

The clause in the Act providing for the deficiency in the Fund being paid out of the consolidated revenue is no doubt intended to apply when the actual expenditure for the year exceeds the receipts and funds in hand, and in this sense there will be no call on the Consolidated Fund for some years. The deficiency brought out by the valuation is the sum, as far as can be at present estimated, which should be placed to the credit of the Fund to enable it to meet the obligations to the present members without further Government aid.

The Consolidated Revenue Account, Valuation Balance-sheet, and Estimated Receipts and Expenditure for the three years ending the 31st March, 1906, are attached. The last-named, of course, can only be regarded as a rough approximation to the actual results, for in such small numbers a single death more or less among the pensioners, or among those near the pension age, would make a considerable difference to the fund. In addition to this, there is the uncertainty as to what will be paid as pensions to those medically unfit or injured on duty, and as to the other allowances which may be granted by the Board.

The deficiency on the 31st March, 1906, will probably be about £215,000.

Respectfully submitted.

P. MUTER,
Fellow of the Institute of Actuaries.

CONSOLIDATED REVENUE ACCOUNT of the POLICE PROVIDENT FUND from the 1st December, 1899, to the 31st March, 1903.

Dr.	£	s.	d.	Cr.	£	s.	d.
To amount transferred from the Police Reward Fund on the 1st December, 1899	1,665	7	6	Pensions and other allowances	5,347	3	10
Contributions	20,886	4	2	Commission	104	19	10
Fines	55	11	6	Funds at the 31st March, 1903	18,418	5	3
Proceeds of sale of unclaimed property and cash found	55	19	11				
Interest	1,207	5	10				
	<u>£23,870</u>	<u>8</u>	<u>11</u>		<u>£23,870</u>	<u>8</u>	<u>11</u>

VALUATION BALANCE-SHEET.

Dr.	£	s.	d.	Cr.	£	s.	d.
Present value of pensions granted	29,591	0	0	Funds at the 31st March, 1903	18,418	5	3
Present value of prospective pensions to officers in the service at the 31st March, 1903	222,462	17	0	Present value of future contributions	83,406	1	0
Present value of return of contributions at death	19,215	10	0	Deficiency	188,992	0	9
Estimated additional reserve required for prospective pensions accelerated through medical unfitness, and other allowances, less the estimated relief afforded to the Fund by resignations and dismissals, &c.	19,547	0	0				
	<u>£290,816</u>	<u>7</u>	<u>0</u>		<u>£290,816</u>	<u>7</u>	<u>0</u>

ESTIMATED REVENUE and EXPENDITURE for the Three Years commencing the 31st March, 1903, and ending the 31st March, 1906.

Dr.	£	s.	d.	Cr.	£	s.	d.
Funds at the 31st March, 1903	18,418	5	3	Pension and other allowance	15,333	0	0
Contributions	18,300	0	0	Commission	91	10	0
Interest	2,060	0	0	Funds at the 31st March, 1906	23,453	15	3
Miscellaneous receipts	100	0	0				
	<u>£38,878</u>	<u>5</u>	<u>3</u>		<u>£38,878</u>	<u>5</u>	<u>3</u>

Government Insurance Department,
Head Office, Wellington, 22nd June, 1903.

THE Right Honourable the Premier read your report on Saturday, and desired me to ask you to ascertain what the position would be if the retiring-age were sixty-five instead of sixty-three. I gathered from him that the retiring-age had been fixed, either by Cabinet or by regulation, at sixty-five instead of sixty-three. You might make inquiries of the Police Department as to the actual age of retirement, and how it has been fixed.

The Acting-Actuary.

J. H. RICHARDSON, Commissioner.

Government Insurance Department,
Head Office, Wellington, 26th June, 1903.

Police Provident Fund.

CLAUSE 13 of "The Police Provident Fund Act, 1899," is as follows:—

"13. Any member whose length of service is not less than twenty-five years, and whose age is not less than sixty years, may at any time thereafter, retire from the Police Force at the expiration