

**Schedule to the letter of  
11 October 1994 from the  
High Commissioner for  
the United Kingdom in  
Canada to the Minister of  
Employment and Immigration**

**PART I**

**GENERAL PROVISIONS**

*Definitions*

(1) For the purposes of these arrangements, except where the context otherwise requires:

“available for work” means seeking employment as an employed earner;

“employed person” means a person who, in the applicable legislation, comes within the definition of an employed earner or of an employed person or is treated as such;

“former exchanges of letters” means the letters which were exchanged between the Governments of the United Kingdom and Canada on 8 and 10 December 1959, as amended by the letters of 7 and 30 November 1961, 9 March 1973 and 10 November 1977;

“gainfully occupied in employment” means employed as an employed earner or treated as such, in the applicable legislation;

“incapable of work” means incapable of work as an employed earner due to illness;

“legislation” means the legislation specified in paragraph (3);

“Party” means the United Kingdom or Canada;

“pension age” means, in relation to any person, the age at which that person is treated as reaching pensionable age under the legislation of the United Kingdom;

“United Kingdom” means the United Kingdom of Great Britain and Northern Ireland, and also the Isle of Man.

(2) Other words and expressions which are used in these arrangements have the meanings respectively assigned to them in the applicable legislation.

*Scope of Legislation*

(3) The provisions of these arrangements shall apply, in relation to the United Kingdom, to:

(a) the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992 and the Social Security (Consequential Provisions) Act 1992;

(b) the Social Security Administration (Northern Ireland) Act 1992, the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and the Social Security (Consequential Provisions) (Northern Ireland) Act 1992;

(c) the Social Security Acts 1975 to 1991 (Acts of Parliament) as those Acts apply to the Isle of Man by virtue of Orders made, or having effect as if made, under the Social Security Act 1982 (an Act of Tynwald);

(d) the Child Benefit Act 1975 (an Act of Parliament) as that Act applies to the Isle of Man by virtue of Orders made, or having effect as if made, under the Social Security Act 1982 (an Act of Tynwald);

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and the legislation which was repealed or consolidated by those Acts or Orders, or repealed by legislation consolidated by them.

(4) Subject to the provisions of paragraphs (5) and (6), these arrangements shall apply also to any legislation which supersedes, replaces, amends, supplements or consolidates the legislation specified in paragraph (3).

(5) These arrangements shall apply, unless the Parties agree otherwise, only to benefits under the legislation specified in paragraph (3) at the date of coming into force of these arrangements and for which specific provision is made in these arrangements.

(6) These arrangements shall not apply to legislation on social security of the Institutions of the European Community or to any convention on social security which either Party has concluded with a third party or to any laws or regulations which amend the legislation specified in paragraph (3) for the purpose of giving effect to such a convention, but shall not prevent either Party taking into account under its legislation the provisions of any other convention which that Party has concluded with a third party.

## PART II

### SPECIAL PROVISIONS

#### *Unemployment Benefit*

(7) For the purpose of any claim to receive unemployment benefit under the legislation of the United Kingdom, a person who has at any time before 6 April 1975 paid at least twenty-six weekly contributions as an employed person under the legislation of the United Kingdom, or in any year since 6 April 1975 has paid contributions as an employed earner on earnings of at least twenty-five times that year's weekly lower earnings limit, shall be treated, for the purpose of any such claim, as if:

- (a) he had paid, under that legislation, an employed earner's contribution on earnings equivalent to two-thirds of that year's upper earnings limit, for each week during which he was gainfully occupied in employment in Canada;
- (b) he had had a contribution credited to him under that legislation as an employed person for any week during which he was resident in Canada and was unemployed and available for work or was incapable of work, if that week was part of a period during which he was ordinarily gainfully occupied in employment in Canada.

(8) Nothing in paragraph (7) shall diminish any right which a person has, apart from these arrangements, to receive unemployment benefit under the legislation of the United Kingdom.

#### *Retirement Pension*

(9) Subject to the provisions of paragraphs (10) and (12) to (14):

- (a) for the purpose of any claim to receive a retirement pension under the legislation of the United Kingdom, a person aged sixty-five or over who has been resident in the United Kingdom:
  - (i) throughout the period of ten years immediately before his claim; or
  - (ii) throughout the last year of that ten-year period and throughout earlier periods after attaining the age of eighteen which in the aggregate are at least three times as long as any parts of that ten-year period during which he has not been resident in the United Kingdom;

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shall be treated as if he, or in the case of a claim made by a married woman or widow by virtue of her husband's insurance, her husband, had paid a contribution under the legislation of the United Kingdom for every week during which he was resident in Canada;

(b) where the person claiming a retirement pension under the provisions of this paragraph is a woman:

(i) whose marriage has been terminated by the death of her husband or otherwise;

(ii) who satisfies one or other of the conditions set out in sub-paragraph (9)(a); and

(iii) who claims a pension by virtue of her own insurance and has chosen to have her husband's contributions taken into account;

she shall be treated as if she or her husband had paid a contribution under the legislation of the United Kingdom for every week during which she or her husband, as the case may be, was resident in Canada;

(c) for the purposes of applying the provisions of sub-paragraphs (9)(a) and (9)(b), no account shall be taken of any period during which a person was resident in Canada before he reached the age of fifteen years or after he reached pension age;

(d) any person who has been awarded a United Kingdom retirement pension under the former exchanges of letters, which commenced before 1 July 1977 and who on or after 1 July 1977 is in receipt of a Canadian old age security pension solely under the Old Age Security Act shall, with effect from 15 November 1977 or the first day of payment of the old age security pension, whichever is later, have his weekly retirement pension reduced by a sum equal to the weekly rate of his old age security pension. The amount of this reduction shall be reviewed each year from the week when the retirement pension is increased by any uprating order. The amount of reduction shall be a sum equal to the weekly rate of the old age security pension for the week in which the uprating falls. These provisions shall not reduce the amount of any United Kingdom retirement pension to less than the amount which would otherwise have been payable without reliance on the former exchanges of letters.

(10) Paragraph (9) shall not apply in respect of any person who is awarded a United Kingdom retirement pension on or after 1 July 1977, and who on or after that date is also in receipt of an old age security pension solely under the Old Age Security Act, or who has lived in Canada for twenty or more years in aggregate since age eighteen.

(11) Any benefit which is awarded by virtue of paragraph (9) shall be payable only for periods during which the beneficiary is ordinarily resident in the United Kingdom.

### ***Conversion Formulae***

(12) For the purposes of calculating entitlement under the legislation of the United Kingdom to retirement pension in accordance with paragraph (9), periods of residence in Canada before 6 April 1975 shall be treated as if a Class 3 contribution had been paid under the legislation of the United Kingdom for each week of such residence.

(13) For the purpose of calculating an earnings factor for assessing entitlement under the legislation of the United Kingdom to retirement pension in accordance with paragraph (9), a person shall be treated for each week beginning in a relevant tax year commencing after 5 April 1975, as having paid a contribution under the legislation of the United Kingdom as an employed earner, or having earnings on which primary Class 1 contributions have been paid, on earnings equivalent to two-thirds of that year's upper earnings limit, for any week during which he was gainfully occupied in employment in Canada.

(14) For the purpose of calculating entitlement under the legislation of the United Kingdom, to retirement pension in accordance with paragraph (9), periods residence in Canada as a self-employed

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person or as a non-employed person after April 1975 shall be treated as if a Class, 3 contribution had been paid under the legislation of the United Kingdom for each week of such residence.

#### ***Child Benefit***

(15) Where a person is ordinarily resident in the United Kingdom he shall, for the purpose of any claim to receive child benefit under the legislation of the United Kingdom, be treated:

- (a) as if he had been resident or present in the United Kingdom during any period during which he was, respectively, resident or present in Canada; and
- (b) as if any child of his family, or any child for whom he is claiming child benefit had been resident or present in the United Kingdom during any period during which that child was, respectively, resident or present in Canada.

#### ***Disclosure of Information***

- (a) (16) (a) Where required for the application of these arrangements, the Government of Canada, at the request of the Government of the United Kingdom, shall provide information as to claimants in the United Kingdom in receipt of benefits under the Old Age Security Act of Canada.
- (b) Unless disclosure is required under the legislation of a Party, any information about an individual which is sent in accordance with and for the purposes of these arrangements to that Party by the other Part is confidential and shall be used only for the purpose of implementing these arrangements and the legislation to which these arrangement apply.

#### ***Mutual Assistance***

(17) The two Parties shall assist one another on any matter relating to the application of these arrangements as if the matter were one affecting the application of their own legislation.

### *No. 2*

#### *The Minister of Employment and Immigration of Canada to the United Kingdom High Commissioner at Ottawa*

*Ministry of Employment and Immigration*

*Ottawa*

*18 October 1994*

Excellency:

I have the honour to acknowledge receipt of your letter of October 11, 1994 which reads as follows:

[As in No. 1]

I have the honour to confirm that the proposals set out in your letter and its Schedule are acceptable to the Government of Canada, and that your letter and its Schedule, and this letter in reply, which is equally authentic in English and French, all constitute an Agreement between our two Governments on this matter which shall enter into force as in (ii) above.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

*Lloyd Axworthy*