

The contributions required to purchase the benefits (without making any charge for any increase in the pension for service prior to the scheme coming into operation) are as follows:—

Age next Birthday on joining the Scheme.	Assumed Salary on joining.	Contributions required to purchase the Benefits (per Cent. of Salary).	Contributions provided for in the Bill.	Capital Value of the Deficiency.
	£	£ s. d.	£ s. d.	£
20	80	12 10 0	5 0 0	20
25	90	15 2 0	5 0 0	27
30	100	17 14 0	5 0 0	52
35	110	19 13 0	6 0 0	81
40	120	21 7 0	6 10 0	104
45	130	22 18 0	8 0 0	82

From the data supplied by the Education Department it appears that in the case of female teachers entering the service under age twenty-one, about 90 per cent. will withdraw before they are entitled to pensions. In the majority of cases the withdrawals are no doubt caused by marriage, and a pension scheme would not cause these females to remain in the service or materially diminish the rate of withdrawal, as would no doubt be the case as regards male teachers. In the above calculations I have given effect to this high rate of withdrawal, but the early age at which they can commence to draw their pensions, and the fact that the contributions are returned if a pension is not received, renders a high rate of contribution necessary, notwithstanding that comparatively few will remain in the service long enough to entitle them to claim a pension. The small present value of the difference between the contributions which should be paid and those proposed is due to this high rate of withdrawal. In actual practice some further addition would have to be made to these contributions to cover the cost of administration and to provide some margin for contingencies.

The return received from the Education Department contains the ages and approximate length of service entitled to count for the proposed pensions of 1,388 female teachers. The amount required to be paid at once on behalf of these teachers, in addition to the contributions provided for in the Bill, would be about £182,000, allowing for the probabilities of death and retirement, and not taking into account any benefits their children might be entitled to under the scheme.

The deficiency in the case of male teachers was £297,000, making a total deficiency of £479,000 at least for teachers now entitled to join the scheme. As the present values of the contributions for new entrants, both male and female, are less than the present values of the proposed benefits, every teacher hereafter appointed will add to this deficiency and increase the amount the Government will ultimately have to contribute to finance the scheme.

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