

tor in the pension index, the retirement test and benefits for widows, disabled widowers, disabled contributors, orphans and children of disabled contributors. These changes were not made in the Canada Pension Plan. In 1973 the Quebec Pension Plan was again amended to reflect the same changes being made to the Canada Pension Plan. Effective January 1, 1974 the pensionable ceiling was raised to \$6,600 in 1974 and \$7,400 in 1975. As well, the Quebec Pension Plan provided for full escalation of benefits payable from January 1, 1974 and restoration of the purchasing power of benefits payable prior to this date as if there had been no ceiling on the pension index.

The amendments to both plans which took effect January 1, 1974 had the effect of bringing the CPP and the QPP back into alignment with respect to the pensionable earnings ceiling and benefit escalation. Several differences still remain between the two plans. Under the QPP the survivors and disability benefits have a higher flat rate component, \$86.56 in 1974 rather than \$33.76 under CPP; orphans and children's benefits under the QPP are fixed at \$29 effective January 1, 1974 whereas these benefits continue to be increased under the CPP, and the QPP uses a different retirement test than is being used under the CPP. Administrative arrangements have been worked out between the Canada and Quebec Pension plans to deal with dual contributors. In 1972, 124,609 beneficiaries received \$58.7 million in benefits.

### **6.3.3 Old age security and guaranteed income supplement**

Under the Old Age Security Act of 1951 and its subsequent amendments, an OAS pension is payable to a person aged 65 and over provided the person has resided in Canada for 10 years immediately preceding the approval of an application for the pension. Any gaps in the 10-year period may be offset if the applicant has been present in Canada prior to that 10-year period after the age of 18 for periods of time equal to three times the length of the gaps. In this case, the applicant must also have resided in Canada for at least one year immediately preceding the month in which his application for pension may have been approved. The pension is also payable to persons aged 65 with 40 years of residence in Canada since age 18, no matter where they may live. A pensioner may absent himself from Canada and continue to receive payments with the following proviso: if he has lived in Canada for 20 years since his 18th birthday, payment outside Canada may continue indefinitely; if not, payment is continued for six months after the month of departure and is then suspended to be resumed only in the month in which he returns to Canada.

A 1966 amendment to the OAS Act provides for the payment of the Guaranteed Income Supplement (GIS). Pensioners with no other income may receive the maximum monthly Supplement; those with other income may receive a partial Supplement. The maximum GIS is reduced by \$1 a month for every \$2 a month of income over and above the Old Age Security pension and any supplement that may have been received. Income for this purpose is the same as that computed in accordance with the Income Tax Act. In the case of a married couple, each is considered to have one half of their combined income. Where one spouse will not be receiving the Old Age Security pension at any time in the current year, six times the amount of the monthly OAS pension is deducted from one half of the combined income in calculating the income of the pensioner for purposes of determining the amount of the Supplement. In October 1974 the OAS stood at \$117.02. For a single and a married pensioner whose spouse was not in receipt of the OAS, the maximum monthly GIS on the above date stood at \$82.08. For a married pensioner whose spouse was also in receipt of the OAS the maximum monthly GIS for each stood at \$72.89. The OAS and maximum GIS are adjusted every quarter year to reflect increases in the consumer price index.

The Old Age Security program is administered by the Department of National Health and Welfare through regional offices located in each provincial capital at which applications for pension are received. The regional office in Edmonton administers the program for residents of the Yukon Territory and the Northwest Territories. Summary statistics concerning the OAS and GIS programs appear in Table 6.14.

### **6.3.4 Family Allowances**

A revised Family Allowances Act came into effect on January 1, 1974, replacing the Family Allowances Act of 1944 and the Youth Allowances Act of 1964. Family Allowances are payable for any dependent child under 18 years of age who is resident in Canada and has at