

Subsection 3.—Government Annuities*

Under the Government Annuities Act (RSC 1952, c. 132) passed in 1908, the Federal Government carries on a service to assist Canadians to make provision for old age. The Act is administered by the Minister of Labour.

A Canadian Government annuity is a fixed yearly income purchased from and paid by the Government of Canada. The annuity is payable in monthly instalments for life, or for life and guaranteed for a period of years. The minimum annuity is \$10 and the maximum \$1,200 a year or the actuarial equivalent if the annuity is to reduce by the amount of payments under the Old Age Security Act. Annuity contracts may be deferred or immediate. Deferred annuities are purchased by periodic or single premiums. Immediate annuity contracts provide immediate income. Annuities may be arranged to reduce by \$55 a month at age 70 to fit in with payments under the Old Age Security Act.

The property and interest of the annuitant are neither transferable nor attachable. In the event of the death of the annuitant before a deferred annuity vests, all money paid is refunded with interest. Provision is made in the Act for group annuity contracts whereby employers may contract for the purchase of annuities on behalf of their employees, or associations on behalf of their members, the purchase money being derived partly from wages and partly from employer contributions or entirely from employer contributions. Group annuity plans now in effect cover a variety of industries and many municipal corporations throughout Canada. Annuities arising from individual contracts may be taxable in either of two ways: (1) if registered under Sect. 79B of the Income Tax Act for tax exemption on premiums, the annuity is fully taxable, or (2) if not registered the annuity is taxable on the interest portion only. Annuities arising from approved pension plans are fully taxable but the employee and the employer are entitled to tax exemption year by year on their annual contributions to the pension plan.

From Sept. 1, 1908, the date of the inception of the system, to Mar. 31, 1959, the total number of annuity contracts and certificates issued, excluding replacements, was 475,402. On the latter date 78,986 annuities were being paid amounting to \$41,497,049 annually and 343,957 deferred annuities were being purchased. The net total amount of purchase money received up to Mar. 31, 1959 was \$1,165,795,515.

Up to Mar. 31, 1959, 1,195 corporations, institutions and associations, as compared with 1,133 up to Mar. 31, 1958, had entered into agreements with the Government to purchase annuities. Under these arrangements 204,853 employees or members were holding certificates for purchase of deferred annuities as compared with 192,820 one year earlier. The number of group certificates issued in the year ended Mar. 31, 1959 was 18,043 as compared with 11,236 for 1957-58.

* Revised in the Government Annuities Branch, Department of Labour, Ottawa.

4.—Individual Annuity Contracts and Certificates Issued and Net Receipts, Years Ended Mar. 31, 1955-59, with Cumulative Totals for 1908-59

Year Ended Mar. 31—	Individual Contracts Issued	Group Certificates Issued	Total Contracts and Certificates Issued	Net Receipts
	No.	No.	No.	\$'000
1908-54 ¹	156,468	212,222	368,690	837,666
1955.....	6,242	18,300	24,542	68,594
1956.....	6,799	15,672	22,471	69,945
1957.....	5,937	12,476	18,413	64,421
1958.....	6,701	11,236	17,937	62,149
1959.....	5,306	18,043	23,349	63,017
Totals, 1908-59.....	187,453	287,949	475,402	1,165,795

¹ Sept. 1, 1908 to Mar. 31, 1954.