

benefit. Thus, these disabled survivors could receive \$126.82 per month for each dependent child as child of a deceased contributor and an additional \$126.82 per month for each dependent child as the child of a disabled contributor.

Improved benefits for current survivors

The Consultation Paper recommends improvements in the levels of benefits paid to existing survivors. Under these proposals, all persons already in receipt of a CPP survivor pension at the time of implementation would receive the higher benefits under the transitional structure. Thus, the flat-rate portion of the survivor's benefit, and the flat-rate surviving child's benefit would be increased to the transitional level of \$197.92 per month and \$126.82 per month respectively. Existing survivors over the age of 65 would see no change in their pensions.

Impact of proposals on CPP expenditure

The Consultation Paper proposals outlined above would, if implemented, have an effect on the costs of the Canada Pension Plan. As the CPP is fully self-supported, with benefits being paid from contributions of Canadian employees and their employers, changes in CPP expenditure will have implications for the premiums Canadians must pay. The net effect of all proposed changes would be to initially increase the cost of the Plan with an eventual reduction of expenditure as the new benefits structure is phased in. Table 2 outlines the total cost effect of the proposed CPP revisions.

Table 2

Year	Existing Expenditure (millions)	Proposed Expenditure (millions)	Variation (millions)
1990	1,773	2,151	378
1995	2,373	2,771	398
2000	4,117	4,373	256
2005	5,214	5,069	-145
2010	6,377	6,371	-6
2015	11,361	12,447	1,086
2020	12,382	17,086	4,704
2025	10,000	21,604	11,604
2030	27,100	26,471	-629
2035	36,691	33,368	-3,323
2040	47,679	40,018	-7,661
2045	58,211	50,586	-7,625
2050	78,268	78,268	0