

Unemployment Insurance

In respect of the other part of the Hon. Member's question, we must again come back to the basic principle or the basic policy we have enunciated. UI is not paid to everyone. When one retires and receives a pension, one does not qualify for unemployment insurance. It is only for those who then go back into the workforce and requalify as part of their second career, second job, or whatever, and are paying back into unemployment insurance. If they should be laid off or lose that job, whatever benefits they have accrued as a result of the second job would then make them eligible for payments only related to the second job. It does not change the basic principle. When one retires and receives pension income arising out of one's employment, that pension income is considered as income and reduces one's eligibility for unemployment insurance.

• (1220)

Mr. Henderson: Madam Speaker, I would like to ask the Hon. Member for Capilano (Mrs. Collins) a question about what I think is the discrimination which this Bill provides after January 5, 1986. For example, an Armed Forces person who has served the country for 25 to 30 years, receiving very very low pay in the early stages of his or her career, retires, not voluntarily, because many people are forced to retire. Their trade may no longer be useful. Armed Forces people are at a tremendous disadvantage because, having had to retire at 45 to 50, it is very difficult to find a job in the private sector in most parts of the country. I speak mainly of my own province. A more extreme example would be parts of Newfoundland and parts of Prince Edward Island where unemployment rates are exceptionally high. Areas in Newfoundland have over 35 per cent unemployment.

People of 45 to 50 years of age are at a time in their life when costs are at their highest. They have children finishing high school. Some have children in university. There is a great misconception about the size of the pensions of some of these people, who are paying mortgages and trying to educate their children. These people have paid premiums into UIC for 25 years, which is back-door taxation in its worst form, and they are told that there is no way they can qualify for UI.

I have people who have come into my office for over a year, not former Armed Forces personnel. They are young people who cannot find a job, so how do we expect those who have had to retire from the Armed Forces to find ready-made jobs? People have settled. They have planned for years and have bought houses. Some of them are in parts of the country where they cannot find another job.

I would like the Hon. Member to comment on that. I must have 50 letters from people who find themselves in that serious situation. I just cannot understand why any Member of the House of Commons would ever agree with that part of this Bill.

Mrs. Collins: Madam Speaker, I appreciate the Hon. Member's question. One has to come back to the basic principle that pension income arising out of employment is

now considered deductible from UI benefits. That has been well known since November-December, 1984.

Mr. Rodriguez: You will find out in the next election.

Mrs. Collins: For two and a half years people have been able to plan on that basis and to recognize that in planning for their retirement—

An Hon. Member: They are not all the same.

Mrs. Collins: Obviously it varies. Someone who has a high pension will not be eligible for any UI.

Mr. Robinson: It may wash in Vancouver, but that does not wash in Burnaby.

Mrs. Collins: For those whose pensions are very low, my understanding is that they can still be supplemented, and I come back to what I said. For too long people thought of UI as kind of a retirement cushion. That is not what it is all about. It is there to look after people who, because of circumstances in their workplace, have been temporarily laid off for a period of time. It is to help them readjust. It is just a change in thinking—

Mr. Manly: Tory thinking.

Mrs. Collins: —that people will have to understand. I support that point of view. People will have to make their plans based on that reality.

Mr. Allmand: Madam Speaker, the Hon. Member said that the distinction in the Bill between those who get full reimbursement under the Bill and those who do not is based on whether they really take retirement or whether they are retired but want to work again. It seems to me the Member has not read the Bill.

Mr. Rodriguez: She does not know the Act.

Mr. Allmand: If a person were forced to retire, as my friend pointed out, and wanted to work, that person is cut back just the same. The distinction in the Bill has nothing to do with whether one wants to work or does not want to work. The distinction is whether one happens to apply after January 5 or before January 5.

Does the Hon. Member support a system where some people who retired before January 5 but through illness, by misinformation, travel or whatever were not able to make their application until after January 5, are subject to the cuts, but a colleague down the street who retired at the same time but got his application in before January 5 is fully reimbursed? That is what is in the Bill. Does the Hon. Member support that?

Mrs. Collins: Madam Speaker, as the Hon. Member is aware, because I know he has been involved in UI for many years, within every UI office there is always some flexibility to deal with particular situations where, for valid reasons, a