

Pensions

The proposal of counting extra days for each leap year served is not without its problems. It would create complaints from people under other pension provisions. A calendar year includes the number of days in the period commencing January 1 and ending December 31. Everyone lives and works through the same number of days whether it happens to be 365 or 366. To make a special provision to count an extra day for those who did not complete the full calendar year would not be fair to those who did complete the full calendar year. Moreover, by implementing this scheme, all that would be achieved is removing one group that is now one, two or three days short of qualifying under the Supplementary Retirement Benefits Act and creating another group one, two or three days short.

There is no loss of the compounding of the indexing factor in any case. When a person becomes eligible for indexing, the indexing factor applied is the compounded indexing from the year of retirement. This can be illustrated quite easily. For example, take a person who retired in 1973 and who becomes eligible for indexing in 1978. The consumer price index which has been applied during the period is as follows: January 1, 1974, 6.7 per cent; January 1, 1975, 10.1 per cent; January 1, 1976, 11.3 per cent; January 1, 1977, 8.6 per cent; January 1, 1978, 7.2 per cent; for a simple total of 43.9 per cent. While the simple total of the indexing factor is 43.9 per cent, the indexing factor actually applied is the compounded indexing factor of 52.2 per cent.

● (1730)

The Department of National Defence contends that as the Supplementary Retirement Benefits Act provided for benefits to those already retired, these annuitants received a benefit they could not have anticipated. There is no loss of withholding of a benefit involved in these cases. Rather, there is an entitlement to a new benefit within the provisions of the legislation passed by parliament.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to contribute to this debate because I too have a constituent who finds himself in this anomalous, difficult position of having served for 27 years and 364 days and finding therefore that the application for indexing to his pension has been delayed by the extra year, although he is in default by only one day. It does strike me as being more than strange that this should have occurred in such a large number of instances.

The particular person who brought this to my attention is a Major Lloyd Fox whose regimental number is 612104307, retired in 1971. Prior to his retirement, since there was a certain flexibility allowed to him which was made known to him under the DROs of February 5, 1969, published in routine orders at Cold Lake, Alberta, where he was then serving, in paragraph 19 on the whole business of terminal leave, people are asked to bring it to the attention of the orderly room with sufficient notice so that the calculations can be made.

It is not just a coincidence, it is a fortunate coincidence that Major Fox retained this particular order because on it he made the calculation which he and the orderly room clerk had

[Mr. Hopkins.]

made to decide when he should go off on leave so as to determine the actual 28 years that he had planned, and was within his rights to plan, for his retirement. On that particular page of the routine orders of February 5, 1969, are the calculations that were made by Major Fox and the orderly room clerk of the day. They decided between them, having looked at the man's record, that there would be 149 days of rehabilitation leave, 30 days of annual leave, and 30 days of special leave, to which he would be entitled. Calculating back from that, it would mean that his leave should start on August 15, 1970, and the final date of his service, after having exhausted these leave entitlements, would be March 11, 1971.

Those figures appear quite clearly, not just August 15, 1970, but the final date of March 11, 1971, and it is ringed. All the little calculations that were made at the time by the member of the force, Major Fox, and the orderly room clerk, are here.

When the leave authorization was drawn up, two changes were made in the typing which are absolutely unaccountable, unless one were to look perhaps at the Saturdays and Sundays that might have intervened. But the calculations that Major Fox made on this form brought it to an exact figure of 28 years, which is a simple calculation and which would have entitled him, at the age of 57, because of the application of the 85 formula to members of the armed services, to receive the indexation. However, the change was made from March 11 as the final date to March 10. There was no explanation at all as to why that change was made, and while this leave authorization was approved by the captain—presumably he must have been the adjutant at the time—there was no indication that Major Fox himself had to sign the document. He must have seen it because he probably went off the base with it in his pocket, but there is no undertaking, so far as I can see, on the copy of the document I have that he went through it with a fine tooth comb and detected at the time these discrepancies between the calculations he made and the dates that were eventually used.

I notice that my friend, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), has suggested that we might be able to introduce that lost day or that gained day in leap-year into the calculations in order to make up that day for those who are short by one, two or three days but who have served either four, eight or 12 years and would therefore have gained an extra day because of the leap year. That is a device that might have been used, and the hon. member for Renfrew North-Nipissing East (Mr. Hopkins) made quite a case for it being impossible to use this particular formula. But it is not that which worries me in this case; it is the fact that there were dates, presumably agreed upon on one day and then which appeared on the standard form of leave authorization granted to Major Fox a few days later. Those little errors, and they must have been errors, appear. The calculation was made that it would amount to exactly 28 years of service, but then it turns out to be one day short.

It was a couple of years later, so far as I know, that Major Fox raised this matter with the Department of National Defence because of the pension aspect. He exchanged several