stated that the bill has two purposes: the first is to ensure that the federal pension plans comply with the rules of the Income Tax Act and the regulations as they apply to registered pension plans in Canada—so this bill is primarily a compliance bill; the second purpose of the bill is to deal with a number of long-standing fairness issues which affect the financial security and well-being of both active and retired plan members.

Some examples of this are as follows. Pension coverage has been introduced for part-time public service employees, many of whom are women who are trying to balance the demands of family and career. Also, the bill provides for an early retirement program for the operation of employees of Correctional Service Canada who work in a particularly stressful environment.

I should also like to mention the proposed changes to the leave-without-pay provisions for the public service, Canadian Forces and RCMP pension plans, as well as improvements to the life insurance coverage provided under the supplementary death benefit plans for the public service and the Canadian Forces.

Honourable senators, I believe that the Pension Benefits Division Act that would be enacted by Bill C-55 is an encouraging step toward the modernization of the public service pension plan. Pensions are viewed as family property in most, if not in all, provincial jurisdictions in Canada and the Pension Benefits Division Act would recognize this by permitting a plan member's pension credits to be divided on marriage breakdown.

Bill C-55, as senators are aware, was studied by the Standing Senate Committee on National Finance. At this point, I should like to express my thanks to the senators and witnesses who participated in that process. Witnesses voiced concerns that they wanted to bring to the committee's attention.

It seems to me, honourable senators, that criticism of the bill was mostly toward that which was not in the bill rather than that which the bill contained. The exception to this general pattern was the so-called regulatory nature of the bill, in particular the regulation-making authorities relating to tax compliance to which Senator Frith referred yesterday, which gave me pause and resulted in my delaying the third reading motion until this afternoon.

Several people, both in letters and in personal appearances, voiced concerns about the regulatory powers of the bill. Having read the "blues" and consulted yesterday with department officials and people in the minister's office, I find that these concerns are the very concerns that were raised in the committee and addressed by amendments that were approved by the House of Commons legislative committee. The amendments specifically limit the scope of regulations enacted to accomplish tax compliance to the requirements of the Income Tax Act and regulations as they stood on January 15, 1992.

● (1450)

They also state that no regulation made for tax compliance purposes may reduce any benefit, including indexing, accrued prior to the date the regulation is made.

A letter from Mr. Walsh, who is legislative counsel to the House of Commons committee, confirms that, and there was a press release of the Minister around mid-April which also reinforces that statement. The amendments made in the House of Commons, of course, clarified the government's position on this matter.

Some witnesses requested improvements to the survivor benefits that are provided under the public service pension plans, and some raised questions about the discretionary powers that the existing statutes confer on the Treasury Board in certain circumstances for the purposes of determining who shall receive the surviving spouse's pension.

This matter is dealt with in the report of the committee, and the committee very strongly urges that the department deal with this matter as quickly as possible. It seems to be a matter of basic fairness that the pro rata treatment of spousal benefits should be put into effect as soon as possible.

Indeed, it is not a matter that would cost the government or the pension plan more money, as was pointed out in the brief that was presented by the Committee for Spouses and Children's Pension Survival and Related Benefits. This should not cost more but less, as latter-day partners are known to be statistically younger with a longer anticipated mortality factor than the longer-term spouse. It would seem not only to be a matter of fairness but, in matters of proper management of the plans, this item should be dealt with as soon as possible.

There were other, more complicated matters that were raised that perhaps the Treasury Board may have to wait longer to enact, but I would urge them to deal more expeditiously with this and other items that are not matters of great cost, or matters that have not been investigated in terms of cost.

Other witnesses were heard who did not feel that the proposed Pension Benefits Division Act went far enough, although they conceded it was a step in the right direction. There were witnesses, too, who felt that the proper way to deal with the pension plan was through a joint employer-plan member pension management board. In light of the previous pension advisory board's consultation record, this seemed to make a great deal of sense to the committee. The previous advisory board, we were told, had not been consulted since 1986, and had not been involved at all in the recommendations that are enacted in this particular bill.

It would seem, however, that now the newly-appointed board will be involved in a far more comprehensive manner—they could hardly be involved in a less comprehensive manner—and they will be consulted on an ongoing basis. I think that might go a long way towards meeting the concerns of many of the groups that we listened to.

There is another concern, of course, and that is that small groups, people who are not represented by powerful groups such as the public service unions and so on, are not represented in person on the advisory board. Perhaps the ministry might consider a series of open meetings where representations could be made by these groups so their concerns could