

CHAPTER 6

SOCIAL SECURITY

Canada's social security system encompasses income security, and health and social service programs which ensure that all Canadians have services and resources essential to meeting their basic needs. Financial benefits are available to particular target groups such as seniors, families and disabled persons. Additionally, social assistance programs ensure that no person will have to live in need. Health and social services supplement this network by fulfilling other needs which cannot be met by income assistance. Health services are described separately in Chapter 3.

All three levels of government are involved in providing social security. The Canadian Constitution establishes jurisdictional responsibilities. The federal government administers certain programs for the aged, families and other selected groups, and shares the funding for many provincially administered initiatives. The federal government is responsible for veterans' benefits and programs for native people. The provinces (the term "province" includes provinces and territories, unless otherwise noted) and municipalities provide most health and social services and a variety of financial assistance programs. Voluntary agencies provide additional support.

Canadian social programs have their roots in charitable activities of religious organizations and early attempts to organize relief services at the municipal level. The current programs have evolved over time to meet the needs of a changing society. The current system focuses on particular groups within the population who are most likely to require support. Examples of these groups are the elderly, families, the unemployed and disabled persons.

This chapter is organized initially, by level of government. Within this framework, programs are described by target group or program type. The descriptions are supplemented by a series of tables presenting the number of beneficiaries and expenditures for component programs and the system as a whole.

6.1 Federal income security programs

6.1.1 Senior citizens' benefits

The three programs, Old Age Security (OAS), Guaranteed Income Supplement (GIS) and Spouse's Allowance (SPA), administered by the Department of National Health and Welfare, ensure a minimum level of income for the elderly. The basic Old Age Security pension has been in effect since 1952. It provides monthly benefits to all persons aged 65 years and over who meet the residence requirements. Since 1967, pensioners with little or no other income have also been eligible for the Guaranteed Income Supplement. Application for GIS is required annually. Since October 1975, the Spouse's Allowance has been available to the spouse of a pensioner who has little or no other income. The applicant must be between 60 and 64 years old and must meet residence requirements. In 1979, SPA became available to a low-income surviving spouse of a deceased OAS pensioner. This provision was expanded in 1985 to include widows and widowers aged 60 to 64 years, subject to an income test. Benefits cease at age 65.

In order to be eligible for a full OAS pension, applicants must have resided in Canada for 40 years after the age of 18 or, if age 25 or over as of July 1, 1977, and either resident in Canada on that date or with some prior residence, for 10 consecutive years immediately prior to application. In July 1977, the basis for eligibility was modified to introduce partial pensions based on years of residence. Reciprocal International Social Security Agreements have been signed with a number of countries to enable persons to satisfy minimum residency requirements for establishing eligibility for OAS benefits. A person living in Canada may add periods of residence in another country to his or her years in Canada in order to qualify. The OAS pension is earned at the rate of 1/40th for each year of residence in Canada, subject to a minimum of 10 years for payment in Canada and 20 years for payment abroad. Since January