POLICE PROVIDENT FUND.

RETURN giving—(1) Approximate Annual Amount of Pensions payable during each of the under-mentioned Ten Years, calculated on the Supposition that each Man becomes chargeable to the Fund Three Months after attaining the Age of Sixty Years, and who has not less than Twenty-five Years' Service (for the purpose of this Calculation it is assumed that the Fund shall come into Operation on the 1st January next); (2) the Income to Fund; and (3) the Amount saved by Government in the form of Compassionate Allowances.

	Expenditure.			Income.			—		
Year.	Amount payable to Men qualifying during the Year.	Amount payable to Men on the Fund at Commencement of Year.	Total Charges on Fund for the Year.	Deduction from Pay according to Scale.	Reward Fund.	Total Income.	Balance in favour of Fund.	Balance against Fund.	Amount saved by Government in Form of Compassionate Allowances to Members retired during Year.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1900	1,691 14 3	..	1,691 14 3	6,454 19 6	1,650	8,104 19 6	6,413 5 3	..	6,512 7 6
1901	49 13 4	2,657 15 1	2,707 8 5	6,219 7 2	..	6,219 7 2	3,511 18 9	..	1,186 5 0
1902	59 14 8	3,253 18 5	3,313 13 1	6,144 19 10	..	6,144 19 10	2,831 6 9	..	1,487 7 6
1903	29 2 11	3,970 16 10	3,999 19 9	6,114 8 6	..	6,114 8 6	2,114 8 9	..	611 7 6
1904	36 4 9	4,320 12 8	4,356 17 5	6,171 10 9	..	6,171 10 9	1,814 13 4	..	857 15 0
1905	47 17 9	4,755 11 10	4,803 9 7	6,115 8 5	..	6,115 8 5	1,311 18 10	..	1,122 7 6
1906	96 6 7	5,330 6 3	5,426 12 10	6,004 11 1	..	6,004 11 1	577 18 3	..	2,217 7 6
1907	78 11 3	6,486 9 0	6,565 0 3	5,911 18 9	..	5,911 18 9	..	653 1 6	1,852 7 6
1908	84 10 4	7,429 7 4	7,513 17 8	5,813 19 9	..	5,813 19 9	..	1,699 17 11	1,959 0 0
1909	69 1 2	8,443 15 0	8,512 16 2	5,738 17 0	..	5,738 17 0	..	2,773 19 2	1,502 15 0
	2,242 17 0	46,648 12 5	48,891 9 5	60,690 0 9	1,650	62,340 0 9	18,575 9 11	5,126 18 7	19,309 0 0
							Net balance in favour, £13,448 11s. 4d.		

Mr. M. Fox to the COMMISSIONER.

Government Life Insurance Department,
Head Office, Wellington, 26th September, 1899.

Police Provident Fund.

1. In obedience to the further instructions of the Right Hon. the Premier, contained in Mr. Tunbridge's letter of the 4th instant, I have made more exact calculations of the annual amount required to maintain a Pension Fund for the Police Force on the lines laid down in the last annual report of the Commissioner of Police, amended so that the age for voluntary retirement will be sixty years instead of fifty-five, and the retiring-allowance one-sixtieth instead of one-fiftieth of the average amount of pay received during the last seven years of service.

2. I have again assumed 3½ per cent. as the minimum rate of interest at which the funds must be invested, and I have, as instructed, made no provision whatever for expenses of any kind; so that the whole amount provided will, with the interest accruing thereon, go entirely towards the payment of retiring-allowances and other benefits.

3. In my former report, dated 22nd August, I drew attention (paragraph 6) to the fact that there is a liability already accrued on account of present members of the Force having paid nothing to the Fund for the terms of their past service. From the statistics of the Force supplied to me, I estimate this liability to be, approximately, £96,000. In explanation of this heavy liability I may draw attention to the following facts:—

(*a*.) There are at present eighteen officers entitled to resign on pension immediately. These officers, with present salaries of £3,790, are entitled to pensions amounting to £1,858 per annum, the present value of which comes to £15,800; or, in other words, that sum would need to be in hand now to accumulate at 3½ per cent. in order to pay the pensions until the last man is dead.

(*b*.) There remain 572 officers, whose total pay is £84,600 per annum. Of these, six will be entitled to pensions in a year's time (should they survive) amounting to £617 per annum. It will require £6,450 to pay these pensions, and one year's deduction from pay will only amount to £65, thus leaving a large sum to be made up otherwise.

Again, seven officers will be entitled to pensions of £566 in two years from now, valued at £5,890, while the 5-per-cent. deductions to be received are only £119.

Again, eight officers will be entitled to pensions of £694 in three years, valued at £7,310; total deductions to be received only £219.

And so on down the list; the liability being, of course, diminished in the case of an officer dying before becoming entitled to pension.

4. Apart from the foregoing special liability, I estimate that an annual sum equal to 10 per cent. of the total pay of the Force will be sufficient to provide the proposed benefits to existing and future members. As the total pay is at present £84,600, exclusive of the pay of the eighteen members now entitled to resign on pension, it will be seen that an annual sum of £8,460 will be required on the present strength of the Force.

5. I understand from my instructions that it is desired to know what annual sum will be required to include both the foregoing liabilities. If the scheme be adopted I would suggest