

Nineteen retiring-allowances were discontinued by death, and four for other causes—viz., one widow remarried, two children reached age 14, and one allowance granted to an officer on account of medical unfitness was cancelled on his re-employment.

The annual amount payable at the close of the year was £39,943 11s. 11d., as shown in the statement attached.

Income.—The total income for the year was £156,008, made up as follows:—

	£
Members' ordinary contributions	89,290
Transferred from other funds	23
Members' contributions to enable previous service to be counted, as provided by Act	901
Contributions from Government	22,500
Fines	296
Interest	10,212
	123,222
Balance Police Provident Fund, merged 1st April, 1910	32,786
Total income for the year	156,008

Nine contributors availed themselves of the provisions of section 50 of the Amendment Act of 1908, and section 10 of the Amendment Act of 1909, enabling them to count previous service by paying five years' contributions. The amount so paid was £901.

Outgo.—The pensions paid to contributors who have retired, and to the dependants of deceased contributors during the year amounted to £36,009 17s. 3d.—viz., £34,668 14s. 4d. to members and £1,341 2s. 11d. to widows and children.

Refunds of contributions to contributors who have left the service amounted to £4,963 19s. 4d., while the refunds to personal representatives of deceased contributors amounted to £767 18s. 11d.

Two contributors were transferred to other funds in accordance with the provisions of section 48 of the Amendment Act of 1908, and their contributions, amounting to £12 15s. 2d., were accordingly transferred to such other funds. The salaries of the staff (excluding that of the Secretary, paid out of the Consolidated Fund, as provided under section 25 of the Act) and other office expenses were £786 2s. 5d. and £73 1s. 4d. respectively.

The travelling-expenses of the elected members of the Board amounted to £77 4s. 10d.

The Public Trustee's charges for commission (at the rate of $\frac{1}{2}$ per cent. on all contributions received, excluding the Government contribution of £22,500, and 5 per cent. on the first £2,000 and $2\frac{1}{2}$ per cent. on the balance of interest collected on mortgage) amounted to £720 16s. 5d.

Accumulated Funds.—These amounted at the end of the year to £263,948.

The Balance-sheet.—On the 31st December the total assets of the fund, which include provision for the outstanding accounts, amounted to £265,681. The balance-sheet appended gives full particulars as to the assets. In terms of the Act the moneys received on account of the fund are placed with the Public Trust Office for investment, and at the close of the year were invested by the Public Trustee as follows:—

	£	s.	d.
On mortgage at 5 per cent.	166,435	0	0
" $4\frac{3}{4}$ "	2,000	0	0
" $4\frac{1}{2}$ "	62,500	0	0
Total invested	230,935	0	0
Total uninvested	23,080	16	9
	254,015	16	9

Since the 30th September, 1910, the Public Trustee has ceased to allow interest on the uninvested balance of the fund. Prior to that date the common fund rate of 4 per cent. was paid on the balance of the fund not specially invested, as provided by Regulation 58 under the Public Service Classification and Superannuation Act, 1908. It has been held, however, by the Solicitor-General that such regulation, so far as it relates to uninvested balances, is *ultra vires* and therefore invalid. The matter is now under the consideration of the Board.

General.—Since the date of the last report, section 32 of the Public Service Classification and Superannuation Act, 1908, has been amended by section 26 of the Appropriation Act of last year, which provides that if a contributor dies while still in the public service and leaves a wife surviving him, the same amount of compensation shall be payable out of the Consolidated Fund to his personal representatives as would have been payable to him if he had retired compulsorily from the public service immediately before his death, and no moneys shall be payable out of the fund except the amount of his contributions.

The statutory triennial investigation of the fund is now in progress, Mr. Morris Fox, the Actuary to the Government Life Insurance Department, having been appointed by the Governor for the purpose.

D. BUDDO,
Chairman.

Wellington, 18th July, 1911.