

These changes resulted in increased costs to the Canada Pension Plan. Table 1 shows the estimated effects of the survivors' benefits improvements (excluding the modification in children's benefits) on CPP expenditure. It is important to keep these already implemented changes to survivors' benefits under the Canada Pension Plan in mind when considering the changes now recommended.

While these changes addressed some specific issues related to survivors' benefits, it was clear at the time legislation was introduced that a more detailed examination of the basic structure of these benefits was required. Over a two year period, provincial and federal officials have examined the survivors' benefits structure. This examination resulted in the release of a document recommending changes to survivors' benefits, "Survivor Benefits Under the Canada Pension Plan: Consultation Paper" (Consultation Paper).

**Table 1**

Estimate of the effect of 1987 survivors benefits modifications on CPP expenditure (\$ 1987).

Year	Variation in % of contributory earnings	Millions \$
1987	.01	15
1988	.02	26
1989	.02	41
1990	.03	57
1995	.07	174
2000	.12	372
2010	.18	1,016
2020	.24	2,280
2030	.30	4,691
2050	.31	14,319

Source: Department of Insurance

In September 1987, following the tabling of the Consultation Paper in the House of Commons by the Minister of National Health and Welfare, the Hon. Jake Epp, the House referred the Consultation Paper to the Standing Committee on National Health and Welfare for review.

The Minister of National Health and Welfare notified approximately 160 organizations that had participated in the pension reform discussions of the reference to the Standing Committee and invited them to make their opinions on survivors' benefits known. In October, the Committee began hearing testimony.