

7. The number of pensioners on the fund at the 31st December, 1919, according to the cards supplied, was 785, drawing pensions amounting to £63,404 per annum. The number of contributors at the same date was 5,016, with aggregate salaries amounting to £1,265,772 and paying contributions at the rate of £74,316 per annum.

8. The income and outgo of the fund during the three years ended 31st December, 1919, were as follows :—

CONSOLIDATED REVENUE ACCOUNT OF THE TEACHERS' SUPERANNUATION FUND FROM THE 1ST JANUARY, 1917, TO THE 31ST DECEMBER, 1919.									
<i>Income.</i>				<i>Outgo.</i>					
	£	s.	d.		£	s.	d.		
Funds at 1st January, 1917 ..	381,158	1	6	Retiring-allowances ..	150,965	15	2		
Members' contributions ..	190,527	3	4	Contributions refunded ..	36,561	5	5		
Government subsidy ..	77,000	0	0	Transfers to other funds ..	295	8	8		
Interest ..	67,851	19	5	Commission ..	1,243	0	11		
Transfers from other funds ..	595	19	3	Other payments ..	1,366	1	6		
				Funds at 31st December, 1919 ..	526,701	11	10		
	£717,133	3	6		£717,133	3	6		

VALUATION.

9. In making the valuation it has been assumed that interest at 4 per cent. per annum will be earned on the funds during the whole future lifetime of members ; that certain proportions of members will withdraw, die, and retire ; and that salaries and the corresponding contributions will increase at certain rates. These and other factors are more specifically set out in the Appendix. In regard to the interest, the rates earned during the triennium were as follows :—

	£	s.	d.	
1917	4	12	4	per cent.
1918	5	3	3	per cent.
1919	5	8	5	per cent.

While it is possible that higher rates may continue to be earned, it is hardly safe to allow more than 4 per cent. for the very long period of time covered by a pension fund.

10. The result of the valuation shortly is as follows :—

	£
Present value of the liability for benefits	4,122,989
Present value of the contributions receivable from members ..	783,111
Funds in hand	526,702
	<u>1,309,813</u>
Present value of total liability of State	2,813,176
Less present value of existing subsidy of £43,000 per annum ..	1,075,000
	<u>Value of future subsidies to be provided by the State over and above present subsidy of £43,000 per annum £1,738,176</u>

11. This shows a total State liability of £2,813,176, as against £1,801,816 at the last valuation. The augmentation is accounted for by the increase in the number of contributors from 4,653 to 5,016, the salaries from £926,706 to £1,265,772, the pensions from £44,666 to £63,404, and other factors. It may be pointed out, by the way, that unless the subsidy is fixed above a certain minimum figure the liability of the State will normally tend to increase, apart from the growth of the membership.

12. Section 38 (2) of the Act requires the report to be so prepared as to show " the probable annual sums required by the fund to provide the retiring and other allowances falling due within the ensuing three years, without affecting or having recourse to the actuarial reserve appertaining to the contributors' contributions."

The contributions are insufficient to provide the full benefits for service after joining the fund, and consequently it is assumed that the principle underlying the section is that the State should pay for pensions arising out of service before joining the fund and for such part of the pensions arising out of subsequent service as is not covered by the contributors' contributions. The sum payable for pensions, the amounts purchased by contributions, and the subsidies payable on this basis during the three years 1920, 1921, and 1922 are as follows :—

Required for				1920.	1921.	1922.
				£	£	£
Current pensions to members				57,969	55,960	53,946
New pensions and family pensions				8,631	19,011	30,248
Total pensions				66,600	74,971	84,194
Deduct amount provided by contributions				12,937	15,455	18,347
Subsidy required				53,663	59,516	65,847