PART II.—PUBLIC WELFARE AND SOCIAL SECURITY

Responsibility for social welfare is shared by all levels of government. Comprehensive income-maintenance measures such as the Canada Pension Plan, old age security pensions, family allowances, youth allowances and unemployment insurance, where nation-wide co-ordination is required, are administered federally. The Federal Government gives substantial aid to the provinces in meeting the costs of public assistance and also provides services for special groups such as veterans, Indians, Eskimos and immigrants. The Department of National Health and Welfare is generally responsible for federal welfare matters although the Departments of Veterans Affairs, Indian Affairs and Northern Development and Manpower and Immigration operate the special programs.

Administration of welfare services is primarily the responsibility of the provinces but the provision of services is often assumed by local authorities, generally with financial aid from the province.

Co-ordination in welfare matters between different levels of government and between government and voluntary authorities is facilitated by the 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.

Section 1.—Federal Government Programs

Subsection 1.—Canada Pension Plan

The Canada Pension Plan, established under legislation enacted in 1965, is an important new component in Canada's social security system. The Plan is designed to provide, for members of the labour force, an organized program whereby each contributor builds up a right to a retirement pension, the amount of which is related to his previous earnings pattern. It also provides benefits to a disabled contributor and his dependent children and, at the contributor's death, a lump-sum death benefit together with monthly benefits for his widow and children. The Plan, together with its Quebec counterpart, will apply to about 92 p.c. of the Canadian labour force. Employees who earn $600 or less in a calendar year or self-employed persons who earn less than $800 do not pay contributions for that year. The collection of contributions began in January 1966.

The Canada and Quebec Pension Plans are closely co-ordinated and operate together as one and the same Plan. If an employee covered by the Canada Pension Plan takes employment in Quebec, or if a self-employed person moves his residence to that province, his contributions to the Quebec Pension Plan will produce the same benefits as if they had been made to the Canada Pension Plan. The reverse also applies.

The Canada Pension Plan is financed by contributions of employees, employers and self-employed persons and by interest earned by the fund. On earnings above $600, which amount is exempt from contributions, and up to the present maximum on pensionable earnings of $5,000 a year, the employee contributes 1.8 p.c. and his employer pays a matching amount. Self-employed people contribute at the combined rate of 3.6 p.c., also on annual earnings between $600 and $5,000. The contributory limits will be adjusted with changing economic conditions. The initial limits of $600 and $5,000 will prevail for the first two years of the Plan; for the next eight years these limits will be adjusted by means of a Pension Index which will reflect increases in the Consumer Price Index; after 1975, they will be adjusted according to changes in an Earnings Index which will be based on a long-term moving average of national wages and salaries. Retirement pensions under the Plan will come into effect according to the following staging: in 1967, retired contributors age 68 or over will be able to claim retirement pensions; in 1968, those who are age 67 or over can do so; in 1969, the eligible age will be 66 or over; and in 1970 and afterward, contributors age 65 or over will be eligible.