

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.

TABLE B.—STATEMENT OF CONTRIBUTORS

	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	7 per Cent.	8 per Cent.	9 per Cent.	10 per Cent.	Total.
Contributors at commencement of year	651	1	14,722	1,352	302	73	46	39	17,186
New contributors during year ..	..	..	898	120	34	2	..	..	1,054
Total	651	1	15,620	1,472	336	75	46	39	18,240
Contributors discontinued during year	136	..	445	68	18	..	..	3	670
Total contributors at 31st March, 1944	515	1	15,175	1,404	318	75	46	36	17,570

TABLE C.—PROGRESS OF THE FUND

				Balance forward.			Allowances granted.		
				£	s.	d.	£	s.	d.
1903 to 1934	..	..	..	..			645,181	9	5
1935	..	..	..	..	1,239,705	5 0	13,394	7	0
1936	..	..	..	..	1,246,984	7 11	14,637	7	0
1937	..	..	..	..	1,250,860	10 2	13,863	2	0
1937 (increased allowances, section 27, Statutes Amendment Act, 1936)				..	..		3,553	8	0
1938	..	..	..	..	1,272,724	7 5	24,622	14	0
1939	..	..	..	..	1,282,354	0 2	36,872	9	0
1940	..	..	..	..	1,279,836	2 8	51,808	12	0
1941	..	..	..	..	1,248,383	2 2	58,157	10	0
1942	..	..	..	..	1,187,537	1 10	47,033	1	0
1943	..	..	..	..	1,164,045	0 0	27,466	4	0
1944	..	..	..	..	1,151,546	6 9	66,188	14	0
							1,002,778	17	5
Less members died, &c.				..	..	408,927 17 5			
Less liability of Working Railways Account						23,570 18 0			
							432,498	15	5
Annual liability at 31st March, 1944				..	..		£570,280	2	0

TABLE D.—STATEMENT OF INVESTMENTS

Funds invested at 31st March.	1944.		1943.	
	£	s. d.	£	s. d.
At 3.25 per cent.	1,700	0 0	..	..
.. 3.375	25,000	0 0	25,000	0 0
.. 3.5	162,155	17 6	164,105	19 3
.. 4	257,145	10 0	259,145	10 0
.. 4.25	310,427	14 8	290,548	18 9
.. 4.4	335	0 0	335	0 0
.. 4.5	266,525	10 0	301,210	17 6
.. 4.75	1,193	15 7	2,696	2 4
.. 5	105,563	9 10	121,241	13 6
.. 6	1,458	11 8	1,805	11 8
Cash in hand	7,371	14 1	2,855	0 0
	1,138,877	3 4	1,168,944	13 0
		1944.		
		Per Cent.		
Average rate of interest on securities held at 31st March		4.108	1943.	
Average rate of interest earned on the mean funds, including reimbursements made by the Treasury in respect of reduction of interest		4.975	4.216	

STATEMENT OF ACCOUNTS

Revenue Account for the Year ended 31st March, 1944

<i>Expenditure</i>	£	<i>Income</i>	£
Retiring-allowances to members	513,834	Members' contributions	235,434
Allowances to widows and children	46,064	Members' contributions on account of casual service	6,888
Refund of total contributions	29,797	Fines	289
Refund of contributions in excess of allowances drawn by deceased beneficiaries	1,338	Subsidies—	
Transfers to other funds	1,218	Consolidated Fund	89,700
War damage insurance	425	Working Railways	170,000
Reserve for bad and doubtful debts	389	Increased allowances to annuitants as provided for by Statutes Amendment Act, 1936	2,952
Administration charges—		Working Railways on account of increased allowances to widows and children	20,021
Travelling-expenses of Board members	40	New Zealand Railway Tradesmen's Association	15
Public Trust commission	1,149	New Zealand Engine-drivers, Firemen, and Cleaners' Association	22
Audit fee	50	Amalgamated Society of Railway Servants	10
Salaries	1,532	Interest—	£
Postages	537	Investments	49,184
Printing and stationery	159	Treasury Department	9,468
			58,652
		Commission on Government Life Insurance collections	50
		Balance carried down, being excess of expenditure over income for the year	12,499
	£596,532		£596,532
	£		£
Balance brought down	12,499	Accumulated funds brought forward on 1st April	1,164,045
Balance, accumulated funds as at 31st March	1,151,546		
	£1,164,045		£1,164,045

Balance-sheet as at 31st March, 1944

<i>Liabilities</i>	£	<i>Assets</i>	£	£
Accumulated funds as per Revenue Account	1,151,546	Investment Account—		
Casual employees' contingent contributions	21,274	Investments	1,131,505	
Retiring and other allowances due (not paid)—		Cash in hand	7,372	
Members	788			1,138,877
Widows and children	513	Current Account—		
Refund of contributions authorized (not paid)	1,934	Cash in hand		6,602
Refund of contributions in excess of allowances drawn by beneficiaries (not paid)	183	Contributions and fines in transit		9,942
Transfers to other funds authorized (not paid)	32	Contributions due by Army, Navy, and Air Force Departments		18,588
Interest paid in advance	231	Contributions outstanding		1,739
Public Trustee	456	Contributions due by members in respect of casual service		9,530
Reserve for bad and doubtful debts	3,000	Working Railways—		
Rebates of contributions (National Expenditure Adjustment Act, 1932)	34,814	On account of increased allowances to annuitants as provided for by Statutes Amendment Act, 1936		242
Sundry creditors	149	On account of cost-of-living bonus		19
Contributions paid in advance	559	On account of additional allowances to widows and children		1,677
	£1,215,479	Interest due not paid		7,363
		Interest accrued but not due		11,428
		Insurance premiums		2
		War damage insurance		2
		Treasury interest in transit		9,468
				£1,215,479

F. H. McAULEY,
Chief Accountant, New Zealand Railways.

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

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—
CYRIL G. COLLINS, Controller and Auditor-General.

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