

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. Annuities may now be arranged to reduce by \$40 per month at age 70, to fit in with payments under the Old Age Security Act.

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, 1954, the total number of annuity contracts and certificates issued, excluding replacements, was 368,690. On the latter date, 64,405 annuities were being paid amounting to \$30,281,536 annually, and 261,277 deferred annuities were being purchased. The total amount of purchase money received up to Mar. 31, 1954, was \$837,667,308.

Up to Mar. 31, 1954, 949 corporations, institutions and associations, as compared with 940 up to Mar. 31, 1953, had entered into agreements with the Government to purchase annuities. Under these agreements, 147,523 employees or members were holding certificates for purchase of deferred annuities as compared with 137,537 one year earlier. The number of certificates issued under groups in the year 1953-54 was 13,161 as compared with 13,634 in the previous year.

4.—Government Annuities Contracted and Purchase Money Received, Years Ended Mar. 31, 1935-54

NOTE.—Figures for 1909 to 1934 will be found in the 1942 Year Book, p. 873.

| Year | Contracts and Certificates | Purchase Money Received | Year | Contracts and Certificates | Purchase Money Received |
|------|----------------------------|-------------------------|------|----------------------------|-------------------------|
| | No. | \$ | | No. | \$ |
| 1935 | 3,930 | 13,376,400 | 1945 | 15,796 | 33,076,436 |
| 1936 | 6,357 | 21,281,981 | 1946 | 25,538 | 46,954,536 |
| 1937 | 7,806 | 23,614,824 | 1947 | 43,585 | 72,009,764 |
| 1938 | 5,724 | 13,550,483 | 1948 | 40,945 | 75,067,827 |
| 1939 | 8,518 | 18,189,319 | 1949 | 36,332 | 64,311,116 |
| 1940 | 9,014 | 20,001,533 | 1950 | 21,078 | 63,133,242 |
| 1941 | 11,994 | 18,803,645 | 1951 | 21,775 | 59,648,323 |
| 1942 | 8,593 | 19,630,645 | 1952 | 17,038 | 57,548,671 |
| 1943 | 9,608 | 20,415,365 | 1953 | 18,433 | 62,787,282 |
| 1944 | 19,354 | 26,600,098 | 1954 | 18,466 | 64,380,327 |