

competitions; promotion and support of special projects including the Arctic Games, the Canada Games and the Canada Fitness Award, and assistance in the holding of sports events of nation-wide interest; planning, training, research and communications in support of increased participation in physical recreation by all Canadians; and grants-in-aid to student athletes.

### **6.5 Federal welfare and social security programs**

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, the guaranteed income supplement program, 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 programs for specific groups.

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.

A channel of communication between citizens groups and the Department of National Health and Welfare is provided by the National Council of Welfare. As reconstituted in January 1970, the Council now consists of 21 private citizens about half of whom have been selected from organizations of consumers of welfare services and the remainder from institutions involved, directly or indirectly, in providing welfare services. The Council is responsible for advising the Minister of National Health and Welfare on such matters related to welfare as it deems appropriate as well as to consider matters referred to it by the Minister.

#### **6.5.1 Canada Pension Plan**

The Act establishing the Canada Pension Plan (CPP) received Royal Assent on April 3, 1965 and was proclaimed in force on May 5 of the same year. Collection of contributions commenced in January 1966, and in January 1967 the first benefits were paid in the form of retirement pensions. In February 1968 the first survivors benefits were paid, and in February 1970 the first disability benefits were paid.

The Plan is applicable throughout Canada except in Quebec where a comparable pension plan has been established. Until 1973 the Canada and Quebec Pension Plans were closely co-ordinated and operated virtually as a single program. Benefit credits accrued under the Canada or Quebec Plans are portable throughout Canada. Effective January 1, 1973, however, Quebec made substantial changes to its Pension Plan which were not made in the Canada Plan. An outline of these revisions appears in Section 6.7.6.

Under the national Plan, maximum pensionable earnings will be adjusted each year to the end of 1975 in line with changes in the pension index which, in turn, is based on the consumer price index. For 1973 the maximum pensionable earnings are fixed at \$5,600. Beginning in 1976, maximum pensionable earnings for a year will be adjusted in accordance with changes in the earnings index to reflect changes in average wage and salary levels in Canada.

To participate in the Plan, a person must be between the ages of 18 and 70 and earn more than \$600 yearly as an employee, or at least \$800 if he is self-employed. Employees contribute at the rate of 1.8% and a matching contribution is made by their employers; self-employed persons contribute at the rate of 3.6%. Although contributions are made on annual earnings between \$600 and the earnings ceiling, rates of benefit are calculated on total earnings up to that maximum.

The earnings-related component of the benefit which a person is entitled to receive is based on the contributor's average pensionable earnings. Before this average is calculated, however, all earnings are adjusted in line with the average of the maximum on pensionable earnings during the benefit year and the two preceding years. Thus, when a benefit first becomes payable, the earnings on which it is based are related to the maximum on pensionable earnings at that time rather than when the earnings were received.

Benefits are classified under three main categories: retirement pensions; survivors benefits, consisting of a widow's pension, a disabled widower's pension, orphans benefits, and