

1935.

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 of the Government Railways Superannuation Fund for the year ended 31st March, 1935. The Revenue Account, Balance-sheet, and statements in connection therewith will be found appended.

The expenditure for the year exceeded the income by £1,006 12s. 2d. The improvement as compared with the previous year is mainly due to the special subsidy received from the Treasury in accordance with the provisions of section 17 of Finance Act (No. 2), 1934.

Members' Contributions.—The income under this heading showed an increase of £3,831 8s. 10d. The number of contributors at 5 per cent. increased by 63, while contributors at 3, 4, 6, 7, and 8 per cent. decreased by 68, 22, 1, 2, and 3 respectively. The increase in amount of contributions is due to the partial restoration of salary and wages reductions and appointments to the permanent staff.

Contingent Contributors.—During the year 86 casual employees elected to contribute to the fund, so that in the event of their subsequently being permanently appointed they would not be faced with a liability in respect of service prior to permanent appointment. The total number of employees so contributing at the end of the year under review was 241, and the amount standing to their credit £10,507 16s. 5d.

Subsidy.—In addition to the sum of £170,000 paid into the fund by the Working Railways Department, a subsidy of £87,000 as mentioned above was received from the Treasury.

Interest.—The interest earned amounted to £67,993 17s. 4d., a decrease of £7,226 4s. as compared with the previous year. Table D, Statement of Investments, shows that the average rate of interest on securities held at the 31st March, 1935, was 4·672 per cent., and the average rate earned on the mean funds for the year 5·697 per cent., as against 4·716 per cent. and 5·75 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £422,477 11s. 10d., a decrease of £2,715 13s. as compared with the figures for the previous year. Year ended 31st March, 1934, showed an increase under this heading of £1,625 5s. Table A, Statement of Allowances, shows that the average amount of the eighty allowances granted during the year was £142 12s. 1d., and the average amount of ninety-one allowances discontinued was £139 2s. 9d.

Allowances to Widows and Children.—The expenditure under the heading of allowances to widows and children showed an increase of £39 18s. 11d. The sum of £12,999 8s. 3d. was received 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.

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 £80, the amount of bonus granted being sufficient to bring the allowance up to £80, 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, 1935, there were 2,336 members, 620 widows, and 372 children, making a total of 3,328 persons actually on the fund, involving an annual liability of £439,031 11s. 10d.

Investment of the Fund.—As the result of the operation of the Local Authorities Interest Reduction and Loans Conversion Act, 1932–33, the Investment Account has been credited with the sum of £1,342 10s. 4d., premiums on conversion.

JAMES H. GUNSON,
Acting-Chairman, Government Railways Superannuation
Fund Board.