

whatever help we can to the committee in the way of answering questions or providing information.

If I may be permitted to comment on anything that has happened in the Senate, I think the Chairman gave a very good outline of the main features of the bill. I hope I will not repeat what has already been explained.

Senator ROEBUCK: I raised a question there, and I might as well raise it here now. In that excellent address and explanation the present Chairman said that if the plans that have been registered do not comply with the present bill as it amends the old act, the plans may be cancelled. I presume, therefore, that the funds would be distributed, or something of that kind. That is not the point that I am making.

What struck me was that these amendments, with the various changes in the old act, are very complicated—not to you but to somebody who has never studied the act or is a layman in the matter, who, to make sure his present plan complies with the new act, would require a study of the new act together with a study of the old act, and then a study of various plans. In most law offices we have several plans. I do not know the detail, but I am quite sure my office has a number of them.

What I would like to know is: Will the department do something towards assisting the law officers and perhaps the people interested in the plans, the principals of the plans, to observe the conditions of the new bill, whatever they will be? Will you get out some circular, or something of that kind, warning these people what they should do to comply with the new bill?

Mr. IRWIN: First, perhaps I should explain that most of the amendments in this bill dealing with what you have, I think, referred to as pension plans, deal with what the bill calls deferred profit-sharing plans. Some companies have a plan which they may call a pension plan but which may have some profit-sharing features. I think you may find plans which companies call profit-sharing plans which have been registered as pension plans. There is some similarity, but the amendments before us deal with deferred profit-sharing plans.

Senator ROEBUCK: They are all registered, are they?

Mr. IRWIN: Yes. A profit-sharing plan is a plan into which an employer makes contributions on behalf of his employees. If it is a deferred profit-sharing plan the funds are held in trust for a number of years, and the law provides that the income accumulating in the trust is not subject to income tax and payments out of the plan to beneficiaries will be taxable income.

The differences between a deferred profit-sharing plan and an employees' pension plan are, first, that there is no deduction for employee contributions into the deferred profit-sharing plans. Second, the rules about payment of benefits from the plan to employees are much less rigid in the case of deferred profit-sharing plans. The payments may be made at any time; they may be in lump sums, if the plan so provides. I think those are the two important differences between the plans but, as you mentioned, both have to be registered with the Department of National Revenue.

The Minister of Finance mentioned in the spring budget in 1966 that the rules concerning deferred profit-sharing plans would be changed, and a resolution was tabled at that time. The legislation based on that resolution was not introduced in July, 1966, when the other amendments flowing from the March 1966 budget were put forward. So, people who are interested in these plans have had a long time to change their plans or, at least, they were warned changes were coming.

The bill now before us was introduced in December, 1966, and was let stand as a bill for two months before being considered, so that there would be a good opportunity for people who were interested in these plans to study the proposed legislation and make known their views on it to the Government. I believe the