

In contrast to some other countries, Canada is fortunate to have a pension system with a good balance between its two public components and its private components. Building on this strength, a number of changes have been announced to both the public and private components of Canada's retirement income system to ensure Canadians can be confident their pension system will continue to serve them well. The final step will be legislation to effect these changes.

- Currently, Old Age Security guarantees a basic level of retirement income to all Canadians, and the Guaranteed Income Supplement provides additional benefits to low-income seniors. A new Seniors Benefit — to take effect in 2001— will combine OAS and GIS into a single, fairer and more targeted system of assistance. It will slow cost increases while protecting assistance for those who need it most. Today's seniors will be permitted to retain their OAS/GIS benefits, if they prefer.
- The Canada Pension Plan is a compulsory, contributory, earnings-based public pension plan. There is federal-provincial agreement to make the Canada Pension Plan sustainable: it provides for fuller funding, a new investment policy, changes to the way some benefits are calculated and tighter administration. By acting now, cost increases can be moderated and contribution rates held to affordable levels.
- Canadians are encouraged to save privately to supplement their public pensions. Changes have been introduced to make tax assistance for private retirement savings fairer and more effective.

Preparing to meet the health needs of an aging population

Preparing for the health needs of an aging population is also a Canadian priority. These needs will be met through efficient and effective management of the public health care system.

Modernization of the health system will involve the development of integrated services that provide for both acute and long-term care needs. The final report of the National Forum on Health, presented in February 1997, recommends shifting spending from hospitals to less costly, community-based care. It also endorses pharmacare, home care and the rationalization of human resources and technologies.

With the help of the Health Transition Fund announced in the 1997 budget, Canada will develop and evaluate innovations in areas such as home care, primary care and pharmacare to meet the challenge of caring for an older population.