

Although in the majority of cases annuities issued on the lives of individuals have been purchased by the individuals themselves, provision is made in the Act whereby employers may contract for the purchase of annuities on behalf of their employees, or associations on behalf of their members. This provision has been taken advantage of increasingly in the past few years through group annuity plans, under which the purchase money required is derived partly from the wages of employees and partly from employer's contributions.

The group annuity plans now in effect cover a wide variety of industries and many municipal corporations, well distributed throughout Canada. Benefits under annuities sold under group plans in recent years are now providing retirement income for many of the older members of the groups.

From Sept. 1, 1908, the date of the inception of the Government annuities system, up to and inclusive of Mar. 31, 1945, the total number of annuity contracts and certificates issued was 125,500. Of these, 13,316 have been cancelled, leaving in force on Mar. 31, 1945, 112,184 contracts and certificates. The total amount of purchase money received during the same period was \$271,826,219.

Up to Mar. 31, 1945, 270 corporations, institutions and associations had entered into agreements with the Government to purchase annuities, and on that date approximately 33,000 employees or members were purchasing deferred annuities thereunder, agreements being drawn up according to specific requirements in each case. The number of annuities for the year under review included 9,313 deferred annuity certificates issued under the system whereby one group contract is issued for each group, the employee or member receiving a certificate.

A Royal Commission on the Taxation of Annuities and Family Corporations was appointed in November, 1944, and presented its report on Mar. 29, 1945. In the Summary of Part I of the Report, with reference to annuities, there was a recommendation that the capital element represented in contractual annuities should be exempt from taxation under the Income War Tax Act.

This recommendation was implemented in 1945 under an amendment [Section 3, (1) (b)] to the Act, and became effective with respect to 1945 annuity income.

7.—Government Annuities, Contracted for, and Purchase Money Received, Years Ended Mar. 31, 1925-45

NOTE.—Figures for the years 1909 to 1924 will be found at p. 873 of the 1942 Year Book.

Year	Contracts and Certificates	Purchase Money Received	Year	Contracts and Certificates	Purchase Money Received
	No.	\$		No.	\$
1925.....	486	1,606,822	1936.....	6,357	21,281,981
1926.....	668	1,938,921	1937.....	7,806	23,614,824
1927.....	503	1,894,885	1938.....	5,724	13,550,483
1928.....	1,223	3,843,088	1939.....	8,518	18,189,319
1929.....	1,328	4,272,419	1940.....	9,014	20,001,533
1930.....	1,257	3,156,475	1941.....	11,994	18,803,645
1931.....	1,772	3,612,234	1942.....	8,593	19,630,645
1932.....	1,726	4,194,384	1943.....	9,608	20,415,365
1933.....	1,375	3,547,345	1944.....	19,354	26,600,098
1934.....	2,412	7,071,439	1945.....	15,796	33,076,436
1935.....	3,930	13,376,400			