

Private Members' Business

I hope that I will have a chance to continue when the bill is next before the House.

The Acting Speaker (Mr. Paproski): I regret the hon. minister's time has expired.

[Translation]

It being 5 p.m., the House will now deal with Members' Business, in the order set out in today's *Order Paper*.

PRIVATE MEMBERS' BUSINESS—BILLS

[English]

CANADA PENSION PLAN

MEASURE TO AMEND

Mr. Bill Kempling (Burlington) moved that Bill C-260, an act to amend the Canada Pension Plan (spousal agreement) be read a second time and referred to a legislative committee.

He said: Mr. Speaker, it is a pleasure to rise to seek the consent of the House to pass Bill C-260 through second reading and on to a committee for study.

This bill has been more than three years in the making, so it is really interesting after that time to see it finally on the floor of the House of Commons.

Bill C-260 is intended to amend the Canada Pension Plan. The Canada Pension Plan was established in 1966 to provide a source of retirement income for Canadians. Since 1966, Canada Pension Plan benefits have been improved on a number of occasions. Canada Pension Plan credit splitting legislation came into effect on January 1, 1978.

The objective of credit splitting was to recognize that pension credits earned by one or both spouses during a marriage were a joint asset. It is recognized that both spouses contribute to the accumulation of the Canada Pension Plan credits during their marriage, either directly by virtue of their both earning credits, or indirectly by one contributing through work in the home.

We recognize that work in the home does contribute to family income and therefore to the Canada Pension Plan credits accumulated by the spouse who is in the labour force. The 1978 amendment, by permitting the splitting

of these credits, assured each spouse a fair share of the assets to which they both contributed.

For five years it was believed that the division of pension credits was outside the jurisdiction of the courts. Waivers in separation agreements or other similar orders which renounced future property claims were not binding on the Canada Pension Plan administration in that they did not affect the division of pension credits. This understanding changed as a result of an appeal to the Pension Appeals Board in the case of *Preece v. Preece*.

The Pension Appeals Board is the third and final level in the appeal process. Section 86(d) further states that the decision of the board, unless provided for elsewhere in the act, is final and binding.

In the June 30, 1983 *Preece* ruling the Pension Appeals Board decided that the division of pension credits is subject to an agreement or a settlement that may have been reached by former spouses.

A February, 1990 report on pension reform by the National Council of Welfare states that as of September, 1989, only 21,267 applications for splitting under the Canada Pension Plan have been approved since the option was first made available in 1978. During those years there were approximately half a million divorces that should have led to splitting. Informal estimates by the Department of Health and Welfare suggest that at least 15,000 spouses could benefit from Bill C-260.

It is my understanding that since the *Preece v. Preece* judgment the Department of National Health and Welfare has been seeking a solution to restore the legislation to its original intent prior to the Pension Appeals Board ruling.

In the last Parliament the government introduced Bill C-116, an act to amend the Canada Pension Plan and the Federal Court Act, which came into force January 1, 1987. The passage of Bill C-116 restored the division of pension credits as a non-assigned right, unless a waiver is allowed under a provincial statute.

Unfortunately for the drafters of Bill C-116, those spouses who signed a separation agreement between January 1, 1978 and June 4, 1986 were still left out. It was determined at the time that the information they received was correct. In 1978, when the original credit splitting legislation was put in place, I recall writing to all the lawyers in my constituency advising them of the credit splitting. In fact, National Health and Welfare and National Revenue continued to advise people that credit splitting was automatic and non-assignable for at least