

The Plan has a ten-year transitional period during which partial retirement pensions are payable and during which the retirement pension will be payable at its full rate. Payment of a retirement pension to contributors from 65 to 70 years of age is subject to a retirement test and applies to those taking up new employment after starting to draw a retirement pension. At 70 the retirement test no longer applies. Survivors' benefits, including pensions for widows, disabled widowers, orphans' benefits, and the death benefit, became payable in 1968. Pensions for disabled contributors and their dependent children became payable in the spring of 1970.

Everyone covered by the Plan must obtain a social insurance number to identify and maintain his individual record of earnings. Provision is made under the Plan for appeals with respect to coverage, contributions and benefits. The Department of National Health and Welfare administers the payments of benefits; the Department of National Revenue is responsible for coverage and contributions.

#### *Old-Age Security*

A pension of \$80 a month is payable by the Federal Government to all persons who meet the age requirements and have been resident in Canada for at least ten years immediately preceding application for the pension. Any gaps in the ten-year period may be offset if the applicant, after the age of 18, had resided in Canada in earlier years for periods equal in total to three times the length of the gaps; but in this case the applicant must have resided in Canada for one year immediately before application. Persons who have had 40 years of residence in Canada since 18 years of age, and who left Canada before reaching the qualifying age, are eligible for the old-age pension. The qualifying age is 65 years or over. A pensioner who resides outside Canada permanently but has 25 years of residence in Canada since attaining the age of 21 may continue to receive his pension indefinitely. Otherwise, payment of the pension to pensioners absent from Canada is continued for six months in addition to the month of departure. It is then suspended until the pensioner returns to Canada. The program is financed through a 3-percent sales tax, a 3-percent tax on corporation income and, subject to a maximum of \$240 a year, a 4-percent tax on taxable personal income. The Department of National Health and Welfare administers the program.

#### *Guaranteed Income Supplement*

This program, which started in January 1967, is designed to provide a guaranteed minimum income to old-age security pensioners. Beginning in April 1971, the new maximum for the combined pension and supplement will be \$135 a month, made up of the pension of \$80 and a supplement of \$55, for a single person or a married person whose husband or wife is not a pensioner, and \$255 a month altogether, made up of the pension of \$80 and supplement of \$47.50 for each member, for a married couple where both are pensioners. The benefit payment is subject to an income test. The benefit depends on the amount of income an applicant has in addition to his old-age security pension. For purposes of the program, income is determined in the same way as under