

Year	Contributory Earnings Upper Limit	Age of Worker	Pensionable Earnings	Annual Earnings Ratio
	\$		\$	
1966.....	5,000	45	3,000	0.6000
1967.....	5,000	46	3,200	0.6400
1968.....	5,100	47	3,400	0.6667
1969.....	5,200	48	3,600	0.6923
1970.....	5,300	49	3,800	0.7170
1971.....	5,400	50	4,000	0.7407
1972.....	5,500	51	4,200	0.7636
1973.....	5,600	52	4,400	0.7857
1974.....	5,700	53	4,600	0.8070
1975.....	5,800	54	4,800	0.8276
1976.....	5,900	55	5,000	0.8475
1977.....	6,000	56	5,200	0.8667
1978.....	6,100	57	5,400	0.8852
1979.....	6,200	58	5,600	0.9032
1980.....	6,300	59	5,800	0.9206
1981.....	6,400	60	6,000	0.9375
1982.....	6,500	61	6,200	0.9538
1983.....	6,600	62	6,400	0.9697
1984.....	6,700	63	6,600	0.9851
1985.....	6,800	64	6,800	1.0000
1986.....	6,900	65	6,900	1.0000
1987.....	7,000	66	7,000	1.0000
1988.....	7,100	67	7,100	1.0000
1989.....	7,200	68	7,200	1.0000
1990.....	7,300	69	7,300	1.0000
1991.....	7,400	70		

For this worker, the number of "highest" annual earnings ratios to be taken into account in calculating the average earnings ratio is 18 (that is, 90% of the number of years from age 45 to age 65).

Average earnings ratio

$$= \frac{16.6896}{18}$$

$$= 0.9272$$

Initial amount of annual pensions

$$= 0.9272 \times \frac{1}{3} (7,200 + 7,300 + 7,400) \times 0.25$$

$$= \$1,692$$

- (d) Suppose that an immigrant who arrives in Canada in 1975 and commences work on January 1, 1976, is of exactly the same age and has exactly the same earnings history for the period from 1976 to 1986, inclusive, as the worker described in (c) above, and that he elects to have his pension commence at age 66.

For this worker, the number of "highest" annual earnings ratios to be taken into account in calculating the average earnings ratio is also 18 but seven of these annual earnings ratios must be zero since there is a record of pensionable earnings for only 11 years.

Average earnings ratio

$$= \frac{10.2693}{18}$$

$$= 0.5705$$