

*Old Age Security Act*

residence requirements was therefore added. This provides that the pension may be paid to anyone who has completed a total of 40 years of residence in Canada after age 18, regardless of where he is residing on attaining pensionable age. In computing the 40 years of residence, periods of absence that meet the specific conditions laid down by the legislation are counted. They are counted as years of residence. In addition to absences resulting from employment, a resident of Canada may be absent for temporary periods not exceeding one year or for the purpose of attending a school or university without interrupting his residence.

Originally, the pension could not be paid to anyone outside of Canada. This was changed by an amendment to the legislation in 1960 to permit indefinite payment of the pension outside the country, once the initial requirements had been met and the pension approved, to a pensioner who had resided in Canada for at least 25 years after age 21. In May, 1972, this requirement was reduced to 20 years after the 18th birthday. A pensioner with less residence is entitled to payment for only six months following the month of his departure.

The provision for indefinite payment outside Canada applies only to the basic pension. The guaranteed income supplement may continue for only six months after a pensioner leaves Canada, regardless of his history of residence. The guaranteed income supplement is, of course, the supplementary payment added to the basic pension on the basis of an income test. It was introduced in 1967 to assist those pensioners who had been unable to make adequate provision for later life and who were not in a position to benefit fully or at all from the Canada Pension Plan or the Quebec Pension Plan, under which benefits are paid in direct relation to contributions made from earnings over a qualifying period. The supplement was originally intended as a transitional measure while the retirement pension programs of the Canada Pension Plan and the Quebec Pension Plan were maturing. It was later adopted on a permanent basis. Both the guaranteed income supplement and the basic old age security pension are now escalated quarterly to compensate for the rise in the cost of living.

A pensioner who has qualified for the pension on the basis of having resided in Canada for a total of 40 years, even though a considerable portion of those 40 years was spent outside the country under conditions considered not to have interrupted his residence, would automatically be entitled to indefinite payment of the pension wherever he might choose to live, on the basis of having completed 20 years of residence after age 18. A person who had spent only 10 years immediately preceding pensionable age as a resident of Canada and who had qualified for pension on that basis would, of course, have to complete an additional 10 years of residence before becoming eligible for payment on an indefinite basis outside Canada. In other words, the particular regulation does not apply if a person stays here but only if he goes somewhere else, outside, of Canada.

In the same way, a person who had been absent during the final 10 years and who had qualified on the basis of having had sufficient earlier presence to make up three times the length of those absences might have to complete additional residence after becoming a pensioner to make

[Mr. Penner.]

up the 20 years necessary for entitlement to indefinite payment outside the country. So all of this has to do with receiving pension benefits when you decide to retire outside of Canada.

As the Minister of National Health and Welfare (Mr. Lalonde) has stated, the old age security regulations provide that certain absences from Canada of a resident shall be deemed not to have interrupted that person's residence in Canada if prescribed conditions are met. Those include absences while a person is employed or engaged by the United Nations, one of its specialized agencies, a Canadian firm or corporation, the federal government, as a member of the Canadian forces pursuant to and in connection with the requirements of his duties, as a missionary or other similar employment or engagement.

It should be noted here that the types of employment covered fall into two specific groups. In the case of a resident of Canada employed outside the country by the United Nations or one of its specialized agencies, by certain other international agencies, or by a Canadian firm or corporation, he must have had in Canada, during his absence, a permanent place of abode to which he intended to return, or have maintained in Canada a self-contained domestic establishment, and he must have returned to Canada at the end of his employment or reached pensionable age while still absent in this capacity. For other types of employment, such as with the government of Canada or a provincial or municipal government, as a member of the armed forces, as a missionary, as a person performing services with a development or assistance program sponsored by the federal or a provincial government or by a non-profit Canadian agency, as a member or an officer of an international charitable organization, and so on, the requirement is simply that the person concerned must have returned to Canada at the end of such employment or reached pensionable age during his absence.

However—and this is the key to the difficulty in which we find ourselves—the regulations do not provide that periods of absence under these circumstances may be deemed not to have interrupted that person's presence in Canada in determining his eligibility under the three-for-one presence requirement. The Minister of National Health and Welfare is faced with this dilemma. He, simply on his own authority, cannot alter the regulations, and so he wants as quickly as possible to bring before the House an amendment to the act that will give him the authority to alter the regulations and to deal with specific cases such as that which the hon. member has brought to the attention of this House concerning a problem which a constituent of his is facing. Therefore, the minister is of the opinion that such periods should be counted as presence in Canada, as he indicated in the House some weeks ago when the matter arose in connection with an application for old age security by a person who had been overseas in the Canadian army during world war II.

● (1730)

In this case, the date on which he became eligible was set back because the period of overseas service could not be counted as presence in Canada. The person in question also had only intermittent residence in Canada. An amendment to the Old Age Security Act is required before a regulation can be made to deem prescribed absences of