

1909.
NEW ZEALAND.

POLICE PROVIDENT FUND:

ACTUARIAL EXAMINATION FOR THE TRIENNIUM ENDED 31st MARCH, 1909.

Laid before Parliament in pursuance of Section 39, (4), of "The Police Force Act, 1908."

REPORT

By the Actuary appointed by His Excellency the Governor to make the Actuarial Examination of the Police Provident Fund for the Triennial Period ended 31st March, 1909, as provided by section 39 of "The Police Force Act, 1908."

Wellington, 31st August, 1909.

1. I HAVE made an actuarial examination of the Police Provident Fund as at the 31st March, 1909, as required by "The Police Force Act, 1908." Subsection (2) of section 39 of that Act is as follows: "The actuary shall set forth the result of such examination in a report showing the state of the Fund at the close of the period, and its expectant state at the close of the next ensuing triennial period, having regard to the prospective receipts and charges during such period." My report has accordingly been prepared on these lines.

2. Particulars of the benefits provided by the Act, together with statements showing the progress of active membership, the withdrawals from various causes, and the progress of the pensions for each year, will be found in Tables I to IV attached to the report. The ages of the contributors at the date of the valuation, together with their contributions and other particulars, are shown in Table V, and the ages at which pensions have been granted in Table VI.

3. The number of pensioners on the Fund at 31st March, 1909, was 79, and their pensions amounted to £7,530 per annum; the number of contributors at the same date was 770, and their annual contributions £7,773.

4. The valuation: The Fund came into operation on the 1st December, 1899, and, as will be seen from Table III, between that date and the 31st March, 1909, 373 members died or withdrew from the Fund. The members leaving the Fund were made up as follows:—

30 died	..	..	..	All contributions returned.
2 "	..	..	..	Pensions granted to their widows and children.
73 dismissed	..	..	..	One-half their contributions returned.
11 voluntarily retired	..	..	..	Three-quarters of their contributions returned.
11 retired medically unfit	..	..	..	All contributions returned, or an allowance granted of one month's salary for every year of service.
151 resigned, and received no return of contributions.				
95 retired on pensions.				

373

The death of only 32 out of a force of from 575 to 770 men in $9\frac{1}{2}$ years is a very low rate of mortality, but is no doubt reduced by those in ill health being retired on pensions. The dismissals and resignations are numerous; but, as they mostly occur at early ages, before very much has been paid in the way of contributions, the amount of profit derived from this source is not large.

In estimating the value of future pensions no fixed age at retirement has been assumed, but the probability of retiring medically unfit or otherwise at each age a contributor attains, as well as the probability of his living and remaining in the service to that age, has been calculated from the past experience of the Fund and applied to ascertain the liability. Similarly, the chances of death, dismissal, resignation, &c., have been worked out for each age and applied to arrive at the value to the Fund of future contributions, or the liability for the return or part-return of members' payments in the event of their leaving the service from any cause.

It will be seen from Table VI that the ages at which contributors have retired on pensions range from 33 to 75, but in future 65 will be the limiting age except in special cases.