

elected to stay under the provisions of the old Act. The new Act also made it compulsory for all persons to become contributors who are first permanently employed after the passing of the Act—

- (a.) In the Education service as a teacher in any public school; or
- (b.) In any branch of the Education service which is also a branch of the Government service.

Other persons first permanently employed in the Education service not included under (a) or (b) have the option of joining the fund within six months of the date of their appointment.

3. "Education service" means service in any capacity for not less than twenty hours a week—

- (a.) Under an Education Board;
- (b.) Under the governing body of a secondary school;
- (c.) Under the managers of associated classes under Part VII of the Education Act, 1908; or
- (d.) Under the Education Department in the case of Inspectors of Schools, or of Inspectors, Managers or Visiting Officers of industrial schools, or of teachers of any schools under the control of that Department.

4. Particulars of the contributions and benefits provided by the Act, together with statements showing the progress of active membership, the discontinuance of membership from various causes, and the progress of the pensions for each year, will be found in Tables I to IV of the appendix to this 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.

5. The income and outgo of the fund during the five years are shown in the Consolidated Revenue Account, which is as follows:—

CONSOLIDATED REVENUE ACCOUNT OF THE TEACHERS' SUPERANNUATION FUND FROM THE 1ST JANUARY, 1906, TO THE 31ST DECEMBER, 1910.

<i>Income.</i>			<i>Outgo.</i>		
	£	s. d.		£	s. d.
<b>Funds at the 1st January, 1906—</b>			<b>Allowances</b> .. ..	35,469	11 11
Members' contributions .. ..	164,377	14 0	Contributions refunded .. ..	8,628	14 7
Government contributions .. ..	19,000	0 0	Public Trust Office commission .. ..	1,447	18 8
Refunds .. ..	23	0 9	Miscellaneous .. ..	16	16 6
Interest .. ..	16,374	3 5	<b>Funds at 31st December, 1910</b> .. ..	154,211	16 6
	<u>£199,774</u>	<u>18 2</u>		<u>£199,774</u>	<u>18 2</u>

6. The rate of interest used was 4 per cent. throughout, and the average rate earned on the funds has ranged from £4 6s. 4d. per cent. to £4 12s. 9d. per cent. during the five years.

7. The Experience Table (Table VII) contains the rates per cent. per annum of withdrawal, mortality, retirement, and increase of salary. With the exception of the rate of mortality (which has been assumed to be the same as in Dr. Farr's Healthy English Mortality), all these rates have been taken from the experience of the fund itself; and from them has been constructed the Life and Service Table (Table VIII), showing, out of 100,000 entering at age 15, the numbers that will withdraw, die, and retire on pension in each year. This Life and Service Table is the basis of the present calculations with reference to the fund.

8. By comparing Table VII with the similar table in the Public Service Superannuation Report (H.-26A, 1912), it will be seen that the rates of withdrawal are much lower among both male and female teachers than among the members of the Public Service Fund; also, the rates of retirement on pension and the average salaries are much higher, and the rate of increase in salary greater at the younger ages. Consequently, as may be seen from a comparison of Table IX in the two reports, the cost of pensions on the lives of the teachers is higher than in the case of the Public Service.

9. It has been assumed that all male teachers will have retired on pension by age 65, and all female teachers by age 60, although there are a few still contributing at higher ages. The contributors remaining under the old Act—128 in all—have been valued as if they were entitled to the higher benefits provided by the new Act. Probably this will not overstate the real liability, as they exercised a decided selection in choosing between the old and new schemes.

10. In dealing with widows' and children's benefits the same rates of interest and mortality were used as before indicated, but it was not possible to utilize the experience of the teachers themselves, as the family statistics were not given on the cards. Where necessary, therefore, the experience of the Public Service has been used, and is doubtless suitable for the purpose.

11. I have estimated "the probable annual sums required by the fund to provide the retiring and other allowances falling due within the ensuing three years without affecting or having recourse to the actuarial reserve appertaining to the contributors' contributions," as required by the Act, and the following is the result:—

Required for	1911.	1912.	1913.
	£	£	£
Current ordinary pensions .. ..	11,629	11,140	10,637
Prospective pensions to existing contributors now over pension age .. ..	1,965	1,885	1,803
New pensions, family pensions, and miscellaneous benefits .. ..	2,930	6,344	9,908
<b>Total sums for retiring and other allowances</b> .. ..	<b>16,524</b>	<b>19,369</b>	<b>22,348</b>
<b>Deduct amounts provided by contributors' contributions without having recourse to the actuarial reserve appertaining to them</b> .. ..	<b>1,804</b>	<b>2,279</b>	<b>2,828</b>
<b>Subsidies required for ensuing three years</b> .. ..	<b>14,720</b>	<b>17,090</b>	<b>19,520</b>