

Mr. ROBB: That has placed it on an actuarial basis. For instance in the public accounts of 1923 my hon. friend will get the records of Superannuation Fund No. 2. He will find that the receipts for that year were \$194,953.10 and the payments \$36,326.87.

Sir HENRY DRAYTON: That might be a characteristic year. How were those payments earned?

Mr. ROBB: Those were retiring allowances. The \$194,000 includes the \$101,000 referred to a few minutes ago.

Sir HENRY DRAYTON: That is obvious. That would leave us with a net ordinary income of about \$93,000. How much of that came from interest and how much from contributions from the staff?

Mr. ROBB: The contributions would be $3\frac{1}{2}$ per cent of \$416,980 or \$14,000 and the interest 6 per cent on the mean fund or about \$80,000. May I add that if all under this fund transfer to the other fund on the basis we are placing it on \$93,000 would be the annual cost to the government.

Sir HENRY DRAYTON: The present scheme fixes a definite allowance from the government of 5 per cent of the salaries?

Mr. MALCOLM: No.

Sir HENRY DRAYTON: How much then?

Mr. MALCOLM: That is what it is estimated it will cost the government.

Sir HENRY DRAYTON: That is what I say, the government is to put up 5 per cent and the civil servants are to put up 5 per cent.

Mr. ROBB: Yes, that is estimated upon an actuarial basis.

Sir HENRY DRAYTON: What becomes of the credit which those which have entered into Superannuation Fund No. 2 now have?

Mr. MALCOLM: It either stays there, or they can transfer to the new scheme by paying up the difference over 2 per cent of $3\frac{1}{2}$ per cent, to equalize the 5 per cent that they would have paid if they had been under the new fund from the beginning.

Sir HENRY DRAYTON: Is that fair to the civil servants? We are starting something new now. Anyone can come in, although he has paid nothing, by paying 5 per cent per annum? Or does the scheme of the act run back to the time of first employment?

Mr. MALCOLM: Oh yes. Section 17 covers that. In general the bill is framed to cover new entrants to the service. But section 17 makes provision for those who are now in the service and gives them the option of coming under this measure. If they are under Superannuation Fund No. 1 they will have to pay up the difference between the 5 per cent and what they have paid. The same will apply under Superannuation Fund No. 2. If for any years of their service they have not contributed at all and do not wish to contribute for those years the bill provides that they shall be allowed half of those years of service under this act. If they come in without payment, they sacrifice benefits for half of their years of service.

Mr. CHEVRIER: If a civil servant has been thirty years in the service, and it is only within the last ten years that he has contributed to any fund, but for the previous twenty years he contributed to no fund, he may either pay up 5 per cent on his former twenty years, and get the benefit of the complete thirty years; or he will transfer the 5 per cent paid during the last ten years, and will only be given the benefit of ten years of his former twenty years. Now the objection immediately is made; why not allow the same benefit to one who wants to purchase? This act is based on mutuality—5 per cent by the employee and 5 per cent by the government; it is not based on generosity, but based on equality. But in the case of the temporary employee, the one who has given long faithful service and would be unable now to make up for the deficiency, the government will allow him to come in on paying 5 per cent, but they will allow for half his years of non-contribution—in this case ten years. In that provision the bill is generous. But for one who pays the 5 per cent, and who wants to enjoy benefits as for the full thirty years, the act says he will have to pay up. If he cannot pay up he will get the benefit of his last ten years—for which he has already contributed to the Retirement Fund—and half of his former years.

Sir HENRY DRAYTON: The first fund is one maintained entirely by contribution from the service?

Mr. CHEVRIER: That is Fund No. 1.

Sir HENRY DRAYTON: That costs the government nothing. What is the amount to the credit of that fund?

Mr. MALCOLM: There is no separate account maintained?