

LEGISLATIVE ASSEMBLY OF THE

NORTHWEST TERRITORIES

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SUPPLEMENTARY BENEFIT PROGRAM FOR OLD AGE PENSIONERS

Background

The need for some form of supplementation for Territorial elderly people has been raised repeatedly in Legislature debates since 1972. In October 1973 a recommendation was made to the Legislature that a \$40.00 per month Cost of Living Payment be made to pensioners. The implementation of this measure was blocked by Ottawa. In the 58th Session of the Legislative Assembly, a motion was carried requesting the Administration to re-examine the problem. The Social Assistance Regulations were amended in 1976 to permit the inclusion of an incidental allowance for the elderly of \$60.00 in the calculation of a family's eligibility for social assistance.

At the 62nd Session of the Legislature we were asked to produce the report that is attached as Appendix A. It will be seen from this report that six provinces now operate programs which pay direct cash supplements to OAS/GIS recipients. Supplements range from approximately \$8.00 per month to over \$50.00 per month. For the most part these programs are not cost shareable. Six provinces also operate programs which provide additional health care benefits to senior citizens and six provinces offer programs which rebate property taxes or rents.

There were 1,096 Old Age Pensioners in the N.W.T. in February, 1977. Of these, 728 received the full Federal Guaranteed Income Supplement, 133 received a partial supplement, and 235 received no supplement. In addition, 44 residents received the Federal Spouse's Allowance.

Proposal for Universal Supplementary Payments to Old Age Pensioners

One approach to providing Old Age Pensioners with additional income would be to pay allowances to all pensioners regardless of the amount of income available to them from other sources (as noted above 728 out of 1,096 OAS recipients have no other income). Such a program could provide for a payment of equal amounts to all pensioners within a geographic region and would thus allow those who have income from other sources to retain a financial advantage. A supplement of this sort might encourage people who retire in the North to remain in the North.

For example, such allowances might be scaled as follows:

To Persons Resident in Scale I*	Communities	\$50.00/month
To Persons Resident in Scale II	Communities	65.00/month
To Persons Resident in Scale III	Communities	70.00/month
To Persons Resident in Scale IV	Communities	75.00/month
To Persons Resident in Scale V	Communities	80.00/month

*See Appendix B for listing of communities in each scale.

The cost of implementing such a program would be in the order of \$871,000 per year. Payment could be made either through the established OAS/GIS delivery system or cheques could be generated by the Department of Finance on the basis of information received from Health and Welfare Canada.

Report on the Number of Old Age Pensioners in the Northwest Territories and a Comparison of Benefits Available to Senior Citizens Throughout Canada

As requested by Mr. Searle and Mr. Butters of the 61st Session of the Legislative Assembly of the N.W.T., we have obtained the following information about pensioners in the N.W.T. and about benefits available to them in this and other jurisdictions.

In February 1977, Health and Welfare Canada reported the following payments:

	<u>Number of People</u>	<u>Amount</u>
Old Age Security	235	\$ 34,283.92
Old Age Security and full Guaranteed Income Supplement	728	173,387.00
Old Age Security and Partial Guaranteed Income Supplement	<u>133</u>	<u>39,159.73</u>
TOTAL	<u>1,096</u>	<u>\$237,830.65</u>

In addition the spouse allowance was paid to 44 people at a total cost of \$8,912.29.

There may be a few more people aged 65 or over in the N.W.T. who for one reason or another were ineligible for Old Age Security.

Old Age Security, is generally speaking, paid to all Canadians age 65 and over regardless of their financial circumstances. In February 1977, the payment was \$141.34 per month. This amount is adjusted every three months to reflect changes in the cost of living.

The Guaranteed Income Supplement, is, generally speaking, paid to all Old Age Pensioners who do not have income from other sources in excess of a certain amount. The maximum supplement is paid to persons with no other income. This amount is reduced in accordance with the amount of other income. Both the amount of the supplement and the amount of other income at which a person becomes ineligible for the Supplement are adjusted every three months to reflect changes in the cost of living. The

amount of the supplement varies in accordance with marital status.

If the spouse of an old age pensioner is 60 years old, a spouse allowance may be paid. The allowance provides for payments to the couple on the same basis and in roughly the same amounts as would be the case if the spouse were eligible for Old Age Security.

The following table shows the amount of income a married couple would have if both were pensioners. These examples assumed an income from some other source of 0, \$75.00, \$355.99 and \$360.00 per month.

	1	2	3	4
Old Age Security				
- Husband	\$141.34	\$141.34	\$141.34	\$141.34
- Wife	141.34	141.34	141.34	141.34
Other Income	.00	75.00	355.99	360.00
Guaranteed Income Supplement				
- Husband	88.03	70.03	.03	.00
- Wife	88.03	70.03	.03	.00
Total Monthly Income	\$458.74	\$497.74	\$638.73	\$642.68
Total Annual Income	\$5,504.88	\$5,972.88	\$7,664.76	\$7,712.16

Note that the reduction in G.I.S. is not directly proportionate to the increase in other income. Note also that when other income reaches a certain level no amount of G.I.S. is paid but Old Age Security pension remains the same.

While the amount of the supplement varies as does the maximum allowable income, the program works in the same manner for single people and people whose spouse is not a pensioner. The following table sets out the minimum and maximum gross annual income available to persons who received payments under the Guaranteed Income Supplement program.

	<u>Minimum (1) Annual Income</u>	<u>Maximum (1) Annual Income</u>
Single Person	\$2,885.64	\$4,097.62
Married, both pensioners	5,504.48	7,664.76
Married, one a pensioner	2,885.64	8,193.70
Married, one eligible for Spouse Allowance	5,504.08	8,272.78

(1) As of February, 1977.

From information available from Health and Welfare Canada it appears that, of the people in the N.W.T. who receive a Guaranteed Income Supplement payment, most receive the maximum or close to the maximum available. This is illustrated in the following table which sets out the payments for February, 1977.

	<u>Number of People</u>	<u>Amount (1)</u>	<u>Average (1) Payment</u>
OAS Only	235	\$ 34,283.92	\$145.89
GIS, Single, Maximum	390	94,067.09	241.20
GIS, Single, Partial	64	13,856.08	216.50
GIS, Married, Maximum	338	79,319.91	234.67
GIS, Married, Partial	69	16,303.65	236.28
TOTAL OAS/GIS	<u>1,096</u>	<u>\$237,830.65</u>	<u>\$217.00</u>
Spouse Allowance			
- Maximum	26	5,963.62	229.37
- Partial	18	2,948.67	163.82
TOTAL	<u>1,140</u>	<u>\$246,742.94</u>	<u>216.44</u>

(1) Amounts include retroactive payments - hence average payment may exceed maximum.

The Old Age Security/Guaranteed Income Supplement program is operated by the Federal Government. Payments remain constant across Canada and thus do not reflect regional differences in living costs. Most provinces have programs which further supplement the incomes of the elderly.

Provincial supplement programs fall into two classes:

- a) those which provide a direct, regular, cash payment to pensioners as a supplement to OAS/GIS payments, and;
- b) those which provide specific benefits, normally, to all Senior Citizens regardless of financial circumstances. Some of these benefits are also available in whole or in part to persons under age 65.

Six provinces, Alberta, British Columbia, Manitoba, Nova Scotia,

Ontario and Saskatchewan provide direct cash supplements. For the most part payments are made on the basis of information collected by the Federal Government for use in the Guaranteed Income Supplement program. Payments are made only to persons who qualify for a GIS payment but not all GIS recipients qualify for all provincial supplements. It appears that most provinces meet the full cost from their own revenues - i.e. the programs are not cost shared with the Federal Government.

Six provinces, Alberta, British Columbia, Manitoba, New Brunswick, Ontario, and Quebec offer some sort of property tax or rent rebate programs to Senior Citizens.

Six provinces, Alberta, British Columbia, Manitoba, New Brunswick, Ontario and Saskatchewan provide free or highly subsidized hospital, medical, prescribed drugs and other health services.

In all provinces and territories, old age pensioners may receive social assistance if they qualify under the particular regulations. In Ontario, New Brunswick, the Yukon and the Northwest Territories a person aged 65 or over qualifies for special consideration under the social assistance regulations.

Benefits Available to Elderly Citizens throughout Canada in Addition to the Federal Old Age Security and Guaranteed Income Supplement Payments

ALBERTA

The province of Alberta supplements the incomes of OAS/GIS recipients to a maximum of \$47.20 per month. Payments ranging from \$10.00 to \$47.20 per eligible pensioner per month are made under the Alberta Assured Income Plan (A.A.I.P.) pursuant to the Senior Citizen's Benefit Act.

To qualify a person must be in receipt of a payment under the Federal Guaranteed Income Supplement (GIS) program. Payments vary according to the pensioner's marital status, the age of his or her spouse and, the amount of his/her income other than OAS/GIS. Benefits are paid automatically on the basis of

information provided by Health and Welfare Canada but costs are not shareable under the Canada Assistance Plan. In 1977, approximately 78,000 Alberta residents will benefit from the program at a total cost to the province of \$37,000,000. (\$40.00 per person, per month).

Other benefits available to senior citizens include free or highly subsidized hospital and medical insurance, dental care, optometric services, prescription drugs, prosthetics, special health equipment and other related services. Senior Citizens who are home owners may apply for a home improvement grant of up to \$1,000 (Senior Citizen's Home Improvement Program) and along with other residents qualify for rebates on property taxes of up to \$200 or rent assistance of up to \$150. (Renter Assistance Grant).

BRITISH COLUMBIA

In British Columbia the incomes of old age pensioners are supplemented to a maximum of \$49.83 per person per month. Payments are made under the GAIN program pursuant to the Guaranteed Available Income for Need Act. To qualify a person must be in receipt of payments under the Federal Guaranteed Income Supplement program. Payments vary according to the pensioner's marital status and income from sources other than OAS/GIS and War Veteran's pension. The program provided a guaranteed income of \$279.35 for a single person and \$558.40 for a married couple as of January, 1977. The guaranteed amount increases in line with quarterly increases in the federal OAS/GIS. Benefits are paid automatically on the basis of information received from Health and Welfare Canada.

Attempts have been made to obtain cost sharing on a portion of the program under the Canada Assistance Plan. However, it is very difficult to document the shareability of payments on the basis of a Social Assistance type "needs test" and only a relatively small amount of money is potentially shareable.

In 1976-77 the same program will benefit approximately 90,000 residents at a total cost of about \$32,400,000 (\$30.00 per person per month).

Other benefits available to senior citizens in British Columbia include:

free prescription drugs,
rent aid (maximum payments of \$100.00),
and rebates on property taxes (To a maximum of about \$300.00).

MANITOBA

In Manitoba incomes of old age pensioners are supplemented to a maximum of \$8.43 per person per month. Payments are made under the Manitoba Supplement to the elderly program pursuant to the Social Service Administration Act.

To receive the payment the person must be in receipt of a payment under the Federal Guaranteed Income Supplement program. Payments vary in accordance with the pensioner's marital status and his or her income from other sources. Benefits are paid automatically on the basis of information received from Health and Welfare Canada. Costs of the Manitoba Supplement are not shareable under the Canada Assistance Plan. In 1975-76 approximately 32,000 people received the supplement at a total cost of \$2,700,000 in the province. (\$7.03 per person per month).

Other benefits available to elderly residents of Manitoba include a rent or property tax rebate of up to \$350.00. Pensioners may also qualify under the Social Allowance Health Service program for free hospital care, medical services, drugs, dental care, eye glasses, etc. If an elderly person qualifies for assistance under the social assistance program, the benefits available to him are greater than those available to a younger person.

NEW BRUNSWICK

The income of old age pensioners is not supplemented unless the

pensioner qualifies under the normal social assistance program. Other benefits which are available to the elderly in New Brunswick include free hospital and medical care, and prescribed drugs. The province operates a program through which property taxes of widows are reduced (the assessed value of the property is reduced by \$4,000). There is also a general rebate on property taxes of \$30.00 available to the total population.

NEWFOUNDLAND AND LABRADOR

Newfoundland does not supplement the income of senior citizens by a direct payment. Elderly citizens who can establish eligibility under the Provincial Social Assistance Legislation could receive a supplement from this source.

NORTHWEST TERRITORIES

The Northwest Territories does not have a financial benefit program which directly supplements the income of most elderly residents. An Incidental Allowance for the elderly of \$60.00 per month is included as a regular monthly need in assessing the eligibility for social assistance of a single person or married couple over 65 years of age. However, only Senior Citizens having a very high rental payment or a number of dependents qualify for assistance from this source. Those senior citizens who do qualify for social assistance would also be eligible for non-insured health care services such as prescriptions, glasses, etc.

NOVA SCOTIA

In Nova Scotia, direct payments are made to all residents who receive the Guaranteed Income Supplement. Application forms for this "Special Social Assistance" (authorized by Part VI of the Social Assistance Act) are mailed out to all persons in receipt of the federal Guaranteed Income Supplement in March and once the completed application form is returned, a cheque is mailed

to the applicant.

The main purpose of the application is to obtain information relating to the assets and shelter costs of the applicant for cost sharing purposes. After the Special Social Assistance payment has been made, each application is needs tested on the social assistance "budget deficit" system to determine if cost sharing can be obtained from the Federal Government.

The actual entitlement is related to the amount of the Federal Guaranteed Income Supplement received by pensioners; there are four levels of payment: \$110, \$100, \$75, and \$50 per annum. If both spouses of a marriage receive the Federal Guaranteed Income Supplement, they both are eligible to apply for "Special Social Assistance". Pensioners in receipt of the maximum amounts of the Federal Guaranteed Income Supplement would receive the maximum Special Social Assistance of \$110. per annum while those receiving lesser amounts of the Federal Guaranteed Income Supplement would receive one of the three lesser amounts of Special Social Assistance down to the minimum payment of \$50 per year.

The program is directed at 52,000 recipients of the Federal Guaranteed Income Supplement in Nova Scotia, and of these 49,000 submit applications and receive payments. The total cost of this program was 4.9 million in 1975/76, 1.2 million dollars of the program was shareable through the Canada Assistance Plan and thus the province recovered \$.6 million. The Federal Government refused cost sharing on 3.7 million dollars of the program under the Canada Assistance Plan because of the 49,000 recipients:

- 11,400 had assets in excess of CAP guidelines;
- 24,800 did not have a "budget deficit" when income and needs were assessed on the Provincial Social Assistance application.

ONTARIO

The Province of Ontario supplements the income of elderly citizens under its GAINS program for the elderly which is administered by the Ministry of Revenue under the Guaranteed Annual Income Act.

Residents of Ontario (Residents of Canada for at least ten years) who are 65 years of age and over and whose total income from private sources and the Federal Old Age Security Pension and Guaranteed Income Supplement (OAS/GIS) is below the guaranteed income level, may benefit under GAINS for the elderly. The guaranteed income level increases from time to time but as of April, 1977 it was \$282.96 per month or \$3,395.52 per year for a single person or \$565.92 per month or \$6,791.04 per year for a couple where both spouses qualify. Persons 65 years of age or older who are receiving OAS/GIS need not apply for the Ontario GAINS program as their eligibility is determined automatically by the federal authorities

Qualified elderly applicants are eligible for the difference between the GAINS guaranteed income level and the elderly person's total income. Single pensioners may receive from \$2.00 to \$42.52 depending on income. Married pensioners may receive from \$2.00 to \$107.18 in supplementation. 270,000 senior citizens in Ontario receive benefits under the program and the provincial payout is approximately \$118,000,000 annually. The GAINS program for the elderly is not cost shareable with the Federal Government.

Other programs or benefits available to the elderly in Ontario are:

- i) Elderly persons eligible for GAINS and having dependents may be entitled to receive additional benefits under the Provincial Social Assistance Program which permits a flat rate allowance of \$30.00 per pensioner to be included as one of the monthly needs in determining the family's eligibility for assistance (Family Benefits Act).

- ii) A pensioner tax credit of \$110.00 for 1976 is available for each single person of age 65 or over, or \$110.00 for each married couple, one of whom is of age 65 or over on the last day of the taxation year.
- iii) Ontario senior citizen privilege cards are available to all residents of Ontario 65 years or over and entitle the elderly to drug benefits, and cut rates at cultural centres.

QUEBEC

The Province of Quebec does not have a special program to supplement the income of senior citizens. Those pensioners who have a "budget deficit" after completing a Provincial Social Aid application would be eligible for assistance from that source.

The province does have a reimbursement of school taxes program available to persons 65 or over which enables residents in receipt of the federal Old Age Security pension to obtain a refund of up to 50% of school taxes or \$125.00 for a home owner and up to 5% of annual rent or \$75.00 for tenants.

PRINCE EDWARD ISLAND

At the present time there are no special benefit programs for the elderly citizens of Prince Edward Island. Elderly citizens with significant expenses due to dependents in the home or high rental payments might qualify for a supplement under the Provincial Social Assistance program.

SASKATCHEWAN

The Province of Saskatchewan supplements the income of all qualifying residents 65 years of age or older by a direct payment. The authority for the Saskatchewan Income Plan (Senior Citizens Benefit Program) has been established as a special section (48) of the Saskatchewan Assistance Regulations of the Saskatchewan Assistance Act.

Senior citizens who are eligible for Federal Old Age Security payments and a significant level of Federal Guaranteed Income Supplement can benefit from the program. No special application is necessary as an application for Federal Guaranteed Income Supplement is considered as an application for the Senior Citizens Benefits, except in the case of elderly citizens presently in receipt of social assistance, where the needs tested application is utilized.

The amount of the benefit available varies from \$1.00 - \$20.00 depending on the amount of the combined monthly Federal OAS/GIS payment to the pensioner. The Saskatchewan Government utilizes a computer tape from the Federal OAS/GIS program indicating the names, addresses, and amounts from the Saskatchewan Income Plan schedule for each "eligible" OAS/GIS recipient. The province produces the cheques and mail them to the appropriate senior citizen.

At present 36,000 senior citizens are eligible for the provincial supplement and the annual payout of the Saskatchewan Income Plan is approximately \$6,750,000. The Saskatchewan Income Plan is not generally cost shared under the Canada Assistance Plan, because the department does not obtain applications from the clients and thus does not have the appropriate information to carry out a needs test acceptable under the Canada Assistance Plan. The department does receive cost sharing for Saskatchewan Income Plan recipients who are also in receipt of regular social assistance.

Comprehensive health care services, including drug benefits are also provided to recipients under the Saskatchewan Income Plan. For elderly people not covered under the Saskatchewan Income Plan, the cost of prescriptions is minimal because of the province wide pharmacare program.

YUKON TERRITORY

The Yukon Territorial Government does not provide a direct

financial supplement for senior citizens. A Territorial Supplementary Allowance of \$35.00 per month per pensioner may be included as a regular monthly need in assessing the eligibility of elderly residents for social assistance pursuant to the Social Assistance Ordinance. At present, only eighteen elderly residents in the Yukon qualify for this assistance under the social assistance program. The estimated cost of the inclusion of the Territorial Supplementary Allowance in the social assistance program is \$7,500 per year for a total of eighteen elderly recipients. The expenditure is cost shareable under the Canada Assistance Plan. Those senior citizens who qualify for social assistance would also be eligible for non-insured health care services.

Department of Social Development

April 22, 1977

Summary Of Benefits Available Throughout Canada to Persons Aged 65 and Over.

(In addition to Old Age Security and Guaranteed Income Supplement)

Place	Supplement to OAS/GIS				Other Benefits * (Includes benefits available to persons under age 65.)
	Legislation	Maximum Benefit per person per month	Eligibility Criteria	Shareable	
Alberta	Senior Citizen's Benefit Act (Alberta Annual Income Plan)	\$47.20	Must qualify for Fed. Guaranteed Income Supplement (all GIS recipients qualify for some benefit)	No	Free or assisted health services, Property Tax reduction (Maximum \$200)* Renters Assistance Grant (Maximum \$150)* Senior Citizens Home Improvement Grant (Maximum \$1000)
British Columbia	Guaranteed Available Income for Need Act (GAIN formerly MINCOM)	\$49.83	Must qualify for Fed. Guaranteed Income Supplement. (Not all GIS recipients qualify)	No	Free prescription drugs; Rent assistance (Maximum \$100)*; rebate on property tax (Maximum \$350)*
Manitoba	Social Services Administration Act	\$8.43 (paid quarterly)	Must qualify for Fed. Guaranteed Income Supplement. (Not all GIS recipients qualify)	No	Property tax rebate (Maximum \$350)* May qualify for free medical/hosp. drugs, etc.
New Brunswick	None	-	-	-	Free hospital/medical insurance*, prescribed drugs,* general property tax rebate *, may qualify for * additional property tax reduction.
Prince Edward Island	None	-	-	-	-

Summary Of Benefits Available Throughout Canada to Persons Aged 65 and Over.

(In addition to Old Age Security and Guaranteed Income Supplement)

Place	Legislation	Supplement to OAS/GIS			Other Benefits
		Maximum Benefit per person per month (\$9.17 (Paid annually))	Eligibility Criteria	Shareable	* (Includes benefits available to persons under age 65.)
Nova Scotia	Park VI of the Social Assistance Act	\$9.17 (Paid annually)	All residents over the age of 65 who receive the Fed. Guaranteed Income Supplement (GIS)	Partially Shareable	
Ontario	Guaranteed Annual Income Act and Family Benefits Act	\$53.59	All residents over the age of 65 whose income from OAS/GIS and private sources is below the GAINS level.	No	-Drug benefit eligibility card -Pensioner Tax Credit
Saskatchewan	Section 48 of the Sask. Assistance Regulations (Sask. Assistance Act)	\$20 per month	Residents over the age of 65 in receipt of a substantial amount of the Fed. Guaranteed Income Supplement	Partial. Only for those Sask Income Plan recipients that are also receiving Provincial Soc. Assis.	-Pharmacare benefits*
Newfoundland and Labrador	Not applicable	Not applicable	Not applicable	N/A	A pensioner who "qualifies" may receive financial help under the Social Assistance Program.

Summary Of Benefits Available Throughout Canada to Persons Aged 65 and Over.

(In addition to Old Age Security and Guaranteed Income Supplement)

Place	Supplement to OAS/GIS			Shareable	Other Benefits (Includes benefits available to persons under age 65.)
	Legislation	Maximum Benefit per person per month	Eligibility Criteria		
Quebec	None	None	None	None	School Tax Credit for Senior Citizen Homeowners and tenants. (Maximum \$125. for homeowner's and \$75. for tenants.)
Yukon Territory	None	None	None	No	A Territorial Supplement Allowance of \$35. per pensioner per month may be included as a monthly requirement in determining the eligibility of Senior Citizens for general social Assistance.
Northwest Territories	None	None	None	No	An incidental Allowance for the elderly of \$60. maybe included as a monthly requirement in determining the eligibility of senior citizens for assistance under the Social Assistance Program. Territorial property tax assistance for senior citizens in Fort Smith.

	<u>SCALE I</u>	<u>SCALE II</u>	<u>SCALE III</u>	<u>SCALE IV</u>	<u>SCALE V</u>
Inuvik Region		Inuvik	Aklavik Arctic Red R. Ft. Franklin Ft. Good Hope Ft. McPherson Ft. Norman Norman Wells Tuktoyaktuk	Sachs Harbour Paulatuk	Colville Lake
Fort Smith Region	Ft. Rae Hay River Pine Point Yellowknife Ft. Smith	Ft. Res- olution Ft. Simpson Rocher R. Ft. Wrigley	Ft. Providence Holman Island	Cambridge B. Coppermine Ft. Liard	Gjoa Haven Lac La Martre Mahanni Bu(?) Pelly Bay Snowdrift Spence Bay Trout Lake Baker Lake Whale Cove
Keewatin Region	Churchill	Coral Har- bour Rankin In- let Repulse Bay Sanikiluaq Hall Beach Igloodik	Chesterfield Inlet Eskimo Point Broughton Is. Cape Dorset Pangnirtung	Arctic Bay Clyde River Frobisher B. Grise Fiord Lake Harbour Pond Inlet Resolute Bay	Port Burwell
Raffin Region					