

1948
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, 1948. The Income and Expenditure Account, Balance-sheet, and statements in connection therewith will be found appended.

The income for the year exceeded the expenditure by £84,584.

Members' Contributions.—The income under this heading showed a decrease of £20,481. The number of contributors at 3, 5, 6, 7, 8, 9, and 10 per cent. decreased by 111, 1,544, 146, 8, 11, 6, and 7 respectively.

Contingent Contributors.—During the year 36 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 88, and the amount standing to their credit £5,296.

Subsidy.—The sum of £396,106 was paid into the fund by the Working Railways Department, the sum of £81,500 was received from the Treasury in accordance with the provisions of section 3 of the Finance Act, 1942, and £497,000 was received from the Consolidated Fund Vote Department of Internal Affairs.

Interest.—The interest earned amounted to £20,045, a decrease of £31,733 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, 1948, was 3·489 per cent., as against 4·278 per cent. for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £815,231. The average of the 365 allowances granted during the year was £267 Os. 8d., and the average of the 150 allowances discontinued was £223 11s. 1d. Forty 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 £89,718; £46,539 to widows and children of contributors who died before retiring, and £43,179 to widows and children of contributors who died after retirement. The sum of £56,984 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.

As from 1st October, 1947, the maximum bonus was increased to £43 7s. per annum. A procedure has been devised to taper off the bonus because of the fact that in due course retiring-allowances are increased by reason of general wage increases, the first of these having commenced, for present purposes, with the general wage increase of 30th June, 1944.

The terms of payment of the bonus are—

	£	s.	d.
Retirements prior to 1st October, 1945	..	43	7 0
Retirements from 1st October, 1945, to 30th September, 1946	..	35	7 0
Retirements from 1st October, 1946, to 30th September, 1947	..	26	7 0
Retirements from 1st October, 1947, to 30th September, 1948	..	17	7 0
Retirements from 1st October, 1948, to 30th September, 1949	..	12	0 0
Retirements from 1st October, 1949, to 30th September, 1950	..	6	0 0
Retirements after 30th September, 1950	..	..	Nil.

This bonus is payable in respect of retiring-allowances not exceeding £335 per annum, and is reducible by £1 for each complete £2 excess of retiring-allowance over £335 per annum. No other means test is imposed.

The sum of £91,118 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 £91,569 was paid from the fund in making refunds of contributions to 1,002 contributors who have resigned the Railways Service. This amount represents a decrease of £51,659 compared with the previous year.

Withdrawals of Total Contributions.—The amount of £89,196 was paid during the year to 609 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. The amount withdrawn is a decrease of £190,204 compared with the previous year.

Accumulated Funds.—The balance of the accumulated funds increased from £473,090 in 1947 to £557,674 in 1948, due to the increase in subsidy payments.

At the 31st March, 1948, there were 3,633 members, 1,587 widows, and 373 children, making a total of 5,593 persons actually on the Fund, involving an annual liability of £877,295.

Amalgamation of Superannuation Funds.—This is the final report on the Government Railways Superannuation Fund which is abolished by section 10 of the Superannuation Act, 1947, and all moneys standing to the credit of the Government Railways Superannuation Fund are being transferred to the Government Superannuation Fund on 1st April, 1948, in accordance with section 11 of that Act.

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

TABLE A.—STATEMENT OF ALLOWANCES FOR THE YEAR ENDED 31ST MARCH, 1948

	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.	£	s.	d.			
	M.	F.	Total.		M.	F.	Total.									
Retiring and other allowances—				£	s.	d.		£	s.	d.		£	s.	d.		
Existing at beginning of year ..	2,433	1	2,434	622,483	4	0	983	1	984	161,916	18	51,502	78,104	0	0	
Granted during year at retire- ment ..	264	..	264	77,249	5	0	101	..	101	20,217	14	0	1,144	0	0	
Granted during year after retire- ment including increases to retiring allowances ..	..	..	..	60	9	0	..	..	..	..	..	99	5,148	0	0
Total ..	2,697	1	2,698	699,792	18	0	1,084	1	1,085	182,134	12	51,623	84,396	0	0	
Discontinued during year ..	108	..	108	26,017	15	0	42	..	42	7,515	10	0	1,872	0	0	
Existing at end of year ..	2,589	1	2,590	673,775	3	0	1,042	1	1,043	174,619	2	51,587	82,524	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 ..	206	185	391	10,166	0	0	3,622	1,689	5,311	872,670	2	5
Granted during year at retirement ..	17	17	34	884	0	0	382	39	421	99,494	19	0
Granted during year after retire- ment including increases to retiring allowances ..	1	5	6	156	0	0	1	104	105	5,364	9	0
Total ..	224	207	431	11,206	0	0	4,005	1,832	5,837	977,529	10	5
Discontinued during year ..	34	24	58	1,508	0	0	184	60	244	36,913	5	0
Existing at end of year ..	190	183	373	9,698	0	0	3,821	1,772	5,593	940,616	5	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	108	..	108	26,017	15	0	42	..	42	7,515	10	0	29	1,508	0	0	
By expiry .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	7	364	0	0	
Total	108	..	108	26,017	15	0	42	..	42	7,515	10	0	36	1,872	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 .. .. .	..	..	..	..	..	..	150	29	179	35,041	5	0	
By expiry	34	24	58	1,508	0	0	34	31	65	1,872	0	0	
Total	34	24	58	1,508	0	0	184	60	244	36,913	5	0	

Progress of Retiring and other Allowances since Establishment of the Fund to 31st March, 1948

	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.			Number.	Annual Amount, at £52 per Annum.		
	M.	F.	Total.	£	s.	d.	M.	F.	Total.	£	s.	d.		£	s.	d.
Total granted*†	5,154	3	5,157	1,056,717	11	2	1,764	2	1,766	258,108	19	3	2,396	108,121	0	0
Total discontinued*	2,565	2	2,567	382,942	8	2	722	1	723	83,489	16	10	809	25,597	0	0
Total existing at 31st March, 1948	2,589	1	2,590	673,775	3	0	1,042	1	1,043	174,619	2	5	1,587	82,524	0	0

	Section 113 : Children.					Total Retiring and other Allowances.				
	Number.			Annual Amount, at £26 per Annum.		Number.			Annual Amount.	
	M.	F.	Total.	£	s. d.	M.	F.	Total.	£	s. d.
Total granted*†	1,262	1,234	2,496	55,887	0 0	8,180	3,635	11,815	1,478,834	10 5
Total discontinued*	1,072	1,051	2,123	46,189	0 0	4,359	1,863	6,222	538,218	5 0
Total existing at 31st March, 1948	190	183	373	9,698	0 0	3,821	1,772	5,593	940,616	5 5

Less amount receivable from the Working Railways Account	63,321	11	0
	£877,294	14	5

* Total allowances granted and discontinued include 200 widows at £18 and 463 at £31, and 693 children at £13 each 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 £3,533 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.	5 per Cent.	6 per Cent.	7 per Cent.	8 per Cent.	9 per Cent.	10 per Cent.	Total.
Contributors at commencement of year	125	12,279	1,082	312	132	62	21	14,013
New contributors during year ..	..	253	54	30	13	2	1	353
Total	125	12,532	1,136	342	145	64	22	14,366
Contributors discontinued during year	111	1,797	200	38	24	8	8	2,186
Total contributors at 31st March, 1948	14	10,735	936	304	121	56	14	12,180

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	101,885	9	0
1947 (increased allowances, Superannuation Amendment Acts, 1945 and 1946)	..	..	..	..	..	..	..	91,702	8	0
1948	..	..	..	..	557,674	2	3	104,798	19	0
1948 (increased allowances, Superannuation Amendment Act, 1946)	..	..	..	..	..	..	..	60	9	0
								1,478,834	10	5
Less members died, &c.	..	..	..	..	538,218	5	0			
Less liability of Working Railways Account	..	..	..	..	63,321	11	0			
								601,539	16	0
Annual liability at 31st March, 1948	..	..	..	..	..	..	..	£877,294	14	5

TABLE D.—STATEMENT OF INVESTMENTS

Funds invested at 31st March.					1948.		1947.	
					£	s. d.	£	s. d.
At 3	per cent.	..	..	..	298,243	6 6	..	..
„ 3·375	„	..	..	..	25,000	0 0	25,000	0 0
„ 3·5	„	..	..	..	19,234	5 10	21,143	17 4
„ 4	„	..	..	..	64,535	0 0	89,431	8 0
„ 4·25	„	..	..	..	74,921	17 11	139,928	7 4
„ 4·4	„	..	..	..	335	0 0	335	0 0
„ 4·5	„	..	..	..	17,805	6 11	80,711	1 5
„ 5	„	..	..	..	18,042	18 2	65,851	16 1
„ 6	„	..	..	..	..	..	1,238	15 0
Cash in transit	..	..	..	..	741	18 1	2,559	0 0
					518,859	13 5	426,199	5 2

	1948.	1947.
Average rate of interest on securities held at 31st March	Per Cent. 3·489	Per Cent. 4·278

STATEMENT OF ACCOUNTS
Revenue Account for the Year ended 31st March, 1948

<i>Expenditure</i>	<i>£</i>	<i>Income</i>	<i>£</i>
Retiring-allowances to members ..	815,231	Members' contributions ..	259,479
Allowances to widows and children ..	89,718	Members' contributions on account of casual service ..	17,535
Cost-of-living bonus ..	91,118	Fines ..	295
Refund of total contributions ..	91,569	Subsidies—	
Refund of contributions in excess of allowances drawn by deceased beneficiaries ..	1,287	From Consolidated Fund (section 3, Finance Act (No. 2), 1942)	81,509
Transfers to other funds ..	4,454	From Internal Affairs (Appropriation Act, 1947) ..	447,009
Earthquake damage insurance ..	31	From Internal Affairs ..	50,000
Withdrawal of total contributions ..	89,195	From Working Railways Account (section 119, Government Railways Act, 1926) ..	£ 243,500
Administration charges—		From Working Railways Account : Increased allowances to annuitants compulsorily retired (section 31, Superannuation Amendment Act, 1945) ..	4,504
Travelling-expenses of Board members ..	41	From Working Railways Account : Increased allowances to widows and children (section 114, Government Railways Act, 1926, and sections 28 and 29, Superannuation Amendment Act, 1945)	56,984
Public Trust Commission ..	419	From Working Railways Account : Cost-of-living bonus ..	91,118
Audit fee ..	50		
Salaries ..	3,761	New Zealand Railway Tradesmen's Association ..	396,106
Postages ..	514	New Zealand Engine-drivers, Firemen, and Cleaners' Association ..	27
Printing and stationery ..	232	Amalgamated Society of Railway Servants ..	39
Balance carried down, being excess of income over expenditure for the year ..	84,584	New Zealand Railway Officers' Institute ..	27
		Interest—	37
		Investments ..	£ 17,378
		Treasury Department ..	2,667
		Commission on Government Life Insurance collections ..	20,045
			55
			<u>£1,272,205</u>
			<u>£1,272,205</u>
			<u>£</u>
		Balance brought down ..	84,584
		Accumulated funds brought forward on 1st April, 1947	473,090
			<u>£557,674</u>
			<u>£557,674</u>

Balance, accumulated funds as at 31st March, 1948

Balance-sheet as at 31st March, 1948

<i>Liabilities</i>	£	<i>Assets</i>	£
Accumulated funds, as per Revenue Account	.. ..	Investment Account—	..
Casual employees' contingent contributions	.. ..	Investments : Government stock and mortgages ..	518,118
Retiring and other allowances due (not paid)—	.. ..	Cash in transit	742
Members .. ..	.. ..	Current Account—	..
Widows and children .. ..	.. ..	Cash in hand	2,572
Refund of contributions authorized (not paid)	.. ..	Contributions in transit	7,890
Withdrawal of contributions authorized (not paid)	.. ..	Contributions due by Navy, and Air Force Departments ..	173
Refund of contributions in excess of allowances drawn by	.. ..	Contributions outstanding	2,194
deceased beneficiaries (not paid) .. ..	.. ..	Contributions due by members in respect of casual service ..	17,958
Interest paid in advance .. ..	.. ..	Working Railways—	..
Public Trustee .. ..	.. ..	On account of increased allowance to annuitants as provided	..
Reserve for bad and doubtful debts .. ..	.. ..	for by section 31, Superannuation Amendment Act, 1945	376
Relates of contributions (National Expenditure Adjustment	.. ..	On account of cost of living bonus	11,077
Act, 1932) .. ..	.. ..	On account of additional allowances to widows and children	..
Sundry creditors .. ..	.. ..	(section 114, Government Railways Act, 1926, and sections	..
	.. ..	28 and 29, Superannuation Amendment Act, 1945)	4,798
	.. ..	Interest due (including amount in transit) ..	1,698
	.. ..	Interest accrued but not due	4,342
	.. ..	Sundry debtors	104
	£572,042		£572,042

F. H. McAULEY, A.R.A.N.Z.
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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