

## Canada

Exchange rate: US\$1.00 = 1.02 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:** 1952 (universal pension), 1965 (earnings-related pension), and 1967 (income-tested supplement).

**Type of program:** Universal pension and social insurance system.

#### Coverage

**Universal pension (Old-Age Security):** All persons meeting legal status and residence requirements.

**Earnings-related pension (Canada Pension Plan/Quebec Pension Plan):** Employees and self-employed persons working in Canada.

Exclusions: Casual workers (annual earnings less than C\$3,500).

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

#### Source of Funds

##### Insured person

*Universal pension:* None.

*Earnings-related pension:* 4.95% of covered earnings (Canada Pension Plan) or 5.1% of covered earnings (Quebec Pension Plan).

##### Self-employed person

*Universal pension:* None.

*Earnings-related pension:* 9.9% of covered earnings (Canada Pension Plan) or 10.2% of covered earnings (Quebec Pension Plan).

The minimum annual earnings used to calculate contributions are C\$3,500.

The maximum annual earnings used to calculate contributions are C\$51,100.

**Earnings limit adjustment:** The maximum earnings limit is adjusted annually according to increases in the average industrial wage. The minimum earnings limit is fixed.

##### Employer

*Universal pension:* None.

*Earnings-related pension:* 4.95% of covered payroll (Canada Pension Plan) or 5.1% of covered earnings (Quebec Pension Plan).

##### Government

*Universal pension:* The total cost, including the cost of income-tested benefits.

*Earnings-related pension:* None; contributes as an employer.

#### Qualifying Conditions

##### Old-age pension

*Universal pension (Old-Age Security):* Age 65 with at least 10 years of residence in Canada after age 18. The retirement age (men and women) will rise gradually from age 65 to age 67 from 2023 to 2029. Retirement is not necessary.

The pension is payable abroad if the beneficiary resided in Canada for at least 20 years after age 18.

*Low-income supplement (income tested):* Aged 65 or older, receiving the universal pension, and with low annual income. Income is based on individual income or family income if the pensioner has a spouse or common-law partner (same sex or opposite sex). The supplement is payable abroad for up to six months.

*Low-income allowance (income tested):* Aged 60 to 64, with at least 10 years of residence in Canada after age 18, and the claimant's spouse or common-law partner (same sex or opposite sex) is entitled to the universal pension and the low-income supplement. At age 65, the allowance is replaced by the universal old-age pension and, depending on income, the low-income supplement.

*Earnings-related retirement pension (Canada Pension Plan/Quebec Pension Plan):* Age 65.

*Reduced pension:* Aged 60 to 64 with at least one valid contribution.

Retirement pensioners who continue to work may contribute to the Canada Pension Plan Post-Retirement Benefit or the Quebec Pension Plan Retirement Pension Supplement. For the Canada Pension Plan, contributions on pensionable employment income are mandatory for pensioners aged 60 to 64 and voluntary for those aged 65 to 70. For the Quebec Pension Plan, contributions are mandatory for pensioners of any age.

*Deferred pension:* The pension may be deferred for up to 60 months. Persons who choose to defer may not receive the low-income supplement, and their spouse or common-law partner (same sex or opposite sex) may not receive the low-income allowance.

The pension is payable abroad.

**Earnings-related disability pension (Canada Pension Plan/Quebec Pension Plan):** Assessed with a severe and prolonged disability that impedes any substantial gainful occupation and had contributions in four of the last six years, or three of the last six years for those with at least 25 years of contributions who are assessed with a disability no earlier than December 31, 2006. The Quebec Pension Plan generally requires contributions in half the years in which contributions could have been made; the minimum contribution period is two of the last three years.

Deferred pension: The pension may be deferred.

The pension is payable abroad.

### Survivor pension

*Universal pension survivor allowance (income tested):* Paid to low-income widow(er)s aged 60 to 64 who are residents of Canada and have resided in Canada for at least 10 years after age 18.

The survivor allowance ceases on remarriage or entering into a common-law relationship lasting at least a year.

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

*Earnings-related survivor pension (Canada Pension Plan/Quebec Pension Plan):* The deceased must have 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 three years.

Eligible survivors include a widow(er) or common-law partner (same sex or opposite sex) and children younger than age 18 (age 25 if a student). A surviving spouse younger than age 35 who does not have dependent children or a disability is not eligible for benefits under the Canada Pension Plan.

The pension is payable abroad.

### Old-Age Benefits

#### Old-age pension

*Universal pension:* The pension is 0.025 times the maximum pension for each year of residence in Canada after age 18, up to 40 years.

The maximum monthly pension is C\$550.99 (October 2013).

The pension of high-income earners is subject to recovery (the pension is reduced by 15% of annual income, minus allowable income tax deductions and expenses, over C\$70,954).

*Low-income supplement (income tested):* The maximum monthly universal pension including the supplement is C\$1,298.10 for a single person or C\$2,092.76 for a couple.

*Benefit adjustment:* Automatic quarterly adjustments of benefits are made according to changes in the consumer price index.

*Low-income allowance (income tested):* Up to C\$1,046.38 (October 2013) a month is paid.

*Deferred pension:* The pension is increased by 0.6% a month for each month the pension is deferred.

*Benefit adjustment:* Automatic quarterly adjustments of benefits are made according to changes in the consumer price index.

*Earnings-related retirement pension (Canada Pension Plan/Quebec Pension Plan):* The full pension is paid at age 65 and represents about 25% of the insured's average monthly pensionable earnings (adjusted to changes in national average wages) during the contributory period. (The contributory period starts at age 18 or January 1, 1966, whichever is later, and ends when claiming a pension, at age 70, or upon death.) Months in which the insured was caring for a child younger than age 7 or receiving a disability benefit may be disregarded, and 16% (Canada Pension Plan, rising to 17% in 2014) or 15% (Quebec Pension Plan) of the months with the lowest income are disregarded.

*Reduced pension:* The pension is reduced by 0.54% a month (Canada Pension Plan, gradually rising to 0.6% in 2016) or 0.5% a month (Quebec Pension Plan, gradually rising to 0.6% in 2016) for each month prior to age 65 that the pension is taken.

*Deferred pension:* The pension is increased by 0.7% a month (Canada Pension Plan/Quebec Pension Plan) for each month the pension is deferred, up to age 70.

The maximum monthly pension taken at age 65 is C\$1,012.50.

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

*Benefit adjustment:* Earnings-related pensions are automatically adjusted according to changes in the consumer price index.

### Permanent Disability Benefits

**Earnings-related disability pension (Canada Pension Plan/Quebec Pension Plan):** A basic monthly pension of C\$453.52 (Canada Pension Plan) or C\$453.49 (Quebec Pension Plan) plus 75% of the earnings-related retirement pension is paid.

The maximum monthly pension is C\$1,212.90 (Canada Pension Plan) or C\$1,212.87 (Quebec Pension Plan).

The disability pension is replaced by a retirement pension at age 65.

Recorded earnings are adjusted according to changes in national average wages.

*Child's supplement:* C\$228.66 a month is paid for each child younger than age 18; age 25 if a student. (Quebec

## Canada

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Pension Plan: C\$72.60 is paid for each child younger than age 18 only.)

Benefit adjustment: Benefits are automatically adjusted according to changes in the consumer price index.

### Survivor Benefits

#### Survivor pension

*Universal pension survivor allowance (income tested):* Up to C\$1,171.48 a month (October 2013) is paid to a low-income widow(er) aged 60 to 64.

*Earnings-related spouse's pension (Canada Pension Plan):* 60% of the earnings-related retirement pension the deceased received or was entitled to receive, up to C\$607.50 a month, is paid to a surviving spouse aged 65 or older; 37.5% plus C\$176.95, up to C\$556.64 a month, to a widow(er) or common-law spouse younger than age 65.

*Earnings-related spouse's pension (Quebec Pension Plan):* Up to C\$833.18 a month is paid to a widow(er) or common-law partner aged 45 to 64 or younger than age 45 with a disability; up to C\$800.76 if without a disability but caring for a dependent child; or up to C\$495.83 if without a disability and with no dependent children.

*Orphan's pension (Canada Pension Plan/Quebec Pension Plan):* C\$228.66 a month is paid for each child younger than age 18; or younger than age 25 if a student for the Canada Pension Plan only.

*Death benefit:* A lump sum of six months of the earnings-related retirement pension is paid, up to C\$2,500.

Benefit adjustment: Earnings-related pensions are automatically adjusted according to changes in the consumer price index.

### Administrative Organization

Human Resources and Skills Development Canada (<http://www.hrsdc.gc.ca>), through district and local offices, administers the universal and earnings-related pensions and income-tested supplements.

Canada Revenue Agency (<http://www.cra-arc.gc.ca>) collects contributions for the earnings-related pensions.

Quebec Department of Revenue (<http://www.revenu.gouv.qc.ca>) and Quebec Pension Board (<http://www.rrq.gouv.qc.ca>) administer the earnings-related Quebec Pension Plan.

### Sickness and Maternity

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#### Regulatory Framework

##### Cash benefits

*First and current laws:* 1996 (employment insurance) and 2006 (Quebec maternity benefits).

#### Physician and hospital services

*First laws:* 1957 (hospital services) and 1968 (physician services).

*Current law:* 1984 (health).

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

#### Coverage

**Cash benefits:** All salaried workers, including federal government employees, and self-employed fishermen. Self-employed persons in Quebec covered by the Quebec Parental Insurance Plan are eligible for maternity and parental benefits.

Voluntary coverage for self-employed persons. (After receiving cash benefits, coverage for self-employed persons is mandatory.)

**Physician and hospital benefits:** All persons residing in Canada who meet 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.

#### Source of Funds

##### Insured person

*Cash benefits:* See source of funds under Unemployment. In Quebec, 0.559% of earnings up to C\$67,500.

*Physician and hospital benefits:* Premiums are paid in Alberta and British Columbia. Ontario has a health premium based on taxable income above a certain threshold. No premiums are paid in the other provinces.

##### Self-employed person

*Cash benefits:* See source of funds under Unemployment. In Quebec, 0.993% of earnings up to C\$67,500.

*Physician and hospital benefits:* Premiums are paid in Alberta and British Columbia. Ontario has a health premium based on taxable income above a certain threshold. No premiums are paid in the other provinces.

##### Employer

*Cash benefits:* See source of funds under Unemployment. In Quebec, 0.782% of payroll.

*Physician and hospital benefits:* Contributions vary by province from no contribution to 4.3% of payroll.

##### Government

*Cash Benefits:* None.

*Physician and hospital benefits:* The total cost is financed through the general revenues of the federal, provincial, and territorial governments, except in those provinces where premiums are paid. Federal government makes contributions to provinces and territories through block transfers,

part of which is conditional on provinces and territories meeting federal program requirements as set out in the Canada Health Act.

### **Qualifying Conditions**

**Cash sickness, maternity, and parental benefits:** The insured must have at least 600 hours of covered employment in the previous 52 weeks or since the last claim or have experienced a reduction of weekly earnings of at least 40%; in Quebec, for maternity benefits, at least C\$2,000 of insured income in the previous 52 weeks and have ceased working or experienced a reduction of income of at least 40%.

Family supplement: Paid to families with net income below C\$25,921, with dependent children, and receiving a Canada Child Tax Benefit (see Family Allowances).

**Compassionate care benefits:** The benefit is paid to insured persons with at least 600 hours of covered employment in the previous 52 weeks (or since the start of the last claim) who leave work temporarily to provide care or support to a family member with a grave illness.

Family supplement: Paid to families with net income below C\$25,921, with dependent children, and receiving a Canada Child Tax Benefit (see Family Allowances).

**Medical and hospital benefits:** Generally, three months of residence in the province is required to be insured. When the insured moves from one province to another, the former province continues to provide coverage during the waiting period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 55% of average weekly covered earnings in the last 26 weeks is paid after a two-week waiting period for up to 15 weeks.

Family supplement: Up to 25% of average weekly covered earnings is paid. Each family may receive only one family supplement.

**Maternity and parental benefits:** 55% of average weekly covered earnings is paid after a two-week waiting period for up to 15 weeks (maternity benefits) plus an additional 35 weeks (parental benefit) for parental care (by the mother, father, or both) after the birth or adoption of a child.

In Quebec, there is a choice of benefits. Maternity benefits are 70% of covered earnings paid for 18 weeks or 75% of covered earnings for 15 weeks. Paternity benefits are 70% of covered earnings paid for five weeks or 75% of covered earnings for three weeks. Parental benefits (mother, father, or both) are 70% of covered earnings for seven weeks plus 55% of covered earnings for 25 weeks or 75% of covered earnings for 25 weeks. Adoption benefits are 70% of covered earnings for 12 weeks plus 55% of covered earnings for 25 weeks or 75% of covered earnings for 28 weeks.

Family supplement: Up to 25% of average weekly covered earnings is paid. Each family may receive only one family supplement.

**Compassionate care benefit:** 55% of average weekly covered earnings in the last 26 weeks is paid after a two-week waiting period for up to six weeks.

Family supplement: Up to 25% of average weekly covered earnings is paid. Each family may receive only one family supplement.

The maximum weekly benefit, including any family supplement, is C\$501.

### **Workers' Medical Benefits**

**Medical benefits:** Medical benefits include general medical and maternity care and surgical, specialist, and laboratory services. Provincial authorities pay benefits directly to providers according to predetermined formulas and agreed-upon fee schedules.

**Hospital benefits:** Benefits include standard ward care, necessary nursing, pharmaceuticals provided in the hospital, and diagnostic and therapeutic services. Provincial authorities pay benefits directly 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, osteopathic, chiropractic, and optometrist services; dental care for children; prosthetics; and prescribed medicine. Some cost sharing may be required in such cases.

In some provinces, welfare recipients and persons older than age 65 are eligible for free medicine, eyeglasses, and subsidized nursing home care.

Emergency care in another province or abroad is paid at the rate of the person's home province.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Health Canada (<http://www.hc-sc.gc.ca>) 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 health care providers, and monitor all aspects of programs.

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



## Canada

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Human Resources and Skills Development Canada, through Service Canada (<http://www.canadabenefits.gc.ca>), is responsible for cash sickness, maternity, parental, and compassionate care benefits provided under the Employment Insurance program.

Quebec Parental Insurance Plan administers Quebec parental benefits.

### Work Injury

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#### Regulatory Framework

**First and current laws:** 1908 and 1996 (Newfoundland), 1915 and 1996 (Nova Scotia), 1915 and 1998 (Ontario), 1916 and 1996 (British Columbia), 1916 and 2006 (Manitoba), 1918 and 2004 (New Brunswick), 1918 and 2002 (Alberta), 1928 and 1998 (Quebec), 1930 and 2003 (Saskatchewan), 1949 and 1994 (Prince Edward Island), 1974 and 1998 (Northwest Territories/Nunavut), and 2002 (Yukon).

**Type of program:** Social insurance system.

#### Coverage

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

Exclusions: Self-employed persons and certain employees in excluded or exempted activities (which vary according to province or territory of work).

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost is financed through contributions that vary by industry and according to the assessed degree of risk (large firms in some provinces may self-insure).

Depending on the province or territory, the average employer assessment rate per C\$100 of payroll ranges from C\$1.12 to C\$2.75. (Different methods employed by provincial and territorial authorities, including weighting of individual rates by payroll or by industry, the mix of industry, the varying benefit levels and earnings ceilings, the extent of industry coverage and the degree of funding of liabilities, affect average assessment rates in each jurisdiction.)

The maximum earnings used to calculate contributions varies according to province or territory, from C\$50,000 to C\$111,000.

**Government:** None.

#### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

#### Temporary Disability Benefits

75% of gross earnings to 90% of net earnings is paid, according to province or territory.

The minimum benefit ranges from no weekly minimum payment to C\$544.52, according to province or territory.

The maximum weekly benefit ranges from C\$563.16 to C\$1260.91, according to province or territory.

#### Permanent Disability Benefits

**Permanent disability pension:** 75% to 90% of the insured's earnings is paid for a full disability, according to province or territory.

The minimum benefit ranges from no minimum monthly payment to C\$1,386.54 per month, according to province or territory.

The maximum monthly benefit varies according to province or territory, up to C\$5,960.67.

Permanent partial disability: A percentage of the full benefit, which varies according to province or territory, is paid according to the assessed degree of loss of earning capacity; in some jurisdictions the pension is converted to a lump sum.

#### Workers' Medical Benefits

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

#### Survivor Benefits

**Spouse's pension:** The pension varies according to province or territory based on a percentage of the deceased's net earnings, the age of the surviving widow(er) or common-law partner, and the number of dependents. Some jurisdictions may pay a lump-sum benefit in place of a monthly pension.

The minimum monthly benefit ranges from no minimum benefit to C\$1,060.54, according to province or territory.

The maximum monthly benefit varies according to province or territory, up to C\$4,896.70

**Orphan's pension:** Depending on the province or territory, either a monthly flat-rate pension or a percentage of the deceased's wages is paid.

**Other dependents (if there is no spouse or orphan):** Depending on the province or territory, the benefit level is either the same as the orphan's pension or is determined by the workplace safety board or commission.

**Funeral grant:** The grant paid varies according to province or territory.

## 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).

**Type of program:** Social insurance system.

### Coverage

All salaried workers, including federal government employees, and self-employed fishermen.

Exclusions: Self-employed persons other than fishermen.

### Source of Funds

**Insured person:** 1.88% of covered earnings. In Quebec, 1.52% of covered earnings.

The maximum annual earnings used to calculate contributions are C\$47,400.

The insured person's contributions also finance sickness and maternity benefits, except in Quebec.

**Self-employed person:** Not applicable (except for self-employed fishermen).

**Employer:** 2.632% of covered payroll. In Quebec, 2.128% of covered payroll.

The maximum annual earnings used to calculate contributions are C\$47,400.

The employer's contributions also finance sickness and maternity benefits, except in Quebec.

**Government:** None.

### Qualifying Conditions

**Unemployment benefit:** Must have 420 hours to 700 hours of covered employment in the last year, depending on the regional unemployment rate. For a new entrant or reentrant to the labour force, must have 910 hours of covered employment.

Must be registered, able, willing, and available to work and unable to obtain suitable employment; unable to work because of sickness, maternity, or providing parental care or compassionate care to a gravely ill family member with a potentially fatal condition.

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.

Family supplement: Paid to families with net income below C\$25,921, with dependent children, and receiving a Canada Child Tax Benefit (see Family Allowances).

## Unemployment Benefits

55% of weekly average covered earnings is paid after a two-week waiting period for 14 to 45 weeks, depending on the claimant's employment history and regional unemployment rates.

Family supplement: Up to 25% of average weekly covered earnings is paid. Each family may receive only one family supplement.

The maximum weekly benefit, including any family supplement, is C\$501.

## Administrative Organization

Human Resources and Skills Development Canada, through Service Canada (<http://www.servicecanada.gc.ca/eng/sc/ei/index.shtml>) regional and local offices, administers the program.

Canada Revenue Agency (<http://www.cra-arc.gc.ca>) collects contributions.

## Family Allowances

### Regulatory Framework

**First law:** 1944.

**Current laws:** 1998 and 2006.

**Type of program:** Refundable tax credit and universal system.

### Coverage

All persons residing in Canada.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### Qualifying Conditions

**Canada Child Tax Benefit (income tested):** A child must be younger than age 18 and live with a primary caregiver who is a Canadian citizen, permanent resident, or refugee, and files an annual income tax return.

**Universal Child Care Benefit:** A child must be younger than age 6 and live with a primary caregiver who is a resident of Canada (some restrictions apply).

### **Family Allowance Benefits**

**Canada Child Tax Benefit (income tested):** The benefit is delivered through the income tax system.

The maximum annual benefit is C\$1,433 (C\$119.41 a month) for each child younger than age 18. A supplement of C\$100 a year is paid for the third and each additional child. The benefit is reduced when annual family income exceeds C\$43,561. In Alberta, payment rates are based on the age of the child.

National child benefit supplement: The maximum benefit for families with annual net income of less than \$25,356 is reduced by a percentage, according to the number of children in the household, for annual net income of at least \$25,356. A partial benefit is paid to families with up to three children and annual net income of \$25,356 to \$43,561 and to families with at least four children and annual net income of less than \$49,000.

Child disability benefit: A tax-free benefit is paid for families who care for a child younger than age 18 with severe disabilities.

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

**Universal Child Care Benefit:** C\$100 a month is paid for each child younger than age 6 to offset the cost of child care. The benefit is taxable at the rate of the spouse with the lower income. Single parents can report all universal child care benefit amounts in their own income or include the amounts in the income of a child beneficiary. Parents with joint custody of child beneficiaries can split the benefit.

### **Administrative Organization**

Canada Revenue Agency (<http://www.cra-arc.gc.ca/bnfts/menu-eng.html>) administers the Canada Child Tax Benefit.

Canada Revenue Agency, on behalf of Human Resources and Skills Development Canada (<http://www.hrsdc.gc.ca>), administers the Universal Child Care Benefit.