

APPENDIX "B"

(See p. 78)

SPECIAL SENATE COMMITTEE ON RETIREMENT AGE POLICIES

RECOMMENDATIONS

Part I

Retirement

The specific recommendations of the committee are:

1. that the progressive abolition of mandatory retirement based on age become a general policy
 - (a) by amendments to the rules governing public servants and employees of companies under the jurisdiction of the federal government;
 - (b) by similar action with respect to provincial and municipal public servants;
2. that the mandatory age of retirement be increased one year at a time for five years by amending pension plans or retirement rules or conventions and that at the end of five years the concept of mandatory retirement at a particular age be abandoned completely;
3. that all human rights legislation be reviewed to eliminate any loopholes which permit age discrimination because of employee benefit and similar plans;
4. that a policy of flexible retirement become the standard for both public and private enterprises;
5. that amendments to both federal and provincial human rights legislation be sought at the earliest opportunity to minimize the possibility of discrimination based on age.

Part II

Demographic Trends

In this area the recommendations of the committee are:

1. that, in view of the major institutional changes which will result from the explosive growth of those aged 65 and over early in the twenty-first century, planning be undertaken well in advance at every level of government to anticipate the problems of change;
2. that an essential element of this planning should be to ensure that the savings realized in such areas as education because of a declining younger dependent population be used to offset the increased public expenditures devoted to the older dependent population;
3. that appropriate administrative agencies be expanded at the federal, provincial and municipal levels to plan and co-ordinate the programs needed to meet the increased social and institutional demands of the aging population in transportation, homemaking services, housing and nursing homes and other areas of concern to the elderly.

Part III

The Income of the Elderly

The recommendations of the committee are:

1. that for all those 65 and over no action should be taken to diminish the rights and benefits they now enjoy;
2. that, in view of the inadequacies of the private pension system in Canada, contributions under the Canada/Quebec Pension Plan be increased to 8 per cent, one-half to be contributed by the employer and one-half by the employee and the full 8 per cent to be contributed by the self-employed instead of the current aggregate level of 3.6 per cent. This recommendation involves an increase in the total contributions of 2.2 per cent annually for two years. This would mean that employers and employees each would contribute an additional 1.1 per cent per year until the total difference of 4.4 per cent is made up;
3. that employees be permitted to purchase pension entitlement at the new higher level by paying both the employer's and the employee's share for any desired period prior to the introduction of the higher contribution rates, but not to begin earlier than January 1, 1966, provided the employee earned above the required minimum for any prior year to be included;
4. that the increases in the benefits under the Canada/Quebec Pension Plan be phased in over a five-year period dating from the end of the year that the 8 per cent level of contributions is in effect;
5. that the benefits payable to those contributing at the new level be calculated on an actuarial basis for all those retiring before the payment of the higher pension level is fully effective;
6. that the expanded Canada/Quebec Pension Plan be integrated with or added to existing private pension plans at the option of the employers and the employees;
7. that early vesting, i.e. after one year, be introduced in the pension field under federal jurisdiction and that the provinces be urged to adopt this standard in areas under their control;
8. that, as a general principle, contributors to the Canada/Quebec Pension Plan should be permitted, if they wish, to take actuarially reduced pensions beginning at age 60.

Part IV

Retirement and the Economic Climate

The recommendations of the committee are:

1. that the ceiling under the Canada/Quebec Pension Plan (the Year's Maximum Pensionable Earnings) be raised by 50 per cent to 1½ times the average industrial wage, or approxi-