

1927.
NEW ZEALAND.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

REPORT OF BOARD.

Laid before Parliament in pursuance of Section 124 of the Government Railways Act, 1926.

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, 1927.

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 £123,689 0s. 6d., as compared with £127,758 5s. 4d. for the previous year.

Subsidy.—The sum of £170,000 was paid into the fund by the Working Railways Department. During the previous year £145,000 was received from the Working Railways Department, and £25,000 from the Consolidated Fund.

Life Allowances.—The expenditure on account of life allowances to members amounts to £215,250 2s. 1d., an increase of £16,360 6s. 4d. as compared with the figures for the previous year. The increase under this heading is not so marked as in the previous two years, being £925 18s. 5d. less than the increase shown for the year ended 31st March, 1926, and £8,004 6s. 2d. less than the increase for the year ended 31st March, 1925. On referring to Table A, Statement of Allowances, it will be seen that the average amount of the 138 allowances granted during the year is £186 5s. 1d., and that the average amount of the 87 allowances discontinued is £100 17s. 2d.

Allowances to Widows and Children.—The expenditure under the heading of allowances to widows and children remains at practically the same figure as in last year's report. The sum of £12,608 17s. 1d. was transferred from the Working Railways Account during the year on account of the increased payments to widows and children as provided in section 114, Part III, of the Government Railways Act, 1926.

Members' Contributions.—The receipts under the heading of members' contributions show a steady increase, being £157,784 14s., as compared with £153,902 19s. 9d. for the previous year, an increase of £3,881 14s. 3d. Table B, Statement of Contributors, discloses that there is a net increase of 193 members, that the contributors at 5 per cent. have increased by 242, and that contributors at 3 per cent. and 4 per cent. have decreased by 60 and 56 respectively.

Contingent Contributors.—During the year under review regulations were gazetted to enable employees who were not members of the permanent staff to contribute to the fund, so that in the event of them subsequently becoming permanently appointed they would not be faced with having to pay double deductions on account of service prior to permanent appointment. Two hundred and twenty-eight employees elected to avail themselves of the regulations, and at the end of the year the sum of £2,369 16s. 11d. stood to their credit in the fund, under the heading of casual employees' contingent contributions.

Investment of the Fund.—The Investment Account has been increased during the year to the extent of £121,000. Loans maturing at $4\frac{1}{2}$, $4\frac{3}{4}$, and $5\frac{1}{4}$ per cent. have been promptly reinvested on more satisfactory terms. All moneys not required in the Current Account have been transferred to the Investment Account without delay.

The interest amounts to £50,715 14s. 7d., an increase of £6,965 1s. 11d. 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, 1927, as 5.79 per cent., and the average rate earned on the mean funds for the year 5.708 per cent., as against 5.76 per cent. and 5.684 per cent. respectively for the previous year.

The expenditure under the heading "Public Trust charges" is based on the interest-collections, and is consequently £152 18s. 1d. 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 Working Railways Account, and is not a charge on the Superannuation Fund.

At the 31st March, 1927, there were 1,418 members, 459 widows, and 505 children, making a total of 2,382 persons actually on the fund, involving an annual liability of £237,083 14s. 2d.

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