Particulars of Valuation.

4. The contributions and the benefits provided by the Act, together with statements showing the progress of active membership, discontinuance of membership from various causes, and the progress of pensions for each year, will be found in Tables I to IV of the Appendix to this report. The ages of the contributors at the date of the valuation, together with their contributions and other particulars, are shown in Table V; and the pensions granted during the quadrennium, with the ages at which they were granted, in Table VI.

Pensioners.

5. At the valuation date there were 2,248 pensioners with annual pensions of £449,174 2s., and I submit hereunder an analysis of the pensions under four main headings, namely:—

(a) Normal pensions payable in respect of officers who retired as of right on completion of the statutory period of service or attained the statutory retiring-age.

(b) Medically unfit pensions, payable to those who broke down in service.

(c) Actuarial pensions, payable in respect of those compulsorily retired within five years of normal retirement.

(d) Pensions under the extended provisions of the Act.

	Number.	Annual Amount of Pension. £ s. d.
Males—		
Normal pension	858	225,191 6 5
Medically unfit pension	244	27,317 12 0
Actuarial pension	78	10,831 9 0
Extended provisions of Act	764	158,136 4 3
Total	1,944	£421,476 11 8
Females—		
Normal pension	198	20,843 5 0
Medically unfit pension	44	2,178 13 4
Actuarial pension	4	291 2 0
Extended provisions of Act	58	4,384 10 0
Total	304	£27,697 10 4
Grand total	2,248	£449,174 2 0

6. Section 26 of the Act sets out the conditions for normal retirement with the following proviso: "Provided that the Minister in Charge of the Department in which a contributor is employed may extend the provisions of this section to any case in which the age of a male contributor is not less than sixty years, or to any case in which the age of a female contributor is not less than fifty years, or to any case in which the age of a male contributor is not less than fifty-five years if his length of service is not less than thirty years, or to any case in which the length of service of a contributor is not less than thirty-five years; and in any of those cases the Minister may impose upon the retiring contributor such terms and conditions as to payments into the Fund or otherwise as the Minister thinks fit."

It seems clear that the original intention of this proviso was to deal with special cases, and that accordingly the power was to be sparingly exercised. The serious aspect of these early retirements has been stressed *ad nauseam* in successive actuarial reports, and it must surely be self-evident that officers retiring at ages from fifty to fifty-five cause a heavy burden on the Fund not only from the greater number of years during which pensions have to be paid, but also from the loss of contributions until normal retiring-age. Unfortunately for the finances of the Public Service Superannuation Fund, these warnings have been ignored, and the right to impose terms and conditions on retiring contributors has seldom, if ever, been exercised. An idea of the use made of the extended provisions of the Act may be gained from the above table, which discloses that of the 1,944 male pensioners existing at the valuation date no less than 764, or 39·3 per cent., failed to remain in the Service for the normal period or until attainment of the normal retiring-age.

Reference to Table VIA of the Appendix (analysing pensioners retiring under the extended provisions of the Act according to length of service and attained age at date of retirement) shows that of the 764 males above referred to, 524 (69 per cent.) retired at or under age 60, 308 (40 per cent.) at or under age 55, and 79 (10 per cent.) at or under age 50.