

1942.
NEW ZEALAND.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

REPORT OF BOARD.

Laid before Parliament in pursuance of Section 124 of the Government Railways Act, 1926.

THE Board has the honour to transmit for the information of Parliament the following report upon the transactions of the Government Railways Superannuation Fund for the year ended 31st March, 1942. The Revenue Account and statements in connection therewith, will be found appended.

The expenditure for the year exceeded the income by £60,846 0s. 4d.

Members' Contributions.—The income under this heading showed an increase of £7,473 12s. 4d. The number of contributors at 5, 7, 8, and 9 per cent. increased by 524, 12, 7, and 1, while contributors at 3, 4, 6, and 10 per cent. decreased by 119, 2, 18, and 2 respectively. The increase in amount of contributions is due to appointments to the permanent staff.

Contingent Contributors.—During the year 110 casual employees elected to contribute to the fund so that in the event of their subsequently being permanently appointed they would not be faced with a liability in respect of service prior to permanent appointment. The total number of employees so contributing at the end of the year under review was 542, and the amount standing to their credit £19,749 18s. 10d.

Subsidy.—The sum of £170,000 was paid into the fund by the Working Railways Department. The sum of £85,000 was also received from the Treasury in accordance with the provisions of section 7 of the Finance Act, 1941, leaving a deficit of £60,846. To meet the full commitments of the fund a subsidy of £146,000 would have been required.

Interest.—The interest earned amounted to £62,034 5s. 11d., a decrease of £1,546 15s. 5d. as compared with the previous year. Table D, Statement of Investments, shows that the average rate of interest on securities held at the 31st March, 1942, was 4.23 per cent., and the average rate earned on the mean funds for the year 5.002 per cent., as against 4.234 per cent. and 5.04 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £506,386 1s. 4d., an increase of £22,709 13s. 8d. as compared with the figures for the previous year, the year ended 31st March, 1941, showed an increase under this heading of £23,680 4s. 5d. Table A, Statement of Allowances, shows that the average amount of the 204 allowances granted during the year was £192 19s., and the average amount of 110 allowances discontinued was £186 11s. 10d. Twenty-seven contributors have made elections in favour of dependants in accordance with the provisions of section 13 of the Finance Act (No. 2), 1940.

Allowances to Widows and Children.—Until the passing of the Finance Act (No. 2), 1940, allowances to widows and children were paid only in cases where contributors died before retiring on a pension. Section 14 of this Act makes provision for payment of annuities to widows and children irrespective of whether contributors die before or after becoming entitled to a retiring-allowance. The expenditure on account of allowances to widows and children was £40,134 19s.—£29,194 12s. 5d. to widows and children of contributors who died before retiring and £10,940 6s. 7d. to widows and children of contributors who died after retirement. The sum of £17,446 16s. was received from the Working Railways Account during the year on account of the increased payments to widows and children, as provided in section 114, Part III, of the Government Railways Act, 1926.

Approval was received for the continuance of the cost-of-living bonus to annuitants in cases of special hardship where the allowance was less than £100, the amount of bonus granted being sufficient to bring the allowance up to £100, but with a maximum bonus of £26. The bonus is provided for out of the Working Railways Account, and is not a charge on the Superannuation Fund.

At the 31st March, 1942, there were 2,740 members, 1,080 widows, and 321 children, making a total of 4,141 persons actually on the fund, involving an annual liability of £538,141 11s. 3d.

R. SEMPLE,
Chairman, Government Railways Superannuation
Fund Board.

TABLE A.—STATEMENT OF ALLOWANCES FOR THE YEAR ENDED 31st MARCH, 1942.

	Section 102. On Attainment of Retiring Age or for Length of Service.				Section 111. Medically Unfit.				Section 113. Widows.				Section 113. Children.				Total Retiring and other Allowances.			
	Number.		Annual Amount.		Number.		Annual Amount.		Number.		Annual Amount, at £51 per Annum.		Number.		Annual Amount, at £26 per Annum.		Number.		Annual Amount.	
	M.	F.	Total.	£ s. d.	M.	F.	Total.	£ s. d.	M.	F.	Total.	£ s. d.	M.	F.	Total.	£ s. d.	M.	F.	Total.	£ s. d.
Retiring and other allowances—																				
Existing at beginning of year ..	2,003	1	2,004	418,755 1 9	641	1	642	80,054 2 10	917			28,427 0 0	164	160	324	8,424 0 0	2,808	1079	3,887	535,660 4 7
Granted during year at retirement ..	153	..	153	31,591 12 0	51	..	51	7,770 9 0	42			1,302 0 0	26	17	43	1,118 0 0	230	59	289	41,782 1 0
Granted during year after retirement ..	..	..	..	..	..	..	..	..	161			4,991 0 0	8	2	10	200 0 0	8	163	171	5,251 0 0
Total ..	2,156	1	2,157	450,346 13 9	692	1	693	87,824 11 10	1,120			34,720 0 0	198	179	377	9,802 0 0	3,046	1301	4,347	582,693 5 7
Discontinued during year ..	84	..	84	17,070 17 1	26	..	26	3,454 2 3	40			1,240 0 0	30	26	56	1,456 0 0	140	66	206	23,220 19 4
Existing at end of year ..	2,072	1	2,073	433,275 16 8	666	1	667	84,370 9 7	1,080			33,480 0 0	168	153	321	8,346 0 0	2,906	1235	4,141	559,472 6 3

Particulars of Retiring and other Allowances discontinued during the Year.

How discontinued—																				
By death ..	84	..	84	17,070 17 1	26	..	26	3,454 2 3	22			682 0 0	..	..	..	..	110	22	132	21,206 19 4
By expiry ..	..	..	..	..	..	..	..	..	18			558 0 0	30	26	56	1,456 0 0	30	44	74	2,014 0 0
Total ..	84	..	84	17,070 17 1	26	..	26	3,454 2 3	40			1,240 0 0	30	26	56	1,456 0 0	140	66	206	23,220 19 4

Progress of Retiring and other Allowances since Establishment of the Fund to 31st March, 1942.

Total granted*†..	3,985	2	3,987	681,950 16 2	1,166	2	1,168	134,210 3 3	1,612			47,372 0 0	1,064	1,036	2,100	45,591 0 0	6,215	2652	8,867	909,123 19 5
Total discontinued*	1,913	1	1,914	248,674 19 6	500	1	501	49,839 13 8	532			13,892 0 0	896	883	1,779	37,245 0 0	3,309	1417	4,726	349,651 13 2
Total existing at 31st March, 1942..	2,072	1	2,073	433,275 16 8	666	1	667	84,370 9 7	1,080			33,480 0 0	168	153	321	8,346 0 0	2,906	1235	4,141	559,472 6 3

Less amount receivable from the Working Railways Account | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 21,330 15 0 || | | | | | | | | | | | | | | | | | | | | £538,141 11 |

* Total allowances granted and discontinued include 200 widows at £18 only, and 693 children at £13 only, exempt prior to increase of allowances.
† These figures include 134 allowances totalling £15,620 11s. per annum granted under section 14, Finance Act, 1931. Of these allowances, 108 were, as provided for by section 27, Statutes Amendment Act, 1936, increased by £3,553 8s.

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TABLE B.—STATEMENT OF CONTRIBUTORS.

	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	7 per Cent.	8 per Cent.	9 per Cent.	10 per Cent.	Total.
Contributors at commencement of year	824	3	13,971	1,411	296	69	47	43	16,664
New contributors during year ..	..	..	1,280	97	41	9	2	..	1,429
Total	824	3	15,251	1,508	337	78	49	43	18,093
Contributors discontinued during year	119	2	756	115	29	2	1	2	1,026
Total contributors at 31st March, 1942	705	1	14,495	1,393	308	76	48	41	17,067

TABLE C.—PROGRESS OF THE FUND.

				Balance forward.			Allowances granted.		
				£	s.	d.	£	s.	d.
1903 to 1932	606,011	1	5
1933	1,333,245	8 1	26,199	19	0
1934	1,240,830	15 8	12,970	9	0
1935	1,239,705	5 0	13,394	7	0
1936	1,246,984	7 11	14,637	7	0
1937	1,250,860	10 2	13,863	2	0
1937 (increased allowances, section 27, Statutes Amendment Act, 1936)	3,553	8	0
1938	1,272,724	7 5	24,622	14	0
1939	1,282,354	0 2	36,872	9	0
1940	1,279,836	2 8	51,808	12	0
1941	1,248,383	2 2	58,157	10	0
1942	1,187,537	1 10	47,033	1	0
							909,123	19	5
Less members died, &c.	349,651	13 2			
Less liability of Working Railways Account	21,330	15 0			
							370,982	8	2
Annual liability at 31st March, 1942	£538,141	11	3

TABLE D.—STATEMENT OF INVESTMENTS.

Funds invested at 31st March.				1942.		1941.	
				£	s. d.	£	s. d.
At 3 per cent. .. ..	..	..	..	..	..	3,198	0 0
„ 3·375 „ .. ..	..	..	..	25,000	0 0	25,000	0 0
„ 3·5 „ .. ..	..	..	..	165,989	11 0	167,873	13 9
„ 4 „ .. ..	..	..	..	259,145	10 0	259,145	10 0
„ 4·125 „ .. ..	..	..	..	1,659	1 10	1,674	15 2
„ 4·25 „ .. ..	..	..	..	265,103	19 2	273,147	19 11
„ 4·4 „ .. ..	..	..	..	335	0 0	335	0 0
„ 4·5 „ .. ..	..	..	..	338,870	18 8	345,872	13 5
„ 4·75 „ .. ..	..	..	..	2,902	8 6	2,637	1 0
„ 5 „ .. ..	..	..	..	131,724	18 7	142,560	2 9
„ 6 „ .. ..	..	..	..	1,584	16 8	1,642	11 8
Cash in hand .. ..	..	..	..	3,395	10 1	1,853	8 0
				1,195,711	14 6	1,224,940	15 8
				1942. Per Cent.		1941. Per Cent.	
Average rate of interest on securities held at 31st March				4·23		4·234	
Average rate of interest earned on the mean funds, including reimbursements made by the Treasury in respect of reduction of interest				5·002		5·04	

STATEMENT OF ACCOUNTS.

Revenue Account for the Year ended 31st March, 1942.

<i>Expenditure.</i>	£	s.	d.	<i>Income.</i>	£	s.	d.
Retiring-allowances to members	506,386	1	4	Members' contributions	218,452	11	2
Allowances to widows and children	40,134	19	0	Members' contributions on account of casual service	3,753	12	4
Refund of total contributions	68,056	5	9	Fines	211	0	0
Refund of contributions in excess of allowances drawn by deceased beneficiaries	1,489	13	8	Subsidies—			
Transfers to other funds	1,082	15	5	Consolidated Fund	85,000	0	0
War-damage insurance	296	15	8	Working Railways	170,000	0	0
Administration charges—				Increased allowances to annuitants as provided for by Statutes Amendment Act, 1936	3,118	3	4
Travelling-expenses of Board members	80	17	6	Working Railways, on account of increased allowances to widows and children	17,446	16	0
Public Trust commission	1,296	6	2	New Zealand Railway Officers' Institute	13	15	5
Public Trust charges (legal cost)				New Zealand Railway Tradesmen's Association	18	16	11
Audit fee	50	0	0	New Zealand Engine-drivers, Firemen, and Cleaners' Association	22	19	0
Salaries	1,491	11	2	Amalgamated Society of Railway Servants	8	7	7
Postages	497	16	0	Interest—			
Printing and stationery	115	13	2	Investments	52,131	11	11
				Treasury Department	9,902	14	0
	620,978	14	10		62,034	5	11
	£	s.	d.	Commission on Government Life Insurance collections	52	6	10
Balance brought down	60,846	0	4	Balance carried down, being excess of expenditure over income for the year	60,846	0	4
Balance, accumulated funds as at 31st March ..	1,187,537	1	10		620,978	14	10
	£1,248,383	2	2		£	s.	d.
				Accumulated funds brought forward on 1st April	1,248,383	2	2
					£1,248,383	2	2

Balance-sheet as at 31st March, 1942.

<i>Liabilities.</i>	£	s.	d.	<i>Assets.</i>	£	s.	d.
Accumulated funds as per Revenue Account ..	1,187,537	1	10	Investment Account—			
Casual employees' contingent contributions ..	19,749	18	10	Investments	1,192,316	4	5
Retiring and other allowances due (not paid)—				Cash in hand	3,395	10	1
Members	424	11	1		1,195,711	14	6
Widows and children	449	0	10	Current Account—			
Refund of contributions authorized (not paid) ..	970	19	3	Cash in hand	504	12	4
Refund of contributions in excess of allowances drawn by beneficiaries (not paid) ..	183	5	11	Contributions and fines in transit	176	2	1
Transfers to other funds authorized (not paid) ..	23	5	1	Contributions due by—			
Interest paid in advance	600	14	8	Army Department	9,560	9	8
Public Trustee	513	7	0	Navy Department	321	11	10
Reserve for bad and doubtful debts	4,000	0	0	Air Force Department	2,792	1	0
Rebates of contributions (National Expenditure Adjustment Act, 1932)	36,495	15	0		12,674	2	6
Sundry creditors	48	14	2	Contributions outstanding	2,913	3	11
	£1,250,996	13	8	Contributions due by members in respect of casual service	15,376	12	8
				Working Railways—			
				On account of increased allowances to annuitants as provided for by Statutes Amendment Act, 1936	519	12	6
				On account of cost-of-living bonus	41	0	10
				On account of additional allowances to widows and children	3,034	16	3
				Interest due not paid	7,646	14	3
				Interest accrued but not due	12,074	10	5
				Insurance premiums	19	4	11
				War damage insurance	304	6	6
					£1,250,996	13	8

W. BISHOP,
Chief Accountant, New Zealand Railways.

R. SEMPLE,
Chairman of the Government Railways
Superannuation Fund Board.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—CYRIL G. COLLINS, Controller and Auditor-General.

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