

effect of stopping all increases in pension benefits and of stopping all contributions for current service as of that date for those employees who are then 65 years of age or older. For example, this would have the effect of cutting down the pension of a person who came into the service at age 32 and who retired at age 67. Instead of obtaining a pension based on a combination of 35 years of service and salary up to retirement, it would be based on 33 years of service and salary up to age 65. Similarly, the person who had given even longer service and had completed 35 years before retirement would not gain the benefit of any improvement in the average salary due to service after the age of 65. This provision was originally inserted in the earlier Civil Service Superannuation Act in 1947 so as to provide a ten-year warning for those who might be affected.

As this cut-off date has approached, the staff associations have become more and more concerned about the effect of this restrictive provision on the average salary and service credit used in the benefit calculations of those who will in future be retiring after the age of 65. The National Joint Council now feels that any person who is regarded as so essential as to be retained in the public service after age 65, and could thereby increase his ultimate pension, should be permitted to do so.

This recommendation has nothing to do with the normal age of retirement, which is governed by the regulations made under the act. These regulations provide for normal retirement at age 65, with extension beyond that age at the discretion of the minister of each department in the cases of those persons whose salaries are below \$9,500, and with the concurrence of a special committee established by the Treasury Board in the case of those with higher salaries. After a civil servant reaches the age of 70 extension is possible only upon annual approval of the Treasury Board. The National Joint Council is not recommending the raising of the normal retirement age above 65.

Clauses 4, 5 and 6 of the bill deal with amendments of a relatively minor nature. Clause 4 is designed to take care of an omission in the legislation and its purpose is to deem as contributors under the Public Service Superannuation Act as well as under its predecessor, the Civil Service Superannuation Act, all former permanent employees of the Government of the province of Newfoundland who became employed by the Government of Canada pursuant to an offer of employment in accordance with the terms of union of Newfoundland with Canada. This

amendment will ensure that these employees may on retirement be eligible for the benefits available in respect of service which could be counted for pension purposes under the laws of Newfoundland and Canada before and after the date of union respectively.

Clause 5 deals with the time within which advantage may be taken of reciprocal transfer agreements entered into under section 28 of the act. The period of election to contribute for prior service in the ordinary way without penalty was extended for a further year by the amendments made to the act last session. This was necessary because of the inability of the Superannuation Branch and the departments to cope with the very large number of new contributors in the time available. However, the year in which to take advantage of a reciprocal transfer agreement between the Government and other agencies was not extended. It has turned out in a number of cases that the year in which employees have transferred to the public service and could take advantage of these reciprocal transfer agreements has proven to be insufficient. This amendment would give power to the Governor in Council to extend the period for another year in respect of these reciprocal agreements. Such a provision would also make it possible to make extensions in the future where that is necessary, without requiring a further amendment of the act.

Clause 6 would provide the Governor in Council with additional powers to make the regulations to deal with circumstances which cannot be adequately covered by the present regulation powers.

The principal amendment proposed in the bill concerns the time in which an election can be made to continue as a participant after retirement under Part II of the act, which provides for the supplementary death benefits. The amendments proposed in this connection appear in clause 7 of the bill, and they are required to deal with the difficulties which have occurred in applying the requirements of sections 40 and 41 of the present act.

Under these sections a retiring civil servant or member of the armed forces can elect to retain the protection given by the supplementary death benefit scheme by paying the appropriate premiums after retirement. These sections restrict valid elections to those made within 30 days after ceasing to be employed as a civil servant or a member of the armed forces, as the case may be. Despite the many occasions on which this provision has been publicized, a large number of persons have submitted an election form before retirement, and these elections are therefore invalid.