

some years should have a recent attachment to the country in order to be able to obtain the pension. It was also intended to discourage former residents from returning to Canada solely for the purpose of receiving the pension.

The joint parliamentary committee which examined old age security in 1950 pointed out, with respect to residence requirements, that for a program such as the old age security plan, which had no citizenship requirements and under which no record of contributions had to be demonstrated, it was not unreasonable to expect an applicant to live in Canada for a substantial part of his productive years. The committee suggested a period of 20 years, which was written into the original legislation.

It was recognized that some persons would be required to be absent from Canada in connection with their employment. It was felt that for a resident of Canada who was absent from the country for specified reasons and who returned to reside in Canada at the termination of his employment, such period of absence should not interrupt his residence in Canada. A resident of Canada is defined, for the purposes of the Old Age Security Act, as one who makes his home and ordinarily lives in Canada. The original regulations provided that certain periods of absence from Canada of a resident of this country would be deemed to be periods of residence in Canada if the specified conditions were met. This covered members of the Canadian Armed Forces, federal, provincial and municipal employees, employees of Canadian firms abroad, Canadians employed by the United Nations or engaged in missionary work, and so on. It also covered married women accompanying their husbands in these circumstances. If a resident of this country absented himself under such conditions and returned to Canada at the termination of his duties, the period of his absence could be counted as residence in Canada. A little later on, the regulations were amended to provide that these periods of absence in prescribed circumstances, could also be considered as not interrupting presence in Canada.

In 1957, the basic period of residence in Canada required for eligibility was reduced from 20 to 10 years. The purpose of this amendment was to provide for persons who came to Canada late in life but who, nevertheless, had become permanent residents and were considered to have some claim to benefits on reaching pensionable age. The amendment had, however, a further result: since the two-for-one make-up formula remained unchanged, the maximum amount of earlier presence that could be required was decreased from 38 to 18 years. Thus, a person who had resided in Canada for the first 18 years of his life and had then left the country and spent all of his productive years elsewhere, could return one year prior to his seventieth birthday and qualify for pension at age 70.

Later, the Old Age Security Act regulations were amended to provide that where a resident of Canada was absent from the country in specified circumstances, including service with the Canadian Forces, his absence would not interrupt his residence in Canada if he returned to Canada at the end of his service or if he reached pensionable age while so engaged. The provision for counting the period of absence as presence in Canada—that almost sounds like double talk, Mr. Speaker, but it really does make sense—was rescinded because it was felt

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that the change in the amount of make-up time under the two-for-one requirement brought about by the reduction in the basic period of residence in Canada from 20 to 10 years would make it possible for a person to qualify for the pension on the basis of a very short period of actual presence in Canada if a period of absence could be counted as presence.

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In 1965 also the Old Age Security Act was amended to reduce the age at which pensions could be paid from 70 to 65. This was done by reducing the eligible age one year at a time over a five year period from 1966 to 1970, so that in January 1970 it reached age 65. Effective from December 1971 the two-for-one requirement became three-for-one, with presence in Canada only after the 18th birthday to be counted. This increased to 27 years the maximum amount of presence that could be required to make up for absences in the 10 years immediately preceding the receiving of the pension; that is, the 55 to 65 years of age period. If you were absent during that 10 year period, you had to make up for that time by actual presence in Canada on the basis of three-for-one. So simply put, if you were away two years, you had to have a physical presence requirement in Canada in the preceding time of six years, which is three times two.

This change was brought about as a result of complaints. This is usually why we change acts or bring in legislation, because there is pressure from the public indicating something is wrong or that something different must be done. There were complaints by residents of Canada about the situation described earlier, where persons who had left Canada at an early age were able to return to Canada and qualify for the old age security pension after only one year of residence. Many of these persons who had spent their working years in the United States had also qualified for social security benefits in that country. They had those benefits and then they returned to Canada and received the benefits that had been passed by the Canadian parliament.

The Old Age Security Act provides that payments are to be made from the Consolidated Revenue Fund and charged to the Old Age Security Fund. In former years the Old Age Security Fund derived its income from a special tax on personal income, corporation income and sales. This special tax was eliminated with effect from January, 1972, and provision was made to credit the Old Age Security Fund from general revenues in respect of each fiscal year with an amount equivalent to what would have been collected under former provisions. Although entitlement to the old age security pension is not based on the insurance principle, it seems reasonable to require a period of residence or presence in Canada during which a person would presumably have made some contribution to the economy of the country and thus to its ability to finance social security benefits.

In 1965, it was recognized that there were persons who had spent all or the greater part of their lives in Canada and who might wish to leave the country after retirement and before reaching pensionable age. There are certain qualifying regulations governing people who wish to do this, so perhaps I might spend a moment or two commenting on this aspect. An additional method of fulfilling the