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## SOCIAL SECURITY ABROAD

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RECENT DEVELOPMENTS of significance in the field of social security are reported for two countries in the notes that follow.\*

### BERMUDA'S NEW SOCIAL SECURITY LAW

The Bermuda Contributory Pensions Act of 1967 became effective on August 5, 1968. Except for the Workmen's Compensation Act of 1965, it is the first social security measure of its kind in Bermuda. Efforts to set up a social security plan date back to 1948, but it was not until 7 years ago in March 1962 that a special committee was established to deliberate the present legislation. The committee's report to the House of Assembly, dated December 14, 1962, unanimously recommended that a contributory pension scheme be adopted as soon as practical and that the necessary legislation be introduced.

The legislation covers almost all persons over the age of compulsory school attendance (16 in 1969) and under the pension age (65) who are gainfully employed (or self-employed) in the islands. Specifically excluded from the provisions of the act are members of any Armed Forces and citizens of the United States (and their dependents) who are present in the islands only because of service in the Armed Forces or employment with the United States Government.

Old-age benefits fall into two categories—contributory and noncontributory. All persons possessing Bermudian status who have been resident in the islands for at least 10 years and were aged 65 or over on August 5, 1968, are eligible for a minimum old-age pension of £2<sup>1</sup> a week for life, even if they have not contributed to the program. Benefits to contributors will be paid as they reach age 65, and eventually they will receive the full rate of £9 a week if they have made at least 260 weekly contributions (about 5 years' worth)

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\* Prepared by the International Staff, Office of Research and Statistics.

<sup>1</sup> One pound equals \$2.40.

and have maintained a yearly average of 50 contributions. For those whose weekly contributions are below 260 and whose yearly average is less than 50, there are reduced levels of benefits. On the other hand, persons who continue to work and pay more than 260 weekly contributions will have their old-age pension increased by 1 shilling<sup>2</sup> per week for every 26 contributions above 260 that are paid.

Widows are also eligible for benefits ranging from £2 to £4 a week, subject to certain qualifying conditions. A widow receiving this allowance may also be granted a supplement of 10 shillings a week for every dependent child in her care under age 16.

To finance the program, employers and employees must pay weekly contributions of 6 shillings each. Self-employed persons pay 12 shillings weekly.

Employer and employees contributions are made through the purchase of insurance stamps at post offices. It is the responsibility of the employer to see that these stamps are affixed weekly on the employee's insurance card. When an employee changes jobs, he must ask for his insurance card to see that it is up to date and ready to turn over to his next employer before entering on his new job.

Since the new social security program went into effect, over 25,500 insurance cards have been issued to the island population, which totals 50,000. In addition, some 2,700 persons have qualified for noncontributory old-age pensions. The initial response to the program has been encouraging enough that expanded coverage is being contemplated. A hospital insurance bill is also being prepared for presentation to the legislature in the near future.

### POVERTY STUDY IN CANADA

The Economic Council of Canada has devoted a part of its *Fifth Annual Review*,<sup>3</sup> published in September 1968, to the problem of poverty in that country. One of the responsibilities of the Council, which was established by an act of the House

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<sup>2</sup> One shilling equals 12 cents.

<sup>3</sup> See "The Challenge of Growth and Change," *Fifth Annual Review of the Economic Council of Canada*, Queen's Printer, Ottawa, 1968.