

The Plan authorizes the Federal Government to enter into an agreement with any province to share, on an equal basis, the costs of assistance to persons in need and of improving or extending welfare services. From Apr. 1, 1966, the Plan will cover those costs shared under the Unemployment Assistance Act (see p. 317) and will extend federal sharing to the following costs: assistance to needy mothers with dependent children, maintenance of children in the care of provincially approved child welfare agencies, health care services to needy persons, and extension of welfare services to prevent and remove causes of poverty and to assist persons receiving assistance to achieve the greatest possible degree of self-support. The only eligibility requirement is that of need, irrespective of the cause of need and without reference to employment status. Need is to be determined by a needs test. No residence requirements are specified and a province may not require a period of previous residence in the province as a condition of eligibility for assistance or for continued assistance. No maximum amounts of assistance are set and rates and conditions of aid are set by the provinces. The resulting flexibility will enable the provinces to adjust rates to local conditions and to take into account the needs of special groups by providing a differential in benefits or conditions of eligibility.

The costs of improving or extending welfare services, for the purposes of federal reimbursement, may be calculated either as the amount by which the cost, to the province and the municipalities, of providing welfare services exceeds the cost in the base year ended Mar. 31, 1965, or as the cost, to the province and the municipalities, of employing persons who are engaged wholly or mainly in the performance of welfare service functions and who are employed in positions filled after Mar. 31, 1965. At the option of the province, separate agreements may be entered into providing for the sharing of costs of work activity projects to prepare persons in need for entry or return to employment and for the sharing of costs of extensions of provincial welfare services to Indians on reserves, Crown lands or in unorganized territory. The former agreement would cover 50 p.c. of certain operating and maintenance costs; the latter may provide for a federal contribution in excess of 50 p.c.

Subsection 2.—Old Age Assistance

The Old Age Assistance Act of 1951, as amended, provides for federal reimbursement to the provinces for assistance to persons age 65 or over who are in need and who have resided in Canada for at least ten years or who, if absent from Canada during this period, have been present in Canada prior to the commencement of the ten-year period for double any period of absence during the ten years. A pensioner is transferred to old age security on reaching the eligible age for it. The federal contribution may not exceed 50 p.c. of \$75 a month or of the assistance paid, whichever is less. The province administers the program and, within the limits of the federal Act, may fix the amount of assistance payable, the maximum income allowed and other conditions of eligibility. Effective Apr. 1, 1965, Quebec withdrew from this federal-provincial program under the Established Programs (Interim Arrangements) Act, which entitles the province to a tax abatement as an equalization payment.

For an unmarried person, total income allowed, including assistance, may not exceed \$1,260 a year. For a married couple it may not exceed \$2,220 a year or, when the spouse is blind within the meaning of the Blind Persons Act, \$2,580 a year. Assistance is not paid to a person receiving an old age security pension or an allowance under the Blind Persons Act, the Disabled Persons Act, or the War Veterans Allowance Act.

Recipients of old age assistance who are in need may receive supplementary aid under general assistance programs in the provinces. In certain circumstances, the Federal Government may share in such aid under the Unemployment Assistance Act (see p. 317).