

1916 was £90,481, and the expenditure £49,906. During the year 468 members were admitted, while 259 left the fund, a net increase of 209.

At the end of 1916,—

The number of contributors was	4,653
Of whom males numbered	1,974
And females numbered	2,679
Members under Part IX of Education Act, 1908, numbered	80
The annual rate of contribution paid as at the end of the year was ..	£56,208
The number of allowances in force at the end of the year was ..	611
representing an annual charge of	£44,666

viz.,—

Ordinary retiring - allowances	£
were	315, representing 26,871
Retiring-allowances under extended provisions of section 12 of the Act	66, ,, 9,412
Retiring - allowances in medically unfit cases	74, ,, 5,907
Allowances to widows	87, ,, 1,579
Allowances to children	69, ,, 897

In terms of the provisions of the Public Service Classification and Superannuation Amendment Act, 1908, section 4, and the regulations thereunder, all moneys belonging to the fund are paid to the Public Trustee for investment, and form part of the common fund of the Public Trust Office. In accordance with the regulations under the Public Trust Office Act interest is paid to the fund on daily balances in the hands of the Public Trustee— $4\frac{1}{2}$ per cent. on the first £6,000 and $4\frac{1}{4}$ per cent. on the balance. No charge is made for investment. In addition, the fund received in 1916 from the Public Trustee a bonus of £1,385 19s. 5d., being 10 per cent. of the interest earned by the fund during the period 1st April, 1915, to 31st March, 1916, this bonus being paid under a recent legislative provision authorizing the distribution *pro rata* among the estates in the common fund of the Public Trust Office of a certain portion of the profits of that Office. This raised the rate of interest to over $4\frac{1}{2}$ per cent.

As intimated last year, the Teachers' Superannuation Board is of opinion that a higher rate of interest should be earned, either by an increased rate from the Public Trustee or by the Board making its own investments as in the case of the Public Service Superannuation Fund. Legislation is necessary, however, before any alteration can be made in the method of investment. On arrears outstanding from contributors 5 per cent. interest is charged.

Provision has been made for the payment by the Government of the contributions of contributors to the fund who have joined the Expeditionary Forces engaged in the war, until the release of the contributors from military duties. The amount paid by the Government on this account in 1916 was £2,723, making the total to date £4,074. The number of contributors who had joined the Expeditionary Force up to the 31st December, 1916, was 346, of whom thirty-two have been killed in action or died of wounds or disease, and twenty-two have returned to New Zealand and have resumed their duties in the Education service.

In terms of section 38 of the Public Service Classification and Superannuation Amendment Act, 1908, the Actuary appointed by the Governor for the purpose will this year make the triennial investigation of the fund for the years, 1914, 1915, and 1916. In his previous report the Actuary recommended an increase in the annual Government subsidy from £17,000 to £33,000, but in view of the special circumstances existing it was decided, as in the case of other funds, that the former rate of subsidy be continued.

Consideration has been given during the year to the question of early retirements under the extended provisions of section 12 of the Public Service Classification and Superannuation Amendment Act, 1908 (as amended in 1909). The schedules of deductions from allowances previously approved by the Minister of Education and the Teachers' Superannuation Board under this section have been cancelled, and each application is now considered on its merits. The deductions in