

The Old Age Pensions Act, 1927.—The Old Age Pensions Act of 1927, under which old age pensions were paid jointly by the Federal and Provincial Governments, ceased to be effective Dec. 31, 1951, at which time all recipients thereunder were automatically transferred to the rolls of the universal pension under the Old Age Security Act, 1951. A description of the provisions of the Old Age Pensions Act of 1927 will be found in the 1951 Year Book, pp. 234-236, and statistics of operation for the years ended Mar. 31, 1950 and 1951, and the nine months ended Dec. 31, 1951, are given in the 1952-53 Year Book, pp. 264-265.

Subsection 3.—Government Annuities*

Under the Government Annuities Act (R.S.C. 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.

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 to the purchaser or his legal representative. 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. Group annuity plans now in effect cover a variety of industries and many municipal corporations throughout Canada. Annuities arising from individual contracts are taxable as to the interest portion of the annuity payment and the return-of-capital portion is exempt; 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, 1953, the total number of annuity contracts and certificates issued, excluding replacements, was 350,224. On the latter date, 61,238 annuities were being paid amounting to \$28,218,012 annually, and 246,724 deferred annuities were being purchased. The total amount of purchase money received up to Mar. 31, 1953, was \$773,286,981.

Up to Mar. 31, 1953, 940 corporations, institutions and associations, as compared with 915 up to Mar. 31, 1952, had entered into agreements with the Government to purchase annuities. Under these agreements, 137,537 employees or members were holding certificates for purchase of deferred annuities as compared with 131,749 one year earlier. The number of certificates issued under groups in the year 1952-53 was 13,634 as compared with 12,135 in the previous year.

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