

APPENDIX.

1. HISTORICAL OUTLINE :—

The Teachers' Superannuation Act, which was passed by Parliament on the 31st October, 1905, and came into force on the 1st January, 1906, was amended by a supplementary Act on the 29th October, 1906.

Every person who at the date of the coming into operation of the principal Act was permanently employed for not less than twenty hours a week in the Education service had the option of electing within six months to become a contributor to the fund. Those who so elected became "original members," and, as such, are entitled to special benefits. A person who did not so elect to join the fund at its commencement might, however, be allowed to join it on certain conditions to be imposed by the Superannuation Board. All teachers in public schools, and in Native and other schools under the control of the Education Department who were subsequently permanently employed, were compelled to become contributors as from date of appointment; other persons in the Education service had the option of becoming contributors.

On the 10th October, 1908, the former Acts were repealed by the Public Service Classification and Superannuation Amendment Act, 1908, Part I; but existing contributors were allowed six months in which to elect to remain subject to the provisions of the former Acts if they so desired. On the 24th December, 1909, this Act was amended, providing, among other things, for the extension of time allowed in which to make the election referred to above to the 30th June, 1910; the amending Act also fixed a maximum retiring-allowance of £300 per annum in the case of persons who become contributors to the fund after the passing of the Act (24th December, 1909).

The chief difference between the Act of 1908 and the former Acts affected the basis of calculation of the retiring-allowance of a contributor. The retiring-allowance was to be one-sixtieth of the average rate of salary received during the three years next preceding retirement, for each year of service, provided that in no case may the allowance exceed two-thirds of that salary. Under the former Acts the basis had been one-sixtieth of the total salary received by the contributor during the period of contributing to the fund (or, in other words, one-sixtieth of his average salary for each year of service during the whole period of contribution), and, in addition, in the case of original members, one one-hundred-and-twentieth of the salary during the years of service between the 1st January, 1878, and the 1st January, 1906, with a further proviso that in no case should an original member receive a retiring-allowance of less than £52 per annum.

By the same Act of 1908 the right to be admitted at a future date was taken away from those persons employed on the 1st January, 1906, as teachers in public schools or under the Education Department, and also from those persons who, being first permanently employed in other branches of the Education service after the 1st January, 1906, had the option of joining within six months after the date of appointment but did not do so. By the Amendment Act of 1912, however, the first-named persons were given a further opportunity of joining the fund. They had to make an election before the 30th June, 1913, if they wished to join, the regulations under the Act providing that contributions had to be paid from the 1st January, 1906, together with 5 per cent. compound interest thereon.

By the amending Act of 1912 the definition of "Education service" was extended so as to admit of the staffs of universities joining the fund. Any person in the employ of the University of New Zealand, the Auckland University College, Victoria University College, Canterbury College, the University of Otago, or the Canterbury Agricultural College at the date of passing of the Act (7th November, 1912) had the option (to be exercised before the 30th June, 1913) of joining. Any person first permanently employed on the staff of any one of those institutions after the passing of the Act is compelled to become a contributor. The basis of calculation of the retiring-allowance in the case of persons appointed under the