

In this scheme the pensions date only from the establishment of the fund, the Harbour Board not having taken advantage of the power given by the Local Authorities Superannuation Amendment Act, 1912, to grant from the Board's revenues additional pensions for service prior to the establishment of the fund. Consequently, the scheme being optional, the older men in the service of the Board have not joined, and the liability has been diminished. I advise the retention of the surplus in the fund, and that more experience be gained before reducing the subsidy.

6. *Buller County Council Superannuation Fund*.—This fund was established on the 1st October, 1913, after it had been ascertained actuarially that an annual subsidy of 80 per cent. of the employees' contributions would be necessary from the Council 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 Council decided, under section 2 of the Local Authorities Superannuation Amendment Act, 1912, to grant, out of the Council's revenues, pensions at one-half that rate—i.e., $\frac{1}{2}$ —for service prior to the establishment of the fund.

The statistics of the fund show that there were only seven contributors at the end of the year, with annual salaries of £1,387 and annual contributions of £121. No pensions had been granted.

The accounts supplied in this case contain merely a statement of receipts and expenditure instead of a revenue account as required by the regulations, but it is possible to ascertain from the balance-sheet that the accumulated funds at the 31st December, 1913, amounted approximately to £51.

The condition of the fund as disclosed by an actuarial valuation is shown in the following valuation balance-sheet:—

<i>Liabilities.</i>		£
Value of prospective pensions (to present contributors) for back service since contributing		31
Value of prospective pensions (to present contributors) for future service		689
Value of prospective pensions to widows and children of present contributors		491
Value of return of contributions on death or withdrawal		82
		<u>£1,293</u>
<i>Assets.</i>		£
Accumulated funds (approximate)		51
Value of contributors' future contributions		648
Value of Council's annual subsidy (80 per cent. of contributions)		518
Deficiency		76
		<u>£1,293</u>

In reference to the actuarial deficiency of £76 I must point out that the subsidy of 80 per cent. of contributions would be sufficient if the contributing employees comprised an average admixture of young and old members, but at the 31st December last five of the seven contributors were over fifty years of age. Since that date more members have joined, and I do not consider that any increase in the subsidy is necessary at present.

7. The condition of these funds is satisfactory, and they may safely be allowed to continue unaltered in regard to subsidy or otherwise until the next valuation three years hence.

The Act and regulations thereunder enable local authorities to satisfactorily superannuate their permanent employees in a similar manner to the employees of the various public services in regard to pensions, contributions, and subsidies. The Act would not conveniently apply to casual workers, who could be more suitably provided for in the National Provident Fund, and amending legislation is now before Parliament having that end in view.

MORRIS FOX,
Actuary to the Government Insurance Department.

APPENDIX.—THE BENEFITS AND CONTRIBUTIONS PROVIDED FOR BY THE ACT.

Contributions.

The contributions vary according to the age at the time when the first contribution becomes payable, and are as follows:—

Age 30 and under		5 per cent. of pay.
Over 30 and not exceeding 35		6 ..
„ 35 .. 40		7 ..
„ 40 .. 45		8 ..
„ 45 .. 50		9 ..
„ 50		10 ..