

Co-ordination in welfare matters between different levels of government and between government and voluntary authorities will be facilitated by the newly established National Council of Welfare, an advisory body to the Minister of National Health and Welfare. The Council consists of the federal Deputy Minister of Welfare who acts as chairman, the provincial deputy ministers of welfare, and ten other persons appointed for three-year terms by the Governor in Council. The National Council of Welfare held its first meeting in Ottawa during April 1965.

## Section 1.—Federal Government Programs

### Subsection 1.—Canada Pension Plan

Canada Pension Plan legislation, enacted in 1965, provides an important new component in Canada's social security system. The Plan is designed to provide, for most members of the labour force, a social insurance system whereby each contributor builds up a right to a graduated retirement pension, the amount of which is related to his previous earnings pattern. The Plan also provides benefits to the disabled contributor and his dependent children and, at the contributor's death, a death benefit and benefits for his widow and orphaned children.

Retirement pensions under the Canada Pension Plan will come into effect according to the following staging. In 1967 contributors age 68 or over will be able to claim retirement pensions; contributors age 67 or over can do so in 1968, contributors age 66 or over in 1969, and contributors age 65 or over in 1970 and after.

Until the Plan is 10 years old the rates of retirement pension will be built up steadily. In 1967, after one year of contributions, the retirement pension will be 2.5 p.c. of a contributor's pensionable earnings. For anyone contributing for two years and retiring at age 67 or over in 1968, the pension will be 5 p.c. of his earnings, and so on, until the full benefit of 25 p.c. of pensionable earnings is first reached after 10 years of contributions.

Pensions for widows and disabled widowers, orphans' benefits and the death benefit will first be payable early in 1968. Pensions for disabled contributors and for their dependent children will first be payable in the spring of 1970.

Coverage under the Canada Pension Plan and the comparable Quebec scheme will be comprehensive. For administrative and constitutional reasons, there will be certain exemptions from coverage. Employees who earn \$600 or less in a year and self-employed persons who earn less than \$800 in a year will not pay contributions for that year.

The Canada Pension Plan will be financed by contributions based on earnings. The first \$600 of each person's annual earnings will be exempt from contributions. On earnings above that amount and below the ceiling, initially \$5,000 a year, the employee will make a contribution of 1.8 p.c. Employers will make a matching contribution. Self-employed people will pay the combined rate of 3.6 p.c. on annual earnings between \$600 and \$5,000 provided their total annual earnings are \$800 or more.

The contributory limits under the Canada Pension Plan will be adjusted with changing economic conditions. For the first two years of the plan the upper and lower limits are \$5,000 and \$600. For the next eight years these limits will be adjusted by means of a specially constructed pension index which reflects changes in the consumer price index. After the tenth year, the contributory limits will be adjusted according to changes in the earnings index which will be based on a long-term moving average of national wages and salaries. For purposes of calculating a contributor's pension, his earnings record for each