

## GOVERNMENT ORDERS

[*Translation*]

### STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

#### MEASURE TO AMEND

**Hon. Robert de Cotret (President of the Treasury Board)** moved that Bill C-24, an Act to amend certain legislation respecting superannuation and other pensions, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is a pleasure to introduce the second reading of Bill C-24, a Bill that proposes to remove from a number of Public Service superannuation laws, the Members of Parliament Retiring Allowances Act and the Pension Act as it applies to disabled veterans, certain restrictions on survivors' benefits based on age and marital status.

First of all, I would like to point out that the tabling of this Bill at the beginning of the second session of Parliament testifies to the Government's sustained interest in and commitment to the reform of our pension legislation.

[*English*]

Bill C-24, entitled the Statute Law (Superannuation) Amendment Act, would amend the superannuation plans for federal public servants, members of the armed forces and the RCMP, certain non-career diplomats and Members of Parliament. It would also amend certain provisions of the Pension Act which apply to disabled veterans. Because the Minister of Veterans Affairs (Mr. Merrithew) will speak to the effects of this Bill on veterans' pensions, I will confine my remarks to the changes the Bill proposes for the Public Service plans.

The first change proposed under the Bill would remove the provisions which suspend or terminate a surviving spouse's allowance in the event that the surviving spouse remarries. Removing this provision would confer lifetime entitlement to a survivor's pension on an eligible recipient.

Second, the Bill removes in four of the Public Service plans provisions calling for a reduction in the amount of a surviving spouse's pension when a survivor is 20 or

### *Superannuation*

more years younger than the plan member. Third, the Bill removes the provisions which disentitled the child of a deceased plan member to a student allowance if the student is married after reaching age 18.

A fourth change which has very limited application removes the provision under the RCMP Pension Continuation Act and the Defence Services Pension Continuation Act that a son's entitlement ceases at age 18 whereas an unmarried daughter retains benefits until age 21. The Bill provides that the children's benefits continue until age 21 regardless of marital status.

[*Translation*]

Under these pension plans, some surviving spouses elected, when they remarried, to receive a lump sum instead of having their benefits suspended. Since these benefits will now be reinstated, the lump sums paid will have to be paid back to the pension fund accounts. I can assure Hon. Members that everything will be done to ensure that the reimbursement process is handled with sensitivity and compassion. We would like to see the regulations provide for a reimbursement process similar to that being used now to recover overpayments from other survivors. This means that 10 per cent of the reinstated pension would be collected to pay for the lump sum payment, and there would be no extra charges. However, individuals may opt to increase or decrease this percentage, depending on their financial circumstances.

The Government estimates that about 2,200 surviving spouses will benefit from the elimination of the provision on remarriage which was part of the Public Service plans. The other changes will affect a smaller number of people. There may be as many as 500 surviving spouses receiving reduced benefits on the basis of an age difference of 20 years or more. The Government estimates that the additional benefit payments to be paid annually as a result of these changes will total \$11 million.

Mr. Speaker, I believe all Hon. Members will be pleased to hear that the Bill provides, as of the effective date of the legislation, for the reinstatement of suspended or reduced benefits in the case of individuals who were affected by these provisions. I would like to point out to the House that those responsible for operating the pensions plans in question will make every effort to find every individual whose benefits were