

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

- (a.) Under an Education Board; or
- (b.) Under the governing body of a secondary school; or
- (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 that Department; or
- (e.) Under the University of New Zealand, or under the Auckland University College, Victoria College, University of Otago, Canterbury College, or the Canterbury Agricultural College.

6. The contributions and benefits provided by the Act, together with statements showing the progress of active membership, discontinuance of membership from various causes, and the progress of 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, their contributions, and other particulars are shown in Table V, and the pensions granted during the triennium, with the ages at which they were granted, in Table VI.

7. The number of pensioners on the fund at the 31st December, 1916, was 611, drawing pensions amounting to £44,666 per annum; the number of contributors at the same date was 4,653, with aggregate salaries amounting to £926,706, and paying contributions at the rate of £56,208 per annum.

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

Consolidated Revenue Account of the Teachers' Superannuation Fund from the 1st January, 1914, to the 31st December, 1916.

<i>Income.</i>		£	s.	d.	<i>Outgo.</i>		£	s.	d.
Funds at 1st January, 1914	..	265,136	4	7	Allowances	..	112,861	15	4
Members' contributions	..	157,934	10	3	Contributions refunded	..	21,678	13	6
Government contributions	..	51,000	0	0	Transfers to other funds	..	1,134	5	2
Refunds	..	56	17	7	Commission	..	301	0	0
Transfers from other funds	..	794	6	8	Other payments	..	428	18	1
Interest	..	42,640	14	6	Funds at 31st December, 1916	..	381,158	1	6
		<u>£517,562</u>	<u>13</u>	<u>7</u>			<u>£517,562</u>	<u>13</u>	<u>7</u>

Valuation.

9. The rate of interest used in the valuation was 4 per cent.

10. The Experience Table (Table VII) contains the rates per cent. per annum for withdrawals, mortality, retirement on pensions, and increase in salary, used in arriving at the liability. The salary scale has been calculated from the experience at the 31st December last, but the other factors have been taken from the previous experience. As far as female teachers were concerned the past triennium made little change in the rates referred to, while in regard to males the number enlisting, 346—of whom thirty-two lost their lives—made the data quite unreliable as a guide for estimating rates of mortality, &c., to be experienced in the future. The Life and Service Table deduced from these rates is given in Table VIII of the appendix.

11. As regards the wives and children of contributors, it has been assumed that the prospective liability will be relatively the same, age for age, as in the case of male public servants.

12. It has also been assumed that all male and female teachers will retire at the age of sixty-five and sixty respectively, if they remain so long in the service, although there are a few still contributing at higher ages.

13. The benefits to which those contributors who elected to remain subject to the provisions of the old Act are entitled have been valued as if they were equivalent to the generally higher benefits provided by the new Act. Probably this will not overstate the real liability, as these contributors exercised a decided selection in choosing between the old and the new schemes.

14. The valuation balance-sheet is given in detail in Table IX, a summary of which is as follows:—

<i>Liabilities.</i>		£
Value of contributors' pensions already granted for £42,190 per annum	..	416,664
.. widows' and children's pensions already granted for £2,476 per annum	..	20,159
.. prospective pensions for back service	..	1,254,204
.. " for future service	..	854,515
.. " to widows and children	..	118,766
.. return of contributions on death or withdrawal	..	122,064
		<u>£2,786,372</u>
<i>Assets.</i>		£
Accumulated funds	..	381,158
Value of future contributions	..	603,398
.. present and future Government subsidies	..	1,801,816
		<u>£2,786,372</u>

15. Compared with the previous valuation the liabilities show an increase of £584,100, and the funds and value of future contributions £225,881, making a net increase in the Government's liability of £358,219.