

*Government Orders*

CPP provides for the automatic splitting of pension benefits at source. The government has a report in hand in 1983 entitled *Report of the Parliamentary Task Force on Pension Reform*. It recommended that this be extended to Public Service pensions.

While the provisions in Bill C-55 are an improvement over the current legislation, a number of problems are not resolved by this bill.

It places a portion of the pension benefit under the direct control of the ex-spouse, rather than having to rely on the good will of the former spouse to make pension payments every month. For example, the pension is split by valuing the contributions at the time of the divorce. The ex-spouse receives the value of the plan at that time. As a result, the only increase in value from the time of the divorce to the time of retirement will be what interest it earns in a retirement savings vehicle, such as an RRSP.

As pensions are based on the best six years of service, the final value of the pension benefit payable to the ex-spouse on retirement will likely not even come close to the value that the contributor spouse will receive.

Moreover, the value of the ex-spouse's pension benefit will not benefit from continued government contributions over the years. Whatever the value of the benefit at the time of the divorce is, it will not increase in those years.

With regard to survivor pensions in the private sector, a pension benefit standards bill introduced in 1985 ensured that widows would be provided with 60 per cent of pension benefits. This minimum standard is observed in the MPs' pension plan but not in plans that apply to members in the civilian Public Service, the Armed Forces, and the RCMP. These plans only provide 50 per cent widows pensions as they have over the last 40 years.

This government has tried to sell this bill as legislation which addresses several longstanding fairness issues. If ever there was such an issue, the survivors benefits should be considered so.

This provision has existed in the Canada Pension Plan for over 25 years. It now exists in the MPs' pension plan and was made a mandatory requirement for private sector pension plans over five years ago. Survivors of public servants should be afforded the same treatment as those in the private sector.

Bill C-55 also addresses the issue of pension coverage for part-time employees. Currently employees who work less than 30 hours a week cannot pay into a pension plan and therefore cannot draw a pension when they retire. Bill C-55 changes this. Employees will now have the option of buying back previous years of part-time service as far back as 1980. All current and future part-time employees will be required to pay into the pension plan.

Coverage for part-time employees was recommended in *Equality for All*, and the report of the parliamentary task force on pension reform. In short, it is an item whose time has come. However, there is concern that forcing part-timers into buying in could cause financial hardship for some. It should be optional.

There are several areas this bill does not cover: the rate of return of pension plan investments comparable to private sector plans; the future security of inflation protection arrangements, or indexing; plan management; increasing survivor benefits from 50 per cent to 60 per cent as in CPP and MPs pension benefits and consistent with recommendation 6.9 of the parliamentary task force on pension reform in 1983; several outstanding issues surrounding pension entitlements of divorced and separated spouses; disclosure of information relevant to the member's plan.

In 1991 the government announced its intention to conduct a review in 1992 which it claimed would address most of the above issues not covered in the current legislation. Further legislation would likely follow the review. The government has been promising a review since 1987, yet its pension advisory committee has not met since 1987, and that is disgraceful. This Bill C-55 was tabled without consultation and the government has made every effort to push it through with the minimum of discussion. I think all members on this side of the House have spoken of this disgraceful action.

The process has been shrouded in secrecy and confusion. The government would like to see major policy decisions removed from the realm of Parliament and placed in the backrooms of the Treasury Board with its push for regulatory powers.

In my last few minutes I would like to add that this bill is probably going to create more of what I would call pork-barreling, patronage, call it whatever nice word you want to call it, than we have seen in a good many years within the Public Service.