

In 1967, Retirement Pensions became payable to contributors who were 68 years of age or over provided that, if under age 70, they were retired from regular employment. Each year the minimum pensionable age is being reduced one year until, commencing in 1970, Retirement Pensions will be payable to contributors who have retired from regular employment at the age of 65. In the case of contributors who have reached 70 years of age, Retirement Pensions are payable regardless of whether they are retired. They become payable at their full rates beginning in January 1976. These rates amount to 25 p.c. of what the up-dated pensionable earnings of contributors have averaged since Jan. 1, 1966, or from age 18, whichever comes later.

Contributors who become eligible for Retirement Pensions prior to 1976 receive reduced amounts. In the calculation of retirement pensions that commence during this period, pensionable earnings are averaged over ten years or 120 months. The only exception to this rule is where a Disability Pension has been paid, in which case the time during which that pension was in pay is deducted from the ten years, and the remaining period is then used for averaging purposes. In the calculation of Retirement Pensions that commence after 1975, provision is made to assist the contributor who may have had periods of low or no earnings during his contributory period. This is accomplished by dropping out the number of months during which contributions may have been made after age 65, and either by using the pensionable earnings in those months in place of earlier periods of lesser or no earnings, or by dropping such pensionable earnings out of the calculation if they are less favourable to him. Also dropped out of the calculation are up to 15 p.c. of the number of months he could have contributed before age 65 and the earnings in an equal number of months, although the drop-out must not reduce the number of months for averaging purposes to less than 120.

A person under 70 years of age who is in receipt of a Retirement Pension must meet an earnings test. In 1967, the maximum annual remuneration from employment which he may earn without affecting the amount of his pension is \$900. Should his yearly earnings exceed this figure, his pension is reduced as follows: when employment earnings are between \$900 and \$1,500, the reduction in pension will equal 50 p.c. of the amount over \$900, or an amount of up to \$300 per year; if earnings exceed \$1,500, the amount to be deducted will be \$300, plus the actual amount that is earned over \$1,500. However, the amount of his pension is not subject to reduction for any month in which the pensioner does not earn over \$75. At age 70, a contributor is entitled to receive the full amount of his Retirement Pension regardless of the amount of his earnings.

Disability Pensions become payable in May 1970. A contributor is considered to be disabled if he has a physical or mental disability that is so severe and likely to continue so long that he cannot engage in steady work. Disability Pensions, plus benefits for the dependent children of disabled contributors, will be available provided contributions have been made to the Plan for the required minimum period, namely, for five years if a Disability Pension is to commence before 1976. The amount of the Disability Pension consists of a flat-rate payment calculated by multiplying \$25* by the ratio that the Pension Index for the year in which the pension commences bears to the Pension Index for the year 1967, plus 75 p.c. of what the contributor's monthly Retirement Pension would have been had he reached age 65 when his Disability Pension commenced. Benefits payable on behalf of a disabled contributor's dependent children consist of an amount equal to the flat-rate payment, mentioned above, for each of the first four children and one half of that amount for each additional child. Benefits are payable until the child reaches age 18, or up to the age of 25 years if he continues to attend school or university full time.

Survivors' Benefits become payable in February 1968. They will be paid to or on behalf of the survivors of a deceased contributor who has made contributions for the minimum qualifying period, namely, three years for benefits commencing before 1975.

A woman who is widowed between ages 45 and 65 is entitled to a Widow's Pension consisting of the flat-rate payment (previously mentioned) plus 37½ p.c. of her husband's

* Subject to adjustment (see p. 328, para. 4).