

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 registered 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, 1965, the total number of annuity contracts and certificates issued, excluding replacements, was 537,041. On the latter date, 93,342 annuities were being paid amounting to \$53,189,000 annually and 295,672 deferred annuities were being purchased. The net total amount of purchase money received up to Mar. 31, 1965 was \$1,408,936,000. At that date there were in force 1,312 pension plans underwritten by government annuities, providing 205,332 employees with portable pensions; approximately 28,000 retired employees were receiving pensions. The number of certificates issued during the year was 1,783 compared with 2,470 in 1963-64.

21.—Individual Annuity Contracts and Certificates Issued and Net Receipts, Years Ended Mar. 31, 1961-65, with Cumulative Totals for 1909-65

Year Ended Mar. 31—	Individual Contracts Issued	Group Certificates Issued	Total Contracts and Certificates Issued	Net Receipts
	No.	No.	No.	\$'000
1909-60.....	191,831	299,513	491,344	1,221,836
1961.....	4,353	10,007	14,360	48,523
1962.....	4,117	7,480	11,597	43,097
1963.....	4,296	3,687	7,983	37,003
1964.....	3,687	2,470	6,157	28,884
1965.....	3,817	1,783	5,600	29,583
Totals, 1909-65.....	212,101	324,940	537,041	1,408,936

22.—Government Annuity Account Statements, Years Ended Mar. 31, 1961-65

Item	1961	1962	1963	1964	1965
	\$	\$	\$	\$	\$
Assets					
Fund at beginning of fiscal year.....	1,156,867,225	1,199,122,929	1,235,303,906	1,264,436,143	1,284,261,927
Receipts during the year, less payments.....	42,255,704	36,180,977	29,132,237	19,825,784	18,874,956
Fund at end of fiscal year.....	1,199,122,929	1,235,303,906	1,264,436,143	1,284,261,927	1,303,136,883
Liabilities					
Value of outstanding contracts.....	1,199,122,929	1,235,303,906	1,264,436,143	1,284,261,927	1,303,136,883
Receipts					
Immediate annuities.....	2,813,068	2,465,933	1,468,984	1,054,824	4,531,333
Deferred annuities.....	46,063,783	41,007,852	36,063,184	28,358,312	25,631,120
Interest on fund.....	44,584,055	46,010,743	47,414,303	48,376,632	49,180,085
Totals, Receipts.....	93,460,906	89,484,528	84,946,451	77,789,768	79,342,538