

1935.
NEW ZEALAND.

PUBLIC SERVICE SUPERANNUATION BOARD

(TWENTY-SEVENTH ANNUAL REPORT OF THE), WITH ACCOUNTS, FOR THE FINANCIAL YEAR
ENDED 31ST MARCH, 1935.

Presented to Parliament pursuant to the Provisions of the Public Service Superannuation Act, 1927.

REPORT.

THE Board has the honour to submit the following report upon the transactions in connection with the Public Service Superannuation Fund :—

The Revenue Account, balance-sheet, and statements regarding membership and retiring and other allowances will be found appended.

The Board.—An extraordinary vacancy occurred during the year due to the death of J. W. Macdonald, Esq., C.M.G., a representative for twenty years of contributors other than those belonging to the Post and Telegraph Department and Police Department.

Mr. H. W. C. Mackintosh, Commissioner of Crown Lands, Wellington, was elected unopposed to fill the vacancy.

Mr. E. O. Hales, State Advances Superintendent, a statutory member of the Board, ceased to be a member on his appointment as Public Trustee, and was succeeded by Mr. G. E. Miller.

Mr. T. Brook, Valuer-General, also a statutory member of the Board, retired during the year and was succeeded by Mr. W. Stewart.

The triennial election of members of the Board was held in the month of March last. Messrs. R. H. Brown and E. H. R. Green were re-elected as representatives of contributors belonging to the Post and Telegraph Department; Mr. W. G. Wohlmann was re-elected as representative of contributors belonging to the Police Department; Messrs. J. H. Jerram, H. W. C. Mackintosh, and R. Sinel were re-elected as representatives of contributors belonging to Departments other than those mentioned above.

Contributors.—The number of new contributors who joined the scheme during the year, and other particulars, are contained in the following table :—

Rate per Cent. of Contribution.	Number.			Annual Salary.	Annual Contributions.
	Male.	Female.	Total.		
5	1,025	340	1,365	£ 127,918 1 8	£ 6,395 18 1
6	34	9	43	9,181 0 10	550 17 3
7	19	7	26	5,670 16 8	396 19 2
8	10	4	14	3,488 15 0	279 2 0
9	6	..	6	1,791 5 0	161 4 3
10	1	..	1	205 4 2	20 10 5
Transfers from other funds	3	1	4	789 6 8	39 9 4
Totals ..	1,098	361	1,459	149,044 10 0	7,844 0 6

The following table shows particulars of the public servants who were contributing to the fund on the 31st March, 1935 (after allowing for deaths, retirements, and withdrawals), grouped according to their respective rates of contribution :—

Rate per Cent. of Contribution.	Number.			Annual Salary.	Annual Contributions.
	Male.	Female.	Total.		
5	13,259	2,017	15,276	£ 3,650,158 3 4	£ 182,507 18 2
6	1,310	137	1,447	418,714 15 10	25,122 17 9
7	807	88	895	260,629 3 4	18,244 0 10
8	397	47	444	132,240 16 8	10,579 5 4
9	114	11	125	38,325 0 0	3,449 5 0
10	16	2	18	5,032 18 4	503 5 10
Totals ..	15,903	2,302	18,205	4,505,100 17 6	240,406 12 11

The number of male contributors increased by 778; female contributors increased by 58. The net increase in the annual contributions amounts to £13,391, due partly to new contributors and partly to the restoration of salary "cuts."

Retiring and other Allowances.—Pensions for £21,610 9s. per annum were granted during the year as follows: For age or length of service, £13,813 7s. to 53 members (41 male and 12 female members); for medical unfitness for duty, £3,287 12s. to 32 members; to 1 contributor retired under the provisions of section 14, Finance Act, 1931, £247 10s. per annum; to 1 Police contributor injured on duty, £126 per annum; to widows and children of deceased members, £2,914 per annum to 94 widows and £1,222 per annum to 47 children.

Under section 114 of the Public Service Superannuation Act, 1927, the statutory allowances to widows and children were increased from £18 to £31 per annum and from 5s. per week to 10s. per week respectively. The additional expenditure on this account is recovered from the Consolidated Fund.

Civil Service Act, 1866: Compensation Rights.—The total amount of such compensation for which the fund became liable since the initiation of the scheme is £561,134. To this amount must be added accretions to the date of retirement, approximately £143,000, for which the Consolidated Fund would otherwise have been liable, and the whole may be fairly set against the total subsidies paid to the fund during the past twenty-seven years, amounting to £2,203,415.

One hundred and twenty-two retiring or other allowances were discontinued by death, and sixty-six for other causes—viz., five widows remarried and sixty-one children reached the age of fourteen years.

The annual amount payable at the close of the year was £489,198 19s., as shown in the statement attached.

Income.—The total income for the year was made up as follows :—

	£
Members' ordinary contributions	239,030
Subsidy, Cook Islands and Samoan Administration	555
Contributions from Government	149,211
Fines, &c.	405
Interest	153,333
Premium on conversion, local-body debentures	18,681
Total income for year	<u>£561,215</u>

Outgo.—The pensions paid during the year to contributors who have retired and to dependants of deceased contributors amounted to £488,836 5s. 3d.—viz., £449,435 8s. to members and £39,400 17s. 3d. to widows and children.

Refunds of contributions to contributors who have left the Service amounted to £29,488 6s. 4d., while the refunds under section 42 to personal representatives of deceased contributors and annuitants amounted to £9,865 12s. 5d.

Three contributors who were retired elected to accept a refund of their contributions under section 34, amounting to £711 3s. 4d., in lieu of retiring-allowances.

Three contributors were transferred to other funds in accordance with the provisions of section 120, and their contributions, amounting to £356 5s. 8d., were accordingly transferred to such funds. The salaries of the staff and other office expenses were £2,383 7s. 11d. and £1,979 13s. 4d. respectively. The total outgo for the year was £543,327 7s. 11d.

Accumulated Funds.—These amounted at the end of the year to £2,917,451 12s. 3d.

Balance-sheet.—On the 31st March the total assets of the fund, which include provision for the outstanding accounts, amounted to £2,997,584 9s. 3d. The balance-sheet appended gives full particulars as to the liabilities and assets.

Investment of the Fund.—The total investments of the fund at each rate of interest were as follow :—

	£	s.	d.
Inscribed stock—			
4 per cent.	498,110	0	0
Rural Advances bonds—			
5 per cent.*	236,155	10	0
Rural intermediate credit bonds—			
5½ per cent.*	29,000	0	0
Debenture securities—			
	£	s.	d.
4¼ per cent.	276,011	2	9
5 per cent.†	12,560	0	0
5¼ per cent.†	6,240	0	0
5½ per cent.†	2,000	0	0
6 per cent.†	187,827	5	5
		484,638	8 2
Mortgage securities—			
4½ per cent.	75,570	0	0
5 per cent.	37,062	4	11
5½ per cent.‡	5,059	0	9
6 per cent.‡	1,347,995	6	0
6½ per cent.‡	6,643	9	8
		1,472,330	1 4
		£2,720,233	19 6

* Subject to an interest-tax at the rate of 20 per cent. charged on all interest on and from 1st April, 1933. *Vide* section 6, Finance Act, 1932-33.

† Interest on and from 1st April, 1933, 20 per cent. lower than the rate prescribed by the securities or to the rate of 4¼ per cent. per annum, whichever rate is the higher. Section 5, Local Authorities Interest Reduction and Loans Conversion Act, 1932-33.

‡ Subject to a reduction of 20 per cent., but not to be reduced below the rate of 5 per cent. per annum. Part III, National Expenditure Adjustment Act, 1932.

A special payment into the fund was made by Treasury (amounting to £30,420), being the amount of the reduction in the interest-rate of the four classes of securities.

The above total includes £20,849 18s. 7d. invested on Stipendiary Magistrates' account.

The average rate of interest earned for the financial year on the mean funds was £5 8s. 4d. per cent., a reduction of 3s. 2d. per cent. as compared with the previous year. In this connection it must be understood that the amount of interest due and outstanding and interest accrued but not due at the balance date is taken into account in arriving at the before-mentioned rate. Reference to the balance-sheet discloses the sum of £47,173 11s. 9d. is overdue on mortgage securities. The Courts, acting under the powers contained in the Mortgagees and Tenants Relief Act, 1933, have written off during the year the sum of £6,848 4s. 9d., being arrears of interest; in addition, the rate of interest has been reduced from 5 per cent. to as low as 2 per cent. in a number of cases for periods varying from one to three years.

Operations of the Fund.—The following comparative statement shows the operations of the fund (to the nearest pound) as disclosed in the Revenue Accounts and balance-sheets for the ten-year period ended 31st March, 1935.

Year.	Income.					Expenditure.				
	Contributions.		Interest on		Miscellaneous.	Refunds.	Pensions.	Administration Expenses.	Miscellaneous.	Accumulated Funds.
	Employees.	Employer.	Investments.	Arrears of Contributions.						
	£	£	£	£	£	£	£	£	£	£
1925-26 ..	257,378	102,436	132,993	3,805	277	53,362	316,400	6,920	185	2,317,399
1926-27 ..	246,635	100,669	139,369	899	328	45,341	322,759	7,881	28	2,429,290
1927-28 ..	249,301	100,955	146,351	439	504	50,193	338,138	7,932	2,124	2,528,454
1928-29 ..	253,593	101,130	147,040	332	269	44,234	351,396	8,070	1,176	2,625,943
1929-30 ..	263,424	201,707	154,612	146	405	50,107	367,496	8,158	2,472	2,818,004
1930-31 ..	271,423	102,289	162,888	264	422	40,754	381,243	8,418	8,775	2,917,154
1931-32 ..	190,347	102,757	168,453	238	486	48,552	431,922	8,650	2,277	2,888,034
1932-33 ..	226,420	141,038	166,814	447	302	45,345	472,288	7,620	387	2,897,415
1933-34 ..	228,650	144,129	157,200	651	4,464	37,551	486,925	7,180	1,287	2,899,564
1934-35 ..	238,844	149,766	153,333	185	19,086	40,065	488,836	7,429	6,997	2,917,452

Year.	Liabilities.					Assets.					
	Accumulated Fund.	Sundry Creditors.				Investments (including Accrued Interest).	Sundry Debtors.		Money at call with Government Departments.	Cash at Bank.	Miscellaneous.
		Pensions.	Re-funds.	Em- ployees.	Other, including Government Departments.		Em- ployees.	Em- ployers.			
	£	£	£	£	£	£	£	£	£	£	
1925-26 ..	2,317,399	2,276	3,162	3,286	1,002	2,339,705	5,763	109	34,421	11,320	307
1926-27 ..	2,429,290	3,059	922	1,587	22,075	2,474,867	20,942	241	23,103	1,691	589
1927-28 ..	2,528,454	3,526	1,983	1,903	19,072	2,577,894	21,305	215	12,253	5,195	2,576
1928-29 ..	2,625,943	3,825	943	2,232	14,739	2,678,470	18,118	255	10,881	4,062	398
1929-30 ..	2,818,004	4,323	1,340	676	17,012	2,862,747	17,267	126	25,067	1,457	246
1930-31 ..	2,917,154	4,097	1,735	517	14,178	2,974,146	14,391	277	12,074	1,004	288
1931-32 ..	2,888,034	3,566	1,617	4,725	54,472	2,979,354	16,101	243	20,406	326	483
1932-33 ..	2,897,415	3,056	1,444	398	14,853	2,892,282	24,541	212	61,510	652	2,469
1933-34 ..	2,899,564	2,684	1,692	212	3,386	2,882,531	29,191	231	56,922	1,018	2,147
1934-35 ..	2,917,452	3,302	904	288	10,803	2,777,030	13,957	198	73,625	130,378	2,062

R. MASTERS, Chairman.

PUBLIC SERVICE SUPERANNUATION FUND—*continued.*

STIPENDIARY MAGISTRATES' ACCOUNT.

Revenue Account for the Year ended 31st March, 1935.

<i>Dr.</i>	£	s.	d.	<i>Cr.</i>	£	s.	d.
To Amount of fund, 1st April, 1934	22,418	2	3	By retiring-allowances	4,239	2	6
Members' contributions, section 63, Public Service Superannuation Act, 1927	1,429	8	6	Loss on realization of securities	52	8	7
Interest on investments	1,140	3	3	Administration expenses	48	11	10
Premium on conversion local-body debentures..	150	5	10	Balance as at 31st March, 1935	20,797	16	11
	<u>£25,137</u>	<u>19</u>	<u>10</u>		<u>£25,137</u>	<u>19</u>	<u>10</u>

Balance-sheet as at 31st March, 1935.

<i>Liabilities.</i>				£	s.	d.	<i>Assets.</i>	£	s.	d.
Stipendiary Magistrates Account—	£	s.	d.	£	s.	d.	Amount invested by the Board	20,849	18	7
Balance due from Revenue Account	20,797	16	11							
Less amount due to contributors under the provisions of section 10 (3), National Expenditure Adjustment Act, 1932	606	5	2	20,191	11	9				
Retiring-allowances due in course of payment				52	1	8				
Amount due to contributors under the provisions of section 10 (3), National Expenditure Adjustment Act, 1932				606	5	2				
	<u>£20,849</u>	<u>18</u>	<u>7</u>					<u>£20,849</u>	<u>18</u>	<u>7</u>

SUBSIDIARY ACCOUNT.

Cost-of-living Bonus paid to Annuitants of the Public Service Superannuation Fund on behalf of the Treasury.

	£	s.	d.		£	s.	d.
To Amount disbursed for period 1st April, 1934, to 31st March, 1935	1,180	12	7	By Balance, 1st April, 1934	1	4	0
	<u>£1,180</u>	<u>12</u>	<u>7</u>	Amount received from Treasury	1,179	8	7
					<u>£1,180</u>	<u>12</u>	<u>7</u>

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—
J. H. FOWLER, Deputy Controller and Auditor-General.

Wellington, 24th June, 1935.

R. S. WOGAN, Secretary,
M. P. FINNIGAN, Accountant,
Public Service Superannuation Board.

PUBLIC SERVICE SUPERANNUATION FUND—*continued*.
STATEMENT OF CONTRIBUTORS FOR THE YEAR ENDING 31ST MARCH, 1935.

	Number.			Annual Salary.	Annual Contributions.
	M.	F.	Total.		
Contributors at beginning of the year ..	15,125	2,244	17,369	£ 4,238,416 16 8	£ 227,014 15 7
New contributors entered during the year ..	1,095	360	1,455	148,255 3 4	7,804 11 2
Contributors transferred from other funds ..	3	1	4	789 6 8	39 9 4
Increase by promotion during the year ..	..	..	..	250,093 0 10	12,954 16 2
Total	16,223	2,605	18,828	4,637,554 7 6	247,813 12 3
Contributions discontinued during the year ..	320	303	623	132,453 10 0	7,406 19 4
Total contributors at end of year ..	15,903	2,302	18,205	4,505,100 17 6	240,406 12 11

PARTICULARS OF CONTRIBUTIONS DISCONTINUED DURING THE YEAR.

How discontinued.	Number.			Annual Salary.	Annual Contributions.	Amount paid on Retirement.	Retiring-allowance granted.
	M.	F.	Total.				
By death before retiring-allowance entered upon (secs. 42 and 43)	50	5	55	£ 17,946 12 6	£ 1,053 2 9	£ 9,088 15 4	£ 1,913 0 0
By retirement before retiring-age (sec. 37)	198	277	475	79,021 5 0	4,151 10 8	29,488 6 4	..
By retirement (sec. 34) ..	2	1	3	572 13 4	44 5 0	711 3 4	..
By retirement medically unfit (sec. 32)	25	7	32	8,626 13 4	475 10 9	..	3,287 12 0
By retirement (sec. 61) ..	1	..	1	251 5 0	12 11 3	..	126 0 0
By retirement at retiring-age or for length of service (sec. 26)	41	12	53	24,336 0 0	1,583 6 0	..	13,813 7 0
By retirement (sec. 14, Finance Act, 1931)	1	..	1	425 0 0	21 5 0	..	247 10 0
By transfer to other funds (sec. 120) ..	2	1	3	911 15 0	45 11 9	356 5 8	..
By reduction .. .. .	..	..	..	362 5 10	19 16 2	..	..
Total	320	303	623	132,453 10 0	7,406 19 4	39,644 10 8	19,387 9 0

PROGRESS OF CONTRIBUTORS SINCE DATE OF ESTABLISHMENT OF THE FUND TO 31ST MARCH, 1935.

	Number.			Annual Salary.	Annual Contributions.
	M.	F.	Total.		
Total entered	34,319	9,337	43,656	£ 10,063,941 6 8	£ 583,541 6 6
Total discontinued	18,416	7,035	25,451	5,558,840 9 2	343,134 13 7
Total existing at 31st March, 1935 ..	15,903	2,302	18,205	4,505,100 17 6	240,406 12 11

