

private plan's contribution rate might be reduced by the contribution required under the federal plan, and its benefits might be adjusted accordingly. In other cases, the private plan may remain entirely unchanged, with its benefits augmenting those available from the Canada pension plan.

As an alternative way of adjusting to the Canada plan, a private plan may simply pay the difference between the total retirement benefit it now provides and the benefit provided under the federal plan; the private contribution rates would then be reduced accordingly. Another possibility would be to adopt a benefit formula which makes different adjustments for earnings above and below the Canada pension plan ceiling.

Another approach may be adopted in private plans with early retirement ages. The private plan benefits might be accelerated so as to provide a level combined benefit beginning at, say, age 60. The private plan would thus provide a higher pension between ages 60 and 65 than would normally be provided, offset by a lower-than-normal private pension from age 65 on. The difference would be made up by the Canada pension plan payable at age 65".

Incidentally, we believe that this approach will particularly commend itself to our school teachers across the country who express concern because their retirement age is normally 65.

"The Canada pension plan will NOT take over or absorb reserves that have been built up by private pension plans. The Canada pension plan will NOT remove any rights to benefits already acquired under private plans. The integration of private plans with the public plan will NOT be compulsory."

The question of the integration of existing private pension plans is an important one, and one which has been dealt with successfully in other countries. The officials appearing before the committee will be ready to answer questions about different methods of integration, provincial supervision of the portability and solvency of private pension plans, and the details of integration proposed for public service pension plans. It seems to me that it should be borne in mind that the federal government is the employer in the biggest single pension plan in the country, and the federal government is well aware that its action, with respect to federal civil servants all covered under the same plan, will be watched very closely as an indication in the country of what other large scale employers might be likely to do. You have before you the individuals who have been working out the way in which the Canada pension plan and the public service plan would be integrated.

Some questions have been raised in the house, notably by Mr. Monteith and Mr. Knowles regarding the requirement that a person must reside in Canada the year he applies for old age security. There are one or two things I would like to say about this.

First of all, when the old age security program came into operation in 1952 there was a 20 year residence requirement. This was amended and it is now only 10 years.

Secondly, the act was amended to provide for the payment of pensions outside of Canada to persons who have resided in Canada 25 years after their 21st birthday. This has taken care of the great majority of people who are retired and who are living outside of Canada. The number of persons receiving pensions outside of Canada ranges from a peak of about 9,400 in the wintertime, to a low of about 6,200 in the summertime.