

DRAFT SCHEME OF PENSIONS
FOR
HOSPITAL OFFICERS & NURSES

MEMORANDUM

PREPARED BY A

CONFERENCE

COMPOSED OF REPRESENTATIVES OF

KING EDWARD'S HOSPITAL FUND FOR LONDON
THE BRITISH HOSPITALS ASSOCIATION
THE INCORPORATED ASSOCIATION OF HOSPITAL OFFICERS
THE COLLEGE OF NURSING, LTD.

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MEMORANDUM

RELATING TO A DRAFT SCHEME OF

PENSIONS FOR HOSPITAL OFFICERS
AND NURSES.

ORIGIN OF THE SCHEME.

1.—This Memorandum has been drawn up by a Conference of representatives of the following bodies :—

King Edward's Hospital Fund for London,
The British Hospitals Association,
The Incorporated Association of Hospital Officers,
The College of Nursing.

Lord Stuart of Wortley, Chairman of the Management Committee of King Edward's Hospital Fund, presided over the Conference, which included representatives from the Provinces as well as from London. The names of the representatives are given in Appendix I.

2.—The Conference, which was convened by King Edward's Hospital Fund at the request of the other three bodies, had its origin in the Report of a Special Committee of Inquiry appointed by the King's Fund in 1914 under the Chairmanship of Mr. W. J. H. Whittall, F.I.A.

REPORT OF THE KING'S FUND COMMITTEE, 1919.

3.—The Report, published in 1919, was in three parts.

4.—Part I dealt with the existing provision for pensions at the London Voluntary Hospitals, and arrived at general conclusions that may be summarised as follows :—

- (a) That the principle of pensions was generally recognised ;
- (b) That, except at a few Hospitals with pension schemes, the prospect of pensions was uncertain not only as to amount, but, even more, as to the age at which they might be expected ; that, if an officer migrated to another Hospital, all his past pension rights were lost, and a heavy burden was placed on the new Hospital ; and that the grant of a pension was apt to derange the finances of a Hospital ;
- (c) That, in consequence, the retiring age tended to be unduly deferred ; migration was discouraged ; the attractiveness of Hospital service was diminished ; and, in practice, the total amount paid in pensions was much smaller than would be expected in so large a body of employees ;
- (d) That these limitations (particularly on migration and on retirement at the proper age) were detrimental to the interests both of the Hospitals and of the officers ;
- (e) That, in regard to nurses, the existing provision was very inadequate and unsatisfactory, and that it would be a good thing if the Hospitals were to encourage and assist young nurses to initiate some definite provision for old age.

5.—Part I also recommended certain general objects to be aimed at in any alteration or improvement of the existing system. These included greater security for an adequate pension claimable at a stated age, no loss of pension on migration, and continuous financial provision in advance during the working life of the officer concerned.

6.—Part II contained a discussion of typical pension schemes, illustrating the various problems that had to be solved in order to secure these general objects. The schemes discussed included those for the Civil Service (1859 and 1909), the existing Hospitals with schemes, the Police, Poor Law, and Asylums Officers, the Metropolitan Boroughs, the London County Council, and the English Railways; the Federated System for Universities; and others.

7.—Part III discussed, in the light of Part II, the general principles of a combined scheme for Voluntary Hospitals, and the best method of securing them. After considering and rejecting various forms of provision by the establishment of a special mutual pension fund, the Report arrived at the conclusion that recourse to Insurance Companies, as in the Federated Superannuation System for Universities, was the only practicable solution of the problem. The Report accordingly recommended that a Conference of the parties concerned should be invited to consider the whole question on that basis.

8.—The King's Fund published the Report for the consideration of the parties concerned *

THE CONFERENCE, 1925.

9.—During the financial crisis after the war, it could not be expected that the Hospitals should take up the question. But the Hospital Officers' Association and the College of Nursing took the Report into consideration, and by the end of 1924 first the College of Nursing and then the Hospital Officers' Association had prepared schemes on the lines suggested, and had (after correspondence with the King's Fund) submitted them to the British Hospitals Association. The result was that all three parties concurred in asking the King's Fund to convene a Conference to discuss the question.

10.—The Conference, at its first meeting on February 6th, 1925, passed a resolution expressing sympathy with the principle of a pension scheme for the administrative and nursing staffs of Hospitals, and inviting the King's Fund to convene a Committee representing the three parties, with the King's Fund, to consider the schemes in detail, and to present proposals to a further meeting of the Conference. As the result of these discussions, the scheme for officers and the scheme for nurses have been combined into a single scheme with two parts, and a few changes have been introduced to meet some of the points raised.

At the second meeting of the Conference, held on July 24, it was decided that, since it rests with each individual Hospital to decide for itself whether it will adopt the scheme either wholly, or in part, or not at all, the Conference should not express an opinion on the scheme as thus redrafted, but that this Memorandum should be circulated to the Hospitals for their consideration, and for expressions of opinion and suggestions. It was also decided that a further meeting of the Conference should be convened to consider the replies from the Hospitals.

GENERAL FEATURES OF THE SCHEME.

11.—As suggested in the Report of the King's Fund Committee, the scheme is on the same basis as the Federated Superannuation System for Universities. This was specially designed to meet the needs of a combined scheme for a group of independent institutions forming together a common professional service, within which migration from one institution to another was fairly frequent. The Universities System is a "money-purchase" scheme, whereby an insurance policy is taken out for each member of the teaching and clerical staffs (above certain salary limits), the annual premium being based on a percentage of the salary and paid partly by the employer and partly by the employee. The policy follows an employee who leaves before pension age, whether for another institution in the federated scheme, or to leave the service altogether. The particular proposals in the scheme for Hospital officers and nurses, and the questions of principle and of policy involved, can best be discussed under the various separate heads which follow.

* The Report, under the title "Pensions for Hospital Officers and Staffs," is published by C. & E. LAYTON, 56 Farringdon Street, E.C.4, and by GEO. BARBER, 23 Fournival Street, Holborn, E.C.4, price 7s. 6d. net.

CLASSES OF OFFICERS AND NURSES TO BE INCLUDED.

12.—Under this head there is a difference between nursing staffs and other officers. This results from two facts, first, that most nurses spend only part of their professional career in Hospital service; and, second, that almost all nurses begin by a period of Hospital service as probationers, during which they receive training and are paid a small salary, in return for which they do work of limited, but essential and always increasing, value to the Hospital.

13.—The problem of the nurses' pension is thus twofold: first, how to make continuous provision throughout a career which begins in Hospital but may include private nursing or work under a public authority or a temporary or permanent return to Voluntary Hospital service; and, second, how to secure that the young nurse begins to make this provision at as early a period as is practicable in her career. For she can then do it at the least cost, and can, if influenced in that direction by those who have charge of her education, form the necessary habit of making provision.

14.—The urgency of this problem, as put forward by the promoters of the scheme, lies in the fact that the working life of a nurse is relatively short; that she is unable, out of her normal present rate of remuneration, to make provision for a comparatively early, and therefore prolonged, period of retirement; and that the absence of any prospect for old age is acting more and more as a deterrent to suitable candidates who might otherwise enter the profession.

15.—On the other hand, it could not be expected that Hospitals should make contributions which would become the property of probationers who might never qualify or who might give up nursing as soon as they had qualified.

16.—The draft scheme, therefore, proposes that all probationers, after one year of training, should be included, and also all nurses, whether employed in Hospital service or in other branches of nursing; but that this should be subject to the following two provisions: first, that only during the period of Hospital service would the scheme involve the Hospitals in any liability for contributions in respect of nurses; and, second, that unless and until the probationer remained in nursing service for a specified number of years, as set out in paragraph 51 below, the Hospital contributions would be returnable to the Hospital.

17.—The scheme as drafted would include, therefore, subject to the limitations mentioned in paragraphs 50 and 51 below as regards length of service:—

- (i) All the salaried staff, male or female, in the employment of the Hospital, administrative, clerical, or dispensing, within the salary limits mentioned in paragraph 19 below;*
- (ii) (A) All female professional nurses, whether nursing the sick or doing work under a public authority;
- (B) Probationers after one year's training;

the liability of any Hospital being limited to the nurses or probationers actually in its employment.

18.—The position of existing officers is discussed in paragraphs 53 to 56 below.

* The term "administrative staff," as used here, does not necessarily mean staff whose salaries are charged under the heading "Administration" in the Revised Uniform System of Hospital Accounts.

Salary limits.

19.—It is proposed in the scheme that the following salary limits should apply to all officers other than nursing staff:—

- (a) Where the total of salary and emoluments is less than £100 the officer would not be eligible to join ;
- (b) Where the total of salary and emoluments is £100 or over, but is under £160, the Hospital would have the option of admitting the officer if he wished to join ;
- (c) Where the total of salary and emoluments is £160 or over, it would be compulsory for all future entrants into Hospital service to join the scheme ;
- (d) There would be no maximum salary limit, but it would be open to an individual Hospital to arrange with an individual officer that an increase of salary beyond a specified high level should not carry with it any increase in the contribution of either the Hospital or the officer, or consequently in the amount of pension.

20.—In the case of nursing staff it is proposed that the scheme should be compulsory on all new entrants into Hospital service, except probationers during their first year.

CONTRIBUTIONS BY HOSPITALS AND BY OFFICERS AND NURSES.

21.—One of the fundamental principles recommended by the King's Fund Committee was that in any scheme for Voluntary Hospitals the financial provision should be made wholly in advance—*i.e.*, the whole cost should be provided by means of contributions by employers and employees. They held that if this was not done the officers could not have security, and the Hospitals would always be liable to the heavy burden of providing for a pension when it became due.

22.—Contributions sufficient to provide an adequate pension are therefore an essential part of the scheme, an adequate pension being regarded, generally speaking, as a pension on a scale which would give to Hospital officers two-thirds of salary and emoluments after 40 years' service, or, in the case of nurses, a scale based on salary and emoluments as nearly approaching to the maximum of two-thirds as is compatible with their shorter earning life and longer period of retirement.

23.—Before the war, pensions then regarded as adequate were provided, under the Universities System, by contributions amounting to 10 per cent. of salary—5 per cent. paid by the employer and 5 per cent. by the employee. Since the war, the employer's contribution has been increased to 10 per cent., making 15 per cent. in all.

24.—The specimen type-cases, given in Appendix II below, show that no smaller percentage will suffice, and the following are accordingly the contributions proposed in the scheme :—

- (i) From the hospitals, 10 per cent. of salary and emoluments ;
- (ii) From the officer or nurse, 5 per cent. of salary and emoluments.

The suggested scale of emoluments is given in Appendix III.*

* For nurses in private work a special scale of contribution is suggested in the scheme, *viz.*, a flat rate of 3s. 9d. weekly from the nurse and 7s. 6d. weekly from the employers, besides 1s. 6d. special contribution to cover intervals between employment—*i.e.*, a total employer's contribution of 9s. weekly. This memorandum does not attempt to give a full description of the proposals for dealing with nurses not in hospital service (see paragraphs 60 and 64 (g) to (o) below).

25.—The question whether the Hospitals can afford this contribution is one which each institution would have to consider for itself. The gross total amount involved can easily be calculated. A few specimens are given in Appendix IV. Before a conclusion is reached the following points should be taken into account :—

- (a) From the amount of the contributions would have to be deducted (after the first few years) the amount returnable in respect of officers leaving Hospital service altogether, or nurses leaving nursing service altogether, within the periods mentioned in paragraphs 50 and 51 below ;
- (b) Every Hospital that now pays a pension, or is prepared to pay one if and when occasion arises, is subject to a financial liability of uncertain amount and duration, and has to provide for this liability in one way or another, either before it falls due or afterwards. Part of the cost of the contributions under the scheme, and an increasing part, would thus be balanced, after a time, by the relief from a liability that would otherwise continue to exist ;
- (c) The employees themselves would be undertaking a substantial share of the cost ;
- (d) The Hospital would escape all the disadvantages which now result from the absence of any regular pension system, as described in Mr. Whittall's Report (see paragraph 4 above).

26.—A further question discussed by the Conference Committee was whether the officers and nurses could fairly be regarded as having earned the addition to their remuneration represented by an employer's contribution of 10 per cent. in the form of pension benefits. This question was specially raised in connection with young nurses, who are already getting their professional education in addition to the salary and emoluments they receive. The following considerations have been adduced in support of the proposals in the scheme, viz. : that probationers do a substantial amount of work for the Hospital during training;* that the nurses' contribution of 5 per cent. of salary and emoluments is a considerable burden on them, as it has to be paid out of the comparatively small amount of cash salary received ; that they cannot provide for old age out of their present remuneration, and often become destitute ; and, finally, that increased remuneration, preferably in the form of provision for old age, is becoming more and more necessary in order to attract the proper type of entrant to the nursing profession.

FORM OF BENEFIT SECURED BY THE CONTRIBUTIONS.

Insurance policies.

27.—Under the draft scheme, as under the Universities System, the contributions would be used to take out policies with Insurance Companies.

28.—The advantages of this method, as described in the Report of the King's Fund Committee, are as follows :—

- (a) That there is a great saving in administrative labour and expense ;
- (b) That as there is no fund, there can be no loss on securities ;
- (c) That there is no need for actuarial valuations, nor any financial responsibility on the part of the institutions beyond the prescribed contributions ;
- (d) That it is particularly suited to a general scheme for a group of institutions, since the beneficiary, on migration to any institution within the scheme, takes his policy with him and has it automatically continued ; while, on migration to any institution not within the scheme, he has the option of continuing the policy or policies either at his own expense or by arrangement with his new employers.

* e.g., a large Hospital in London recently classified its nursing staff as follows : probationers 260 ; staff nurses 16 ; total 276 ; matron, assistant matron and sisters, 43 ; grand total 319. Thus, of the total staff 81 per cent. were probationers, or, excluding matron and sisters, 94 per cent.

29.—The security obtained by this method, both for the Hospitals and for the officers, would arise largely from the fact that all the elements of uncertainty attaching to pensions would be allowed for in advance. In any scheme on Civil Service lines the scale of pension, though not the amount, is decided beforehand and the funds to meet it have to be provided afterwards. If the cost exceeds the estimate—owing, for example, to a general increase in longevity—either the pensions must be reduced or more money must be found. This has been a very common experience with the schemes described in the Report of the King's Fund Committee; and the risk is particularly serious where, as at the Voluntary Hospitals, there are no unlimited funds out of which a deficit can be made up, or the pensions guaranteed. Under the Universities System, on the other hand, the pensions are fixed at the amount which can be obtained in return for the annual contributions; the financial liability involved in every contingency is calculated and provided for beforehand, and the Insurance Company takes all the risks arising out of any changes that may occur by the time each pension becomes payable.

Procedure.

30.—The procedure under the scheme would be as follows :—

- (i) The first full year's contribution of 15 per cent. in respect of a particular officer or nurse is used to pay the first annual premium for a policy, except that, in the case of probationer nurses, the purchase of a policy is deferred, and the contributions are held on deposit at interest during the initial period described in paragraph 51 below;
- (ii) Future annual contributions of the same amount are used to keep up the annual premiums on this policy;
- (iii) When the salary of the officer or nurse is increased by a specified amount (*e.g.*, £20) the additional contribution of 15 per cent. on the increase (*i.e.*, £3) is used to pay the first annual premium on a supplementary, or "increment," policy for an additional benefit of proportionate amount*;
- (iv) Thenceforward future annual contributions on the total increased salary are used to pay the annual premiums on the two policies;
- (v) A similar supplementary policy is taken out for every increase (*e.g.*, of £20) in salary, until the maximum is reached.

Alternative kinds of benefit.

31.—Under the scheme as proposed, the officer or nurse would be, within certain limits, free to choose between various kinds of benefits that could be insured by these policies, and between the Insurance Companies from which they could be obtained. There would be three main types from which the beneficiary could choose, viz. :—

- (a) Endowment Assurance policies, with profits. These secure the payment of a stated sum, plus bonuses, or the payment of an equivalent annuity, on the beneficiary arriving at the pension age, or the payment of the stated sum, plus bonuses to date, if death occurs before pension age;
- (b) Deferred Annuity policies with return of premiums. These secure annuities (or equivalent cash sums) payable from the pension age, with a return of the premiums (plus interest) in the event of death or surrender before the pension age;
- (c) Deferred Annuity policies without return of premiums. These secure a larger annuity from the pension age, but in the event of death before that age there is no payment whatever.

In the case of Endowment policies which include a full death benefit, a medical examination is required for the first policy. No further medical examination is required for supplementary policies, subject to a satisfactory statement by the member as to his health.

* It is not clear that these supplementary or "increment" benefits need necessarily be assured by new and separate contracts if the Company and the type of benefit selected are as in the original policy. An alternative system, under which increments are endorsed on the original contract, is in operation.

32.—There is reason to believe that the majority of Hospital officers would choose type (a), and that most nurses, except those who have dependent relatives, would tend to prefer type (b), which is the form already familiar to them through the Royal National Pension Fund for Nurses.

33.—The Conference Committee discussed at length the question whether the scheme ought to provide the alternative of a death benefit as in (a), or whether it ought to be confined to pensions pure and simple.

34.—On the one hand, it has been argued that the Hospital is concerned only with the maintenance of the retired officer in his old age, and that the responsibility for providing for his dependants in the event of his death rests with him, except in so far as this would be met by the return of premiums under alternative (b). Attention is drawn to the fact that there is no death benefit in the new scheme for Local Government officers, introduced by the Act of 1922.

35.—On the other hand, it is pointed out in the Report of the King's Fund Committee that a death benefit was introduced into the new Civil Service scheme in 1909 as the result of actual experience of the dissatisfaction which had arisen from the absence of any provision in the event of death before pension age; and that, of those to whom a choice was offered, viz., the existing officers, the majority preferred the new scheme.

36.—Moreover, it appears that the option of a death benefit under alternative (a) would not involve any extra cost to the Hospitals or any reduction in the pensions otherwise payable. In the case of officers who do not desire a death benefit, the amount of pension pure and simple, purchasable with a given contribution, is not affected by the fact that other officers choose a different form of policy. Even in the case of the officer who prefers a death benefit, the pension is not usually reduced, since this alternative benefit is provided by companies which issue "with profit" policies, and the bonuses, according to the actuaries, are likely to provide, in practice, the cost of the death benefits for the same premiums.

37.—That being so, it is argued that there is no reason why the scheme should not permit these options to be exercised by those for whose circumstances they are specially suited.

38.—The question of the right to return of premiums, with interest, on withdrawal before pension age, is discussed in paragraph 47 below.

Scale of pension provided.

39.—Examples of the amounts provided by these various types of policy are given in Appendix II.

In the case of Hospital officers, two type-cases are taken: Case I a senior officer beginning at £130 per annum and rising to £780; and Case II a member of the clerical and dispensing staff beginning at £130 and rising to £480. These figures include £30 for emoluments. In the case of nurses, the salary is based on the scale recommended by the College of Nursing, combined with the emoluments in Appendix III B.

One of the questions discussed in Mr. Whittall's Report was whether the security given by the system of insurance policies is accompanied by a lower scale of benefits owing to the fact that the expenses and profits of the Insurance Companies have to be taken into account.* Certain tables were given comparing the Universities system with the Civil Service new scale. Table IV of Appendix II gives a somewhat similar comparison, brought up to date both as regards the salaries and also as regards the terms offered by the Insurance Companies.

Appendix II has been compiled by Mr. F. L. Collins, F.I.A., to whom the Conference are very greatly indebted for his expert assistance in this and in many other ways.

* See Pensions for Hospital Officers and Staffs, paragraphs 260 to 266 and paragraphs 419 and 420. See also note to paragraph 8.

PENSION AGE.

40.—In the case of officers, it is proposed in the scheme that the policies should all mature in the member's sixtieth year, so that retirement may take place at age 60 or at some later age in accordance with the regulations of the institution concerned. After age 60, however, the contributions would not be used to pay further premiums, but would be accumulated with the policy moneys at compound interest. They would thus increase the amount available on retirement.

41.—In the case of nurses, the work is so exacting that it is found necessary to fix the retiring age at 55, which is the earliest age at which contributions of 15 per cent., based on the College of Nursing scale of salaries and emoluments, will provide a reasonable scale of pension. The amount obtainable would diminish very rapidly if an earlier age of retirement was fixed, since a smaller number of contributions would have to provide for a longer period of pension.

MEMBERS LEAVING SERVICE OF HOSPITAL.

42.—Under this head the scheme provides for two contingencies: (a) the case of the officer who leaves one Hospital to take up a post at another, or the nurse who goes either to another Hospital or to some other branch of the nursing profession; and (b) the case of those who leave Hospital service or nursing service altogether.

Migration within Hospital or Nursing service.

43.—The principle that migration within Hospital or nursing service should not involve any loss of pension rights is fundamental to the scheme. The absence of any such provision imposes a hardship both on the officer who migrates and on the Hospital to which he goes. For example, a man may have the enterprise to leave a secure but subordinate position at a large Hospital for a more responsible post at a smaller one, and may thus become in time the best candidate for one of the highest appointments at a large institution. But he cannot receive the appointment unless either he is prepared to forgo any claim to pension arising out of his back service or the Hospital is willing to bear the whole cost in return for a comparatively few years' service. This is a handicap both to the Hospital and to the officer.

44.—In the case of nurses, the power to move from one branch of service to another without loss of pension rights is even more important, since migration in this sense is the normal experience of the great majority of the profession.

45.—The scheme accordingly provides:—

That any member leaving a Hospital for an appointment at another Hospital, or leaving employment in any one branch of the nursing profession for employment in another branch, would take the full accrued benefit of his or her policies to date.

46.—It will be seen that under this provision a Hospital would contribute towards the ultimate pensions of officers and nurses who did not stay long in its service, but that, on the other hand, the Hospital would benefit by being relieved of all liability in respect of the back service of officers or nurses who came to it after holding appointments elsewhere within the scheme. The advantages to be derived from complete interchangeability would doubtless be one of the factors taken into account by any Hospital in deciding whether to adopt the scheme as a whole or in part.

Members leaving service altogether.

47.—The question of an officer or nurse leaving Hospital or nursing service altogether has received special consideration. On the one hand it does not seem right that an employee who does not remain in the profession long enough to be regarded as a permanent member of it should benefit by Hospital contributions intended as a recognition of pension rights. This applies particularly to the case of a probationer who might, either before or after the end of training, give up nursing altogether

and proceed to realize and spend the amount of the contributions. This has sometimes been the experience of Hospitals which have, in the interests of the nurses, adopted the affiliation scheme of the Royal National Pension Fund for Nurses. It is hoped that the existence and influence of the College of Nursing would cause a larger number of policies to be maintained in the future instead of being sacrificed in this way. But doubtless numerous cases would still occur where the Hospital would feel that its contributions should not become the absolute property of the nurse.

48.—On the other hand, the principle which underlies the Universities scheme—namely, that the annual contribution towards the ultimate pension is of the nature of deferred pay, fairly earned by the officer during each year of service, involves the principle that the officer who leaves the service before the pension age should not lose what he has earned.

49.—In order to reconcile these two points of view the draft scheme provides that, while a member could at any time withdraw his own contributions, a specified period of years must elapse before an officer or nurse would become entitled to withdraw the Hospital contributions.

50.—The following are the terms proposed by the scheme in the case of officers :—

- (i) An officer leaving Hospital service altogether within five years of joining the service would take the benefit of his own contributions only.
- (ii) An officer leaving Hospital service altogether after five years' service would take the full accrued benefit of both contributions, subject to the provisions of paragraph 61 below.

51.—In the case of nursing staff, where the first years of employment are partly spent in training, the original scheme as now modified also includes a provision that the contributions for a preliminary period should not be devoted to the payment of premiums. The terms proposed are therefore as follows :—

- (i) In the case of a member of the nursing staff, the contributions both from the Hospital and from the nurse in respect of service during the period of training would be held on deposit during that period at compound interest
- (ii) At the end of the period of training the amount credited to the nurse would be used to take out a policy corresponding to an annual renewal premium of 15 per cent. of salary and emoluments, any balance available being applied, in the form of a single premium, to increase the amount of the benefit. Tables would be prepared showing the amounts assured per £100 annual premium and per £100 single premium in order to provide for this.
- (iii) A member of the nursing staff who ceased to follow her profession altogether within five years after her acceptance as a probationer would take the benefit of her own contributions only, and the Hospital (or Hospitals) where she had been employed would receive back its (or their) contributions.
- (iv) A nurse ceasing to follow her profession altogether after five years from her acceptance as a probationer would take the full accrued benefit of both contributions, subject to the provisions of paragraph 61 below.

52.—It will be seen that under these rules the Hospitals would, after the scheme had been in operation for a few years, receive a refund of part of the contributions they had made in respect of the younger members of their staffs, and this would reduce the amount of their recurrent liabilities under the scheme.

EXISTING OFFICERS AND NURSES.

53.—It is generally agreed that in any scheme of pensions the existing officers and nurses would deserve consideration, and in this connection two questions would arise: the question of future contributions and the question of back service.

54.—The future contributions in respect of an existing officer or nurse who joined the scheme would be the same percentage as for a new entrant, but the amount of pension which the contributions would purchase would be smaller, according to the nearness of the retiring age. So far as they went the contributions would relieve the Hospital of part of the liability to provide for the pension when it became due.

55.—As regards back service, the position would be the same as it is now, and would involve exactly the same question of moral claim on the part of the officer or nurse and moral obligation on the part of the individual Hospital, with corresponding financial liability to find the money when the time came. The cost of meeting such financial liability in advance, by paying to the Insurance Company a lump sum equivalent to the contributions which would have been payable year by year in respect of the back service, would be very heavy. The Hospital Officers' Association do not suggest that this should be done; but it is suggested that, as all existing officers who join the scheme would pay one-third of the cost of the pension in respect of their future service, the Hospitals generally might consider the question of promising that in no event would the pension granted on retirement, to officers or nurses still in their service, be less than would have been granted had the scheme not been established; and that this should apply both to those who joined the scheme, and to those above the age limit. This would encourage a certain sense of security all round, and be a great inducement to eligible existing officers to enter the scheme.

56.—In the case of nurses, whether in Hospital employment or not, some would already have made provision by policies with the Royal National Pension Fund for Nurses or with other institutions, and any such policy could easily be brought into the new scheme. Where there is no such existing provision, the amount of pension would depend on the future contributions. As time went on the new form of provision thus made would increase, until finally the scheme would comprise only members qualified for full pension.

DISABLEMENT.

57.—There is no special provision in the Universities System for the officer who is obliged to retire prematurely through disablement or breakdown of health. Under one type of policy he would be entitled to return of premiums with interest; in another he would get the surrender value at the actual date of retirement or the proportionate paid up policy on his attainment of age 60; and in some cases, particularly where there was a death benefit, or the pension age was near, it might be both possible and prudent to make arrangements to keep up the premiums on his policies.

58.—The problem of disablement is discussed at length in the Report of the King's Fund Committee, but it has been considered impossible at the initial stage to suggest any special provision, though it is hoped that the question may be taken up later on.

MACHINERY.

59.—The Federated Superannuation System for Universities is administered and controlled by a Central Council, though certain functions are performed by the separate institutions, and others by the employees who are members of the scheme. The machinery proposed in the draft scheme for Hospital officers and nurses is on similar lines, adapted in certain respects to the special circumstances of Hospital service and of nursing service.

60.—For example, in the Universities System each separate institution takes out the policies for its employees in its own name, and holds them in trust until they are transferred to another institution or until they mature. This method is considered to be quite suitable for Hospital officers and for nurses in Hospital service. But it is not suitable for the nurses who do not remain in Hospital service after they are qualified, and they are the great majority. For these nurses, therefore, some central body would be required which would be in touch with them in all branches of their profession. The scheme accordingly suggests that the policies for nurses not in the service of a Hospital participating in the scheme should be taken out by or transferred to the Central Council of the scheme; though, as they should if possible be actually held by a body corporate, it is proposed that such policies should

stand in the name of the College of Nursing, Ltd., in trust for the Central Council and the nurse. The same procedure could be employed for nurses in Hospital service, where the Hospital so desired.

61.—Again, it is necessary that when the proceeds of a policy become available, a decision should be taken as to the best method in which the proceeds should be applied for the benefit of the member or his or her dependants. The greater part of the annuity or lump sum, as the case might be, would have been derived from the contributions of the employers, and cases might easily occur where the disposal of the proceeds could not safely be left to the unfettered discretion of the member. In order to deal with such cases without making invidious distinctions, the Universities System leaves the decision in every case to the separate institution. Here again the individual Hospital could act for its own officers and nurses, while for other nurses a central body would be needed. The suggestion in the draft is that the Council of the scheme should be the body to make these decisions for nurses whose policies were held by the Council. It would doubtless perform these functions through a standing Nurses Committee.

62.—The other proposals as to machinery consist merely of the allocation of the various stages of the procedure of the scheme amongst the different parties, and can best be described by the following list of their respective functions. This list only gives a brief outline. The details would have to be worked out later, with any modifications that might be found desirable. This would probably be done by some later conference representing such Hospitals and other parties as were proposing actually to co-operate in starting the scheme.

The Proposed Central Council.

63.—It is proposed in the scheme that the Central Council should consist of representatives of :—

- (i) the Hospitals participating in the scheme, in such proportions as might be agreed : possibly, *e.g.*, one representative of each large Hospital, with a collective representation of smaller Hospitals not exceeding a specified total number of representatives or a specified percentage of the total membership of the Council ;*
- (ii) the members of the scheme, on the nomination of (a) the Incorporated Association of Hospital Officers, and (b) the College of Nursing, up to some specified number or percentage of the total membership of the Council (see paragraphs 66 and 67 (a)).

64.—According to the draft scheme, the Central Council would have the following powers and duties as regards the general control of the scheme :—

- (a) to settle the details of the scheme, and any subsequent changes therein ;
- (b) to settle the panel of Insurance Companies (paragraph 31);†
- (c) to settle the list of alternative forms of policy open to members (paragraph 31) ;
- (d) to settle the definition of institution eligible to join the scheme, and the conditions of joining or withdrawal.*
- (e) to settle the definition of officer and nurse eligible to join the scheme.

As regards the detailed administration it would have the power and duty :—

- (f) to elect a representative Executive Committee for the current administration of the scheme, and such other committees as might be required, and to delegate such powers as it may think fit ;

* While participation in the scheme is intended primarily for hospitals, it is suggested that the Council should have the power, within certain limits, to decide what kinds of institution should be admitted as hospitals, and also to extend admission to suitable institutions whose work is closely connected with hospitals or with nursing. The use of the term "hospital" in this memorandum is intended to include institutions so admitted, except where this is inconsistent with the context.

† Under this head the Council would arrange on what conditions to admit existing policies which members joining the scheme might already have taken out on their own account—including, of course, policies with the Royal National Pension Fund for Nurses, which it is proposed should be one of the panel.

It would also have the following special powers and duties in relation to individual nurses who were members of the scheme, to be exercised by means, probably, of a standing Nurses Committee :—

- (g) to enter into agreements with nurses joining the scheme when in nursing service other than at a Hospital participating in the scheme (see paragraph 60) ;
- (h) to take out initial and supplementary policies ‡ for each such nurse member in the name of the College of Nursing, Ltd., as trustee for the Council and the nurse ;* and also for nurses in the service of a Hospital participating in the scheme, if the Hospital so desires ;
- (k) to accept assignment (into the name of the College of Nursing, Ltd., as trustee) of the policies of nurse members migrating, from the service of a Hospital participating in the scheme and holding its nurses' policies, to any other branches of the profession ;
- (l) to hold the policies of all the above nurse members ;
- (m) to assign to the Hospital, if the Hospital so desires, the policies of any nurse member migrating, to the service of a Hospital participating in the scheme, from any other branch of nursing service ;
- (n) in the case of each nurse member of the scheme, whose policies are held by the Council, † to decide how best the proceeds of her policies, when they become available, should be applied for the benefit of the nurse or her dependants (see paragraph 61) ;
- (o) in the case of each nurse member whose policies are held by the Council, † to take precautions against the charging or anticipation of benefits, whether through bankruptcy or otherwise, by deciding in such cases how the benefits of the policies should be applied in the interests of the nurse or her dependants (see paragraph 61).

It should also have the following general power of delegation :—

- (p) to delegate any of the foregoing powers and duties, or matters ancillary to them, to Hospitals, or to the College of Nursing, or to other bodies, if found desirable in practice.

The Individual Hospitals.

65.—Under the scheme as drafted, the powers and duties of an individual Hospital participating in the scheme would include the following (subject, in the case of nurses, to the necessary modifications where a Hospital prefers that the policies of its nurses should be held by the Council †) :—

- (a) to be represented on the Central Council of the scheme (see paragraph 63 (i)) ;
- (b) to enter into an agreement with each of its officers and nurses joining the scheme (see paragraph 17) ;
- (c) to make its own contributions (see paragraph 24 (i)) ;
- (d) to deduct the contributions of its officers and nurses from their salaries (see paragraph 24 (ii)) ;
- (e) to take out initial and supplementary policies ‡ for its officers and nurses, except probationers until qualified (see paragraphs 30 and 51 (i)) ;
- (f) to accumulate at interest the contributions in respect of probationers until qualified, and then to take out policies for them (see paragraph 51) ;
- (g) to hold the policies as trustee for each officer and nurse while in its employment ;
- (h) in the case of an officer or nurse migrating to another Hospital participating in the scheme, to assign the policies to that Hospital (see paragraph 45) ;

* The details of the relations between the Council and nurses in non-Hospital service and their employers would have to be settled and approved by the Council, but would not directly concern the Hospitals (see note to paragraph 24).

† Where the policies of a nurse member employed by a Hospital are held by the Council at the desire of the Hospital, the question whether the powers in paragraphs 64 (n) and (o) and 65 (o) and (p) should be exercised by the Hospital or by the Council would be a matter for arrangement.

‡ See note * on page 11.

‡ See note * on page 6.

- (k) in the case of an officer migrating to a Hospital outside the scheme, or leaving Hospital service altogether after 5 years' service, to assign or otherwise preserve the benefits of the policies to the officer (see paragraphs 45 and 61) ;
- (l) in the case of a nurse migrating to any form of nursing service other than at a Hospital participating in the scheme, to assign her policies to the Central Council of the scheme, *i.e.*, into the name of the College of Nursing, Ltd., as trustee for the Council and the nurse (see paragraph 45) ;
- (m) in the case of an officer or nurse coming from a Hospital or branch of nursing service where he or she is already a member of the scheme, to accept assignment of the policies and to enter into an agreement with the member (see paragraphs 45 and 46) ;
- (n) in the case of an officer or nurse leaving Hospital or nursing service altogether within 5 years, to receive back the proceeds of the Hospital's own contributions (see paragraphs 50 (i) and 51 (iii)) ;
- (o) to decide, at the time when the proceeds of the policies became available, how to apply the whole or part of the proceeds for the benefit of the officer or nurse or his or her dependants (see paragraph 61) ;
- (p) in the case of each officer or nurse, to take precautions against the charging or anticipation of benefits, whether through bankruptcy or otherwise, by deciding in such cases how the benefits of the policies should be applied in the interests of the officer or nurse or his or her dependants (see paragraph 61).

The Incorporated Association of Hospital Officers.

66.—Under the scheme as drafted, the Hospital Officers' Association would have the following powers and duties :—

to nominate members of the Central Council representing officer members of the scheme, whether members of the Incorporated Association of Hospital Officers or not, in such manner and up to such numbers or proportion of the total membership of the Council as might be determined (see paragraph 63),

The College of Nursing.

67.—Under the scheme as drafted, the College of Nursing would have the following powers and duties :—

- (a) to nominate members of the Central Council representing nurse members of the scheme, whether members of the College of Nursing or not, in such manner and up to such numbers or proportion of the total membership of the Council as might be determined (see paragraph 63) ;
- (b) to hold in its own name, as trustee for the Council and the nurse, the policies of each nurse member when in any branch of nursing service, other than at a Hospital participating in the scheme and holding its own nurses' policies ; and to assign such policies, and deal with the proceeds of such policies, in accordance with the directions of the Council (see paragraph 64 (g) to (o)) .

The Individual Officers or Nurses, Members of the Scheme.

68.—Under the scheme as drafted, the powers and duties of the individual officer or nurse member would include the following :—

- (a) to be represented on the Central Council (see paragraphs 63, 66 and 67 (a)) ;
- (b) to enter into an agreement with the individual Hospital, or, in the case of a nurse joining the scheme while not in the service of a Hospital participating in the scheme

- with the Central Council; under which agreement the Hospital or the Council, as the case may be, will perform the functions set out in paragraphs 65 (c) to (p), or 64 (g) to (o);
- (c) to select from amongst the various insurance companies on the panel (see paragraphs 31 and 64 (b));
 - (d) to select from amongst the alternative forms of policy available under the scheme (see paragraph 31); and, if the member considers it desirable, to make a fresh selection in respect of any supplementary policy arising out of an increase of salary (see paragraph 30 (iii));
 - (e) to have his or her contribution deducted from salary (see paragraph 24);
 - (f) to claim "Life Assurance Allowance" in respect of his or her contribution in making up income tax returns, up to the limits allowed under the Income Tax Acts;*
 - (g) to receive the benefits secured by the policies, when they become available, subject to the powers of decision reserved under the agreement to the Hospital or the Council, as the case may be (see paragraph 61).

FINANCE.

69.—It is suggested in the scheme that the commissions on the policies should be used to increase the benefits obtainable, and that the expenses of administration should be met by annual contributions from the Hospitals participating in the scheme.† The Hospitals might desire to adopt some method of grading the contributions, *e.g.*, a fixed minimum amount with an additional amount proportionate to the number of employees joining the scheme in excess of a specified minimum number.

CONCLUSION.

70.—Attention is drawn to the fact that, as stated in paragraph 10 above, the Conference has not expressed any opinion other than general sympathy with the principle of a pension scheme; and that, since it rests with each individual Hospital to decide for itself whether it will adopt the scheme either wholly, or in part, or not at all, this draft is circulated to the Hospitals for their consideration, and for expressions of opinion and suggestions.

71.—It will, however, be obvious that, if the scheme proves acceptable to the Hospitals, the advantages anticipated from it, both to the Hospitals and to the officers and nurses, will be the more fully realized the larger the number of Hospitals that join.

KING EDWARD'S HOSPITAL FUND FOR LONDON,
7 Walbrook, E.C.4.

THE BRITISH HOSPITALS ASSOCIATION,
Stapley House, 33 Bloomsbury Square, W.C.1.

THE INCORPORATED ASSOCIATION OF HOSPITAL OFFICERS,
28 Bedford Square, W.C.1.

THE COLLEGE OF NURSING,
Henrietta Street, Cavendish Square, W.1.

November, 1925.

* Under the present Acts the allowance is subject to the following limits:—

- (a) in all cases, to an amount not exceeding 1/6th of total income,
- (b) in the case of Endowment Assurances, to 7 % of the capital sum on death,
- (c) in the case of Deferred Annuities, subject to approval of the Superannuation Scheme by the Board of Inland Revenue, to £100.

† See note * on page 11.

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APPENDIX I.

(See paragraphs 1 and 10.)

LIST OF REPRESENTATIVES ON CONFERENCE AND COMMITTEE.

(Those marked * were members of the Committee, and those marked † also attended its meetings.)

KING EDWARD'S HOSPITAL FUND FOR LONDON.	
Name.	Position.
Lord Stuart of Wortley* (<i>Chairman of Conference</i>)...	Chairman of Management Committee and Member of Council.
Lord Somerleyton†	Vice-Chairman of the Management Committee, Member of Council, and Honorary Secretary.
Mr. Leonard Cohen	Member of Management Committee and of Council, Chairman of Hospital Economy Committee, and Honorary Secretary.
Sir George Lawson Johnston	Member of Management Committee and of Council and Chairman of Revenue Committee.
Sir Cooper Perry, M.D.*	Member of Management Committee and of Council and Chairman of Distribution Committee.
Hon. Sir Arthur Stanley	Member of Council.
Major Wernher	Member of Council and of Revenue Committee, and Honorary Secretary.
Mr. W. J. H. Whittall, F.I.A.†	Member of Council.
Mr. H. R. Maynard†	Secretary.
<i>with</i>	
Mr. David Heron, D.Sc.†	

BRITISH HOSPITALS ASSOCIATION.

Name.	Position on Association.	Hospital.	Position at Hospital.
Viscount Hambleden*	Honorary Treasurer	King's College	Chairman.
Mr. H. Wade Deacon*	Chairman of Council	Royal Infirmary, Liverpool	Chairman.
Earl of Arran*	Member	Royal Westminster Ophthalmic	Chairman.
Mr. H. N. Crouch	Member of Council...	Royal Mineral Water, Bath	Member of Committee
Sir James Michelli	Member of Council...	Seamen's, Greenwich	Secretary.
Sir Harold Pink*	Member of Council...	Royal, Portsmouth	Vice-President.
Mr. Thomas Ratcliff	Member of Council...	General, Birmingham	Chairman of Finance Committee.
Mr. G. Q. Roberts	Member of Council...	St. Thomas's	Secretary.
Mr. J. H. Robinson	Member of Council...	Miller, Greenwich	Chairman.
Mr. J. Courtney Buchanan... ..	Honorary Secretary	Cancer	Secretary.

INCORPORATED ASSOCIATION OF HOSPITAL OFFICERS.

Name.	Position on Association.	Hospital.	Position at Hospital.
Major E. A. Attwood	Member of Council...	London Homœopathic	Secretary.
Mr. H. L. Eason, M.D., M.S.*	Vice-President	Guy's	Superintendent.
Mr. A. G. Elliott	Member	London	Secretary.
Mr. Godfrey H. Hamilton	Chairman of Council	National for Paralysed... ..	Secretary.
Mr. W. H. Harper*	President	General, Wolverhampton	House-Governor.
Sir James Michelli	Member of Council...	Seamen's, Greenwich	Secretary.
Mr. G. Watts	Member of Council...	City of London for Heart and Lungs	Secretary.
Capt. J. E. Stone	Honorary Secretary	St. Thomas's	Accountant.
<i>with</i>			
Mr. F. L. Collins, F.I.A.,† who drew up the original Scheme			

COLLEGE OF NURSING, LTD.

Name.	Position.
Miss Cox-Davies	Late Matron, Royal Free Hospital.
Miss Musson*	Late Matron, General Hospital, Birmingham.
Miss Bremner	Private Nurse.
Miss Sheriff-MacGregor	Late Organizing Secretary, The College of Nursing.
Miss Rundle*	Secretary, The College of Nursing.
<i>with</i>	
Mr. F. L. Collins, F.I.A.,† who drew up the original Scheme.	

APPENDIX II.

(See paragraphs 24 and 39.)

By Mr. F. L. COLLINS, F.I.A., who drew up the original schemes.

TABLES I, II, AND III :—SPECIMEN TYPE-CASES : OFFICERS AND NURSES.

These tables, prepared from the latest material, give examples of the amounts provided by the various forms of Policy in the case of certain type-cases. In the case of the Hospital officers, two such type-cases are taken, Case I, a senior officer beginning at £130 per annum, and rising to £780; and Case II, a member of the clerical and dispensing staff beginning at £130 and rising to £480; these figures include £30 for emoluments. In the case of the nurses, the salary is based on the scale recommended by the College of Nursing combined with the emoluments in Appendix III B. Table I shows the contributions of 15 per cent. of the salaries and emoluments. In each case these premiums are applied in Table II to the premium rates in the New Grey Book, issued by the Federated Superannuation System for Universities. In Table III are shown at each age, in conjunction with the total premiums paid, the amounts payable at death and on withdrawal, and also the corresponding paid-up benefits at maturity which are granted on discontinuance of premiums.

A study of these will supply the answer to another question which has been discussed, viz., whether the security given by the system of Insurance Policies is accompanied by a lower scale of benefits owing to the fact that the expenses and profits of the Insurance Companies have to be taken into account. As regards expenses, the amount of the cash option in the case of Deferred Annuities, which is the accumulated amount of the contributions at the Pension age, represents a return of the whole of the contributions with compound interest at the rate of 4 per cent. per annum free of income tax. This rate is such a high one that the margin available for expenses must be very small. With regard to profits, a very vital point in connection with the Endowment Assurances, the bonus estimates are based upon results actually declared in 1911, and in 1916 and 1921, when many offices were precluded from paying a bonus by War conditions. Present conditions are so much more favourable as regards the yield from the investments that these figures are probably somewhat on the safe side.

In paragraphs 419 and 420 of the "Whittall Report" certain tables were given comparing the Universities' system with the Civil Service new scale. Table IV of this Appendix gives a somewhat similar comparison, brought up to date both as regards the salaries and also as regards the terms offered by the Insurance Companies. Without prejudice to existing contracts the terms offered may be withdrawn on six months' notice by the Companies, or the panel can be revised upon a similar notice being given by the controlling body.

These tables will, it is hoped, afford the means of judging how far an existing officer's pension will be met by future contributions under the scheme. Obviously the 15 per cent. of his present salary will be applied at his present age according to the amounts shown in Tables I and II. It is thus possible to calculate the extent to which those benefits fall short of those which he would have in cash and the corresponding pension available at the pension age can thus be determined. An illustration is given in Table V.

TABLE I.

CONTRIBUTIONS AVAILABLE, VIZ. :—15% OF THE SALARIES AND EMOLUMENTS.

Age.	CASE I.—SENIOR OFFICER.					CASE II.—CLERICAL AND DISPENSING STAFF.					CASE III.—NURSING STAFF.							
	Salary.	Annual Premium.				Salary.	Annual Premium.				Status.	Average salary.	Emoluments.	Total.	Annual Premium available for Pension.			
		New.	Total.	Officer pays.	Hospital pays.		New.	Total.	Officer pays.	Hospital pays.					New.	Total.	Nurse pays.	Employer pays.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
20	£130	£19 10	£19 10	£6 10	£13	£130	£19 10	£19 10	£6 10	£13	Staff Nurse	—	—	—	—	—	—	—
21	140	—	—	—	—	140	—	—	—	—		—	—	—	—	—	—	—
22	150	3 0	22 10	7 10	15	150	3 0	22 10	7 10	15		—	—	—	—	—	—	—
23	160	—	—	—	—	160	—	—	—	—		—	—	—	—	—	—	—
24	170	3 0	25 10	8 10	17	170	3 0	25 10	8 10	17		£60	£50	£110	£16 0	£16 0	£5 6 8	£10 13 4
25	180	—	—	—	—	180	—	—	—	—		65	50	115	—	—	—	—
26	190	3 0	28 10	9 10	19	190	3 0	28 10	9 10	19		70	60	130	3 0	19 0	6 6 8	12 13 4
27	200	—	—	—	—	200	—	—	—	—		75	60	135	—	—	—	—
28	210	3 0	31 10	10 10	21	210	3 0	31 10	10 10	21		80	60	140	—	—	—	—
29	220	—	—	—	—	220	—	—	—	—	Ward Sister	85	60	145	—	—	—	—
30	230	3 0	34 10	11 10	23	230	3 0	34 10	11 10	23		90	60	150	3 0	22 0	7 6 8	14 13 4
31	250	3 0	37 10	12 10	25	250	3 0	37 10	12 10	25		95	60	155	—	—	—	—
32	270	3 0	40 10	13 10	27	270	3 0	40 10	13 10	27		100	60	160	—	—	—	—
33	290	3 0	43 10	14 10	29	290	3 0	43 10	14 10	29		105	60	165	—	—	—	—
34	310	3 0	46 10	15 10	31	310	3 0	46 10	15 10	31		110	60	170	3 0	25 0	8 6 8	16 13 4
35	330	3 0	49 10	16 10	33	330	3 0	49 10	16 10	33		115	60	175	—	—	—	—
36	360	4 10	54 0	18 0	36	340	—	—	—	—	Home Sister	120	80	200	5 0	30 0	10 0 0	20 0 0
37	390	4 10	58 10	19 10	39	350	3 0	52 10	17 10	35		130	80	210	—	—	—	—
38	420	4 10	63 0	21 0	42	360	—	—	—	—		140	80	220	3 0	33 0	11 0 0	22 0 0
39	450	4 10	67 10	22 10	45	370	3 0	55 10	18 10	37		150	80	230	—	—	—	—
40	480	4 10	72 0	24 0	48	380	—	—	—	—	Asst. Matron	160	80	240	3 0	36 0	12 0 0	24 0 0
41	510	4 10	76 10	25 10	51	390	3 0	58 10	19 10	39		170	80	250	—	—	—	—
42	540	4 10	81 0	27 0	54	400	—	—	—	—		180	80	260	3 0	39 0	13 0 0	26 0 0
43	570	4 10	85 10	28 10	57	410	3 0	61 10	20 10	41		190	80	270	—	—	—	—
44	600	4 10	90 0	30 0	60	420	—	—	—	—		200	80	280	3 0	42 0	14 0 0	28 0 0
45	630	4 10	94 10	31 10	63	430	3 0	64 10	21 10	43		210	80	290	—	—	—	—
46	660	4 10	99 0	33 0	66	440	—	—	—	—	Matron	220	80	300	3 0	45 0	15 0 0	30 0 0
47	690	4 10	103 10	34 10	69	450	3 0	67 10	22 10	45		240	150	390	13 10	58 10	19 10 0	39 0 0
48	720	4 10	108 0	36 0	72	460	—	—	—	—		260	150	410	3 0	61 10	20 10 0	41 0 0
49	750	4 10	112 10	37 10	75	470	3 0	70 10	23 10	47		280	150	430	3 0	64 10	21 10 0	43 0 0
over 50	780	4 10	117 0	39 0	78	480	—	—	—	—		300	150	450	3 0	67 10	22 10 0	45 0 0

The above salaries in each case include £30 for emoluments (see Appendix III). The salaries of the staffs of two London and two Provincial Hospitals were used as a basis.

At the outset £20 credited during the period of training would be applied, in the form of a Single Premium, to increase the amount of the benefit as indicated in paragraph 51 (ii). The Nurse whose supposed career is shown in the above table receives a Salary based on the scale recommended by the College of Nursing.

This Table may be read thus: An entrant at 20, with a salary of £130 (including emoluments) would contribute 5 per cent., or £6 10s. annually, and the Hospital 10 per cent. (£13), making £19 10s. available in all, at age 21 next birthday, as an annual premium for effecting the "initial" policy. As the salary got larger, "increment" policies would be effected (subject to note * on page 6) each time the amount exceeded, by not less than £20, the salary so far covered, till eventually a maximum of 15 per cent. of £780 (foot of col. 2), or £117 (col. 4), would be reached for Case I. The other cases would be similar.

TABLE II.

(A) BENEFITS RECEIVABLE AT PENSION AGE UNDER PROFIT ENDOWMENT ASSURANCES MATURING AT THE POLICY ANNIVERSARY IN THE 60TH YEAR OF AGE OR AT PREVIOUS DEATH, FOR CASES I AND II (OFFICERS), AND IN THE 55TH YEAR OR AT PREVIOUS DEATH FOR CASE III (NURSES).

Age next birth-day.	Term of Years.	CASE I.—SENIOR OFFICER.				CASE II.—CLERICAL AND DISPENSING STAFF				Term of Years.	CASE III.—NURSING STAFF.			
		New.		Total.		New.		Total.			New.		Total.	
		Sum Assured.	Revy. Bonus at Maturity.	Sum Assured.	Revy. Bonus at Maturity.	Sum Assured.	Revy. Bonus at Maturity.	Sum Assured.	Revy. Bonus at Maturity.		Sum Assured.	Revy. Bonus at Maturity.	Sum Assured.	Revy. Bonus at Maturity.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
21	39	£828	£558	£828	£558	£828	£558	£828	£558	—	—	—	—	—
23	37	119	76	947	634	119	76	947	634	—	—	—	—	—
24	—	—	—	—	—	—	—	—	—	31	£562 0*	£320	£562	£320
25	35	111	69	1,058	703	111	69	1,058	703	—	—	—	—	—
26	—	—	—	—	—	—	—	—	—	29	91 0	50	653	370
27	33	103	61	1,161	764	103	61	1,161	764	—	—	—	—	—
28	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	31	95	55	1,256	819	95	55	1,256	819	—	—	—	—	—
30	—	—	—	—	—	—	—	—	—	25	75 0	38	728	408
31	29	87	48	1,343	867	87	48	1,343	867	—	—	—	—	—
32	28	84	45	1,427	912	84	45	1,427	912	—	—	—	—	—
33	27	80	42	1,507	954	80	42	1,507	954	—	—	—	—	—
34	26	76	40	1,583	994	76	40	1,583	994	—	—	—	—	—
35	25	72	37	1,655	1,031	72	37	1,655	1,031	21	61 0	29	789	437
36	24	69	35	1,724	1,066	69	35	1,724	1,066	—	—	—	—	—
37	23	98	49	1,822	1,115	—	—	—	—	19	90 0	41	879	478
38	22	93	45	1,915	1,160	62	30	1,786	1,096	—	—	—	—	—
39	21	88	42	2,003	1,202	—	—	—	—	17	47 0	20	926	498
40	20	83	39	2,086	1,241	55	26	1,841	1,122	15	41 0	17	967	515
41	19	78	36	2,164	1,277	—	—	—	—	—	—	—	—	—
42	18	73	33	2,237	1,310	49	22	1,890	1,144	13	35 0	14	1,002	529
43	17	68	30	2,305	1,340	—	—	—	—	—	—	—	—	—
44	16	64	28	2,369	1,368	42	18	1,932	1,162	11	29 0	11	1,031	540
45	15	59	25	2,428	1,393	—	—	—	—	—	—	—	—	—
46	14	54	23	2,482	1,416	36	15	1,968	1,177	9	£1,031 0 Annuity	£540 Cash Option	£1,571 0 0 Cash Option	224 0 0
47	13	50	20	2,532	1,436	—	—	—	—	8	£2 4	£33 128	Total Cash	—
48	12	46	19	2,578	1,455	30	12	1,998	1,189	7	1 12	25	at 55 ...	1,795 0 0
49	11	41	16	2,619	1,471	—	—	—	—	6	1 6	21	Pension	—
50	10	37	15	2,656	1,486	25	10	2,023	1,199	5	1 2	17	Option ...	103 10 0
51	9	33	13	2,689	1,499	—	—	—	—	—	—	—	Annuity ...	14 16 0
				£4,188						£3,222				
				Pension option £354.						Pension option £272.				
N.B.—Deferred Annuities (with return) are assumed to be effected after 45, as Profit Endowment Assurances are not usually granted for terms of under 10 years.														

TABLE II—continued.

(B) BENEFITS RECEIVABLE AT PENSION AGE UNDER DEFERRED ANNUITIES WITH RETURN.

Age next birth-day.	CASE I.—SENIOR OFFICER.				CASE II.—CLERICAL AND DISPENSING STAFF.				CASE III.—NURSING STAFF.				
	New.		Total.		New.		Total.		Premium.	New.		Total.	
	Annuity. 17	Cash Option. 18	Annuity. 19	Cash Option. 20	Annuity. 21	Cash Option. 22	Annuity. 23	Cash Option. 24		Annuity. 26	Cash Option. 27	Annuity. 28	Cash Option. 29
16									25				
21	£157 8	£1,821	£157 8	£1,821	£157 8	£1,821	£157 8	£1,821	—	—	—	—	—
23	21 18	253	179 6	2,074	21 18	253	179 6	2,074	—	—	—	—	—
	—	—	—	—	—	—	—	—	{ £20 0 (Single) 16 0 (Annual)	£4 10	£67	£4 10	£67
25	—	—	—	—	—	—	—	—		66 4	981	70 14	1,048
26	19 14	228	199 0	2,302	19 14	228	199 0	2,302		—	—	—	—
27	—	—	—	—	—	—	—	—	3 0	11 2	164	81 16	1,212
29	17 14	205	216 14	2,507	17 14	205	216 14	2,507	—	—	—	—	—
	15 18	184	232 12	2,691	15 18	184	232 12	2,691	—	—	—	—	—
30	—	—	—	—	—	—	—	—	3 0	8 14	129	90 10	1,341
31	—	—	—	—	—	—	—	—	—	—	—	—	—
32	14 4	164	246 16	2,855	14 4	164	246 16	2,855	—	—	—	—	—
	13 8	155	260 4	3,010	13 8	155	260 4	3,010	—	—	—	—	—
33	12 12	146	272 16	3,156	12 12	146	272 16	3,156	—	—	—	—	—
34	11 18	137	284 14	3,293	11 18	137	284 14	3,293	3 0	6 16	99	97 6	1,440
35	11 2	129	295 16	3,422	11 2	129	295 16	3,422	—	—	—	—	—
36	10 10	121	306 6	3,543	10 10	121	306 6	3,543	5 0	9 12	143	106 18	1,583
37	14 14	170	321 0	3,713	—	—	—	—	—	—	—	—	—
38	13 14	159	334 14	3,872	9 4	106	315 10	3,649	3 0	5 0	73	111 18	1,656
39	12 16	149	347 10	4,021	—	—	—	—	—	—	—	—	—
40	11 18	138	359 8	4,159	7 18	92	323 8	3,741	3 0	4 4	62	116 2	1,718
41	11 2	129	370 10	4,288	—	—	—	—	—	—	—	—	—
42	10 6	119	380 16	4,407	6 16	79	330 4	3,820	3 0	3 10	52	119 12	1,770
43	9 10	110	390 6	4,517	—	—	—	—	—	—	—	—	—
44	8 16	101	399 2	4,618	5 16	68	336 0	3,888	3 0	2 16	42	122 8	1,812
45	8 0	93	407 2	4,711	—	—	—	—	—	—	—	—	—
46	7 6	85	414 8	4,796	4 18	57	340 18	3,945	3 0	2 4	33	124 12	1,845
47	6 14	77	421 2	4,873	—	—	—	—	13 10	8 12	128	133 4	1,973
48	6 0	70	427 2	4,943	4 0	47	344 18	3,992	3 0	1 12	25	134 16	1,998
49	5 8	63	432 10	5,006	—	—	—	—	3 0	1 6	21	136 2	2,019
50	4 16	56	437 6	5,062	3 4	37	348 2	4,029	3 0	1 2	17	137 4	2,036
51	4 4	49	441 10	5,111	—	—	—	—	—	—	—	—	—

This Table may be read thus: Irrespective of health, an annual premium of £19 10s. accumulated at 4 per cent. per annum compound interest for 39 years would provide a "cash option" of £1,821 (top of cols. 18 or 20) at the end of that period, which, with the accumulations of the "increments" would give a total for Case I of £5,111 (foot of col. 20) or, at £8 12s. 10d. per cent. guaranteed pension rate for age 60, a pension of £441 10s. from the attainment of that age (foot of col. 19). Case II is similar, but for Case III, being female, the guaranteed pension rate from age 55 is £6 15s. per cent.

TABLE II—continued.

(C) BENEFITS RECEIVABLE AT PENSION AGE UNDER DEFERRED ANNUITIES WITHOUT RETURN.

Age next birth day.	CASE I.—SENIOR OFFICER.				CASE II.—CLERICAL AND DISPENSING STAFF.				CASE III.—NURSING STAFF.				
	New.		Total.		New.		Total.		Premium	New.		Total.	
	Annuity. 31	Cash Option. 32	Annuity. 33	Cash Option. 34	Annuity. 35	Cash Option. 36	Annuity. 37	Cash Option. 38		Annuity. 40	Cash Option. 41	Annuity. 42	Cash Option. 43
30									39	40	41	42	43
21	£196 12·	£2,274	£196 12	£2,274	£196 12	£2,274	£196 12	£2,274	—	—	—	—	—
23	27 6	315	223 18	2,589	27 6	315	223 18	2,589	—	—	—	—	—
24	—	—	—	—	—	—	—	—	{ £20 0 (Single) 16 0 (Annual)	£5 10	£82	£5 10	£82
25	24 8	282	248 6	2,871	24 8	282	248 6	2,871	—	—	—	—	—
26	—	—	—	—	—	—	—	—	—	—	—	—	—
27	21 16	252	270 2	3,123	21 16	252	270 2	3,123	3 0	12 12	186	93 14	1,388
29	19 8	225	289 10	3,348	19 8	225	289 10	3,348	—	—	—	—	—
30	—	—	—	—	—	—	—	—	3 0	9 16	145	103 10	1,533
31	17 4	199	306 14	3,547	17 4	199	306 14	3,547	—	—	—	—	—
32	16 2	187	322 16	3,734	16 2	187	322 16	3,734	—	—	—	—	—
33	15 2	175	337 18	3,909	15 2	175	337 18	3,909	—	—	—	—	—
34	14 4	164	352 2	4,073	14 4	164	352 2	4,073	3 0	7 8	110	110 18	1,643
35	13 6	154	365 8	4,227	13 6	154	365 8	4,227	—	—	—	—	—
36	12 8	144	377 16	4,371	12 8	144	377 16	4,371	5 0	10 12	157	121 10	1,800
37	17 6	201	395 2	4,572	—	—	—	—	—	—	—	—	—
38	16 4	187	411 6	4,759	10 16	125	388 12	4,496	3 0	5 8	80	126 18	1,880
39	15 0	174	426 6	4,933	—	—	—	—	—	—	—	—	—
40	13 18	161	440 4	5,094	9 6	107	397 18	4,603	3 0	4 10	67	131 8	1,947
41	12 18	149	453 2	5,243	—	—	—	—	—	—	—	—	—
42	11 18	137	465 0	5,380	7 18	92	405 16	4,695	3 0	3 14	55	135 2	2,002
43	10 18	126	475 18	5,506	—	—	—	—	—	—	—	—	—
44	10 0	115	485 18	5,621	6 12	77	412 8	4,772	3 0	3 0	44	138 2	2,046
45	9 2	105	495 0	5,726	—	—	—	—	—	—	—	—	—
46	8 6	96	503 6	5,822	5 10	64	417 18	4,836	3 0	2 6	35	140 8	2,081
47	7 10	87	510 16	5,909	—	—	—	—	13 10	9 2	135	149 10	2,216
48	6 14	78	517 10	5,987	4 10	52	422 8	4,888	3 0	1 14	26	151 4	2,242
49	6 0	69	523 10	6,056	—	—	—	—	3 0	1 8	21	152 12	2,263
50	5 6	61	528 16	6,117	3 10	41	425 18	4,929	3 0	1 4	17	153 16	2,280
51	4 12	54	533 8	6,171	—	—	—	—	—	—	—	—	—

This Table may be read thus: If prepared to sacrifice all past contributions in the event of death so as to secure the utmost possible only on survival to the pension age, an entrant at 21 next birthday could obtain a deferred annuity of £196 12s. from age 60 (for a male) at an annual premium of £19 10s. (top of col. 33). By repeating the process, as each "increment" arose, Case I would enjoy a total annuity of £533 8s. from age 60 (foot of col. 33). All (or part) of such annuity could be commuted at age 60 on the basis of £100 cash for every £8 12s. 10d. of annuity—total, £6,171 (foot of col. 34). The same terms apply for Case II, but a nurse at 55 would only have to sacrifice £6 15s. of annuity per £100 of cash option.

TABLE III.

BENEFITS RECEIVABLE AT DEATH OR ON WITHDRAWAL *before* PENSION AGE.

[For Deferred Annuities (without return) see Footnote.]

CASE I.—SENIOR OFFICER.						CASE II.—CLERICAL AND DISPENSING STAFF.						CASE III.—NURSING STAFF.					
At- tained age next birth- day.	Total Premiums paid.	Amount payable at DEATH under :—		Cash Surrender Value on WITHDRAWAL under :—		At- tained age next birth- day.	Total Premiums paid.	Amount payable at DEATH under :—		Cash Surrender Value on WITHDRAWAL under :—		At- tained age next birth- day.	Total Premiums paid.	Amount payable at DEATH under :—		Cash Surrender Value on WITHDRAWAL under :—	
		(A) Endow- ment Assurance (including Bonus).	(B) Deferred Annuity (with return).	(A) Endow- ment Assurance (including Bonus).	(B) Deferred Annuity (with return).			(A) Endow- ment Assurance (including Bonus).	(B) Deferred Annuity (with return).	(A) Endow- ment Assurance (including Bonus).	(B) Deferred Annuity (with return).			(A) Endow- ment Assurance (including Bonus).	(B) Deferred Annuity (with return).	(A) Endow- ment Assurance (including Bonus).	(B) Deferred Annuity (with return).
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
22	£19'5	£828	£20	—	£20	22	£19'5	£828	£20	—	£20	—	—	—	—	—	—
23	39'0	828	41	£26	41	23	39'0	828	41	£26	41	—	—	—	—	—	—
24	61'5	947	66	42	66	24	61'5	947	66	42	66	—	—	—	—	—	—
25	84'0	1,008	92	59	92	25	84'0	1,008	92	59	92	25	£36'0	£572	£37	£23	£37
26	109'5	1,119	122	79	122	26	109'5	1,119	122	79	122	26	52'0	663	55	41	55
27	135'0	1,119	153	98	153	27	135'0	1,119	153	98	153	27	71'0	663	77	56	77
28	163'5	1,222	189	122	189	28	163'5	1,222	189	122	189	28	90'0	663	100	72	100
29	192'0	1,222	226	145	226	29	192'0	1,222	226	145	226	29	109'0	663	124	87	124
30	223'5	1,416	267	171	267	30	223'5	1,416	267	171	267	30	128'0	797	148	103	148
31	255'0	1,416	310	199	310	31	255'0	1,416	310	199	310	31	150'0	797	177	122	177
32	289'5	1,503	358	231	358	32	289'5	1,503	358	231	358	32	172'0	797	207	142	207
33	327'0	1,587	412	265	412	33	327'0	1,587	412	265	412	33	194'0	797	238	164	238
34	367'5	1,667	470	303	470	34	367'5	1,667	470	303	470	34	216'0	858	270	187	270
35	411'0	1,870	534	345	534	35	411'0	1,870	534	345	534	35	241'0	927	306	213	306
36	457'5	1,942	603	392	603	36	457'5	1,942	603	392	603	36	266'0	1,017	344	240	344
37	507'0	2,011	678	442	678	37	507'0	2,011	678	442	678	37	296'0	1,017	389	273	389
38	561'0	2,109	761	491	761	38	556'5	2,011	757	494	757	38	326'0	1,064	436	306	436
39	619'5	2,202	852	554	852	39	609'0	2,073	841	551	841	39	359'0	1,064	487	348	487
40	682'5	2,458	951	622	951	40	661'5	2,231	929	611	929	40	392'0	1,191	541	391	541
41	750'0	2,541	1,059	697	1,059	41	717'0	2,286	1,023	675	1,023	41	428'0	1,191	600	439	600
42	822'0	2,619	1,176	780	1,176	42	772'5	2,286	1,121	744	1,121	42	464'0	1,226	661	489	661
43	898'5	2,692	1,302	871	1,302	43	831'0	2,335	1,227	818	1,227	43	503'0	1,226	728	545	728
44	979'5	2,760	1,438	970	1,438	44	889'5	2,335	1,336	898	1,336	44	542'0	1,255	797	603	797
45	1,065'0	3,041	1,583	1,075	1,583	45	951'0	2,553	1,453	979	1,453	45	584'0	1,357	872	667	872
46	1,155'0	3,100	1,740	1,189	1,740	46	1,012'5	2,553	1,575	1,063	1,575	46	626'0	1,357	951	733	951
47	1,249'5	3,154	1,907	1,312	1,907	47	1,077'0	2,589	1,705	1,163	1,705	47	671'0	1,360	1,035	805	1,035
48	1,348'5	3,204	2,085	1,455	2,085	48	1,141'5	2,589	1,839	1,267	1,839	48	729'5	1,377	1,137	893	1,137
49	1,452'0	3,250	2,276	1,611	2,276	49	1,209'0	2,619	1,983	1,390	1,983	49	791'0	1,398	1,246	988	1,246
50	1,560'0	3,550	2,478	1,794	2,478	50	1,276'5	2,808	2,132	1,531	2,132	50	855'5	1,531	1,362	1,097	1,362
51	1,672'5	3,587	2,694	1,973	2,694	51	1,347'0	2,833	2,290	1,670	2,290	51	923'0	1,560	1,487	1,213	1,487
52	1,789'5	3,620	2,922	2,165	2,922	52	1,417'5	2,833	2,454	1,800	2,454	52	990'5	1,590	1,616	1,334	1,616
53	1,906'5	3,620	3,160	2,364	3,160	53	1,488'0	2,833	2,625	1,949	2,625	53	1,058'0	1,622	1,750	1,460	1,750
54	2,023'5	3,620	3,407	2,569	3,407	54	1,558'5	2,833	2,803	2,088	2,803	54	1,125'5	1,654	1,890	1,589	1,890
55	2,140'5	3,903	3,664	2,782	3,664	55	1,629'0	3,030	2,988	2,248	2,988	55	1,193'0	1,795	2,036	1,795	2,036
56	2,257'5	3,903	3,932	3,002	3,932	56	1,699'5	3,030	3,180	2,397	3,180	—	—	—	—	—	—
57	2,374'5	3,903	4,210	3,229	4,210	57	1,770'0	3,030	3,381	2,566	3,381	—	—	—	—	—	—
58	2,491'5	3,903	4,499	3,463	4,499	58	1,840'5	3,030	3,589	2,723	3,589	—	—	—	—	—	—
59	2,608'5	3,903	4,800	3,704	4,800	59	1,911'0	3,030	3,805	2,904	3,805	—	—	—	—	—	—
60	2,725'5	4,188	5,111	4,188	5,111	60	1,981'5	3,222	4,029	3,222	4,029	—	—	—	—	—	—

DEFERRED ANNUITIES (WITHOUT RETURN).

As the name implies, no return of premiums is made at death, but, on evidence as to good health, the premiums paid accumulated at 3½ per cent compound interest would be returned in the event of the policy being discontinued. A woman who might wish to give up her policy owing to marriage would be asked to produce a marriage certificate as sufficient evidence of good health. In other cases a medical examination is generally required.

This Table may be read thus: On reaching 46 next birthday (but prior to effecting the increment policy at that age) an officer of the Case I category will have paid £385 and the Hospital £770—in all £1,155 (col. 2). Should he then die his dependants would receive £3,100 (col. 3), if Endowment Assurances had always been effected, or, if Deferred Annuities (with Return), £1,740 (col. 4), i.e., £1,155 accumulated at 4 per cent compound interest. This latter sum of £1,740 would also be available should he withdraw and surrender all the Deferred Annuities (with Return) for cash (col. 6), whereas on the surrender of a series of Endowment Assurances, the cash surrender values of £1,189 (col. 5) would slightly exceed the total premiums paid. It is easy to apply the foregoing argument at other ages and to the other two cases.

TABLE III—continued.

"PAID-UP" BENEFITS ARISING AUTOMATICALLY ON DISCONTINUANCE OF PREMIUMS.

CASE I.—SENIOR OFFICER.					CASE II.—CLERICAL AND DISPENSING STAFF.					CASE III.—NURSING STAFF.				
Attained age next birthday.	Annuity at 60, under :—		Death Benefit before 60 or Cash at 60, under :—	Cash Option at 60, under :—	Attained age next birthday.	Annuity at 60, under :—		Death Benefit before 60 or Cash at 60, under :—	Cash Option at 60, under :—	Attained age next birthday.	Annuity at 55, under :—		Death Benefit before 60 or Cash at 60, under :—	Cash Option at 55, under :—
	(A) Endowment Assurance (including Bonus).	(B) Deferred Annuity (with return).	(A) Endowment Assurance (including Bonus).	(B) Deferred Annuity (with return).		(A) Endowment Assurance (including Bonus).	(B) Deferred Annuity (with return).	(A) Endowment Assurance (including Bonus).	(B) Deferred Annuity (with return).		(A) Endowment Assurance (including Bonus).	(B) Deferred Annuity (with return).	(A) Endowment Assurance (including Bonus).	(B) Deferred Annuity (with return).
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
22	£1	£7	£21	£88	22	£1	£7	£21	£88	—	—	—	—	—
23	3	15	42	174	23	3	15	42	174	—	—	—	—	—
24	5	23	66	269	24	5	23	66	269	—	—	—	—	—
25	12	31	152	360	25	12	31	152	360	25	£4	£8	£64	£120
26	15	39	180	459	26	15	39	180	459	26	5	11	81	171
27	17	48	207	554	27	17	48	207	554	27	6	15	101	230
28	20	56	238	657	28	20	56	238	657	28	8	19	121	286
29	22	65	269	756	29	22	65	269	756	29	9	23	141	340
30	34	74	402	860	30	34	74	402	860	30	14	26	219	392
31	36	83	436	961	31	36	83	436	961	31	16	30	242	450
32	40	92	473	1,067	32	40	92	473	1,067	32	17	34	265	505
33	43	101	512	1,178	33	43	101	512	1,178	33	19	37	289	559
34	47	111	555	1,293	34	47	111	555	1,293	34	20	41	312	610
35	61	122	727	1,412	35	61	122	727	1,412	35	26	45	407	666
36	65	133	776	1,535	36	65	133	776	1,535	36	28	48	433	720
37	70	143	827	1,660	37	70	143	827	1,660	37	30	52	463	782
38	74	154	883	1,791	38	74	153	878	1,780	38	32	56	494	842
39	79	166	943	1,928	39	79	164	933	1,903	39	34	61	527	906
40	99	178	1,175	2,069	40	97	174	1,146	2,021	40	42	65	646	967
41	105	191	1,243	2,215	41	101	184	1,203	2,141	41	45	69	683	1,031
42	111	204	1,316	2,365	42	106	194	1,260	2,256	42	47	73	719	1,092
43	117	217	1,392	2,518	43	111	204	1,319	2,373	43	50	78	758	1,156
44	124	230	1,473	2,673	44	116	214	1,379	2,485	44	52	82	797	1,218
45	150	244	1,774	2,831	45	137	224	1,617	2,599	45	61	86	940	1,282
46	157	258	1,862	2,992	46	142	234	1,679	2,709	46	64	90	982	1,343
47	165	272	1,955	3,152	47	147	243	1,744	2,818	47	67	95	1,027	1,406
48	173	286	2,051	3,315	48	153	252	1,809	2,924	48	71	100	1,088	1,485
49	182	300	2,150	3,479	49	158	261	1,876	3,031	49	76	105	1,153	1,565
50	212	314	2,513	3,643	50	180	270	2,133	3,133	50	87	111	1,329	1,646
51	221	329	2,620	3,807	51	186	279	2,203	3,236	51	92	116	1,401	1,728
52	231	343	2,731	3,971	52	192	288	2,273	3,335	52	97	121	1,472	1,804
53	240	356	2,842	4,129	53	198	296	2,342	3,431	53	102	126	1,544	1,879
54	250	369	2,953	4,281	54	204	304	2,412	3,522	54	106	131	1,616	1,952
55	283	382	3,347	4,428	55	226	312	2,679	3,611	55	118	137	1,795	2,036
56	292	394	3,458	4,570	56	232	319	2,749	3,697	—	—	—	—	—
57	302	406	3,569	4,702	57	238	326	2,819	3,776	—	—	—	—	—
58	311	417	3,680	4,832	58	244	333	2,889	3,854	—	—	—	—	—
59	321	428	3,791	4,958	59	250	339	2,959	3,930	—	—	—	—	—
60	354	441	4,188	5,111	60	272	348	3,222	4,029	—	—	—	—	—

DEFERRED ANNUITIES (WITHOUT RETURN).

Contracts of this kind similarly carry reduced "Paid-up" benefits on discontinuance, and these would be greater than the proportion of those originally given which the premiums actually paid bear to the total amount payable. If the Pension is not taken at age 60, the cash sum available would be accumulated at $3\frac{1}{2}$ per cent., together with further premiums, and returned on death after that age, but before the pension had been taken.

This Table may be read thus: In lieu of taking £1,189 in cash it would be open to the same officer of 46 (see note on page 23), to accept non-profit paid-up Endowment Assurances on the proportionate basis (which is guaranteed) for £1,862 (col. 22) payable at death or on attainment of the anniversary of the Policies in his 60th year of age. The £1,862 could then be used to pay for a reduced annuity of £157 at age 60 (col. 20). In the case of the Deferred Annuities (with Return) the total cash surrender values of £1,740 (col. 6 on p. 23) would simply continue to accumulate at 4 per cent. per annum compound interest until age 60 if left in the hands of the office and could then be used in the form of £2,992 cash (col. 23) to pay for an annuity of £258 (col. 21) at the agreed rate of £8 12s. 10d. per cent. This method would be very satisfactory in Case III, as a nurse who returned after leaving the profession would suffer no loss. All previous contributions would be preserved intact and would have earned interest meanwhile.

NOTE TO TABLE II.

The above tables show the terms offered in the New Grey Book of the Federated Superannuation System for Universities. For purposes of illustration it has been necessary to select but three out of over 50 different options which give various degrees of death benefit or none at all. The greater the death benefit the less, *ceteris paribus*, should be expected in pension. There is, however, an element which differentiates many of the Endowment Assurances from the Deferred Annuities. Only the former can be selected on a profit-sharing basis. The offices absolutely guarantee the benefit under the Deferred Annuities and the two selected (which quote identical figures) are probably the strongest mutual offices to be found. With regard to Endowment Assurance Bonuses, it is necessary to bear in mind the fact that there has been an enormous improvement in the outlook. The office whose figures are selected, has a unique record as regards the past, because in spite of the depreciation in investments and the war losses, it was able to maintain in 1916 and 1921 the same bonus as was declared before the war in 1911, although the stringency of the valuation basis was maintained. While such figures seem fit for use in minimum estimates, no final comparison between the Endowment Assurances and the Deferred Annuities can be arrived at from Table II. The Endowment Assurance figures relate to the past and ought to be eclipsed in future experience owing to the altered financial conditions. Intermediate Bonus is not included here, but would increase the Death Benefits slightly.

The Deferred Annuity figures may be said to envisage the future and are the most favourable yet offered because they reflect the high yield now obtainable upon new investments. When it is seen that the Cash Option at 60, which represents the total accumulated contributions at the pension age, is built up by adding compound interest at the rate of 4 per cent. per annum (free of tax) to every penny which is received and returning it intact, it must be admitted that no private fund could hope to produce such a good result over a long term of years. The cost of administration alone would absorb a good deal of the income, and it would be rash to count on earning a net rate of 4 per cent. on the whole of the contributions. The rate of annuity purchasable with these accumulations is, on the other hand, about 10 per cent. less than hitherto owing to the fact that the new experience of annuitants shows a great improvement in vitality. Another such improvement would be a burden which a new mutual fund would itself have to bear. To keep solvent on the same interest basis necessarily would imply an addition of 10 per cent. to the actuarial reserves not only for prospective but for current annuities. The only alternative would be a corresponding scaling down of all the benefits. Even, however, if such improvements in longevity continue as may be hoped, the members need have no fear of the safety of their future pensions so far as sums contracted for by Insurance Companies are concerned. As regards any future increases in pensions under supplementary contracts it may not be possible for the same terms to be perpetuated, as they may be withdrawn by the offices under the Scheme upon six months' notice. This points to the advisability of joining in as many as possible of the existing staff and thus establishing the right to continue annual contributions on the present scale and/or a claim to share in profits under the most favourable conditions for years past.

NOTE TO TABLE III.

As already indicated the Endowment Assurances and the Deferred Annuities, with *and* without return, and whether matured Policies under Table II or Paid-up Policies under Table III, all give a cash option at the pension age. This has three advantages:—

- (1) A part of the pension can be taken in the form of a lump sum as in the case of the Civil Service;
- (2) If the member happens to be in bad health, there is no need to buy an annuity with the money at all; and
- (3) The pension age can be deferred to suit individual cases.

There are thus great advantages in a scheme which gives a lump sum at a given age provided that lump sum does not entail, as in the case of a mutual pension fund that has been approved by the

Board of Inland Revenue so as to be able to invest free of tax, the payment of a proportion of the Income Tax on the whole amount.

In the case of those who leave the service entirely it will be seen by reference to columns 5 and 6, etc., on page 23 that the amount of cash available at each successive age in the two type-cases is considerably greater in the case of Deferred Annuities than in that of the Endowment Assurances. This follows from the fact that it is during the early years when the accumulations are small that the death benefit is much greater and costs more.

TABLE IV.

COMPARISON OF THE PROPOSED SCHEME WITH PRESENT SCALE OF
SUPERANNUATION IN CIVIL SERVICE.

CIVIL SERVICE SCALE OF SUPERANNUATION

Omitting details, the main provisions of the revised scheme as laid down in the Superannuation Act, 1909, were as follows :—

- (1) That the proportion of the annual salary and emoluments to be granted to male civil servants who entered the service after the passing of the Act was to be 1/80th ;
- (2) That by way of " additional allowance " on retirement after two years' service (which would include cases of disablement through ill-health), a lump sum might be granted equal to 1/30th of the annual salary, etc., multiplied by the number of years' service; and
- (3) That on death after five years' service, a gratuity of one year's salary might be granted.

The following Table illustrates the extent to which the Death Benefits under Table III exceed those of the Civil Service Scale :—

(1) DEATH BENEFITS.

Particulars of Type-cases.			Amount of Death Benefit if Death occur at								
			Age 36.			Age 46.			Age 56.		
No.	Age at Entry.	Final Salary.	Civil Service.	(A) Endowment Assurance.	(B) Deferred Annuity (with return).	Civil Service.	(A) Endowment Assurance.	(B) Deferred Annuity (with return).	Civil Service.	(A) Endowment Assurance.	(B) Deferred Annuity (with return).
I	2	3	4	5	6	7	8	9	10	11	12
I	20	£780	£360	£1,942	£603	£660	£3,100	£1,740	£780	£3,903	£3,932
II	20	480	340	1,942	603	440	2,553	1,575	480	3,030	3,180
III	20	450	200	1,017	344	300	1,357	951	—	—	—

N.B.—Deferred Annuities (without return) provide no payment in the event of death before the Pension Age.

The death benefits or return of contributions, as the case may be, are adequate to provide for those dependent on the member, and thus alleviate the burden of making separate provision which would otherwise fall upon him. Hospitals would do well to discourage members who have dependants from taking out Deferred Annuities (without return). It is difficult to resist the claims of dependants where a portion of the cost is borne by the member personally.

Passing on to the important question of the ultimate pensions and cash benefits secured at ages 60 or 65, the following Table illustrates the respective merits of the proposed scheme and the Civil Service plan :—

(2) BENEFITS AT PENSION AGE.

Particulars of Type-cases.			AMOUNT OF ULTIMATE BENEFIT.											
			AT AGE 60.						AT AGE 65.					
			Civil Service as actually divided.		(A) Endowment Assurance if similarly divided.*		(B) Deferred Annuity (with return) if similarly divided.*		Civil Service as actually divided.		(A) Endowment Assurance if similarly divided.*		(B) Deferred Annuity (with return) if similarly divided.*	
No.	Age at Entry.	Final Salary.	Pension 40/80ths.	Cash 40/30ths.	Pension.	Cash.	Pension.	Cash.	Pension 45/80ths.	Cash 45/30ths.	Pension.	Cash.	Pension.	Cash.
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I	20	£ 780	£ 390	1,040	£ 266	1,040	£ 350	1,040	£ 438	1,170	£ 430	1,170	£ 560	1,170
II	20	480	240	640	218	640	293	640	270	720	338	720	450	720
III	20	450	225	600	137	600	165	600	—	—	—	—	—	—

N.B.—Deferred Annuities (without return) provide ultimate benefits about 20 per cent. higher for Cases I and II and 10 per cent. higher for Case III than those corresponding to the other more popular type.

The pension age is 60 as a minimum so that it is difficult to compare this scale with the pensions for type-case III. Advantage however has been taken of the fact that under the proposed System the cash amount available at 55 may be left in the hands of the office to be accumulated at compound interest, together with further contributions, so that the total accumulations can be used to buy pension whenever retirement takes place. The amount of such pension is based upon a fixed scale and the rate increases with the age.

* Note to Table IV (2)—e.g., In type-case I, the £4,188 at the foot of cols. 5 and 6 of Table II, giving £354 annuity, is divided into the £1,040 cash payment in col. 7 above (to correspond with the Civil Service £1,040 in col. 5 above), and the £266 annuity in col. 6 above, being the annuity purchasable with the remaining £3,148.

TABLE V.

APPLICATION OF SCHEME TO EXISTING STAFFS.

In order to ascertain roughly the extent to which future pensions in the case of the present members can be brought within the scope of the Scheme, an Officer of the Case I category, aged 45, may be taken. He has a present salary of £630, 15 per cent. of which is £94 10s. From Table I (col. 3), he would see that, at age 45, an "increment" policy can be effected at an annual premium of £4 10s. providing various alternative benefits as shown in Table II (cols. 3 and 4, 17 and 18, 31 and 32) on the line for age 46 next birthday. The following shows the method:—

	For Annual Premium of	(A) Endowment Assurance (with profits).		(B) Deferred Annuity (with return).		(C) Deferred Annuity (without return).	
		Sum Assured.	Revy. Bonus at Maturity.	Annuity.	Cash Option.	Annuity.	Cash Option.
I	2	3	4	5	6	7	8
(i) Scale of benefits available ... See Table II:—	£4 10 —	£54 col. 3	£23 col. 4	£7 6 col. 17	£85 col. 18	£8 6 col. 31	£96 col. 32
(ii) Benefits of Complete Scheme... See Table II:—	—	2,482 col. 5	1,416 col. 6	414 8 col. 19	4,796 col. 20	503 6 col. 33	5,822 col. 34
(iii) Deduct Benefits for Future Service (line (i) x 21)	94 10	1,134	483	153 6	1,785	174 6	2,016
(iv) Balance lacking for Back Service	—	£1,348	£933	£261 2	£3,011	£329 0	£3,806

This Table may be read thus:—Line (i) gives the benefits for an annual premium of £4 10s. at age 46 next birthday. Line (ii) gives the benefits purchasable at age 46 with an annual premium of £94 10s., which are arrived at by "rule of three" from the benefits in line (i). Line (iii) gives the total benefits which the Officer would ultimately have acquired if he had been in the Scheme from the outset, and if the contributions were to be continued till his retirement. Deducting now from the figures of line (ii) the figures of line (iii), we arrive in line (iv) at the benefit lacking for back service in the case of the existing Officer.

APPENDIX III.

(See paragraph 24.)

SUGGESTED SCALE OF EMOLUMENTS.

A.—FOR OFFICERS.—It is suggested in the scheme that lunch and tea, where granted, would be included in the total pay for the purpose of reckoning the contributions, and that £30 should be taken as the annual value. Full board and residence would have to be dealt with on the merits of each individual case, but would also be included. Income tax, if paid, would be excluded.

B.—FOR NURSES.—It is suggested that emoluments such as board, lodging, washing and uniform would be reckoned as part of the total pay, as in the case of nurses under the Poor Law. Under existing conditions, however, the values attached under the Poor Law Officers' Superannuation Act to these emoluments are considered by the College of Nursing to be far too small. Considerable pains have been taken to fix a suitable scale, since it is realized that, if the value was put too high, the burden of the contributions upon the cash salary would seem unduly heavy, while, if put too low, the pension would not be brought up to the subsistence level. After having carefully considered data furnished from several Hospitals, the following scale has been adopted:—

Probationers and Nurses	...	...	...	...	£50 yearly.
Ward Sisters	...	...	...	...	£60 "
Home Sisters	...	...	...	...	£80 "
Assistant Matrons	...	...	...	...	£80 "
Matrons	...	...	...	...	£150 "

APPENDIX IV.

(See paragraph 25.)

SPECIMEN CALCULATIONS OF COST OF SCHEME TO INDIVIDUAL HOSPITALS.

1.—The following are specimen calculations of the gross total amount involved:—

A. AT A LONDON GENERAL HOSPITAL OF BETWEEN 500 AND 600 AVERAGE OCCUPIED BEDS.

1	Officers.	Nursing Staff other than Probationers.	Probationers after first year.	Total.
	2	3	4	5
i. Number of employees within limits of scheme	60	59	153	272
ii. Total salaries of ditto	£13,350	£5,200	£4,200	£22,750
iii. Total emoluments of ditto	£4,251	£3,700	£7,600	£15,550
iv. Total salaries and emoluments of ditto ...	£17,600	£8,900	£11,800	£38,300
v. Ten per cent. contribution	£1,760	£890	£1,180	£3,830
vi. Ten per cent. contribution expressed as a percentage of total ordinary expenditure	11%	58%	74%	24

B. AT A PROVINCIAL GENERAL HOSPITAL OF BETWEEN 270 AND 280 AVERAGE OCCUPIED BEDS.

	Officers.	Nursing Staff other than Probationers.*	Probationers after first year.*	Total.
1	2	3	4	5
i. Number of employees within limits of scheme	12	42	56	110
ii. Total salaries of ditto	£2,911	£3,269	£1,134	£7,314
iii. Total emoluments of ditto	£60	£2,500	£2,800	£5,360
iv. Total salaries and emoluments of ditto ...	£2,971	£5,769	£3,934	£12,674
v. Ten per cent. contribution	£297	£576	£393	£1,267
vi. Ten per cent. contribution expressed as a percentage of total ordinary expenditure	72%	139%	95%	305%

C. AT A PROVINCIAL GENERAL HOSPITAL OF BETWEEN 150 AND 160 AVERAGE OCCUPIED BEDS.

	Officers.	Nursing Staff other than Probationers.	Probationers after first year.	Total.
1	2	3	4	5
i. Number of employees within limits of scheme	4	24	33	61
ii. Total salaries of ditto	£1,145	£1,780	£740	£3,665
iii. Total emoluments of ditto	—	£1,500	£1,650	£3,150
iv. Total salaries and emoluments of ditto ...	£1,145	£3,280	£2,390	£6,815
v. Ten per cent. contribution	£115	£328	£239	£682
vi. Ten per cent. contribution expressed as a percentage of total ordinary expenditure	49%	140%	102%	291%

D. AT A LONDON SPECIAL HOSPITAL OF BETWEEN 30 AND 40 AVERAGE OCCUPIED BEDS.

	Officers.	Nursing Staff other than Probationers.	Probationers after first year.	Total.
1	2	3	4	5
i. Number of employees within limits of scheme	14	5	3	22
ii. Total salaries of ditto	£2,171	£285	£75	£2,531
iii. Total emoluments of ditto	£210	£300	£150	£660
iv. Total salaries and emoluments of ditto ...	£2,371	£585	£225	£3,191
v. Ten per cent. contribution	£237	£59	£23	£319
vi. Ten per cent. contribution expressed as a percentage of total ordinary expenditure	3%	7%	3%	4%

Note.—Although the cost for probationers is separately stated in column 4 it should be noted that the figures of columns 3 and 4 are to a considerable extent inter-related. Thus if probationers were excluded from the scheme, the cost for the senior nursing staff, owing to the later ages at which the policies began, would be much higher, and the benefits set out in Appendix II could not then be obtained for the 10 per cent. contribution stated in column 3.

* At Hospital B, column 3 includes Nurses in the 4th year of training.

2.—The effect of the withdrawal of probationers during training has been investigated in the case of one Metropolitan and one Provincial Hospital, and it would seem that after the scheme had been in operation for, say four years, the annual contribution in respect of nurses in training would be reduced from 10 per cent. to approximately 9 per cent. owing to the return of contributions. The effect of this in the above tables would be to reduce the figures in lines v and vi of col. 4 by one-tenth. The actual reduction would vary, however, according to the special circumstances of each hospital, but one of the effects of the scheme would be to reduce the number of nurses who leave and thus to reduce the above saving. Some specimen figures for a London Hospital are given in Appendix V.

3.—In considering the future annual cost to a hospital which is prepared to pay pensions when the occasion arises on some similar scale to that suggested in the scheme, it should be noted that while the hospital's liabilities in respect of past service of its employees will not be affected by the adoption of the scheme, its liabilities in respect of future service will be provided in advance and, owing to the employees' contributions, be decreased by one-third.

The hospital's liabilities in respect of past service will have to be met only as and when pensions become payable, but they will in time emerge in cash payments with relentless insistence. Under the scheme the liabilities in respect of future service will, on the other hand, be provided in advance. It is obvious that the total cash payments of the hospitals in respect of pensions in arrear and of contributions in advance must increase at the outset. After a time, however, as indicated in paragraph 25 (b), the new scheme as applied to existing staffs, and aided by their own contributions, would operate to reduce the cash payments arising from the grant of pensions in respect of past service. Such reductions in the cash payments emerging as the pensions fall due thus act as a set-off against the cost of the hospital's contributions in advance under the scheme. The result will be that when all these portions of pensions not provided in advance are finally worked off, the cost of contributions under the new scheme will become ultimately the sole cost of pensions to the hospital. and this, as already mentioned, will be two-thirds of the total cost, the other one-third being provided by the employees' contributions. Any special fund that could be raised or set aside for existing staffs would hasten the day when the contributions will represent the sole cost.

APPENDIX V.

(See paragraphs 25 (a) and 51, and Appendix IV, paragraph 2.)

SAMPLE FIGURES OF NURSES LEAVING HOSPITAL SERVICE.

MEMORANDUM PREPARED IN 1925 RE 500 PROBATIONERS WHO ENTERED A HOSPITAL FOR TRAINING
FROM 1908 TO 1914.

	FROM 1908 TO 1914	
Married	194 = 39 per cent.
Private Nursing	115 = 23 per cent.
Hospital Appointments	
Matrons Appointments	49
Army Nursing Services	22
Nursing Homes (Owners)	13
Nursing Homes (Sisters in Charge)	...	8
Midwifery and District Nursing	6
Health Visitors	7
School Nurses	7
Welfare Workers	6
Daily Visiting Nurses	7
Missionary Workers	2
	...	3
Joined religious community	—
Studying medicine	130 = 26 per cent.
Retired	2
Died	2
Died	10
Died	9
Left during training :—		
Ill-health	16
At own request	10
Parent's illness	3
To be married	5
Not suitable	1
	...	—
Died during training	35 = 7 per cent.
	...	3
	...	500

APPENDIX VI.

(See paragraphs 9 and 25.)

THE GENERAL IMPROVEMENT IN HOSPITAL FINANCES SINCE THE CRISIS IN 1920-1.

1.—It is pointed out in paragraph 10 of the Memorandum that it will rest with each individual Hospital to decide whether to adopt the scheme wholly, or in part, or not at all. It is also suggested in paragraph 25 that each individual Hospital will probably estimate for itself the cost of the scheme in relation to its own income and expenditure.

2.—Nevertheless, the following particulars relating to the general improvement of Hospital finance, as a whole, may be useful in considering whether the present time is opportune for the question to be put to the Hospitals.

A. HOSPITALS IN LONDON.

Extract from Statistical Report for 1924 published by King Edward's Hospital Fund for London.

(These figures include legacies and exclude special distributions.*)

"The following table shows that, taking the Voluntary Hospitals of London as a whole, the annual deficit of the year immediately following the War has gradually disappeared, and that for the last two years, 1923 and 1924, the total General Fund Expenditure has been met out of the revenue of the year from normal sources. The actual surplus, however, was rather smaller in 1924 than in 1923 :—

	1913	1920	1921	1922	1923	1924
	£	£	£	£	£	£
Total General Fund Income*	1,485,000	2,423,000	2,586,000	2,417,000	2,860,000	2,918,000
Total General Fund Expenditure	1,204,000	2,808,000	2,800,000	2,594,000	2,633,000	2,756,000
Net Aggregate Surplus for the year	281,000	—	—	—	227,000	162,000
Net Aggregate Deficit for the year	—	385,000	214,000	177,000	—	—

"These figures represent the difference between income and expenditure during the year in question, omitting the special distributions; they do not represent the General Fund position at the end of the year, since to arrive at this figure it would be necessary to take account of the accumulated surpluses or deficits of previous years.

"It was pointed out in the previous Report that the aggregate income for 1923 included a legacy of £247,000 divided amongst three hospitals, and therefore that it could not be assumed that the progress shown in the table would continue at the same rate. In 1924, though no single legacy of such an amount was received, the total amount from legacies was almost equal to that in 1923, the figures being £460,000 in 1924, against £473,000 in 1923. The nature of this source of income renders the total liable to wide fluctuations.

"The improvement may be shown in another way by taking the figures of surpluses and deficits separately as in the following table* :—

Year.	Number of Hospitals with Surpluses.	Total of Surpluses.	Number of Hospitals with Deficits.	Total of Deficits.
1	2	3	4	5
		£		£
1920	41	85,000	77	470,000
1921	50	87,000	68	301,000
1922	61	67,000	57	244,000
1923	62	383,000	56	156,000
1924	64	280,000	54	118,000

* The following special distributions are excluded from these figures : King's Fund (Emergency Distribution), National Relief Fund, Voluntary Hospital Commission, Combined Appeal. These special distributions produced net aggregate surpluses which enabled the hospitals to meet a substantial proportion of the deficits shown in the table and those of previous years.

King's Fund



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