

Canada Pension Plan

on page 578 of the report of the proceedings of the joint committee. The Minister of Finance, when he introduces amendments to the public service superannuation plan legislation, will give the full details of the adjustments provided for in that legislation; but it did seem to me, after looking over what I said on Friday, that I had left a wrong impression with the committee, for which I apologize.

Mr. Chatterton: I take it from what the minister says that the disability benefits under the Public Service Superannuation Act will be integrated with the C.P.P. disability pension?

Miss LaMarsh: Yes, but not the other survivors' benefits.

Mr. Chatterton: The minister could not give us any details as to how this is approached? Has she any kind of formula as yet?

Miss LaMarsh: In exactly the same way as the retirement pension.

Mr. Chatterton: In the case of the retirement pension, in the first place any pension entitlement which a civil servant has up to January 1, 1966 remains exactly the same under the Public Service Superannuation Act. From there on his earnings up to \$5,000 are calculated at 1.3 per cent, and earnings over \$5,000 at the usual 2 per cent. How does that affect the disability pension? I cannot quite figure it out.

Miss LaMarsh: With respect to the retirement benefit, that is equal to 2 per cent of the contributor's average salary for his six best consecutive years multiplied by the number of years service up to a maximum of 35. He may take his full pension at age 60. His retirement pension under the superannuation plan will be integrated with the retirement benefit under the C.P.P. in the following way. One part of superannuation plan pension will be calculated at the rate of 1.3 per cent instead of 2 per cent, as the hon. member says, that part being the portion of the contributor's salary below the ceiling of the Canada pension plan. This will be done for each year of service after the Canada pension plan commences. The other part of the superannuation pension is based on salary over and above the earnings ceiling of the Canada pension plan and will be calculated at present at the rate of 2 per cent of earnings for each year of service.

With respect to disability benefits, if a contributor has to retire before age 60 owing to

[Miss LaMarsh.]

disability, he may choose a superannuation pension calculated in the same way as his retirement pension, namely, 2 per cent for each year of service multiplied by his average salary over the best six consecutive years.

With respect to the integration of disability pensions, the parliamentary secretary to the Minister of Finance made the following statement on November 18 last, as reported at page 10235:

The method by which the superannuation pension benefits are calculated in the case of ordinary retirement would be applied immediately in the case of a disability retirement where the disabled person was entitled to disability benefits both under the Canada pension plan and the Public Service Superannuation Act. In other words, a person becoming disabled would be dealt with in the same manner as a person reaching age 65.

I hope that answers my hon. friend.

Mr. Chatterton: I fully understand the calculation of the retirement pension under the two plans. Let us say that a civil servant had had 30 years service, and then became disabled. He can claim his P.S.S.A. pension at 60 per cent of his average best six years salary. Let us say he contributed five years to the Canada pension plan before becoming disabled. Does this person draw 75 per cent of his average earnings over the five years he contributed to the Canada pension plan plus the flat rate of \$25 in addition to 60 per cent of his Public Service Superannuation Act pension? That is what I am not clear about.

Miss LaMarsh: He gets the full amount of the Canada pension plan, but it is the benefit under the P.S.S.A. that is reduced, just as the retirement benefit.

Mr. Knowles: I wonder whether any calculation has been made as to how much money the provinces will be saved by the tendency for disabled persons to come under the provisions of the disability sections of this legislation and also under old age security at age 65. I might ask whether my premise is correct, that there will be a saving to the provinces, and if so whether there has been any calculation as to what the amount might be.

Miss LaMarsh: There will be some figures on this when we come to old age security; but by virtue of the fact that it will be five years before disability pensions can come into effect there will likely be some changes to the legislation and no calculations have yet been made.