

employment, they have the same average salary for pension purposes and they are entitled, as a consequence of taking their retirement at age 62, to exactly the same amount of pension. At age 62 these two retired civil servants will draw precisely the same amount of benefit. At age 65, if one of them remains completely retired and does not take employment, his Public Service Superannuation benefit is reduced by a certain amount of dollars representing the Canada Pension Plan benefit to which he is entitled.

His exact counterpart, under the law as it now stands, who has in the meantime entered the labour market, will have exactly the same treatment, as far as the Public Service Superannuation benefit is concerned. It would be reduced at age 65 to exactly the same amount of money the fully retired civil servant was drawing, only in this case the employee's Canada Pension Plan benefit would be suspended until such time as he retired from his non-governmental employment, at which point it would be reinstated at what would then presumably be a somewhat higher level.

From the point of view of the Public Service—and I believe I am correct in stating this was the position taken by the Advisory Committee on the Superannuation Act—the position taken is that these two retired civil servants, who have now exactly the same number of years and the same pension entitlement, are entitled to exactly the same treatment under the Government Employees' Public Service Superannuation Act, and that whatever effect the status of an employed or unemployed person may have so far as the Canada Pension Plan is concerned, it will not result in one of these civil servants being treated more generously than the other civil servant so far as the Public Service Superannuation benefits are concerned.

I think this illustrates the difficulty that we would be in if we were to accept the argument—and this might be employment, incidentally, that could qualify a retired civil servant under the Quebec Pension Plan as well as the Canada Pension Plan—that during the period an individual of 65 years of age and over is employed elsewhere when his Quebec pension or Canada pension benefit is suspended that he should be compensated for this by an additional amount of benefit from the Public Service Superannuation Fund. This would have two effects. It would result, first, in the Public Service Superannuation Fund subsidizing to this extent either the Canada Pension Plan or the Quebec Pension Plan, as the case may be, and, second, it would result in the retired civil servant aged 65 who continued to be employed receiving a larger benefit from the Public Service Superannuation Fund than the same retired civil servant not so employed would receive. We would consider, from our point of view, that this would be less than equitable treatment as between those two civil servants in the circumstances I have described.

Mr. CHATTERTON: Is my understanding correct that this adjustment of the Public Service Superannuation Fund payment will not apply in the years 1967 to 1969 inclusive?

Mr. CLARK: No, it would depend upon the relevant age as provided in subclause (2) on page 13.

Mr. CHATTERTON: Yes, that is what Dr. Davidson has said has been done in respect of these three transitional years.