

Superannuation.—Contributory or Non-Contributory.

Principles on which Contributions of Employees Should be Determined.

In *The Civilian* of May 31st it was argued that any scheme of civil service superannuation should include benefits for the wives, widows and children of employees, and under date June 14th it was argued that from all points of view taking into account facts which must be reckoned with whether we like it or not, it would be more advisable to make the scheme contributory than non-contributory. The preceding discussion, however, has left wide open the principles on which the contributions of employees should be determined, and it is with the determination of these principles that the present article concerns itself.

As a first principle it would usually be agreed that no employee should be called upon to visibly contribute for a greater benefit than he and his dependents would enjoy. This principle may be enunciated without fear of successful contradiction, as they say in well informed political circles. As, however, some male employees never marry, and consequently can benefit only personally, and as female employees also can only benefit personally, this means that the maximum contribution which anyone should be required to pay is the contribution for the benefits which the scheme of superannuation guarantees to himself personally, individually, unless, indeed, the contribution be made to depend on one's dependents, which as a practical suggestion, may be put out of court without ceremony. Thus then we have fixed upon a maximum limit of contribution. Adhering closely to this principle alone, however, the contribution might be fixed at any proportion of the maximum without any violation of the principle already enunciated, which leaves us free to fix the contribution anywhere between nothing and the maxi-

mum already agreed upon. In order to assist in a more definite determination it will be helpful, if possible, to establish some minimum below which the contribution must not fall.

It may again be enunciated without fear of successful contradiction that male employees who never marry and female employees should visibly contribute for the full benefit which the superannuation scheme guarantees to them personally. If they do not do so it is pertinent to ask from what source should the balance come? The class of employees here referred to, that is employees who take upon themselves the minimum of community responsibilities, must be assumed to earn enough during life to provide for their own needs during active life as well as after retirement. This being agreed upon it is here maintained that it is advisable that they should visibly contribute for the full personal benefit. In maintaining this, sight is not lost of the facts previously advanced in these pages with regard to contributory and non-contributory superannuation schemes. But taking into account all the considerations which were kept in mind in determining whether the scheme should be contributory or non-contributory, keeping in mind also certain other practical considerations which cannot very well be discussed at present, it is here maintained that the minimum contribution should be as already indicated. The adoption of this minimum is very largely a matter of expediency and it is doubtful if any very telling arguments can be advanced against such a minimum which is not also an argument against any contribution at all. It is, however, here assumed that there is to be a contribution.

We have thus fixed the maximum beyond which contributions should