

160. Yes?—The capital value of the subsidy for a minimum of £52 for males would be £45,316. That is the capital value of the total subsidy required to bring up the pension to £52. Some might be only getting pensions according to the scale of, say, £10, and some might be getting £50; this is the capital value of the subsidy required to bring them all up to £52.

161. *Mr. J. Allen.*] What are the figures for females?—£33,770, making a total of £79,086.

162. *Right Hon. R. J. Seddon.*] Suppose we double the minimum pension?—To bring up the minimum pension to £104 the additional capital value will be, in the case of males, £121,321, and in the case of females £111,783, making a total additional capital value of £233,104. The total capital value of the subsidy required to make the pension £104 would be, in the case of males, £166,637, and in the case of females £145,553—together, £312,190.

163. *Mr. Fowlds.*] What is that to do?—That is the capital value of the subsidy necessary to bring up the one-sixtieths pensions to £104 in all cases, so that no pension shall be less than £104.

164. The last figures that you have given us include the former ones, do they not?—Yes.

165. *Right Hon. R. J. Seddon.*] £312,190 is the total?—Yes.

166. Now what would be the capital value of the subsidy for sixtieth pensions, taking the subsidiary benefits?—Including the subsidiary benefits—but let me explain what I mean by subsidiary benefits. First of all there is the pension benefit, purely and simply. Then there is the benefit of £200 allowance to widows. Then there is the benefit of the return of full contributions at death before pension age, and there is the benefit of an allowance of the balance of three years' pension if the contributor dies within three years of drawing the pension. Those three are the subsidiary benefits. The capital value required for the pension and these three subsidiary benefits amounts to, in the case of males £146,537—this is the capital value of the subsidy over and above the teachers' contributions—and in the case of females, £44,625.

167. *Mr. Fowlds.*] Why the big difference?—Well, the salaries are very much less in the case of females, and the subsidiary benefits are very much less, too. For instance, there is no £200 at death in the case of women teachers. The total under this head is £191,162. I will now give you the grand totals: males, £313,174; females, £190,178; together, £503,352. That is the capital value of the total subsidy for one-sixtieth pensions and subsidiary benefits, the minimum pension being £104.

168. *Mr. Graham.*] The Premier has left the room and has handed me this statement to ask you questions upon. The next point is  $3\frac{1}{2}$  per cent. interest on the total capital value in the case of males and females?—Three and a half per cent. interest on that total capital value would be, in the case of males, £10,961, and females £6,656, making a total of £17,617. That is the total interest on the total capital value.

169. *Mr. Jeffrey.*] That is the total amount to provide everything—not in addition to what the teachers pay themselves?—Yes, that is the subsidy necessary in addition to the teachers' contributions.

170. *Mr. Fowlds.*] Does this include allowing for all back service?—It does not include that, but I can say that the cost would be much about the same thing.

171. The £104 pension will pretty well cover all back service?—Yes.

172. *Mr. Graham.*] With regard to the lowering of the retiring-age for females to fifty: what would be the capital value of the subsidy for females when the pension age is fifty-five to make the minimum pension £52, without providing for back service?—The capital value of the subsidy for females when the pension age is fifty-five, the minimum pension being £52, and no back service being allowed for, is £78,395.

173. Three and a half per cent. annual interest on that would be?—£2,744.

174. And the capital value of the subsidy when the pension age is reduced to fifty would be?—£153,784.

175. Three and a half per cent. interest on £153,784 would amount to?—£5,383.

176. *Mr. J. Allen.*] Taking these last figures for the retiring of the women: upon what basis have you made your calculations, what actuarial tables? Upon what grounds have you based your calculations?—Do you mean the basis for lowering the pension age in the case of females?

177. I want an answer to that question with respect to all the subsidiary benefits. What tables have you used—what were your grounds for making the calculations?—I have a statement prepared going into that in detail, which I will read with the permission of the Right Hon. the Minister. "The latest data supplied by the Education Department in 1903, in reference to ages and salaries of male and female teachers, have been used for this purpose—the purpose of the basis adopted in the valuation of the scheme. The cost of the benefits contained has been computed as follows:—*Mortality*: The mortality assumed is that relating to healthy districts of England computed by the late Dr. Farr. This experience is very suitable for the purpose, and has an advantage over a table founded on the population of New Zealand, as it contains the experience of a greater number of people living and dying at advanced ages. The probabilities of leaving a widow at death are also derived from English statistics. *Rate of Withdrawal*: In the case of males this has not been taken into account in the calculations, as the inducement to remain in the service caused by the adoption of a pension scheme must considerably diminish the number of those retiring voluntarily, and therefore render any rate based on past experience of the numbers quite unreliable for practical purposes. Female teachers are in a different position in regard to withdrawals, for they rarely enter the service for life, and, with few exceptions, retire from it on getting married. Probably, therefore, the scheme would not have much effect on the rate of withdrawal hitherto experienced, and allowance has consequently been made in computing the cost of the benefits for withdrawals according to the actual rate recently experienced among female teachers."