

The program is financed on a pay-as-you-go basis. Payment of the pension is made from the Consolidated Revenue Fund and charged to the Old Age Security Fund account. The income of the Old Age Security Fund is derived from three sources. First, there is a 2 p.c. tax on personal taxable income, that is, on income less exemptions and deductions; the maximum tax per person is \$60 per annum. The fund also receives the amount collected by a special 2 p.c. tax on corporate taxable income and the proceeds of a 2 p.c. sales tax. Temporary loans may be made to the Old Age Security Fund, subject to repayment as directed. Operations of the Fund are shown in Table 2.

### 2.—Operations of the Old Age Security Fund, Years Ended Mar. 31, 1952-55

Item	Year Ended Mar. 31—			
	1952 <sup>1</sup>	1953	1954	1955
<b>Revenue</b>				
Taxes—	\$	\$	\$	\$
Individual income.....	100,000	45,250,000	90,700,000	100,900,000
Corporation income.....	2,000,000	36,850,000	55,600,000	46,000,000
Sales.....	24,297,979	141,558,292	146,832,886	143,053,678
Grant from Consolidated Revenue.....	49,668,855	—	—	—
Loan from Consolidated Revenue.....	—	99,483,322 <sup>2</sup>	45,837,905 <sup>3</sup>	63,251,655 <sup>3</sup>
<b>Totals, Revenue.....</b>	<b>76,066,835</b>	<b>323,141,614</b>	<b>338,970,791</b>	<b>353,205,333</b>
<b>Expenditure</b>				
<b>Totals, Expenditure (Benefit Payments).....</b>	<b>76,066,835</b>	<b>323,141,614</b>	<b>338,970,791</b>	<b>353,205,333</b>

<sup>1</sup> Program in effect for the last three months only of the fiscal year.

<sup>2</sup> In the Budget Speech of Apr. 6,

1954 it was announced that this sum was being written off against the reserve for possible losses on active assets.

<sup>3</sup> In the Budget Speech of Apr. 5, 1955 it was announced that the 1953-54 loan would be written off by a grant from the Consolidated Revenue Fund for the fiscal year 1954-55 and that the 1954-55 loan would be handled in the same way in the fiscal year 1955-56.

The program is administered by the National Director of Old Age Security of the Department of National Health and Welfare through the ten regional offices established in connection with the payment of family allowances. The two programs are administered largely by the same personnel.

Persons in receipt of old age assistance who reach age 70 are transferred to the universal pension rolls without further action on their part. Other persons make application to the Regional Director located at their provincial Capital. The Regional Director for the Yukon and Northwest Territories is located at Ottawa.

In Alberta, British Columbia and Saskatchewan the provincial governments make supplementary payments to recipients of old age security who qualify under a means and residence test. In Alberta and British Columbia the allowance cannot exceed \$15 per month; in Saskatchewan, it is a flat \$2.50 per month rising to a maximum of \$20 per month for certain recipients. In some provinces and in the Yukon, recipients of the pension who are in special need may also receive relief.