

When the child continues in education, the benefits may be paid to the age of 25. Equal benefits are payable for all children in a family regardless of the number. In June 1980, under the CPP the average child benefit was \$57.25 per month and under the QPP, \$29.00; there were more than 180,000 children receiving benefits.

**Death benefit.** When a contributor dies prior to retirement, a lump sum death benefit is payable to the person's estate if the individual has contributed to the plan for at least one-third of the calendar years possible. In January 1980 the value of the death benefit under the CPP and QPP was \$1,310.00.

**Sharing pension credits.** When a marriage ends in divorce or legal annulment, provision is made for the pension credits earned by one or both spouses during their years of marriage to be divided equally between them. They must have lived together in marriage for at least three consecutive years. Application for division of credits must be made within three years of the dissolution of marriage.

**Program administration.** The programs are administered through regional offices across Canada with central control over eligibility for benefits and payment of pensions. Contributions are administered through the taxation systems of the federal and Quebec governments. Excess funds collected are lent to a provincial government, based on the ratio of contributions from that province to total contributions. CPP funds not borrowed by the provinces are invested in federal securities.

For CPP, an advisory committee representing employers, employees, self-employed persons and the public regularly reviews the operation of the plan, the state of investments and the adequacy of coverage and benefits, and reports to the federal health and welfare minister. CPP authorizes reciprocal agreements with other countries to achieve portability of pensions. Such agreements have been made with Italy, France and Portugal, and discussions were in progress with the United States. Generally, parallel provisions apply under QPP.

Table 8.11 provides an analysis of Canada and Quebec pension plan payments including benefits for retired persons, the disabled and survivors over the period 1970-79. Retirement pensions of the CPP and QPP are still in early stages of development in that increasing years of contributions lead to progressively higher benefits for the individual. With the rapid growth of the labour force, particularly with the higher participation rates for women, it is expected that the number of beneficiaries will continue to increase rapidly. For survivors and for disability beneficiaries, future increases in payments will be more conservative because of the flat rate benefit payable to all persons with a minimum number of years of contribution. The number of new cases of disability entering the system is also fairly stable. Thus from 1970 to 1975 total payments for disability and survivors benefits exceeded the total payments for retirement benefits but by 1979 total payments for retirement beneficiaries were two-fifths higher than for survivors and disability beneficiaries.

The per capita expenditures have increased at a rapid rate with a 25-fold increase between 1970 and 1979 from \$3 to \$76. However, the annual proportionate increase in expenditures is starting to decline.

There has been a steady increase, however, in the proportion of total social security payments generated by the Canada and Quebec pension plans, from less than 1% in 1970 to 5.1% in 1979, both fiscal years ending March 31.

### 8.4.3 Funding income insurance programs

In 1965 when the CPP and QPP were introduced, the decision was made that these programs would be publicly funded, based on contributions from all employed persons from 18 to 70 with pensionable earnings. By the end of 1978, the balance of funds in the CPP account was \$14.36 billion. The comparable figure for the QPP in December 1978 was \$5.27 billion.

The unemployment insurance program was also set up on a funded basis. Contributions were made to the fund by all employed workers according to a formula that was later substantially modified. Since 1972 annual expenditures under the unemployment insurance program have required additional money from the