

The partially dependent widowed mother of a deceased serviceman will receive an increase in the basic rate of her pension from £1 a week to £1 5s. a week, in addition to which she may have an economic pension of £1 a week, making a total pension of £2 5s. a week.

The basic rate of war veterans' allowances, both for the war veteran and his wife, if married, will be increased from £2 a week to £2 5s. a week.

All increases in war pensions and war veterans' allowances will commence from 1st October next.

The estimated cost of these increases for the remaining six months of this financial year will be £140,000.

State Superannuitants

In regard to superannuated Government employees, it has been decided that the present bonus, which in most cases is 10s. per week, will be increased to 16s. 8d., or a total of £43 6s. 8d. a year. This will be paid in full to superannuitants receiving a personal income up to £335 per annum and above that amount the bonus will be reduced £1 for £2, so that no bonus is payable at £422 of income. As time passes, the increased levels of income for employees will be reflected in their superannuation allowances. In such cases the bonus will be paid at a reduced rate or not at all. Thus the financial position of superannuitants will be fully protected.

Income-tax adjustments

The question of granting a measure of relief to persons on small incomes from the imposition of the 33½ per cent. super-tax on unearned income has been given consideration and it has been decided to remove the super-tax on unearned income in cases where a person's total taxable income (that is income after deducting personal allowance of £200 and the other special exemptions for wife, children, and insurance premiums to which the taxpayer may be entitled) does not exceed £200. Where the taxable income exceeds £200, but does not exceed £400, the maximum amount of unearned income exempt from the 33½ per cent. super-tax will be £200 reduced by £1 for every £1 by which the taxable income exceeds £200, so as to leave no exemption from the 33½ per cent. unearned super-tax in cases where the total taxable income exceeds £400.

The following table shows the maximum amount of unearned income which may be exempt from the 33½ per cent. super-tax:—

Total taxable balance. Earned + Unearned.	Amount exempt from 33½ per Cent. Super-tax.
£	£
200	200
250	150
300	100
350	50
400	Nil