

*Canada Pension Plan*

may be a mass movement from one location to another, or there may be the case where large contributions have been made that can be easily traced. I have not been able to find any provision in the bill for exception in these cases. Therefore, Mr. Chairman, I would like to ask whether there is any way in which an employer who has made a substantial overpayment in any one year can apply for a refund.

**Mr. Benson:** In dealing with employers, Mr. Chairman, first of all let us consider the situation of employers who have contributed or paid more than they are required to pay under the act. They are entitled to a refund. But where they have paid the amounts they are required to pay under the act, but the amount of employer contributions paid by two employers for an employee who has changed employment exceeds in the aggregate the net amount payable by the employee, there is no provision for refund under this situation in the bill, and this is similar to the procedure in the social security system in the United States. Basically, the reason for this is the amount of money involved in individual refunds.

As I recall the figures presented to the pension committee, they indicated that these refunds would be relatively small amounts and it would be more costly to get the amount for each employee divided up amongst perhaps two or more employers than the amount of money involved. I believe this might amount to a few million dollars, that is the aggregate of individual amounts, as I recall the figures which I read.

I do not believe there is any provision to deal with a specific employer in the case which the hon. member has mentioned. If you did attempt to do this you would have to deal with all employers in the same manner. I do not believe you could provide for an exception because having provided for one exception, reasons would be advanced for providing for additional exceptions. You would get into a position where you would have to make such contribution refunds to all employers.

**Mr. Aiken:** The Canadian Construction Association presented a brief to the special committee which had a great deal of merit. This association represents one group, and there may be others, but this is probably the most significant group of employers who have employees who move from job to job. They are not likely to be classed as casual labour, however. They work for their regular wage

and they have income tax and pension deductions made. Their records are kept, so they would not be called casual workers. They are people, however, who move from job to job. There are other industries to which this particular problem applies.

In so far as the construction industry brief is concerned, I should like to ask the minister if any consideration was given to some way of alleviating the great problem of this one industry, which is a substantial industry. I suggest that perhaps a good deal of the overpayment that will not be refunded will come from people employed in the construction industry. In fairness, is there not some method by which a particular industry of this kind could have a system adopted for the recovery of contributions when they are away above what is fair and reasonable?

**Mr. Benson:** I have been informed that on looking into this matter it was found that under the United States social security system no method of refunding was found for these small amounts. Then, you would have to split this amount between the employers. As I mentioned before, there is just no easy way of doing this, so there is no provision for it in the bill. If one could devise something that would be equitable and fair in the future, I am sure this parliament would be pleased to face up to the problem and deal with it. However, after years of operation under the social security system in the United States, they have come to the conclusion that the cost involved in refunding an employee's contribution would not be warranted in comparison with the benefits derived.

**Mr. Aiken:** I have just one final question. May I ask if the government considered this situation carefully, decided there was nothing that they could do for this type of worker and decided to offer no amendment to the bill?

**Mr. Benson:** Yes, that is the case; it was considered carefully.

**Mr. Leboe:** I am just wondering perhaps whether or not the government could take the lead in connection with this matter and give the employee an additional amount of money that is involved in the so-called employer's contribution, then take the 3.6 per cent for a deduction? I am speaking about the government, now. They could raise salaries of their employees by 1.8 per cent, then there would be no employers' contribution so far as the government is concerned. If the government took the lead in this connection,