

1971 to 1974, total amounts of benefit were determined by interpolation between the totals for 1970 before multiplication by the 20% factor and the totals for 1975 determined as described hereinafter. Finally, for the years 1970 to 1975, the male totals were adjusted to take account of expected "lower-than-average" participation among self-employed farmers in the manner described in Appendix 2.

2. Flat-amount benefits

(a) Proportions insured for disability benefits

Under the Canada Pension Plan the eligibility requirements for entitlement to disability benefits are much more stringent than those for entitlement to death and survivors' benefits mainly because of the "recency of contributions" test which is required only with respect to disability benefits. (Because of the "recency of contributions" test, for any group of persons where participation in gainful employment is relatively low and movement into and out of the labour force is relatively frequent, the proportion insured for disability benefits will be significantly less than the proportion insured for other benefits. This fact is particularly applicable to female workers.) Under the OASDI system of the United States, the eligibility requirements for entitlement to benefits follow a similar pattern to those for the Canada Pension Plan; under that programme, a worker insured for disability benefits not only must have the "fully insured" status required for entitlement to other benefits but also must satisfy a "recency of contributions" test. It was therefore considered that proportions insured for disability benefits under the U.S. programme would be relevant for purposes of the current estimates for the Canada Pension Plan.

For recent estimates for the OASDI system, the U.S. actuaries assumed that the proportions of total population groups who are "fully insured" are currently of the order of 90% for males and 50% for females. At the same time, they assumed that the proportion of "fully insured" workers who are insured for disability benefits is, for most age groups over age 24, currently about 86% for males and 40% to 60% for females. Thus, for the OASDI estimates, there is an implied assumption that the proportion of total population groups over age 24 who are insured for disability benefits is of the general order of 75% to 80% for males and 20% to 30% for females.

The proportions assumed to be insured for disability benefits for the current estimates for the Canada Pension Plan are shown in Schedule 1 below.

SCHEDULE 1
PROPORTIONS OF TOTAL POPULATIONS INSURED FOR
DISABILITY BENEFITS

Class of Estimates	Age Group			
	22-24	25-29	39-59	60-64
	%	%	%	%
Males				
All classes.....	20	75	90	85
Females				
High cost.....	20	30	30	25
Low cost:				
1970 and 1975.....	20	30	30	25
1980 and 1985.....	20	30	35	30
1990 and after.....	20	35	40	35

(b) Prevalence rates

With respect to long-term disability, the general impression is that disability rates are higher for females than for males. However, on the basis of