

Canada

Exchange rate: U.S.\$1.00 equals
1.37 Canadian dollars (C\$).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1927 (old-age assistance), 1937 (blind assistance), and 1955 (disability assistance).

Current laws: 1951 and 1952 (universal pension), 1965 and 1966 (earnings-related pension), and 1966 and 1967 (income-tested supplement).

Type of program: Dual universal pension and social insurance system.

Coverage

Universal pension (old-age security): All residents.

Earnings-related pension (Canada Pension Plan/Quebec Pension Plan): All employees working in Canada and all self-employed persons residing in Canada.

Exclusions: Those in casual employment (annual earnings less than C\$3,500) or in seasonal agricultural employment.

A province may opt out of the federal earnings-related Canada Pension Plan if it establishes a comparable program. This is the case with the Quebec Pension Plan; benefits are portable between the two plans.

Source of Funds

Universal pension

Insured person: None.

Employer: None.

Government: Total cost, including the total cost of income-tested benefits.

Earnings-related pension

Insured person: 4.95% of earnings (employees) or 9.9% of earnings (self-employed).

Employer: 4.95% of employee's earnings.

Government: None.

The minimum annual earnings for benefit and contribution purposes are C\$3,500.

The maximum annual earnings for benefit and contribution purposes are C\$39,900.

Earnings limit adjustment: Adjusted annually according to increases in the average industrial wage.

Qualifying Conditions

Old-age pension

Universal pension: Age 65 and 10 years of residence in Canada after age 18. Retirement is not necessary. The pension is payable abroad if the beneficiary resided in Canada for 20 years after age 18.

Earnings-related retirement pension: Age 60 with at least 1 year of contributions. If the pension is awarded before age 65, the insured person must have fully or substantially ceased employment. If the pension is awarded at age 65 or older, retirement is not necessary. The pension is payable abroad.

Disability pension

Earnings-related disability pension: Severe and prolonged incapacity for any gainful activity with contributions in 4 of the last 6 years. (The Quebec Pension Plan normally requires contributions in half the years in which contributions could have been made; the minimum contribution period is 2 of the last 3 years.) The pension is payable abroad.

Survivor pension

Universal pension: Income-tested benefit is available to widows and widowers aged 60 to 64. The survivor must be a resident of Canada and have resided in Canada for 10 years after age 18. The universal survivor pension is replaced by the universal old-age pension at age 65.

Earnings-related pension: The insured had made contributions during the lesser of 10 years or one-third of the years in which contributions could have been made; the minimum contribution period is 3 years. The pension is payable abroad.

Spouse and widow(er) include legally married persons and common-law partners (including same-sex partners).

Old-Age Benefits

Old-age pension

Universal pension: The maximum monthly pension is C\$461.55. The pension is calculated as 1/40th of the maximum pension for each year of residence in Canada after age 18. The pension of high-income earners is subject to recovery (15% of annual income over C\$57,879).

Income-tested supplement: The supplement increases the maximum universal pension to C\$1,010.08 for a single person or to C\$1,637.70 for a couple.

Income-tested allowance: Up to a maximum of C\$818.85 a month for a pensioner's spouse between ages 60 and 64.

Earnings-related retirement pension: 25% of average adjusted yearly covered earnings. 15% of the years with the lowest income are disregarded; years in which the insured was caring for a child under age 7 may also be disregarded if it is in the insured's favor.

The pension is reduced by 0.5% a month if awarded at any age after 60 but before 65.

The pension is increased by 0.5% a month if awarded after age 65 but before age 70.

The maximum monthly pension is C\$801.25.

Pension credits accumulated by spouses or common-law partners (including same-sex partners) during marriage or cohabitation may be divided equally in case of divorce or separation.

Recorded earnings are adjusted for changes in national average wages.

Benefit adjustment: Automatic adjustments for changes in the consumer price index are implemented quarterly for the universal pension and annually for the earnings-related pension.

Permanent Disability Benefits

Earnings-related disability pension: A basic monthly pension of C\$370.32, plus 75% of the earnings-related retirement pension.

The maximum monthly pension is C\$971.26.

Recorded earnings are adjusted for changes in national average wages.

Child's supplement: C\$186.71 a month for each child below age 18; age 25 if a student. (Quebec Pension Plan: C\$59.28 for each child below age 18 only.)

Benefit adjustment: Automatic annual adjustment of all benefits for changes in the consumer price index.

Survivor Benefits

Survivor pension

Universal pension (income-tested): For a widow(er) aged 60 to 64.

The maximum monthly pension is C\$904.03.

The survivor pension is replaced by the universal old-age pension at age 65.

Earnings-related pension: A surviving spouse aged 65 or older receives 60% of the insured's earnings-related retirement pension, up to a maximum of C\$480.75 a month. (Quebec Pension Plan: The provision is the same for a surviving spouse aged 65 or older.)

A surviving spouse younger than age 65 receives 37.5% of the insured's earnings-related retirement pension plus C\$144.49, up to a maximum of C\$444.96 a month. (Quebec Pension Plan: A surviving spouse aged 55 to 64 receives up to a maximum of C\$700.06 a month; aged 45 to 54, up to a maximum of C\$670.76 a month. For a surviving spouse who is under age 45 and disabled, the maximum is C\$670.76 a month; if not disabled but caring for a dependent child, up to a maximum of C\$644.28; if not disabled and with no dependent children, up to a maximum of C\$395.31.)

Orphan's pension: C\$186.71 a month for each child below age 18; age 25 if a student. (Quebec Pension Plan: C\$59.28 for each child below age 18 only.)

Death benefit: Six months' earnings-related retirement pension, up to a maximum of C\$2,500.

Benefit adjustment: Automatic annual adjustment of earnings-related pensions for changes in the consumer price index.

Administrative Organization

Department of Human Resources Development, through district and local offices, administers the universal and earnings-related pensions and income-tested supplements.

Canada Customs and Revenue Agency is responsible for collecting contributions for the earnings-related pensions.

Quebec Department of Revenue and Quebec Pension Board administer the earnings-related pension plan in Quebec.

Sickness and Maternity

Regulatory Framework

Cash benefits

First and current law: 1996 (employment insurance).

Physician and hospital services

First law: 1965.

Current law: 1984 (health).

Type of program: Social insurance (cash benefits) and universal system (physician and hospital services).

Coverage

Cash benefits: All wage and salary earners, including federal government employees; also, self-employed fishermen.

Provincial government employees may be covered with the consent of provincial government.

Exclusions: Self-employed persons other than fishermen.

Physician and hospital services: All residents satisfying federal and provincial criteria for eligibility and insured status. (Virtually the total population is covered.) Coverage is portable from province to province and for emergency care anywhere in the world. In the latter case, payment is limited to the rate payable in the person's home province.

Special provisions for certain groups, including members of the armed forces.

Source of Funds

Insured person

Cash benefits: See source of funds under Unemployment, below.

Physician and hospital benefits: Premiums are paid in Alberta and British Columbia. Ontario has a "fair share health care

levy,” which varies from 0.2% to 2.0% of taxable income. None in the other provinces.

Employer

Cash benefits: See source of funds under Unemployment, below.

Physician and hospital benefits: Contributions vary by province from 1% to 4.5%.

Government

Cash Benefits: None.

Physician and hospital benefits: Most of the cost is met from federal, provincial, and territorial general revenues. Federal government makes contributions to provinces and territories through block transfers, part of which are conditional on provinces and territories meeting federal program requirements as set out in the Canada Health Act.

Qualifying Conditions

Cash sickness and maternity benefits: The qualifying conditions vary from 420 hours to 700 hours of covered employment during the last year.

Medical and hospitalization benefits: Generally, 3 months' residence in the province is required to be insured. When the insured moves from one province to another, the former province continues to provide insurance coverage during the waiting period.

In Alberta and British Columbia, the payment of premiums is an additional condition, but such payment is not linked to entitlement to services.

Sickness and Maternity Benefits

Sickness benefit: 55% of previous average insured earnings, plus a family supplement for low-income and modest-income earners with dependent children. The supplement is awarded for annual income less than C\$25,921. The benefit is paid after a 2-week waiting period for up to 45 weeks.

The maximum weekly benefit is C\$413.

Maternity benefit: 55% of previous average insured earnings, plus a family supplement for low-income and modest-income earners with dependent children. The supplement is awarded for annual income less than C\$25,921. The benefit is paid for up to 15 weeks, plus up to 35 additional weeks for parental care (the mother, father or both) on the birth or adoption of a child.

The maximum weekly benefit is C\$413.

Workers' Medical Benefits

Medical benefits: Benefits include general medical and maternity care; surgical, specialist, and laboratory services. Benefits are paid directly by provincial authorities according to predetermined formulas and agreed-upon fee schedules.

Hospital benefits: Benefits include standard ward care, necessary nursing, pharmaceuticals provided in hospital, and

diagnostic and therapeutic services. Benefits are paid directly by provincial authorities according to predetermined formulas and agreed-upon fee schedules.

Other benefits include oral surgery if required and performed in an approved hospital and, in some provinces, services of osteopaths, chiropractors, optometrists; dental care for children; prosthetics; and prescribed drugs. Some cost sharing may be required in such cases.

In some provinces, welfare recipients and persons over age 65 are eligible for free drugs, eyeglasses, subsidized nursing-home care, and dental care for children.

Dependents' Medical Benefits

Medical benefits: Benefits include surgical, specialist, and laboratory services; general medical and maternity care. Benefits are paid directly by provincial authorities according to predetermined formulas and agreed-upon fee schedules.

Hospital benefits for dependents: Benefits include standard ward care, necessary nursing, pharmaceuticals provided in hospital, and diagnostic and therapeutic services. Benefits are paid directly by provincial authorities according to predetermined formulas and agreed-upon fee schedules.

Other benefits include oral surgery if required and performed in an approved hospital and, in some provinces, services of osteopaths, chiropractors, optometrists; dental care for children; prosthetics; and prescribed drugs. Some cost sharing may be required in such cases.

Administrative Organization

Health Canada administers programs for groups not covered under provincial plans, monitors provincial compliance with conditions of national legislation, and provides provinces with technical, consultative, and coordinating services.

Provincial authorities administer their health insurance plans, establish resident eligibility status, assess hospital and medical claims, pay providers, and monitor all aspects of programs.

Quebec Pension Board administers the program in Quebec.

Providers are usually public, not-for-profit hospitals, and other specialized institutions; doctors and allied practitioners in entrepreneurial practice.

Work Injury

Regulatory Framework

First and current laws: 1908 and 1994 (Newfoundland), 1915 and 1996 (Nova Scotia), 1915 and 1996 (Ontario), 1916 and 1993 (British Columbia), 1916 and 1993 (Manitoba), 1918 and 1994 (New Brunswick), 1918 and 1995 (Alberta), 1928 and 1994 (Quebec), 1930 and 1994 (Saskatchewan), 1949 and 1995 (Prince Edward Island), 1974 and 1992 (Northwest Territories/Nunavut), and 1993 (Yukon).

Type of program: Social insurance system.

Coverage

Employees in industry and commerce (some differences exist among provinces).

Common exclusions: Domestic workers, professional athletes, and members of sports clubs.

Special systems for merchant seamen and federal civil servants.

Source of Funds

Insured person: None.

Employer: Total cost, met through contributions varying by industry and according to the assessed degree of risk (large firms in some provinces may self-insure).

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The benefit varies from 75% to 90% of gross earnings, according to province.

The minimum varies from zero up to C\$403.03 a week, according to province.

Permanent Disability Benefits

Permanent disability pension: In most provinces, the benefit is either 75% or 90% of the insured's earnings for full disability.

The maximum pension varies from C\$454.44 to C\$897.54 a week, according to province. Some provinces provide lump-sum payments.

Partial disability: The pension is in proportion to the full benefit according to the assessed degree of loss of earning capacity (in some cases, the pension is converted to a lump sum if the assessed degree of loss is 10% or less).

Workers' Medical Benefits

Benefits in all provinces include medical, surgical, nursing, and hospital services; medicines; and appliances.

Survivor Benefits

Survivor pension: The pension varies according to province. The pension is payable to a widow(er).

Orphan's pension: Either a monthly flat-rate pension set slightly higher than that for children residing with a parent or a percentage of the insured's wages, according to province.

Other dependents (if no spouse or orphan): A reasonable sum in proportion to the loss of income.

Funeral grant: The grant varies according to province.

Administrative Organization

Workers' Compensation Board, or a Work Safety Commission, in each province and territory administers the program.

Unemployment

Regulatory Framework

First law: 1940.

Current law: 1996 (employment insurance), with amendments.

Type of program: Social insurance system.

Coverage

All wage and salary earners, including federal government employees; also, self-employed fishermen.

Provincial government employees may be covered with the consent of provincial government.

Exclusions: Self-employed persons other than fishermen.

Source of Funds

Insured person: 2.10% of earnings.

Employer: 2.94% of the insured's wage.

Government: None.

The maximum annual earnings for contribution and benefit purposes are C\$39,000.

Qualifying Conditions

Unemployment benefit: The qualifying conditions vary from 420 hours to 700 hours of covered employment during the last year, depending on the unemployment rate of the region.

The insured must be registered, able, willing, and available to work and unable to obtain suitable employment, or unable to work because of sickness, maternity, or providing parental care.

If unemployment is due either to voluntary leaving without just cause or to misconduct, the disqualification is indefinite and applies until the insured requalifies for the benefit.

In the event of refusal of a suitable offer of employment or failure to undergo training, the insured is disqualified for between 7 and 12 weeks; if unemployment is due to a labor dispute, imprisonment, or residence outside of Canada, the insured is disqualified for as long as the condition exists.

Unemployment Benefits

55% of previous average insured earnings, plus a family supplement for low-income and modest-income earners with dependent children. The supplement is awarded for annual income less than C\$25,921. The benefit is payable after a 2-week waiting period for up to 45 weeks depending on the

claimant's employment history and regional unemployment rates.

The maximum weekly benefit is C\$413.

Administrative Organization

Human Resources Development Canada, through its regional and local offices, administers the program.

Canada Customs and Revenue Agency is responsible for collecting contributions.

Family Allowances

Regulatory Framework

First law: 1944.

Current law: 1998.

Type of program: Social assistance system.

Coverage

All residents.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

A child must be under age 18 and a resident of Canada for income tax purposes.

Family Allowance Benefits

Child tax benefit (income-tested): The benefit is delivered through the income tax system.

The maximum annual benefit is C\$2,632 for the first child, C\$2,423 for the second child, and C\$2,427 for the third and subsequent children.

Additional income-tested benefit: For children under age 7, up to a maximum of C\$232 a year.

Benefits are paid monthly and are based on total family income during the previous year.

Administrative Organization

Canada Customs and Revenue Agency administers the program in all of Canada except Quebec.

Quebec Pension Board administers the program in Quebec.