

1950  
NEW ZEALAND

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## NATIONAL PROVIDENT FUND

THIRTY-NINTH ANNUAL REPORT OF THE BOARD, FOR THE YEAR ENDED  
31ST DECEMBER, 1949

*Presented to Both Houses of the General Assembly Pursuant to the National Provident Fund  
Act, 1926, Sections 72 and 74*

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### PART I—THE FUND (SECTION 72)

1. During its thirty-nine years of operation the Fund, established by Act in 1910, has made progress unequalled by any New Zealand institution. Accumulated funds now stand at £10,877,619; annual income is in excess of £1,000,000, and outgo exceeds £490,000.

Summarized figures for the annual periods ended 31st December, 1939 and 1944, shown along with those for the year 1949, form a ready basis for comparison:—

	1939.	1944.	1949.
New contributors .. .. .	2,997	2,856	2,881
Total contributors .. .. .	28,729	28,054	23,815
Pensioners .. .. .	935	1,462	2,316
Income—	£	£	£
Contributions .. .. .	299,308	357,887	665,778
Interest (including fines) .. .. .	213,054	271,155	338,515
Total income (including State subsidy) .. .. .	632,128	754,673	1,188,188
Outgo—			
Pensions .. .. .	82,353	118,900	226,173
Other benefits .. .. .	188,521	192,755	263,327
Total outgo .. .. .	273,971	314,977	492,423
Funds at end of year .. .. .	5,648,415	7,732,833	10,877,619
Effective interest earnings (per cent.) .. .. .	£3 18s. 3d.	£3 12s. 9d.	£3 4s. 11d.

2. (a) During the year further improvements were effected in the superannuation provisions for local-authority employees. The notice of variation issued in terms of section 14 of the 1946 Amendment Act introducing the 1949 Standard Scheme and superseding the 1947 Standard Scheme, gave effect to repeated requests for further improvements in the widow's benefit, which is now payable at the rate of half the pension or prospective pension payable to the deceased employee, subject to a minimum of £104 and a maximum of £300 per annum. This improvement removes a weakness of superannuation in comparison with insurance, in that a valuable family cover vests immediately upon commencement of contribution. New ground was broken by the introduction of a provision whereby contributing employees moving from one employment to another may retain their membership during the period of transition in addition to holding secure all vested contribution and service credits.

(b) A special scheme for fire-brigadesmen with conditions and benefits closely following those obtaining in the English scheme was issued towards the end of the year, provision being made for the crediting of earlier service and whereby men over age fifty and unable to fulfil the requirements of this arduous service might retain their accrued pension rights although gainfully employed elsewhere.

(c) Increasing numbers advantaged themselves of the benefits of individual membership of the Fund wherein, with the attaining of age sixty of many who became contributors in the early years of its operations, the fruits of continuous membership are now becoming apparent.

3. Staffing difficulties continue, and although the application of members is to be commended, there remains a considerable backlog of work to be dealt with. It is hoped that with the mechanization of the accounting system, arrears of work will be overtaken during the current year.

W. H. FORTUNE, Chairman.

W. L. COMRIE, Superintendent.

20th July, 1950

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## NATIONAL PROVIDENT FUND

## (1) REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1949

Amount of Fund at beginning of year	£	Refund of contributions on lapse,	£
(1st January, 1949) .. .. .	10,181,854	reduction, and withdrawal .. .. .	131,483
Contributions .. .. .	665,778	Refunds: In lieu of pension .. .. .	35,047
Interest .. .. .	338,167	Incapacity: Allowances, including	
Fines .. .. .	348	contributions waived on	
Government contribution under		incapacity (£67) .. .. .	13,285
Act .. .. .	159,891	Death: Refund of contributions	32,896
Contributions over-paid on exit .. .. .	559	Death: Allowances on account of	
Benefits refunded on exit .. .. .	21,533	widows and children .. .. .	50,616
Refunds unclaimed .. .. .	1,912	Pensions .. .. .	226,173
		Refund of contributions overpaid on	
		exit .. .. .	559
		Public Trustee: Charges .. .. .	2,253
		War-risk insurance premiums .. .. .	111
		Amount of Fund at end of year	
		(31st December, 1949) .. .. .	10,877,619
	<u>£11,370,042</u>		<u>£11,370,042</u>

## BALANCE-SHEET AS AT 31ST DECEMBER, 1949

<i>Liabilities</i>	£	<i>Assets</i>	£
Fund as per Revenue Account .. .. .	10,877,619	Government securities .. .. .	8,891,526
Claims due and in course of pay-		Local-body securities .. .. .	1,130,751
ment*—		Mortgages .. .. .	656,205
Death: Allowances .. .. .	417	Uninvested funds .. .. .	27,596
Pensions .. .. .	1,378	Post Office .. .. .	2,313
Incapacity: Allowances .. .. .	217	Balances in transit .. .. .	48,821
Refunds: In lieu of pension .. .. .	6	Contributions outstanding or in	
Public Trustee: Charges* .. .. .	857	course of transmission*—	
Refunds in Suspense .. .. .	117,434	(a) Contributions due but not	
Suspense Account .. .. .	4,637	overdue .. .. .	164,221
Contributions prepaid .. .. .	66,202	(b) Contributions overdue .. .. .	2,303
Investment Fluctuation Reserve .. .. .	98,716	Government subsidy due under Act*	159,891
		Fines due* .. .. .	144
		Interest due* .. .. .	1,712
		Interest accrued but not due* .. .. .	82,000
	<u>£11,167,483</u>		<u>£11,167,483</u>

\* Included in Revenue Account.

W. L. COMRIE, Superintendent.

R. S. BROWN, Accountant.

Wellington, 10th July, 1950.

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

(2) NUMERICAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 1949

	Numbers.												Annual Contributions.				
	Class 1.		Class 2.		Class 3.		Class 4.		Class 5.		Aggregate.						
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.		T.			
Number of contributors at commencement of year	10,746	646	11,392	2,553	209	49	258	596	136	732	5,404	4,117	9,521	19,184	5,272	24,456	468,565
New entrants during the year	244	25	269	108	8	4	12	29	7	36	1,057	1,399	2,456	1,429	1,452	2,881	97,325
Transfer from another class	19	6	25	49	8	2	10	22	3	25	38	6	44	129	24	153	37,668
Increase due to adjustment on age-error, &c.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5
Total .. .. .	11,009	677	11,686	348	275	55	280	647	146	793	6,499	5,522	12,021	20,742	6,748	27,490	603,563
Discontinuances, &c. (as per detailed statement below)	774	107	881	201	34	235	20	7	27	59	24	83	671	1,778	2,449	1,950	75,043
Total at end of year ..	10,235	570	10,805	2,161	314	247	205	48	253	588	122	710	5,828	3,744	9,572	19,017	528,520

Details of Discontinuances, &c., During the Year

Death	83	107	881	201	34	235	20	7	27	59	24	83	671	1,778	2,449	1,950	75,043
Notice of withdrawal	295	62	357	92	15	107	8	6	14	18	14	32	527	1,740	2,267	62	2,403
Lapse and cancellation	268	23	291	68	5	73	3	2	3	4	2	6	6	6	940	1,837	80
Attainment of pension age	126	10	136	12	7	19	2	1	2	2	3	9	105	31	343	30	60,738
Transfer to another class	52	11	63	28	6	34	7	1	8	27	5	82	15	1	136	51	302
Decrease due to adjustment on age-error, &c.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	255
Total .. .. .	774	107	881	201	34	235	20	7	27	59	24	83	671	1,778	2,449	1,950	75,043

Numerical Progress Since Establishment

Total entered	65,576	5,881	71,457	10,949	1,553	12,504	1,176	212	1,388	1,591	354	1,915	16,488	31,960	48,448	35,780	39,062	135,742
Total transferred from other classes	4,824	284	5,108	3,633	344	3,977	664	93	757	1,057	99	1,156	224	23	247	10,402	843	11,245
Total discontinued	70,400	6,165	76,565	14,582	1,899	16,481	1,840	305	2,145	2,648	453	3,101	16,712	31,983	48,695	106,182	40,805	146,987
Total transferred to other classes	56,336	5,272	61,608	7,715	1,258	8,973	830	152	982	1,088	244	1,332	10,794	28,238	39,032	76,763	35,164	111,927
Total contributors on books at 31st December, 1949	10,235	570	10,805	2,161	314	2,475	205	48	253	588	122	710	5,828	3,744	9,572	19,017	4,798	23,815

NATIONAL PROVIDENT FUND ACT, 1926  
General Contributors

(3) STATEMENT OF PENSIONS AND ALLOWANCES FOR THE YEAR ENDED 31ST DECEMBER, 1949

	On Death.		On Incapacity.		On Attainment of Age 60.		Total Pensions and Allowances.	
	Number.	Annual Amount.	Number.	Annual Amount.	Number.	Annual Amount.	Number.	Annual Amount.
Existing at beginning of year	M. 211 F. ..	£ 13,754	M. 21 F. ..	£ 1,201	M. 1,028 F. 212	£ 46,262	M. 1,260 F. 212	£ 61,217
Granted during the year	16 ..	1,482	8 ..	429	126 19	4,880	150 19	6,791
Total ..	227 ..	15,236	29 ..	1,630	1,154 231	51,142	1,410 231	68,008
Discontinued during the year (as per statement below)	29 ..	1,976	12 ..	795	31 8	1,612	72 8	4,388
Existing at end of year ..	198 ..	13,260	17 ..	835	1,123 223	49,530	1,338 223	63,625

*Particulars of Pensions and Allowances Discontinued During the Year*

Discontinued by death ..	29 ..	1,976	12 ..	795	31 8	1,612	31 8	1,612
Expiry ..	..	..	..	..	..	..	41 ..	2,771
Total ..	29 ..	1,976	12 ..	795	31 8	1,612	72 8	4,388

Superannuation Contributors (Local Authorities, &c.)

(3A) STATEMENT OF RETIRING AND OTHER ALLOWANCES FOR THE YEAR ENDED 31ST DECEMBER, 1949

	On Death.		On Medical Unfitness.		On Retirement (Age or Service).		Total Retiring and other Allowances.	
	Number.	Annual Amount.	Number.	Annual Amount.	Number.	Annual Amount.	Number.	Annual Amount.
Existing at beginning of year	M. 363 F. ..	£ 35,706	M. 84 F. 13	£ 12,123	M. 615 F. 292	£ 165,004	M. 1,062 F. 305	£ 212,833
Granted during the year	33 ..	3,114	7 3	1,900	66 29	26,457	106 32	31,471
Total ..	396 ..	38,820	91 16	14,023	681 321	191,461	1,168 337	244,304
Discontinued during the year (as per statement below)	19 ..	1,812	14 2	2,124	22 10	5,796	55 12	9,732
Existing at end of year	377 ..	37,008	77 14	11,899	659 311	185,665	1,113 325	234,572

*Particulars of Retiring and Other Allowances Discontinued During the Year*

Discontinued by death ..	11 ..	1,058	6 ..	875	22 10	5,796	39 10	7,729
Expiry ..	8 ..	754	8 2	1,249	.. ..	..	16 2	2,003
Total ..	19 ..	1,812	14 2	2,124	22 10	5,796	55 12	9,732

NATIONAL PROVIDENT FUND

PROGRESS OF PENSIONS AND ALLOWANCES SINCE THE ESTABLISHMENT OF THE FUND TO 31ST DECEMBER, 1949

	On Death.		On Incapacity.		On Maturity (Age or Service).		Total Pensions and Allowances.	
	Number.	Annual Amount.	Number.	Annual Amount.	Number.	Annual Amount.	Number.	Annual Amount.
Total granted ..	M. 1,235 F. 1	£ 88,984	M. 897 F. 63	£ 71,427	M. 2,544 F. 639	£ 324,230	M. 4,676 F. 703	£ 484,641
Total discontinued ..	660 1	38,716	803 49	58,693	762 105	89,035	2,225 155	186,444
Total existing at 31st December, 1949	575 ..	50,268	94 14	12,734	1,782 534	235,195	2,451 548	298,197

## PART II—STATE SUBSIDY (SECTION 74)

The amount of subsidy paid by the State for the year was £159,891.

## PART III—ACTUARY'S SEPARATE REPORT ON ADEQUACY OF CONTRIBUTIONS

(SECTION 20, NATIONAL PROVIDENT FUND AMENDMENT ACT, 1946)

“ In accordance with section 20 of the National Provident Fund Amendment Act, 1946, I have to report that as at the date of the valuation of the Fund just completed—*i.e.*, 31st December, 1947—the rates of contribution payable, 5 per cent. to 10 per cent. of salary, according to the age at entry of the contributing employees, together with a like amount from the employer, were more than sufficient, after allowing for the State subsidy, to support the standard benefits then payable in respect of new entrants.”

S. BECKINGSALE, A.I.A., Government Actuary.

The Board, having considered the Actuary's report, and taking into account the additional improvements effected in the widows' benefit since December, 1947, resolved that the present rates of contributions should be continued until after the next valuation of the Fund in 1952.

W. L. COMRIE, Superintendent.

29th March, 1950.

*Approximate Cost of Paper.*—Preparation, not given; printing (709 copies), £22.

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