

job creation with the agreement of the employees. However, I am opposed to an employer unilaterally grabbing the money for purposes for which it was not intended without discussion and without seeking the agreement of the people who have a vested interest in that pension fund. I believe that that is absolutely wrong and I do not think even my good friend, the Hon. Member for Scarborough West (Mr. Stackhouse), would disagree with that.

**Mr. Stackhouse:** I don't disagree at all.

**Mr. Young:** The other problem I have with the Bill is another departure from that which was promised in the budget papers and that is the treatment of part-time workers and their eligibility to participate in private pension plans as covered by Bill C-90. The budget papers seemed to indicate that part-time employees would now be covered by private pension plans. After reading the legislation, I am not as enthusiastic or optimistic as the Minister of State for Finance (Mrs. McDougall) seemed to be that that will in fact happen. I will not go through the complicated formulation used in the Bill, but in essence, the Bill indicates that if a part-time employee earns more than \$8,000 per year, he will be eligible to participate in a private pension plan.

The latest figures I have on the earnings of part-time employees are out of date, but considering what has happened to the economy and, as I understand it, what has happened to part-time workers, I think the figures I am going to use are probably not too far off. In 1981, 72.3 per cent of part-time workers had incomes under \$5,000; 19.5 per cent had incomes between \$5,000 and \$10,000; and only 8 per cent had incomes of over \$10,000. As the Hon. Member for Sudbury (Mr. Frith) pointed out earlier, 72 per cent of all part-time workers are women, 40 per cent of part-time workers work less than 15 hours per week and 33 per cent of part-time jobs lasted for less than a full year. If these figures still hold true, and I would hope someone could present figures that are different, I can see that an awful lot of part-time workers will not be eligible to participate in private pension plans because their incomes are too low. I think that that is unfortunate.

● (1640)

Another point I wish to address is with respect to the vesting provisions in the Bill. As I read the budget papers last May, and I have reread them since, I am of the impression that an employee would be eligible for vesting after two years of service. However, if one takes a close look at the Bill before us, one will see that it does not say that. What it says is that the employee will have a vested pension two years after enrolling in the plan. That is totally different from full vesting after two years of employment because, under most plans, an employee is required to work for an employer for one full year before he or she becomes eligible to enrol in the pension plan. Many other plans require that the employee be employed for two full years before he or she can join the pension plan and have a right to the contributions made, which is otherwise known as vesting.

#### *Pension Benefits Standards Act, 1985*

With respect to the scenario I envision under the Bill, we are not talking about two years vesting as an employee but really a minimum of three years of employment before becoming eligible for full vesting or, in some cases, even four years. Also, if an employer elects to change this provision under the pension plan, it would totally destroy the principles about which this Bill speaks. It is not inconceivable that an employer could do that because most pension plans are not subject to arbitration under grievance procedures. If, after x years of employment an employer chose to say: "I don't like this full vesting stuff", what he could do is up the period of time whereby one could enter into the plan. This is something which could be avoided. I had hoped that the Bill would have made it more difficult for an employer to do that.

What happens to an employee once he or she leaves the pension plan? If an employee withdraws his or her contributions to the pension plan, then what the budget papers spoke about was the employee being entitled to a rate of return on the contributions equal to what one could expect to receive on a non-chequing savings account. I was not too happy with that provision; and it was also removed from the Bill. What the Bill says is that whoever supervises pension funds will have the right under the Bill to establish what a reasonable rate of return on the contributions will be. That is also somewhat of a disappointment to me since, under many pension plans today, an employee is fortunate if he or she receives a 4 per cent return on contributions made over the years into the pension plan. Even though the provisions in the Budget were not satisfactory, they were better than what is contained in the Bill before us.

I would much rather have seen a proposal which suggested that the rate of return be the same as that on treasury bills. At least in that case there would have been a standard application. However, that is removed. The Bill says that it will now be up to the head honcho in charge of these pension plans and no guarantee will be provided. I would have preferred to see some equitable rate of return guaranteed to the employee. As I understand it, that will not now happen. I see some Members opposite shaking their heads. I will wait and listen with interest to what they have to say on the subject. I wait to be educated on the point. I have gone through the Bill with a fine-tooth comb and that is what it seems to say to me. I certainly hope I am wrong in this respect, since it would pay a disservice to employees who have withdrawn contributions made to a pension plan to be treated less equally than they may be at the present time.

The Government also seems to have back-tracked from its budget promise with respect to pension splitting on marriage breakdown. It did not go as far as I would have liked to see it go. I have argued in the past that pension splitting on marriage breakdown should be mandatory. The Government seemed to indicate that it saw some merit in my argument. However, when it presented the Budget it backtracked from the point. The Government is now saying in this Bill that pension credit splitting should be based on provincial property laws. That satisfies nothing. One of the major problems on marriage