

Mr. KNOWLES: I am making it as difficult as I can for you. I am saying that he retires at 55 and during the next 10 years he works for five years but not for the other five.

Mr. CLARK: But we have exactly the same problem in relation to a person—

Mr. KNOWLES: —who does not work at all.

Mr. CLARK: —who was in Quebec until age 55, and moves to Ontario and works there for the period you have indicated. It is exactly the same situation.

Mr. KNOWLES: But how do you solve it?

Mr. CLARK: There is provision for doing it in the Canada Pension Plan. There is a fair amount of calculating involved and I do not know if you really wish to see the calculations.

Mr. KNOWLES: Maybe we could use some paper on it. I think I understand it. The man who retires at 55 knows from the statute what his forces pension is to be, but he does not know at that point what his Canada Pension Plan is going to be. Whether he works or does not work, the calculation at 65 has to take the entire situation into consideration. You have the problem, but it is no problem to the armed forces man who does not work because there will be an offset.

Mr. CLARK: That is right. I am not denying that there is a problem, and that a formula will have to be developed which should be in accordance with these division principles enunciated in the Canada Pension Plan, and which have to be applied to every individual who has had employment for a time in Quebec and for a time in the rest of Canada. We would, of course, be working in co-operation with the Canada Pension Plan administration on this.

Mr. KNOWLES: It is not unlike the difficulty of making rebates to employers. How do you assess the relative contributions? However I am satisfied if your aim is to deduct from the serviceman's pension only that portion of the Canada Pension Plan which he earned while he was in the forces.

Mr. CLARK: That is right.

Mr. CHATTERTON: A member retires from the armed forces and he gets his C.F.S.A. and then eventually he also gets his Canada Pension Plan adjustment. However that person has his C.F.S.A. and then he goes to work and he earns \$900 a year and there is a deduction from his C.F.S.A. accordingly. Do you make it up from the other?

Mr. CLARK: There is a similar provision in the Public Service Superannuation Act and you should consider it in the same light for the same reasons.

Mr. CHATTERTON: But you said that under the Public Service Superannuation Act if you continue to work on you suffer a reduction. My question in this case is after the adjustment takes place and he works and earns \$900 a year, over which amount there is a reduction of 50 cents for every dollar earned, do you make this up on his C.F.S.A. pension?

Mr. CLARK: No.

Mr. WALKER: Mr. Chairman, where a man has earned a certain amount from the Canada Pension Plan he has qualified for some Canada Pension Plan payment. Is it only the portion that comes from that plan which is geared to the cost of living?