

Supply—Finance

Mr. Fleming (Eglinton): This may be a good note on which to seek a little dinner.

The Deputy Chairman: I understand the committee will resume at seven o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Chairman: Shall vote 107 carry?

Item agreed to.

120. Government's contributions to pension plan (and death benefit plans) for employees engaged locally outside Canada who are excluded from the Public Service Superannuation Act, \$100,000.

Mr. McIlraith: There is one matter I wish to raise and I believe this is the correct item on which to raise it. It has to do with the group surgical-medical insurance plan for civil servants and superannuated civil servants.

Mr. Fleming (Eglinton): I think that is item 124.

Item agreed to.

124. Government's share of medical-surgical insurance premiums, determined on such bases and paid in respect of such persons (and their dependents), as the governor in council prescribes, who hold offices or positions or perform services the remuneration for which is payable out of the consolidated revenue fund or by an agent of Her Majesty, or who are contributors as defined in the Public Service Superannuation Act, or who are members of the Canadian forces or the Royal Canadian Mounted Police, \$8,250,000.

Mr. McIlraith: Mr. Chairman, the point on which I want some clarification has to do with the group surgical-medical insurance plan and the action of the government in the spring of this year when certain changes were made in that plan. The point with which I am concerned is a rather narrow and specific one. It would appear from information I have been able to obtain that the benefits so far as retired civil servants are concerned have been cut down under the rearranged plan and the premiums payable by such people have been increased.

I would draw the attention of the minister to the answer given to question No. 363 in which is set out in some detail the premium rates charged to civil servants in the various categories and the premium rates charged superannuated civil servants in the various categories and then the comparable benefits. The point with which I am concerned is this. It would appear on the face of it at least as if this change involves superannuated civil servants in having to pay a substantially

increased premium while at the same time receiving a more limited benefit. In a concise way, that is the point with which I am concerned.

It will be seen from the answer, for instance, that a single employee pays a premium of \$1.35 per month while a superannuated civil servant pays a premium of \$3.40 and the benefits of the superannuated civil servant are much narrower than the benefits of the active civil servant. As I understand the matter, formerly under the direct plans the premiums were practically the same. Can the minister explain this matter to the house?

Mr. Fleming (Eglinton): Mr. Chairman, the plan that was worked out was one requested by the national joint council and was the outcome of discussion in that council and negotiations with the council extending over a very long period of time. We have worked out the best deal that we could possibly work out both for civil servants and their dependents and the dependents of the armed forces and dependents of the Royal Canadian Mounted Police on the one hand and former civil servants on the other hand. The plan was put out to tender. We invited tenders from any companies qualified to do this type of business in Canada provided they were in a position to do it on a nation-wide basis.

Superannuated civil servants, of course, do not obtain the benefit of the government contribution in respect of their adherence to the plan. They pay their own premiums. The fact that the benefits accorded to superannuated civil servants are not as wide and valuable in their effect as those accorded to civil servants or the dependents I have mentioned is, as I understand it, simply a matter of age.

This is the sort of consideration that insurers are bound to take into consideration in connection with the benefits they provide for any such group. Naturally the insurance rates on persons of a more advanced age are much higher ordinarily, in this type of insurance, than for persons who are younger or are in the prime of life. As I understand it, that is the entire reason why we have today a difference in benefits as between the civil servants on the one hand and superannuated civil servants on the other.

Mr. McIlraith: There have been a great many letters written on this subject, and I am sure the minister has received some, complaining about the situation. There was one letter published in the *Ottawa Journal* of April 12. I will not read the letter but I should like to point out that there has been an additional charge put on the superannuated civil servants by this change which