

Subsection 2.—Old Age Security

The Old Age Security Act of 1952 as amended November 1957, provides a universal pension of \$55 a month (\$40 prior to July 1, 1957, \$46 from July 1 to Oct. 31, 1957) payable by the Federal Government to all persons aged 70 or over, subject to a residence qualification. To qualify for pension a person must have resided in Canada for 10 years (previously 20 years) immediately preceding its commencement or, if absent during that period, he must have actually been present in Canada prior to it for double any period of absence and must have resided in Canada at least one year immediately preceding commencement of pension. The pension is suspended when a pensioner leaves Canada but on his return may be resumed and, if absence has not exceeded six months, may be paid retroactively for as many as six months of absence in any calendar year.

The pension is financed on a pay-as-you-go method through a 2-p.c. sales tax, a 2-p.c. tax on taxable corporation income and, subject to a limit of \$60 a year, a 2-p.c. tax on taxable personal income, which are paid into the Old Age Security Fund. The pension is paid from the Consolidated Revenue Fund and charged to the Old Age Security Fund. The program is administered by the Family Allowances and Old Age Security Division of the Department of National Health and Welfare, through the Family Allowances and Old Age Security regional offices located in each provincial capital.

Persons in receipt of old age assistance who reach age 70 are automatically transferred to old age security. Others make application to the regional office.

As at October 1957, Alberta, British Columbia and Saskatchewan made supplementary payments to recipients of old age security who qualified under a means and residence test. In British Columbia the allowance could not exceed \$20 per month, in Alberta \$15 per month, in Saskatchewan it was a minimum of \$2.50 per month rising to a maximum of \$10 per month per person. In Ontario, the provincial government shared, to the extent of 60 p.c., in the first \$20 per month of supplement paid by a municipality to a needy recipient of old age security. In some provinces and in the Yukon, recipients of the pension who were in special need might be eligible for relief.

2.—Operations of the Old Age Security Fund, Years Ended Mar. 31, 1954-57

Item	Year Ended Mar. 31—			
	1954	1955	1956	1957
	\$	\$	\$	\$
Revenue	338,970,791	353,205,333	366,218,474	379,111,374
Individual income tax.....	90,700,000	100,900,000	102,500,000	124,999,000
Corporation income tax.....	55,600,000	46,000,000	53,328,000	67,336,000
Sales tax.....	146,832,886	143,053,678	160,377,617	179,270,141
Grant from Consolidated Revenue Fund.....	—	—	—	6,000,000
Loan from Consolidated Revenue Fund.....	45,837,905 ¹	63,251,655 ¹	50,012,857 ¹	1,506,233
Expenditure (Benefit Payments)	338,970,791	353,205,333	366,218,474	379,111,374

¹ Loans from Consolidated Revenue were written off by grants from the Consolidated Revenue Fund in following fiscal years.