

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,

TABLE A.—STATEMENT OF ALLOWANCES FOR THE YEAR ENDED 31ST MARCH, 1927.

	Section 102. On Attainment of Retiring Age or for Length of Service.				Section 111. Medically Unfit.				Section 113. Widows.				Section 113. Children.				Total Retiring and other Allowances.			
	Number.		Annual Amount.		Number.		Annual Amount.		Num- ber.	Annual Amount, at £31 per Annum.		£ s. d.	Number.		Annual Amount, at £26 per Annum.		£ s. d.	M.	F.	Total.
	M.	F.	M.	F.	M.	F.	Total.	£		£	s.	d.	M.	F.	Total.	£				
Retiring and other allowances—																				
Existing at beginning of year	1,083	..	1,083	..	283	1	284	27,650	11	11	444	13,764	0	0	253	268	521	1,619	713	2,332
Granted during year at retirement	119	..	119	..	19	..	19	2,088	16	0	32	992	0	0	34	27	61	172	59	231
Total	1,202	..	1,202	..	302	1	303	29,739	7	11	476	14,756	0	0	287	295	582	1,791	772	2,563
Discontinued during year	72	..	72	..	14	1	15	1,370	6	6	17	527	0	0	37	40	77	123	58	181
Existing at end of year	1,130	..	1,130	..	288	..	288	28,369	1	5	459	14,229	0	0	250	255	505	1,668	714	2,382
Particulars of Retiring and other Allowances discontinued during the Year.																				
How discontinued—																				
By death	72	..	72	..	14	1	15	1,370	6	6	3	93	0	0	..	..	..	86	4	90
By expiry	..	..	..	..	..	..	..	..	..	..	14	434	0	0	37	40	77	37	54	91
Total	72	..	72	..	14	1	15	1,370	6	6	17	527	0	0	37	40	77	123	58	181
Progress of Retiring and other Allowances since establishment of the Fund to 31st March, 1927.																				
Total granted	1,913	..	1,914	..	492	1	493	42,864	17	3	695	18,945	0	0	681	656	1,337	3,086	1,353	4,439
Total discontinued	783	..	784	..	204	1	205	14,495	15	10	236	4,716	0	0	431	401	832	1,418	639	2,057
Total existing at 31st March, 1927..	1,130	..	1,130	..	288	..	288	28,369	1	5	459	14,229	0	0	250	255	505	1,668	714	2,382

Less amount receivable from the Consolidated Fund on account of increased payments to widows and children 12,532 0 0

£237,083 14 2

TABLE B.—STATEMENT OF CONTRIBUTORS.

	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	7 per Cent.	8 per Cent.	9 per Cent.	Total.
Contributors at commencement of year	2,446	624	8,700	1,359	221	16	5	13,371
New contributors during year ..	..	..	628	108	16	..	..	752
Total	2,446	624	9,328	1,467	237	16	5	14,123
Contributors discontinued during year	60	56	386	47	8	1	1	559
Total contributors at 31st March, 1927	2,386	568	8,942	1,420	229	15	4	13,564

TABLE C.—STATEMENT OF INVESTMENTS.

Funds invested at 31st March—	1927.			1926.		
	£	s.	d.	£	s.	d.
At $4\frac{1}{2}$ per cent.	5,500	0	0	7,000	0	0
„ $4\frac{3}{4}$ „ .. ..	..	..	..	300	0	0
„ 5 „	17,535	0	0	17,535	0	0
„ $5\frac{1}{4}$ „	152,045	0	0	152,045	0	0
„ $5\frac{1}{2}$ „	80,120	0	0	80,120	0	0
„ $5\frac{3}{4}$ „ .. ..	..	..	..	22,700	0	0
„ 6 „	658,135	15	8	503,235	0	0
„ $6\frac{1}{2}$ „	7,500	0	0	17,525	19	11
Repayments during March and held for investment as from						
1st April	1,725	4	3	1,100	0	0
	£922,560	19	11	£801,560	19	11

	Per Cent.	Per Cent.
Average rate of interest on securities held at 31st March ..	5.79	5.76
Average rate of interest earned on the mean funds ..	5.708	5.684

TABLE D.—PROGRESS OF THE FUND.

	Balance forward.			Allowances granted.		
	£	s.	d.	£	s.	d.
1903	7,056	11	9	..	..	..
1904	40,357	17	3	12,010	14	8
1905	68,670	7	8	8,519	7	8
1906	90,984	11	10	6,348	13	7
1907	110,736	12	3	4,398	14	11
1908	126,642	18	11	7,332	7	11
1909	157,151	14	9	6,359	11	0
1910	173,876	1	8	11,828	0	6
1911	207,242	7	11	8,064	11	5
1912	233,457	8	6	7,065	16	4
1913	264,455	5	4	8,568	6	6
1914	295,469	11	6	9,865	17	8
1915	346,155	18	2	11,871	14	3
1916	362,810	4	2	9,662	2	5
1917	377,585	2	1	11,733	11	11
1918	373,097	12	7	8,386	4	0
1919	363,804	4	4	9,252	17	8
1920	408,232	10	8	20,341	7	3
1921	464,490	17	0	20,346	8	9
1922	543,531	10	8	23,050	2	0
1923	584,219	2	4	22,791	1	0
1924	671,827	6	6	21,272	4	0
1925	734,112	8	11	36,409	14	0
1925 (increased allowances to widows and children) .. ..	..	..	..	12,246	0	0
1926	862,139	3	6	23,509	6	0
1927	985,828	4	0	28,281	4	0
	£	s.	d.	349,515	19	5
Less members died, &c.	99,900	5	3			
Less liability of Consolidated Fund on account increased payments to widows and children ..	12,532	0	0			
				112,432	5	3
Annual liability at 31st March, 1927				£237,083	14	2

STATEMENT OF ACCOUNTS IN ACCORDANCE WITH SECTION 123, GOVERNMENT RAILWAYS ACT, 1926.
Revenue Account for the Year ended 31st March, 1927.

EXPENDITURE.	1926-27.		1925-26.		INCOME.	1926-27.		1925-26.	
	£	s. d.	£	s. d.		£	s. d.	£	s. d.
To Retiring-allowances to members	215,250	2 1 1	198,889	15 9	By Members' contributions	153,914	15 6	147,976	11 2
Allowances to widows and children	27,489	2 7	27,064	19 9	Members' contributions on account of casual service	3,869	18 6	5,926	8 7
Refunds of total contributions	20,986	5 4	23,552	17 8	Fines	141	10 0	219	0 0
Refunds of contributions in excess of allowances drawn by deceased beneficiaries	768	2 7	342	10 8	Subsidies—				
Compensation under the Government Railways Act of 1887	37	1 3	17	2 10	Consolidated Fund	170,000	0 0	25,000	0 0
Transfers to other funds	108	14 1	200	13 11	Working Railways	12,608	17 1	145,000	0 0
Interest remitted	47	9 3			Working Railways, on account of increased allowances to widows and children	14	19 2	12,464	16 9
Administration charges—					Analgamated Society of Railway Servants, on account of M. J. Mack	50,715	14 7	199	14 2
Travelling-expenses of Board members	56	10 0	19	0 8	Interest	11	5 3	43,750	12 8
Public Trust Office commission	1,190	12 0	1,044	10 2	Commission on Government Life Insurance collections				
Public Trust mortgage inspection fees	6	16 3							
Audit Office fees	50	0 0	50	0 0					
Salaries	1,413	3 2	1,391	12 2					
Postages	104	16 1	129	16 8					
Printing and stationery	79	4 11	80	8 0					
Balance carried down, being excess of income over expenditure for the year	123,689	0 6	127,758	5 4					
	391,277	0 1	380,541	13 7		391,277	0 1	380,541	13 7
To Balance accumulated funds at 31st March, 1927	985,828	4 0	862,139	3 6	By Accumulated funds brought forward on 1st April, 1926	862,139	3 6	734,112	8 11
					Amounts unclaimed written off			268	9 3
					Balance brought down	123,689	0 6	127,758	5 4
	£985,828	4 0	£862,139	3 6		£985,828	4 0	£862,139	3 6

STATEMENT OF ACCOUNTS, ETC.—continued.
Balance-sheet as at 31st March, 1927.

LIABILITIES.	1926-27.			1925-26.			ASSETS.			1926-27.			1925-26.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Accumulated funds as per Revenue Account	985,828	4	0	862,139	3	6	Investment Account—								
Casual employees' contingent contributions	2,369	16	11	..	..	..	Investments	..	..	920,835	15	8	..	..	..
Retiring and other allowances due (not paid)—							Cash in hand	..	..	1,725	4	3	..	..	..
Members	575	5	8	838	2	0							922,560	19	11
Widows and children	119	4	7	103	15	11	Current Account—Cash in hand	..	..	..	..	..	24,995	5	7
Refunds of contributions authorized (not paid)	1,182	5	5	1,182	3	5	Contributions in transit	..	..	..	..	..	11,563	9	7
Transfers to other funds authorized (not paid)	4	14	6	4	13	10	Contributions outstanding	..	..	..	..	..	1,194	3	4
Interest paid in advance	308	13	3	132	2	9	Contributions due by members in respect to casual service ..	..	..	..	..	..	9,644	18	11
Commission due to Public Trustee	104	8	4	160	3	2	Working Railways—	..	..	..	..	..	..	..	..
Farm inspection fee due to Public Trustee	2	12	3	..	..	..	On account of cost-of-living bonus	..	..	..	..	..	412	12	5
							On account of additional allowances to widows and children	..	..	..	..	..	984	5	7
							Amalgamated Society of Railway Servants—Subsidy	..	..	..	..	..	9	7	7
							Allowances recoverable	..	..	..	..	..	10	0	0
							Refunds repayable	..	..	..	..	..	141	14	6
							Interest due, not paid ..	..	..	..	..	..	7,012	1	8
							Interest accrued but not due	..	..	..	..	..	11,973	14	5
							Sundry Dr. (insurance premium)	..	..	..	..	..	1	19	0
	£990,495	4	11	£864,560	4	7							£990,495	4	11
													£864,560	4	7

