

Mr. CLARK: If the employee authorized it. His application would contain a statement authorizing the administration of the Canada Pension Plan to release the information.

Mr. KNOWLES: What happens in the case of an employee who does not realize what is happening to him and does not make the application until somebody calls his attention to it a year or so later? I have in mind particularly the phrase at the bottom of page 12 and the top of page 13 of the bill, that it is increased by the amount of the difference effective from such day as determined in accordance with the regulations. Should it not be effective from the day at which the difference to his disadvantage would be effective?

Mr. CLARK: That could well be the day that is fixed in the regulations.

Mr. KNOWLES: Why should we leave that to the regulations, should it not be a matter of right established in the statute? Take the case of a postal worker retired at 62—and it strikes me this could happen in the next little while. He gets his full pension under the Superannuation Act. Three years later he reaches 65 and his superannuation is reduced according to this formula, but this particular postal worker does not work in the meantime. He has had three years of no contributions to the Canada Pension Plan, and he has only one or two years. So the amount of the Canada Pension Plan benefit he gets at 65 will be less than the reduction that will take place in his superannuation. Surely it should be automatic that the cheque that makes up the difference would be effective to the day of reduction?

Mr. CLARK: One factor that I think could be relevant to that point, Mr. Knowles, is that if this retired employee were employed elsewhere, if he left the civil service—this happens particularly in the case of those retired at 60, they find employment elsewhere and they contribute to the Canada Pension Plan. The Canada Pension Plan of course provides that if employment continues beyond 65 up to 70, or even 67, say, that there will be either the complete ineligibility for Canada Pension benefit, or, if he has already started to receive it, there could be a reduction in it. It was, perhaps, the uncertainty as to all the sets of circumstances that would arise under those conditions which led us to suggest a flexible provision, leaving it to the regulations, where you can be sure that the fairest approach would be taken.

Mr. KNOWLES: I think you are making a good case for what I said earlier, the application being necessary. However, with respect, I do not think you are doing so well on this point. It seems to me that entitlement ought to be without question that if this employee at 65 is found then or a year or two later to have been getting a total pension less than he would have got, that after he applies for it the entitlement back to age 65 should be automatic—I mean, it should be as of right, not subject to the vagaries of regulations.

Dr. DAVIDSON: Mr. Chairman, if Mr. Knowles means that the retroactivity of whatever he should be entitled to, taking into account the variety of circumstances Mr. Clark had indicated, or if Mr. Knowles is suggesting that retroactivity should be automatic, I think there would be no quarrel with that. This says that the person would be entitled, as a makeup, to the amount to which he would be entitled under this act if no deduction were made under (1a). But circumstances under which no deduction is being made might include