

Unemployment Insurance

benefits after January 5, 1986 will be governed by the new provisions.

However, the principle—and we have not deviated from it—still comes back to the issue that the income one derives from employment, whether it is through wages, separation pay, or pension income, is considered income. I think most Canadians agree with the point of view that UI, for perhaps too long, was considered as something everyone got. It is not. It is a special provision under special circumstances. It was not designed to deal with those people who were retiring and leaving the workforce and had entitlement to an appropriate pension benefit from their employers.

Members will recall that on December 5, 1986, when the Minister announced his intention to modify the UI legislation dealing with pension earnings, he maintained the principle that persons who have retired should not use UI as a supplementary income. The announcement proposed that workers who took other employment after retirement and then worked long enough to requalify for UI benefits should receive the benefits without any deduction of their previous pension income. This particularly applies as we see people, perhaps increasingly, taking early retirement, in their early forties, some from the Armed Forces or police forces. They are not leaving the workforce; they are applying and going into other fields of employment. They will be treated as new entrants into the workforce in respect of UI.

With this Bill we are amending the pension regulations to permit this kind of thing as of April 5, 1987. With regard to qualifying for UI, we are making retroactive requalification back to January 5, 1986.

The changes will ensure that workers who start subsequent careers and contribute to unemployment insurance and subsequently become unemployed will be entitled to full unemployment insurance benefits based upon their post-retirement employment income regardless of their previous pension income.

Returning to the issue of separation pay, again it was an issue of fairness. I have certainly dealt with particular situations which have arisen in connection with the treatment of separation payments. Members will recall that on March 31, 1985 the treatment of payments on separation for unemployment insurance purposes was changed.

There were two facets to it. Certain employer-employee agreements have sought to take advantage of what might be construed as a loophole in the wording of current UI regulations. The purpose of the amendments is to provide a clear legislative attempt to avoid these kinds of loopholes. More important, they will provide an extension for the qualifying and benefit periods when an allocation of separation payments has prevented the payment of a UI benefit or has delayed the start of a UI claim.

For example, if an allocation of separation pay delays the start of a claim by seven weeks or ten weeks, the qualifying period can then be extended by seven weeks or ten weeks. If a

person received 104 weeks of separation pay, in other words two years, he or she would not be eligible to claim UI. I think it is only fair. Obviously those persons are fortunate enough to receive two years of separation pay, and if they return to the workforce at some point, we hope they would be able to find that kind of employment in the two-year period.

The legislation maintains the basic principle of keeping separate the concept of unemployment insurance from regular income. Yet it deals with what we have found to be some of the inequities and unfairness which were brought to the attention of the Minister.

I compliment both the present Minister and his predecessors because they listened very carefully to recommendations which were brought forward by members of my Party and by members of the Opposition. They listened to the concerns which were expressed across the country.

In bringing forward the recommendations and the legislation today, we are dealing with those concerns and ensuring both fairness and equity in the treatment of Canadians, while maintaining the fundamental principle that UI should not be considered a supplementary income when a person retires no matter what the circumstances.

I appreciate the co-operation and support of all Members of the House in dealing with the issue today and this evening. We can deal with consideration in committee and third reading stage so that the 55,000 Canadians who will benefit from these changes will indeed start to receive their cheques.

Mr. Riis: Madam Speaker, I have a quick question for the Hon. Member. I would be curious to know how she has responded to those people in the Armed Forces and the RCMP who, by definition, receive pre-retirement incomes and then are expected to find a job.

The Hon. Member represents a constituency in British Columbia where the economic situation has been so woefully bad in the last number of years that many people who have retired from the Armed Forces and the RCMP have been simply unable to find jobs for many months, and in some cases longer. What has she said to those people who paid into the unemployment insurance fund for their entire working lives, only to find upon retirement that they were not eligible for the benefits for which they paid together with their employers for so many years?

Mrs. Collins: Madam Speaker, I am pleased to respond to my hon. colleague. I am sure that he, as have I, will have been pleased to have noted that in the recent statistics over the past week the unemployment levels in British Columbia, particularly in the Vancouver region, have dropped. It is a very encouraging signal and one we look forward to continuing over coming months as many of the economic initiatives of the Government take hold. These will be followed of course by the proposals in the western diversification plan, which I am sure will also be very important to British Columbia and the other western provinces.