personal services — which includes hospitals, religious and welfare organizations and professional agencies, etc. — participated in occupational pension programs. Construction, with 107,400 plan members, had 23% of the workers covered; and trade, both retail and wholesale, with 142,500 participants, provided coverage for 13% of workers in the industry.

Of the more than 16,000 pension plans in Canada at the beginning of 1970, 11,000 — nearly 70% — were funded by insurance companies, but these accounted for less than 15% of the members or 398,700 out of 2.8 million. Plans with the largest coverage were those designed for government employees; employee contributions are paid into government consolidated revenue funds which are not held in the form of cash or invested securities. Although only 19 in number, these plans applied to a total of 607,800 public servants including those covered by the federal superannuation plan, the Armed Forces, the RCMP and public servants in five provinces.

Aside from these public service plans, the larger plans tended to use either personal or corporate trustees as funding agencies. Although only one quarter of all occupational plans were trusteed, they covered more than 60% of the members — some 1.7 million out of the total of 2.8 million persons.

Total contributions paid by and on behalf of the 2.8 million members in 1970 amounted to over $1,700 million with more than $1,000 million paid into trusteed funds. With an annual cash inflow of this magnitude, trusteed pension funds have become one of the largest single pools of money in the country, growing at a rate of 10% to 12% annually, with the book value of assets accumulated by these funds reaching a record total of $16,171 million by the end of 1973. Because the growth of these funds is so rapid and the total accumulated so large, they are surveyed annually by Statistics Canada; the results are published in *Trusteed pension plans, financial statistics* (Catalogue No. 74-201). A summary tabulation of the key financial data related to these funds is presented in Table 8.29.

The Canada and Quebec Pension Plans are discussed in Chapter 6.

Federal government annuities. Since 1908 the federal government has sold annuities and industrial pension plans under the Government Annuities Act. Decreased need for this type of service has resulted in the program's reduction. No salesmen have been employed since 1967 but annuities are still available under the Act to those who ask for them. They are now administered by the Unemployment Insurance Commission.

8.5 Unemployment insurance

Unemployment insurance has been part of Canada's social and economic life since the Unemployment Insurance Act was passed in 1940. Since that time various amendments have brought new categories of workers into the plan and contributions and benefit rates have been raised periodically to meet changing economic conditions. However, until recently, the basic structure of the plan remained unaltered.

In 1968, when Parliament approved upward revisions of both contributions and benefit rates and broadened the scope of coverage, the Unemployment Insurance Commission was instructed to investigate the program and to recommend appropriate changes in philosophy and structure. The Unemployment Insurance Act, 1971, effective June 27, 1971, was the result of extensive study; its basic objectives were to provide assistance to cope with interrupted earnings resulting from unemployment, including unemployment from illness, and to co-operate with other agencies engaged in social development.

The 1971 Act extended coverage to all regular members of the labour force (effective January 2, 1972) for whom there exists an employer-employee relationship. The only non-insurable employees are those who earn less than 20% of the maximum weekly insurable earnings or less than 20 times the provincial hourly minimum wage, whichever is less. Coverage, contributions and benefit entitlement cease at age 70.

Employers and employees absorb the cost of initial benefits and administration; the employer rate is 1.4 times the employee rate. The government share is confined to the cost of extended benefits and the excess cost of initial benefits resulting from a national unemployment rate greater than 4%. There is no fund and employer and employee contributions are adjusted yearly. In 1974 the rate of employee contributions was $1.40 per $100 of insurable earnings with a maximum of $2.38 a week. The Department of National Revenue, Taxation collects the contributions. Persons formerly not contributing either