

Government Orders

Similarly, women with young families will be among the plan members most likely to take advantage of the bill's proposals with regard to paying back pension contributions for periods of leave without pay.

Current provisions can impose financial hardships which the bill would alleviate by allowing plan members to elect not to count periods of leave without pay in excess of three months. Later on the plan member could choose to count such periods and pay for them over a more extended elective service period.

The bill's proposal to establish an early retirement program for the operational employees of the Correctional Service of Canada would honour a long-standing commitment of this government and of previous governments.

I believe that all hon. members will support this initiative which would provide those individuals who work in the highly stressful environment of the various correctional institutions and associated programs of this country with the flexibility and financial resources to move on from that environment after a reasonable period of service. Such a program would contribute to the general public's security by ensuring that the corrections work force continues to be effective.

I am particularly pleased that the bill proposes improvements to the life insurance plans, known as the supplementary death benefits plans provided by the Public Service Superannuation Act and the Canadian Forces Superannuation Act. Coverage would be doubled from one year's salary to twice the salary of the participant and the paid-up benefit—that is the benefit on which no participant contributions are required and the only benefit remaining after age 70—would increase from \$500 to \$5,000.

These improved benefits would be funded solely from the reserves in the death benefit account. There would be no extra cost to either the plan participants or to the taxpayers.

Most of the improvements in the pension plans I have mentioned so far have an important bearing on family financial planning. One of the new statutes that would be enacted by Bill C-55 would also assist in this area. I am speaking of the Pension Benefits Division Act which would allow benefits accrued under federal pension plans to be recognized as family assets that could be subject to a division on marital breakdown.

In most provincial jurisdictions and under the federal Pension Benefits Standards Act, plan sponsors are required to honour court orders for separation agreements that specify such a division. Up until now there has been no mechanism under the federal plan to permit what is commonly referred to as credit splitting.

The Pension Benefits Division Act would, subject to provisions of a court order or spousal agreement, permit a lump sum of up to 50 per cent of the value of the pension benefits accrued during this specific period to be transferred to a retirement savings vehicle for the legal or common law spouse. The plan member's pension benefits would then be adjusted accordingly. I believe that the Pension Benefits Division Act and regulations once enacted should provide valuable assistance to couples who are endeavouring to arrive at a fair and satisfactory property settlement.

One other improvement which responds to requests made over the years by retired Public Service employees, members of the Canadian Armed Forces and members of the RCMP is the opportunity afforded by Bill C-55 for pensioners under all the plans to provide survivor benefit coverage for a spouse married after retirement or after age 60 in the case of the Canadian Armed Forces and the RCMP.

This elective opportunity would be accompanied by an actuarial adjustment to the plan member's own pension, an adjustment made necessary by the need to maintain the actuarial soundness of the pension plans and in keeping with the principle that the liabilities of pension funds are normally not extended to cover individuals who become family members after the plan member has retired.

I would also like to remind hon. members that the bill contains two provisions that would affect members of the Canadian forces and the RCMP only. One is the extension of the pension coverage to full-time members of the reserve force who left the regular forces without entitlement to a pension; the other is the standardization of age and service requirements under the RCMP Superannuation Act for voluntary retirement of officers with the requirements for other ranks.

I would not wish to go further without mentioning Bill C-55's proposals, which would apply to all the pension plans for the full funding of the plan member's benefits as they are earned. This means that the credits made to the various pension accounts, representing employer and plan members' contributions together with interest earn-