

Canada Pension Plan

Mr. Knowles: I am sorry, Mr. Chairman. I have that on a different list.

The Deputy Chairman: Shall clause 69 stand?

Some hon. Members: Agreed.

Clause stands.

Clause 70 agreed to.

On clause 71—*When pension ceases to be payable.*

Mr. Chatterton: Mr. Chairman, the question I am raising in regard to this clause is somewhat along the same lines as the question I raised on clause 56 and which the government agreed to stand in order that they could give it further study. Clause 71(1) (b) deals with a person who has a disability pension and goes on full pension at age 65; that is, on retirement pension. If he had become disabled he would be on a pension composed of 75 per cent of his retirement pension plus a flat rate of \$25. When he turns 65, according to clause 71 he goes on retirement pension. In many cases, particularly in the case of those in the lower income brackets, the 75 per cent plus the flat rate \$25 is more than his retirement pension. So he would take a reduction, under clause 71. I will give you an example. Where his average salary had been \$3,000 a year, his retirement pension would be \$750 a year. But his disability pension—that is, the 75 per cent of his retirement pension plus the \$25 flat rate—would be \$860.50, which is a difference of \$110.50.

It may well be said that at age 65 he has to contribute for at least five years before he gets a disability pension, so he cannot draw disability pension until 1971, at which time the \$75 old age security would become available, but only if he has met the residence requirements of the Old Age Security Act. If he is one of those unfortunates who does not meet the residence requirements of the Old Age Security Act, he suffers a reduction of pension because he has turned 65, and the reduction is even greater in cases where the salary is low; in other words, where the need is greatest. For example, in the case of a man whose pension is based on a salary of \$2,000, the retirement pension would be \$500; but his disability pension would be \$675. So when he turns age 65 his pension is reduced by \$175 a year.

I wonder whether the minister would consider taking another look at this clause to see if this inequity can be eliminated for

those who do not qualify for the old age security pension.

Miss LaMarsh: I am told that there are certain anomalies which appear by virtue of the two part plan, but again I will look into the matter with the other question, and with the committee's co-operation this will have to stand, or at least be put off at this stage.

Mr. Chatterton: No doubt the officials will consider this matter, but it seems to me there is a further inequity in that it is possible for a person at a younger age, having contributed for five years and received a disability pension, even though he has been in Canada for only five years, to draw that pension. The minister having said she will take a look at this I will let the matter stand.

Miss LaMarsh: The test is not where he lives. The test is that he has contributed for five years.

While I am dealing with clause 71 and the disability pension, at the end of the discussion on Friday the hon. member for Esquimalt-Saanich was inquiring about the amount of disability pension payable under the Canada pension plan and the benefit provisions for the disabled under the public service superannuation plan. I mentioned that the disability pension payable to eligible contributors is a \$25 flat rate pension plus 75 per cent of what the retirement pension would have been had the contributor reached age 65. I pointed out that the reduction of the pension during the 10 year transition period did not apply to the disability pension and supplementary benefits. In the case of an elderly contributor who was also a civil servant, he would get both the Canada pension plan disability and the public service superannuation benefit.

It seems to me on rereading *Hansard* that I left the impression that the public service superannuation benefit would not be integrated but that the Canada pension plan disability pension would be paid on top of the public service superannuation benefit. But the disability pension payable under the Public Service Superannuation Act is simply the retirement pension payable at an early age due to disability; consequently it will be integrated by the same method as will the retirement pension. All of the other supplementary benefits, such as widows', orphans' and death benefits, will not be integrated.

The details of the proposed method of integration were given to the house by the parliamentary secretary to the Minister of Finance and appear at page 10235 of *Hansard*, and