

1936.
NEW ZEALAND.

NATIONAL PROVIDENT FUND.

TWENTY-FIFTH ANNUAL REPORT OF THE BOARD, FOR THE YEAR ENDED 31st DECEMBER, 1935.

Prepared in pursuance of Section 72 of the National Provident Fund Act, 1926.

THE operations of the Fund for the year ended 31st December, 1935, disclose satisfactory all-round progress, as shown by the following comparative figures :—

					1935.	1934.
New contributors	..	..	..	..	2,977	2,839
Total contributors	..	..	..	..	25,782	25,172
Pensioners	..	..	..	..	588	522
					£	£
Contributions	..	..	..	..	233,178	227,652
Interest	..	..	..	..	168,039	165,829
Total income	..	..	..	..	502,899	493,173
Pension payments	..	..	..	..	51,758	46,404
Other benefits	..	..	..	..	141,840	146,964
Total outgo	..	..	..	..	199,632	212,361
Funds at end of year	..	..	..	..	4,341,060	4,037,793
Rate of interest, per cent...	..	..	..	..	£4 1s. 10d.	£4 6s. 11d.

The benefits granted by the Fund include, *inter alia*, annuities at age sixty, widows' annuities, invalidity and death allowances varying with the number of dependent children, and the enrolment of contributors is not made any easier by the fact that the State also grants free old-age pensions and free pensions to widows, miners, &c. The last five years have imposed a severe test on the Fund, as a considerable number of members have elected, in many cases through force of economic circumstances, to relinquish membership and withdraw their contributions. Under all the circumstances it is very gratifying that progress continues to be shown, and with improving financial conditions a greater degree of expansion may confidently be expected. It seems clear, however, from the experience of the Fund since its inception, together with the results of similar schemes in other countries, that the objective of relieving the State of old-age and other pension payments can be achieved only by a compulsory scheme, preferably including all sections of the community, although partial success might be achieved by commencing with those below a specified age or under a given income limit.

If deemed desirable by Government, the present voluntary basis of the National Provident Fund could be altered and made compulsory, or, alternatively, the scales of contributions and benefits could be suitably modified to form the framework of a national compulsory contributory scheme.

W. LEE MARTIN,
Chairman of the Board.

C. GOSTELOW, F.I.A.,
Superintendent of the Fund.

Wellington, 23rd July, 1936.