

the Canadian disability statistics mentioned previously, it appears that total numbers of disabled males and females in Canada are about equal. Also, although for early cost estimates with respect to disability coverage under the OASDI system the U.S. actuaries assumed that disability rates would be much higher for females than for males, they have recently used prevalence rates for females that are 75% of those for males. For the current estimates under the Canada Pension Plan, it was assumed that prevalence rates would be the same for both males and females.

To conform with the disability provisions of the Canada Pension Plan and the calculation methods chosen for the estimates, the disability prevalence rates required were proportions of workers insured for disability benefits to whom disability pensions are payable. The prevalence rates used by the U.S. actuaries were defined as proportions of workers insured for disability benefits who are disabled-worker beneficiaries. Thus, the U.S. ultimate male prevalence rates could reasonably be considered to be applicable for determination of populations of disabled beneficiaries under the Canada Pension Plan for the year 2000 and after. The rates used are shown in Schedule 2 below.

SCHEDULE 2
ULTIMATE PREVALENCE RATES

Age Group	Rate
	%
22-24.....	0.05
25-29.....	0.14
30-34.....	0.38
25-39.....	0.70
40-44.....	1.15
45-49.....	1.69
50-54.....	3.18
55-59.....	5.13
60-64.....	9.30

(c) Adjustment required during an interim period

The proportions insured for disability benefits described in (a) above and the prevalence rates described in (b) above did not take account of necessary exclusions from the calculations of disablements occurring prior to 1970 for which there can be no entitlement to pension. Thus, adjustments were required for the early stages of the Plan. The method chosen to effect such adjustments was to use a series of interim prevalence rates varying by time elapsed after 1969. These interim prevalence rates were related to the ultimate prevalence rates by means of ratios of interim to ultimate rates developed in accordance with disability incidence and termination rates based on experience under insurance contracts. The interim rates for quinquennial years 1975 to 1995 are shown in Schedule 3 below.

SCHEDULE 3
INTERIM PREVALENCE RATES

Age Group	Year				
	1975	1980	1985	1990	1995
	%	%	%	%	%
22-24.....	0.05	0.05	0.05	0.05	0.05
25-29.....	0.12	0.14	0.14	0.14	0.14
30-34.....	0.30	0.36	0.38	0.38	0.38
35-39.....	0.50	0.62	0.68	0.70	0.70
40-44.....	0.82	1.00	1.08	1.13	1.15
45-49.....	1.17	1.45	1.57	1.64	1.67
50-54.....	2.19	2.73	2.96	3.08	3.15
55-59.....	3.54	4.46	4.82	4.98	5.08
60-64.....	6.14	8.09	8.74	9.02	9.21