

TABLE 64
(in millions of dollars)

CANADA PENSION PLAN ACCOUNT	Fiscal year ended March 31				1973 (preliminary)
	1969	1970	1971	1972	
Receipts—					
Contributions	698.0	745.7	812.4	826.0	897.0
Interest on investments	84.4	139.7	206.9	272.6	350.0
Interest on operating balance	2.4	3.8	4.0	3.0	4.0
Other	0.2	0.4	0.4	0.6	1.0
	785.0	889.6	1,023.7	1,102.2	1,252.0
Disbursements—					
Benefit payments	-15.6	-47.4	-91.9	-144.4	-206.0
Administration expenses	-14.4	-17.7	-20.5	-22.9	-23.0
	-30.0	-65.1	-112.4	-167.3	-229.0
Excess of receipts over payments	755.0	824.5	911.3	934.9	1,023.0
Balance in account brought forward	1,352.8	2,107.8	2,932.3	3,843.6	4,778.5
Balance at credit of account	2,107.8	2,932.3	3,843.6	4,778.5	5,801.5
Less investments in securities held in the Canada Pension Plan investment fund	-2,023.0	-2,832.8	-3,701.3	-4,611.3	-5,590.0
Operating balance on deposit with the Receiver General	84.8	99.5	142.3	167.2	211.5

Old Age Security Fund

The Old Age Security Act, 1951, directed that this fund be established and that credits to the fund should consist of a 2 per cent sales tax, a 2 per cent (maximum tax \$60) on individual incomes and a 2 per cent tax on corporation incomes, and that pension payments of \$40 per month be paid to all eligible persons over 70 years of age. Payments were effective from January 1952.

Amendments to the Act have increased these tax rates: on individual incomes to 4 per cent effective January 1, 1964 (maximum tax \$120 increased to \$240 effective January 1, 1967); on corporation incomes to 3 per cent effective January 1, 1959; and on sales to 3 per cent effective April 10, 1959.

The Old Age Security Act was amended effective January 1, 1972 to provide for the repeal of these taxes and for the crediting to the fund of an amount estimated to be equal to what would have been credited to the fund had those taxes not been repealed.

Pension rates also have increased by amendments to the Act to \$75 per month effective October 1, 1963, to \$76.50 per month effective January 1, 1968, to \$78 per month effective January 1, 1969, to \$79.58 effective January 1, 1970 and to \$80 effective January 1, 1971. A subsequent amendment in May 1972 provided that the basic pension be

escalated effective January 1973 to reflect changes in the consumer price index and resulted in monthly payments of \$82.88 effective January 1973.

The Act was further amended to authorize pension payments effective January 1966 to all persons who had satisfied the residence requirements of the Act who had attained the age of 69 years on or before January 1, 1966; the age limit being reduced by one year on January 1st of each subsequent year until 1970. A further amendment in 1966-67 authorized the payment of a monthly guaranteed income supplement to eligible pensioners. The amount of the supplement that may be paid to a pensioner for a month was 40 per cent of the amount of the old age security pension. An amendment in 1970 fixed the maximum basic supplement at \$55 per month and the amendment to the old age security program in May 1972 provided for the escalation of the basic old age pension and the guaranteed income supplement to the extent of the full annual increase in the consumer price index which brought the guaranteed income supplement to \$67.12 per month effective January 1973.

During 1972-73 pension payments of \$2,526 million exceed receipts of \$2,226 million by \$300 million reducing the balance in the account to \$341 million at March 31, 1973. Receipts consist of \$770 million from sales tax,