

A superannuation scheme is not established by an employer—whether a Government or a private firm—from philanthropic motives, but rather from motives of enlightened self-interest. The State, in common with any employer of labour, does not remunerate its teachers on philanthropic grounds nor on the basis of levelling-down all salaries to a uniform amount irrespective of the class of work performed, and it is unreasonable to suppose that it has in mind an intention to depart suddenly from sound business principles just when some of its employees reach old age. The object in stressing this aspect of the employer's motive is that once the principle is admitted that the establishment of a superannuation scheme is from an enlightened self-interest, we are infallibly led to a certain line of reasoning regarding the relative benefits a superannuation fund should pay and the way the employer's subsidy should be allocated.

The opinion of any competent critic on the Teacher's Superannuation Fund with its *maximum* pension of £300 per annum, especially when considered side by side with the *minimum* pension of £300 provided by the Superannuation Fund of one of the old established New Zealand banks would not only be unflattering to the State but would also bring out prominently that those responsible for the 1909 amendment lost sight of the elementary principles of a staff superannuation scheme. Compared with the generally accepted idea in commercial pension funds that merit should be rewarded and an adequate subsidy paid on the contributions of all employees, the State is actually penalizing its best teachers, present and future, and in effect is allowing the Superannuation Fund to confiscate portion of their contributions and interest accretions.

40. In conclusion, I have to acknowledge the assistance of the small but efficient staff engaged in carrying out the heavy work of the valuation.

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