

Each applicant for the supplement to be paid under this bill will be required to make application yearly. The bill also provides that a person entitled to the supplement may be absent from the country for six months, plus the month in which the departure was made, and still not have the payment interrupted.

Clause 8 of the bill deals with the tapering-off provisions. The tapering-off provisions deal only with the supplement of the \$30-a-month maximum, or \$360 a year. The provision in this respect is as follows: For each full \$2 of other income received by a pensioner, whether from investments, from earnings or from income as understood by the definitions in the Income Tax Act, \$1 will be deducted from the \$30 otherwise payable. Computed on a yearly basis, the \$360 annual supplement will be reduced by \$12 for every \$24 of other income received by the pensioner.

Generally speaking, the income of the pensioner in each case will be calculated under the rules provided in section 3 of the Income Tax Act. There are some exceptions additional to these which are mentioned in this bill. Payments to supplement the old age security pension—for example, the \$25 a month payable in Prince Edward Island—would not be considered to be part of a pensioner's income for the purpose of getting the additional supplement. Assistance payments of \$30 a month are made for example, in British Columbia, under a needs test. These and other similar payments are not taken into account as income for the purpose of determining the pensioner's income. The same remarks would apply to payments made under the needs test of the Canada Assistance Plan.

The income for two pensioners who are married on the last day of the year preceding the year in which the supplement is to be paid will be considered to be half of the aggregate income of the two spouses. If I remember my Quebec law correctly, we are coming closer to the idea of community property in some of the Common Law legislation, and I think the gentlemen on my right and on my left would agree that that concept is not too far removed from the provisions in the bill.

The statement of the income of the pensioner must be made in an annual application, and will be based upon his income from the previous year. In other words, the income of the person who makes an application for the supplement to be paid in the year 1967 will be based upon his report of income received in 1966. In cases where retirement takes place

during the year, an arrangement or a provision is made, and a formula is set out in Clause 10(3) of the bill which entitles the pensioner to elect to estimate the income that he will make in the year in which his retirement takes place, in the event that he might be qualified for a supplementary payment.

There are special provisions in clause 9 and in Clause 11 which deal with married applicants. First of all, in the case of married pensioners, both of them must file an application if they desire to have a supplement. But situations within the family and among married people are not all the same; sometimes it is not possible to arrange for consorts to file joint statements. Sometimes they are not even talking to each other, and this may even happen when they are living together. There are provisions which take care of situations in which difficulties of this kind arise. In the extreme cases, for the purposes of this act, I think it is quite appropriate to say that the minister may deem a married man or a married woman to be a single person, if he so desires and if the appropriate conditions obtain.

There are also options for relief available. For example, if a pensioner is widowed in the course of the year, there is provision for making an adjustment so that for the purposes of the Act and for the payments to be made, that woman will be recognized as having single status. Likewise, if during the course of the year two pensioners should marry—and it happens after 65 and sometimes after 70—in the appropriate circumstances the minister may deem them to be married as of the previous December 31 which allows them to have the married status and so be in a more advantageous position than they otherwise might be.

Hon. Mr. Hugessen: Will this encourage that sort of thing?

Hon. Mr. Connolly (Ottawa West): I do not know that it would encourage it, and I do not know that it would discourage it. I think it would depend on the individual case and what the income of either of the prospective spouses might be. Perhaps the honourable senator would like some of the officials to enlarge on that point at the committee stage.

When the appropriate information has been received by the department, the application can be approved, modified or rejected. But the minister, in any case of modification or rejection of the application as submitted, can be required to give his reasons.