APPENDIX A

CANADIAN GOVERNMENT ANNUITIES

Prepared for the Standing Committee
of
The House of Commons
on Industrial Relations
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November, 1951.

An Act to authorize the issue of Government Annuities for Old Age was assented to on July 20th, 1908, and cited as the Government Annuities Act, 1908.

The preamble to the Act reads as follows: "Whereas it is in the public interest that habits of thrift be promoted and that the people of Canada be encouraged and aided thereto so that provision may be made for old age; and whereas it is expedient that further facilities be afforded for the attainment of the said objects: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows".

The Government Annuities Act, copy of which is annexed to this brief, has remained substantially unchanged since its enactment in 1908. Under the provisions of the Act two general types of contract have been issued. These are:

(i) Deferred Annuities
(ii) Immediate Annuities

There are three plans of Deferred Annuity contract available:

(a) *Deferred Life Plan*—Upon maturity of the contract, the annuity commences and it is payable in regular monthly instalments for the life of the annuitant, the benefits ceasing with death. Should the annuitant die before the annuity begins the premium payments made plus 4 per cent compound interest are returnable to the annuitant's estate.

(b) *Deferred Guaranteed Plan*—Upon maturity of the contract the annuity becomes payable in monthly instalments, continuing for the life of the annuitant and for 5, 10, 15 or 20 years in any event, according to the guaranteed period selected by the purchaser. If the annuitant dies before the annuity commences, the monies paid with interest are returnable to his estate. Or, if the annuitant dies during the guaranteed period, the instalments of annuity remaining unpaid are continued to his estate for the balance of the guaranteed period.

(c) *Deferred Last Survivor Plan*—Under this plan two persons, generally husband and wife, take out an annuity together. Upon maturity, the annuity is paid as long as both live and the full amount to the survivor for life. If one annuitant dies before maturity, the full amount paid in premiums remains at the credit of the survivor. If both annuitants die before commencement of the annuity, the premiums with interest accumulations are returnable.

There are three plans of immediate annuity contract available:

(a) *Immediate Life Plan*—The annuity under this plan commences one month from date of purchase and continues as long as the annuitant lives.

(b) *Immediate Guaranteed Plan*—Under this plan the annuity is payable in monthly instalments during the life of the annuitant and payments are guaranteed for 5, 10, 15 or 20 years in any event, according to the guaranteed period selected by the purchaser. If the annuitant lives longer than the guaranteed period, the benefits are continued as long as he lives.