

3. Notwithstanding any other provision of this Agreement:
- (a) an Old Age Security pension shall be paid to a person who is outside Canada only if that person's periods of residence, when totalized as provided in Chapter 1, are at least equal to the minimum period of residence in Canada required by the *Old Age Security Act* for entitlement to the payment of a pension outside Canada; and
  - (b) a spouse's allowance and a guaranteed income supplement shall be paid to a person who is outside Canada only to the extent permitted by the *Old Age Security Act*.

### Article XV *Benefits under the Canada Pension Plan*

If a person is entitled to a benefit solely through the application of the totalizing provisions of Chapter 1, the competent institution of Canada shall calculate the amount of benefit payable to that person in the following manner:

- (a) the earnings-related portion of the benefit shall be determined in conformity with the provisions of the *Canada Pension Plan*, exclusively on the basis of the pensionable earnings under that Plan; and
- (b) the flat-rate portion of the benefit shall be determined by multiplying:
  - (i) the amount of the flat-rate portion of the benefit determined in conformity with the provisions of the *Canada Pension Plan*
  - by
  - (ii) the fraction which represents the ratio of the periods of contributions to the *Canada Pension Plan* in relation to the minimum qualifying period required under that Plan to establish entitlement to that benefit, but in no case shall that fraction exceed the value of one.

## CHAPTER 3 BENEFITS UNDER THE LEGISLATION OF CHILE

### Article XVI *Determining Benefits*

1. Persons who are affiliated with a Pensions Funds Administrator (Administradora de Fondos de Pensiones) shall finance their pensions in Chile with the balance accumulated in their individual capitalization account. If this is insufficient to provide pensions in an amount at least equal to the minimum pension guaranteed by the State, affiliated persons shall be entitled to totalize creditable periods in accordance with Chapter 1 in order to qualify for the minimum old age or disability pension benefit. Beneficiaries of a survivors pension shall also have this right.
2. For purposes of determining the fulfilment of the requirements specified in the Chilean legal provisions for an early retirement pension under the New System of Pensions, affiliated persons who have obtained a pension under the