

Those officers who retired during the year would have been entitled to receive the sum of £14,592 6s. 7d. accrued compensation under the Civil Service Act, 1866, had they not become participants in the benefits of the Superannuation Fund. The total amount saved to the Consolidated Fund in this manner since the initiation of the superannuation scheme has been £190,920 16s. 3d., which may fairly be set against the subsidies paid to the fund, amounting to £252,500.

Thirty-one retiring-allowances were discontinued by death, and twenty for other causes—viz., three widows remarried, sixteen children reached the age of fourteen, and one allowance granted to an officer was discontinued on his re-employment.

The annual amount payable at the close of the year was £79,270 16s. 3d., as shown in the statement attached.

Income.—The total income for the year was made up as follows:—

	£
Members' ordinary contributions	134,941
Transferred from other funds	1,036
Contributions from Government	48,000
Fines	260
Interest	30,558
Total income for year	£214,795

Outgo.—The pensions paid to contributors who have retired and to dependants of deceased contributors during the year amounted to £74,729 7s. 1d.—viz., £68,571 7s. 2d. to members, and £6,157 19s. 11d. to widows and children.

Refunds of contributions to contributors who have left the service amounted to £12,497 3s. 8d., while the refunds under section 42 to personal representatives of deceased contributors amounted to £4,001 5s. 9d.

Eight contributors who were retired elected to accept a refund of their contributions under section 38, amounting to £1,071 19s. 8d., in lieu of retiring-allowances. Refunds of contributions under section 32 (*ee*), owing to the death of contributors while in the Public Service, and who were entitled to compensation from the Consolidated Fund, amounted to £1,171 6s. 6d. during the year.

Three 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 £77 18s., 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 £864 4s. 7d. and £171 6s. 6d. respectively. Medical fees for reports under section 36 amounted to £47 5s. The travelling-expenses of the elected members of the Board amounted to £21 3s. The total outgo for the year was £94,652 19s. 9d.

Accumulated Funds.—These amounted at the end of the year to £775,953, being an increase of £120,142 as compared with the previous year.

Balance-sheet.—On the 31st December the total assets of the fund, which include provision for the outstanding accounts, amounted to £781,148. The balance-sheet appended gives full particulars as to the assets and liabilities.

As explained in previous reports, the large amount of interest accrued, £23,477 8s. 10d., arises from the fact that interest on the moneys in the common fund of the Public Trust Office is credited to the account at the end of the financial year.

Progress of the Fund.—The following table illustrates the growth of the fund since its inception:—

	Year ended 31st December,				
	1908.	1910.	1912.	1914.	1915.
Total number of contributors	7,235	8,371	10,027	11,803	12,780
Total amount contributed annually	£54,833	£90,215	£107,409	£127,044	£136,224
Interest received	£1,295	£10,212	£16,257	£25,607	£30,558
Number of pensions and allowances payable	122	487	683	959	1,126
Annual value of retiring and other allowances payable	£8,881	£39,944	£53,385	£70,399	£79,271
Total amount of contributions refunded	£484	£5,745	£10,749	£12,790	£18,820
Expenses of administration	£890	£1,657	£1,144	£933	£1,104
Total amount of accumulated fund	£71,481	£263,948	£423,556	£655,811	£775,953

Legislation.—The Amendment Act passed last session empowers the Board to take over from the Public Trustee the total accumulated fund in his hands on the 31st December, 1915, and to invest the moneys of the fund at current rates of interest. Preliminary steps have been taken to accomplish this purpose, and it is not anticipated that there will be any difficulty in finding investments at satisfactory rates. The Public Trustee is authorized to act as agent for the Board in the preparation of securities and the collection of interest. As remuneration for his services he will be paid a commission not exceeding $2\frac{1}{2}$ per cent. on the amount of interest collected by him.

Actuarial Investigation.—The report of the Government Actuary on the second triennial investigation of the fund was presented to Parliament during last session. The report shows that an annual subsidy of £18,000 is required to meet the liabilities for the three years ending the 31st December, 1916, in addition to the amount already provided by law. Owing to the war there has not been any provision made by the Government to meet the increased requirement. This shortage will, it is hoped, to some extent be made good by the higher rate of interest which it is anticipated will be earned by the fund as a result of the new method of investment.

G. W. RUSSELL, Chairman.