1942.
NEW ZEALAND.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

REPORT OF BOARD.

Laid before Parliament in pursuance of Section 124 of the Government Railways Act, 1926.

The Board has the honour to transmit for the information of Parliament the following report upon the transactions of the Government Railways Superannuation Fund for the year ended 31st March, 1942. The Revenue Account and statements in connection therewith, will be found appended.

The expenditure for the year exceeded the income by £60,846 0s. 4d.

Members' Contributions.—The income under this heading showed an increase of £7,473 12s. 4d. The number of contributors at 5, 7, 8, and 9 per cent. increased by 524, 12, 7, and 1, while contributors at 3, 4, 6, and 10 per cent. decreased by 119, 2, 18, and 2 respectively. The increase in amount of contributions is due to appointments to the permanent staff.

Contingent Contributors.—During the year 110 casual employees elected to contribute to the fund so that in the event of their subsequently being permanently appointed they would not be faced with a liability in respect of service prior to permanent appointment. The total number of employees so contributing at the end of the year under review was 542, and the amount standing to their credit £19,749 18s. 10d.

Subsidy.—The sum of £170,000 was paid into the fund by the Working Railways Department. The sum of £85,000 was also received from the Treasury in accordance with the provisions of section 7 of the Finance Act, 1941, leaving a deficit of £60,846. To meet the full commitments of the fund a subsidy of £146,000 would have been required.

Interest.—The interest earned amounted to £62,034 5s. 11d., a decrease of £1,546 15s. 5d. as compared with the previous year. Table D, Statement of Investments, shows that the average rate of interest on securities held at the 31st March, 1942, was 4·23 per cent., and the average rate earned on the mean funds for the year 5·002 per cent., as against 4·234 per cent. and 5·04 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £506,386 1s. 4d., an increase of £22,709 13s. 8d. as compared with the figures for the previous year, the year ended 31st March, 1941, showed an increase under this heading of £23,680 4s. 5d. Table A, Statement of Allowances, shows that the average amount of the 204 allowances granted during the year was £192 19s., and the average amount of 110 allowances discontinued was £186 11s. 10d. Twenty-seven contributors have made elections in favour of dependants in accordance with the provisions of section 13 of the Finance Act (No. 2), 1940.

Allowances to Widows and Children.—Until the passing of the Finance Act (No. 2), 1940, allowances to widows and children were paid only in cases where contributors died before retiring on a pension. Section 14 of this Act makes provision for payment of annuities to widows and children irrespective of whether contributors die before or after becoming entitled to a retiring-allowance. The expenditure on account of allowances to widows and children was £40,134 19s.—£29,194 12s. 5d. to widows and children of contributors who died before retiring and £10,940 6s. 7d. to widows and children of contributors who died after retirement. The sum of £17,446 16s. was received from the Working Railways Account during the year on account of the increased payments to widows and children, as provided in section 114, Part III, of the Government Railways Act, 1926.

Approval was received for the continuance of the cost-of-living bonus to annuitants in cases of special hardship where the allowance was less than £100, the amount of bonus granted being sufficient to bring the allowance up to £100, but with a maximum bonus of £26. The bonus is provided for out of the Working Railways Account, and is not a charge on the Superannuation Fund.

At the 31st March, 1942, there were 2,740 members, 1,080 widows, and 321 children, making a total of 4,141 persons actually on the fund, involving an annual liability of £538,141 11s. 3d.

R. Semple,
Chairman, Government Railways Superannuation Fund Board.