

*Pensions*

the various pensions covered by the Supplementary Retirement Benefits Act. However, there has been a vicious campaign and many people have been taken in by arguments that certain individuals are being favoured as opposed to others. So there is a campaign to do something. This bill is an attempt on the part of the government to answer that criticism, to retain the principle of indexation as applied to the pensions of all those covered by the plans under the aegis of the government, and yet to relate the payments in some way to the figures on the books which correspond to what persons have contributed out of their wages and salaries toward their retirement. In the light of that campaign which has gone on, I think the bill has to be described as one which it would be reasonable for us to accept.

There are some changes I should like to see made and there are some comments I wish to make during the committee stage, but one of the reasons I accept this measure is the suspicion that, if we fail to do so, then down the road we might get something worse. So we had better grab while we can a way of preserving the principle of indexation even if it means a slight reduction of the amount which some of those in the upper reaches of the public service are able to enjoy.

The bill covers three main areas affecting pensions of public servants, armed forces personnel and retired RCMP personnel, but perhaps I might say before going into this aspect that the other provisions in the bill are quite acceptable. I refer to the part of the bill which sets up pension arrangements for air traffic controllers and to the clauses which iron out a few technicalities in the Supplementary Benefits Retirement Act and related pieces of legislation.

Now to get to the three main things which the bill does with regard to pensions covered by the Supplementary Retirement Benefits Act. They are, first, a change with respect to the amount of indexation one gets in the first January of his retirement. Then there is something with respect to those who are able to retire at age 55 after 30 years of service; and then there is the triennial scheme which is at the heart of this proposal.

As far as the change to a monthly or *pro rata* basis for the first pension indexation is concerned, I think this has to be regarded as reasonable. I know that some of the public service organizations which have produced briefs in connection with this bill have objected even to that. I read the briefs closely to see what those objections were. One was along the line that there are shortcomings in the plan as it is because pensions are based on a six-year average instead of three years or less, and that in a time of inflation retiring public servants do not get the amount of pension they should enjoy. In these circumstances it is argued that the ability to retire in October, November or December and benefit from indexation in January makes up for some of the shortfall they have suffered.

For my part, Mr. Speaker, I think it would be far better to correct the mistakes and make changes where the amount of the pension itself is not good enough than to continue with a system which seems to involve a degree of unfairness as between employees who retire at different times during the year. I am certainly prepared to listen to those who want to

argue against such a change, but on the face of it I think it must be said there is some argument in favour of it. The proposal is that persons who retired during the latter part of the year should get indexation in January on a *pro rata* basis in respect of the number of months they have worked in that last years. That seems reasonable.

The second thing this bill does raises some complications. A few years ago a provision was made that if a person was 55 years of age and had 30 years' service he could not only retire but could get immediate indexation. We understand, of course, that people can retire early under other conditions as well. The provision to which I have just referred has been in effect for a few years and there have been some rather notorious cases. I shall not put names on record; some of those names are too well-known. However, a few favoured persons with 30 years' service have been able to retire, get immediate indexation and then go straight off to other jobs.

It is to correct this abuse that the government has decided that from now on indexation will begin only at age 60. Even that statement has to be qualified. Persons already getting indexation at an earlier age will continue to receive it and people who would be getting it during the next year or so will be covered by a notch formula. It is still true, and will be true, that persons retired for medical reasons will receive indexation right away, as will widows of pensioners even though the person getting the pension is under 60. Nevertheless, public servants generally will not have the right which a few already enjoy. There were abuses there and it is not unreasonable for the government to take account of them and to correct them.

At the time we brought in this provision for retirement at age 55 after 30 years of service I had a good deal to say about the position of retired members of the RCMP and the Canadian armed forces. Though the same rule applied to them, many retired personnel from these two groups had not completed 30 years of service; retirement in their case was not voluntary, they were under contracts which made it necessary for them to retire, some of them as young as 49 or 50. So there was no possibility of their getting indexation until they had reached the age of 60.

● (1550)

I have argued for several years now that, it having been made possible for some top public servants to get indexation at 55, at least we ought to make the same thing possible for retiring RCMP and CAF personnel, especially if they are retiring involuntarily or because of the nature of their contract. I suppose there will be some hon. members opposite who will say that now that we have taken away the right of top public servants to retire at 55 and get immediate indexation, that ends the argument about RCMP and Canadian armed forces personnel.

I do not think it ends the argument at all. I think it still stands, and one of the things I want to look very hard at when we get into committee on the bill is this whole business with respect to persons who I think have a claim to early indexation. Let us not in the process of getting rid of one abuse create