1914.
NEW ZEALAND.

LOCAL AUTHORITIES' SUPERANNUATION:

REPORT OF ACTUARY INTO THE FUNDS OF THE WELLINGTON HARBOUR BOARD, THE AUCKLAND HARBOUR BOARD, AND THE BULLER COUNTY COUNCIL AS AT THE 31ST DECEMBER, 1913.

Presented to both Houses of the General Assembly pursuant to Section 14 of the Local Authorities Superannuation Act, 1908.

REPORT BY THE ACTUARY APPOINTED BY HIS EXCELLENCY THE GOVERNOR TO MAKE AN EXAMINATION OF THE LOCAL AUTHORITIES' SUPERANNUATION FUNDS.

Wellington, 15th October, 1914.

1. I HAVE made an actuarial examination of these funds as at the 31st December, 1913, as required by section 14 of the Local Authorities Superannuation Act, 1908, which says that, "In the year nineteen hundred and eleven, and in every third year thereafter, an examination of every fund established under this Act shall be made by an actuary appointed by the Governor."

2. The Local Authorities Superannuation Act, 1908, which came into force on the 10th October, 1908, gave power to any local authority, or any body possessing rating-powers over any district, to establish a superannuation fund under the provisions of the Act for the benefit of persons in the service of that local authority.

The pensions payable from the fund only relate to the years of contribution, but power was given by section 16 of the original Act to grant additional pensions (not exceeding one-sixtieth of salary for each year of service prior to the commencement of the Act) payable out of the ordinary revenues of the local authority. The Chief Justice in a declaratory judgment on this section held in effect that the supplementary pensions could not be promised, and it rested with the Board in existence at the time of the contributor's retirement to grant or withhold such additional pension. The amending Act of 1912, however, corrected this defect, and power is now definitely given to a local authority, when establishing a superannuation fund, to grant supplementary pensions as one of the benefits to be enjoyed by contributors. The contributions and benefits provided for by the Act are those of the Public Service Fund (*vide* H.-26A, 1912) slightly modified, and are shown in the appendix to this report.

3. At the 31st December, 1913, three local bodies had passed special resolutions establishing superannuation funds, and these resolutions had been confirmed by the Governor by Order in Council in accordance with section 6 of the Act. These local bodies, with dates of establishment of funds, are—

(*a*.) Wellington Harbour Board—1st April, 1913;
(*b*.) Auckland Harbour Board—1st April, 1913;
(*c*.) Buller County Council—1st October, 1913.

These funds comprising very few members, and having been in existence for a few months only, it will be evident that the results of valuations based on such very limited experience must be regarded with great caution. For practical purposes it would have sufficed if no valuations had been made until after three years' existence, but in order to comply with the letter of the Act such valuations have been made, with results as follows:—

4. *Wellington Harbour Board Superannuation Fund.*—This fund was established on the 1st April, 1913, after it had been ascertained actuarially that an annual subsidy of 65 per cent. of the employees' contributions would be necessary from the Board to enable the benefits shown in the appendix to be granted. In addition to these pensions, dating only from the establishment of the fund, the Board decided, under section 2 of the Local Authorities Superannuation Amendment Act, 1912, to grant, out of the Board's revenues, pensions at the same rate for service prior to the establishment of the fund.