

Of the 15,095 plans, 10,957 were funded with insurance companies, but these covered only 13% of the 4.2 million plan members. Small plans tended to be funded with insurance companies, but most large plans were funded on a trustee basis. Although only one-quarter of all plans were trustee, they covered two-thirds of all members, some 2.8 million. Plans with the largest coverage were for federal and provincial public servants, with contributions paid into government consolidated revenue funds and not held in cash or securities. While only 22 in number, these plans covered 681,000 members.

Contributions from both employers and employees totalled \$7.5 billion for 1978. About 63% or \$4.7 billion was paid into trustee pension funds which channel funds directly into the financial markets. With an annual cash flow of this magnitude, trustee pension funds have become one of the largest single pools of investment capital in the country, and reached a total of \$35.5 billion at book value by the end of 1978. Trustee pension funds are surveyed annually and the results are published in *Trustee pension plans. Financial statistics* (Statistics Canada Catalogue 74-201). A summary tabulation of the key financial data related to these funds is presented in Table 7.20.

Federal government annuities. The Government Annuities Act of 1908 was one of the first significant pieces of social legislation in Canada. It was designed to help Canadians provide for their retirement. However, by the 1960s newer social programs such as the Canada Pension Plan and Old Age Security covered the public more effectively. As a result, in 1967 the annuities sales program was discontinued.

The commission has been responsible for the administration of government annuities since 1970 and maintains existing annuity contracts. In 1975, legislation raised the interest rate to 7% on contracts not yet matured and a further percentage adjustment was provided when the annuity began to be paid. The balance of the annuities was about \$1,230 million on March 31, 1978. The total payments to people holding annuities was about \$89 million by March 31, 1978.

Other pension plans including the old age security program, the Canada and Quebec pension plans and other income maintenance programs are described in Chapter 8, Social security.

7.6.2 Unemployment insurance

Unemployment insurance provides short-term financial support to the unemployed. In addition it functions as an economic stabilizer in regions with high unemployment. Beginning in 1977, shorter work periods were required for eligibility of claimants living in areas of high unemployment than in regions where unemployment was less severe, and the length of time for receiving benefits was not based solely on how long a person had worked. Claimants could draw benefits for a maximum of 50 weeks depending on their work history and on economic conditions in their region.

Since its beginnings in 1940, the Unemployment Insurance (UI) program has been continually evolving. Amendments have brought in new categories of workers and benefits and the premiums paid by employers and workers have been raised periodically to meet changing economic conditions. However, the basic structure of the plan remained unaltered until 1968 when Parliament instructed the commission to review the program and recommend changes. The result was the Unemployment Insurance Act of 1971.

This act extended coverage to nearly all members of the labour force, including teachers, public servants, the armed forces and higher income earners. The only non-insurable workers were the self-employed and those who made less than the minimum insurable earnings, a figure adjusted annually. For the first time, claimants who worked 20 weeks in the last 52 could get illness benefits for as long as 15 weeks. Pregnant women with 10 weeks in the labour force during early pregnancy and working a total of 20 weeks, could collect up to 15 weeks of maternity benefits. Workers up to age 70 or those who had not yet applied for the Canada or Quebec pension plans were also covered.

Financing for the program underwent considerable changes. Until 1972, UI payments came from a fund to which employers and workers contributed on an equal