obligation to have recourse to legislation periodically, but it is open to the objection that it would entail a heavier demand on the public funds in the earlier years, a factor which prevented its being favourably considered by the Government under present conditions. The matter will be brought before the Government for further consideration when opportunity offers.

Contributors on Active Service.—The number of contributors who joined the Expeditionary Force up to the end of 1917 was 483. Of this number sixty-three have been killed in action or died of wounds or disease, while forty have returned to New Zealand and have resumed the duties of their previous positions. Thirty-one of the deaths occurred in 1917. Of the deceased contributors fifty-five were unmarried, and their contributions to the fund (together with the amounts paid by the Government on their behalf up to the date of their decease), amounting to £2,494 0s. 1d., were refunded to their respective estates. One contributor was survived by a widow and three children under the age of fourteen years, two contributors by a widow and one child under the age of fourteen years, and five by widows only, to each of whom the usual allowance was granted. As previously intimated, the Government has undertaken to pay the contributions of members during the period they are members of the Expeditionary Force. The amount thus paid by the Government in 1917 amounted to £3,865 0s. 5d., making a total since the beginning of the war of £7,938 18s. 3d.

Retirements under extended Provisions of Act.—It was intimated in last year's report that after much consideration the Board had adopted a different policy in regard to retirements under the extended provisions of section 12 of the Public Service Classification and Superannuation Amendment Act, 1908. The schedules of deductions from allowances in such cases hitherto adopted by the Board were ascertained to be actuarially unsound, and the schedules were accordingly cancelled. Each application is now considered on its merits. Under the amended practice the Board ascertains the full actuarial deduction in each case—*i.e.*, it ascertains what deduction should be made from the allowance to compensate the fund for the benefit received by the contributor by early retirement. If the application is granted the allowance is awarded subject to the full actuarial deduction, except that if in the opinion of the Board special circumstances exist which render the retirement desirable the Board may reduce the deduction. In all cases, however, the deductions will be substantially heavier than those hitherto imposed. All retirements under this section of the Act, and the conditions on which such retirements may be granted, are subject to the approval of the Minister of Education.

During the past year only four retirements were approved under the above conditions, as compared with eight in 1916 and nine in 1915.

Pupil-teachers.—Judging from the number of inquiries made recently as to whether pupil-teachers are eligible to become contributors to the fund it does not appear to be known generally among the teaching profession that pupil-teachers may elect to become contributors to the fund under the provisions of section 23 of the Public Service Classification and Superannuation Amendment Act, 1908. Several Education Boards bring the matter under the notice of their pupil-teachers when the latter are appointed, with the result that many of them join the fund. In the majority of education districts, however, no pupil-teachers become members of the fund until such time as they are compelled to do so on receiving permanent appointments as teachers after becoming certificated.

The question as to whether the right of these young teachers to join the fund should be continued is one requiring serious consideration. Their admission at such an early age (usually sixteen, seventeen, or eighteen years) imposes a very heavy liability on the fund, for in their early years as pupil-teachers and training-college students they pay contributions on very small salaries, but count the period so spent as full time for superannuation purposes. When it is remembered that male contributors have a legal right to retire on superannuation after forty years' service, and female contributors after thirty years' service, it is apparent that if they retire at the age of fifty-six, fifty-seven, or fifty-eight (in the case of men), and at the age of forty-six, forty-seven, or forty-eight (in the case of women), the fund will in most cases be required to provide their allowances for a very considerable number of years. The Board has already had to grant allowances to women of forty-five years of age. The question will no doubt have to be seriously considered as to whether a minimum age, say of twenty or twenty-one years, should not be a condition of eligibility for membership.