

An idea of the use made by the Board of the extended provisions of the Act may be gained from the above table, which discloses that of the 2,348 pensioners existing at the valuation date, no less than 476 or slightly over 20 per cent. failed to remain in the Service for the normal period, or until the attainment of the normal retiring-age. In comparing these figures with similar percentages in the other Government Funds, it is important to bear in mind that contributors to the Government Railways Superannuation Fund may retire as of right at age sixty, whereas in the other Funds, unless combined with forty years' service, retirement at age sixty would be under the extended provisions of the Act.

An analysis according to length of service and attained age at date of retirement of the existing pensioners retired under the extended provisions of the Act is given in Table IIIA of the Appendix. This shows that out of the 476 retirements above referred to, 284 (60 per cent.) retired at or under age fifty-five.

I pointed out in my last actuarial report that although the Act gave the contributor the right to elect to retire after forty years' service, there was a vast difference, as far as the Fund's finances were concerned, in providing pensions for the small proportion of contributors who will be in a financial position so to exercise their right to retire than having to bear the burden of wholesale enforced retirements. I also indicated that any financial strain due to policy measures of the Railway Department should be a charge not on the Superannuation Fund but on the Department by way of special subsidy.

How little notice was taken of my warnings will be seen by the following figures (taken from the annual reports), giving the number and amount of annual pensions granted in respect both of ordinary and medically-unfit contributors:—

	Physically-fit Retirements.*		Medically-unfit Retirements.*	
	Number of New Pensions.	Amount of Annual Pensions.	Number of New Pensions.	Amount of Annual Pensions.
Average for 1919–27 ..	90	£ 19,800	27	£ 3,100
Year ending—				
31st March, 1928 ..	87	16,779	21	2,330
31st March, 1929 ..	77	18,378	19	2,441
31st March, 1930 ..	109	22,977	21	2,729
31st March, 1931 ..	155	34,222	28	3,712
31st March, 1932 ..	646	124,281	113	16,427
31st March, 1933 ..	92	17,549	55	5,934
31st March, 1934 ..	25	4,073	48	6,268
1927–34 ..	1,191	238,259	305	39,841

\* It has not been found possible to reconcile these figures with the totals of the cards supplied (see Table V of the Appendix.)

The phenomenal increase in retirements during the year 1931–32 is obviously due to the retrenchment policy followed by the Department.

As far as men with forty years are concerned, the Department must accept the responsibility for throwing such a strain on the Fund without paying a special subsidy to cover such retirements.

It has to be pointed out, however, that a considerable number of these retirements were under the extended provisions of the Act, and for this the Superannuation Board must accept the full responsibility. As pointed out earlier, section 102 of the Act gives this power to the Superannuation Board—the Minister can veto such extension of the provisions of the Act but cannot initiate it—and in view of the Board's duty to protect the Fund, it seems clear either that it allowed the power to be taken out of its hands, or weakly agreed to the use of the Fund for retrenchment purposes.

It will also be noticed that the same year saw an increase in the number of medically-unfit retirements to five or six times the normal number. I think that it may fairly be assumed that the Superannuation Board slackened the standard of medical-unfitness, possibly to assist retrenchment, but certainly at the expense of the Fund.

One would have expected the retirement in one year of 759 contributors to be worthy of some comment, but the Board's annual report is quite silent.