

In the discussion in the Senate, mention was made of the changes in what we call the provincial abatements flowing from the federal-provincial fiscal arrangement.

A change that may be of some importance is that it will no longer be possible to make tax-free transfers from pension plans, or from retiring allowances, into deferred profit-sharing plans. It will be possible to make a tax-free transfer from one deferred profit-sharing plan into another deferred profit-sharing plan if the receiving plan has five numbers.

The CHAIRMAN: If I took my money from a pension or retirement savings plan that would be taxable but if I invest in another plan immediately then there would be exemption, is that right?

Mr. IRWIN: That is right. That rule is not being changed. The only feature of that rule that is being changed is that where you want to take these proceeds and place them in a deferred profit-sharing plan—

Senator MACKENZIE: A moment ago we spoke of social security numbers. Is everybody in Canada liable to have one?

Mr. IRWIN: Not every one has a number now, sir.

Senator MACKENZIE: I have in mind those over 80.

Mr. IRWIN: The amendment proposed here in clause 21 is that every individual who is required to file a return for income tax purposes must obtain a social insurance number and use it on his return.

Senator MACKENZIE: Do you give the information as to how he gets the number?

Senator BAIRD: Has everyone got to have one?

The CHAIRMAN: Various Government offices have application forms with information as to how the number can be obtained.

Senator MACKENZIE: Are they any good to you when you get one?

Mr. IRWIN: It is necessary for purposes of administering the Canada Pension Plan.

Senator MACKENZIE: But that plan does not apply to people over 70.

Mr. IRWIN: It is valuable for a taxpayer, too, in the sense that it enables the Department of National Revenue to process his tax return more quickly and more efficiently.

The CHAIRMAN: So, if you want your return processed quickly, you will get yourself a number.

Senator MACKENZIE: How?

The CHAIRMAN: Apply.

Senator MACKENZIE: To whom?

Mr. IRWIN: Any office of the Department of National Revenue.

Senator MACKENZIE: I am not thinking of myself.

Senator KINLEY: They are advertised.

Senator MACKENZIE: Why should they have one?

The CHAIRMAN: We are getting into the realm of policy. What we are considering is a section of the bill which says that every individual who is required to file an income tax return is required, unless he has already been assigned a number, to apply to the Minister of National Health and Welfare in the prescribed form and manner for the assignment to him of a social insurance number. There is a penalty if he does not put his number on his income tax form.

Senator MACKENZIE: There is no indication there as to where he applies.

The CHAIRMAN: Yes, the Minister of National Revenue.

Senator MACKENZIE: Why not the Minister of National Health and Welfare?