

Canada Pension Plan

already set up, namely through the Department of National Revenue, taxation division. On the other side the old age security administration, which is already in existence, will be used to handle the administration so far as benefits are concerned.

With regard to the question of refunds, unless a person who is an employee is claiming a refund he will not have to file a return at the end of the year. The only situation in which he would have to file a return, which would then be processed, would be if he was claiming a refund. The information on his T-4 supplementary slip, which is envisaged as having two extra boxes, will provide the Department of National Revenue with the information to post to his pension record.

Mr. Rhéaume: Mr. Chairman, in view of this new definition of what the administrative cost will be, which is not what I understood as a member of the committee, I wonder whether the minister could express it in terms of dollars and cents for the first year.

Mr. Benson: The estimated expenditure by the various departments in 1966 is as follows: Department of National Revenue, \$5,709,000; Department of National Health and Welfare, \$1,466,000; comptroller of the treasury, \$60,000; unemployment insurance commission, \$406,000; data processing rental and operation, \$312,000, for a total of \$7,953,000 in 1966, the first year. The estimated cost year by year up to 1975 and including the year I have just mentioned is as follows:

Year	Amount
1966	\$ 7,953,000
1967	8,372,000
1968	8,422,000
1969	10,077,000
1970	11,719,000
1971	13,101,000
1972	14,607,000
1973	14,838,000
1974	15,570,000
1975	16,416,000

On page 19 of the chief actuary's report, under the heading, short range estimates, he indicates in his principal assumptions that he assumes the expenses of administration will be .1 per cent of contributory earnings, but if you take that figure and apply it to contributions it works out to between 2 per cent and 3 per cent of contributions. On page 20, table 2, and on page 22, table 6, he shows estimated administrative expenditures on the basis of two assumptions, first on a 3 per cent annual increase in earnings, which is in table 2, and then on a 4 per cent in-

crease in earnings in table 6. I would refer hon. members to the actuary's report. Before I sit down I should point out that he used the same percentage as the United States actuary.

Mr. Rhéaume: Mr. Chairman, just before we leave this clause I want to check to make sure I understand correctly that the Minister of National Revenue will be collecting the contributions and, hopefully, some part of the benefits, and that the administration of this matter will rest with his department. He will be supervising it.

I want to refer particularly to a fascinating interjection he made when I was speaking in the house the other night in the general discussion on clause 2 and was dealing with this very problem. At that time I referred to the fact that his department had no office anywhere in the Northwest Territories to handle the administration of this plan. This is pertinent because the fact is that the people of the Northwest Territories do not have a district taxation office.

If my understanding is correct, under clause 22 these matters will presumably be handled to some extent at least through district taxation offices. I was discussing how difficult it would be in an area like the Northwest Territories, where the department has been unable to set up even a district taxation office. At that time the minister said, and I am very happy he said it, "There is really no problem".

I want to ask the minister this question. In view of the added responsibilities that are going to be given to some of his officials under clause 22 of the Canada pension plan, will he consider setting up a district taxation office in the Northwest Territories? As I read clause 22 the volume is going to be substantial, and I wonder if the minister can say how this will be tackled. If people from all over the Northwest Territories have to deal with Ottawa on such a highly complex matter it will be impossible to administer.

Mr. Benson: When I said there was really no problem I meant that the problem of collecting the contributions will be exactly the same as that of collecting taxes under the Income Tax Act. The employer, where he is presently sending employee tax deductions, would also send in employee pension deductions and also the employer's contributions.

With respect to self employed persons, at the time they file their annual tax returns they will also fill out the Canada pension plan contribution form which will be attached