

MAIN FUND

6. Any resident of New Zealand who is over sixteen and under fifty years of age may become a contributor to the Main Fund, provided that his average annual income during the three years prior to his joining did not exceed £300. The benefits granted are :—

- (i) A pension commencing at age sixty of 10s., 20s., 30s., or 40s. per week, as the contributor may elect.
- (ii) The first 10s. of any such pension carries with it the right to the following subsidiary benefits :—

(a) An allowance of 7s. 6d. per week for each child under the age of fourteen years, and 7s. 6d. per week for the contributor's widow, payable from the date of his death, provided he has contributed to the Fund for five years. The widow's allowance is payable only so long as a child's allowance is payable.

(b) An allowance of 7s. 6d. per week for each child under the age of fourteen years, payable during the fourth and subsequent months of the contributor's total incapacity to work while he is under sixty years of age, and provided that he became incapacitated after contributing to the Fund for five years. The total weekly allowance so payable is not to exceed the contributor's pecuniary loss, and no allowance is payable if the contributor's income from other sources during his incapacity exceeds £4 per week. Contributions cease while such allowances are payable.

- (iii) On the termination of the contract through any event, including the contributor's secession, a return to him or to his beneficiaries of all contributions paid less any benefits received.

The contributions payable for the above benefits range from 9d. per week for age sixteen at entry to 9s. 4d. per week for age forty-nine at entry. Contributions for all ages at entry are shown in Table I of the appendix to the report on the 1937 valuation of the Fund.

7. An approved friendly society may become a contributor to the Main Fund on behalf of any of its members. The benefits granted are pensions of 10s., 20s., 30s., or 40s. per week commencing at age sixty, and a return of contributions paid, less benefits received (if any), on the death of the member, whether before or after attaining age sixty or on his withdrawal. Such members pay low rates of contribution, which their societies supplement by payments from their sick-benefit funds, the funds being reimbursed by release from liability of equal value in respect of the member's sickness after age sixty. These contributions—both members' and societies'—which are given fully in Table I of the Appendix to the 1937 valuation report, attract a 50-per-cent. State subsidy.

8. Special provisions enable employers to become contributors to the Main Fund on behalf of their employees. The benefits are as described in paragraph 6, but the scope is widened by admitting employees irrespective of their income or age at the date of joining, and by granting pensions up to 80s. (by 10s. intervals) per week. Where, however, a pension is contracted for when the employee is fifty years of age or over, and where the pension exceeds 40s. per week, the whole of the contribution payable in the former case and that portion of the contribution payable in respect of the excess of the pension over 40s. per week in the latter, does not attract a Government subsidy. The Fund receives all contributions from the employer, who may or may not pay the whole or part thereof, according to his arrangement with his employees.

9. Females are admitted to the Main Fund on practically the same terms as males. There are, however, minor modifications in the conditions precedent to the grant of the subsidiary benefits described in paragraph 6, and where advantage is taken of the widened provisions of entry in employer groups the rates of contribution payable are somewhat higher than the corresponding rates for males. There are comparatively few female contributors to the Main Fund.

10. At the valuation date there were 17,912 members of the Main Fund contributing £1,344 per week for prospective pensions amounting to £11,490 per week. Of these, only 49 were contributing through approved friendly societies and 300 through forty-two employer groups. Pensions amounting to £487 per week were being paid to 612 pensioned contributors, and 151 widows and 243 children were in receipt of allowances of 7s. 6d. per week, the total annual charge for pensions being £33,039.

11. Examination of the experience of the Main Fund during the quinquennium indicated that the basis used for the 1937 valuation was suitable for this valuation without major amendment. The valuation results are as follows :—

Present value of—						£
Existing pensions	..	..	..	..	..	281,980
Prospective pensions	..	..	..	..	..	2,415,375
Existing widows' and orphans' allowances	..	..	..	..	..	33,138
Prospective death benefits	..	..	..	..	..	208,009
Present and prospective incapacity allowance	..	..	..	..	..	108,966
Prospective refunds on withdrawal	..	..	..	..	..	184,470
Total benefits	..	..	..	..	..	£3,231,938
Present value of—						£
Future contributions	..	..	..	..	..	737,603
Future State subsidies	..	..	..	..	..	177,459
Total	..	..	..	..	..	£915,062

LOCAL AUTHORITIES' SECTION

12. All Hospital Boards must, and other local authorities may, contribute to the Fund on behalf of their permanent employees. A local authority electing to become a contributor may exclude any of its employees at the time of its election, but it must contribute on behalf of all future entrants to its permanent staff. Employers other than local authorities are accepted as contributors on behalf of their employees on the same terms as are local authorities.