

The average rate of interest earned for the financial year on the mean funds was £5 18s. 9d. per centum. In this connection it must be understood that the amount of interest due and outstanding and interest accrued but not due at the balance date is taken into account in arriving at the before-mentioned rate. Reference to the balance-sheet discloses that the sum of £59,505 14s. 10d. is overdue on mortgage securities. There is no doubt the Courts, acting under the powers contained in the Mortgagors Relief Act, 1931, and its amendments, and on the recommendation of Mortgagors' Liabilities Adjustment Commissions, will write off a considerable amount of the outstanding interest, and in addition will order the rate of interest to be reduced. The average rate of interest that the fund will earn in the near future will be considerably reduced, for, in addition to the remission of interest, the rate of interest on Government securities and local-body debentures has been reduced by statute.

Progress of the Fund.—The following table illustrates the position of matters in relation to the fund since its inception :—

	Year ended 31st December,		Year ended 31st March,		
	1908.	1916.	1924.	1931.	1933.
Total number of contributors	7,235	13,313	15,021	18,197	17,219
Total amount contributed annually ..	£79,831	£141,844	£217,692	£270,316	£225,300
Interest received	£1,295	£42,314	£113,608	£162,888	£166,814
Number of pensions and allowances payable	122	1,233	2,362	2,953	3,515
Annual value of retiring and other allowances payable	£8,881	£88,392	£251,894	£383,923	£482,591
Total amount of contributions refunded ..	£484	£23,391	£53,303	£40,754	£45,345
Expenses of administration	£890	£2,318	£6,229	£8,418	£7,620
Total amount of accumulated fund ..	£71,481	£896,568	£2,039,043	£2,917,154	£2,897,415

GENERAL.

Important legislation affecting the fund has been passed by Parliament.

1. *Saving of Rights of Contributors to Superannuation Funds.*—Section 9, National Expenditure Adjustment Act, 1932, as amended by sections 24 and 25, Finance Act, 1932-33 (No. 2), provides as follows :—

(1) Every person whose rate of salary is reduced by this Part of this Act and who is a contributor to the Public Service Superannuation Fund, or the Teachers' Superannuation Fund, or the Government Railways Superannuation Fund, may, by notice in writing to the Secretary of the Board charged with the administration of that Superannuation Fund, given on or before the thirty-first day of May, nineteen hundred and thirty-three, elect to continue to contribute to the fund as if his salary had not been so reduced; and every person so electing and contributing shall be entitled on retirement to a retiring-allowance (if any) of the same amount as that to which he would have been entitled if his salary had not been reduced by this Part of this Act :

Provided that in the case of any such person who at the thirty-first day of March, nineteen hundred and thirty-two, is, pursuant to an election made by him under section eight of the Finance Act, 1931, contributing to any such fund on the basis of a higher rate of salary than that actually being received by him on that date, such person may elect, pursuant to this section, to continue to contribute to such fund on the basis of such higher rate, or to contribute on the basis of his salary as at the thirty-first day of March, nineteen hundred and thirty-two, and on retirement his retiring-allowance (if any) shall be calculated accordingly.

(2) Where a contributor does not make an election pursuant to this section, or makes an election pursuant to the proviso to the last preceding subsection to contribute on the basis of his salary as at the thirty-first day of March, nineteen hundred and thirty-two, the amount of contributions deducted (whether before or after the passing of this Act) from his salary in respect of the difference between the rate on the basis of which he contributes as from the first day of April, nineteen hundred and thirty-two, and any higher rate on the basis of which he had theretofore been contributing to any of the aforesaid superannuation funds, shall be held by the Superannuation Board for the credit of the contributor, and shall be payable to him on his retirement in addition to his retiring-allowance (if any), or, in the event of his death, without having received payment under this subsection, shall be payable, without election, to the person entitled to receive or to elect to receive a refund of the amount of the deceased contributor's contributions :

Provided that in the case of a contributor retiring before the first day of April, nineteen hundred and thirty-five, the amount to be held for his credit as aforesaid shall not exceed the total amount paid by him as contributions to the appropriate superannuation fund on the difference between the rate on the basis of which his retiring-allowance is based, and any higher rate on the basis of which he had been contributing as aforesaid to such superannuation fund.