

VALUATION BALANCE-SHEET OF THE NATIONAL PROVIDENT FUND AS AT 31ST DECEMBER, 1916.

<i>Liabilities.</i>		£
Value of liability for—		
Pensions	...	386,111
Orphans' benefit	...	76,035
Widows' benefit	...	35,088
Incapacity allowance	...	27,867
Return of contributions on death	...	32,787
Return of contributions on withdrawal	...	80,242
		<u>£638,130</u>
<i>Assets.</i>		£
Amount of the fund at 31st December, 1916	...	122,361
Value of contributions payable (assumed half a year after due date)	...	415,559
Value of State subsidy of one-fourth (assumed to be received a year later than above)	...	99,894
Debit balance	...	316
		<u>£638,130</u>

From this it will be seen that according to the basis of valuation adopted, which is slightly more stringent than that of 1913, the fund was in a solvent position at the valuation date, a merely nominal deficiency being disclosed.

As the maternity benefits are annually voted by Parliament they have not been treated as a liability in the above valuation balance-sheet, in which I have set forth the state of the fund at the close of the valuation period, having regard to the prospective liabilities and assets, as directed by section 24 (2) of the Act.

This section further requires the report to show the "probable annual sums required by the fund to provide the pensions and other allowances falling due within the ensuing three years without affecting or having recourse to the actuarial reserves appertaining to the contributors' contributions." This has been taken to mean that an estimate is to be made of the portion of the expected claims on the fund falling due during the three years following the valuation, which the contributions, *inclusive* of the statutory one-fourth subsidy attaching to the contributions, do not provide for. The Actuary is therefore required to state the further subsidies per annum necessary during the period specified beyond the statutory annual one-fourth subsidy to meet the current charges on the fund, and section 25 (2) of the Act makes "such further amounts (if any)" an additional charge on the State.

I have to report, under the provisions of these sections, that beyond the present statutory annual subsidy no "such further amounts" require to be paid during the three years following the date of this valuation.

The present investigation therefore shows a satisfactory position as at that time approximately coincident with the initiation of the subsidiary superannuation scheme already referred to. The effect of the considerable financial obligations incurred since then under the subsidiary scheme will not, of course, be apparent until future valuation takes place.

1st October, 1919.

C. E. GALWEY, A.I.A. (London), Actuary.

APPENDIX.

TABLE I.

MEMBERSHIP QUALIFICATIONS.

ANY person may become a contributor who—

- (a.) Is a resident of New Zealand;
- (b.) Is over sixteen years of age;
- (c.) Is under forty-five years of age; and
- (d.) Whose average income during three years prior to joining has not exceeded £250 a year.

BENEFITS.

The following benefits are payable:—

- (1.) After contributing for twelve months or for such period as the Board determines, a payment not exceeding £6 on the birth of a contributor's child or children, provided the parents' joint annual income does not exceed £200.
- (2.) After contributing for five years, an allowance after three months' incapacity to work of 7s. 6d. per week for each child under fourteen years of age; not to exceed pecuniary loss. Ceases at age 60. Extends to age 18 in case of an infirm child.
- (3.) After contributing for five years, an allowance, on the death of a contributor, of 7s. 6d. per week for each child until fourteen years of age, and 7s. 6d. per week for the widow so long as any child is under fourteen years of age.