

1936.  
NEW ZEALAND.

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# PUBLIC SERVICE SUPERANNUATION FUND.

ACTUARIAL EXAMINATION AS AT 31ST MARCH, 1934.

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*Laid before Parliament in pursuance of Section 24 of the Finance  
Act (No. 2), 1935.*

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## REPORT

BY THE ACTUARY APPOINTED BY HIS EXCELLENCY THE GOVERNOR-GENERAL TO MAKE  
THE ACTUARIAL EXAMINATION OF THE PUBLIC SERVICE SUPERANNUATION FUND.

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Government Actuary's Department,  
Wellington, 11th September, 1936.

1. I HAVE the honour to submit the following report on the Public Service Superannuation Fund as at the 31st March, 1934, as required by section 49 of the Public Service Superannuation Act, 1927, as amended by section 24 of the Finance Act (No. 2), 1935.

2. The scheme, which came into operation on the 1st January, 1908, embraces, with the few exceptions set out in section 54 of the Act, all permanent public servants outside the Government Railways Superannuation Fund and Teachers' Superannuation Fund.

### LEGISLATION.

3. Since the date of the last valuation important legislation affecting the Fund has been passed by Parliament. The amendments having a direct bearing on the actuarial position may be briefly summarized as follows:—

(a) Section 39 of the Finance Act, 1930 (No. 2), conferred the right to a special pension in the event of compulsory retirement on officers of the Defence Department whose service fell short by less than five years of the time when they could exercise the option to retire, or could be retired by the Minister in Charge under the extended provisions of section 26 of the main Act. In lieu of his prior right to receive only a refund of contributions, such

an officer became eligible to receive such retiring-allowance as was certified by the Government Actuary to be the actuarial equivalent of a deferred pension commencing at the earliest date on which he would have been entitled to retire, such deferred pension being based on his continuous service at the date of compulsory retirement.

(b) Section 14 of the Finance Act, 1931, as amended by section 42 of the Finance Act, 1931 (No. 4), extended to any existing contributor the benefit of an "actuarial" pension on compulsory retirement within five years of the date when the contributor would have been entitled to retire as of right, or with the consent or approval of the Minister in Charge of the Department in which he is employed. In such cases it is provided that "the allowance shall not in any case be of an amount greater than the maximum amount which the Government Actuary certifies can be granted by way of such retiring-allowance without imposing on the Superannuation Fund any additional liability by reason of such retiring-allowance being granted before the earliest date on which the contributor would have been entitled, as of right, to receive a retiring-allowance on his voluntary retirement." In other words, the "actuarial" pension is such immediate annuity as is the financial equivalent of the deferred annuity the Fund would become liable to pay in the event of the officer completing the necessary additional service and paying his contributions up to the normal date of retirement. There appears to be a lack of comprehension on the part of the average contributor that the Superannuation Fund neither gains nor loses by such a method of providing for compulsory retirements. Prior to this valuable concession to contributors, the Fund made a material gain, as the benefit was limited to a return of contributions (with the addition of  $3\frac{1}{2}$  per cent. interest if the length of service exceeds twenty years).

(c) Section 8 of the Finance Act, 1931, gave to all contributors whose salaries were "cut" in accordance with the general reductions the option to protect their superannuation rights by continuing to contribute and receive pensions based on not less than the pre-cut salaries, or, alternatively, to pay contributions and have pensions based on actual salaries, in which latter case contributions paid in the past on any salary in excess of the amount to which the salary was "cut" were in effect refunded to the contributor as they were applied, until exhausted, by the Superannuation Board in reduction of contributions thereafter becoming payable. This latter gesture was too generous, inasmuch as some deduction should have been made for the cost of covering the liability in respect of the contributor retiring medically unfit.

(d) Section 9 of the National Expenditure Adjustment Act, 1932, as amended by sections 24 and 25 of the Finance Act, 1932-33 (No. 2), dealt with the position caused by the second salary "cuts" in a manner somewhat similar to (c) above, but introduced a new element as regards the contributions paid in the past on "excess" salaries by those officers who elected to contribute in future on actual salary, as it was provided that such excess payments should be held by the Superannuation Board to the credit of the contributor, and paid to him on the date of his retirement or his earlier death. This provision is obviously a compromise, and, like most compromises, will not stand examination. In effect, it provides that the younger the contributor the more heavily is his refund subjected to the operation of discount. Actually the reverse should be the case, since there need be very little deduction (if any) in the case of the youngest contributors, as the risk to the Fund of having to provide a medically unfit benefit at such ages is negligible, and is offset by the interest on the "excess" contributions. As the member's age increases, so does the risk of retiring medically unfit call for a larger deduction from the contributions, till an age is reached where the Fund is liable to make a loss if any portion of the "excess" contributions is refunded. In view of the protests and representations made by staff organizations that the refunds should be made immediately and applied in reduction of future contributions, and of precedents established in 1921 and 1931, I decided to make in the valuation a reserve for the full amount of such "refunds." This overstates the liability, but the amount involved is small compared to the total liability of the State.

(e) Section 20 of the Finance Act, 1931 (No. 2), modified in respect of any service after the 1st April, 1931, the existing rights of officers in the Cook Islands Public Service or in the Samoan Public Service to count a year and a half for each year's service, except in special cases approved by the Minister. This remedies a weakness, for, while the previous method of computing service was justifiable in respect of those who could not stand up to climatic conditions and were compelled to retire medically unfit, it was quite unreasonable that a physically fit officer with twenty-seven years' service should have the right to retire on the same rate of pension as an officer who had served forty years in New Zealand.

(f) Section 16 of the Finance Act, 1932 (No. 2), provided that the subsidy in respect of the employees of the trading Departments should be additional to the statutory Government subsidy instead of being paid to the Consolidated Fund in reduction of the same.

(g) The New Zealand Debt Conversion Act, 1932-33, and the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, had the effect of substantially reducing the interest yields on Government securities and local-body debentures as from the 1st April, 1933. It is gratifying to note, however, that, for the quadrennium under review, Treasury reimbursed the Fund to the extent of about £46,000 in respect of reductions in the interest income from these classes of securities.

## PARTICULARS OF VALUATION.

4. The contributions and the benefits provided by the Act, together with statements showing the progress of active membership, discontinuance of membership from various causes, and the progress of pensions for each year, will be found in Tables I to IV of the Appendix to this report. The ages of the contributors at the date of the valuation, together with their contributions and other particulars, are shown in Table V; and the pensions granted during the quadriennium, with the ages at which they were granted, in Table VI.

## PENSIONERS.

5. At the valuation date there were 2,248 pensioners with annual pensions of £449,174 2s., and I submit hereunder an analysis of the pensions under four main headings, namely:—

- (a) Normal pensions payable in respect of officers who retired as of right on completion of the statutory period of service or attained the statutory retiring-age.
- (b) Medically unfit pensions, payable to those who broke down in service.
- (c) Actuarial pensions, payable in respect of those compulsorily retired within five years of normal retirement.
- (d) Pensions under the extended provisions of the Act.

	Number.	Annual Amount of Pension.		
		£	s.	d.
Males—				
Normal pension .. ..	858	225,191	6	5
Medically unfit pension .. ..	244	27,317	12	0
Actuarial pension .. ..	78	10,831	9	0
Extended provisions of Act .. ..	764	158,136	4	3
Total .. ..	1,944	£421,476	11	8
Females—				
Normal pension .. ..	198	20,843	5	0
Medically unfit pension .. ..	44	2,178	13	4
Actuarial pension .. ..	4	291	2	0
Extended provisions of Act .. ..	58	4,384	10	0
Total .. ..	304	£27,697	10	4
Grand total .. ..	2,248	£449,174	2	0

6. Section 26 of the Act sets out the conditions for normal retirement with the following proviso: “Provided that the Minister in Charge of the Department in which a contributor is employed may extend the provisions of this section to any case in which the age of a male contributor is not less than sixty years, or to any case in which the age of a female contributor is not less than fifty years, or to any case in which the age of a male contributor is not less than fifty-five years if his length of service is not less than thirty years, or to any case in which the length of service of a contributor is not less than thirty-five years; and in any of those cases the Minister may impose upon the retiring contributor such terms and conditions as to payments into the Fund or otherwise as the Minister thinks fit.”

It seems clear that the original intention of this proviso was to deal with special cases, and that accordingly the power was to be sparingly exercised. The serious aspect of these early retirements has been stressed *ad nauseam* in successive actuarial reports, and it must surely be self-evident that officers retiring at ages from fifty to fifty-five cause a heavy burden on the Fund not only from the greater number of years during which pensions have to be paid, but also from the loss of contributions until normal retiring-age. Unfortunately for the finances of the Public Service Superannuation Fund, these warnings have been ignored, and the right to impose terms and conditions on retiring contributors has seldom, if ever, been exercised. An idea of the use made of the extended provisions of the Act may be gained from the above table, which discloses that of the 1,944 male pensioners existing at the valuation date no less than 764, or 39·3 per cent., failed to remain in the Service for the normal period or until attainment of the normal retiring-age.

Reference to Table VI A of the Appendix (analysing pensioners retiring under the extended provisions of the Act according to length of service and attained age at date of retirement) shows that of the 764 males above referred to, 524 (69 per cent.) retired at or under age 60, 308 (40 per cent.) at or under age 55, and 79 (10 per cent.) at or under age 50.

7. The income and outgo of the Fund since the previous valuation were as follow:—

CONSOLIDATED REVENUE ACCOUNT OF THE PUBLIC SERVICE SUPERANNUATION FUND FROM THE  
1ST APRIL, 1930, TO THE 31ST MARCH, 1934.

<i>Income.</i>			<i>Outgo.</i>		
	£	s. d.		£	s. d.
Funds at 1st April, 1930 .. ..	2,882,504	1 11	Pensions to members .. ..	1,626,570	1 5
Members contributions .. ..	914,524	16 3	Pensions to widows and children .. ..	145,807	6 5
Transfers from other funds .. ..	2,314	19 7	Contributions returned .. ..	172,868	4 4
Government subsidy .. ..	344,000	0 0	Transfers to other funds .. ..	689	12 2
Subsidy from Cook Islands and Samoa Administrations .. ..	2,851	9 6	Loss on realization of securities .. ..	11,370	17 9
Government subsidy under section 114, Public Service Superannuation Act .. ..	64,428	2 5	Salaries .. ..	9,515	9 1
Subsidy under Finance Acts, 1932 and 1933 .. ..	78,932	17 6	Public Trust Office commission .. ..	15,189	18 2
Interest on investments .. ..	655,355	4 4	Travelling and office expenses .. ..	7,162	18 11
Interest on arrears of contributions .. ..	1,599	13 0	Funds at 31st March, 1934 .. ..	2,964,064	5 6
Fines .. ..	1,653	17 3			
Transfers from unclaimed contributions account .. ..	1,053	16 6			
Other receipts .. ..	4,019	15 6			
	<u>£4,953,238</u>	<u>13 9</u>		<u>£4,953,238</u>	<u>13 9</u>

8. It will be noted that the funds given above differ from those shown in the annual reports of the Superannuation Fund Board by £64,500, which sum the Board regards as unearned subsidy, and therefore treats as a liability. In this connection I would point out that the accounts of a superannuation fund are obviously not designed to show the annual profit or loss of the fund, nor does the balance-sheet make any pretensions to show the real contingent liabilities of the fund in connection with pensions or other benefits. Under the circumstances, no good purpose is served by so understating the funds, and the Board is recommended to bring its accounting methods into line with the world-wide practice of financial institutions controlling life-assurance and other funds whose liabilities involve contingencies which cannot be measured by ordinary accountancy standards.

9. *Income.*—On the income side the chief item requiring comment is the Government subsidy. Compared with the annual subsidies reported as necessary in the last actuarial report, the subsidies paid in during the quadrennium exhibit a shortage of £905,067, apart from the loss of interest thereon.

The effective rates of interest credited to the Fund during each year of the quadrennium are given below, together with those of the previous four years for the purpose of comparison.

Year.		Rate Per Cent.		Year.		Rate Per Cent.	
		£	s. d.			£	s. d.
1926–27 .. ..		5	17 9	1930–31 .. ..		5	14 3
1927–28 .. ..		5	18 6	1931–32 .. ..		5	16 10
1928–29 .. ..		5	14 6	1932–33 .. ..		5	16 1
1929–30 .. ..		5	14 2	1933–34 .. ..		5	9 0

In the last year of the quadrennium interest amounting to £4,747 17s. 7d. was written off by Court orders under the Mortgagors and Tenants Relief Act, 1933. As this amount represents an effective yield of 3s. 3½d. per cent. of the invested funds, it accounts for approximately one-half of the fall in the yield measured by that of the two previous years.

10. *Outgo.*—Retiring-allowances are increasing, and will continue to do so for many years to come. It will be noted that the outgo for benefits during the quadrennium exceeds the total of the contribution income and the Government subsidy, and is about 95 per cent. of the combined income from contributions, interest, and Government subsidy. As I have pointed out in previous valuation reports, these high percentages are somewhat disturbing, since the liabilities are essentially of a deferred nature, and at this stage funds should be increasingly rapidly.

DATA.

11. The preliminary particulars required for this examination have been obtained from cards supplied by the Secretary of the Public Service Superannuation Board, a separate card being compiled for each member who was in service at the valuation date or who had died or withdrawn since the inception of the fund, and these particulars form the main basis of this investigation and valuation.

12. It is difficult to avoid the conclusion that sooner or later some reconstruction of the Fund is inevitable, and in order to be in a position to report expeditiously on any such proposals for reconstruction I decided to use Powers machines to punch special cards and tabulate the data in the form required for valuation. The Post and Telegraph Department very willingly placed its Powers machines at my disposal, and I am indebted to Mr. A. G. Bowater for the supervision of the work and for many helpful suggestions. It is unnecessary to point out that the assembly of the data by means of such machines permits rapid resorting and tabulation in any number of groupings that may be desired, thereby curtailing the time involved in investigations into the cost of making any modifications of the benefits of the

Fund either for the whole Service or for certain Departments or for officers joining on or after any given date. Table VA of the Appendix gives particulars of membership, &c., arranged according to the various Departments of State.

#### THE VALUATION.

13. The main object of an actuarial valuation is to ascertain whether the current funds, together with the present value of the future contributions, will be sufficient to meet the total liabilities. Before the valuation can be carried out it is necessary to make a careful estimate of the various factors on which the payment of the benefits and contributions is dependent. These factors may be briefly summarized as follows:—

- (a) Rate of interest;
- (b) Mortality-rates of pensioners;
- (c) Average salary scales;
- (d) Mortality-rates of contributors;
- (e) Voluntary-withdrawal rates of contributors;
- (f) Retirement-rates of contributors;
- (g) Marriage-rates of contributors;
- (h) Probability of a member leaving children under fourteen years of age, and the average number of such children;
- (i) Remarriage-rates of members' widows.

14. The rate of interest used in valuing benefits and contributions was  $4\frac{1}{2}$  per cent., as the Fund is State-guaranteed.

15. The mortality-rates adopted for pensioners were those used in the previous valuation, and were based on an investigation of the combined experience of the three Government Superannuation Funds (Public Service, Railways, and Teachers) for the period 1919–1927.

16. Average salary scales in respect of males and females separately had to be constructed for the year immediately following the valuation date. This presented considerable difficulty, as it was complicated by the salary cuts and the fact that there were two classes of officers, one contributing on hypothetical salaries—i.e., pre-cut salaries as far back in some cases as 1921—and the other on actual salaries. To have constructed average salary scales based on the heterogeneous contributory salaries, and applied the resulting ratios of increase from age to age to the contributory salary of each contributor as at the 1st April, 1934, would have considerably overestimated the pension liabilities, as, under normal circumstances, the average officer contributing on actual salary would not rise to the hypothetical salary scales, and pensions are based on final salaries. Even if actual salaries were used to obtain the ratios of increase from age to age, the prospective salaries would have been divorced from realities in view of the fact that a large number of officers would never by normal promotions bridge the gap between their actual salaries and the hypothetical salaries on which they were contributing. The problem would have been simplified had the options to pay on higher salary been exercised, as one would have expected, only by the older officers, or by those who had been at the top of the grade so long that they took a very conservative estimate of the possibilities of future promotion. In actual fact, out of the total of 17,369 contributors, no less than 3,239 elected to pay on the pre-cut salaries, and this included contributors from age twenty-four upwards, many of whom must, except under very exceptional circumstances, have recovered the amount of the salary “cuts” by promotion during the remainder of service. The tacit assumption made by each officer electing to contribute on his salary prior to the cuts was that his actual salary would not rise to the higher figure prior to retirement (normal or medically unfit), but even a brief glance at the two sets of salaries showed that at the younger ages the disparity between actual and hypothetical salaries was not wide enough to justify the assumption of valuing on the basis that future salary increases would not bridge the gap. It therefore became necessary not only to separate those contributing on actual and on hypothetical salaries, but also to make two valuations of those contributing on hypothetical salary to make the necessary allowance for the fact that males under age forty-seven and females under age forty-four would, on the average, rise to a higher actual salary than the hypothetical salary on which they were contributing. In making these several valuations, it was essential to make some assumption as to an early restoration of portion of the remainder of the salary “cuts,” and for this purpose I assumed that an immediate all-round increase of 5 per cent. would be forthcoming as at 1st April, 1935. Actually a  $7\frac{1}{2}$ -per-cent. increase was subsequently granted in August, 1935, and all salary cuts were fully restored as from 1st July, 1936.

17. The actual deaths among male members during the quadrennium were 225, as against 251 expected by the tables used in the previous valuation, and this lighter mortality was in evidence for all age-groups.

18. The male withdrawals were 859, as against 1,530 expected. This appears to have been directly due to the economic depression, the difficulty of finding remunerative employment checking the former tendency of officers to leave the Service for private employment.

19. The number of male officers retiring was 790, as against 506 expected, and the excess was reflected in all age-groups from thirty-five onwards. In the last three actuarial reports stress has been laid on the serious financial consequences to the Fund of retiring, irrespective

of age, a considerable number of officers with from thirty-five to forty years' service. During the quadrennium under review, the position was intensified, as the Fund appears to have been deliberately used to facilitate retrenchment. The total number of pensioners (exclusive of widows and children), which had increased from 1,563 in 1927 to 1,706 in 1930, grew to no less than 2,248 in 1934.

20. In view of the special influences operating during the quadrennium, the experience was clearly abnormal, and it was decided to adopt rates of mortality, withdrawal, and retirement based on the period 1919 to 1930 and used in the 1930 valuation.

21. Similar investigations were made into the actual experience of female contributors before adopting rates of mortality, withdrawal, and retirement in respect of such officers.

22. Details of the Experience Tables adopted and the Life and Service Tables deduced therefrom are given in Tables VII and VIII of the Appendix.

23. The factors necessary for the valuation of widows' and children's benefits were built up from population statistics combined with the experience of the Fund itself.

#### RESULTS OF VALUATION.

24. Section 49 (2) of the Act requires the actuarial report to be so prepared "as to show the state of the Fund at the close of the period, having regard to the prospective liabilities and assets."

The valuation has been made accordingly, and the results are shown in Table X of the Appendix, but they may be shortly summarized as follows:—

	£	£
Present value of existing pensions and allowances	..	4,471,373
Present value of prospective benefits .. ..	11,001,720	
Less present value of members' contributions	2,761,470	
	<hr/>	8,240,250
Total net liabilities .. .. .		12,711,623
Funds in hand .. .. .		2,964,064
		<hr/>
Present value of total liability of State .. ..		9,747,559
Less present value of present subsidies of £86,000 and £40,000 (if treated as a perpetuity) .. ..		2,800,000
And less present value of State subsidy under section 114 of the Act .. .. .		625,839
		<hr/>
Value of future subsidies to be provided for by the State over and above the present subsidy .. .. .		6,321,720
		<hr/>

25. The above statement shows a total State liability of £9,747,559, as compared with £7,871,439 at the last valuation, giving an increase of £1,876,120. It should, however, be pointed out that £625,839 of this increase is due to the inclusion of the special widows' and children's subsidy under section 114 of the Act as a permanent liability. In the past this has been treated as a supplementary payment to widows and children, and confusion has at times arisen in endeavouring to reconcile statements made as to the amount of Government subsidies paid to the Fund. The balance of the increase is mainly due to the accumulation at interest of that part of the State's liability which is unprovided for and to the excessive number of retirements of comparatively young officers.

26. As regards the first-mentioned source of valuation loss, it is scarcely necessary to point out that if a fund is in deficiency at one valuation the amount of the deficiency at the succeeding valuation will, in the absence of profit and loss from other sources, increase at compound interest, since, in addition to the shortage in capital, the fund is deprived of the interest which that capital would have earned during the valuation period.

Reference has been made in previous valuation reports to the serious drain on the Fund due to early retirements from causes other than medical unfitness. I have pointed out time after time that there is no particular virtue in forty years' service, and that retirement should be governed only by age or physical unfitness. No attention has been paid to this advice, nor has there been any abatement of the misuse by Ministers of the extended provisions of the Act to retire male officers after thirty-five years' service.

From the inception of the Fund to the end of 1930 the number of retirements per annum averaged 126, with average annual pensions granted of £21,337. During the quadrennium under review the figures, which exclude widows' and children's allowances, show the following heavy increases:—

	New Pensions granted.	Amount of Annual Pension. £
Year ending 31st March, 1931 .. .. .	134	25,983
Year ending 31st March, 1932 .. .. .	473	87,024
Year ending 31st March, 1933 .. .. .	164	36,426
Year ending 31st March, 1934 .. .. .	97	20,369
	<hr/>	<hr/>
1930-34 .. .. .	868	£169,802
	<hr/>	<hr/>

27. The importance of the ascertainment of the state of the Fund in the form given in paragraph 25 lies in the fact that the deficiency to be made good by the State—viz., £9,747,559—is equivalent to an annual interest income (at  $4\frac{1}{2}$  per cent.) of £438,640. It follows that if any less annual sum than £438,640 is paid in by the State as subsidy the total deficiency will increase, and the subsidy must accordingly by way of compensation rise later on to a much higher figure than £438,640 per annum in respect of present contributors alone. If, however, any annual amount in excess of £438,640 is paid in, the Fund would, in respect of present members, attain solvency within a definite period of time. It should be clearly understood that this amount of £438,640 does not cease with the lifetime of the present members, but is a perpetuity. Furthermore, it does not include any subsidy to new entrants.

#### ASCERTAINMENT OF STATE SUBSIDY.

28. The Act, however, does not provide that the subsidy is to be determined from the foregoing actuarial ascertainment. It directs the Actuary to show in his report “the probable annual sums required by the Fund to provide the retiring and other allowances falling due within the ensuing three years without affecting or having recourse to the actuarial reserve appertaining to the contributors’ contributions.” I take this to mean that, as the contributions are insufficient to provide the full benefits for service after joining the Fund, the principle underlying the section is that the State shall postpone till it emerges the liability for pensions arising out of service before joining the Fund and for such part of the pensions arising out of subsequent service as is not covered by the contributors’ contributions.

I estimate the pensions falling due during the financial years 1934–35, 1935–36, and 1936–37, the amounts provided by the contributions, and the subsidies payable on the basis laid down by the Act to be as follow:—

	1934–35. £	1935–36. £	1936–37. £
Estimated pensions .. .. .	497,580	501,287	509,719
Amount provided by contributions ..	184,557	191,314	199,700
Amount due to be paid by the State in respect of the three years mentioned (but see also next paragraph) ..	313,023	309,973	310,019

29. The above figures would give for the years 1934–35, 1935–36, and 1936–37 an average subsidy of approximately £311,000 per annum, or £185,000 more per annum than the total of the present statutory subsidy of £86,000 and the trading Departments’ subsidy of approximately £40,000.

The following considerations, however, must be taken into account:—

- (a) The actuarial recommendations made in the past in pursuance of the Act have not been fully carried out, the actual subsidy payments into the Fund to the 31st March, 1934, as will be seen from Table XI of the Appendix, being short by £2,104,067 of the amounts recommended. After making allowance for interest, I consider that at least £102,000 per annum will require to be added to the future subsidies on this account.
- (b) The State subsidy should also provide year by year the amount charged to the Superannuation Fund in administration expenses, less possibly the amount of commission due in connection with investments, which might be regarded as a deduction from interest. The payment of expenses from the Fund is a definite departure from the original scope of the superannuation scheme, and my interpretation of section 49 (2) of the Act is that expenses amounting to, say, £5,000 per annum should form part of the subsidy.

30. I have, therefore, to report that in accordance with the system laid down by the Act the annual subsidy required for each year of the period ending 31st March, 1937, is as follows:—

Subsidy now being paid by State (including trading Departments) .. .. .	£ 126,000
Further annual subsidy required—	£
Paragraph 29 .. .. .	185,000
Paragraph 29 (a) .. .. .	102,000
Paragraph 29 (b) .. .. .	5,000
	292,000
Annual subsidy required for the years 1934–35, 1935–36, and 1936–37 .. .. .	418,000

31. I have indicated above that section 49 of the Act specifically sets out that an Actuary shall be appointed by the Governor-General to furnish "a report which shall be so prepared as to show . . . the probable annual sums required by the Fund to provide the retiring and other allowances falling due within the ensuing three years without affecting or having recourse to the actuarial reserve appertaining to the contributors' contributions." Section 50 reads—"In the month of January in every year the Minister of Finance shall pay into the Fund and out of the Consolidated Fund, without further appropriation than this Act, the sum of eighty-six thousand pounds, together with such further amount (if any) as is deemed by the Governor-General in Council, in accordance with the aforesaid report of the Actuary, to be required to meet the charges on the Fund during the ensuing year."

The only interpretation I can place on these two sections is that the responsibility devolves on the Actuary, and, unless the Governor-General in Council disagrees with the figures in the actuarial report, it is mandatory on the Minister of Finance to make the necessary payments.

Up to 1919 the requirements of the Act as to Government subsidy were more or less complied with, the Act being duly amended from time to time to give effect to the actuarial recommendations, although payment of the increased subsidy was on the average two years late and no extra payment was made during the war period. From 1919 onwards, however, no action has been taken to give effect to any of the actuarial reports submitted, and for all practical purposes section 50 of the Public Service Superannuation Act is a dead letter.

If the experience of the past fifteen years can be taken as an indication that Ministers of Finance have no intention of providing the statutory subsidies pursuant to the actuarial reports, it would be better for all concerned to dispense with the valuations. The work is highly specialized, additional staff and machines have to be borrowed from other Departments, and, to say the least, it is soul-destroying for the Actuary to know in advance that the time and thought spent in dealing with the problems which arise, together with the work of the staff, are, for all practical purposes, wasted effort.

If Government considers the annual subsidy too big a price to pay for the benefits of a superannuation fund, it would be better to face up to the position and reconstruct the Fund in accordance with the State's ability to pay. Such a procedure would at least have the merit of letting public servants know where they stand, and of enabling them, if desired, to make alternative provision for their old age.

32. It is only one step from the refusal of the State to honour its full statutory obligations to discontinue the payment of any subsidy whatever, and, although such a contingency may appear remote, it is interesting and instructive to examine the resulting position of the Fund. For this purpose it is only necessary to submit the following figures as at 31st March, 1934:—

	£
Amount of accumulated funds . . . . .	2,964,064
Amount of contributions paid by contributors still in the Service	2,807,192
Capital value of pensions and allowances actually entered upon	4,471,373

It will be seen that, if the Fund were put into liquidation on the basis of treating existing pensioners, widows, &c., as preference shareholders with a prior right of having their claims satisfied before the existing contributors shared in the assets, the former would receive only 66·29 per cent. (13s. 3d. in the pound) of their pensions or allowances, thus suffering a cut of 33·71 per cent. (or 6s. 9d. in the pound), while contributors still in the Service would be unable to recover any contributions paid into the Fund.

If, on the other hand, existing contributors were allowed to withdraw their contributions without interest before such liquidation of the Fund took place, the position would be that the existing pensioners could only be paid 3·51 per cent. (8d. in the pound) of their pensions.

If any doubt exists as to the retrogression of the Fund, it will be dispelled by comparing the above percentages with similar figures taken out in connection with the last statutory valuation, and shown on page 25 of the report of the parliamentary Committee set up in 1932 to consider the proposed Government Superannuation Funds Bill.

The figures also make it clear how important it is that the Fund should receive an adequate subsidy in the future.

33. As this will probably be the last occasion on which I shall have the privilege of making an actuarial report on the Public Service Superannuation Fund, I submit in Table IX of the Appendix a consolidated Revenue Account of the Fund since its inception. I have also prepared the following concise summary of the position of the Fund at the successive dates of actuarial valuation. It will be seen that, for illustrative purposes, the accumulated funds have been regarded as applicable to a hypothetical Pensioners Account and the balance to a Contributors' Account. This strips the problem of all technicalities and throws the position of the Fund into clear perspective. The table should convince any thoughtful person that reconstruction is urgently needed, unless Government is able and willing to shoulder the enormous liability shown therein.



## PUBLIC SERVICE SUPERANNUATION FUND.

On	There were Pensioners on the Fund	With Pensions amounting to	Having Capital Value of	And, if the Value of existing Widows' and Orphans' Allowances are added, giving a Total Current Liability of	While the Amount at Credit of the Fund was	Leaving	As, in addition, there were Contributors	With Prospective (Dormant) Net Liabilities (i.e., Value of Benefits less Contributions) of	The Net Result is a Deficiency of
	(1.)	(2.) £	(3.) £	(4.) £	(5.) £	(6.) £	(7.)	(8.) £	(9.) £
31/12/1910 ..	380	38,253	320,623	337,372	263,948	Dr. Bal. 73,424	8,371	1,658,684	1,732,108
31/12/1913 ..	539	56,744	464,919	502,303	537,914	Cr. Bal. 35,611	10,809	2,417,077	2,381,466
<i>Increase of ..</i>	..	..	..	<i>164,931</i>	<i>273,966</i>	<i>Cr. 109,035</i>	..	<i>758,393</i>	<i>649,358</i>
31/12/1916 ..	710	80,343	660,139	727,366	896,568	Cr. Bal. 169,202	13,313	3,176,283	3,007,081
<i>Increase of ..</i>	..	..	..	<i>225,063</i>	<i>358,654</i>	<i>Cr. 133,591</i>	..	<i>759,206</i>	<i>625,615</i>
31/12/1919 ..	840	107,505	946,777	1,052,110	1,288,198	Cr. Bal. 236,088	14,216	4,379,077	4,142,989
<i>Increase of ..</i>	..	..	..	<i>324,744</i>	<i>391,630</i>	<i>Cr. 66,886</i>	..	<i>1,202,794</i>	<i>1,135,908</i>
31/3/1924 ..	1,377	236,509	2,198,747	2,323,988	2,103,543	Dr. Bal. 220,445	15,021	5,313,728	5,534,173
<i>Increase of ..</i>	..	..	..	<i>1,271,878</i>	<i>815,345</i>	<i>Dr. 456,533</i>	..	<i>934,651</i>	<i>1,391,184</i>
31/3/1927 ..	1,563	299,504	2,779,977	2,924,825	2,493,790	Dr. Bal. 431,035	16,914	6,228,735	6,659,770
<i>Increase of ..</i>	..	..	..	<i>600,837</i>	<i>390,247</i>	<i>Dr. 210,590</i>	..	<i>915,007</i>	<i>1,125,597</i>
31/3/1930 ..	1,706	338,009	3,079,044	3,375,540	2,882,504	Dr. Bal. 493,036	17,976	7,378,403	7,871,439
<i>Increase of ..</i>	..	..	..	<i>450,715</i>	<i>388,714</i>	<i>Dr. 62,001</i>	..	<i>1,149,668</i>	<i>1,211,669</i>
31/3/1934 ..	2,248	449,174	4,127,622	4,471,373	2,964,064	Dr. Bal. 1,507,309	17,369	8,240,250	9,747,559
<i>Increase of ..</i>	..	..	..	<i>1,095,833</i>	<i>81,560</i>	<i>Dr. 1,014,273</i>	..	<i>861,847</i>	<i>1,876,120</i>

34. The causes of the present large deficiency in the Fund may briefly be summarized as follows:—

(a) The accumulation at interest of the unredeemed amount of the initial deficiency caused by the gift, in respect of service prior to the inception of the Fund, of free pensions for each year of such "back service" at the same rate as for future contributory service.

When the cost of the proposed scheme was originally investigated, it was estimated that the initial deficiency would be £1,816,220. It has to be pointed out, however, that this estimate was based on data supplied giving the number of persons eligible to join the proposed Superannuation Fund, whereas it was found subsequently that many of those eligible did not elect to join the Fund, while, on the other hand, a large number of Civil servants were afterwards brought within the scope of the Bill. It can safely be said, however, that the initial deficiency was not less than one and a half million sterling, and this amount would require to be increased in proportion to the increase of salary levels on retirement over and above the levels operating when the scheme was established.

The State not only incurred this liability in making a gift of that portion of the pension based on service prior to the establishment of the Fund, but was also aware of the cost involved, and the obvious plan would have been to take steps to pay the full capital sum into the Fund, or, alternatively, to provide for its redemption within a reasonable period of from twenty to thirty years, and to make a small additional annual subsidy to assist the contributions of new entrants.

(b) The failure of successive Governments since 1919 to honour their statutory obligations as to subsidy. The amount of the statutory annual subsidy has no relation to the actuarial position of the Fund, but is merely a proportion, actuarially calculated, of the pensions and allowances actually emerging. Pensions are, in effect, divided into two parts:—

- (i) That portion provided by the contributors;
- (ii) The balance, which is to be met by the State.

It will be seen, therefore, that the principle underlying the Act is that members are to contribute upon the basis of paying their share of the liabilities during their service, while the State is to defer payment of its share until officers are retired. It does not appear to be sufficiently appreciated that the longer a financial liability is deferred the greater is the amount of money that will ultimately have to be provided by reason of the operation of interest. It has also to be remembered that, under the plan of basing subsidies on pensions, the annual subsidies themselves tend to increase rapidly for a number of years by reason of the number of new pensioners annually coming on to the Fund. Reference to Table XI of the Appendix shows a shortage at 31st March, 1934, of £2,104,067 (exclusive of interest) in the subsidies actually paid by the State as compared with those prescribed by the Act.

(c) The burden thrown on the Fund as the result of the practice followed, particularly from 1922 onwards, of compulsorily retiring men with forty years' service irrespective of their attained ages or their own wishes, and the extensive use of the extended provisions in the Act for retirement after thirty-five years, &c. The extent to which the extended provisions of the Act have been abused is shown by the fact previously referred to in this report that 39·3 per cent., or two out of every five existing male pensioners, have been granted their pensions without completing forty years' service or attaining age sixty-five.

(d) The great increase in pension liability due to the effect of the war on salary levels and to the inclusion of house allowance as salary for the purpose of computing pensions. At the most a contributor would contribute on his increased salary only for his future service, whereas he would obtain the same pension benefit as if he had been in receipt of such a salary for the whole period of his service. Some idea of the increased pension liability can be obtained from the fact that between 1913 and 1927 the average salary of contributors aged fifty and over increased by £123 in respect of males and £127 in respect of females.

(e) Additional concessions granted to contributors from time to time, as, for example the options to contribute on salaries prior to the cuts of 1921–22, 1931, and 1932, or to accept refunds of contributions on excess payments.

(f) Inadequate contribution scales, particularly in respect of female officers.

#### GENERAL REMARKS.

35. It is not my function to comment on policy matters, but I would be lacking in my responsibility if I did not enunciate the general principle that any additional financial strain on the Superannuation Fund due to policy measures of Government should be a charge on the Consolidated Fund by way of special subsidy.

Such a method, I may mention, is followed in the South African Public Service Superannuation scheme, where, if an officer is forced to retire on pension due to a retrenchment scheme or other policy measures, all pension payments up to the date of his attaining the normal pension age are paid out of public revenue, and not out of the Superannuation Fund.

The Commonwealth of Australia safeguards its Public Service Superannuation Fund by fixing age sixty-five as the normal pension age, with provision that if any officer is retired after age sixty, either compulsorily or of his own wish, he is granted a reduced pension actuarially calculated.

It is important to note that, although the problem is approached from different angles, both Governments agree in recognizing that the Superannuation Fund should be financially safeguarded in the event of any departure from what might be termed its fundamental obligations to the contributors.

36. *Actuarial Pensions.*—There appears to be an impression in some quarters that an actuarial pension represents a curtailment of a contributor's rights. Actually it is a concession designed to provide that any officer who, as the result of a retrenchment policy or other causes, is compelled after long service to retire before attaining the specified age or length of service may elect to receive such pension as is the actuarial equivalent of the pension he would have received had he completed his full period of service and paid contributions till the date of normal retirement. Without any such provision for actuarial pensions, compulsorily retired contributors would be limited to accepting a refund of their contributions, with interest at  $3\frac{1}{2}$  per cent.

In Australian Government Superannuation schemes actuarial pensions are limited to the cases of officers who retire between age sixty and sixty-five. In the New Zealand Public Service scheme, however, this is carried much further, as the right to an actuarial pension is granted to any male officer who is compulsorily retired for reasons other than misconduct at any age over fifty-five, or provided he has served at least thirty years, or provided he has attained age fifty after completing thirty years' service, or to any female officer who has attained age forty-five or has completed twenty-five years' service.

It may appear somewhat inconsistent that an officer who is compulsorily retired at certain ages obtains better treatment than one who voluntarily retires. While actuarial pensions involve no financial strain on the Superannuation Fund, and it would not impair the stability of the Fund to bring the compulsory and voluntary retirements into line, one good reason for the differentiation is that a superannuation scheme has for one of its objects the retention of good men in the Service. To facilitate their retirement at comparatively early ages on any amount of pension however small would encourage them to seek more remunerative positions in private employment.

37. *Medically Unfit Pensions.*—This is probably one of the most difficult problems in the administration of a superannuation fund, as, on the one hand, some officers are classed "medically unfit" although they are quite competent to undertake work other than the particular work they have been performing in the Service, while, on the other hand, some officers totally unfit to engage in any occupation at all do not fall within the definition of "medically unfit" as interpreted by the Superannuation Fund in accordance with statute.

It seems advisable to consider the desirability of creating a special class of "medically unfit for duty" officers, grading each such officer as 100 per cent., 90 per cent., &c., unfit to carry on his occupation.

An officer graded 100 per cent. medically unfit would, of course, receive a full pension based on length of service, an officer graded 50 per cent. medically unfit for duty might be allowed a pension half-way between a "length of service" pension and an "actuarial" pension, and all other grades be dealt with similarly.

38. *Provision for Joint Life and Survivor Pensions.*—There have from time to time been suggestions to increase the widow's pension, now standing at £31 per annum. The cost of making any material increase is too high to warrant any recommendation that it should be provided out of the Consolidated Fund, and, moreover, it may very well be argued that it is no duty of the State as employer to relieve the employee of his own obligation to provide for his widow by life assurance or other means.

On the other hand, there would be objections raised to any suggestion that all employees should be asked to pay an extra contribution for an increased widows' allowance, partly because of the high cost of such a benefit and partly because in the cases where a pensioner or contributor died as a bachelor or a widower he would have been paying a substantial contribution for no actual benefit. It would be possible, however, to meet the case of any employee who would prefer to accept a smaller retiring-allowance on the understanding that his widow's allowance was increased by making provision in the Act for such an option on terms that would involve no increased strain on the Fund. One plan would be to allow such contributors the option to exchange their retirement pensions for a joint life and survivor pension payable so long as either the husband or wife were alive. Alternatively, another rate of pension could be payable to the contributor on the basis of a reduction on his death to, say, half rates for his widow.

The Fund's finances could be adequately protected by providing for such an option to be exercised by the contributor not less than five years prior to the date of retirement, this to obviate any adverse selection against the Fund by the contributor. In order to meet the case of present contributors who are now within five years of retirement, or even of any existing pensioners, provision might also be made for them to have an option to exchange their pensions for joint life and survivor pensions within a specified period, say, six months from the date of the passing of the amendment, subject to the furnishing of such evidence of medical fitness as is determined by the Superannuation Board.

39. *Pension Limitation of £300 per Annum.*—The National Expenditure Commission of 1932 made a strong recommendation for the removal of the arbitrary pension limitation of £300 per annum in respect of officers joining the Service after the 24th December, 1909, so as to bring them into line with officers joining the Service before that date. The injustice of this limitation has been stressed year by year by the Public Service Association in deputations to succeeding Prime Ministers.

The principle of compelling officers to contribute to the Fund and at the same time limiting them to a pension of £300 irrespective of the value of their contributions is in no way different from compelling a body of men to place a specific portion of salary in a savings-bank on the understanding that in no case shall they receive back more than a uniform arbitrary amount determined by the directors of the savings-bank.

The injustice of the proposal has never been seriously questioned, but it appears to have been erroneously considered that the problem could be deferred until about 1949—that is, on the assumption that the officers joining the Service after the 24th December, 1909, would not in general qualify for a pension until the completion of forty years' service. This assumption, however, ignores the cases of professional officers who are recruited late in life and reach age sixty-five after comparatively short service. Retirements with this arbitrary limitation of pension have already taken place, and it is clear that it is bound to be a burning question with many officers in the very near future. What is also important is that it immediately affects every officer joining after the 24th December, 1909, who is retired on an actuarial pension.

It was surely never intended that of two men of the same age and service retired on actuarial pensions the one with the higher salary should receive the smaller actuarial pension, such anomalous result being entirely due to the fact that an actuarial pension must take account of the net liability, and it is obvious that, while the ultimate pension liability in respect of each officer is the same (£300 per annum), the contributions based on the higher salary represent a greater asset to the Fund.

It is also difficult to understand how any Government could grant free pensions to officers in respect of all service prior to the inception of the Fund without any restriction as to the amount of such free pension, and at the same time ask new officers to pay for their full service and accept an arbitrary cut.

There is also the danger that, in connection with this £300 arbitrary limit, the aspect of grave injustice to the higher-paid officers—this has never been denied—may obscure the fundamental reasons for establishing a staff superannuation scheme—namely, to induce men of ability to join and continue in the Service, and to offer an adequate retiring-allowance to those who rise to high positions as the result of outstanding merit.

A superannuation scheme is not established by an employer—whether a Government or a private firm—from philanthropic motives, but rather from motives of enlightened self-interest. The State, in common with any employer of labour, does not remunerate its officers on philanthropic grounds nor on the basis of levelling-down all salaries to a uniform amount irrespective of the work performed, and it is unreasonable to suppose that it has in mind an intention to depart suddenly from sound business principles just when some of its employees reach old age. The object in stressing this aspect of the employer's motive is that, once the principle is admitted that the establishment of a superannuation scheme is from an enlightened self-interest, we are infallibly led to a certain line of reasoning regarding the relative benefits a superannuation fund should pay and the way the employer's subsidy should be allocated.

The opinion of any competent critic on the Public Service Superannuation scheme with its *maximum* pension of £300 per annum, especially when considered side by side with the *minimum* pension of £300 provided by the Superannuation Fund of one of the old established New Zealand banks, would not only be unflattering to the State, but would also bring out prominently that those responsible for the 1909 amendment lost sight of the elementary principles of a staff superannuation scheme. Compared with the generally accepted idea that merit should be rewarded and an adequate subsidy paid on the contributions of all employees, the State is actually penalizing its future senior officers, and, in effect, allowing the Superannuation Funds to confiscate portion of their contributions and interest accretions.

40. In conclusion, I have to acknowledge the assistance of the small but efficient staff engaged in carrying out the heavy work of the valuation.

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Government Actuary.

APPENDIX.

TABLE I.

THE BENEFITS AND CONTRIBUTIONS PROVIDED FOR BY THE ACT.

Contributions	The contributions vary according to the age at the time when the first contribution becomes payable, and are as follows :—									
	Age 30 and under .. .. . 5 per cent. of pay.									
	Over 30 and not exceeding 35 .. .. . 6 ..									
	.. 35 .. 40 .. .. . 7 ..									
	.. 40 .. 45 .. .. . 8 ..									
	.. 45 .. 50 .. .. . 9 ..									
	.. 50 .. .. .. . 10 ..									
Benefits	I. On Attainment of Pension.—Males at Age 65, or after Forty Years' Service ; Females at Age 55, or after Thirty Years' Service.									
	(1) A pension of one-sixtieth of yearly salary for each year's service, with a limit of forty-sixtieths (two-thirds) of salary. Maximum pension for entrants after 24th December, 1909, £300.									
	(2) Or the option, in lieu thereof, of a return of total contributions.									
	(NOTE.—The Minister in charge of a Department may retire contributors on pension in the following cases :—									
	(a) Where the age of a male contributor is not less than 60, or of a female contributor not less than 50.									
	(b) Where the age of a male contributor is not less than 55, if his length of service is not less than thirty years.									
	(c) Where the length of service of a male contributor is not less than thirty-five years.									
	In any such exceptional cases the Minister may impose upon the retiring contributor such terms and conditions as to payments into the fund or otherwise as he thinks fit.)									
	II. On Retirement before Pension Age (on the Grounds of being Medically Unfit for Future Duty).									
	(1) At any time, on the certificate of two doctors approved by the Board, a pension of one-sixtieth of yearly salary for each year's service, limited to forty-sixtieths.									
	(2) Or the option, in lieu thereof, of a return of total contributions.									
	(Where officers of the Police Force are incapacitated by injuries received on duty the Board may increase the pension up to three-fifths of salary.)									
	III. On Retirement before Pension Age (on other Grounds than Medical Unfitness).									
	(1) On voluntary retirement or dismissal for misconduct, a return of total contributions.									
	(2) On compulsory retirement for any reason other than misconduct, after twenty years' service, a return of total contributions with 3½ per cent. interest.									
	IV. At Death, whether before or after becoming entitled to a Retiring-allowance.									
	(1) Leaving no widow or children : A return of total contributions, less any sums received from the fund during lifetime.									
	(2) Leaving a widow :—									
	(a) £31 yearly during widowhood ; or									
	(b) A return of total contributions, together with such compensation (if any) as the contributor would have been entitled to receive from the Consolidated Fund on compulsory retirement, less any sums received from the fund during lifetime. (If death occurs before retirement the compensation is paid from the Consolidated Fund ; if after retirement, from the Superannuation Fund.)									
	(3) Leaving children ; 10s. weekly to each child until age 14.									

(NOTE.—The contributions and pensions are payable monthly, and the pensions are computed on the average salary for the last three years.)

TABLE II.  
STATEMENT OF PROGRESS OF ACTIVE MEMBERSHIP.\*

Year.	New Members.			Increase by Promotion.		Discontinued.			Total in Force at End of Year.		
	Number.	Salaries.	Annual Contributions.	Salaries.	Annual Contributions.	Number.	Salaries.	Annual Contributions.	Number.	Salaries.	Annual Contributions.
1908-11..	11,036	£ 1,529,468	£ 106,826	£ 251,404	£ 15,141	1,896	£ 276,431	£ 21,297	9,140	£ 1,504,441	£ 100,670
1912-16..	8,185	732,323	42,597	574,648	33,369	4,012	523,821	34,792	13,313	2,287,591	141,844
1917-21..	9,401	1,181,356	68,762	1,906,126	108,419	6,932	1,131,248	71,005	15,782	4,243,825	248,020
1922-23†	1,200	152,922	8,362	43,092	2,298	1,993	658,874	41,271	14,989	3,780,965	217,409
1923-24..	1,219	159,496	8,917	139,589	7,369	1,187	257,682	16,003	15,021	3,822,368	217,692
1924-25..	1,921	278,898	16,035	228,471	12,140	1,160	248,856	15,264	15,782	4,080,881	230,603
1925-26..	1,682	231,794	12,870	204,658	11,035	1,136	254,497	15,512	16,328	4,262,836	238,996
1926-27..	1,518	193,451	10,487	157,749	8,328	932	204,675	12,176	16,914	4,409,361	245,635
1927-28..	1,000	150,212	8,298	146,611	7,585	912	207,138	12,496	17,002	4,499,046	249,022
1928-29..	1,046	164,175	8,931	162,631	8,427	871	204,057	12,048	17,177	4,621,795	254,332
1929-30..	1,665	215,032	11,737	174,518	9,031	866	203,199	11,716	17,976	4,808,146	263,384
1930-31..	930	146,336	8,158	185,675	9,514	709	179,970	10,740	18,197	4,960,187	270,316
1931-32..	317	35,677	1,856	51,217	2,588	998	561,630	32,794	17,516	4,485,451	241,966
1932-33..	384	40,772	2,138	56,115	2,815	681	392,712	21,618	17,219	4,189,626	225,301
1933-34..	693	75,861	3,922	94,527	4,786	543	121,597	6,994	17,369	4,238,417	227,015
Totals ..	42,197	5,287,773	319,896	4,377,031	242,845	24,828	5,426,387	335,726	..	..	..

\* Compiled from Annual Reports. † Fifteen months.

TABLE III.  
PARTICULARS OF DISCONTINUANCE OF ACTIVE MEMBERSHIP.

Year.	By Death.			By Withdrawal or Dismissal.		By Pensions.						By Transfer to other Funds.		Total discontinued		
	Number.	Amount paid on Retirement.	Pension.	Number.	Amount paid on Retirement.	Old Age or Length of Service.			Medically Unfit.			Number.	Amount paid on Transfer.	Number.	Amount paid on Retirement.	Pension entered upon.
						Number.	Amount paid on Retirement.	Pension entered upon.	Number.	Amount paid on Retirement.	Pension entered upon.					
1908-11 ..	122	£ 2,591	£ 1,785	1,348	£ 14,692	343	£ 236	£ 36,475	71	£ ..	£ 6,211	12	£ 501,896	17,569	£ 44,471	
1912-16 ..	371	15,963	5,676	3,138	53,828	389	2,196	46,915	78	237	4,341	36	883,412	73,107	56,932	
1917-21 ..	719	42,530	7,863	5,618	161,160	487	5,398	86,769	84	..	6,353	24	862,932	209,950	100,985	
1922-23 ..	63	7,672	1,117	1,573	69,145	320	1,853	69,620	33	..	2,405	4	204,199	78,874	73,142	
1923-24 ..	55	6,261	761	986	44,644	128	1,126	32,259	13	..	1,380	5	681,187	52,099	34,400	
1924-25 ..	55	5,499	1,220	992	54,465	91	..	20,086	11	..	1,085	11	272,160	60,236	22,391	
1925-26 ..	61	8,850	1,167	900	42,198	150	..	40,793	16	..	1,418	9	185,136	51,233	43,378	
1926-27 ..	68	8,496	1,473	739	36,092	98	..	21,601	22	..	1,865	5	28,932	44,616	24,939	
1927-28 ..	66	14,228	1,976	726	35,292	93	..	18,734	24	..	2,617	3	465,912	49,985	23,327	
1928-29 ..	65	10,074	2,003	656	32,945	115	..	25,626	29	..	2,805	6	516,871	43,535	30,434	
1929-30 ..	78	10,906	1,903	661	37,321	101	..	24,997	23	..	3,011	3	810,866	49,037	29,911	
1930-31 ..	69	10,245	2,033	505	24,680	108	3,536	23,556	26	..	2,427	1	47,709	38,508	28,016	
1931-32 ..	66	12,666	1,364	457	30,064	442	5,270	83,986	31	..	3,038	2	385,998	48,385	88,388	
1932-33 ..	56	8,385	2,055	459	33,425	135	3,153	32,650	29	..	3,783	2	240,681	45,203	38,488	
1933-34 ..	56	10,498	1,337	389	23,406	61	1,678	15,400	36	..	4,969	1	17,543	35,599	21,706	
Totals ..	1,970	174,864	33,733	19,147	693,357	3,061	24,446	579,467	526	237	47,708	124	5,032,482	897,936	660,908	

TABLE IV.  
STATEMENT OF PROGRESS OF PENSIONS.\*

Year.	Attainment of Pension Age or Length of Service. (Section 26.)						Retired Medically Unfit. (Section 32.)					
	Granted.		Void by Death.		In Force.		Granted.		Void by Death or Expiry.		In Force.	
	Number.	Pension.	Number.	Pension.	Number.	Pension.	Number.	Pension.	Number.	Pension.	Number.	Pension.
1908-11† ..	383	£ 41,064	40	£ 3,919	343	£ 37,145	114	£ 9,817	19	£ 1,978	95	£ 7,839
1912-16 ..	370	46,916	122	12,836	591	71,225	74	4,341	50	3,062	119	9,118
1917-21 ..	470	86,769	183	21,082	878	136,912	84	6,354	48	3,162	155	12,310
1922-23† ..	322	69,640	63	9,516	1,137	197,036	33	2,405	30	2,087	158	12,628
1923-24 ..	128	32,259	49	5,922	1,216	223,373	13	1,380	10	872	161	13,136
1924-25 ..	91	20,086	54	8,811	1,253	234,648	11	1,084	10	895	162	13,325
1925-26 ..	150	44,279	57	7,587	1,346	271,340	16	1,689	17	1,425	161	13,589
1926-27 ..	98	21,666	56	8,152	1,388	284,854	22	1,873	8	812	175	14,650
1927-28 ..	93	18,733	48	7,969	1,433	295,618	24	2,618	10	813	189	16,455
1928-29 ..	115	25,625	70	12,897	1,478	308,346	29	2,805	9	901	209	18,359
1929-30 ..	101	24,997	92	15,757	1,487	317,586	23	3,012	13	948	219	20,423
1930-31 ..	108	23,556	73	14,205	1,522	326,937	26	2,427	9	1,054	236	21,796
1931-32 ..	442	83,986	52	12,051	1,912	398,872	31	3,038	14	1,196	253	23,638
1932-33 ..	135	32,650	75	12,816	1,972	418,706	29	3,783	13	1,295	269	26,126
1933-34 ..	61	15,400	73	14,428	1,960	419,678	36	4,968	17	1,598	288	29,496
Totals ..	3,067	587,626	1,107	167,948	..	..	565	51,594	277	22,098	..	..

Year.	Death of Contributor. Family Pension. (Section 42, &c.)						Total Pensions.					
	Granted.		Void by Death or Expiry		In Force.		Granted.		Void.		In Force.	
	Number.	Pension.	Number.	Pension.	Number.	Pension.	Number.	Pension.	Number.	Pension.	Number.	Pension.
1908-11† ..	157	£ 2,466	21	£ 313	136	£ 2,153	654	£ 53,347	80	£ 6,210	574	£ 47,137
1912-16 ..	481	7,258	94	1,362	523	8,049	925	58,515	266	17,260	1,233	88,392
1917-21 ..	663	9,979	270	3,895	916	14,133	1,217	103,102	501	28,139	1,949	163,355
1922-23† ..	132	2,001	85	1,200	963	14,934	487	74,046	178	12,803	2,258	224,598
1923-24 ..	93	1,464	71	1,013	985	15,385	234	35,103	130	7,807	2,362	251,894
1924-25 ..	134	2,032	88	1,244	1,031	16,173	236	23,202	152	10,950	2,446	264,146
1925-26 ..	80	15,718	96	2,606	1,015	29,285	246	61,686	170	11,618	2,522	314,214
1926-27 ..	116	3,336	78	2,123	1,053	30,498	236	26,875	142	11,087	2,616	330,002
1927-28 ..	106	3,046	101	2,736	1,058	30,808	223	24,397	159	11,518	2,680	342,881
1928-29 ..	125	3,605	74	2,034	1,109	32,379	269	32,036	153	15,833	2,796	359,084
1929-30 ..	152	4,417	97	2,667	1,164	34,129	276	32,425	202	19,371	2,870	372,138
1930-31 ..	125	3,635	94	2,574	1,195	35,190	259	29,618	176	17,833	2,953	383,923
1931-32 ..	105	3,040	86	2,306	1,214	35,924	578	90,064	152	15,553	3,379	458,434
1932-33 ..	144	4,149	84	2,314	1,274	37,759	308	40,582	172	16,425	3,515	482,591
1933-34 ..	115	3,355	79	2,214	1,310	38,900	212	23,723	169	18,240	3,558	488,074
Totals ..	2,728	69,501	1,418	30,601	..	..	6,360	708,721	2,802	220,647	..	..

\* Compiled from Annual Reports. † Includes pensioners transferred from Police Provident Fund. ‡ Fifteen months.

TABLE V.  
PRESENT ANNUAL PAY AND CONTRIBUTIONS OF OFFICERS NOW IN SERVICE.

Age attained.	Number.		Salaries as at 1st April, 1934 (including the 5 per Cent. Restoration).				Present Annual Contribution.		Age attained.
			Males.		Females.				
	Males.	Females.	Actual.	Contributing.	Actual.	Contributing.	Males.	Females.	
			£	£	£	£	£	£	
17	13	5	883	883	332	332	44	17	17
18	48	27	3,351	3,351	1,996	1,996	168	160	18
19	82	48	6,291	6,291	4,128	4,128	314	207	19
20	199	73	19,538	19,538	7,036	7,036	977	353	20
21	415	123	49,516	49,516	13,211	13,211	2,476	662	21
22	531	126	76,859	76,859	15,465	15,465	3,843	774	22
23	622	120	110,198	110,198	16,017	16,017	5,512	802	23
24	714	133	142,470	142,470	19,083	19,098	7,125	956	24
25	655	150	141,892	141,905	21,744	21,753	7,097	1,089	25
26	588	127	133,630	133,656	19,009	19,038	6,681	953	26
27	498	82	118,495	118,495	12,599	12,654	5,925	633	27
28	444	61	107,201	107,251	9,323	9,386	5,364	470	28
29	437	81	107,839	107,896	12,945	13,097	5,392	656	29
30	432	62	110,326	110,520	10,285	10,437	5,532	523	30
31	420	78	107,110	107,594	13,600	13,694	5,385	700	31
32	452	60	116,432	117,001	10,824	11,375	5,867	570	32
33	440	65	113,645	114,141	12,345	12,836	5,726	647	33
34	508	50	135,792	136,917	9,109	9,429	6,904	479	34
35	498	61	134,093	135,261	11,281	11,699	6,838	602	35
36	461	45	126,563	128,462	9,107	9,550	6,527	487	36
37	409	45	111,247	112,705	8,332	8,792	5,745	451	37
38	405	50	111,809	113,399	9,021	9,416	5,789	485	38
39	361	48	101,835	103,736	9,046	9,484	5,388	500	39
40	345	48	94,666	96,930	9,173	9,510	5,066	500	40
41	343	44	97,475	99,540	8,234	8,725	5,206	482	41
42	353	41	102,839	105,412	8,253	8,802	5,649	466	42
43	388	26	116,109	120,089	4,810	5,178	6,294	279	43
44	317	39	93,660	97,563	7,820	8,280	5,226	457	44
45	309	35	91,853	95,559	7,464	8,065	5,222	443	45
46	306	31	91,813	95,372	6,309	6,822	5,258	382	46
47	315	32	101,803	107,396	6,971	7,764	5,859	445	47
48	327	29	100,513	106,825	6,283	6,911	5,873	401	48
49	301	42	92,813	98,895	8,936	9,959	5,531	580	49
50	285	33	88,375	93,891	6,986	7,720	5,436	464	50
51	239	23	75,475	81,196	4,932	5,478	4,706	332	51
52	240	17	79,687	86,769	3,481	3,754	5,041	240	52
53	232	18	75,492	83,048	4,231	4,831	4,752	292	53
54	198	17	65,693	71,522	4,149	4,628	4,250	295	54
55	181	19	59,945	65,753	4,791	5,496	4,056	385	55
56	168	7	56,627	63,336	1,606	1,880	3,846	128	56
57	148	4	50,870	56,624	893	1,055	3,738	63	57
58	103	4	33,963	38,208	763	850	2,574	65	58
59	82	7	25,417	29,098	1,442	1,690	1,976	130	59
60	85	4	27,045	31,210	721	799	2,053	56	60
61	60	1	20,305	23,442	179	200	1,627	18	61
62	61	1	18,546	21,313	166	185	1,495	17	62
63	43	1	16,997	19,752	159	180	1,453	14	63
64	33	..	12,160	14,174	..	..	1,040	..	64
65	22	..	7,915	9,397	..	..	693	..	65
66	3	..	1,007	1,145	..	..	98	..	66
67	1	1	425	509	179	200	45	20	67
68	2	..	1,190	1,395	..	..	112	..	68
69	..	..	..	..	..	..	..	..	69
70	2	..	1,166	1,400	..	..	115	..	70
71	1	..	387	455	..	..	36	..	71
72	..	..	..	..	..	..	..	..	72
73	..	..	..	..	..	..	..	..	73
74	..	..	..	..	..	..	..	..	74
75	..	..	..	..	..	..	..	..	75
76	2	..	1,694	2,100	..	..	189	..	76
Totals..	15,125	2,244	3,890,940	4,017,367	364,769	379,183	215,134	20,070	..

TABLE VA.  
NUMBER OF CONTRIBUTORS, SALARIES, ETC., ANALYSED IN DEPARTMENTS OF STATE.

Department.	Number of Officers.	Actual Salary.	Contributing Salary.	Annual Contributions.		Past Contributions.		Credits (N.E.A. Act, 1932).
		£	£	£	s. d.	£	s. d.	£
Agriculture .. ..	525	159,605	166,971	9,961	9 11	127,306	14 7	3,046
Audit .. ..	167	48,354	49,851	2,597	0 4	31,963	5 8	597
Customs .. ..	309	87,500	90,318	4,707	9 8	67,357	1 2	1,595
Defence .. ..	448	126,638	131,227	7,039	6 5	86,973	2 0	2,649
Education .. ..	177	42,555	43,926	2,450	12 7	29,937	10 9	782
External Affairs .. ..	90	23,542	24,237	1,348	17 3	12,318	3 10	122
Forestry .. ..	108	31,004	32,714	1,798	5 9	20,884	8 8	360
Friendly Societies .. ..	42	8,850	9,234	473	17 7	5,493	0 0	74
Government Insurance .. ..	123	31,380	31,957	1,634	18 3	18,374	9 9	309
Health .. ..	402	99,673	102,952	5,977	19 3	54,938	9 2	1,177
High Commissioner .. ..	74	21,897	23,909	1,264	12 2	17,939	16 4	199
Internal Affairs .. ..	311	72,454	76,066	4,269	4 9	54,682	9 10	1,012
Justice .. ..	332	88,430	90,879	4,709	1 6	57,514	13 4	1,303
Labour .. ..	113	28,543	29,065	1,646	11 7	18,493	11 3	704
Land and Income Tax .. ..	190	44,210	45,254	2,292	17 5	20,536	14 7	275
Lands and Survey .. ..	610	160,342	166,700	8,876	7 5	108,099	8 0	1,947
Lands, Deeds, and Stamp .. ..	208	55,335	57,022	2,940	11 10	35,533	18 7	691
Legislature .. ..	63	19,786	20,969	1,474	17 0	17,261	3 1	297
Marine .. ..	191	56,531	59,237	3,696	8 5	43,229	15 2	1,013
Mines .. ..	50	15,098	16,248	1,015	16 1	12,145	9 4	165
Native .. ..	108	28,137	29,221	1,573	0 6	20,217	6 4	474
Pensions .. ..	120	26,416	26,900	1,381	12 6	13,335	7 7	263
Police .. ..	1,153	323,422	335,048	17,280	6 10	221,957	11 6	8,068
Post and Telegraph .. ..	7,667	1,734,596	1,787,805	93,011	5 2	1,149,861	17 5	31,226
Printing .. ..	278	66,831	70,840	3,953	10 3	52,542	12 3	1,069
Prisons .. ..	219	50,974	52,615	3,114	14 3	35,029	12 0	1,251
Mental Hospitals .. ..	1,151	219,099	223,630	12,356	14 5	104,286	7 5	2,715
Public Trust .. ..	716	187,867	190,884	9,864	14 4	102,473	1 5	2,529
Public Works .. ..	678	196,604	202,993	11,348	2 8	135,717	5 10	3,329
Public Service Commissioner .. ..	9	3,778	4,351	225	13 0	3,292	2 1	11
Scientific and Industrial Research .. ..	59	19,974	20,571	1,124	8 9	13,118	7 3	360
State Advances .. ..	119	26,630	27,558	1,440	7 5	14,533	6 8	183
State Fire .. ..	156	38,811	39,330	1,966	13 8	21,725	8 3	532
Tourist .. ..	178	43,081	44,877	2,471	0 5	27,717	14 2	689
Transport .. ..	14	4,371	4,371	218	11 0	2,580	1 0	86
Treasury .. ..	101	26,574	27,438	1,395	19 6	14,964	12 0	258
Valuation .. ..	78	25,472	27,578	1,637	9 3	24,129	6 3	347
Various (Native Trust, Crown Law, Imperial Supplies)	32	11,345	11,704	664	1 4	8,726	8 9	367
Totals .. ..	17,369	4,255,709	4,396,450	235,204	10 5	2,807,191	13 3	72,074



TABLE VI.

CLASSIFICATION OF PENSIONS GRANTED, SHOWING THE AGES AT WHICH THEY WERE GRANTED, FOR PERIOD FROM 1ST APRIL, 1930, TO 31ST MARCH, 1934 (INCLUSIVE).\*

Age at which Pension granted.			Attainment of Pension Age or Length of Service. (Section 26.)		Retired Medically Unfit. (Sections 32 and 61.)				Widows and Children. (Sec. 42, &c.)		Total.								
			Number.		Amount of Pension.		Number.		Amount of Pension.		Number.			Amount of Pension.					
			M.	F.							M.	F.	Total.						
£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.					
85	..	..	..	..	..	2	62	..	2	2	62	0	0						
82	..	..	..	..	..	1	31	..	1	1	31	0	0						
81	..	..	..	..	..	1	31	..	1	1	31	0	0						
80	..	..	..	..	..	1	31	..	1	1	31	0	0						
78	..	..	..	..	..	3	93	..	3	3	93	0	0						
77	..	..	..	..	..	5	155	..	5	5	155	0	0						
76	..	1	..	216	13	0	..	..	1	5	6	371	13	0					
75	..	..	..	..	..	5	155	..	5	5	155	0	0						
74	..	..	..	..	..	8	248	..	8	8	248	0	0						
73	..	1	..	105	11	0	..	..	1	10	11	415	11	0					
72	..	..	..	..	..	7	217	..	7	7	217	0	0						
71	..	2	..	664	14	0	..	..	2	4	6	788	14	0					
70	..	..	..	..	..	10	310	..	10	10	310	0	0						
69	..	1	..	600	0	0	..	..	1	7	8	817	0	0					
68	..	2	..	950	1	0	..	..	2	5	7	1,105	1	0					
67	..	6	1	820	14	0	..	..	6	6	12	975	14	0					
66	..	17	..	2,787	2	0	..	..	17	7	24	3,004	2	0					
65	..	105	1	19,317	9	0	1	200	18	0	11	341	106	12	118	19,859	7	0	
64	..	41	..	8,202	17	0	2	574	2	0	10	310	43	10	53	9,086	19	0	
63	..	39	1	8,815	2	0	1	190	10	0	6	186	40	7	47	9,191	12	0	
62	..	31	..	6,299	1	0	4	963	18	0	4	124	35	4	39	7,386	19	0	
61	..	29	2	5,690	18	0	1	201	16	0	6	186	30	8	38	6,078	14	0	
60	..	43	9	10,000	19	0	2	226	7	0	6	186	45	15	60	10,413	6	0	
59	..	20	2	4,959	0	0	..	..	..	..	12	372	20	14	34	5,331	0	0	
58	..	26	5	8,107	12	0	5	909	13	0	12	372	31	17	48	9,389	5	0	
57	..	27	3	6,760	18	0	5	726	15	0	4	124	32	7	39	7,611	13	0	
56	..	34	6	9,593	9	0	2	499	17	0	10	310	36	16	52	10,403	6	0	
55	..	48	14	15,600	15	0	5	557	12	0	7	217	53	21	74	16,375	7	0	
54	..	39	7	10,890	8	0	6	892	2	0	5	155	45	12	57	11,937	10	0	
53	..	40	6	10,334	11	0	4	1	878	18	0	6	186	44	13	57	11,399	9	0
52	..	30	5	7,416	15	0	2	..	223	18	0	2	62	32	7	39	7,702	13	0
51	..	29	8	6,919	3	0	4	..	435	6	0	4	124	33	12	45	7,478	9	0
50	..	14	10	3,618	7	0	2	1	284	1	0	9	279	16	20	36	4,181	8	0
49	..	13	6	3,505	9	0	3	2	764	2	0	2	62	16	10	26	4,331	11	0
48	..	6	2	1,587	2	0	1	3	332	9	0	6	186	7	11	18	2,105	11	0
47	..	3	4	1,066	8	0	2	1	325	17	0	4	124	5	9	14	1,516	5	0
46	..	1	3	360	6	0	2	1	407	7	0	4	124	3	8	11	891	13	0
45	..	..	2	284	12	0	6	..	746	12	0	9	279	6	11	17	1,310	4	0
44	..	1	..	116	3	0	2	1	321	14	0	7	217	2	9	11	654	17	0
43	..	..	..	..	..	..	5	..	520	18	0	3	93	5	3	8	613	18	0
42	..	..	..	..	..	..	4	2	..	..	..	4	124	..	4	4	124	0	0
41	..	..	..	..	..	..	4	2	514	11	0	7	217	4	9	13	731	11	0
40	..	..	..	..	..	..	3	1	357	17	0	2	62	3	3	6	419	17	0
39	..	..	..	..	..	..	3	..	262	19	0	6	186	3	6	9	448	19	0
38	..	..	..	..	..	..	1	..	153	19	0	3	93	1	3	4	246	19	0
37	..	..	..	..	..	..	4	..	378	0	0	4	124	4	4	8	502	0	0
36	..	..	..	..	..	..	3	1	303	15	0	4	124	3	5	8	427	15	0
35	..	..	..	..	..	..	3	..	257	11	0	5	155	3	5	8	412	11	0
34	..	..	..	..	..	..	1	..	94	13	0	..	..	1	..	1	94	13	0
33	..	..	..	..	..	..	1	..	82	11	0	3	93	1	3	4	175	11	0
32	..	..	..	..	..	..	2	..	114	7	0	4	124	2	4	6	238	7	0
31	..	..	..	..	..	..	1	1	112	12	0	3	93	1	4	5	205	12	0
30	..	..	..	..	..	..	1	1	..	..	..	..	..	..	..	..	..	..	..
29	..	..	..	..	..	..	1	1	88	8	0	3	93	1	4	5	181	8	0
28	..	..	..	..	..	..	2	..	105	18	0	4	124	2	4	6	229	18	0
27	..	..	..	..	..	..	2	..	106	3	0	2	62	2	2	4	168	3	0
26	..	..	..	..	..	..	2	..	41	0	0	1	31	2	1	3	72	0	0
25	..	..	..	..	..	..	..	..	..	..	..	1	31	..	1	1	31	0	0
24	..	..	..	..	..	..	2	1	33	9	0	1	31	2	2	4	64	9	0
22	..	..	..	..	..	..	1	..	11	10	0	..	..	1	..	1	11	10	0
20	..	..	..	..	..	..	1	..	5	15	0	..	..	1	..	1	5	15	0
17	..	..	..	..	..	..	..	..	..	..	..	1	31	..	..	..	31	0	0
14	..	..	..	..	..	..	..	..	..	..	..	8	208	..	..	1	208	0	0
13	..	..	..	..	..	..	..	..	..	..	..	16	416	..	..	..	416	0	0
12	..	..	..	..	..	..	..	..	..	..	..	19	494	..	..	..	494	0	0
11	..	..	..	..	..	..	..	..	..	..	..	14	364	..	..	..	364	0	0
10	..	..	..	..	..	..	..	..	..	..	..	18	468	..	..	..	468	0	0
9	..	..	..	..	..	..	..	..	..	..	..	14	364	..	..	..	364	0	0
8	..	..	..	..	..	..	..	..	..	..	..	11	286	..	..	..	286	0	0
7	..	..	..	..	..	..	..	..	..	..	..	19	494	106	90	196	494	0	0
6	..	..	..	..	..	..	..	..	..	..	..	16	416	..	..	..	416	0	0
5	..	..	..	..	..	..	..	..	..	..	..	11	286	..	..	..	286	0	0
4	..	..	..	..	..	..	..	..	..	..	..	8	208	..	..	..	208	0	0
3	..	..	..	..	..	..	..	..	..	..	..	11	286	..	..	..	286	0	0
2	..	..	..	..	..	..	..	..	..	..	..	13	338	..	..	..	338	0	0
1	..	..	..	..	..	..	..	..	..	..	..	12	312	..	..	..	312	0	0
0	..	..	..	..	..	..	..	..	..	..	..	6	156	..	..	..	156	0	0
Totals	648	98	155,591	19	0	104	17	14,209	10	0	489	14,179	858	498	1,356	183,980	9	0	

\* Compiled from cards.

TABLE VIA.  
EXISTING PENSIONERS (1ST APRIL, 1934) WHO RETIRED UNDER THE EXTENDED PROVISIONS  
OF THE ACT.

Year of Service.	Number of Cases.	Amount of Pension.	Age at Retirement.	Number of Cases.	Amount of Pension.
MALES.					
		£ s. d.			£ s. d.
5 .. ..	1	51 13 5	46	2	400 18 0
6 .. ..	1	16 13 0	47	5	831 6 0
7 .. ..	1	31 11 0	48	7	1,601 9 0
8 .. ..	2	81 0 0	49	30	6,410 4 0
9 .. ..	1	57 9 0	50	35	7,372 7 0
10 .. ..	3	222 14 0	51	41	9,987 9 0
11 .. ..	5	300 19 0	52	47	11,494 6 0
12 .. ..	7	585 15 3	53	49	12,969 3 0
13 .. ..	10	683 14 0	54	37	10,339 19 0
14 .. ..	6	494 7 0	55	55	12,789 14 0
15 .. ..	5	352 15 0	56	42	10,629 3 0
16 .. ..	5	588 12 0	57	39	8,696 9 0
17 .. ..	18	1,957 3 0	58	40	8,993 14 0
18 .. ..	10	959 16 0	59	23	4,604 6 0
19 .. ..	11	1,256 2 0	60	72	11,650 4 10
20 .. ..	13	1,531 1 0	61	57	9,453 2 5
21 .. ..	12	1,985 3 0	62	47	6,893 7 0
22 .. ..	8	1,420 9 0	63	52	9,423 13 0
23 .. ..	16	2,195 2 0	64	51	8,177 5 0
24 .. ..	8	1,310 17 0	Over 64	33	5,418 5 0
25 .. ..	16	3,206 7 0			
26 .. ..	6	947 10 0			
27 .. ..	14	2,023 9 0			
28 .. ..	14	2,113 14 0			
29 .. ..	16	2,528 1 0			
30 .. ..	27	5,400 6 7			
31 .. ..	47	8,461 0 0			
32 .. ..	35	7,168 3 0			
33 .. ..	27	4,950 1 0			
34 .. ..	24	5,367 5 0			
35 .. ..	97	21,415 13 0			
36 .. ..	82	19,294 15 0			
37 .. ..	57	14,011 4 0			
38 .. ..	59	17,574 4 0			
39 .. ..	72	20,002 17 0			
Over 39 ..	28	7,588 19 0			
	764	158,136 4 3		764	158,136 4 3
FEMALES.					
		£ s. d.			£ s. d.
2 .. ..	1	7 6 0	50	12	939 3 0
3 .. ..	1	17 6 0	51	12	1,072 9 0
5 .. ..	1	14 0 0	52	7	567 6 0
7 .. ..	2	70 9 0	53	8	460 1 0
9 .. ..	3	123 17 0	54	15	1,081 3 0
10 .. ..	1	30 1 0	Over 54	4	264 8 0
11 .. ..	3	194 3 0			
12 .. ..	3	214 17 0			
13 .. ..	2	85 13 0			
14 .. ..	3	143 1 0			
15 .. ..	4	250 18 0			
16 .. ..	6	359 9 0			
17 .. ..	2	100 14 0			
18 .. ..	1	48 16 0			
19 .. ..	1	88 13 0			
20 .. ..	1	96 14 0			
21 .. ..	1	105 11 0			
22 .. ..	1	91 1 0			
23 .. ..	4	367 3 0			
24 .. ..	2	180 18 0			
25 .. ..	2	216 16 0			
26 .. ..	..	..			
27 .. ..	2	208 0 0			
28 .. ..	1	101 10 0			
29 .. ..	9	1,143 2 0			
Over 29 ..	1	124 12 0			
Totals ..	58	4,384 10 0		58	4,384 10 0

TABLE VII.  
EXPERIENCE TABLE.

PROBABILITIES PER CENT. PER ANNUM OF WITHDRAWAL, DEATH, AND RETIREMENT USED IN THE  
CALCULATION OF VALUATION FACTORS FOR THE PUBLIC SERVICE SUPERANNUATION FUND.

Contributing Members: Males.				Contributing Members: Females.			
Age.	Probabilities of Withdrawal, Death, or Retirement, within a Year (expressed as a Percentage of the Number existing in the Service at the Beginning of the Year).			Age.	Probabilities of Withdrawal, Death, or Retirement within a Year (expressed as a Percentage of the Number existing in the Service at the Beginning of the Year).		
	Withdrawal.	Death.	Retirement.		Withdrawal.	Death.	Retirement.
	Per Cent.	Per Cent.	Per Cent.		Per Cent.	Per Cent.	Per Cent.
15 .. ..	5.50	0.17	..	15 .. ..	4.00	0.13	..
16 .. ..	5.48	0.18	..	16 .. ..	4.80	0.13	..
17 .. ..	5.40	0.18	..	17 .. ..	6.20	0.13	..
18 .. ..	5.20	0.18	..	18 .. ..	8.00	0.13	..
19 .. ..	4.90	0.18	..	19 .. ..	10.00	0.13	..
20 .. ..	4.50	0.18	..	20 .. ..	12.10	0.13	..
21 .. ..	4.14	0.19	..	21 .. ..	13.90	0.13	..
22 .. ..	3.82	0.19	..	22 .. ..	15.20	0.13	..
23 .. ..	3.54	0.19	0.08	23 .. ..	15.90	0.13	..
24 .. ..	3.30	0.19	0.08	24 .. ..	16.10	0.14	..
25 .. ..	3.10	0.20	0.09	25 .. ..	16.10	0.15	..
26 .. ..	2.94	0.20	0.09	26 .. ..	15.90	0.16	..
27 .. ..	2.81	0.20	0.09	27 .. ..	15.50	0.17	..
28 .. ..	2.70	0.21	0.09	28 .. ..	14.90	0.18	..
29 .. ..	2.60	0.22	0.10	29 .. ..	14.10	0.19	0.10
30 .. ..	2.51	0.23	0.10	30 .. ..	13.20	0.20	0.10
31 .. ..	2.43	0.24	0.10	31 .. ..	12.30	0.21	0.11
32 .. ..	2.35	0.25	0.10	32 .. ..	11.40	0.22	0.12
33 .. ..	2.28	0.26	0.10	33 .. ..	10.50	0.23	0.13
34 .. ..	2.22	0.27	0.10	34 .. ..	9.60	0.24	0.14
35 .. ..	2.16	0.28	0.10	35 .. ..	8.70	0.25	0.15
36 .. ..	2.10	0.29	0.10	36 .. ..	7.80	0.26	0.17
37 .. ..	2.04	0.30	0.10	37 .. ..	6.90	0.27	0.19
38 .. ..	1.98	0.31	0.10	38 .. ..	6.10	0.28	0.21
39 .. ..	1.92	0.32	0.10	39 .. ..	5.40	0.29	0.23
40 .. ..	1.86	0.33	0.10	40 .. ..	4.70	0.30	0.25
41 .. ..	1.80	0.35	0.10	41 .. ..	4.10	0.31	0.28
42 .. ..	1.74	0.37	0.10	42 .. ..	3.50	0.32	0.32
43 .. ..	1.67	0.39	0.11	43 .. ..	3.00	0.33	0.38
44 .. ..	1.60	0.42	0.13	44 .. ..	2.50	0.34	0.48
45 .. ..	1.53	0.46	0.15	45 .. ..	2.00	0.35	0.72
46 .. ..	1.46	0.51	0.19	46 .. ..	1.50	0.37	1.45
47 .. ..	1.39	0.57	0.26	47 .. ..	1.10	0.39	2.30
48 .. ..	1.32	0.64	0.52	48 .. ..	0.70	0.41	3.20
49 .. ..	1.25	0.72	0.90	49 .. ..	0.40	0.43	4.20
50 .. ..	1.17	0.81	1.46	50 .. ..	0.20	0.46	5.30
51 .. ..	1.09	0.90	2.10	51 .. ..	0.10	0.49	6.45
52 .. ..	1.01	0.99	2.86	52 .. ..	..	0.52	7.65
53 .. ..	0.93	1.08	3.60	53 .. ..	..	0.55	8.80
54 .. ..	0.85	1.17	4.30	54 .. ..	..	0.58	9.80
55 .. ..	0.76	1.26	4.90	55 .. ..	..	0.61	10.60
56 .. ..	0.66	1.35	5.46	56 .. ..	..	0.64	11.20
57 .. ..	0.55	1.45	6.00	57 .. ..	..	0.67	11.70
58 .. ..	0.42	1.55	6.46	58 .. ..	..	0.71	12.10
59 .. ..	0.27	1.65	6.84	59 .. ..	..	0.75	12.50
60 .. ..	0.10	1.75	7.14	60 .. ..	..	..	100.00
61 .. ..	..	1.85	7.34	61 .. ..	..	..	..
62 .. ..	..	1.95	7.58	62 .. ..	..	..	..
63 .. ..	..	2.05	8.30	63 .. ..	..	..	..
64 .. ..	..	2.15	14.00	64 .. ..	..	..	..
65 .. ..	..	..	100.00	65 .. ..	..	..	..

TABLE VIII.  
LIFE AND SERVICE TABLE.  
BASED UPON THE RATES PER CENT. PER ANNUM OF WITHDRAWALS, MORTALITY, AND RETIREMENTS  
GIVEN IN TABLE VII, APPLIED TO 100,000 ENTRANTS AT AGE 15.

Males.					Females.				
Age.	Existing in Service.	With- drawals.	Deaths.	Retire- ments.	Existing in Service.	With- drawals.	Deaths.	Retire- ments.	Age.
15	100,000	5,500	170	..	100,000	4,000	130	..	15
16	94,330	5,169	170	..	95,870	4,602	125	..	16
17	88,991	4,806	160	..	91,143	5,651	118	..	17
18	84,025	4,369	151	..	85,374	6,830	111	..	18
19	79,505	3,896	143	..	78,433	7,843	102	..	19
20	75,466	3,396	136	..	70,488	8,529	92	..	20
21	71,934	2,978	137	..	61,867	8,600	80	..	21
22	68,819	2,629	131	..	53,187	8,084	69	..	22
23	66,059	2,338	126	53	45,034	7,160	59	..	23
24	63,542	2,097	121	51	37,815	6,088	53	..	24
25	61,273	1,899	123	55	31,674	5,100	48	..	25
26	59,196	1,740	118	53	26,526	4,218	42	..	26
27	57,285	1,610	115	52	22,266	3,451	38	..	27
28	55,508	1,499	117	50	18,777	2,798	34	..	28
29	53,842	1,400	118	54	15,945	2,248	30	16	29
30	52,270	1,312	120	52	13,651	1,802	27	14	30
31	50,786	1,234	122	51	11,808	1,452	25	13	31
32	49,379	1,160	123	49	10,318	1,176	23	12	32
33	48,047	1,095	125	48	9,107	956	21	12	33
34	46,779	1,038	126	47	8,118	779	19	11	34
35	45,568	984	128	46	7,309	636	18	11	35
36	44,410	933	129	44	6,644	518	17	11	36
37	43,304	883	130	43	6,098	421	16	12	37
38	42,248	837	131	42	5,649	345	16	12	38
39	41,238	792	132	41	5,276	285	15	12	39
40	40,273	749	133	40	4,964	233	15	12	40
41	39,351	708	138	39	4,704	193	15	13	41
42	38,466	669	142	38	4,483	157	14	14	42
43	37,617	628	147	41	4,298	129	14	16	43
44	36,801	589	155	48	4,139	103	14	20	44
45	36,009	551	166	54	4,002	80	14	29	45
46	35,238	514	180	67	3,879	58	14	56	46
47	34,477	479	197	90	3,751	41	15	86	47
48	33,711	445	216	175	3,609	25	15	115	48
49	32,875	411	237	296	3,454	14	15	145	49
50	31,931	374	259	466	3,280	7	15	174	50
51	30,832	336	277	647	3,084	3	15	199	51
52	29,572	299	293	846	2,867	..	15	219	52
53	28,134	262	304	1,013	2,633	..	14	232	53
54	26,555	226	311	1,142	2,387	..	14	234	54
55	24,876	189	313	1,219	2,139	..	13	227	55
56	23,155	153	313	1,264	1,899	..	12	213	56
57	21,425	118	311	1,286	1,674	..	11	196	57
58	19,710	83	306	1,273	1,467	..	10	178	58
59	18,048	49	298	1,234	1,279	..	10	160	59
60	16,467	16	288	1,176	1,109	..	..	1,109	60
61	14,987	..	277	1,100	..	..	..	..	..
62	13,610	..	265	1,032	..	..	..	..	..
63	12,313	..	252	1,022	..	..	..	..	..
64	11,039	..	237	1,545	..	..	..	..	..
65	9,257	..	..	9,257	..	..	..	..	..

TABLE IX.

CONSOLIDATED REVENUE ACCOUNT OF THE PUBLIC SERVICE SUPERANNUATION FUND FROM THE  
1ST JANUARY, 1908, TO 31ST MARCH, 1934.

<i>Income.</i>			<i>Expenditure.</i>		
Funds at 1st January, 1908—	£	s. d.		£	s. d.
Members' contributions .. ..	4,801,462	5 6	Pensions to members .. ..	4,819,055	1 1
Police Provident Fund merged ..	32,785	15 4	Pensions to widows and children ..	437,853	4 3
Westport Harbour Board Fund merged ..	2,877	16 7	Contributions returned .. ..	914,126	8 3
Government subsidy .. ..	1,972,500	0 0	Compensation .. ..	21,547	11 5
Subsidy under Finance Acts, 1932 and 1933 .. ..	78,932	17 6	Transfers to other Funds .. ..	5,031	6 8
Subsidy under section 114, Public Service Superannuation Act ..	133,802	15 6	Salaries .. ..	44,786	16 8
Subsidy in respect of Defence Officers ..	20,000	0 0	Public Trust Office commission ..	53,431	10 11
Subsidy from Cook Islands and Samoan Administrations .. ..	10,374	6 8	Travelling and office expenses ..	21,734	5 11
Interest on investments .. ..	2,224,342	12 7	Transfer to Magistrates' Superannuation Fund .. ..	13,777	1 8
Interest on arrears of contributions ..	7,250	19 1	Loss on realization of securities ..	15,273	8 9
Transfers from other Funds .. ..	13,151	11 8	Other payments .. ..	13	9 8
Transfers from unclaimed contributions .. ..	3,053	16 6	Funds at 31st March, 1934 .. ..	2,964,064	5 6
Fines .. ..	8,718	11 3			
Fees remitted .. ..	100	0 10			
Other receipts .. ..	1,341	1 9			
	£9,310,694	10 9		£9,310,694	10 9

TABLE X.

## SUMMARY OF PUBLIC SERVICE SUPERANNUATION RESULTS.

VALUATION BALANCE-SHEET AS AT 31ST MARCH, 1934.

*Liabilities.*

MALES—		£	£
Value of—			
1,944 pensions for £421,476 11s. 8d. per annum already granted .. ..	3,803,221		
968 pensions for £30,008 per annum granted to widows of contributors or pensioners ..	311,891		
342 pensions for £8,892 per annum granted to children of deceased contributors or pensioners .. ..	31,860		
Prospective pensions for back service .. ..	4,930,815		
Prospective pensions for future service .. ..	3,468,221		
Prospective pensions to widows .. ..	919,456		
Prospective pensions to children .. ..	187,076		
Return of contributions on death .. ..	60,560		
Return of contributions on withdrawal .. ..	599,129		
Return of contributions under section 9 (2), National Expenditure Adjustment Act, 1932 .. ..	70,425		
			14,382,654
FEMALES—			
Value of—			
304 pensions for £27,697 10s. 4d. per annum already granted .. ..	324,401		
Prospective pensions for back service .. ..	391,895		
Prospective pensions for future service .. ..	280,916		
Return of contributions on death .. ..	9,400		
Return of contributions on withdrawal .. ..	82,178		
Return of contributions under section 9 (2), National Expenditure Adjustment Act, 1932 .. ..	1,649		
			1,090,439
			£15,473,093

*Assets.*

Accumulated funds .. ..		£
Value of—		2,964,064
Future contributions from males .. ..	2,610,820	
Future contributions from females .. ..	150,650	
Subsidy of £86,000 per annum now being paid .. ..	1,911,111	
Subsidy under section 114, Public Service Superannuation Act .. ..	625,839	
Subsidy under section 16, Finance Act, 1932 (No. 2), of £40,000 per annum ..	888,889	
Future increases in subsidy to be provided .. ..	6,321,720	
		£15,473,093

TABLE XI.  
STATEMENT SHOWING SUBSIDIES PAID AS COMPARED WITH SUBSIDIES REQUIRED UNDER THE SYSTEM  
INDICATED IN THE ACT.

Year ended				Subsidy required.	Subsidy paid.	Shortage.
				£	£	£
31st December, 1908	..	..	..	(Say) 20,000	20,000	..
.. 1909	..	..	..	20,000	20,000	..
.. 1910	..	..	..	22,500	22,500	..
.. 1911	..	..	..	48,000	23,000	25,000
.. 1912	..	..	..	48,000	23,000	25,000
.. 1913	..	..	..	48,000	48,000	..
.. 1914	..	..	..	66,000	48,000	18,000
.. 1915	..	..	..	66,000	48,000	18,000
.. 1916	..	..	..	66,000	48,000	18,000
.. 1917	..	..	..	86,000	48,000	38,000
.. 1918	..	..	..	86,000	48,000	38,000
.. 1919	..	..	..	86,000	86,000	..
.. 1920	..	..	..	125,000	86,000	39,000
.. 1921	..	..	..	125,000	86,000	39,000
.. 1922	..	..	..	125,000	86,000	39,000
.. 1923	..	..	..	172,000	86,000	86,000
1st January to 31st March, 1924	..	..	..	43,000	136,000	-(93,000)
31st March, 1925	..	..	..	240,000	136,000	104,000
.. 1926	..	..	..	240,000	86,000	154,000
.. 1927	..	..	..	240,000	86,000	154,000
.. 1928	..	..	..	285,000	86,000	199,000
.. 1929	..	..	..	285,000	86,000	199,000
.. 1930	..	..	..	285,000	186,000	99,000
.. 1931	..	..	..	332,000	86,000	246,000
.. 1932	..	..	..	332,000	86,000	246,000
.. 1933	..	..	..	332,000	124,157	207,843
.. 1934	..	..	..	332,000	126,776	205,224
Totals	..	..	..	4,155,500	2,051,433	2,104,067

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