

TOP SECRET

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that the whole policy of compulsory retirement of civil servants should be reviewed as there appeared to be good arguments in favour of removing all age limits, at least in respect of civil servants in the lower and perhaps even in the middle grades. A comprehensive study of this question was in course of preparation in the Department of Finance and would soon be submitted to Cabinet for consideration.

(b) No entirely satisfactory solution had been found regarding eligibility of prevailing rates employees for superannuation benefits. The new legislation would leave the current procedure unchanged and continue to vest in Treasury Board discretionary powers as to inclusion or exclusion of prevailing rates employees in so far as contributions to the superannuation fund were concerned.

(c) prior to 1924, civil servants had been entitled to have their superannuation based on the average salary earned during the last five years of employment. A relatively small number of civil servants in this group had been denied the "five year average" privilege on the grounds that they were employed on a temporary basis in non-continuing governmental organisms and, as a consequence, would have their superannuation based on the average salary during the last ten years of employment. It had been found impossible to provide a complete satisfactory solution to this difficulty. However, the new legislation would make superannuation benefits a matter of right rather than a matter of grace and, consequently, at least some of the civil servants who came into the service prior to 1924 and had been denied the five year average privilege might possibly have successful legal recourse to the Exchequer Court.

10. The Cabinet, after considerable further discussion:

(a) approved for introduction the resolution and bill entitled "Public Service Superannuation Act"; and

(b) deferred decision on the question of compulsory retirement of civil servants pending submission and consideration of a report in this matter by the Minister of Finance.

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