

*Government Orders*

In this time of economic restraint it is important that we govern as efficiently as possible. It is also important that people will receive their correct entitlements under various government programs. Better communications with veterans affairs will meet both of these objectives.

On the issue of pensioner activity I now want to outline a significant amendment to the Canada pension plan contained in the bill, significant because of why it is being made; that is, the introduction of a 12-month retroactivity period for Canada pension plan retirement applications by persons over the age of 65.

In 1987 with the introduction of flexible retirement under the CPP it became possible to receive an actuarially adjusted retirement pension from age 60 to age 70. The amount of an individual's benefit is based in part on the age at which the pension begins. Specifically the benefit is reduced by .5 per cent for each month an applicant is under age 65 or increased by .5 per cent for each month the applicant is over the age of 65.

• (1030)

To complement this change, it was felt that there was no further need for retroactive retirement pensions prior to age 70. If someone delayed applying for retirement pension past age 65, their benefit would be adjusted to reflect this fact.

However, in the ensuing seven years, there have been some complaints from people over the age of 65 who state that they would rather have had the option of receiving up to 12 months of retroactive benefits. This would be in lieu of the increase of up to 6 per cent in their monthly entitlement that a delay of 12 months represents.

This change is not significant if we look at the number of people who have requested it. However, ask any one of the individuals who wants to choose the retroactivity option and they will tell you how significant it is to them.

Usually they have delayed a few months in applying after their 65th birthday and they really cannot understand why they cannot get benefits back to that time. Frankly, neither can I. It is not a matter of costs since the extra months of payments are balanced by actual adjustments.

Another significant change proposed by this legislation relates to overpayments which occasionally occur under the Old Age Security Act. When overpayment was solely the result of an administrative error the Minister of Human Resources Development under this legislation would have the authority to give such an overpayment. This mirrors a provision that currently exists under the Canada pension plan.

Today I have outlined the major changes the government is proposing to OAS and CPP legislation. However there are several other technical amendments that will also help us better serve pensioners.

In conclusion, these amendments taken together will result in improved service to our clients, reduce administrative costs and significantly reduce duplication and paper burden both to our clients and to the government departments involved.

The amendments contained in this bill represent one more step in this government's commitment to providing Canadians with the excellent government services they deserve while at the same time reducing costs as much as possible.

Finally, the amendments in this bill will go a long way toward helping making life a little easier for our seniors who have after all made such a tremendous contribution to the building of this country.

[Translation]

**Mr. Maurice Dumas (Argenteuil—Papineau, B.Q.):** Mr. Speaker, Bill C-54, an Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Allowances Act and the Unemployment Insurance Act, was tabled on October 7 by the Minister of Human Resources Development.

The proposed amendments to the Old Age Security Program and the Canada Pension Plan will provide for certain improvements that will benefit senior citizens, but the bill's lack of clarity is certainly no guarantee that senior citizens will have an adequate level of financial security. The bill may even reduce the incomes of some seniors.

As the critic for seniors' issues, it is my duty to ensure that the social security review does not become an exercise in making cuts in all programs designed to protect the neediest in our society, especially senior citizens.

Most senior citizens have modest incomes. According to a report by the National Advisory Council on Aging, disposable incomes of senior citizens were as follows: the incomes of families headed by seniors were 68 to 80 per cent of the incomes of other Canadian families, depending on the income measure used and the Canadian region concerned. In 1989, for instance, the average income of families headed by seniors was only \$37,462 or 72 per cent of the incomes of families where the head of the family was under 65.

• (1035)

In 1989, the average income of single persons aged 65 or over was \$16,316, while the average income of single persons under 65 was \$23,080. A single person is an individual who lives alone or in a household where the person is not related to other members of the household. Single persons, irrespective of their age, tend to have relatively low incomes. Consequently, if we consider single persons as a group, the gap between senior citizens and the rest of the population is not as wide as it is between families, but it is still substantial.