

1936.
NEW ZEALAND.

PUBLIC SERVICE SUPERANNUATION BOARD

(TWENTY-EIGHTH ANNUAL REPORT OF THE), WITH ACCOUNTS, FOR THE FINANCIAL YEAR
ENDED 31ST MARCH, 1936.

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.—Mr. G. E. Miller, State Advances Superintendent, a statutory member of the Board, ceased to be a member on his appointment as Manager, Mortgage Corporation of New Zealand, and was succeeded by Mr. G. G. Rose.

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	1,139	495	1,634	£ 162,206 15 0	£ 8,110 6 9
6	47	12	59	15,222 10 0	913 7 0
7	14	6	20	5,627 18 4	393 19 1
8	19	1	20	6,137 5 10	490 19 8
9	9	1	10	3,075 16 8	276 16 6
10	4	1	5	1,559 7 6	155 18 9
Transfers from other funds	10	2	12	2,471 13 4	123 11 8
Totals ..	1,242	518	1,760	196,301 6 8	10,464 19 5

The following table shows particulars of the public servants who were contributing to the fund on the 31st March, 1936 (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	14,084	2,213	16,297	£ 4,056,653 0 0	£ 202,832 13 0
6	1,313	135	1,448	439,855 12 6	26,391 6 9
7	785	85	870	266,490 0 0	18,654 6 0
8	396	42	438	136,791 0 10	10,943 5 8
9	116	11	127	41,289 11 8	3,716 1 3
10	17	2	19	5,388 18 4	538 17 10
Totals ..	16,711	2,488	19,199	4,946,468 3 4	263,076 10 6

Retiring and other Allowances.—Pensions for £26,989 12s. per annum were granted during the year as follows : For age or length of service, £20,818 5s. to 88 members (69 male and 19 female members) ;

for medical unfitness for duty, £4,009 7s. to 32 members; to 1 Police contributor injured on duty, £238 per annum; to widows and children of deceased members, £2,635 per annum to 85 widows, and £1,248 per annum to 48 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-eight years, amounting to £2,333,333.

One hundred and seventeen retiring or other allowances were discontinued by death, and fifty-seven for other causes—viz., four widows remarried and fifty-three children reached the age of fourteen years.

The annual amount payable at the close of the year was £497,763 19s. 10d., as shown in the statement attached.

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

	£
Members' ordinary contributions	256,425
Subsidy, Cook Islands and Samoan Administration, &c. .. .	561
Contributions from Government	147,952
Fines, &c.	391
Interest	151,599
Premium on conversion, local-body debentures	8,379
Total income for year	£565,307

Outgo.—The pensions paid during the year to contributors who have retired and to dependants of deceased contributors amounted to £494,988 6s. 9d.—viz., £453,687 9s. to members and £41,300 17s. 9d. to widows and children.

Refunds of contributions to contributors who have left the Service amounted to £35,700 5s. 10d., while the refunds under section 42 to personal representatives of deceased contributors and annuitants amounted to £8,180 17s. 11d.

Four contributors who were retired elected to accept a refund of their contributions under section 34, amounting to £923 3s. 2d., 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 £305 8s. 6d., were accordingly transferred to such funds. The salaries of the staff and other office expenses were £2,233 16s. 10d. and £2,000 13s. 6d. respectively. The total outgo for the year was £548,518 19s. 8d.

Accumulated Funds.—These amounted at the end of the year to £2,934,239 19s. 9d.

Balance-sheet.—On the 31st March the total assets of the fund, which include provision for the outstanding accounts, amounted to £3,028,433 1s. 7d. 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.
New Zealand Government inscribed stock—			
4 per cent.	596,162	13	9
Rural Advances bonds—			
5 per cent.*	236,155	10	0
Mortgage Corporation of New Zealand inscribed stock—			
3½ per cent.	50,000	0	0
Debenture securities—			
3½ per cent.	100,000	0	0
4¼ per cent.	385,308	18	1
5 per cent. †	5,250	0	0
5¼ per cent. †	3,045	0	0
6 per cent. †	75,400	9	8
	569,004	7	9
Mortgage securities—			
4¼ per cent.	128,155	0	0
4½ per cent.	196,589	10	5
5 per cent.	39,586	2	3
5½ per cent. ‡	4,032	3	8
6 per cent. ‡	982,243	14	3
6½ per cent. ‡	4,093	9	8
	1,354,700	0	3
	£2,806,022	11	9

* 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 £28,324), being the amount of the reduction in the interest-rate of the four classes of securities.

The above total includes £20,882 3s. invested on Stipendiary Magistrates' account.

The average rate of interest earned for the financial year on the mean funds was £5 6s. 5d. per cent., a reduction of 1s. 11d. 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 that the sum of £47,104 16s. 7d. is overdue on mortgage securities. The Courts, acting under the powers contained in the Mortgagors and Tenants Relief Act, 1933, have written off during the year the sum of £953 16s. 3d., and £1,002 17s. 8d. was written off by the Board, acting under the provisions of section 20, Finance Act (No. 3), 1934, 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 eleven-year period ended 31st March, 1936.

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
1935-36 ..	256,249	148,512	151,599	176	8,770	44,804	494,988	7,250	1,477	2,934,240

Year.	Liabilities.					Assets.					
	Accumulated Fund.	Sundry Creditors.				Investments (including Accrued Interest).	Sundry Debtors.		Money at call with Government Departments.	Cash at Bank.	Miscellaneous.
		Pensions.	Refunds.	Employees.	Other, including Government Departments.		Employees.	Employers.			
	£	£	£	£	£	£	£	£	£	£	£
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
1935-36 ..	2,934,240	3,703	1,980	407	22,123	2,861,347	24,919	276	70,801	67,906	1,707

M. Nash

Chairman.

PUBLIC SERVICE SUPERANNUATION FUND.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1936.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.		£	s.	d.
To Amount of fund at beginning of year ..	2,917,451	12	2		By Retiring-allowances—								
Members' contributions—					To members	453,687	9	0					
Under section 19 (ordinary)	255,356	9	8		To widows and children ..	41,300	17	9			494,988	6	9
Transferred from other superannuation funds		892	12	3									
Interest on arrears of contributions ..		176	1	1	Contributions returned—								
Government subsidy—					Under section 37 (left service)	35,700	5	10					
Under section 50, Public Service Superannuation Act, 1927	86,000	0	0		Under section 42 (death) ..	8,180	17	11					
Under section 19, Finance Act (No. 3), 1934	40,918	7	3		Under section 34 (retirement)	923	3	2			44,804	6	11
Under section 19, Finance Act, 1935 ..	3,000	0	0		Contributions transferred to other superannuation funds (section 120) ..						305	8	6
Under section 114, Public Service Superannuation Act, 1927 (widows and children) ..	18,034	0	2		Loss on realization of securities						1,171	6	6
		147,952	7	5	Expenses—								
Interest on investments ..	125,231	16	3		Salaries	2,233	16	10					
Less amounts written off by Court orders—Mortgagors and Tenants Relief Act, 1933, £953 16s. 3d.; also less amounts written off by Board, section 20, Finance Act (No. 3), 1934, £1,002 17s. 8d. . .	1,956	13	11		Audit fees	75	0	0					
	123,275	2	4		Contingencies	11	7	9					
Reimbursement by Treasury on account reduction in interest*	28,324	0	0		Legal charges	190	11	4					
		151,599	2	4	Post and Telegraph Department charges ..	1,026	8	0					
Subsidy Cook Islands and Samoa ..		544	10	11	Public Trustee's commission	3,015	0	8					
Subsidy Imperial War Graves Commission ..		15	19	1	Medical fees	80	17	0					
Premium on conversion local-body debentures		8,379	4	5	Heating, lighting, and cleaning	65	9	7					
Fines, fees, and sundries		345	15	10	Travelling expenses (Board members) ..	24	7	8					
Stipendiary Magistrates' Account: Administration expenses recovered		45	4	3	Rent	144	0	0					
		£3,482,758	19	5	Printing and stationery ..	111	17	6					
					Postages, telegrams, and services	215	4	7					
					Typewriters and other machines (upkeep) ..	11	18	10					
					Messenger service	42	7	8					
					Furniture and fittings ..	1	3	7					
											7,249	11	0
					Balance as at 31st March, 1936						2,934,239	19	9
											£3,482,758	19	5

* Payment by Treasury of amount of statutory reduction of interest on mortgage securities (National Expenditure Adjustment Act, 1932, Part III), £13,592; interest-tax, rural advances bonds, and intermediate credit debentures (section 6, Finance Act, 1932-33), £2,818; statutory reduction of interest, New Zealand Government inscribed stock (New Zealand Debt Conversion Act, 1932-33), £6,332; statutory reduction of interest, local-body debentures (section 5, Local Authorities Interest Reduction and Loans Conversion Act, 1932-33), £5,582: total, £28,324.

PUBLIC SERVICE SUPERANNUATION FUND—continued.

SUBSIDIARY ACCOUNT.

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

Dr.	£	s.	d.	Cr.	£	s.	d.
To Amount disbursed for period 1st April, 1935, to 31st March, 1936	1,694	9	11	By Amount received from Treasury	1,690	3	3
				Balance due from Treasury	4	6	8
	£1,694	9	11		£1,694	9	11

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

Wellington, 17th June, 1936.

I hereby certify that the Revenue Account and Balance-sheet have been duly compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—G. F. C. CAMPBELL, Controller and Auditor-General.

STATEMENT OF CONTRIBUTORS FOR THE YEAR ENDING 31ST MARCH, 1936.

	Number.			Annual Salary.	Annual Contributions.
	M.	F.	Total.		
Contributors at beginning of the year ..	15,903	2,302	18,205	£ 4,505,100 17 6	£ 240,406 12 11
New contributors entered during the year ..	1,232	516	1,748	193,829 13 4	10,341 7 9
Contributors transferred from other funds ..	10	2	12	2,471 13 4	123 11 8
Increase by promotion during the year ..	..	..	..	409,664 16 8	21,298 10 0
Total	17,145	2,820	19,965	5,111,067 0 10	272,170 2 4
Contributions discontinued during the year ..	434	332	766	164,598 17 6	9,093 11 10
Total contributors at end of year	16,711	2,488	19,199	4,946,468 3 4	263,076 10 6

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)	56	3	59	£ 16,282 7 6	£ 951 19 5	£ 7,381 6 10	£ 1,924 0 0
By retirement before retiring age (sec. 37)	275	304	579	98,151 0 0	5,063 17 10	35,700 5 10	..
By retirement (sec. 34)	4	..	4	1,078 5 0	71 3 0	923 3 2	..
By retirement medically unfit (sec. 32)	27	5	32	9,125 6 8	501 7 5	..	4,009 7 0
By retirement (sec. 61)	1	..	1	415 0 0	20 15 0	..	238 0 0
By retirement at retiring age or for length of service (sec. 26)	69	19	88	38,348 16 8	2,421 16 11	..	20,818 5 0
By transfer to other funds (sec. 120) ..	2	1	3	751 0 0	37 11 0	305 8 6	..
By reduction .. .. .	..	..	..	447 1 8	25 1 3	..	..
Total	434	332	766	164,598 17 6	9,093 11 10	44,310 4 4	26,989 12 0

PROGRESS OF CONTRIBUTORS SINCE DATE OF ESTABLISHMENT OF THE FUND TO 31ST MARCH, 1936.

	Number.			Annual Salary.	Annual Contributions.
	M.	F.	Total.		
Total entered	35,561	9,855	45,416	£ 10,669,907 10 0	£ 615,304 15 11
Total discontinued	18,850	7,367	26,217	5,723,439 6 8	352,228 5 5
Total existing at 31st March, 1936 ..	16,711	2,488	19,199	4,946,468 3 4	263,076 10 6

