

### Income Guarantee Program

If this approach were adopted the following steps would be involved:

(1) The establishment of a technically competent body to study the income needs of older people and to develop a socially acceptable minimum budget for single persons and couples, which would be adjusted automatically each year on the basis of a suitable index of consumer spending or of earnings, with a review every five years to reflect changes in the relative circumstances of the working population and the retired population.

(2) Until this study has been made, acceptance as a working standard of the maximum annual income permitted now under Old Age Assistance, namely, \$1,260 for single persons, and \$2,220 for married couples.

(3) The establishment of an Income Guarantee program to provide allowances throughout life to all persons beginning at age 65 on the following lines:

(a) that the only conditions for eligibility under the Income Guarantee Program be age, as indicated above, ten years' residence in Canada, and net cash income from all sources, including Old Age Security and the Canada Pension Plan, below the above amounts.

(b) that the program be administered and financed by the Federal Government).

(c) that the procedure call for the completion of a simplified income form annually and that the amount by which the declared income falls short of the established minima in any year constitute the benefit for the year following.

(d) that there be "sample checks" periodically, as under Unemployment Insurance, to catch abuses, but no means or needs test enquiries on traditional lines.

(e) that income, capital and deductions be defined and treated as for income tax purposes so far as possible, except that all public transfer payments other than temporary needs-tested supplements would be included.

(4) The Committee is not in a position to estimate the costs of an Income Guarantee Program as outlined above. It is obvious, however, that to some extent these costs would reduce expenditures under the Canada Assistance Plan, although undoubtedly many needy old people would apply for supplementation under the new proposal, if implemented, who would be reluctant to do so where a needs test is involved. A further consideration in regard to cost is that the Income Guarantee Program is intended essentially for the benefit of old people already retired, who in such large numbers are dependent entirely on the Old Age Security Pension of \$75 a month. It is assumed in spite of the escalation proposed that, with the benefits