

1945
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, 1945. The Revenue Account, Balance-sheet, and statements in connection therewith, will be found appended.

The expenditure for the year exceeded the income by £20,610.

Members' Contributions.—The income under this heading showed an increase of £34,938. The number of contributors at 5, 6, 7, 8, and 9 per cent. increased by 180, 152, 132, 92, and 37 respectively, while contributors at 3 and 10 per cent. decreased by 143 and 2 respectively. The increase in amount of contributions is due to appointments to the permanent staff.

Contingent Contributors.—During the year 89 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 286, and the amount standing to their credit £20,332.

Subsidy.—The sum of £170,000 was paid into the fund by the Working Railways Department, and the sum of £110,900 was received from the Treasury in accordance with the provisions of section 3 of the Finance Act, 1942, leaving a deficit of £20,610.

Interest.—The interest earned amounted to £57,827, a decrease of £825 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, 1945, was 4.133 per cent., and the average rate earned on the mean funds for the year 5.043 per cent., as against 4.108 per cent. and 4.975 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £562,747. The average of the 296 allowances granted during the year was £222 11s. 6d., and the average of the 144 allowances discontinued was £176 5s. 9d. Thirty-six 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.—Previous to 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 £48,995—£29,608 to widows and children of contributors who died before retiring and £19,387 to widows and children of contributors who died after retirement. The sum of £21,118 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.

Cost of Living Bonus.—A cost-of-living bonus was granted to superannuitants payable from 1st October, 1943, at a maximum rate of £26 per annum, reducible £1 for £1 for income in excess of £335 per annum. The sum of £47,392, which included arrears from 1st October, 1943, was paid during the year. The whole cost of this bonus is borne by the Working Railways Account.

At the 31st March, 1945, there were 3,000 members, 1,352 widows, and 307 children, making a total of 4,659 persons actually on the fund, involving an annual liability of £612,184.

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

TABLE A.—STATEMENT OF ALLOWANCES FOR THE YEAR ENDED 31ST MARCH, 1945

	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	2,126	..	2,126	453,603	14	5	721	1	722	92,512	5	7	1,279	39,649	0	0	169	142	311	8,086	0	0	3,016	142	4,438	593,851	0	0
Granted during year at retirement	184	..	184	48,718	3	0	112	..	112	17,164	13	0	29	899	0	0	19	25	44	1,144	0	0	315	54	369	67,925	16	0
Granted during year after retire- ment	..	..	..	..	..	..	..	..	..	..	..	..	97	3,907	0	0	1	5	6	156	0	0	1	102	103	3,163	0	0
Total	2,310	..	2,310	502,321	17	5	833	1	834	109,676	18	7	1,405	43,555	0	0	189	172	361	9,386	0	0	3,332	157	4,910	664,939	16	0
Discontinued during year	108	..	108	20,026	11	2	36	..	36	5,358	17	0	53	1,643	0	0	25	29	54	1,404	0	0	169	82	251	28,432	8	2
Existing at end of year	2,202	..	2,202	482,295	6	3	797	1	798	104,318	1	7	1,352	41,912	0	0	164	143	307	7,982	0	0	3,163	149	4,659	636,507	7	10

Particulars of Retiring and other Allowances discontinued during the Year

How discontinued—																								
By death	108	..	108	20,026	11	2	35	..	35	5,195	16	0	34	1,054	0	0	..	..	143	34	177	26,276	7	2
By expiry	..	..	..	..	..	..	1	..	1	163	1	0	19	589	0	0	25	29	26	48	74	2,156	1	0
Total	108	..	108	20,026	11	2	36	..	36	5,358	17	0	53	1,643	0	0	25	29	169	82	251	28,432	8	2

Progress of Retiring and other Allowances since Establishment of the Fund to 31st March, 1945

Total granted**...	..	4,442	2	4,444	794,898	13	2	1,404	2	1,406	169,457	0	3	2,015	59,865	0	0	1,143	1,113	2,256	49,647	0	0	6,989	313	10,121	1,073,867	13	5
Total discontinued*	..	2,240	2	2,242	312,603	6	11	607	1	608	65,138	18	8	663	17,953	0	0	979	970	1,949	41,665	0	0	3,826	1636	5,462	437,360	5	7
Total existing at 31st March, 1945...	2,202	..	2,202	482,295	6	3	797	1	798	104,318	1	7	1,352	41,912	0	0	164	143	307	7,982	0	0	3,163	1496	4,659	636,507	7	10	

Less amount receivable from the Working Railways Account
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* 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.

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	515	1	15,175	1,404	318	75	46	36	17,570
New contributors during year ..	..	..	745	218	141	92	38	1	1,235
Total	515	1	15,920	1,622	459	167	84	37	18,805
Contributors discontinued during year	143	..	565	66	9	..	1	3	787
Total contributors at 31st March, 1945	372	1	15,355	1,556	450	167	83	34	18,018

TABLE C.—PROGRESS OF THE FUND

	Balance forward.			Allowances granted.		
	£	s.	d.	£	s.	d.
1903 to 1935 .. .. .	..	..	..	658,575	16	5
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
1943	1,164,045	0	0	27,466	4	0
1944	1,151,546	6	9	66,188	14	0
1945	1,130,936	6	0	71,088	16	0
				1,073,867	13	5
Less members died, &c.	437,360	5	7			
Less liability of Working Railways Account	24,323	14	0	461,683	19	7
Annual liability at 31st March, 1945 .. .. .	..	..	..	£612,183	13	10

TABLE D.—STATEMENT OF INVESTMENTS

Funds invested at 31st March.				1945.			1944.		
				£	s.	d.	£	s.	d.
At 3	per cent.	..	..	46,425	0	0	..	..	..
„ 3·25 .. .. .	..	..	..	1,700	0	0	1,700	0	0
„ 3·375 .. .. .	..	..	..	25,000	0	0	25,000	0	0
„ 3·5 .. .. .	..	..	..	158,936	18	9	162,155	17	6
„ 4 .. .. .	..	..	..	212,070	10	0	257,145	10	0
„ 4·25 .. .. .	..	..	..	332,193	18	5	310,427	14	8
„ 4·4 .. .. .	..	..	..	335	0	0	335	0	0
„ 4·5 .. .. .	..	..	..	216,321	12	8	266,525	10	0
„ 4·75 .. .. .	..	..	..	1,008	18	11	1,193	15	7
„ 5 .. .. .	..	..	..	93,099	13	2	105,563	9	10
„ 6 .. .. .	..	..	..	1,389	11	8	1,458	11	8
Cash in hand .. .. .	..	..	..	14,870	11	11	7,371	14	1
				1,103,351	15	6	1,138,877	3	4

	1945. Per Cent.	1944. Per Cent.
Average rate of interest on securities held at 31st March	4·133	4·108
Average rate of interest earned on the mean funds, including reimbursements made by the Treasury in respect of reduction of interest	5·043	4·975

STATEMENT OF ACCOUNTS

Revenue Account for the Year ended 31st March, 1945

<i>Expenditure</i>	£	<i>Income</i>	£
Retiring-allowances to members	562,747	Members' contributions	259,618
Allowances to widows and children	48,995	Members' contributions on account of casual service	17,642
Cost-of-living bonus	47,392	Fines	267
Refund of total contributions	42,608	Subsidies—	
Refund of contributions in excess of allowances drawn by deceased beneficiaries	1,483	Consolidated Fund	110,900
Transfers to other funds	1,147	Working Railways	170,000
War damage insurance	112	Increased allowances to annuitants as provided for by Statutes Amendment Act, 1936	2,864
Part-cost actuarial investigation of the fund	202	Working Railways on account of increased allowances to widows and children	21,118
Administration charges—		Cost-of-living bonus	47,392
Travelling-expenses of Board members	49	New Zealand Railway Tradesmen's Association	14
Public Trust commission	1,113	New Zealand Engine-drivers, Firemen, and Cleaners' Association	20
Audit fee	50	Amalgamated Society of Railway Servants	12
Salaries	1,809	New Zealand Railway Officers' Institute	8
Postages	454	Interest—	£
Printing and stationery	184	Investments	48,772
		Treasury Department	9,055
			57,827
		Commission on Government Life Insurance collections	53
		Balance carried down, being excess of expenditure over income for the year	20,610
	<u>£708,345</u>		<u>£708,345</u>
	£		£
Balance brought down	20,610	Accumulated funds brought forward on 1st April	1,151,546
Balance, accumulated funds as at 31st March	<u>1,130,936</u>		
	<u>£1,151,546</u>		<u>£1,151,546</u>

Balance-sheet as at 31st March, 1945

<i>Liabilities</i>	£	<i>Assets</i>	£	£
Accumulated funds as per Revenue Account	1,130,936	Investment Account—		
Casual employees' contingent contributions	20,332	Investments	1,088,481	
Retiring and other allowances due (not paid)—		Cash in hand	14,871	
Members	1,183			1,103,352
Widows and children	642	Current Account—		
Refund of contributions authorized (not paid)	1,605	Cash in hand		14,265
Refund of contributions in excess of allowances drawn by beneficiaries (not paid)	183	Contributions and fines in transit		18,139
Transfers to other funds authorized (not paid)	63	Contributions due by Army, Navy, and Air Force Departments		15,862
Interest paid in advance	60	Contributions outstanding		1,910
Public Trustee	427	Contributions due by members in respect of casual service		15,655
Reserve for bad and doubtful debts	3,000	Working Railways—		
Rebates of contributions (National Expenditure Adjustment Act, 1932)	34,015	On account of increased allowances to annuitants as provided for by Statutes Amendment Act, 1935		238
Sundry creditors	66	On account of cost-of-living bonus		2,900
		On account of additional allowances to widows and children		1,794
		Interest due not paid		7,036
		Interest accrued but not due		11,329
		Sundry debtors		32
	<u>£1,192,512</u>			<u>£1,192,512</u>

F. H. MCAULEY,

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.—
J. P. RUTHERFORD, Controller and Auditor-General.

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