

Regulations, the Canadian Overseas Telecommunication Pension Regulations and the Canadian Arsenals Pension Regulations, together with a variety of reciprocal agreements with other public service employers, and the application of the old Civil Service Superannuation Act of 1924, in so far as it is applicable to current contributors. Moreover, since 1955, the branch has administered the supplementary Death Benefit Plan under Part II of the Superannuation Act, and, since 1960, the Public Service Group Surgical-Medical Insurance Plan.

Not only, however, in the complexity of the legislation does the branch have problems. It is in every sense a large scale operation. As at 31st March 1965, the end of the year which we are studying, there were 176,914 contributors under the Act, and during the fiscal 1964-65, 19,557 employees became contributors and 18,348 contributors ceased to contribute, entailing either a return of contribution, an annuity to a retired employee, a widow or a child, or a lump sum payment. As at 31st March 1965, 46,377 persons were receiving pension benefits payable out of the Superannuation Account. These included 29,007 former employees, 14,263 widows and 3,107 children.

I could cite a number of financial statistics, Mr. Chairman, but just let me say that during 1964-65 the branch account received income of \$369 million, of which \$61.8 million represented contributions from employees and retired employees. The expenditures that year were \$64 million, of which \$52.6 million represented annuities; \$10.8 million, return of contributions; and there were some other transactions. With the result that at the end of the fiscal year, the balance of the government's liability under the account was \$2,161.8 million.

I hope this brief outline of the nature and extent of the operation for which the branch is responsible will give some indication of the magnitude and complexity of the task it faces in attempting to ensure prompt and accurate processing of all superannuation transactions.

When I assumed responsibility for the administration of the branch I appointed a task force, composed of four of my senior officers, to undertake a thorough review of all aspects of superannuation administration. I received the final report of that task force in February, 1964. Its recommendations were accepted and were introduced early in the fiscal year 1964-65, and they have been reviewed and re-assessed from time to time since then. I should like to review with you the action that has been taken.

In the first place, important administrative measures were taken to improve the competence of staff, to strengthen the organization of the branch, to improve communications with departments, contributors and annuitants, and in general to create an improved environment in which the incidence of the conditions noted by the Auditor General could be eliminated to the extent humanly possible.

With regard to the specific observations made by the Auditor General, let me say, first, that in ensuring that the provisions of the legislation are properly applied the branch has three main responsibilities.

The first is to ensure that the rights of the Crown and employees are protected and that the contributions and benefits are in accordance with the law. Secondly, to reconcile the amount of superannuation contributions actually made by a contributor for both current and elective service with the amount that he should have contributed. Thirdly, to verify that each superannuation