

1926.

NEW ZEALAND.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

REPORT OF BOARD.

Laid before Parliament in pursuance of Section 91 of the Government Railways Act, 1908.

THE Board has the honour to transmit, for the information of Parliament, the following report upon the transactions in connection with the Government Railways Superannuation Fund for the year ended 31st March, 1926.

The Revenue Account, Balance-sheet, and statements in connection therewith will be found appended.

The balance of income over expenditure for the year amounts to £127,758 5s. 4d., as compared with £62,285 2s. 5d. for the previous year. The increase is due almost entirely to the increased subsidy paid to the fund by the Working Railways Department, £145,000 being received, against £80,000 for the previous year.

The expenditure on account of life allowances to members amounts to £198,889 15s. 9d., an increase of £17,286 4s. 9d. as compared with the figures for the previous year. The increase is due to the all-round increase in the scale of salaries and wages, and the corresponding increase in the retiring-allowances granted. On referring to Table A, Statement of Allowances, it will be seen that the average amount of the ninety-four allowances granted during the year is £219 11s. 6d., and that the average amount of the sixty allowances discontinued is £108 4s. 10d.

The increase on account of payments to widows and children, £12,577 9s., is due to the increase of the amount of allowance from £18 per annum for each widow, and £13 for each child, to £31 and £26 per annum respectively. As section 27, Part II, of the Finance Act, 1925, which made provision for the increase in the allowances, also provided for a payment to the Superannuation Fund from the Consolidated Fund of an amount equal to the additional expenditure, no extra burden was placed on the fund. The amount received from the Consolidated Fund on the foregoing account was £12,464 16s. 9d.

Members' contributions for the year were £153,902 19s. 9d., against £144,767 9s. 8d., an increase of £9,135 10s. 1d. On referring to Table B, Statement of Contributors, it will be seen that there is a net increase of 743 members, of whom 731 are contributing at 5 per cent., 70 at 6 per cent., and 34 at 7 per cent., and that contributors at 3 per cent. and 4 per cent. have decreased by fifty-three and thirty-seven respectively.

Investment of the Fund.—The Investment Account has been increased during the year to the extent of £145,500. Loans maturing at the lower rates of interest have been promptly reinvested on more advantageous terms, and all moneys not required in the Current Account have been transferred to the Investment Account without delay.

The interest amounts to £43,750 12s. 8d., an increase of £6,809 16s. 8d., as compared with the figures for the previous year. Reference to Table C, Statement of Investments, shows the average rate of interest on securities held at the 31st March, 1926, as 5.76 per cent., and the average rate earned on the mean funds for the year 5.684 per cent., as against 5.59 per cent. and 5.522 per cent. respectively for the previous year.

The expenditure under the heading "Public Trust Charges" is based on the interest-collections, and is consequently £380 3s. 11d. in excess of the figures for the previous year.

Approval was received for the continuance of the cost-of-living bonus to annuitants in cases of special hardship where the allowance was less than £100, the amount of bonus granted being sufficient to bring the allowance up to £100, but with a maximum bonus of £26. The bonus is provided for out of the Consolidated Fund and is not a charge on the Superannuation Fund.

At the 31st March, 1926, there were 1,367 members, 444 widows, and 521 children, making a total of 2,332 persons actually on the fund, involving an annual liability of £220,093 4s. 9d.

J. G. COATES,
Chairman of the Government Railways
Superannuation Fund Board.

TABLE B.—STATEMENT OF CONTRIBUTORS.

	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	7 per Cent.	8 per Cent.	9 per Cent.	Total.
Contributors at commencement of year	2,499	661	7,969	1,289	187	18	5	12,628
New contributors during year ..	..	..	1,277	155	38	..	..	1,470
Total	2,499	661	9,246	1,444	225	18	5	14,098
Contributors discontinued during year	53	37	546	85	4	2	..	727
Total contributors at 31st March, 1926	2,446	624	8,700	1,359	221	16	5	13,371

TABLE C.—STATEMENT OF INVESTMENTS.

Funds invested at 31st March—		1926.			1925.		
		£	s.	d.	£	s.	d.
At 4½ per cent. .. ..	..	7,000	0	0	7,000	0	0
„ 4¾ „ .. ..	..	300	0	0	400	0	0
„ 5 „ .. ..	..	17,535	0	0	67,535	0	0
„ 5¼ „ .. ..	..	152,045	0	0	152,045	0	0
„ 5½ „ .. ..	..	80,120	0	0	137,870	0	0
„ 5¾ „ .. ..	..	22,700	0	0	24,425	19	11
„ 6 „ .. ..	..	503,235	0	0	260,880	0	0
„ 6½ „ .. ..	..	17,525	19	11	1,940	0	0
Repayments during March and held for investment as from 1st April .. ..	..	1,100	0	0	3,965	0	0
		<u>£801,560 19 11</u>			<u>£656,060 19 11</u>		
		Per Cent.			Per Cent.		
Average rate of interest on securities held at 31st March ..	..	5·76			5·59		
Average rate of interest earned on the mean funds ..	..	5·684			5·522		

TABLE D.—PROGRESS OF THE FUND.

		Balance forward.			Allowances granted.		
		£	s.	d.	£	s.	d.
1903 .. ..	..	7,056	11	9	..	..	..
1904 .. ..	..	40,357	17	3	12,010	14	8
1905 .. ..	..	68,670	7	8	8,519	7	8
1906 .. ..	..	90,984	11	10	6,348	13	7
1907 .. ..	..	110,736	12	3	4,398	14	11
1908 .. ..	..	126,642	18	11	7,332	7	11
1909 .. ..	..	157,151	14	9	6,359	11	0
1910 .. ..	..	173,876	1	8	11,828	0	6
1911 .. ..	..	207,242	7	11	8,064	11	5
1912 .. ..	..	233,457	8	6	7,065	16	4
1913 .. ..	..	264,455	5	4	8,568	6	6
1914 .. ..	..	295,469	11	6	9,865	17	8
1915 .. ..	..	346,155	18	2	11,871	14	3
1916 .. ..	..	362,810	4	2	9,662	2	5
1917 .. ..	..	377,585	2	1	11,733	11	11
1918 .. ..	..	373,097	12	7	8,386	4	0
1919 .. ..	..	363,804	4	4	9,252	17	8
1920 .. ..	..	408,232	10	8	20,341	7	3
1921 .. ..	..	464,490	17	0	20,346	8	9
1922 .. ..	..	543,531	10	8	23,050	2	0
1923 .. ..	..	584,219	2	4	22,791	1	0
1924 .. ..	..	671,827	6	6	21,272	4	0
1925 .. ..	..	734,112	8	11	36,409	14	0
1925 (increased allowances to widows and children) .. ..	..	..	..	..	12,246	0	0
1926 .. ..	..	862,139	3	6	23,509	6	0
		<u>£ s. d.</u>			<u>321,234 15 5</u>		
Less members died, &c. .. ..	..	88,596 10 8					
Less liability of Consolidated Fund on account increased payments to widows and children ..	..	12,545 0 0					
					<u>101,141 10 8</u>		
Annual liability at 31st March, 1926 .. ..	..				<u>£220,093 4 9</u>		

STATEMENT OF ACCOUNTS IN ACCORDANCE WITH SECTION 90, GOVERNMENT RAILWAYS ACT, 1908.
Revenue Account for the Year ended 31st March, 1926.

EXPENDITURE.	1925-26.			1924-25.			INCOME.			1925-26.			1924-25.			
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
To Retiring-allowances to members	198,889	15	9	181,603	11	0	By Members' contributions	..	..	..	147,976	11	2	139,332	13	9
Allowances to widows and children	27,064	19	9	14,487	10	4	Members' contributions on account of casual service	..	..	..	5,926	8	7	5,434	15	11
Refunds of total contributions	23,552	17	8	25,739	18	4	Fines	..	..	..	219	0	0	425	15	0
Refunds of contributions in excess of allowances drawn by deceased beneficiaries	342	10	8	737	12	11	Subsidies—	..	..	..	..	..	..	..	..	..
Compensation under the Civil Service Act of 1866	17	2	10	..	..	..	Consolidated Fund	..	..	..	25,000	0	0	25,000	0	0
Travelling-expenses of Board members	19	0	8	49	6	11	Working Railways Department	..	..	..	145,000	0	0	80,000	0	0
Public Trust Office charges	1,044	10	2	664	6	3	Treasury, on account of increased allowances to widows and children	..	..	..	12,464	16	9	..	..	..
Audit fees	50	0	0	50	0	0	Amalgamated Society of Railway Servants, on account M. J. Mack	..	..	..	199	14	2	..	..	..
Transfers to other funds	200	13	11	50	14	6	Donations	..	..	..	..	..	..	10	0	0
Salaries	1,391	12	2	1,310	9	0	Interest	..	..	..	43,750	12	8	36,940	16	0
Postages	129	16	8	109	3	4	Commission on Government Life Insurance collections	..	..	..	4	10	3	..	..	..
Printing and stationery	80	8	0	56	5	8	By Accumulated funds brought forward on 1st April, 1925	..	..	..	380,541	13	7	287,144	0	8
Balance carried down, being excess of income over expenditure for the year	127,758	5	4	62,285	2	5	Refunds of contributions unclaimed (written off)	..	..	..	734,112	8	11	671,827	6	6
							Retiring-allowances unclaimed (written off)	..	..	..	263	19	11	..	..	..
							Widows' allowances unclaimed (written off)	..	..	..	1	19	4	..	..	..
							Balance brought down	..	..	..	2	10	0	..	..	..
											127,758	5	4	62,285	2	5
To Balance accumulated funds at 31st March, 1926	862,139	3	6	734,112	8	11					862,139	3	6	734,112	8	11

