

[Translation]

**Mr. Lewis:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

\* \* \*

• (1110)

[English]

### WAYS AND MEANS

#### INCOME TAX ACT AND CERTAIN OTHER ACTS

**Hon. Tom Hockin (for the Minister of Finance)** moved that a Ways and Means motion to amend the Income Tax Act, a related Act, the Canada Pension Plan and the Unemployment Insurance Act, 1971, laid upon the Table on Friday, June 5, 1987, be concurred in.

Motion agreed to.

**Mr. Hockin (for the Minister of Finance)** moved that Bill C-64, an Act to amend the Income Tax Act, a related Act, the Canada Pension Plan and the Unemployment Insurance Act, 1971, be read the first time and be printed.

Motion agreed to, Bill read the first time and ordered to be printed.

### GOVERNMENT ORDERS

[Translation]

#### UNEMPLOYMENT INSURANCE BENEFIT ENTITLEMENT ADJUSTMENTS (PENSION PAYMENTS) ACT

##### MEASURE TO ENACT

**Hon. Benoît Bouchard (Minister of Employment and Immigration)** moved that: Bill C-50, An Act respecting the treatment of pension payments in determining certain unemployment insurance benefit entitlements and to amend the Unemployment Insurance Act, 1971, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I welcome this opportunity to take part in the debate this morning on second reading of Bill C-50, which concerns amendments to the Unemployment Insurance Act, 1971.

This Bill, which deals with pension income and separation payments for the purposes of unemployment insurance, contains three important amendments for the Canadian workers described therein.

#### *Unemployment Insurance*

As Hon. Members are aware, on April 5, 1987, new regulations regarding pension income and separation payments came into effect.

The first amendment contained in Bill C-50 will make the effect of the amendments concerning pensions retroactive to January 5, 1986.

Since January 5, 1986, pension income arising from employment, paid either in a lump sum or in regular payments, is considered to be remuneration for the purposes of unemployment insurance.

Bill C-50 will enable workers whose benefit period is based on subsequent employment, whether it started before or after January 5, 1986, to have their pension income arising from their previous employment no longer considered as earnings for the purposes of unemployment insurance.

Madam Speaker, this Government has always held the firm conviction that people who retire should not consider unemployment insurance as an additional source of income.

However, a distinction must be made between people who retire permanently and those who retire in order to start a new career. The amendments that came into effect on April 5, 1987, make that distinction. They ensure that individuals who retire and start a new career are treated fairly and equitably, since they continue to be part of the labour force.

[English]

This Bill will allow the Canada Employment and Immigration Commission to apply the recent April 5 change on subsequent employment retroactively to January 5, 1986. It will allow for full UI benefits to be paid to claimants receiving a pension if their claim was based on employment obtained after the start of the pension.

[Translation]

The House will also be asked to consider another major amendment under which the eligibility of people who filed their unemployment insurance applications before January 5, 1986 would be assessed in accordance with the former regulations.

Hon. Members will recall that my December 5, 1986 statement had to do with the Government's conclusion that some people claimed they had been given inaccurate information about the implementation of the January 5, 1986 pension income provisions. To ensure fairness in the application of the January 5 measures, this Bill makes a clear distinction with respect to pension income handling before or after the January 5 legislative provisions.

The rule is very simple: the eligibility of all those who applied for unemployment insurance benefits before January 5, 1986—those who filed their application when the old regulations were in effect—will be determined on the basis of the old regulations. In each case the workers involved will receive from the UIC a refund equal to the deductions made with respect to their pension income.