

Unemployment Insurance Account

The Unemployment Insurance Act, 1971, authorized the establishment in the accounts of Canada of an account to be known as the Unemployment Insurance Account and that the balance of the amount standing to the credit of the Unemployment Insurance Fund under the former Act on June 27, 1971, together with interest accrued thereon to that day, be credited thereto.

The Act also provides that all amounts received under the Act as or on account of premiums, fines, penalties, interest and repayment of overpayments of benefits, and all amounts collected by the Commission for services rendered to other government departments or agencies or the public, shall be paid into the Consolidated Revenue Fund and shall be credited to the Unemployment Insurance Account; that any other amounts provided out of the Consolidated Revenue Fund for any purpose related to unemployment insurance that is authorized by an appropriation by Parliament and the administration of which falls to the Commission shall be credited to the Unemployment Insurance Account; that the

Minister of Finance may authorize, in accordance with such terms and conditions and at such rates as he may prescribe, the payment of interest on the balance in the Unemployment Insurance Account, and such interest shall be credited to the account; and that there shall be charged to the account all amounts paid as or on account of benefits under this Act and the costs of administration of the Act.

The balance in the Unemployment Insurance Fund at March 31, 1971 was \$351 million and consisted of \$25 million on deposit with the Receiver General and \$326 million in investments in Government of Canada securities plus accrued interest. As at June 27, 1971 the balance in the Fund was \$272 million and consisted of \$15 million on deposit with the Receiver General, \$21 million on deposit with chartered banks and \$236 million in investments in Government of Canada securities plus accrued interest. As of June 27, 1971 the investments were liquidated and the balance in the Fund (\$272 million) was transferred to the Unemployment Insurance Account. Subsequent transactions during the year bring the balance in the account as at March 31, 1972 to \$15 million.

TABLE 62
(in millions of dollars)

UNEMPLOYMENT INSURANCE ACCOUNT ⁽¹⁾	Fiscal year ended March 31				
	1968	1969	1970	1971	1972 (preliminary)
Receipts—					
Contributions—					
Employees and employers.....	347.4	433.1	491.8	495.2	573.0
Government.....	69.5	86.6	98.4	99.0	90.0
Net income from investments.....	15.9	18.9	27.5	29.2	14.0
Advance from government.....					100.0
Other income ⁽²⁾	-4.3	-0.9	5.3	6.2	32.0
	428.5	537.7	623.0	629.6	809.0
Disbursements—					
Benefit payments.....	-388.6	-459.1	-542.1	-758.1	-1,122.0
Administration costs.....					-23.3
Excess of receipts or disbursements (-).....	39.9	78.6	80.9	-128.5	-336.3
Balance at beginning of year.....	280.4	320.3	398.9	479.8	351.3
Balance at end of year.....	320.3	398.9	479.8	351.3	15.0
Investment in bonds and accrued interest.....	-303.9	-386.8	-468.0	-326.3	
Balance on deposit with the Receiver General.....	16.4	12.1	11.8	25.0	15.0

⁽¹⁾Prior to June 27, 1971 this account was known as the Unemployment Insurance Fund.

⁽²⁾This item is mainly the change in unredeemed warrants and deposits from employers.