

Subsection 2.—Old Age Security

The Old Age Security Act of 1951, as amended, provides a universal pension of \$65 a month payable by the Federal Government to all persons aged 70 or over, subject to a residence qualification. To qualify for pension a person must have resided in Canada for ten years immediately preceding its commencement or, if absent during that period, must have been actually present in Canada prior to it for double any period of absence and must have resided in Canada at least one year immediately preceding commencement of pension. Payment of pension may be continued for any period of residence outside Canada if the pensioner has resided in Canada for at least 25 years after attaining the age of 21 or, if he has not, it may be continued for six consecutive months exclusive of the month of departure from Canada. The program is administered by the Department of National Health and Welfare through regional offices located in each provincial capital.

The pension is financed on the pay-as-you-go method through a 3-p.c. sales tax, a 3-p.c. tax on corporation income and, subject to a limit of \$90 a year, a 3-p.c. tax on taxable personal income. Yields from these taxes are paid into the Old Age Security Fund; if they are insufficient to meet the pension payments, temporary loans or grants are made from the Consolidated Revenue Fund.

2.—Operations of the Old Age Security Fund, Years Ended Mar. 31, 1958-62

Item	1958	1959	1960	1961	1962
	\$	\$	\$	\$	\$
Revenue—					
Sales tax.....	175,792,442	173,622,697	270,000,055	270,231,478	284,879,239
Corporation income tax.....	60,664,000	55,328,000	91,336,000	103,500,000	100,125,000
Individual income tax.....	135,001,000	146,350,000	185,550,000	229,400,000	258,950,000
Grant from Consolidated Revenue Fund.....	102,401,662	183,979,162	—	—	—
Loan from Consolidated Revenue Fund.....	—	—	28,000,991	—	—
Totals, Revenue.....	473,859,104	559,279,858	574,887,046	603,131,478	643,954,239
Expenditure—					
Benefit payments.....	473,859,104	559,279,858	574,887,046	592,413,283	625,107,804
Excess of Revenue over Benefit Payments.....	—	—	—	10,718,195 ¹	18,846,435 ²

¹ Applied to repayment of loan from Consolidated Revenue Fund, leaving a net loan of \$17,282,796. ² Of this sum, \$17,282,796 was applied to repayment of loan from Consolidated Revenue Fund, leaving a balance in the Old Age Security Fund, Mar. 31, 1962, of \$1,563,639.

Persons in receipt of old age assistance (see p. 295) who reach age 70 are automatically transferred to old age security. Others make application to the regional offices. Recipients of old age security who are in need may receive supplementary aid under general assistance programs in the provinces. Where the amount of aid is determined through an individual assessment of need, which takes the recipient's requirements and resources into consideration, the Federal Government may share in it under the Unemployment Assistance Act.