

DISABLED SURVIVORS RECOMMENDATIONS OF THE STANDING COMMITTEE

The Consultation Paper rightly argues in favour of provisions which will eliminate discrimination, thus spouses' benefits would be provided without reference to age, family status or disability. The elimination of the reduction in benefits for survivors under age 45 is an example of one such change. The Committee is concerned, however, that the elimination of reference to disability may create deep financial hardship for some disabled Canadians.

If the Committee's recommendations are accepted (recommendations 1 & 4), the elimination of special treatment for disabled survivors may adversely affect those disabled survivors of pre-retirement age. For survivors in this age group who are totally disabled, the disability may well markedly reduce or prevent entry into the labour force. The provision of a temporary bridging benefit to assist in labour force entry would, therefore, not be appropriate.

According to the Canadian Institute of Actuaries:

Something else that does not appear to us to make much sense is paying a disabled survivor a pension which reduces in part after three years. While this in non-discriminatory, it certainly does not seem logical because we can hardly expect disabled survivors to return to the work force, especially when we remember that the CPP definition of disability is a pretty strict definition. We would submit that an actuarially equivalent continuing level pension would meet real needs of the disabled in a much better manner...

The Committee believes the question of appropriate pension benefits for totally disabled pre-retirement age survivors requires further reform. One possible option may be to offer survivors who are disabled under the terms of the Canada Pension Plan the choice of receiving either the benefits for non-disabled survivors or treatment as though retired, i.e. 60% of the deceased spouse's earned pension.

7. The Standing Committee recommends:

that the Minister of National Health and Welfare continue to consult with the provinces in order to develop pension reform proposals to provide appropriate pension benefits for disabled survivors.