

1933.
NEW ZEALAND.

GOVERNMENT RAILWAYS SUPERANNUATION FUND.

REPORT OF BOARD.

Laid before Parliament in pursuance of Section 124 of the Government Railways Act, 1926.

THE Board has the honour to transmit for the information of Parliament the following report upon the transactions of the Government Railways Superannuation Fund for the year ended 31st March, 1933. The Revenue Account, balance-sheet, and statements in connection therewith will be found appended.

The expenditure for the year exceeded the income by £76,185 19s. 9d. The increase in the amount of life allowances paid as compared with the previous year was the contributing cause. In addition, it was necessary to make provision for a liability of £45,011 10s. 8d. in respect of rebates of contributions paid in previous years in accordance with section 9 of the National Expenditure Adjustment Act, 1932. The accumulated funds were reduced by £120,928 0s. 3d., from £1,454,173 8s. 4d. to £1,333,245 8s. 1d.

Members' Contributions.—The income under this heading showed an increase of £2,299 1s. 7d. The number of contributors decreased by 656 as follows: At 3 per cent., 127; at 4 per cent., 59; at 5 per cent., 405; at 6 per cent., 63; at 8 per cent., 1; at 9 per cent., 1. The falling-off in membership was due to reductions in staff as a result of the prevailing depression, vacancies in the permanent staff not having been filled.

Contingent Contributors.—During the year 42 casual employees elected to contribute to the fund, so that in the event of their subsequently being permanently appointed they would not be faced with a liability in respect of service prior to permanent appointment. The total number of employees so contributing at the end of the year under review was 138, and the amount standing to their credit £6,847 0s. 1d.

Subsidy.—During the year the sum of £170,000 was paid into the fund by the Working Railways Department.

Interest.—The interest earned amounted to £82,297 1s. 11d., a decrease of £2,186 1s. 3d. as compared with the previous year. Table C, Statement of Investments, shows that the average rate of interest on securities held at the 31st March, 1933, was 5.098 per cent., and the average rate earned on the mean funds for the year 5.76 per cent., as against 5.736 per cent. and 5.734 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £423,567 19s. 10d., an increase of £77,040 18s. 7d. as compared with the figures for the previous year. The increases under this heading were £76,925 9s. 5d. for the year ended 31st March, 1932, and £20,365 16s. 8d. for the year ended 31st March, 1931. Table A, Statement of Allowances, shows that the average amount of the 147 allowances granted during the year was £159 14s. 11d., and the average amount of the 72 allowances discontinued was £135 18s. 9d.

Allowances to Widows and Children.—The expenditure under the heading of allowances to widows and children showed an increase of £879 6s. 6d. The sum of £12,545 4s. 6d., being £344 19s. 5d. more than the previous year, was received from the Working Railways Account during the year on account of the increased payments to widows and children as provided in section 114, Part III, of the Government Railways Act, 1926.

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 £80, the amount of bonus granted being sufficient to bring the allowance up to £80, but with a maximum bonus of £26. The bonus is provided for out of the Working Railways Account, and is not a charge on the Superannuation Fund.

At the 31st March, 1933, there were 2,371 members, 586 widows, and 398 children, making a total of 3,355 persons actually on the fund, involving an annual liability of £445,371 3s. 7d.

Investment of the Fund.—During the year it was necessary to transfer the sum of £132,451 0s. 10d. from the Investment Account to the current account.

H. H. STERLING,
Chairman, Government Railways Superannuation
Fund Board.