

Canada Pension Plan

Mr. Knowles: However, it is still a fact, is it not, that these two plans harmonize? Let me put it this way, that in the case of the retirement benefit under the Canada pension plan, it does not become available to anyone until 1967; but in the first year that it is available, it is available to people at age 68, which would correspond to the new plan for old age security?

Mr. Benson: It phases in exactly as it did before, except for the first year. The only difference is that the amount has been changed, so that ultimately we will end up with \$75 at age 65, instead of \$51 at age 65.

Mr. Knowles: But the phasing in is just the same as it was before?

Mr. Benson: It is exactly the same.

Mr. Knowles: Old age security phases in one year at a time, starting in 1966. This benefit under the Canada pension plan phases in two years in 1967 and then one year for the next three?

Mr. Benson: That is correct.

The Deputy Chairman: Shall clause 66 carry?

Clause agreed to.

Clause 67 agreed to.

On clause 68—*Persons under age 70 not retired from regular employment.*

Mr. Chatterton: Mr. Chairman, I have a question in connection with this clause. As I understand it, clause 68 (3) provides that a person whose employment earnings for any year do not exceed 12 times his monthly exempt earnings for that year, and so on, shall be conclusively presumed to be retired from regular employment in that year; that is, the \$600 initially. But I understand, also, that once he has been presumed to have been on pension, or retired, he cannot come back in again. Let us say that a person has contributed for five years only and reaches age 65, and the following year he has a poor year of earnings and earns less than \$600, although he continued working so as to increase his benefits by contributing for some years after age 65. This clause would arbitrarily remove from him the right of further contributing, say the year after he turned 65, because he happened to have a poor year; is my interpretation correct?

Miss LaMarsh: It is only correct if he applied for pension, drew it for a year and then tried to go off pension and go back to

[Mr. Benson.]

work in order to make a further contribution, and if he had a poor year and did not make a contribution. He does not automatically get a pension; he must apply for it.

Mr. Chatterton: The fact that you have established the man to be retired does not put him on pension; he can, in a following year, start contributing again?

Miss LaMarsh: The fact that he has not earned enough money to be incorporated in the plan does not mean he has retired, necessarily.

Mr. Chatterton: Subclause (3) says that if he does not make \$600 in that year, initially, he shall be presumed to be retired. It does not say, only if he has applied.

Miss LaMarsh: Under this clause he has to be retired from regular employment. He is deemed to be retired even though he is making income up to \$900.

Mr. Chatterton: It is \$600, is it not?

Miss LaMarsh: No, \$900; 12 times \$75.

Mr. Chatterton: His monthly exempt earning is \$50?

Miss LaMarsh: No, \$75.

Mr. Chatterton: Yes; I am sorry. It is \$900.

Miss LaMarsh: Therefore, if he is making \$900 a year or less, he may retire if he chooses to apply and take his pension; and that will not cut down his pension in any way or make him fail the retirement test. If he does not make that much, or if he does not make \$600, he is not able to contribute that year; but that does not automatically throw him into retirement and therefore unable to keep on contributing.

Mr. Chatterton: If he did not apply, he could continue to contribute in the following year?

Miss LaMarsh: Yes.

Clause agreed to.

The Deputy Chairman: Shall clause 69 carry?

Mr. Knowles: As amended.

Mr. Monteith: Stand.

Mr. Knowles: No, Mr. Chairman. Why does this clause have to stand? This is one of those we amended in the committee.

Mr. Benson: We were asked by the official opposition to stand this clause, Mr. Chairman.

Mr. Chatterton: It is one of those we listed to be stood.