

without prior residence here. However, persons over 25 on July 1, 1977 with prior residence in Canada after age 18 are able to obtain benefits under either the new or the old rules, whichever is more favourable.

### **Guaranteed Income Supplement**

6.4.4

OAS pensioners with little or no income apart from OAS may, upon application, receive a full or partial supplement. Entitlement is normally based on the pensioner's income in the preceding year, calculated in accordance with the Income Tax Act. The maximum Guaranteed Income Supplement (GIS) is reduced by \$1 a month for every \$2 a month of other income. In the case of a married couple, each is considered to have one-half of their combined income. The GIS is added to the pensioner's OAS cheque. GIS is payable abroad for only six months following the month of departure from Canada. In the case of a pensioner residing in Canada who is temporarily absent from the country, payment may be resumed when he returns to Canada if the other conditions of eligibility are met. Where a pensioner has ceased to reside in Canada, payment may be resumed only when he again takes up residence in Canada.

### **Spouse's Allowance**

6.4.5

The spouse of an OAS pensioner, aged 60 to 64, meeting the same residence requirements as those stipulated for OAS may be eligible for full or partial Spouse's Allowance (SA). As of January 1978, SA is payable, upon application, if the annual combined income of the couple is less than \$7,104. This is subject to an income test which does not include the Old Age Security pension, the Guaranteed Income Supplement or the Spouse's Allowance.

The maximum SA is equal in amount to the OAS pension plus maximum GIS at the married rate. That portion of the Spouse's Allowance which is equivalent to OAS is reduced by \$3 a month for every \$4 a month of other income, until it reaches the maximum level of GIS. After that, the portion of the Spouse's Allowance which is equivalent to GIS and the GIS for the pensioner are each reduced by \$1 for each \$4 of other income.

Spouse's Allowance is payable outside of Canada for a period of six months following the month of departure of either the recipient or the pensioner spouse. In the case of a temporary absence from the country, payment may be resumed when the SA recipient or pensioner spouse returns to Canada if the other conditions of eligibility are met. Where the SA recipient or the pensioner spouse has ceased to reside in Canada, payment of the SA may be resumed only when the person again takes up residence in Canada.

**Taxation and indexing.** The OAS pension is taxable; GIS and SA are not taxable but must be included in computing the net income of a dependent for income tax purposes. OAS, GIS and SA are subject to an increase every January, April, July and October, to reflect increases in the Consumer Price Index. Administration is by Health and Welfare Canada, with funding from the Consolidated Revenue Fund.

## **Social services programs of NHW**

6.5

### **National welfare grants**

6.5.1

The National Welfare Grants Program was established in 1962 to help develop and strengthen welfare services in Canada. Project grants are made to provincial and municipal welfare departments, non-governmental welfare agencies, citizens organizations and universities. Fellowships are provided to individuals seeking advanced training in the social welfare field. The variety of provisions within the program, with its associated consultative services, allows it to operate as a flexible instrument in the development of welfare services and to give major emphasis to experimental activities. The allotment for the year ended March 31, 1978, was \$4,468,000.

A wide range of demonstration, research and social development projects are eligible for grants, as are developmental projects related to welfare manpower. Fellowships are available for study at Canadian and foreign universities.