1918.
NEW ZEALAND.

LOCAL AUTHORITIES' SUPERANNUATION.

REPORT OF ACTUARY ON THE FUNDS OF THE WELLINGTON HARBOUR BOARD, THE AUCKLAND HARBOUR BOARD, AND THE BULLER COUNTY COUNCIL, FOR THE TRIENNIAL PERIOD ENDED 31ST DECEMBER, 1916.

Laid before Parliament in pursuance of Section 14 (3) of the Local Authorities Superannuation Act, 1908, on the 19th October, 1917, and ordered to be printed on the 10th April, 1918.

Wellington, 11th October, 1917.

I HAVE the honour to submit the following report on the local authorities' superannuation funds:—

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 out of the fund—viz., one-sixtieth of salary for each year of service—only relate to service since becoming a contributor; but by the Local Authorities Superannuation Amendment Act, 1912, a local authority is empowered to pay out of its ordinary revenues a supplementary pension not exceeding this rate in respect of service prior to the establishment of the fund.

The contributions of the employees are supplemented by an annual subsidy from the local authority calculated as a percentage of their contributions, and the local authority is required to pay such further sums, if any, as may be necessary to enable the fund to meet its liabilities. The contributions, &c., are paid over to the Public Trustee, the money forming part of the common fund of that Office, and the capital is therefore guaranteed.

The benefits provided by the Act, and the contributions payable, are given in the appendix to this report.

At the 31st December, 1916, three local bodies had established superannuation funds under the Act, viz.: Wellington Harbour Board, 1st April, 1913; Auckland Harbour Board, 1st April, 1913; Buller County Council, 1st October, 1913.

As will be seen from the detailed reports, all the schemes are in a thoroughly satisfactory condition, and the capital value of the present subsidies gives a surplus of assets over liabilities in each case—or, in other words, they are more than are actually required to provide for the solvency of the funds. The cost of the schemes, however, depends on a number of uncertain factors—salary at retirement, rate of retirement, and the ages and number of widows and children left by those dying, &c. and I would recommend that any question of reducing the subsidies be deferred until more experience of the actual working of the funds has accumulated.

The Act has been fully justified by the establishment of these funds, which under its provisions provide pensions for old age and for widows and children, without any charge whatever on the Consolidated Fund.

WELLINGTON HARBOUR BOARD SUPERANNUATION FUND.

This fund was established on the 1st April, 1913. Permanent employees in the service of the Board at that date were given the option of joining the scheme within six months, but as regards persons entering the service after that time it is one of the conditions of their employment that they contribute to the fund.