income. This is not the case. Your income is taxed at different rates and you pay the highest rate only on the top portion of your income. The charts on the front page show tax rates for each level of taxable income.

Adjust your withholding

If you expect a large refund from the IRS, you may be withholding too much from your paycheck. While it's nice to get a refund check at the end of the year, all you are doing is loaning your money to Uncle Sam interest free. This is money that could be working for you. On the other hand, if you expect to pay more taxes at the end of the year, you may not be withholding enough. Fill out a new W-4 form with your payroll office. Remember, there can be a significant tax penalty for underwithholding taxes.

1994 Federal Income Tax Schedules

Married Taxpayers (Filing jointly)

If Taxable Income Is More Than	But Not More Than	Federal Tax Is		Tax Bracket	Of The Amount Over
$ 0	$ 38,000	0	+	15.0%	$ 0
$ 38,000	$ 91,850	$ 5,700.00	+	28.0%	$ 38,000
$ 91,850	$140,000	$20,778.00	+	31.0%	$ 91,850
$140,000	$250,000	$35,704.50	+	36.0%	$140,000
$250,000		$75,304.50	+	39.6%	$250,000

Single Taxpayers

If Taxable Income Is More Than	But Not More Than	Federal Tax Is		Tax Bracket	Of The Amount Over
$ 0	$ 22,750	0	+	15.0%	$ 0
$ 22,750	$ 55,100	$ 3,412.00	+	28.0%	$ 22,750
$ 55,100	$115,000	$12,470.00	+	31.0%	$ 55,100
$115,000	$250,000	$31,039.50	+	36.0%	$115,000
$250,000		$79,639.50	+	39.6%	$250,000

(The 1994 tax tables above were prepared by CCH Editors based on the inflation adjustment provisions of Section 1(f) of the Internal Revenue Code and the average CPI published by the Dept. of Labor for each month in the 12 month period ended 8/31/93.)

Maximize your tax deferred savings

Contributing as much as you can to your retirement savings plans such as an IRC Section 457 deferred compensation plan, a Section 401(k) Plan or Section 403(b) plan may be the smartest tax cutting move you will ever make. These plans allow you to save for your retirement on a pre-tax basis, thereby reducing your federal and (in some cases) state income taxes. Best of all, these are long range strategies. The most effective tax reduction techniques are long range strategies rather than quick fixes.

Fund your IRA early

Consider not waiting until April 15 of next year to make your IRA contributions for this year. Funding your IRA now will allow you to take advantage of several months of tax-deferred interest earnings. The additional earnings from your IRA compounded each year can amount to thousands of dollars over time.

Review your employee benefits

Talk to your employer's benefits administration office. You may be missing out on some tax breaks in your employer benefit plans because you did not know about them or you neglected to sign up. Your employer may have a flexible spending account that would allow you to use pre-tax dollars to pay for medical and/or childcare expenses. Your tax savings from flexible spending accounts may be quite substantial since you will be using pre-tax dollars to pay for bills that you currently pay with after-tax dollars.

Get organized

Start organizing your records now. Spend a couple of hours each month getting your files up to date. The best time to do it is when you reconcile your checkbook and bank statements. An accordion type file may be a good way to organize your receipts, such as business expenses, charitable contributions, gifts, etc. Remember, the time you spend now will be time saved later when it is time to file your income tax return, and it could help you remember things you might forget if you wait until the last minute.

Consult your tax professional about your personal tax situation. A number of tax law changes could be enacted. It is wise to consult with a professional to find out how any changes might affect you and how you can maximize your tax savings.

SECURITY FIRST LIFE FIXED INTEREST RATES

Accumulation Period

For contributions received during the second quarter of 1994, guaranteed through 1994.

6.50%	4.50%
Annuity Value	**Accumulated Payment Value**
Determines the value upon which Annuity Income is calculated.	*Determines the Cash Surrender Value.*

VARIABLE PERFORMANCE

Average Annual Total return as of 3/31/94

FUND	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Security First Trust Growth and Income Series	5.41%	9.03%	8.34%	10.41%
T. Rowe Price Growth Stock Fund	6.64%	9.71%	11.41%	13.06%
Security First Trust Bond Series	1.21%	7.37%	7.28%	7.92%

7 Day Yield for Period Ending 3/31/94

FUND	CURRENT YIELD	EFFECTIVE YIELD (COMPOUND)
T. Rowe Price Prime Reserve	1.95%	1.97%

Return is computed after deduction of all series expenses, actuarial risk charges, and other fees of the variable annuity account. The results shown should not be considered as representative of future results. Funds illustrated may not be available to all policy holders. Appropriate prospectuses must be received before transfer of funds will be permitted.

SECURITY FIRST LIFE INSURANCE COMPANY
CUMULATIVE RESULT FOR THE FIXED ANNUITY PRIOR TO COMMENCEMENT OF ANNUITY INCOME

The illustrations provided below assume a participant deposited $100 respectively in the fixed option on the first of each month. (Illustrations so not include deduction for annual administrative fees.) These values would be used to calculate the monthly income if the participant elects one of the qualifying annuity payout options. Another lower interest rate is used to calculate an accumulated value from which applicable surrender charges (if any) are deducted to arrive at the cash surrender value for this account if the participant elects a lump sum distribution.

CONTRIBUTIONS MADE: STARTING - THROUGH		12/31/86	12/31/87	12/31/88	12/31/89	12/31/90	12/31/91	12/31/92	12/31/93	3/31/94
1/1/86 -	**Total Contributions**	$1,200	$2,400	$3,600	$4,800	$6,000	$7,200	$8,400	$9,600	$9,900
3/31/94	**Total Return**	$ 61	$ 225	$ 492	$ 867	$1,368	$1,979	$2,672	$3,455	$3,622
	****Annualized Growth Rate**	9.57%	8.87%	8.49%	8.25%	8.14%	8.00%	7.76%	7.53%	7.40%
1/1/87 -	**Total Contributions**		$1,200	$2,400	$3,600	$4,800	$6,000	$7,200	$8,400	$8,700
3/31/94	**Total Return**		$ 54	$ 215	$ 477	$ 859	$1,352	$1,925	$2,587	$2,730
	****Annualized Growth Rate**		8.48%	8.47%	8.25%	8.18%	8.06%	7.80%	7.55%	7.40%
1/1/88 -	**Total Contributions**			$1,200	$2,400	$3,600	$4,800	$6,000	$7,200	$7,500
3/31/94	**Total Return**			$ 60	$ 224	$ 501	$ 885	$1,349	$1,901	$2,023
	****Annualized Growth Rate**			9.38%	8.84%	8.64%	8.41%	8.04%	7.71%	7.54%
1/1/89 -	**Total Contributions**				$1,200	$2,400	$3,600	$4,800	$6,000	$6,300
3/31/94	**Total Return**				$ 59	$ 228	$ 501	$ 863	$1,309	$1,412
	****Annualized Growth Rate**				9.20%	8.97%	8.64%	8.21%	7.83%	7.63%
1/1/90 -	**Total Contributions**					$1,200	$2,400	$3,600	$4,800	$5,100
3/31/94	**Total Return**					$ 57	$ 222	$ 482	$ 828	$ 911
	****Annualized Growth Rate**					8.93%	8.76%	8.33%	7.90%	7.67%
1/1/91 -	**Total Contributions**						$1,200	$2,400	$3,600	$3,900
3/31/94	**Total Return**						$ 53	$ 202	$ 444	$ 506
	****Annualized Growth Rate**						8.19%	7.98%	7.70%	7.45%
1/1/92 -	**Total Contributions**							$1,200	$2,400	$2,700
3/31/94	**Total Return**							$ 49	$ 187	$ 229
	****Annualized Growth Rate**							7.55%	7.37%	7.14%
1/1/93 -	**Total Contributions**								$1,200	$1,500
3/31/94	**Total Return**								$ 44	$ 67
	****Annualized Growth Rate**								6.91%	6.77%
1/1/94 -	**Total Contributions**									$ 300
3/31/94	**Total Return**									$ 3
	****Annualized Growth Rate**									6.25%

** *Values described above are used to calculate annuity payments for annuity options of 60 months or longer (also 36 months annuity payout if retired or over age 60). Lump sum surrender values are calculated using lower interest rates, and additional surrender charges may be applicable for recent payments.*

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NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 1281 PAWTUCKET, RI

— Postage will be paid by Addressee —

London Agency, Ltd.
Deferred Compensation Dept.
223 Newport Avenue
Pawtucket, RI 02861

PLAN HIGHLIGHTS

- Ability to enroll at anytime.
- Ability to change deferral contributions at anytime by use of our toll-free number (1-800-343-2236) which puts you in touch with a qualified in-house Service Representative.
- Quarterly statements mailed directly from **PRUDENTIAL** to the Participant.
- Several Annuity Payout Options available from **PRUDENTIAL** and **METROPOLITAN.**
- Ability to obtain account balances, change forms (e.g., increases) and forms necessary to make additional changes suited to the needs of each individual participant through use of our toll free number (1-800-343-2236).
- The ability to contact a representative who, on a continuing basis, is accessible to the employee. They will answer questions, counsel, advise, and enroll each employee on an individual basis. This service, we feel is one of the most important aspects of a Deferred Compensation Plan.
- Quick turnaround time on your investments. Investments are made on a biweekly basis, within five days of receipt of the second weekly payroll listing.

FOR INFORMATION EITHER CALL (LOCALLY (401) 723-9505 OR OUTSIDE OF RI 1-800-343-2236) OR COMPLETE THE ATTACHED PRE-STAMPED REPLY CARD.

HIGHLIGHTS OF

THE CITY OF CAMBRIDGE

DEFERRED COMPENSATION PLAN FOR PUBLIC EMPLOYEES INCLUDING TEACHERS

FOR ADDITIONAL INFORMATION CALL PLAN ADMINISTRATOR:

LONDON AGENCY, LTD.
223 NEWPORT AVENUE
PAWTUCKET, RI 02861

LOCALLY (401) 723-9505

OUTSIDE OF RI 1-800-343-2236

DEFERRED COMPENSATION PLAN HIGHLIGHTS

- You have the ability to defer a portion of your pay each week, (up to $7,500 or 25% of **YOUR GROSS PAY** whichever is less).
- Your deferrals, as well as interest earned on these deferrals, are exempt from **FEDERAL** and **STATE TAXES** until the funds are withdrawn from the Plan.
- Amounts deferred are before tax dollars, and therefore reduce your taxable income.
- Amounts deferred are payroll deductible.
- Gross income, as provided on your W-2 Statement, is reduced by the amount you have deferred.
- There is also a **"CATCH-UP"** provision available in the 3 years prior to retirement. Up to $15,000 per year for 3 years.
- This Plan is available to all Public Employees, including teachers.

"WHY SHOULD I CONSIDER PARTICIPATION IN MY DEFERRED COMPENSATION PLAN?"

You may want to consider participation in your Deferred Compensation Plan if:

- You pay a substantial amount of **FEDERAL** and **STATE** (where applicable) Income Taxes.
- You and your spouse file a **JOINT TAX RETURN** and are therefore taxed in a **HIGHER BRACKET.**
- You are a single person with **NO DEPENDENTS.**
- You are currently **SAVING** on an **AFTER-TAX** basis.
- Your ability to contribute to an **IRA** has been affected by recent **TAX LAW CHANGES.**
- You are **INTERESTED** in planning for your **FUTURE.**

INVESTMENTS

ANNUITY OPTIONS

Underwritten by **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, offering the following options:

- Guaranteed Interest Account (Fixed Dollar)
- Money Market Account
- Bond Portfolio
- Conservatively Managed Flexible Portfolio
- Aggressively Managed Flexible Portfolio
- Capital Growth Account
- Common Stock Portfolio
- Stock Index Portfolio

LIFE INSURANCE OPTIONS

Underwritten by the **METROPOLITAN LIFE INSURANCE COMPANY**. Offering:

Whole Life
Whole Life Accelerated Payment
Term
Universal Life

As there are several types of policies available you have the ability to select the type of policy that would most benefit your particular needs; not only for the present, but to plan on how you can maximize your pension benefits for the future.

These options are all available under a single payroll deduction through the local municipality's payroll system.

• •

These options are available under a single payroll deduction through your municipality's payroll system.

Request For Information
Deferred Compensation Plan

Employee Name ____ Social Security Number ____ Employer Name ____

Employee Address ____ City ____ State ____ Zip ____

Best time and place to contact me ____ Business Phone ____ Home Phone ____

☐ I am not currently enrolled and would like to know how this plan could benefit me.
☐ I am interested in hearing how the life insurance option could benefit my retirement.
☐ I would like to make a change in the following:

☐ Address
☐ Social Security Number
☐ Beneficiary
☐ Name Change
☐ Other ____

☐ I would like to change the amount I am deferring from $____ to $____ per pay period.
Effective as of ____/____/____

Change Form will be forwarded to you for your signature.

3.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

June 26, 1995

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 37, which requested a detailed report on the City's Deferred Compensation Program, received from Personnel Director Michael P. Gardner.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
attachment

Consent Agenda # 3 S-224

Response to Awaiting Report Item Number Thirty-Seven regarding a detailed report on the City's Deferred Compensation Program.

for original order see Order #18 of May 15, 1995.

In City Council,

June 26, 1995

Referred to the Finance Committee on motion of Councillor Duehay.

6/28/95- Copy sent to Finance Committee