issued a Working Paper on Social Security in Canada. That meeting agreed to adopt five principal strategies as a basis for a reformed social security system. They deal with employment, social insurance, income supplementation, social services, and federal-provincial relations as they affect the nation's social security system. The Conference of Welfare Ministers also established a Continuing Committee on Social Security whose duty it is to direct the activities of three federal-provincial working parties on employment, social services and income maintenance. Five meetings of ministers have been held. At the most recent meeting in February 1975, the ministers directed the working parties to develop a policy framework which would provide for an "income support program" for some categories of unemployed persons, and a "work incentive measure" which ensures that those who work would always be better off than those receiving income support. The ministers also agreed that a "community employment strategy" was needed to provide employment for those who have difficulties in getting and keeping employment. Accordingly, 20 projects are being launched across Canada.

6.3.1 Canada Pension Plan

The Canada Pension Plan (CPP) is a compulsory, contributory, earnings-related pension plan that covers most employed members of the labour force between the ages of 18 and 65. It came into effect on May 5, 1965, started collecting contributions in January 1966, and paid its first benefits, namely retirement pensions, in January 1967. With the exception of Quebec where the Quebec Pension Plan is in effect (see Section 6.3.2) and where only certain groups contribute to the CPP (mainly federal employees), the Plan covers all of Canada. For the first 10 years the CPP is in a developmental stage; certain benefits reach their full levels only in January 1976.

Contributions are made by all employed members of the labour force aged 18 to 70 (subject to certain exceptions) and, for employees, amount to 1.8% of pensionable earnings ($700 to $7,400 in 1975) which is matched by the employers. Self-employed persons contribute 3.6%. The following types of benefits are payable.

A retirement pension amounts to 25% of a contributor's updated pensionable earnings averaged over the number of years contributions were made or, in the case of a person receiving a disability pension, averaged over the number of years contributions could have been made had the individual not been disabled.

Although a retirement pension is payable as early as the age of 65, persons between the ages of 65 and 69 who are employed can continue to contribute to the Plan in order to increase their future benefits. However, one cannot both draw a pension and continue to pay contributions.

Disability pensions are paid to contributors who, having contributed for at least five years, were determined to be suffering from a severe and prolonged mental or physical disability. This benefit, which begins to be paid three months after the person is determined to be disabled, consists of a fixed monthly amount ($37.27 in 1975) and 75% of the contributor's retirement pension calculated as though the contributor had reached the age of 65 when the disability pension commenced.

Survivors' pensions are paid to the survivors of someone who, by 1975, has contributed to the Plan for at least four years. The full survivor's benefit is payable to: a disabled spouse; a spouse with dependent children; and a spouse 45 years of age or older. A partial survivor's pension is payable to a spouse between the ages of 35 and 45. The full survivor's pension for a spouse under the age of 65 includes a flat rate component ($37.27 in 1975) and 37.5% of the contributor's retirement pension. When such a spouse reaches the age of 65, that pension changes to 60% of the deceased contributor's retirement pension.

Orphans' benefits are paid on behalf of unmarried, dependent children up to the age of 18, or 25 if the orphan continues to attend school or university full-time. Orphans' benefits are also payable to children of persons receiving a disability pension. The rate for each of the first four children equals the flat rate component of the survivor's pension, namely $37.27 in 1975. For additional children, the rate for each one is one half this amount. However, each child receives the same amount because the total orphans' benefits for a family are divided equally among the children. An orphan may receive a benefit in respect of only one deceased contributor.

A lump-sum death benefit is equal to six times a contributor's monthly retirement pension up to a maximum of 10% of that year's maximum pensionable earnings ($740 in 1975).