

*Government Orders*

Turning to ex-spouses deemed dead, the bill fails to delete the clause that gives Treasury Board the power to deem ex-spouses dead for the purpose of survivors' benefits. Treasury Board argues that this is simply a way of handling cases where ex-spouses cannot be located.

However, witnesses believe the government wants to keep this clause in order to exclude former spouses from their share of death benefits based on the continuing assumption that ex-spouses have chosen to be disenfranchised, to opt out. How ridiculous can it be? This is archaic and unfair and should be removed from the legislation.

On a preferable system for prorated division, the NDP prefers a system that recognizes the period of contributions during cohabitation under the marriage contract and respects past divisions of assets under separation or divorce court settlements. The death benefit should be divided on a prorated basis to ex-spouses based on the length of contribution during years of marriage, not the moment of death.

The Canada Pension Plan provides for the length of time that the husband and spouse live and work together. It recognizes it. Why can we not do it in this piece of legislation?

Spouses at the time of death now, including post-retirement spouses, should not be allowed to be elected by the plan member as their sole beneficiary. The beneficiary should be irrevocably designed by law on a prorated basis.

With regard to MPs' pensions, the Leader of the New Democratic Party has called for this to be handled by an outside group.

• (1640 )

I applaud her efforts to get the government to have this done by an outside group. I am not going to comment with regard to that issue. I am sure when it has studied fully it will come back with the kind of recommendations that will probably satisfy the House of Commons.

On the new pension divisions act, the bill creates a mechanism for federal employees pension credit splitting upon marriage breakdown. Former spouses will have the option of applying for a court ordered share of the plan members pension.

On constituency, this is an idea that has been a long time coming. The Canada Pension Plan has for years provided for the automatic division of pension credits. Since 1987 with the passage of the Pension Benefits Standards Act, federally regulated employees in the same sector have been entitled to various methods of pension credit splitting.

Now, five years later, the federal government has extended the same protection to its own employees. Divorced and separated spouses of federal employees have lobbied for years to achieve such a law.

I remind the House that older single women are the poorest citizens of Canada and one of the major reasons for this poverty is the inferior pension benefits provided to them. I commend the government for finally responding to this need.

There are problems, however. I am extremely disappointed to say that the method of the division proposed in this bill is deeply flawed and does not provide consistent treatment of federally regulated employees in the public and private sectors.

The government had the obvious models of the Canada Pension Plan and the automatic division system of the flexible provisions of the Pension Benefits Standards Act, the other model. The government chose neither.

Instead, the government decided to limit benefit distributions to one method, the much more restrictive, cumbersome and less fair lump sum transfer. This method is not easily accessible and has many built-in time delays and court costs. An evaluation of those lump sum amounts fails to take into account many important factors.

There is a better option; namely, the imposition of a trust. A trust would be imposed on the plan administrators to immediately convey an interest to a spouse on a portion of the pension. The non-member spouse would be considered to be a pension plan member who has terminated employment. There might be an option of keeping the benefits in the plan and being entitled to a deferred payment from the plan.

The federal superannuation plan would provide monthly pension cheques to the spouse when the spouse becomes eligible to receive them. Ex-spouses could pay an administration fee for the services of the trust.