(5.) Probabilities regarding children, as per New Zealand population statistics, 1908–12.

(6.) Mortality rates of widows, as per New Zealand friendly-society rates two years younger, the result being an approximation to the rates of the female population of New Zealand for 1906–10.

(7.) Interest has been taken at 4 per cent., as the fund is State-guaranteed.

At the valuation date, 31st December, 1913, there were 5,791 members, who were enrolled for 6,664 pensions of 10s. per week—that is to say, there were 5,791 pensions of 10s. carrying with them the subsidiary benefits (maternity, incapacity, &c.), and 873 duplicated pensions of 10s. not carrying with them any duplication of the subsidiary benefits, but paying the same rates of contribution despite that fact.*

The valuation balance-sheet is appended :—

VALUATION BALANCE-SHEET OF THE NATIONAL PROVIDENT FUND AS AT 31ST DECEMBER, 1913.

Liabilities.

Value of liability for—	£
Pensions	201,640
Orphans' benefit	37,419
Widows' benefit	17,237
Incapacity allowance	13,766
Return of contributions on death	18,164
Return of contributions on withdrawal	42,195
	£330,421

Assets.

	£
Amount of the fund at 31st December, 1913	29,327
Value of contributions payable (assumed half a year after due date)	242,554
Value of State subsidy of one-fourth (assumed to be received a year later than the above)	58,306
Debit balance	234
	£330,421

From this it will be seen that the assets and liabilities are virtually equal, the debit balance being insignificant.

Section 24 of the Act provides that the report of the Actuary shall show "the probable annual sums required by the fund to provide the pensions and other allowances falling due within the ensuing three years without affecting or having recourse to the actuarial reserve appertaining to the contributors' contributions."

I think the intention of this is that the Actuary should report what sums, if any, are required by the fund to meet current charges without touching the reserves actuarially earmarked against future liabilities. In other words, he should state what further subsidies are, in his opinion, actuarially necessary in the next three years beyond the statutory one-fourth subsidy attaching to the contributions and forming part of the reserve with them. In this connection the next section of the Act—25 (2)—provides that the Minister of Finance shall in each year pay into the fund "a sum equal to one-fourth of the total contributions paid into the fund during the last preceding year *together with such further amount (if any) as is deemed by the Governor in Council, in accordance with the aforesaid report of the Actuary, to be required to meet the charges on the fund during the current financial year.*"

In pursuance of these sections, therefore, I have to report that no such supplementary sums require to be paid into the fund during the three years following the date of this valuation.

As the maternity allowances are annually voted by Parliament I have regarded them as outside the actuarial aspects of the scheme.

A. T. TRAVERSI, A.I.A. (London),
Actuary.

Wellington, 24th December, 1915.

* As a matter of technical explanation it may be mentioned that the full State subsidy of one-fourth has been taken credit for in the valuation irrespective of any extra-sufficiency of the subsidy in cases of duplicated pensions. There would be no practical object in eliminating the over-sufficiency and substituting in its place a differently named subsidy. It is time to do that when (and if) it is found that these particular cases fail to persist in due proportion.