

Civil Service Association of Ottawa.

REPORT OF THE EXECUTIVE ON

The Civil Service Superannuation Bill (No. 229).

(As compiled under the chairmanship of Mr. Walter Todd, 1913-14, and Mr. E. F. Drake, 1914-15, and adopted with amendments by the Convention of the Civil Service Federation of Canada January 7, 8 and 9, 1915.)

The Executive of the Civil Service Association of Ottawa have considered the provisions of Bill No. 229, respecting Civil Service Superannuation, and beg leave to present their report as follows:—

Inasmuch as the provisions of this Bill are necessarily of a highly technical character, the Executive, in the absence of professional advice, which is not available to them, feel that they cannot express any decided opinion from an actuarial viewpoint on the merits or demerits of the proposed scheme as a whole. So far, however, as they have been able to come to any conclusion, they are of the opinion that the proposed measure contains some apparent advantages over other pension systems in Canada, which they have examined, and also many apparent disadvantages, especially as applied to those now in the service.

For the information of the service, the Executive submit herewith their conclusions in this regard as follows, namely:—

(1)—AS APPLIED TO FUTURE ENTRANTS.

The retiring allowances provided for in the Bill seem to be, in many instances, though not in all, of a somewhat more liberal character than those granted under other systems examined, though one peculiar feature has been observed, that is, that they seem to be proportionately far more favourable to those, who, throughout their term of service, receive a more or less uniform rate of salary than to those, who, entering at a comparatively low salary, proceed, during their period of service, by the usual statutory increases and promotions to the higher grades.

The pensions allowed to widows, and children under 18 years of age appear, up to a certain stage, to be as favourable as those granted under the other systems examined; but whether these allowances and pensions bear a proper proportionate ratio to the amount of contribution charged therefor, the Executive have no adequate means of determining.

The disadvantages which appear to be most obvious are:—

(a) The provision requiring a continuous contribution during the whole period of service, which, in the case of those entering the service at the prescribed minimum age, might extend over a period of 48 years. In other systems examined the period of contribution is limited to 35 years.

(b) Forfeiture of all contributions in the case of a male contributor dying in the service without leaving a widow, or children under 18 years of age. In a system where the rate of contribution is small and limited to a fixed term of years, the forfeiture of contributions is understandable, but where the rates of contribution are so high, and extend over the whole period