

private pension plans. I should like to quote from the 1964 white paper on the Canada Pension Plan as follows:

The plan is comprehensive in the sense of covering as many people as is practicable. It is not intended to provide all the retirement income or survivors' income which many Canadians wish to have. This is a matter of individual choice and, in the government's view, should properly be left to personal savings and to private pension plans... The purpose of the Canada Pension Plan is to make reasonable minimum levels of income available at normal retirement ages, and to people who become disabled, and to the dependants of people who die. There will be scope for the continuation and extension of private pension plans to provide benefits over these minimum levels.

● (1710)

The Special Joint Committee of the Senate and the House of Commons produced a similar statement, and again I quote:

There should be scope for further benefits under private pension plans for those in a position to afford them...

In April, 1974, the Minister of National Health and Welfare (Mr. Lalonde) presented a discussion paper to the Standing Committee on Health and Social Services, which included the following statement on the Canada Pension Plan:

(The plan) was conceived and structured as an important segment of a broad income maintenance system involving both the public and private sectors. It was assumed that the needs of the retired, generally, would continue to be met by the Old Age Security program, and that this program would continue to apply universally to wage earners and non-wage earners alike. It was also assumed that private pension and insurance holdings would continue to exist, and provide income protection for large numbers of Canadians who could afford to buy this protection and chose to do so. At the same time, however, it was concluded that there was a need for a public, universal, contributory plan, related to the amount of earnings, to provide a basic level of income protection in the event of retirement, disability or death.

The design of the Canada Pension Plan then as one tier of a three-tier public and private system—which, therefore, implies an important but limited role for the plan—has not changed since its inception.

Moreover, the thrust toward providing basic levels of income protection to wage earners on a universal basis has influenced the plan towards meeting common demonstrable needs, and this places limitations on any tailoring of the plan to meet the needs of particular individuals or groups.

One might also say that the orientation of the plan toward broadly accepted income security needs facilitates public acceptance of the plan's financial arrangements which can involve significant subsidizing of one group of contributors by another.

It was understood when the Canada Pension Plan was established, that the plan would not fully meet the needs of specific individuals or groups of individuals. The year's maximum pensionable earnings (YMPE)—the employment earnings on which contributions are made—was established at \$5,000 in 1966, is \$6,600 in 1974, and will be at \$7,400 in 1975. Clearly a large number of Canadians now have yearly earnings in excess of \$6,600 on which they are not permitted to contribute to the Canada Pension Plan. These extra earnings can be protected through private pension plans.

It was expected, and is still expected, that any custom fitting needed in the pension area would be carried out by

Nurses' Retirement Age

private pension plans or through other private arrangements made by contributors. Nurses, whether men or women, whether registered nurses or registered nursing assistants, generally work in situations where pension plans, other than the Canada Pension Plan, are available to them and to which management contributes.

For example, a table published by the Ontario College of Nurses for 1972 showed 75.1 per cent of employed registered nurses to be employed in hospitals where they would normally be covered by the Ontario Government plan. Nursing educators have access to the pension plan of the university or other educational institution where they are employed, and public health nurses have access to the pension plan of the municipality or other authority employing them. Only the small numbers in private nursing—2.3 per cent in Ontario in 1972—or in physician's or dentist's offices—3.8 per cent in Ontario in 1972—may be without a pension plan to which the employer contributes.

Women registered nurses often have a short work history before marriage and child rearing. When they return to work after their children are grown, they tend to increase their education—the diploma nurse in particular, often takes a baccalaureate. In Ontario the aim now is to have 20 per cent university educated nurses to 50 per cent diploma nurses and 30 per cent nursing assistants. [These figures are taken from the Report on the Activities of the Ontario Council of Health, published in 1969.]

There is also a small but steadily increasing number of nurses who take masters degrees, or doctorates in nursing, and these are sometimes mature women returning to education and employment.

Registered nursing assistants, too, are often mature women who take their training when their children are at school or grown. The life experience of the mature nurse often brings a particular richness and depth of understanding to the care she provides. However, the delayed re-entry, sometimes further delayed because of further education, certainly means that a woman nurse may have had limited opportunity to build up pension credits.

The Canada Pension Plan has to date required coverage and contributions of a universal nature that are tied directly to the earnings of the participant. Benefits also are tied to earnings, but not directly. One of the special provisions of the plan is the "dropout" feature, a feature available to all contributors after 1976 who have had ten or more possible years of contributions. This provision permits contributors to ignore years of low or no earnings when their benefits are calculated, and so enables them to increase the size of their benefits. For example, after 1976 contributors can qualify for full retirement pensions by contributing to the plan for only 85 per cent of the time between 1966 and their 65th birthday. This means that the wage earner who was 50 years of age in 1966 can qualify for a full Canada Pension Plan retirement pension after contributing to the plan for only 12¾ years.

The Canada Pension Plan has an updating of earnings procedure which is also beneficial to the participant who retires at age 60. For example, the maximum earnings on which a person could contribute in 1966 was \$5,000. Through the updating process, those earnings of \$5,000 in 1966 will be credited to the contributor as \$5,900 in 1974. And any retirement pension beginning in 1974 will be