

1938.
NEW ZEALAND.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

REPORT OF BOARD.

Laid before Parliament in pursuance of Section 124 of the Government Railways Act, 1926.

THE Board has the honour to transmit for the information of Parliament the following report upon the transactions of the Government Railways Superannuation Fund for the year ended 31st March, 1938. The Revenue Account, Balance-sheet, and statements in connection therewith will be found appended.

The income for the year exceeded the expenditure by £21,863 17s. 3d.

Members' Contributions.—The income under this heading showed an increase of £49,179 11s. 9d. The number of contributors at 5, 6, 7, 8, 9, and 10 per cent. increased by 1,164, 77, 36, 24, 18, and 20, while contributors at 3 and 4 per cent. decreased by 99 and 2 respectively. The increase in amount of contributions is due to a large number of appointments to the permanent staff, and increased salary and wages scale.

Contingent Contributors.—During the year 472 casual employees elected to contribute to the fund, so that in the event of their subsequently being permanently appointed they would not be faced with a liability in respect of service prior to permanent appointment. The total number of employees so contributing at the end of the year under review was 585, and the amount standing to their credit £8,833 17s. 11d.

Subsidy.—In addition to the sum of £170,000 paid into the fund by the Working Railways Department, a subsidy of £45,000 was received from the Treasury in accordance with the provisions of section 17 of Finance Act (No. 2), 1934.

Interest.—The interest earned amounted to £64,589 0s. 10d., a decrease of £21 16s. 8d. as compared with the previous year. Table D, Statement of Investments, shows that the average rate of interest on securities held at the 31st March, 1938, was 4.315 per cent., and the average rate earned on the mean funds for the year 5.213 per cent., as against 4.415 per cent. and 5.259 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £424,851 0s. 9d., an increase of £4,642 6s. 6d. as compared with the figures for the previous year. Year ended 31st March, 1937, showed an increase under this heading of £639 5s. 7d. The increased expenditure on account of life allowances is mainly due to the actuarial revaluation of the allowances of 108 members who were retired under the provisions of section 14 of the Finance Act, 1931. The additional amount involved by the revaluation is being met by the Working Railways Department. Table A, Statement of Allowances, shows that the average amount of the 126 allowances granted during the year was £171 5s. 10d. and the average amount of 105 allowances discontinued was £157 11s. 11d.

Allowances to Widows and Children.—The expenditure under the heading of allowances to widows and children showed a decrease of £209 12s. 11d. The sum of £12,596 12s. 3d. was received from the Working Railways Account during the year on account of the increased payments to widows and children, as provided in section 114, Part III, of the Government Railways Act, 1926.

Approval was received for the continuance of the cost-of-living bonus to annuitants in cases of special hardship where the allowance was less than £100, the amount of bonus granted being sufficient to bring the allowance up to £100, but with a maximum bonus of £26. The bonus is provided for out of the Working Railways Account, and is not a charge on the Superannuation Fund.

At the 31st March, 1938, there were 2,331 members, 653 widows, and 354 children, making a total of 3,338 persons actually on the fund, involving an annual liability of £440,364 7s. 1d.

D. G. SULLIVAN,
Chairman, Government Railways Superannuation
Fund Board.