

MINUTES OF EVIDENCE.

WEDNESDAY, 17TH OCTOBER, 1906.

MORRIS FOX, Actuary, Government Life Insurance Department, examined. (No. 1.)

1. *Hon. Sir J. G. Ward.*] Could you, Mr. Fox, upon the basis of the examination which you underwent before the Education Committee last year regarding the Teachers' Superannuation Bill—could you in a general way tell the Committee what the responsibilities of the colony would be proportionately under this Bill, upon the same method of calculation?—No, sir, I could not give you even a general idea without having particulars of the Civil Service. If I attempted to do so I should have no confidence in it myself. I should not feel at liberty to endeavour to make an attempt without having the particulars.

2. How long do you think it would take you to give the Committee that information?—I think it would take at least a good many weeks—a month or two—to get all the information on the cards in the same way as I have just got it in connection with the Police Provident Fund. Of course, for the one Department, it took only a week or a little more, but for a number of Departments it would take some time. Then, when I got the cards there would be the classifying. To do the work satisfactorily, from beginning to end, it would take, I should think, two or three months.

3. You have not made any examination of this scheme at all?—None whatever, sir.

4. *Mr. W. Fraser.*] You did prepare some information in reference to the Education superannuation scheme, did you not?—Yes.

5. Are you aware that the intention now is to alter the existing schemes in connection with the Railways and the Police, and also this one, to exactly the same basis as the Education one?—The Premier has told me that that is in the minds of the members of the Committee.

6. Assuming that to be the case, would it not be merely an extension of the principle upon which the Education scheme is drawn out?—It would to a large extent, but it would not be a simple-proportion sum. I mean to say that that might give quite erroneous results. Until one knows the exact position of any body of men it is impossible to draw correct deductions as to what will be the results. I may say, as a matter of experience, that when a large body of data is got together about any new body of men, the actuaries examining those data are sometimes very much surprised to find a certain lay of the facts which they did not anticipate—in connection with the ages, duration of service, and so on.

7. Would the extension to the whole of the other Departments, of the basis upon which the Education scheme is founded, have the effect of increasing the liability proportionately, or would the fact of a larger number of people coming into a scheme be likely to lessen it?—Yes, a larger number of new members would proportionately lessen it materially—that is, young members. I would point out that the first difficulty would be that we at present, so far as I know, have no exact information as to the Civil Service—even the numbers. At any rate, I have not seen it.

8. You know, of course, that the Civil Service is a very numerous body?—Quite so—I should say some seven thousand, perhaps, excluding railways and police.

9. Do you think—speaking generally, of course—that the result of the extension to the Civil Service of the scheme passed last year with regard to teachers would be much the same?—That is just what I cannot say.

10. I suppose it would depend upon the ages of the people in the Service and the number of those likely to be requiring a retiring-allowance at an early age?—Yes; I should expect to find it somewhat the same.

11. Proportionately the same?—Yes.

12. *Hon. Mr. McNab.*] I understand from you, Mr. Fox, that you would expect to find that a Department like, say, the Stock Department would present to the actuary a different condition of matters from the same number of men in a Department like the Education Department?—They would be older men, I should imagine, in the Stock Department, on the average—a lot of experts.

13. In the superannuation scheme for the whole Civil Service of the colony, do you think it would be possible to look to one common basis of contribution and benefit, or should we, in your opinion, have to give to the different classes a different amount of contribution with a different benefit?—I do not think it would be necessary to make a difference, as far as I can see. Let me put it in this way: Take men in the service aged 30; whether in the Stock Department or the Post Office or any other Department, I do not see why they should be treated differently.

14. You think a common basis can be arrived at?—I think so.

15. *Mr. J. Allen.*] With regard to this question of common basis: If the scheme were made to apply to those who would retire immediately on its coming into force and who had not subscribed to the fund, as is the case under the Education scheme, would it not make a difference in that period?—You mean whether such people were numerous or few?

16. Yes. What I mean is this: If there were a number of old people in one Department who would have to retire at the passing of the Act or immediately afterwards, would not the liability with respect to them come upon the younger members of some other Department possibly?—