

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, 1966, the total number of annuity contracts and certificates issued, excluding replacements, was 542,163. On the latter date, 96,350 annuities were being paid amounting to \$55,640,684 annually and 288,752 deferred annuities were being purchased. The net total amount of purchase money received up to Mar. 31, 1966 was \$1,436,051,060. At that date there were in force 1,267 pension plans underwritten by government annuities, providing 200,498 employees with portable pensions; approximately 30,000 retired employees were receiving pensions. The number of certificates issued during the year was 1,979 compared with 1,783 in 1964-65.

**21.—Individual Annuity Contracts and Certificates Issued and Net Receipts, Years Ended Mar. 31, 1962-66, with Cumulative Totals**

Year Ended Mar. 31—	Individual Contracts Issued	Group Certificates Issued	Total Contracts and Certificates Issued	Net Receipts
	No.	No.	No.	\$'000
1909-61.....	196,184	309,520	505,704	1,270,359
1962.....	4,117	7,480	11,597	43,097
1963.....	4,286	3,687	7,983	37,003
1964.....	3,687	2,470	6,157	28,894
1965.....	3,817	1,783	5,600	29,583
1966.....	3,143	1,979	5,122	27,114
<b>Totals, 1909-66.....</b>	<b>215,344</b>	<b>326,919</b>	<b>542,163</b>	<b>1,436,051</b>

**22.—Government Annuity Account Statements, Years Ended Mar. 31, 1962-66**

Item	1962	1963	1964	1965	1966
	\$	\$	\$	\$	\$
<b>Assets</b>					
Fund at beginning of fiscal year.....	1,199,122,929	1,235,303,906	1,264,436,143	1,284,261,927	1,303,136,883
Receipts during the year, less payments.....	36,180,977	29,132,237	19,325,784	18,874,956	13,943,135
Fund at end of fiscal year.....	1,235,303,906	1,264,436,143	1,284,261,927	1,303,136,883	1,317,080,018
<b>Liabilities</b>					
Value of outstanding contracts.....	1,235,303,906	1,264,436,143	1,284,261,927	1,303,136,883	1,317,080,018
<b>Receipts</b>					
Immediate annuities.....	2,465,933	1,468,984	1,054,824	4,531,333	4,471,973
Deferred annuities.....	41,007,852	36,063,164	23,358,312	25,631,120	23,146,947
Interest on fund.....	46,010,743	47,414,303	43,376,632	49,180,065	50,048,246
<b>Totals, Receipts.....</b>	<b>89,484,528</b>	<b>84,946,451</b>	<b>77,789,768</b>	<b>79,342,518</b>	<b>77,667,166</b>