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Federation of Rhodesia and Nyasaland

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**ANNUAL REPORT**  
of the  
**FEDERAL PENSION FUND**  
**BOARD**

on the Operation and Financial Position  
of the  
**FEDERAL PROVIDENT FUND**  
For the Year ended 30th June, 1962

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*Presented to the Federal Assembly*  
1963

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The Report of the Federal Reserve Board on the

State of the Union, 1913

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# First Report of the Federal Pension Fund Board on the Operation and Financial Position of the Federal Provident Fund

Submitted in terms of Section 6 (1) (b) of the Federal  
Provident Fund Act, 1960, as amended

1. We have the honour to submit our report on the Federal Provident Fund for the period 1st July, 1961 to 30th June, 1962.

2. The Federal Provident Fund was established on the 1st July, 1961, to provide a lump sum payment on retirement for certain employees of the Federal Government who are not eligible for benefits on retirement in the form of contributory or non-contributory pensions or gratuities.

The employee is required to contribute to the fund at the rate of 4 per cent. of his salary and the Government makes a like contribution. Except for a number of officers who were members of the Southern Rhodesia Government Employees' Provident Fund and elected to retain their benefits on being absorbed by the Federal Provident Fund, employees receive the full benefit (the sum total of the amounts paid into the fund by and in respect of the employee together with interest thereon at 5 per cent. per annum, compounded annually) in the following circumstances:

- (i) on leaving the service after completing at least 25 years continuous membership;
- (ii) in the event of death.

In all other instances employees who resign or are discharged receive certain lesser benefits but no less than an amount equal to the employee's contributions with interest thereon.

3. The Minister of Finance is authorized under section 12 of the Act to pay into the Consolidated Revenue Fund, at the end of each financial year, so much of the amount by which the assets of the fund exceed the aggregate of the full benefits standing to the credit of employees as he may determine after consulting the Board. On the other hand, in terms of Section 11 (b) of the Act, if the aggregate of the full benefits standing to the credit of employees at the end of any financial year exceeds the assets of the fund, the shortfall shall be made good from the Consolidated Revenue Fund.

4. On the establishment of the Federal Provident Fund on the 1st July, 1961, the liability for the full benefit standing to the credit of 110 Federal Government employees contributing to the Southern Rhodesia Government Employees' Provident Fund and amounting to £91,304, was transferred to the Federal Provident Fund. To meet this liability various stocks, totalling £91,276, were transferred from the Southern Rhodesia Government Employees' Provident Fund at cost price, and the balance amounting to £28 was received in cash.

5. Of the 110 Federal Government employees who were absorbed by the Federal Provident Fund, 34 elected to retain the benefits payable in terms of the Government Provident Fund Act, 1943 (Southern Rhodesia) the remainder having elected to be governed by the provisions of the Federal Provident Fund Regulations, 1961.

6. On the 30th June, 1962, there were 1,765 employees who were members of the Federal Provident Fund. During the course of the year, 475 ceased to be members, 42 having transferred to pensionable employment and 433 having either resigned, been dismissed or died.

7. The accounts for the year ended 30th June, 1962, reflected a surplus of £13,580 which the Minister of Finance, on the recommendations of the Board, authorized, in terms of section 12 of the Act, to be transferred to a Reserve Account to be built up and maintained at a level of 10 per cent. of the cost price of securities held as a provision against any loss which may arise in the future.

8. Attached to this report are the following statements and accounts:—

- (1) Revenue and Expenditure Account for the year (*Appendix "A"*).
- (2) Balance Sheet as at 30th June, 1962 (*Appendix "B"*).
- (3) List of Investments held by the Fund (*Appendix "C"*).
- (4) Statement showing that the Interest on Investments did not fall short of 5 per cent. per annum during the year (*Appendix "D"*).

9. A statement in terms of Section 8 (2) (b) of the Act (*Appendix "D"*) shows that the average rate of interest on investments of the Fund was 5.12 per cent. per annum in the financial year covered by this report.

H. M. McDOWELL, *Chairman.*

B. C. J. RICHARDS }  
R. A. YATES } *Members.*

FEDERAL PROVIDENT FUND  
 (Established under the Federal Provident Fund Act, 1960, as amended)  
 REVENUE AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1962

	£	£		£	£
<i>To:</i> Interest Credited on all Contributions . . . . .		12,060	<i>By:</i> Interest Received and Accrued . . . . .		12,419
Members . . . . .	6,030		Federal Government Stock . . . . .	10,387	
Government . . . . .	6,030		Deposits for Government Stock . . . . .	678	
Surplus to Reserve Account . . . . .		13,580	Southern Rhodesia Government Stock . . . . .	476	
			Local Authorities Stock . . . . .	504	
			Daily Balance at Bank . . . . .	374	
			Government contributions and interest to which members ceased to be entitled by reason of resignation or transfer to pensionable employment . . . . .		13,221
		<u>£25,640</u>			<u>£25,640</u>



FEDERAL PROVIDENT FUND  
BALANCE SHEET AS AT 30TH JUNE, 1962

LIABILITIES	£	£	£	ASSETS	£	£
<b>Contributions by Members</b>			168,227	<b>Investments at Cost</b>		340,721
Members' Contributions for the year ended 30th June, 1962		181,028		Federal Government Stock	260,145	
Add: Interest credited on Members' Contributions for the year ended 30th June, 1962		6,030		Southern Rhodesia Government Stock	14,600	
		<u>187,058</u>		Local Authorities Stock	10,976	
Less: Benefits paid during the year ended 30th June, 1962		18,831			<u>285,721</u>	
		<u>18,831</u>		Deposit for Government Stock	55,000	
<b>Contributions by Federal Government</b>			168,227	<b>Interest accrued on Investments</b>		4,577
Contributions by Federal Government for the year ended 30th June, 1962		181,028		<b>Sundry Debtors</b>		1,883
Add: Interest credited on Contributions by the Federal Government for the year ended 30th June, 1962		6,030		Overpayment of Benefits	4	
		<u>187,058</u>		Outstanding collections from Ministries	1,758	
Less: Benefits paid during the year ended 30th June, 1962	5,610			Outstanding Government Contributions	121	
Government contribution and interest to which members ceased to be entitled by reason of resignation or transfer to pensionable employment during the year ended 30th June, 1962	<u>13,221</u>	<u>18,831</u>		<b>Cash at Bank</b>		2,915
<b>Total of the Fund at 30th June, 1962</b>			336,454			
Reserve Account			13,580			
Sundry Creditors			62			
			<u>£350,096</u>			<u>£350,096</u>

NOTE A.—The market value of stocks held at 30th June, 1962, was £273,822.

H. F. MARSHALL,  
Chief Accountant, Federal Treasury

A. G. IRVINE,  
Acting Secretary to the Federal Treasury.

REPORT OF THE COMPTROLLER AND AUDITOR-GENERAL

I have examined the Revenue and Expenditure Account of the Federal Provident Fund for the year ended 30th June, 1962, and the Balance Sheet at that date, in accordance with the provisions of the Federal Provident Fund Act, 1960, and have obtained all the information and explanations that I have required. I certify, as the result of my audit, that in my opinion the Revenue and Expenditure Account and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the transactions and the state of the affairs of the Federal Provident Fund.

4th December, 1962.

D. J. MORRIS,  
Comptroller and Auditor-General.

FEDERAL PROVIDENT FUND  
LIST OF INVESTMENTS HELD BY FUND AT 30TH JUNE, 1962

<i>Nominal Value</i>		<i>Cost</i>
£		£
7,500	Federal Government — 6 per cent. Loan, 1978/81 . . . . .	6,915
10,000	Federal Government — 5½ per cent. Loan, 1979/81 . . . . .	9,987
40,000	Federal Government — 5½ per cent. Loan, 1963 . . . . .	40,000
50,000	Federal Government — 5½ per cent. Loan, 1965 . . . . .	50,000
105,000	Federal Government — 5¼ per cent. Loan, 1964 . . . . .	104,445
24,000	Federal Government — 5¼ per cent. Loan, 1975/77 . . . . .	23,610
26,000	Federal Government — 5 per cent. Loan, 1974/76 . . . . .	25,188
300	Southern Rhodesia Government — 3 per cent. Loan, 1959/64 . . . . .	300
14,300	Southern Rhodesia Government — 3¼ per cent. Loan, 1964/74 . . . . .	14,300
11,200	City of Salisbury — 4½ per cent. Loan, 1971 . . . . .	10,976
55,000	Federal Government — Deposit against Medium-Term Loan . . . . .	55,000
		<u>£340,721</u>

FEDERAL PROVIDENT FUND  
STATEMENT AS TO ANNUAL PERCENTAGE RATE OF INTEREST  
EARNED ON INVESTMENTS (IN TERMS OF SECTION 8 (2) (b) FEDERAL  
PROVIDENT ACT, 1960)

Interest on Investments calculated at 5 per cent. per annum . . . . .	£11,765
Interest earned on Investments . . . . .	£12,045
Average rate of Interest earned on Investments . . . . .	5.12%

H. F. MARSHALL,  
*Chief Accountant, Federal Treasury.*

A. G. IRVINE,  
*Acting Secretary to the Federal Treasury.*