In connection with the medical examination of contributors who are retiring as medically unfit, the Board decided to appoint two qualified medical practitioners in each of the principal towns to conduct the examinations. These examiners report directly to the Board instead of to the Department concerned, as hitherto, and the fees are paid out of the fund instead of by the contributor. The sum of £14 14s. has been expended in such fees since the new system came into operation.

Accumulated Funds.—These amounted at the end of the year to £341,736.

The Balance-sheet.—On the 31st December the total assets of the fund, which include provision for the outstanding accounts, amounted to £344,727. The balance-sheet appended gives The balance-sheet appended gives full particulars as to the assets.

The large amount of interest accrued, £7,804 10s. 3d., compared with that shown in previous reports, arises from the new arrangement of placing the moneys in the common fund of the Public Trust Office. On the 1st April next, and on the same date in each succeeding year, the total amount of interest accrued to the end of the financial year will be capitalized.

General.—In consequence of the large and increasing amount of money which had remained uninvested and unproductive in the hands of the Public Trustee, the Board decided to allow the whole of the moneys belonging to the fund to be taken into the common fund of the Public Trust Office at a fixed rate of 44 per cent. per annum. This rate is lower than could be earned by investment on mortgage, but, on the other hand, the capital is guaranteed, and the money will bear interest as soon as it is received by the Public Trustee. This fact, and the saving effected by the abolition of the charge for commission mentioned above, should materially help to offset any difference between the rate of interest now being earned and that produced under the previous arrangement.

The actuarial examination of the fund for the first triennium, prescribed by section 48 of the Act, was made last year, and the Actuary's report thereon was laid before Parliament during the short session held early this year. The report states that, as was anticipated, an addition to the annual subsidy will be necessary for the current triennium. It concludes with the opinion that, so long as the fund is conducted on the present lines, it will be a credit to the Dominion.

An amending Act passed on the 28th October last authorizes the transaction of the Board's business through the Post Office Account. It also enables the Board to obtain the payment of full contributions during short periods of broken service, and for the first three months of leave without pay. This will be an advantage to the fund, while it inflicts no injustice on the contributor, who would eventually receive the benefit of continuous service in the computation of a retiringallowance.

During the past year the regulations for the conduct of the Board's business have been revised, and amended where necessary, the provisions of the above-mentioned amending Act being embodied.

A supply of the new regulations was sent to each Department of the Public Service contributing to the fund.

G. W. Russell, Chairman.

PUBLIC SERVICE SUPERANNUATION FUND.

Revenue Account for the Year ended 31st December, 1911.

			£	s.	d.
Amount of funds at the beg	inning o	of the	·*		
-			263,948	0	0
Members' contributions—					
Under section 29 (ordinar	y)				
Under section 50, Amendr	nent Act	, 1908	118	3	· 5
Transfers from other su	perannu	ation			
funds	•••		332		6
Government contribution		• •	23,000		0
Fines	• •				1
Interest	• •	• •	12,645	17	3
'					

Retiring-allowances— To members	7		
Under section 46, Amendment Act,			
1908 (left service) 5,85	2	19	6
Under section 42 or 43 (death) 1,11	4	14	7
Under section 38 (retirement) 21	5	0	0
	9	1	11
Transfers to other superannuation			
		14	
Compensation (section $32(f)$) $3,17$			
Interest on contributions refunded	3	0	11
Expenses—			
7	1 .		1
	-	19	-
	_	1	_
		17	
• · • · · · · · · · · · · · · · · · · ·	0	-	10
	4:		0
	6 :	15	8
Amount of funds at the end of the			
year 341,73	5]	17	9
£398,11	3 :	17	1

1