

*Canada Pension Plan*

**Mr. Nasserden:** The reason I raise this is because I believe this is a contributory pension plan. Individual people contribute to the pension plan, and everyone knows that great changes are presently taking place in the industrial life of the country and that we can anticipate greater changes in the years ahead. When I raised the question of portability, what I have in my mind is that the contributions which an individual made would follow him from one plan to another.

If what I gather from the remarks of both ministers is correct, this will not happen, but the money will remain vested in a province for the portion of time that you are under a provincial plan, and that you would go on and build up another equity in the Canada pension plan in another province.

**Mr. Benson:** According to the arrangement that is contemplated with the province of Quebec in this regard, in calculating the pension you would merge the two together and calculate the pension based on total contributions, as if they had been paid in one place.

**Mr. Nasserden:** Does the minister not think that if the contributions followed the employee to whichever plan he happened to be in, it would be better and provide a greater degree of equity in plans that might be devised by provincial governments which in future decide to go outside the Canada pension plan?

**Mr. Benson:** What is happening here is that if someone is in the Canada pension plan in a particular province, and that province moved out of the Canada pension plan, the rights would automatically move with the individual to the provincial plan and he would be guaranteed no loss of benefits because it must be a comparable plan. If a similar arrangement was made, as that which is contemplated with the province of Quebec, when another province moved out the individual's contributions would go into that plan for a number of years.

This is on the assumption that there might be three plans in Canada. People move from province to province and they could accumulate rights under the three provinces. Now, if the same kind of arrangement were made with the other province as is being made with Quebec, when it comes to calculating such a person's benefits these would all be combined, one pension calculated, a single pension paid and a financial reimbursement made as between the province or provinces and the federal government.

I think it would work out as being perfectly portable, and better than making a transfer of the money and trying to calculate what someone's benefits would be at the time he moved out of Quebec into Ontario. We would wait until the person retires. There is a reason for doing this because one must remember that the earnings one has in a particular year are adjusted at the date of retirement according to the earnings index at that time in calculating the pension.

For example, if someone moved out of Quebec in 1974 into Ontario one could not reasonably calculate what the benefits would be in 1986 when that person retired, and how much the province of Quebec should pay to the Canada pension plan. Thus, it is left until the person is retired to determine the amount of the pension. The arrangement allows for a single pension payment and there is a transfer of funds between provinces and the federal government as the pension is paid.

**Mr. Langlois:** I would like to get some clarification. I thought I heard the minister say a province could have its plan, which would not necessarily have to be comparable to the national plan; but if the contributions vested in the federal plan were not transferable to a provincial plan this might be political suicide for the province. I agree with the minister to a certain extent; and he said there was no objection to a person receiving one, ten or 15 cheques.

**Mr. Benson:** The reason I said that is because my hon. friend on the other side raised a question and said he really did not care whether a person got one or 15 cheques. I would not worry too much about that.

**Mr. Langlois:** I suppose a person would not mind receiving two cheques, but supposing I work in Ontario for four, five or ten years, contributing to the federal government scheme, and all of a sudden I move to another province that does not have a transferable plan. That province guarantees me that should I move out I will receive at the age of 65, for example, a pension in accordance with the investment I have put into the provincial plan. If I move away from this federal scheme into a provincial scheme which cannot transfer the individual's contributions, will I receive a cheque from this scheme as well as one from the federal scheme?

**Mr. Benson:** If they were comparable and if there were no agreement between the federal government and the provincial government, it could be that two cheques would be