

regardless of actual residence in Canada before posting. Since the funds for the Old Age Pension are found out of taxes, then by any sort of logic, a person who has regularly paid Canadian income tax and who has been regarded for tax purposes a resident of Canada (with his wife), should be entitled to receive the Old Age Pension for both himself and his wife. This problem will apply to only a very few persons, but to those few, the lack of Old Age Pension could pose a serious financial problem. Until the legislation is amended, it is important that this "caveat" should be carefully explained to each employee five years before retirement. However, as this does represent an injustice and a penalty for serving Canada abroad, the Department, together with other Departments having rotational employees, notably Industry, Trade and Commerce, should take steps to have the legislation amended so that service abroad should be accepted as residence in Canada for all purposes, tax as well as pensionable benefits without any qualifying limitations such as residence in Canada before being posted abroad, or return to Canada after service abroad unless pensionable age has been reached.

This subject is covered in the regulations of the Old Age Security Act, Paragraph 15. They have already been amended apparently without much difficulty to include service with NATO and with L'Agence de Cooperation Culturelle et Technique and other international organizations. Apparently all that is needed is for the Departments concerned to make the appropriate "case" to the Department of Health and Welfare.

It is also important that, well before retirement, the employee should be informed of the status of, and income tax liability for, his (a) pension, (b) Old Age Security payments for himself and wife, (c) Canada Pension Plan supplement, and (d) Unemployment Insurance Entitlement should he decide to retire abroad - otherwise how can he plan on where to settle on retirement?

He should also be informed five years before retirement of the deductions that will be made from his pension for his medical/hospital services, a detailed description of his coverage for himself and wife