

*Pensions*

brought into being for two main purposes. On the one hand its purpose was to provide pensions for employees who had no other pension; on the other hand its purpose was to enable people who already had pension rights and benefits to augment those rights and benefits.

To a considerable extent this right to add anything to their pension position as a result of the passing of the Canada Pension Plan is being denied to our government employees. It is true that for a period of time it will be possible for many retiring employees to have a little more pension than they might otherwise have had. As we worked it out in the committee, the marginal benefit will rise during the first ten years but then will decline until the 35th year, following which there will be practically no marginal benefit whatsoever. It is perfectly true that as a result of the integration, civil servants will not be paying any more than they were paying previously; in fact they will be paying precisely the same amount. However, my complaint is that civil servants are being denied the right to pay anything additional into the Canada Pension Plan—as other people in many jobs can—and they are therefore being denied the concomitant right to have additional pension benefits when they retire.

● (7:50 p.m.)

Surely we have had enough experience with pensions and with their inadequacy in the years after they have been put into effect to realize that there is still room for improvement in pensions, even when they are as good as are the pensions provided for government employees.

I was interested in the comment made by one of the staff associations which appeared before us. The spokesman for that group wanted to make it clear that what they had agreed to was not to integration per se and for all time, but to this particular formula of integration. This particular staff association said that in future if certain adjustments were made it might wish to look at them again. The wishes of the civil servants may have been ascertained by the government, but I believe that many of them now want to take another look at this matter. I think the day will come when civil servants will prefer to have additional benefits from the Canada Pension Plan, rather than the almost complete integration which is contained in this piece of legislation.

During the course of our discussions in committee we came upon one or two instances where it seemed to us that rights

[Mr. Knowles.]

which civil servants now enjoy are being interfered with. I make this statement in the light of the general assurances that were given when the Canada Pension Plan was under debate, that integration would not have this effect. One particular case that we discussed at some length was that of the civil servant who retires, let us say, at the age of 62 after his full 35 years of work, and is entitled to draw his full pension under the Public Service Superannuation Act. When he reaches the age of 65 that pension is reduced by a formula that is spelled out in the act, on the assumption that at that point he will start drawing his Canada Pension Plan benefit.

It is clear that if he is retired and is not working at anything else, and if the Canada Pension Plan benefit is not sufficient to make up for the reduction in his public service superannuation annuity, the shortfall will be made up. However, the employee who retires at the age of 62, and at the age of 65 is still working somewhere else and therefore does not qualify for his Canada Pension Plan benefit, will still have his public service superannuation annuity reduced and the difference will not be made up. We went over this matter very thoroughly and very good arguments were given to us by the experts who appeared before our committee. It has to be admitted that those arguments carried a great deal of weight. Nevertheless it is still a fact that here is a right which civil servants previously had but which they are now losing as a result of this integration bill. I am referring to the right to retire on full pension after 35 years of service, say at the age of 62, to go to work somewhere else and not be subject to a reduction in the public service pension.

I am not raising this matter on behalf of people whose pensions are so large or whose position is so affluent that they do not need to find other employment. I am thinking, rather, of the post office workers and others who, although they retire early, receive a level of pension that makes it necessary for them to find other employment. I say that this is at least one case in which the general commitment, that integration would not take away the rights that civil servants already have, has in fact been interfered with.

There are one or two other anomalies of this kind which we will have to deal with as we go along; but as I have already said, Mr. Chairman, because of the very thorough examination we made of this bill in the special