

Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, be read the second time and referred to a legislative committee.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am delighted with this opportunity to speak to Bill C-90, respecting the Pension Benefits Standards Act. As you know, Mr. Speaker, and as was pointed out by both Opposition parties, this is the first time in twenty years that this Act is being amended. This legislation affects 500,000 employees in Canada, 500,000 people who will at last be able to take advantage of the benefits arising from these positive amendments to Bill C-90, the Pension Benefits Standards Act.

Perhaps it would be useful to recall briefly the measures that will be amended and that are important, and I am thinking first of all, of the portability of pension plans. As we know, the existing legislation contains no provision allowing an employee who changes employers or decides to start up his own business to transfer his pension plan. Thanks to the new legislation, Mr. Speaker, if the employee changes employers, he will be able to transfer his pension plan to the new employer, and if he decides to start his own business, he can transfer the pension plan he had with his former employer to a pension plan to be set up within his own business. Mr. Speaker, I believe this is a very positive step.

Furthermore, as far as access to the plan is concerned, according to the existing legislation, it is necessary to have been employed by an employer for ten years in order to have access to the plan, while from now on, the 500,000 employees we mentioned earlier will have access to the plan after two years, and this applies to full-time employees. Part-time employees will also have access after two years, provided 35 per cent of average annual pensionable earnings under the terms of the Canada Pension Plan Act corresponds to their income as part-time employees.

Mr. Speaker, I repeat, this is a very positive measure.

Under the existing legislation, when employees lose or leave their jobs, in some cases they cannot recover a single penny of their pension plan contributions. With Bill C-90, Mr. Speaker, the employee will automatically be entitled to at least half the value of his pension plan with the employer. I feel this too is a very fair measure that will ensure that employees are able to benefit from the money contributed to their plan.

Mr. Speaker, as far as retirement age is concerned, employees will be entitled to receive their pension benefits ten years before the normally prescribed retirement age. I think that in many cases, this measure will be welcomed by employees who want to take early retirement. This was not possible before. Employees could retire, they could stay home, but were not entitled to receive their pension before reaching the prescribed retirement age.

### *Marriage and Family Life*

The same applies to employees who decide to leave before becoming a member of the pension plan. According to the existing legislation, they lose all pension rights. Under the new system, if the employee has no pension, in other words, if the amount contributed is not sufficient to say he has a pension, the employer has an obligation to reimburse contributions paid by the employee, plus interest.

The Hon. Member for Beaches (Mr. Young) said that perhaps the employers will be making money at the expense of their employees under the new legislation. With all due respect for my colleague, Mr. Speaker, I would suggest that he is badly mistaken because the employees will have to be reimbursed, with interests.

I would like to refer to another very significant measure concerning the surviving spouse. Under the existing legislation the surviving spouse is not entitled to anything at all, but once Bill C-90 becomes law the employer will be expected to pay the surviving spouse at least 60 per cent of the pension of his or her deceased spouse. In the case of an employee who dies before retirement, the employer will then have to transfer to the spouse's Registered Retirement Savings Plan the amount set aside for that employee who died before retirement age or before retiring.

Mr. Speaker, those measures were long overdue. It has been 20 years since any kind of change or addition has been made to take the current legislation situation into account, so these are important measures which reflect the socio-economic reality and the family patterns in 1986.

Mr. Speaker, marriage breakdowns are another reality of 1986. As we all know, there are now more marriage breakdowns than there were 20 years ago, but nothing has been done about it since then. In any future marriage breakdown, each spouse will get half of the pension. Earlier today the Hon. Member for Beaches said he was against this measure . . .

**The Acting Speaker (Mr. Charest):** Order, please. I regret to interrupt the Parliamentary Secretary, but it being five o'clock the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

● (1700)

## PRIVATE MEMBERS' BUSINESS— MOTIONS

[English]

### SOCIAL SERVICES

SUGGESTED COMMUNICATIONS PROGRAM TO AFFIRM  
IMPORTANCE OF MARRIAGE AND FAMILY LIFE

**Mr. Reginald Stackhouse (Scarborough West) moved:**

That, in the opinion of this House, the government should consider the advisability of sponsoring, with the Provinces, a communications program,