

1943  
NEW ZEALAND

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# GOVERNMENT RAILWAYS SUPERANNUATION FUND

## REPORT OF BOARD

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

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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, 1943. The Revenue Account, Balance-sheet, and statements in connection therewith, will be found appended.

The expenditure for the year exceeded the income by £23,492.

*Members' Contributions.*—The income under this heading showed an increase of £3,959. The number of contributors at 5 per cent. increased by 227, while contributors at 3, 6, 7, 8, 9, and 10 per cent. decreased by 54, 41, 6, 3, 2, and 2 respectively. The increase in amount of contributions is due to appointments to the permanent staff.

*Contingent Contributors.*—During the year 69 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 546, and the amount standing to their credit £21,947.

*Subsidy.*—The sum of £170,000 was paid into the fund by the Working Railways Department. The sum of £90,440 was also received from the Treasury in accordance with the provisions of section 7 of the Finance Act, 1941, leaving a deficit of £23,492. To meet the full commitments of the fund a subsidy of £114,000 would have been required.

*Interest.*—The interest earned amounted to £59,464, a decrease of £2,570 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, 1943, was 4.216 per cent., and the average rate earned on the mean funds for the year 4.945 per cent., as against 4.23 per cent. and 5.002 per cent. respectively for the previous year.

*Life Allowances.* The expenditure on account of life allowances to members amounted to £513,798, an increase of £7,412 as compared with the figures for the previous year, the year ended 31st March, 1942, showed an increase under this heading of £22,709 13s. 8d. Table A, Statement of Allowances, shows that the average amount of the 131 allowances granted during the year was £169 3s. 9d., and the average amount of 148 allowances discontinued was £187 17s. 1d. Twenty-nine 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 whether contributors die before or after becoming entitled to a retiring-allowance. The expenditure on account of allowances to widows and children was £43,213 £29,214 to widows and children of contributors who died before retiring and £13,999 to widows and children of contributors who died after retirement. The sum of £18,688 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, 1943, there were 2,723 members, 1,170 widows, and 302 children, making a total of 4,195 persons actually on the fund, involving an annual liability of £533,960 8s.

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

TABLE A.—STATEMENT OF ALLOWANCES FOR THE YEAR ENDED 31ST MARCH, 1943

	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, at £31 per Annum.	Number.			Annual Amount, at £26 per Annum.	Number.			Annual Amount.													
	M.	F.	Total.		M.	F.	Total.		M.	F.	Total.		M.	F.	Total.														
Retiring and other allowances—				£	s.	d.		£	s.	d.		£	s.	d.		£	s.	d.											
Existing at beginning of year ..	2,072	1	2,073	433,275	16	8	666	1	667	84,370	9	7	1,080	33,430	0	0	168	153	321	8,346	0	0	2,906	1235	4,141	559,472	6	3	
Granted during year at retirement ..	79	..	79	14,822	12	0	52	..	52	7,340	12	0	30	930	0	0	19	15	34	884	0	0	150	45	195	23,977	4	0	
Granted during year after retire- ment ..	..	..	..	..	..	..	..	..	..	..	..	..	105	3,255	0	0	6	3	9	234	0	0	6	108	114	3,489	0	0	
Total ..	2,151	1	2,152	448,098	8	8	718	1	719	91,711	1	7	1,215	37,665	0	0	193	171	364	9,464	0	0	3,062	1388	4,450	586,938	10	3	
Discontinued during year ..	115	..	115	23,181	9	3	33	..	33	4,620	16	0	45	1,395	0	0	29	33	62	1,612	0	0	177	78	255	30,809	5	3	
Existing at end of year ..	2,036	1	2,037	424,916	19	5	685	1	686	87,090	5	7	1,170	36,270	0	0	164	133	302	7,852	0	0	2,885	1310	4,195	556,129	5	0	
Particulars of Retiring and other Allowances discontinued during the Year																													
How discontinued—																													
By death ..	115	..	115	23,181	9	3	32	..	32	4,565	12	0	32	992	0	0	..	..	..	..	..	..	147	32	179	28,739	1	3	
By expiry ..	..	..	..	..	..	..	1	..	1	55	4	0	13	403	0	0	29	33	62	1,612	0	0	30	46	76	2,070	4	0	
Total ..	115	..	115	23,181	9	3	33	..	33	4,620	16	0	45	1,395	0	0	29	33	62	1,612	0	0	177	78	255	30,809	5	3	
Progress of Retiring and other Allowances since Establishment of the Fund to 31st March, 1943																													
Total granted**†	4,064	2	4,066	696,773	8	2	1,218	2	1,220	141,550	15	3	1,747	51,557	0	0	1,089	1,054	2,143	46,709	0	0	16,371	2805	9,176	936,590	3	5	
Total discontinued*	2,028	1	2,029	271,856	8	9	533	1	534	54,460	9	8	577	15,287	0	0	925	916	1,841	38,857	0	0	3,486	1495	4,981	380,460	18	5	
Total existing at 31st March, 1943..	2,036	1	2,037	424,916	19	5	685	1	686	87,090	5	7	1,170	36,270	0	0	164	138	302	7,852	0	0	2,885	1310	4,195	556,129	5	0	
Less amount receivable from the Working Railways Account ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	22,168	17	0	
																											£533,960	8	0

\* 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.



## STATEMENT OF ACCOUNTS

*Revenue Account for the Year ended 31st March, 1943*

<i>Expenditure</i>	£	<i>Income</i>	£
Retiring-allowances to members .. .. .	513,798	Members' contributions .. .. .	225,414
Allowances to widows and children .. .. .	43,213	Members' contributions on account of casual service	751
Refund of total contributions .. .. .	29,752	Fines .. .. .	343
Refund of contributions in excess of allowances drawn by deceased beneficiaries .. .. .	780	Subsidies—	
Transfers to other funds .. .. .	596	Consolidated Fund .. .. .	90,440
War damage insurance .. .. .	296	Working Railways .. .. .	170,000
Earthquake insurance .. .. .	18	Increased allowances to annuitants as provided for by Statutes Amendment Act, 1936 .. .. .	3,077
Administration charges—		Working Railways on account of increased allowances to widows and children .. .. .	18,688
Travelling-expenses of Board members .. .. .	55	New Zealand Railway Officers' Institute .. .. .	13
Public Trust commission .. .. .	1,178	New Zealand Railway Tradesmen's Association .. .. .	17
Audit fee .. .. .	50	New Zealand Engine-drivers, Firemen, and Cleaners' Association .. .. .	23
Salaries .. .. .	1,499	Annalagated Society of Railway Servants .. .. .	8
Postages .. .. .	392	Interest—	£
Printing and stationery .. .. .	156	Investments .. .. .	49,788
		Treasury Department .. .. .	9,676
			59,464
		Commission on Government Life Insurance collections	53
		Balance carried down, being excess of expenditure over income for the year .. .. .	23,492
	<u>£591,783</u>		<u>£591,783</u>
	£		£
Balance brought down .. .. .	23,492	Accumulated funds brought forward on 1st April .. .. .	1,187,537
Balance, accumulated funds as at 31st March .. .. .	1,164,045		
	<u>£1,187,537</u>		<u>£1,187,537</u>

*Balance-sheet as at 31st March, 1943*

<i>Liabilities</i>	£	<i>Assets</i>	£	£
Accumulated funds as per Revenue Account .. .. .	1,164,045	Investment Account—		
Casual employees' contingent contributions .. .. .	21,947	Investments .. .. .	1,166,090	
Retiring and other allowances due (not paid)—		Cash in hand .. .. .	2,855	
Members .. .. .	556			1,168,945
Widows and children .. .. .	665	Current Account—		
Refund of contributions authorized (not paid) .. .. .	1,401	Cash in hand .. .. .		5,521
Refund of contributions in excess of allowances drawn by beneficiaries (not paid) .. .. .	183	Contributions and fines in transit .. .. .		589
Transfers to other funds authorized (not paid) .. .. .	42	Contributions due by Army, Navy, and Air Force Departments .. .. .		16,579
Interest paid in advance .. .. .	150	Contributions outstanding .. .. .		1,622
Public Trustee .. .. .	569	Contributions due by members in respect of casual service .. .. .		12,118
Reserve for bad and doubtful debts .. .. .	4,000	Working Railways—		
Rebates of contributions (National Expenditure Adjustment Act, 1932) .. .. .	35,276	On account of increased allowances to annuitants as provided for by Statutes Amendment Act, 1936 .. .. .		253
Sundry creditors .. .. .	214	On account of cost-of-living bonus .. .. .		19
		On account of additional allowances to widows and children .. .. .		1,571
		Interest due not paid .. .. .		10,002
		Interest accrued but not due .. .. .		11,827
		Insurance premiums .. .. .		2
	<u>£1,229,048</u>			<u>£1,229,048</u>

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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