

**4. The Standing Committee recommends:**

- i. that survivors above retirement age who have been married for one year or longer, not receive a transfer of credits, but receive 60% of the earned pension based on the deceased spouses contributory earnings;**
- ii. that for survivors below the age of 55, 60% of the deceased contributor's contributory earnings be transferred to the surviving spouse. In cases where there is more than one claimant, credits would be allocated on the basis of the length of the period of cohabitation; and**
- iii. that survivors between the ages of 55 and 65 be provided with a choice of either being provided with a pension equal to 60% of the earned pension benefit based on the deceased spouses contributory earnings or the transfer of credits or the benefits under the current system.**

**Ceiling on credit transfer**

Several witnesses argued that the proposed ceiling on the transfer of pension credits would not be equitable. As indicated in the brief submitted by the Calgary YWCA:

A fundamental principal in this regard is that pensions represent a form of savings which are earned by both partners in a marriage during the period of cohabitation, and therefore represent joint assets *in which each partner has an equal right*. This is presumably the principal upon which the credit transfer mechanism was based...

While the Committee is sympathetic with the view, the Committee does not view CPP credits as a form of savings like all others. Even in most private pension plans, the survivor does not have an absolute right to the full pension benefits of the deceased contributor. Further, unlike other pension plans, the CPP has some aspects of an inter-generational transfer. Contributors take out of the CPP more than they contribute. CPP is, therefore, not solely a savings plan. The Committee is also concerned that the elimination of a cap would provide some single survivors with pensions equal to 160% of the maximum earned pension. It is the view of the Committee, however, that some recognition should be given to the earned pensions of both spouses during the period of the marriage.

**5. The Standing Committee recommends:**

**that for all survivors the ceiling limiting transfer of CPP credits for any year be modified so that survivors with their own contributory earnings may receive the total of their own earnings plus the 60% transferred from the deceased spouses contributory earnings to a maximum of 60% of the two spouses' combined contributory earnings.**