

from being able to contribute in respect of the time they were off work and could not count it as pensionable service.

There is a clause in the Canadian Forces Superannuation Act amendments which takes care of the provisions that have been the subject of representations by retired members of the armed forces now employed in the Public Service with respect to deletion of section 17 (2) of the Canadian Forces Superannuation Act.

There are amendments arising from the criticism voiced by the Auditor General on a number of technical points that have arisen in the course of his examination of the public service superannuation accounts from time to time. These can best be dealt with when we come to the consideration section by section of the bill now before us.

The CO-CHAIRMAN (*Mr. Richard*): Mr. Chatterton.

Mr. CHATTERTON: In approaching the whole question of integrating the P.S.S.A. with C.P.P., the P.S.S.A. operates on a funded basis. Was that feature of the P.S.S.A. retained there to proceed primarily with the principle that that feature of P.S.S.A. will be retained? Will there be a different expectancy with regard to demands on P.S.S.A. than before?

Dr. DAVIDSON: The principle of funding is being retained by the Public Service Superannuation Act to exactly the same extent as has been the principle of the legislation before. In extracting, if I may use that expression, the segment of the contributions that relates to the contributions payable under the Canada Pension Plan—in extracting that segment of contributions, we have endeavoured to ensure that the segment of benefits extracted at the same time as benefits could become payable under the Canada Pension Plan balances off exactly against the contributions extracted so that there is no disturbance of the actuarial balance of the P.S.S.A.

The CO-CHAIRMAN (*Mr. Richard*): Mr. Bell.

Mr. BELL (*Carleton*): Could I ask Mr. Clark if he could indicate the impact on the individual civil servant? I think I am correct that no one will be less favourably situated as a result of the integration. Could Mr. Clark tell us under what circumstances civil servants will be more favourably situated so far as future superannuation under the Canada Pension Plan is concerned?

Mr. Hart Clark, Director, Pension and Social Insurance Division, Department of Finance: Mr. Bell, until the Canada Pension Plan benefits become payable to the civil servants who have contributed since the 1st of January of this year there will be no change in the benefits payable under the Public Service Superannuation Act. However once the Canada Pension Plan benefits become payable it would be a probable result that the combination of the benefits of that plan and those payable under this amended plan will be higher than the benefits payable had the P.S.S.A. remained unchanged. The tables which I can distribute whenever it is deemed appropriate will give examples of this, and in the case of career civil servants the effect of the Canada Pension Plan is to give what you might call a maximum gain in this regard for a person who has, say, 10 years to go until retiring at the age of 65. This is an inherent feature of the Canada Pension Plan itself.