

1947
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, 1947. The Income and Expenditure Account, Balance-sheet, and statements in connection therewith will be found appended.

Amendments to Pensions.—On 12th October, 1946, the Superannuation Amendment Act, 1946 (No. 36), was passed, taking effect as on and from 1st January, 1946, the main amendment to the Government Railways Act, 1926, being the provision made whereby existing retiring-allowances shall not be less than if computed on the basis of the Superannuation Amendment Act, 1945.

The expenditure for the year exceeded the income by £607,713.

Members' Contributions.—The income under this heading showed a decrease of £32,630. The number of contributors at 3, 5, 6, 7, 8, 9, and 10 per cent. decreased by 109, 2,252, 397, 139, 44, 21, and 10 respectively.

Contingent Contributors.—During the year 35 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 162, and the amount standing to their credit £8,595.

Subsidy.—The sum of £299,547 was paid into the fund by the Working Railways Department, and the sum of £74,000 was received from the Treasury in accordance with the provisions of section 3 of the Finance Act, 1942.

Interest.—The interest earned amounted to £51,778, a decrease of £1,384 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, 1947, was 4.278 per cent., and the average rate earned on the mean funds for the year 6.628 per cent., as against 4.201 per cent. and 4.772 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £768,293. The average of the 397 allowances granted during the year was £234 18s. 6d., and the average of the 136 allowances discontinued was £203 18s. 7d. Thirty-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.—Prior 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 £86,155, £46,813 to widows and children of contributors who died before retiring, and £39,342 to widows and children of contributors who died after retirement. The sum of £54,335 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 £40,608 was paid during the year. The whole cost of this bonus is borne by the Working Railways Account.

Refunds of Total Contributions.—During the year the sum of £143,228 was paid from the fund in making refunds of contributions to 1,462 contributors who have resigned the Railways Service. This amount represents an increase of £70,379 compared with the previous year.

Withdrawals of Total Contributions.—The amount of £279,400 was paid during the year to 1,679 contributors who have exercised their option to withdraw their contributions from the fund under the provisions of section 23 of the Superannuation Amendment Act, 1945.

Accumulated Funds.—The balance of the accumulated funds decreased from £1,080,779 in 1946 to £473,090 in 1947. This depletion of funds is the result of the refunds of contributions to members, increased pensions and allowances, and to a reduction in contributions.

At the 31st March, 1947, there were 3,418 members, 1,502 widows, and 391 children, making a total of 5,311 persons actually on the Fund, involving an annual liability of £811,950.

R. SEMPLE

Chairman, Government Railways Superannuation
Fund Board.

TABLE A.—STATEMENT OF ALLOWANCES FOR THE YEAR ENDED 31ST MARCH, 1947

	Section 102 : On Attainment of Retiring Age or for Length of Service.					Section 111 : Medically Unfit.					Section 113 : Widows.		
	Number.			Annual Amount.		Number.			Annual Amount.		Num- ber.	Annual Amount at £52 per Annum.	
	M.	F.	Total.			M.	F.	Total.					
Retiring and other allowances --				£	s. d.				£	s. d.		£	s. d.
Existing at beginning of year ..	2,279	..	2,279	509,061	15 0	877	1	878	118,104	15 5	1,409	73,268	0 0
Granted during year at retire- ment ..	257	1	258	67,964	9 0	139	..	139	25,301	0 0	33	1,716	0 0
Granted during year after retire- ment including increases to retiring allowances ..	..	..	..	67,765	6 0	..	..	..	23,937	2 0	106	5,512	0 0
Total ..	2,536	1	2,537	644,791	10 0	1,016	1	1,017	167,342	17 5	1,548	80,496	0 0
Discontinued during year ..	103	..	103	22,308	6 0	33	..	33	5,425	19 0	46	2,392	0 0
Existing at end of year ..	2,433	1	2,434	622,483	4 0	983	1	984	161,916	18 5	1,502	78,104	0 0

	Section 113 : Children.					Total Retiring and other Allowances.				
	Number.			Annual Amount, at £26 per Annum.		Number.			Annual Amount.	
	M.	F.	Total.			M.	F.	Total.		
Retiring and other allowances --				£	s. d.				£	s. d.
Existing at beginning of year ..	217	194	411	10,686	0 0	3,373	1,604	4,977	711,120	10 5
Granted during year at retirement ..	17	18	35	910	0 0	413	52	465	95,891	9 0
Granted during year after retire- ment including increases to retiring allowances ..	2	5	7	182	0 0	2	111	113	97,396	8 0
Total ..	236	217	453	11,778	0 0	3,788	1,767	5,555	904,408	7 5
Discontinued during year ..	30	32	62	1,612	0 0	166	78	244	31,738	5 0
Existing at end of year ..	206	185	391	10,166	0 0	3,622	1,689	5,311	872,670	2 5

Particulars of Retiring and other Allowances discontinued during the Year

	Section 102 : On Attainment of Retiring Age or for Length of Service.					Section 111 : Medically Unfit.					Section 113 : Widows.		
	Number.			Annual Amount.		Number.			Annual Amount.		Num- ber.	Annual Amount at £52 per Annum.	
	M.	F.	Total.			M.	F.	Total.					
How discontinued—				£	s. d.				£	s. d.		£	s. d.
By death ..	103	..	103	22,308	6 0	33	..	33	5,425	19 0	35	1,820	0 0
By expiry ..	..	..	..	..	..	..	..	..	..	..	11	372	0 0
Total ..	103	..	103	22,308	6 0	33	..	33	5,425	19 0	46	2,392	0 0

	Section 113 : Children.					Total Retiring and other Allowances.				
	Number.			Annual Amount, at £26 per Annum.		Number.			Annual Amount.	
	M.	F.	Total.			M.	F.	Total.		
How discontinued—				£	s. d.				£	s. d.
By death ..	..	..	..	..	..	136	35	171	29,554	5 0
By expiry ..	30	32	62	1,612	0 0	30	43	73	2,184	0 0
Total ..	30	32	62	1,612	0 0	166	78	244	31,738	5 0

Progress of Retiring and other Allowances since Establishment of the Fund to 31st March, 1947

	Section 102 : On Attainment of Retiring Age or for Length of Service.					Section 111 : Medically Unfit.					Section 113 : Widows.		
	Number.			Annual Amount.		Number.			Annual Amount.		Num- ber.	Annual Amount, at £52 per Annum.	
	M.	F.	Total.			M.	F.	Total.					
Total granted**	4,890	3	4,893	£	s. d.	2,663	2	1,665	£	s. d.	32	276	101,829 0 0
Total discontinued*	2,457	2	2,459	356,924	13 2	680	1	681	75,974	6 10	774	23,725	0 0
Total existing at 31st March, 1947	2,433	1	2,434	622,483	4 0	983	1	984	161,916	18 5	1,502	78,104	0 0

	Section 113 : Children.					Total Retiring and other Allowances.				
	Number.			Annual Amount, at £26 per Annum.		Number.			Annual Amount.	
	M.	F.	Total.			M.	F.	Total.		
Total granted*†	1,244	1,212	2,456	£	s. d.	7,797	3,493	11,290	£	s. d.
Total discontinued*	1,038	1,027	2,065	44,681	0 0	4,175	1,804	5,979	1,373,975	2 5
Total existing at 31st March, 1947	206	185	391	10,166	0 0	3,622	1,689	5,311	501,305	0 0

Less amount receivable from the Working Railways Account	60,720 0 0
	<u>£811,950 2 5</u>

* Total allowances granted and discontinued include 200 widows at £18 and 463 at £31, and 693 children at £13, exeunt 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., and 97 existing at 31st March, 1945, as provided for by section 31 (1) of Superannuation Amendment Act, 1945, by £2,010 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 commence- ment of year	234	..	14,531	1,479	451	176	83	31	16,985
New contributors during year	..	..	323	50	18	3	..	..	394
Total	234	..	14,854	1,529	469	179	83	31	17,379
Contributors discontinued during year	109	..	2,575	447	157	47	21	10	3,366
Total contributors at 31st March, 1947	125	..	12,279	1,082	312	132	62	21	14,013

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
1946	..	..	..	..	1,080,778	12 11	70,410	13	0
1946 (increased allowances, Superannuation Amendment Act, 1945)	..	..	..	..	..	..	36,408	19	0
1947	..	..	..	..	473,089	15 9	101,585	9	0
1947 (increased allowances, Superannuation Amendment Acts, 1945 and 1946)	..	..	..	..	..	..	91,702	8	0
							1,373,975	2	5
Less members died, &c.	..	..	..	..	501,305	0 0			
Less liability of Working Railways Account	..	..	..	..	60,720	0 0			
							562,025	0	0
Annual liability at 31st March, 1947	..	..	..	..	..	..	£811,950	2	5

TABLE D.—STATEMENT OF INVESTMENTS

Funds invested at 31st March.					1947.		1946.	
					£	s. d.	£	s. d.
At 3 per cent.	..	..	..	..	..	..	46,425	0 0
„ 3·25	..	..	..	..	..	..	1,700	0 0
„ 3·375	..	..	..	..	25,000	0 0	25,000	0 0
„ 3·5	..	..	..	..	21,143	17 4	152,646	14 4
„ 4	..	..	..	..	89,431	8 0	212,070	10 0
„ 4·25	..	..	..	..	139,928	7 4	400,753	13 5
„ 4·4	..	..	..	..	335	0 0	335	0 0
„ 4·5	..	..	..	..	80,711	1 5	111,992	10 11
„ 4·75	..	..	..	..	..	..	869	5 9
„ 5	..	..	..	..	65,851	16 1	76,752	8 10
„ 6	..	..	..	..	1,238	15 0	1,316	8 4
Cash in hand	..	..	..	..	2,559	0 0	9,119	2 1
					426,199	5 2	1,038,980	13 8

	1947. Per Cent.	1946. Per Cent.
Average rate of interest on securities held at 31st March	4·278	4·201
Average rate of interest earned on the mean funds, including reimbursements made by the Treasury in respect of reduction of interest	5·322	4·772

STATEMENT OF ACCOUNTS

Revenue Account for the Year ended 31st March, 1947

<i>Expenditure</i>	£	<i>Income</i>	£
Retiring-allowances to members ..	768,293	Members' contributions ..	279,960
Allowances to widows and children ..	86,155	Members' contributions on account of casual service ..	15,518
Cost-of-living bonus ..	40,608	Fines ..	328
Refund of total contributions ..	143,228	Subsidies—	74,000
Refund of contributions in excess of allowances drawn by deceased beneficiaries ..	1,000	From Consolidated Fund (section 3, Finance Act (No. 2), 1942)	
Transfers to other funds ..	4,321	From Working Railways Account (section 119, £	200,000
Earthquake damage insurance ..	67	Government Railways Act, 1926) ..	
Withdrawal of total contributions ..	279,400	From Working Railways Account : Increased allow-	
Administration charges—		ances to annuitants compulsorily retired (section	4,604
Travelling-expenses of Board members ..	80	31, Superannuation Amendment Act, 1945) ..	
Public Trust Commission ..	1,260	From Working Railways Account : Increased	
Audit fee ..	50	allowances to widows and children (section 114,	
Salaries ..	3,816	Government Railways Act, 1926, and sections 28	
Postages ..	527	and 29, Superannuation Amendment Act, 1945)	54,335
Printing and stationery ..	167	From Working Railways Account : Cost-of-living	
		bonus ..	40,608
		New Zealand Railway Tradesmen's Association ..	299,547
		New Zealand Engine-drivers, Firemen, and Cleaners' Association ..	15
		Amalgamated Society of Railway Servants ..	19
		New Zealand Railway Officers' Institute ..	14
		Interest—	25
		Investments ..	45,582
		Treasury Department ..	6,196
		Commission on Government Life Insurance collections	51,778
		Balance carried down, being excess of expenditure over	55
		income for the year ..	607,713
	<u>£1,328,972</u>		<u>607,713</u>
			<u>£1,328,972</u>
			£
Balance brought down ..	607,713	Accumulated funds brought forward on 1st April ..	1,080,779
Balance, accumulated funds as at 31st March ..	473,090	Amounts unclaimed written off—	
		Contingent contributions ..	21
		Rebates ..	3
	<u>£1,080,803</u>		<u>£1,080,803</u>

