

Mr. CLARK: Yes. That is why we call it an offset approach in that initial year. But in the succeeding years, depending on escalating factors under the Canada Pension Plan, the portion would be subject to automatic escalation.

Mr. CHATTERTON: The deduction would then be equivalent to the increase which by way of escalation would also be deducted?

Mr. CLARK: No. That factor and the additional survivors' benefits would, I think, be the main considerations in doing anything at all on this plan. As you may recall from the parliamentary committee of the Canada Pension Plan at that stage, we had not devised an acceptable approach.

Mr. CHATTERTON: May I ask do the same principles apply to the amendments to the other acts?

Mr. CLARK: This applies also to consideration of the R.C.M.P. Superannuation Act, but different considerations come into the acts mentioned later in the bill.

Mr. KNOWLES: One of the main differences between this and the present Public Service Superannuation Act is that the offset is exactly the same amount, but there is no need for any clause that says you get it in the way of a make-up.

Mr. CLARK: There is such a clause—no, I am sorry, you are right.

Mr. KNOWLES: There is no need to apologize. Now, may I ask this? What happens in the case of a retired member of the forces who after his retirement from the forces worked at something else during the course of which he increased his Canada Pension Plan benefit at age 65? How do you calculate what portion of the Canada Pension Plan is deductible from his forces pension?

Mr. CLARK: This provision in each bill is left to the regulations. We had in mind, however, an approach similar to that which is contemplated under the Canada Pension Plan where you have to make such distributions in the case of a person who has been in employment in the Province of Quebec, say, and subsequently in the Province of Ontario. You have to make a split of his pension. The records are set up in such a way that such a determination can be made, and the same sort of approach would be followed here. Mind you, there will have to be some special provision in relation to the drop-out periods, and technical features like that. But that is the general order of the approach.

Mr. KNOWLES: I take it your aim is to see that only that portion of the retired serviceman's pension that was earned in the forces would be deducted?

Mr. CLARK: That's right.

Mr. KNOWLES: There are also some knotty problems posed by a transfer from the Canada to the Quebec Pension Plan. There is also the problem if a man retires at 55—or let us say two men retire at 55, and one man works for 10 years and another works only part of the time—this affects his total Canada Pension Plan calculation. How do you decide what portion of that Canada Pension Plan that he finally gets is the portion attributable to the time he was in the forces?

Mr. CLARK: This is a case where he does not work anywhere else after he retires?