

PART I.

1. GENERAL.

A. EXTENT AND SCOPE OF EXISTING SCHEMES.

Compulsory contributory schemes exist in about twenty-seven countries. In most cases the schemes make provision for invalidity, sickness, children, widows' and orphans' pensions, as well as old-age pensions.

In general, they apply to particular industries or groups of workers and do not cover the whole population.

Compulsory national insurance covering all people within specified ages has been applied in a small number of cases only—*e.g.*, Sweden and certain Swiss Cantons. A compulsory national scheme has been considered and reported on for Australia, but has not so far been adopted.

Independent workers—*i.e.*, workers on their own account—present an administrative difficulty, and are covered in only a few countries. In other words, schemes apply mainly to wage-earners or salaried employees.

B. THE SWEDISH SCHEME.

The scheme of compulsory national insurance adopted in Sweden is probably the most interesting to New Zealand. The total population of Sweden as at 1st January, 1931, was 6,141,570. In 1928 3,982,300 people were liable for compulsory national insurance, and of these 255,200 were exempted. It would seem that practically all between the ages of sixteen and sixty-eight are liable.

The pensions-insurance scheme was promulgated in June, 1913, and became operative on 1st January, 1914. The scheme virtually involves compulsory insurance for the whole nation. With certain exceptions, every able-bodied man and woman between the ages of sixteen and sixty-eight is liable. The exceptions include—

- (a) Civil servants who are entitled to a pension:
- (b) Members of military forces covered by pension schemes:
- (c) Ministers of religion:
- (d) Wives of the above.

Annual contributions vary according to income.

In return, the contributor receives an annual sum commencing at sixty-seven years, or earlier in the case of invalidity. The amount of pension is proportionate to the contributions paid according to a fixed actuarial scale.

To give the necessitous further help, an addition to the contributory pension is granted to any one who is permanently incapacitated for work and whose income falls below a certain amount. This is contributed entirely out of public funds.

Benefits include—

Contributory pensions according to scale; pension increments as above; relief; child allowance.

As far as we are able to gather, employers are not liable for contributions in respect of their employees. Nor does the State appear to contribute for ordinary old-age and invalidity pensions, but the other benefits—*i.e.*, pension increments, relief and child allowances—are defrayed from public funds to which the Communes contribute to the extent of one-eighth. Communes may contribute additional increments out of their funds.

Contributions consist of an annual flat-rate contribution, plus an additional contribution from those liable to income-tax, the amount of which depends on the assessed income.

The (flat-rate?) contributions are assessed by local Assessment Boards, with the right of appeal to the Royal Pensions Board. Basic contributions are usually collected by the Commune, the additional contributions on payment of Crown taxes.

Contributory pensions are given—

- (a) To any one between sixteen and sixty-seven years of age who is incapacitated from work;
- (b) To all persons reaching the age of sixty-seven years.