

There were a number of other amendments made in other years but it was in 1953 that the act was completely revised and rewritten.

The major changes in 1953 were, first that the superannuation—the pension—was made a matter of right. Prior to that time, the pensions by statute were *ex gratia* payments. They were an act of grace and not a matter of right.

The second major change in 1953 was to bring under the act all the so-called temporary employees. Prior to that time the act only applied to permanent employees, and I think the number of permanent employees frequently was not much more than one-half the total number of actual employees.

Also, under the act in 1953, the rate of contribution was made a flat 6 per cent for males and 5 per cent for females and the pension, and instead of being based on the last 10 years of service, the benefit was based on the best consecutive 10 years of service. That was to meet the problem of certain employees who, perhaps, through partial disability, had been transferred to less onerous positions at a lower salary, and their pension was based on their best consecutive 10 years rather than the last 10 years.

The other major change, which came almost at the same time, was to introduce part II into the act, which provided for the payment of death benefits—the death benefit being approximately one year's salary, but not exceeding \$5,000 up to age 60, and it declines by 10 per cent each year after age 60, and disappears at age 70. The contribution is 40 cents per thousand per month, and the government makes a contribution of  $\frac{1}{3}$  of the out-payments under this section of the act. That  $\frac{1}{3}$  was based upon the principle that prior to that time, on the death of a civil servant, his widow, or his estate, received a gratuity of two months' salary. In other words, the government's contribution was not significantly increased. It pays  $\frac{1}{3}$  of the totals, which is equivalent to the two months salary.

That covers very briefly, Mr. Chairman, the history of the retirement and superannuation acts over the period of the past 90 years.

Mr. BELL (*Carleton*): What Mr. Taylor has said in connection with the retirement fund raises, of course, an issue with which the committee will be faced immediately and, perhaps, Mr. Taylor, you would care to comment on it—and that is the occasions upon which persons who are contributors to the retirement fund have had the opportunity of electing, and whether such an election ought again to be granted to them.

Mr. TAYLOR: At the time the 1924 act came in, they were given three years, originally one year, but extended on two further occasions, and finally cut off on July 19, 1927, three years after the act came into effect.

About 21 years later the option to transfer was reopened for one year in 1944-45.

Mr. McILRAITH: The difficulty arose through the fact that the 1924 act required that they must be permanent employees and paid a stated annual salary, while the department of soldiers civil re-establishment employees were found to be temporary employees. That is, the predecessor of the present veterans affairs department was found not to be staffed by permanent employees, but by temporary employees. That is where the difficulty arose.

Mr. BELL (*Carleton*): I think that was a different matter.

Mr. McILRAITH: They were held not to be eligible under the act, because they were temporary and not permanent. The ones who were civil servants had plenty of opportunity to elect; I mean permanent civil servants within the meaning of that word; they had plenty of opportunity to elect on these occasions. But it was just this little group of DSCR—and there was a forestry branch in the old department of the interior too.

Mr. TAYLOR: And surveyors.