

benefit entitlement is calculated accurately on the basis of the contributory service of the employee concerned.

In regard to contributions, I should explain that "current service" refers to continuing employment in the Public Service of Canada. "Elective service" usually refers to war service, or service with other employers, which may be counted as pensionable service if the employee contributes for it.

Since January 1st, 1953, the responsibility for ensuring that appropriate current service deductions are made from each employee's pay has been vested in the office that pays the employee's salary. In most cases, these are my Treasury Offices, but for various Crown corporations whose employees are subject to the superannuation legislation it is the Crown corporation, and for some revenue and semi-staff postmasters, who are paid by the Post Office Department, it is that department.

For the verification of contributions for current service prior to January 1st, 1953, and for all elective service, the Superannuation Branch itself is responsible.

Let me say, Mr. Chairman, that, in our consideration of the matter, it was at once clear that a contributor should not be subject to uncertainty about his entitlement after retirement and that to this end there should be a pre-retirement review of each contributor's file that would permit the correction prior to retirement of any errors made in earlier years, thus avoiding post-retirement adjustments. We have taken measures to this end in three areas.

The first relates to current service contributions prior to January 1st, 1953 and for elective service. In December 1964, a special audit section, with a staff of six, was established to review all superannuation transactions for contributors who, as at April 1, 1964, were in the age range of 55 to 63. This branch and section is now composed of eleven senior employees of the branch.

We selected this age range because the employees in this group were those most likely to retire in the near future with an annuity entitlement. It was felt that there was less immediate need to check the files of younger contributors as the great majority of those leaving the Public Service receive only a return of contributions.

There were approximately 25,000 contributors in this age group from 55 to 63. As of June 1st, 1966, the special audit section had carefully scrutinized some 7,500 files and had completed its review of some 6,700, with the remaining 800 in various stages of completion. Expressed in another way, by the end of June of this year the review will be virtually completed for all those contributors who had reached the ages of 63, 62, 61 and 60 on April 1st, 1964. For each individual, the special audit section checks to ensure that all contributions for elective service to the date of the audit have been properly paid, that all contributions for current service up to December 31, 1952, are correct, and that all vital documents are on the contributor's file. Any discrepancies are rectified, of course, immediately.

The second area relates to current contributions on and after January 1st, 1953. In regard to these, a procedure has been devised, and will be introduced by July 1st of this year, whereby the Superannuation branch will undertake to ensure that proper superannuation contributions have been reserved from salary for the pensionable service credits allowed. This will be done just prior