

The amount of benefit will be equal to,

- (a) in respect of a contributor to whom an age retirement pension was not payable at the time of death, one-half of the annual amount of an earnings-related pension calculated in the manner described for age retirement pensions in subsection 5 above except that the deceased contributor's primary contribution period ends at the date of death or at age 65, whichever is the earlier, and that there is no reduction by reason of death occurring within the first ten years from the effective date of the Plan, or
- (b) in respect of a contributor to whom an age retirement pension was payable at the time of death, one-half of the annual amount of pension payable in the year of death, adjusted to exclude any reduction that may have arisen by reason of commencement of pension within the first ten years from the effective date of the Plan,

subject to the limitation that the amount of benefit cannot exceed ten per cent of the contributory earnings upper limit applicable in the year of the contributor's death.

9. Contributions

No worker who is under age 18 or over age 70, who has earnings less than the minimums required for contribution purposes or who is in any specifically excluded class of workers is eligible to contribute under the Plan. Also, no contributor to whom an age retirement pension or a disability pension is payable is eligible to contribute.

For workers eligible to contribute under the Plan, contributions in any year will be required in respect of all earnings between the contributory earnings lower and upper limits for that year.

The initial rate of contribution as respects earnings subject to contributions will be 1.8% of salary and wages for each of workers and their employers and 3.6% of self-employed earnings.

III. Short-Range Estimates (1966 to 1975)

1. Principal Assumptions

- (a) The effective dates of the Plan will be
 - (i) for contributions —January, 1966
 - (ii) for payment of age retirement pensions —January, 1967
 - (iii) for payment of survivors' benefits (including disabled survivors' pensions) —February, 1968
 - (iv) for payment of disability pensions —May, 1970
- (b) Age retirement pensions will become available to contributors aged 68 or over in 1967, aged 67 or over in 1968, aged 66 or over in 1969 and aged 65 or over in 1970 and after.
- (c) Age retirement pensions, lump-sum death benefits and pensions to survivors and disabled persons will be paid in accordance with the assumptions described in Appendices 4, 5 and 6 to this report.
- (d) Average earnings will increase at an average rate of
 - (i) 3% per annum, or
 - (ii) 4% per annum.
- (e) The Consumer Price Index and, consequently, the elements dependent for adjustment on that index, will increase at an average rate of 1½% per annum.
- (f) The contributory earnings upper and lower limits will be \$5,000 and \$600, respectively, for 1966 and 1967, and will increase thereafter to 1975 at a rate of 1½% per annum.