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CANADA-ITALY SOCIAL SECURITY AGREEMENT

The Department of External Affairs, in co-operation with the Department of National Health and Welfare, announced today the signature in Toronto of a Social Security Agreement by Prime Minister Pierre Elliott Trudeau and Italian Prime Minister Giulio Andreotti.

The Agreement, which co-ordinates the main Canadian and Italian social security programmes, will enable residents of both countries to combine credits from each country in order to qualify for social security benefits from one or both countries. Until now, people who did not meet the minimum qualifying period under the legislation of one country or both were unable to claim benefits based on the partial credits they had accumulated in either country.

Before the Canada-Italy Social Security Agreement can go into effect, the two governments must agree on the detailed arrangements for administering it. Officials of the two countries will start work on these shortly. When these arrangements are completed, the Agreement will be submitted for ratification to the Parliaments of both countries.

This is the first international agreement reached by Canada following changes to the Old Age Security Act which took effect on July 1, 1977 and which make such agreements possible. It will co-ordinate the operation of the Canada Pension Plan and the Old Age Security Act in Canada with those general compulsory social security programmes in Italy which are concerned with old age, invalidity, survivors' and tuberculosis benefits.

Several thousand Italian residents living in Canada will now become entitled to receive Italian pensions in Canada, based on the partial credits earned through contributions paid to the compulsory Italian programmes while they worked in Italy. Furthermore, an estimated 4,500 former Italian



residents may become entitled to partial Canadian old age security benefits. In addition, disability and survivors' benefits under the Canada Pension Plan will become available to those former Italian residents who qualify for them under the Agreement. Likewise, a number of former Canadian residents now living in Italy will also benefit from the Agreement.

In the future, people moving between the two countries will find their social security position improved as a result of the Agreement since they will be able to combine periods of residence or contribution to meet the minimum requirements stipulated under each country's programmes. At present, when persons in this situation retire, become disabled or die, they or their families sometimes cannot claim benefits because they have not contributed or resided for the minimum period in either country. The amount of the benefit will be based upon their contributions or length of residence in the country paying it. Some people may be eligible for partial benefits from each country.

In addition, the Agreement will affect those people who wish to receive the old age security pension outside Canada but who have not lived here the minimum 20 years. A person's residence in Italy may be added to his length of residence in Canada to meet this requirement.

In order to qualify for any benefit, a person must have contributed to a particular plan or resided in the paying country for a minimum of one year.

The Agreement will also work to prevent duplication of coverage. Under current legislation, some people sent from Canada to work in Italy, or vice versa, find themselves having to contribute to both Canadian and Italian programmes. It will also protect those people, who because of the nature or location of their employment, were ineligible for coverage by either country.

Finally, Canada and Italy have provided for coverage, under the Agreement, of social security programmes administered by provincial governments, such as the Quebec Pension Plan and Workmen's Compensation. Inclusion of such programmes could be effected through the signing of subsidiary administrative agreements.

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