

Senator FLYNN: You might have to deal with it.

Senator ROEBUCK: That is really opting in. I suppose it is on a yearly basis. If he makes \$800 in one year and does not make it the next year, can he go on paying?

Mr. SHEPPARD: He pays each year in respect to the earnings for that year.

Senator CROLL: If there are no further questions, I move the adoption of the bill.

Senator SMITH (*Queens-Shelburne*): Reference was made by Senator Burchill to the eligibility period of three calendar years. Would you clarify whether that means 36 months or 24 months plus one?

Mr. THORSON: If earnings are made which exceeds the basic exemption for the years and a contribution is therefore made and accepted, whether the contribution is made in respect of one month in the year or in respect of each and every month of the year, it is regarded as being a contribution for that calendar year. When the act speaks of the minimum qualifying period, a minimum of three calendar years, it is at least theoretically possible for a person to qualify having made a contribution, say, in December of one year, then a contribution in the next calendar year, and finally a contribution in January of the third year.

Senator GOUIN: Quebec will be out of that pension plan, if I understand the situation?

Dr. WILLARD: Quebec plans to have a comparable plan. It has already set out, in a resolution in the Quebec legislature, the basic essentials that are to be in this legislation. It plans to introduce its plan or to have it come into effect in January 1966 and it plans to have comparable benefits. There is provision under this legislation whereby we can enter into agreements with Quebec or any other province that may take this course, to ensure that the plans are integrated. The effect would be that we have a nation-wide system of pensions, that are portable and comparable, even though some provinces, and in this case the Province of Quebec, may pass their own legislation, administer their own act and have their own pension fund.

Senator GOUIN: Thank you.

Senator McCUTCHEON: As a supplementary question: the Province of Quebec has announced its intention to establish its own plan and initiate this legislation. I am not going to argue the constitutional proprieties of the legislation. Under the terms of this legislation, initially the plans must be comparable. There must be portability. As I recall the evidence that came before the committee, that means comparability of contributions and comparability of benefits. Now, the Province of Quebec having done that—or let us get away from them, and let us say that if the Province of Ontario a year from now, or during two years, gives notice that it is going to operate its own comparable plan, as I recall Mr. Thorson's evidence, that event having taken place, from there on the Province of Quebec or the Province of Ontario is free to alter the contributions or to alter the benefits. Am I right?

Dr. WILLARD: Mr. Thorson can speak, and extend his earlier comments if he wishes. I would add this, however, that once we enter into certain agreements to integrate the federal plan with a provincial plan, these carry with them certain obligations. For instance, we have one agreement whereby any province with a comparable plan will cover the federal civil servants in that province in the provincial plan. These agreements would have to be terminated, and the integration would no longer apply in the way that it has been worked out. So that there is a real advantage, in terms of a nation-wide integrated system of pensions, for the program to hang together, over the long run, quite apart from the legal point which you are bringing out. I will leave the legal question to Mr. Thorson for comment.