

type, any insurance policy has to be based on some mathematical calculation.

One of the reasons for that, and I think the member for Elk Island is aware of this, is the fact that there is no set retirement date. Without a set retirement date it is impossible to say, to calculate, to estimate how long people will collect their pension. This I find disgraceful. It is disgraceful that someone could draw a pension at 25, and we cannot calculate the fact that they will be drawing it for 60 years. That is one point.

My second point is that it is not true that if you are in your pension plan for 27 years you get the same as in this one at six years. In your plan at 27 years your premiums and your employers' premiums, if you are employed, are vested after a certain period of time and you do retain those funds. Then when you reach retirement age if you were not in it for 27 years you would draw the benefits of those vested funds.

I think in this case the period of time which we might debate is simply that, a vesting period. The members who lose an election after six years leave if they are not of retirement age. At retirement age they collect a pension which is based on the vested portion of their pension contributions.

[Translation]

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I am pleased to support the motion put today, which would allow the government to keep the promises it made with respect to pensions for members of Parliament. These promises were published in the document entitled *Creating Opportunity*, otherwise known as *The Liberal Plan for Canada*, the famous red book.

As the members know, this document contains two specific commitments regarding the Members of Parliament Retiring Allowances Act.

• (1610)

Not only did the government undertake to end double dipping, but also to review the question of the minimum age at which members may begin to draw their pension.

As the member for Peterborough has just spoken about double dipping, I would like to look at the second issue, the one concerning age.

[English]

The Members of Parliament Retiring Allowances Act currently does not require a member to have reached a specific age before becoming eligible to receive a pension. Once a member has six years pensionable service to his or her credit he or she can draw the benefit immediately upon leaving office regardless of their age at that time.

Supply

The philosophy behind this feature was that an MP's pension should provide some immediate income which will assist the member in making the transition from public life to private life. As all members of Parliament know, our tenure in this House is by no means guaranteed. Job security is not just a feature of public life. Our careers as parliamentarians are frequently up for renewal and can be abruptly brought to an end. As well it is not always certain that on leaving office we will quickly or easily find alternative employment.

The availability of immediate income on leaving office can be a particularly important factor for members who have young families who must consider the need for another source of income when no longer receiving a seasonal indemnity but have not yet found new employment.

[Translation]

This does not mean that I think that the existing provisions should remain as they are. I do, however, think that in the absence of appropriate transitional measures to help members of Parliament who leave office meet their financial needs, some members may suffer a loss, especially those who leave office when they are still relatively young.

Under the existing plan, a member who is defeated after six years of service does not receive a lump sum separation allowance. Such an allowance is paid only if the member is not entitled to a pension on leaving office.

Many private companies offer employees whose career is unexpectedly interrupted an amount of money to compensate for their involuntary departure, even though the employee may also be entitled to a pension. This provides the laid-off employee with some income while he is looking for a new job and starting over in a new career.

[English]

If the payment of pensions under the Members of Parliament Retiring Allowances Act is deferred so that pensions do not become payable until a certain age is reached it may well be necessary to introduce improved separation benefits to ensure that MPs' immediate financial needs are properly met much like the severance pay offered in the private sector.

The question is what would be an appropriate minimum pensionable age for members of Parliament. Some would argue that age 65 should be the pensionable age because this is the most usual age for Canadians to begin drawing a pension. Then again others might feel 60 is appropriate as this is also a common retirement age, especially in the public sector.

I feel that age 55 is justifiable since finding alternative employment at or after this age is not an easy matter.