

30th June, 1901. (See page 5.) The funds increased from year to year until on the 30th June, 1896, they amounted to £518,071. From that date they decreased rapidly, and at the 30th June, 1901, had diminished to £180,128, and at the 31st October, 1902, to £75,612. This amount was expected to be exhausted by the 30th June last, leaving an annual deficiency of about £80,000 a year to be paid by the Government. The number of contributors at last valuation—30th June, 1901—was 2,245, and the number entitled to pensions was 903, making a total of 3,148 persons in the scheme. There were also 5,144 persons who had withdrawn from the scheme under "The Public Service Act, 1895," but were entitled to a return of contributions, with 3 per cent. interest at death or retirement. The capital value of the deficiency at the last valuation was £1,761,075 7s. 10d. The failure was to some extent caused by the Government compulsorily retiring Civil servants, and placing them on the pension-list, but the main cause was insufficiency of contributions.

There is also a large deficiency in the scheme in force in Cape Colony.

I might mention that "The New Zealand Civil Service Insurance Act, 1893," provides for a perfectly solvent scheme of pensions and insurances, and that the teachers in Native schools already purchase their own pensions under this system without cost to the Government.

I hope to receive the information applied for respecting female teachers shortly, and I will then construct the necessary tables and value the proposed contributions and benefits. There is little chance, however, of the scheme being in a more satisfactory condition as regards females than it is in respect to male teachers, but extensive calculations will have to be made before the actual liability can be ascertained.

P. MUTER, F.I.A., Acting-Actuary.

The GOVERNMENT INSURANCE COMMISSIONER to the Right Hon. the MINISTER OF EDUCATION.

Government Life Insurance Office, 8th September, 1903.

REFERRING to the question of the proposed teachers' superannuation scheme, I now beg to hand you herewith the report of the Acting-Actuary with respect to the proposed benefits and contributions in relation to female teachers.

J. H. RICHARDSON,

The Right Hon. the Prime Minister.

Government Insurance Commissioner.

[Enclosure.]

Government Life Insurance Department, 8th September, 1903.

(Memorandum No. 2 by the Acting-Actuary, Government Insurance Department, regarding the Teachers' Superannuation Scheme.)

I HAVE already dealt with the scheme so far as male teachers are concerned in my report of the 31st July last. In that report I pointed out that the proposed contributions were quite insufficient for new entrants, and that, in order to make the scheme solvent for male teachers now in the service, the sum of at least £297,000 would be required. Or, in other words, the present value of the proposed benefits exceeded the present value of the proposed contributions by that amount.

In regard to female teachers, I have to report as follows:—

CONTRIBUTIONS.

The contributions provided by the Bill are—

For ages 30 and under	...	...	...	...	5	per cent. of salary.
" over 30 but not exceeding 35	...	...	...	...	6	" "
" " 35	"	40	...	...	6½	" "
" " 40	"	45	...	...	8	" "
" " 45	"	50	...	...	9	" "
" " 50	...	...	...	...	10	" "

The minimum contribution is not to be less than £4 per annum.

Female members who have contributed during a period of twenty-five years are entitled to all the benefits of the fund without further contribution.

BENEFITS.

Female members have the right to retire on a pension after twenty-four years' service, or on attaining age 50, or at any age if medically unfit for duty.

For each year of service the pensions are to be one sixtieth part of the average annual rate of salary received during the ten years preceding retirement, but not to exceed one-half of such average annual rate of salary.

At least five years' contributions have to be paid (or such sum as seems equitable to the Board) before members are entitled to a pension. The contributions are returned in full without interest on the death or resignation of a member before becoming entitled to a retiring-allowance, or on dismissal, or if on retirement she elects to receive a return of her contributions in lieu of a pension.

The children of male teachers are entitled to pensions of from 6s. to 2s. a week each, according to the number of children; but as to whether these benefits would extend to the children of married female teachers would, of course, be a legal question.

In the case of both male and female teachers, service is to count for the pension whether continuous or not. Service for which a refund of contributions has been made on retirement should, however, I think, be excluded if the teacher again enters the employment of the Department or of the School Boards.