(*d.*) An amount equal to the total amount chargeable under the rules of the society to assure the payment of the funeral donations according to its rules in respect of male members aged 65 years and over and of female members aged 60 years and over.

The Act is expressly designed to enable societies to provide sick-pay for illness lasting beyond the period of twelve months, and for the sickness of old age; also for payment of contributions to assure the payment of funeral donations in case of members aged 65 years and over, who often become unable to continue their contributions; and, further, for the provision of medical attendance and medicine for such aged members, free of any cost after age 65.

It is entirely optional with a society whether it is desired to avail itself of the privileges of the Act, or whether it continue to conduct its affairs on the plan on which they are working at present. If it desired to enjoy the benefits of the Act it will be necessary to pass a rule to that effect in the usual manner in which it is customary to alter rules—viz., by giving the due notice for such action at the annual meeting, and such other procedure as is laid down in the rules.

The practical effect of this subvention will be—

Sickness.

(*a.*) As to sick-pay of members under 65, the society need only provide in its contribution rates for the first twelve months' sickness of every member up to age 65, and for any sick-pay over 5s. per week after twelve months.

(*b.*) As to sick-pay of members over age 65, for *all* sickness after age 65 the society need only provide for sickness for which it may wish to give sick-pay over and above 5s. per week, as the Act provides for *all sick-pay* up to 5s. per week after age 65.

Funeral.

The State will pay the whole of the funeral contributions of members after age 65.

Medical Attendance and Medicine.

The State will pay for the whole of the contributions for members after age 65.

The subsidies payable in 1909 amounted to £5,858; in 1910 to £14,787; in 1911 to £17,360.

GERMANY.

The German system of social insurance has been established for about thirty years. It is the standard compulsory and universal scheme, and has been more or less adopted in other industrial European countries. The system is on the same lines, broadly speaking, as the British Act already described, and for which the German system served as a model.

The German system differs in the following details from the British:—

(1.) The contribution of the worker is based on wage-earning capacity, and is not a uniform rate as in Britain.

(2.) The immediate sickness is borne entirely by the worker and employer—two-thirds contribution from the former and one-third from the employer. The State does not directly subsidize this benefit.

(3.) The German system includes co-operative insurance by employers for workers' compensation, accidents, &c., whereas in Britain and New Zealand these risks are undertaken by private companies.

(4.) Old-age pensions in Germany are on a contributory basis, as compared with the free system in Great Britain and New Zealand.

(5.) The invalidity allowance is administered on a different basis to what it is in Great Britain. When an insured person becomes entitled to the disablement or invalidity allowance under the latter scheme he will still continue to be a member of his approved society, whereas under the German system the worker passes out of his sickness society when he goes on the invalidity fund. It is claimed that the British system by this method is able to exercise a more personal interest in its members than the other system offers.

(6.) The British Act also grants the relief of non-payment of contributions during temporary unemployment, but the German Act does not allow any benefits unless in employment or unless the contributions are paid up. The German social insurance system does not comprise insurance against unemployment.

The fact that there were large and financially strong friendly societies in Britain at the time the Act was adopted has had the effect of somewhat varying the administration as compared with Germany by leaving more to non-State administration.

Under sickness insurance there were in 1910 just about 14,000,000 people insured, representing 21 per cent. of the population. The total cost of the sickness benefits in that year amounted to £17,000,000. The amount contributed by employers was £6,500,000, and by working-people £13,500,000. The total accumulated funds amounted to £16,000,000.

The invalidity and old-age pension system of Germany is met by contributions made by the workers and their employers, and the State makes a subvention towards these contributions. The wage-earner's contribution varies according to the wage-earning capacity. The benefits are grouped as follows:—

(*a.*) Invalidity pensions.
(*b.*) Old-age pensions at 70.
(*c.*) Survivors' pensions.
(*d.*) Gratuities to widows and orphans.
(*e.*) Sanatorium, institutional, and hospital benefits, &c.