

(9) The minimum age at which a permanent employee may become a contributor to be twenty years (section 22).

(10) Females may elect to become contributors (section 24).

The expenditure for the year exceeded the income by £50,158.

Members' Contributions.—The income under this heading showed an increase of £50,848. The number of contributors at 7 and 8 per cent. increased by 1 and 9 respectively, while contributors at 3, 4, 5, 6, and 10 per cent. decreased by 138, 1, 824, 77, and 3 respectively.

Contingent Contributors.—During the year 105 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 343, and the amount standing to their credit £14,556.

Subsidy.—The sum of £238,951 was paid into the fund by the Working Railways Department, and the sum of £110,300 was received from the Treasury in accordance with the provisions of section 3 of the Finance Act, 1942, leaving a deficit of £50,158.

Interest.—The interest earned amounted to £53,163, a decrease of £4,664 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, 1946, was 4·201 per cent., and the average rate earned on the mean funds for the year 4·772 per cent., as against 4·133 per cent. and 5·043 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £606,239. The average of the 311 allowances granted during the year was £209 0s. 3d., and the average of the 154 allowances discontinued was £178 1s. 4d. Thirty-seven contributors have made elections in favour of dependants in accordance with the provisions of section 13 of the Finance Act (No. 2), 1940.

Allowances to Widows and Children.—Previous to the passing of the Finance Act (No. 2), 1940, allowances to widows and children were paid only in cases where contributors died before retiring on a pension. Section 14 of this Act makes provision for payment of annuities to widows and children whether contributors die before or after becoming entitled to a retiring-allowance. The expenditure on account of allowances to widows and children was £58,796—£33,649 to widows and children of contributors who died before retiring and £25,147 to widows and children of contributors who died after retirement. The sum of £29,533 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.

Cost-of-Living Bonus.—A cost-of-living bonus was granted to superannuitants payable from 1st October, 1943, at a maximum rate of £26 per annum, reducible £1 for £1 for income in excess of £335 per annum. The sum of £36,163 was paid during the year. The whole cost of this bonus is borne by the Working Railways Account.

At the 31st March, 1946, there were 3,157 members, 1,409 widows, and 411 children, making a total of 4,977 persons actually on the fund, involving an annual liability of £653,184.

R. SEMPLE,
Chairman, Government Railways Superannuation
Fund Board.

31
1946
10/3