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security program, every Canadian citizen or legal resident of Canada who has lived in Canada for at least 10 years is eligible to receive a basic monthly pension at age 65. The amount is raised every three months to reflect increases in the cost of living. The residence rules under the old age security program were changed in 1977, so that persons who immigrated to Canada after that date with no prior residence, will receive an old age security pension at the rate of one-fortieth of the full amount for each year they have lived in Canada.

Receipt of this basic monthly pension depends solely upon age and upon the number of years a person has lived in Canada. It is not necessary for a person to have been a member of the paid labour force. In addition, for those pensioners who have little or no other income, the old age security program provides the income-tested guaranteed income supplement. This is determined in proportion to the other income of pensioners. Also, for the 60 to 64-year-old spouse of a lower-income pensioner, the OAS program provides a spouse's allowance which, like the guaranteed income supplement, is determined in relation to the couple's other income.

The purpose of the old age security program is to provide elderly persons with a level of income sufficient to meet basic living needs. For couples where both spouses are pensioners, the program is considered to meet that objective. However, the guarantee for single pensioners is not adequate. On that basis, the Government has promised to introduce legislation to increase the guaranteed income supplement single rate by \$25 in July of this year and by a further \$25 in December 1984. As well, those persons who receive only a partial old age security benefit, many of whom are immigrant women, will be provided with the same income guarantees as persons who receive the full pension. These changes will certainly help today's elderly, but what about tomorrow's pensioners?

The Canada Pension Plan was introduced in 1966. It is a social insurance program designed to provide a measure of income protection to members of the paid labour force and their families in the event of the earner's retirement, disability or death. Virtually all employees in Canada, be they full-time or part-time workers, contribute to the plan at the rate of 1.8 per cent of their salaries or wages up to a prescribed ceiling, with the employer making an equal contribution. Self-employed persons contribute at the combined rate of 3.6 per cent. Of the 8.2 million contributors to the Canada Pension Plan, 3.2 million are women.

The benefit under the Canada Pension Plan is indexed every January in accordance with increases in the Consumer Price Index. All Canada Pension Plan benefits are fully portable. No matter how many times a worker changes jobs, he or she still receives a pension.

In recent years there have been a number of significant steps to improve pension protection for women under the Canada Pension Plan. For instance, beginning with the 1980 taxation year, women working with their husbands in small unincorporated family businesses can make contributions to the Canada Pension Plan if their salaries are deducted for tax purposes from the revenues of those businesses. Thus, many women who

were previously unable to have access to the plan are now able to build up pension credits in their own right.

Another important measure for women under the Canada Pension Plan, the child-rearing drop-out provision, was approved by the Parliament of Canada in 1977, and finally came into force last year following approval by the Government of Ontario. Now Canada Pension Plan contributors who leave the paid work force to raise children under age seven can drop those years of low or no earnings from the calculation of their final pension if it is to their advantage. The Economic Council of Canada estimated that using the drop-out provision may increase a woman's pension by as much as 22 per cent.

Another amendment to the CPP which was made in 1977 allows a spouse whose divorce became final after January 1978, to receive a split of the Canada Pension Plan credits earned by both spouses during the marriage. This provision treats accumulated pension credits as joint family assets. Given that one in three marriages now end in divorce, this is a significant feature for income protection of older divorced women.

I now want to mention briefly those areas where the Government is seeking further improvement. Amendments to the Canada Pension Plan can only be implemented with the approval of the Parliament of Canada, plus the approval of two-thirds of the provinces having two-thirds of the Canadian population. For this reason, the Government of Canada will be seeking provincial co-operation this year to bring about changes outlined in the February Budget. These included the continuation of the survivor's benefit on remarriage and the extension of the credit-splitting provision to include marriage separation, as well as permitting credit splitting on application when the younger spouse reaches age 65.

While these immediate changes will improve pension protection afforded to women under the Canada Pension Plan, there are other areas of reform which will be included in the discussions with the provinces, including improved survivor and disability benefits.

Of the two public plans, the old age security program ensures that every person in Canada, whether or not he or she worked in the paid labour force, will have some level of income at age 65. Undoubtedly, the Canada Pension Plan as an employment-related plan provides better protection. It already provides coverage to most women in the paid labour force. It protects against low income years due to child rearing. It recognizes that pension credits are a joint family asset. It provides survivor benefits as well as fully portable and indexed benefits.

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In contrast, when one looks at the third level of the retirement income system, the private plans, one sees very great failings there. This tier of the pension system was expected to provide employees with a retirement pension which reflected their pre-retirement earnings. Unfortunately, it is the exception rather than the rule when that happens.