

Unemployment Insurance

as income during the period received and was deducted accordingly from unemployment insurance benefits as per a formula set out in the regulations. These changes were rooted in the belief that unemployment insurance should not be used as a supplement to pension income earned by those individuals who have retired and who have chosen to withdraw completely from the labour market. This has never been the intent of the Unemployment Insurance Act, and this Government is still committed to that belief.

However, the Government recognizes that there are many individuals who have retired and who, by choice or by economic necessity, have decided to remain active members of the workforce. Upon assuming a second career these people continue to pay unemployment insurance premiums, as is their legal obligation. At some point in the future an individual may be forced to submit a claim for unemployment insurance based on insured earnings accumulated during his second career. It would be inequitable to then deduct pension earnings from these unemployment insurance benefits, the result of which would all but eliminate most claims.

The intent of Bill C-50 is to correct this inequity by allowing pensioners who requalify for unemployment insurance by working subsequent to their retirement to collect benefits without being penalized for collecting a pension as well. I feel that this is a good measure. This principle is one which Members of the House should support.

In addition, Bill C-50 will compensate any individual for lost unemployment insurance benefits based on a claim begun after January 5, 1986, providing that that claim resulted from post-retirement earnings. This is a good measure as well. I find it difficult to believe that any Member of the House could vote against it.

Bill C-50 creates two categories of claimants who will benefit from the proposed changes. The first category includes those referred to previously, that is, claimants who are capable of requalifying for unemployment insurance on the basis of post-retirement employment. Some 30,000 people per year are expected to fall within this category with a projected reduction of savings in the unemployment insurance account of approximately \$230 million for the fiscal years 1985-86 through to 1987-88.

The second category consists of those claimants who are not capable of requalifying but who have applied for benefits before January 5, 1986. It appears that, prior to the introduction of the January 5, 1986 amendments, some people were misinformed as to what these amendments would imply. As a result, many people retired and applied for unemployment benefits based on the mistaken assumption that their pension would not affect their benefit claim.

The Minister has dealt with this problem clearly and concisely. Under Bill C-50 all pensioners who applied for UI benefits prior to January 5, 1986, will now be dealt with according to the regulations that were in place before the January 5, 1986 changes. Any benefits lost since that date will

be refunded. This is a good measure, and I find it difficult to believe that any Member of the House could vote against it.

• (1520)

The second issue with which Bill C-50 concerns itself is the matter of severance pay. Following previous changes in the treatment of payments on separation, some confusion existed which resulted in inequitable treatment. In order to prevent this occurrence, clear up the existing confusion, and treat all claimants fairly, Bill C-50 extends the qualifying and benefit period up to a maximum of 104 weeks when the separation payment has prevented the payment of unemployment insurance benefits or has delayed the start of a claim. This change merely delays the receipt of unemployment insurance and does not result in any loss of benefits.

The Minister has stated that Bill C-50 proposes changes which demonstrate the commitment of the Government to ensuring fair and equitable treatment of all workers. I wish to echo this sentiment. I applaud the Government, and the Minister in particular, for these measures.

With this in mind, I would urge that the Government carefully monitor the unemployment insurance delivery system in the future with the goal of eliciting continuing improvements. When a person retires early, he or she may be retiring permanently or about to embark upon a new career. Such a person who gets a job answers the question clearly and without doubt and requalifies for benefits without pension deductions.

Jobs are not as plentiful in all parts of Canada. I suggest that the Government should consider a future improvement to put a person forced to take early retirement, who proves that he or she is actively seeking work, in the same category as one who has obtained a job in that the claimant could obtain benefits without pension deduction. I have in mind people like members of the Canadian Armed Forces and the Royal Canadian Mounted Police who fall into this category.

All in all I feel the changes covered in Bill C-50 represent a tremendous step forward, and I would urge that a future goal of the Minister be to consider additional changes along the lines I have suggested.

[*Translation*]

Mr. Malépart: Madam Speaker, I have a question for the Hon. Member who just spoke. Could the Hon. Member explain why his Government can ask for \$186 billion to buy submarines. Why it can spend money on military equipment to kill people, to fight an otherwise unknown enemy, and why it cannot spend the millions of dollars that are right there in the Unemployment Insurance Fund, which belongs to Canadian workers, to ensure that older workers are treated fairly? I know the Hon. Member as a man who is sincere and dedicated to defending the rights of his constituents. Would the Hon. Member be willing to support the demands contained in the amendments the Opposition intends to present, which are the demands of the Pan-Canadian coalition, to ensure that all workers who took early retirement before January 5, 1986,