Unemployment.

There is also an unemployment part of the Act administered apart from the health insurance section.

Old Age.

The old-age-pension system of Great Britain is free. The pension is payable at age 70, subject to certain property qualifications. The cost to the State in 1912–13 was £12,200,000.

BELGIUM.

The establishment of the old-age-pension system of this country offers a striking example of what can be successfully undertaken on voluntary lines by means of co-operation and with the aid of the central and local Government machinery.

The first Act was passed in 1850, but it was not until some years later, when the State offered subsidies and the co-operation of mutual societies was invoked, that results began to show; in fact, the part played by these societies is expressly lauded as having very important results, not only on the Pension Fund, but had a revivifying effect on several of the great industries.

The industrial establishments collected contributions from members, and in proportion as deductions were allowed from wages the employer also made a contribution.

The mutual societies for pensions increased from 3,600 to 5,600. These societies could obtain an installation grant for initial expenses from the State.

The State subsidizes the pension to the extent of three-fifths of the contributions up to 12s. 6d. per annum. The maximum State subsidy per individual therefore would be 7s. 6d. to procure an annuity of £15.

The propaganda was also extended to the schools, and the teachers have from 1896 undertaken the formation of "scholars' mutual societies." In 1900 there were approximately 150,000 children in these societies. The minimum age of joining is 6 years.

The co-operation of the postal officers is also provided for, much the same as in our National Provident Fund, and is a powerful factor, as in New Zealand, in popularizing the scheme.

For the first few years the figures were small. The original Act was passed in 1865. In 1888 there were 7,600 members; in 1889 there were 8,500 members; in 1890 there were 10,200 members; in 1899 there were 168,000 members; then in 1900 there were 300,000 members, when a fresh law of encouragements, subsidies, and facilities was passed.

The fund in 1909 amounted to £6,150,000, and there were 1,070,000 members out of a population of seven millions and a half.

In 1909 the total payments to the fund amounted to about £600,000, of which £200,000 represented the State subsidies.

The subsidy is varied according to the age of the member—that is, for those born within a certain period the amount of subsidy is less than on account of those born earlier.

In addition to the State subsidy, which is now not to exceed 7s. 6d. per member per annum, the different provinces also subsidize the contributions paid by the members of these societies in their respective regions. This provincial subsidy varies according to local requirements and conditions.

This pension system is administered in its financial transactions in conjunction with the General Savings-bank, through whom the pensioners' contribution-books are credited with the amounts paid. The Savings-bank also transmits to the National Fund free of charge all moneys collected, and a small premium is paid for the annual amounts collected. The funds of the societies are also deposited for investment on advantageous terms. The whole procedure is much on the lines of association now in operation in New Zealand in respect of the National Provident Fund and the Post Office.

The fund accepts contributions to any amount, and the annuity is payable in proportion to the value of the contribution.

The part of the mutualist or local societies in the application of the Act is threefold—(1) They engage to formulate the application of all their members for membership; (2) they engage to pay their members' contributions to the pension authority by means of the mutualist pension-book; (3) they themselves ascertain and inform the pension authority of the existence in the case of each of those concerned of the conditions entitling them to premiums.

The procedure in a society is as follows: The treasurer first of all makes each of the members of his society who desires a pension sign a statement of the manner of payment selected by him and the age at which he desires to receive his pension. The member has nothing else to do but to forward under form of subscriptions the amounts he desires to invest in an old-age pension. These payments are transferred at the end of each year to the pension society, which records them on a memorandum. Finally the society every year before the 15th March forwards to the Department tables giving details of all the payments made in the course of the year by its members, with a very explicit statement of the various conditions they satisfy in order to enjoy the benefits of the law. Almost all contributors are enrolled through the societies.

In Belgium, out of 2,629 municipalities, there were only 127 without pension societies in 1910.

This system, which was proposed in 1912 to be incorporated in a measure consolidating, on a compulsory basis, insurance against old age, sickness, and invalidity, has features of particular interest to New Zealand, and the following passage from Frankel and Dawson's work on the subject is of special application: "Of special interest is the co-operation existing between some of the friendly societies and the State Life Insurance and Annuity Department. To encourage this as well as sickness insurance the Government has made large subventions to assist