

1908.
NEW ZEALAND.

PUBLIC SERVICE SUPERANNUATION BOARD :

INTERIM REPORT FOR SIX MONTHS ENDED 30TH JUNE, 1908.

Presented to both Houses of the General Assembly by Command of His Excellency.

The SECRETARY OF THE PUBLIC SERVICE SUPERANNUATION BOARD to the Hon. the MINISTER OF
INTERNAL AFFAIRS.

SIR,—

Wellington, 14th August, 1908.

I have the honour to forward herewith an *ad interim* report of the Public Service Superannuation Board.

“The Public Service Superannuation Act, 1907,” came into operation on the 1st January, 1908. Section 30 provides that a report shall be prepared and laid before Parliament for the year ending the 31st December preceding, but, although the Act has only been in operation for six months, and no such annual report can be prepared for Parliament this session, it may be of public interest to know how far its operation has been successful.

In his speech on the second reading of the Bill on its passage through Parliament, the Prime Minister stated that, from a return supplied to the Public Accounts Committee, there were some 5,593 persons in the public service who would be affected by the Bill should it become law. This, however, did not include officials who, prior to the passing of the Classification Act of last session, were temporarily employed in the various Departments of the public service, and who became permanent officers by the passing of that Act.

From the beginning of the year applications to become contributors to the fund commenced to come in, and to an extent that showed at once that the Act was a popular measure and would prove most successful in its operations. Up to the end of June, 1908—that is, six months after the Act came into operation—no fewer than 7,028 members of the public service have become contributors. It must be borne in mind that those officers of the public service who under any Acts of Parliament are entitled to pensions are precluded from becoming contributors to the fund. The Railways, Public Teachers, and Police Departments are also excluded from the provisions of the Act, having superannuation schemes of their own.

On the 14th December, 1907, a circular was prepared explaining the provisions of the Public Service Superannuation Act and the benefits to be derived thereunder, and this was distributed to every person then employed in the Government service who was eligible to become a contributor. Attached to the circular was a form of application to join the fund, showing the information to be supplied as to date of appointment, age, and other particulars.

A considerable amount of difficulty was experienced at first, owing to the fact that the temporary officers who had become permanent were under the impression that they were exempt from the necessity enjoined on all officers joining the service since 1893 of having to insure their lives, and they considered that the option given by the Act to all those newly made permanent, of having the privilege of electing within six months to become contributors, exempted them in the meantime from having to insure under the provisions of “The Civil Service Insurance Act, 1893,” should they decide not to become contributors until the six months’ option had expired. This was, however, overcome, and with a few exceptions they undertook the responsibilities of other public officers and joined the fund.

The popularity of the Act has been distinctly proved by the very large number of officials who have voluntarily joined as contributors. There are cases where some who have become permanent officers under the Classification Act, and who had to join as contributors or insure, demurred at having to accept the responsibilities of the position, and considered it somewhat of a hardship that, being already insured in the Government Insurance Office or other private companies, they should have their small salaries further taxed by having to contribute to the fund or take out a policy under “The Civil Service Insurance Act, 1893”; but, as against the few who felt this hardship, a large majority of the public service felt that a very great privilege had been accorded them under the liberal provisions of the Act. Many of these had given years of their life to the service of the Dominion as temporary officials, and had no hope or prospect of any

retiring-allowance when their time came to leave the service, and they were gratified to find that under this Act their past service would be taken into account when they retired, and that they would be accorded the same privileges as regards a retiring-allowance as those permanent officers with whom they had worked for many years.

On the 5th February, 1908, His Excellency the Governor appointed four members of the Board under section 6 of the Act, and these, with the Hon. the Minister of Internal Affairs, formed the Board until the elective members were chosen. An election by the contributors was held on the 6th July instant, as provided by section 7 of the Act, and the result of the poll appears to have given general satisfaction throughout the service.

The Board has held seven meetings, and has prepared regulations for their guidance in carrying out the provisions of the Act, and these were approved by the Governor in Council and duly gazetted on the 19th March, 1908.

As no annual report can be prepared until after the 31st December next, it may not be out of place to state that, judging by the number of contributors who have joined the Superannuation Fund and the annual contributions to be derived therefrom, the success of the scheme for providing retiring-allowances for the service and the future of the fund appears to be assured.

Appended is a statement for the six months ending the 30th June, 1908, of the number of contributors and their annual contributions, and other matters pertaining to the fund:—

Number of contributors	..	..	..	..	..	7,028
Annual contributions	..	..	..	..	..	£55,000
Contribution from the Consolidated Fund	..	..	..	..	..	£20,000
Retiring-allowances granted	..	..	..	..	..	63
Representing an annual payment of	..	..	..	..	£5,455	2s. 9d.
Number of officials retired as medically unfit	..	..	..	..	..	9
Representing an annual payment of	..	..	..	..	£807	18s. 2d.
Number of contributors who have died during the six months	..	..	..	..	..	9
Annual pension to five widows and seven children	..	..	..	..	..	£181

The total allowances granted amount to £6,444 0s. 11d. per annum, but in a number of cases they do not commence for two or three months yet.

The largest pension is £339 3s. 4d., and the smallest £12 9s. 9d.

I have, &c.,

AMELIUS M. SMITH,

Secretary to the Board.

The Hon. the Minister of Internal Affairs.

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