

over for the time being. The Board notes with satisfaction, however, the provisions in the War Legislation Amendment Act, 1916, safeguarding the members of the fund, especially those on active service.

*Retirements under Extended Provisions of Act.*—The Board has given much consideration during the year to the matter of retirements under the extended provisions of section 12 of the Public Service Classification and Superannuation Amendment Act, 1908. The schedules of deductions from allowances in such cases hitherto adopted by the Board were ascertained to be actuarially unsound, and the schedules were accordingly cancelled. Each application is now considered on its merits. Under the amended practice the Board ascertains the full actuarial deduction in each case—*i.e.*, it ascertains what deduction should be made from the allowance to compensate the fund for the benefit received by the contributor by early retirement. If the application is granted, the allowance is awarded subject to the full actuarial deduction, except that if in the opinion of the Board special circumstances exist which render the retirement desirable the Board may reduce the deduction. In all cases, however, the deductions will be substantially heavier than those hitherto imposed. All retirements under this section of the Act, and the conditions on which such retirements may be granted, are subject to the approval of the Minister of Education.

*Statistics.*—The statements and accounts prescribed by regulations under the Act, together with other additional statements, are attached hereto.

I have, &c.,

J. A. HANAN, Chairman.

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