

The 1937 valuation disclosed a surplus of £293,331, £75,000 of which was appropriated to the Investment Fluctuation Account. It will be seen, therefore, that the financial position of the Fund has improved during the quinquennium by some £340,000. The main items contributing to this improvement were interest on the previous surplus, interest earned in excess of 3½ per cent. per annum, and high rates of withdrawal from the Fund especially in the Main Fund and amongst nurses.

The bulk of the above surplus must be regarded as a special reserve to cover the possibility of reduced interest earnings in future.

18. It is inferred from section 73 (2) of the National Provident Fund Act, 1926, that, if a valuation discloses a deficiency, the Actuary is to report what additional sums are required by way of State subsidy during the five years following the valuation to prevent the financial position of the Fund deteriorating still further.

As this valuation discloses a surplus, I have to report that additional subsidies are not required.

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Government Actuary.

National Provident Fund Board, Wellington.

APPENDIX

TABLE I. MEMBERSHIP AT SUCCESSIVE VALUATIONS

Valuation at 31st December.	Contributors.			Pensioners.		Other Beneficiaries.	
	Number.	Annual Contributions.	Annual Pensions.	Number.	Annual Pensions.	Number.	Annual Payments.
<i>Main Fund</i>							
		£	£		£		£
1913 ..	5,791	22,798	173,864	..	..	..	..
1916 ..	9,847	38,758	302,305	..	..	..	..
1919 ..	15,022	58,551	464,767	..	..	106	2,067
1922 ..	20,223	81,009	658,459	2	130	222	4,329
1925 ..	23,075	88,002	732,946	8	572	330	6,435
1937 ..	20,991	80,879	680,532	269	12,006	474	9,275
1942 ..	17,912	70,130	599,548	612	25,329	394	7,710
<i>Local Authorities' Section</i>							
1913 ..	..	..	..	..	..	..	..
1916 ..	..	..	..	..	..	..	..
1919 ..	1,133	32,076	116,221	14	1,171	43	634
1922 ..	1,895	58,439	239,836	87	7,038	82	1,251
1925 ..	2,687	78,715	354,898	139	12,832	94	1,462
1937 ..	7,981	191,406	970,467	547	63,386	241	3,893
1942 ..	10,596	270,328	1,387,588	691	87,906	270	4,455

TABLE II

THE benefits granted under the standard scheme in the Local Authorities' Section are as follows:

I. On retirement after attaining age sixty-five (men) or age sixty (women), or after completion of forty years' service and fifteen years' membership of the Fund

(i) A pension calculated at the rate of one-sixtieth of final salary (excluding increases in salary granted within three years of retiring) for each year of service, with a limit of forty-sixtieths and subject to a maximum of £300 per annum;

(ii) Or a refund of all contributions paid, including the local authority's contributions, less benefits received.

Where the conditions of service are such that earlier retirement is advisable, age sixty is adopted as normal retiring-age for men and fifty-five for women. In the latter case an employee may retire after completing thirty years' service and fifteen years' membership of the Fund.

II. On earlier retirement through ill health a pension as in I.

III. On death, whether before or after retiring:—

(i) *Leaving neither Widow nor Children.*—A refund of all contributions paid, including local authority's contributions, less benefits received.

(ii) *Leaving a Widow.*—An allowance of £18 per annum during widowhood or a refund of contributions as in (i).

(iii) *Leaving Children.*—An allowance of 5s. per week on account of each child under the age of fourteen years. Where no widow's benefit has accrued a refund of all contributions paid, including the local authority's contributions, less benefits received, is granted when the youngest child attains fourteen years of age.

IV. On voluntary withdrawal or on dismissal from the service of the local authority both employee and local authority receive a refund of contributions, provided that—

(i) If the employee enters the service of another local authority which contributes to the Fund on behalf of its employees he may secure continuity of service for pension purposes by electing not to receive a refund of his contributions. In this event the local authority's contributions also are not refunded.

(ii) If the employee is dismissed within five years of normal retiring-age his and the local authority's contributions on his behalf may be transferred to the Main Fund for his benefit.

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