

1926.
NEW ZEALAND.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

REPORT OF BOARD.

Laid before Parliament in pursuance of Section 91 of the Government Railways Act, 1908.

THE Board has the honour to transmit, for the information of Parliament, the following report upon the transactions in connection with the Government Railways Superannuation Fund for the year ended 31st March, 1926.

The Revenue Account, Balance-sheet, and statements in connection therewith will be found appended.

The balance of income over expenditure for the year amounts to £127,758 5s. 4d., as compared with £62,285 2s. 5d. for the previous year. The increase is due almost entirely to the increased subsidy paid to the fund by the Working Railways Department, £145,000 being received, against £80,000 for the previous year.

The expenditure on account of life allowances to members amounts to £198,889 15s. 9d., an increase of £17,286 4s. 9d. as compared with the figures for the previous year. The increase is due to the all-round increase in the scale of salaries and wages, and the corresponding increase in the retiring-allowances granted. On referring to Table A, Statement of Allowances, it will be seen that the average amount of the ninety-four allowances granted during the year is £219 11s. 6d., and that the average amount of the sixty allowances discontinued is £108 4s. 10d.

The increase on account of payments to widows and children, £12,577 9s., is due to the increase of the amount of allowance from £18 per annum for each widow, and £13 for each child, to £31 and £26 per annum respectively. As section 27, Part II, of the Finance Act, 1925, which made provision for the increase in the allowances, also provided for a payment to the Superannuation Fund from the Consolidated Fund of an amount equal to the additional expenditure, no extra burden was placed on the fund. The amount received from the Consolidated Fund on the foregoing account was £12,464 16s. 9d.

Members' contributions for the year were £153,902 19s. 9d., against £144,767 9s. 8d., an increase of £9,135 10s. 1d. On referring to Table B, Statement of Contributors, it will be seen that there is a net increase of 743 members, of whom 731 are contributing at 5 per cent., 70 at 6 per cent., and 34 at 7 per cent., and that contributors at 3 per cent. and 4 per cent. have decreased by fifty-three and thirty-seven respectively.

Investment of the Fund.—The Investment Account has been increased during the year to the extent of £145,500. Loans maturing at the lower rates of interest have been promptly reinvested on more advantageous terms, and all moneys not required in the Current Account have been transferred to the Investment Account without delay.

The interest amounts to £43,750 12s. 8d., an increase of £6,809 16s. 8d., as compared with the figures for the previous year. Reference to Table C, Statement of Investments, shows the average rate of interest on securities held at the 31st March, 1926, as 5·76 per cent., and the average rate earned on the mean funds for the year 5·684 per cent., as against 5·59 per cent. and 5·522 per cent. respectively for the previous year.

The expenditure under the heading "Public Trust Charges" is based on the interest-collections, and is consequently £380 3s. 11d. in excess of the figures for the previous year.

Approval was received for the continuance of the cost-of-living bonus to annuitants in cases of special hardship where the allowance was less than £100, the amount of bonus granted being sufficient to bring the allowance up to £100, but with a maximum bonus of £26. The bonus is provided for out of the Consolidated Fund and is not a charge on the Superannuation Fund.

At the 31st March, 1926, there were 1,367 members, 444 widows, and 521 children, making a total of 2,332 persons actually on the fund, involving an annual liability of £220,093 4s. 9d.

J. G. COATES,
Chairman of the Government Railways
Superannuation Fund Board.