

*Teachers' Superannuation Fund.*

The Teachers' Superannuation Fund, which was originally constituted under the Teachers' Superannuation Act, 1905, provides benefits on similar lines to the other funds, and apart from the fact that about 60 per cent. of the contributors are women, who constitute a very small proportion of the membership in the other Government Superannuation Funds, it does not differ materially from the Public Service Superannuation Fund.

It commenced operations with an initial deficiency (estimated at approximately £800,000), and instead of the sounder practice of putting up the necessary capital sum or liquidating it over a definite period of years, the Act provided that the basis previously described in connection with the Public Service Superannuation Fund was to be followed—namely, to postpone liability till the pensions actually emerged. The subsidy method is fully described in the first actuarial report, and the subsequent six actuarial reports disclose a state of affairs so closely approximating to that outlined above in connection with the Public Service Superannuation Fund that it is probably unnecessary to do more than submit the following summaries showing the growth of the deficiency (representing the present value of the State's share of the liability) and of the annual subsidies required.

The deficiencies disclosed at the successive statutory valuations are as follow :—

Date of Valuation.	Actuary.	Deficiency.
		£
31st December, 1910 ..	Mr. Morris Fox .. .. .	983,818
„ 1913 ..	Mr. P. Muter, F.I.A. .. .. .	1,443,597
„ 1916 ..	„ .. .. .	1,801,816
„ 1919 ..	„ .. .. .	2,813,176
31st March, 1924 ..	Mr. C. Gostelow, F.I.A. .. .. .	4,074,548
„ 1927 ..	„ .. .. .	4,647,798
„ 1930 ..	„ .. .. .	5,559,202

In making deductions from the above table, it is important to bear in mind that the last two valuations were made at 4½ per cent. interest (as compared with 4 per cent. previously employed), and accordingly the last two deficiencies require to be suitably increased before any real comparison of the growth of the deficiency can be made.

The annual subsidies required after providing for arrears due to the failure of the State to comply with the basis laid down by sections 111 and 112 of the Public Service Superannuation Act, 1927, are given in the successive actuarial reports, but will be more quickly visualized from the following table :

Valuation Date.	Average Annual Subsidy required for Triennium succeeding Valuation Date.	
	Normal. (For Pensions only.)	Actual. (Allowing for Past Shortages in the State Subsidy.)
	£	£
31st December, 1910 .. .. .	17,000	17,000
„ 1913 .. .. .	33,000	33,000
„ 1916 .. .. .	43,000	43,000
„ 1919 .. .. .	60,000	68,000
31st January, 1924 .. .. .	120,000	137,000
„ 1927 .. .. .	141,000	173,000
„ 1930 .. .. .	166,000	214,000

As in the Public Service Superannuation Fund, there has been a failure on the part of the State to comply with the subsidy basis prescribed in the Act. The latest actuarial recommendation to be given effect to was that for the triennium ended 31st December, 1916. It is true that an additional annual grant of £25,000 (to bring the annual subsidy up to the recommendations contained in the actuarial report for the triennium ended 31st December, 1919) was paid from 1922-23 to the end of 1930-31, but it was discontinued last year. The total shortages in Government subsidy to the 31st January, 1930, amounted to £735,251 (*vide* Table IX of the Appendix to my last actuarial report (1932, E.-8A)).

*Government Railways Superannuation Fund.*

The Government Railways Superannuation Fund differs from the other Government Superannuation Funds in that there is no provision for a statutory subsidy by the State as employer. The original Act contained a guarantee to the effect that “in the event of the Fund at any time being unable to meet the charges upon it” the deficiency would be met by the Consolidated Fund. The contributions in respect of males under age 50 were fixed without seeking any actuarial advice, at rates 2 per cent. less than were subsequently adopted when the other two funds were established. Members joining prior to the 1st January, 1908, have, however, never been called on to make good the shortage in their contributions, and have therefore enjoyed a distinct advantage as compared with their fellow officers in other branches of the Government service, or with railway servants joining the Fund on or after the 1st January, 1908. The obvious deficiency created by the free gift of that portion of the pension