1910.
NEW ZEALAND.

POST AND TELEGRAPH DEPARTMENT:
OLD-AGE PENSIONS DIVISION
(TWELFTH ANNUAL REPORT OF THE), FOR THE YEAR ENDED 31st MARCH, 1910.

Presented to both Houses of the General Assembly pursuant to Section 69 of the Old-age Pensions Act, 1908.

The COMMISSIONER OF OLD-AGE PENSIONS to the Right Hon. the MINISTER OF FINANCE.

SIR,— Old-age Pensions Office, Wellington, 31st May, 1910.

I have the honour to submit herewith my report relating to old-age pensions for the year ended the 31st March last.

The amalgamation of the Old-age Pensions Office with the Post and Telegraph Department took place, in accordance with your instructions, on the 1st May, 1909.

Of the fourteen officers then occupied in the Old-age Pensions Office it was found that the services of seven were no longer needed. Savings were also effected in the working of the district offices.

The total saving amounts to £5,744 per annum.

The administrative office of the Old-age Pensions is now attached to the General Post Office.

The transfer of the extensive records of the Old-age Pensions Office to the General Post Office occasioned no inconvenience to pensioners.

During the past year the new arrangements have worked smoothly and well. Every advantage has been taken of the amalgamation to utilise postal officers for duties formerly performed by Registrars only, and thus to study the convenience of the old people in every way possible.

As time goes on and further necessity arises no effort will be spared to further the success of the Act, and, while strictly observing the conditions laid down by law, give every assistance to both claimants and pensioners.

It was soon evident that further amendments were necessary to the Act, especially to meet the urgent and reasonable demand that those in possession of a home should not be too severely penalised thereby.

An amending Act passed both Houses of the Legislature, receiving the Governor's assent on the 24th December, 1909. Its provisions embody a new departure in arriving at the eligibility of applicants for the pension, inasmuch as an endeavour has been made therein to establish an equality in regard to the deductions made on account of income and property. The basis of this co-ordination as between income and property is the fact that, at age 65, the approximate sum required to purchase from any life assurance company an annuity for life equal to the maximum amount of income—namely, £34—that admits of the payment of a full pension, is £340. £340, therefore, has been fixed as the maximum amount of property that will not debar an applicant, under certain conditions, from qualifying for the full amount payable under the Act. Under previous Acts the maximum amount of property that admitted of the payment of the full pension was £150.

If the £340 represents the value of a home, including furniture or personal effects, and the applicant is without income, the full amount is payable without restriction. If, however, the £340 consists of cash or other form of property, its conversion into a home of equal or less value is necessary to enable an applicant without income to qualify for the full benefits under the Act. Moreover, if the £340, being cash, is invested in an annuity with any life assurance company, the pension payable is regulated by the amount of the annuity, which in turn is dependent upon the age of the applicant at the date of investment. When the property does not constitute a home, or furniture or personal effects, the old order of applying it in reduction of the pension at the rate of £1 for every £10 in the capital value obtains, the former allowances other than encumbrances being done away with.

It was inevitable, with the inauguration of a scheme such as this, which has removed so many of the anomalies created by previous enactments, that there should be individual cases among the existing pensioners of apparent hardship, particularly among the owners of small sums of money; but to these