

1944
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, 1944. The Revenue Account, Balance-sheet, and statements in connection therewith, will be found appended.

The expenditure for the year exceeded the income by £12,499.

Members' Contributions.—The income under this heading showed an increase of £16,157. The number of contributors at 5, 6, 7, and 8 per cent. increased by 453, 52, 16, and 2 respectively, while contributors at 3 and 10 per cent. decreased by 136 and 3 respectively. The increase in amount of contributions is due to appointments to the permanent staff.

Contingent Contributors. During the year 49 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 483, and the amount standing to their credit £21,274.

Subsidy. The sum of £179,000 was paid into the fund by the Working Railways Department. The sum of £89,700 was also received from the Treasury in accordance with the provisions of section 3 of the Finance Act, 1912, leaving a deficit of £12,499. To meet the full commitments of the fund a subsidy of £102,200 would have been required.

Interest. The interest earned amounted to £58,652, a decrease of £812 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, 1944, was 4.108 per cent., and the average rate earned on the mean funds for the year 4.975 per cent., as against 4.216 per cent. and 4.945 per cent. respectively for the previous year.

Life Allowances. The expenditure on account of life allowances to members amounted to £513,834, an increase of £36 as compared with the figures for the previous year, the year ended 31st March, 1943, showed an increase under this heading of £7,412. Table A, Statement of Allowances, shows that the average amount of the 268 allowances granted during the year was £224 8s. 9d, and the average amount of 143 allowances discontinued was £182 1s. 11d. Twenty-nine 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.—Previous to 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 whether contributors die before or after becoming entitled to a retiring-allowance. The expenditure on account of allowances to widows and children was £46,064 £29,219 to widows and children of contributors who died before retiring and £16,845 to widows and children of contributors who died after retirement. The sum of £20,021 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, 1944, there were 2,848 members, 1,279 widows, and 311 children, making a total of 4,438 persons actually on the fund, involving an annual liability of £570,280.

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