

## ABSTENTIONS

## THE HONOURABLE SENATORS

Nil

● (1510)

**Hon. Royce Frith (Deputy Leader of the Opposition):** Honourable senators, at this stage it would be normal for the Senate to resolve itself into a Committee of the Whole to deal with the election of a chairman and steering committee and to discuss the business of the committee.

However, I suggest that we take the opportunity to confer with the leadership on the other side, and confirm that this matter will appear in that form on the order paper for next Tuesday.

**Hon. Orville H. Phillips:** That is satisfactory, or the whip could nominate the members of the steering committee if that would expedite the procedure. We would be happy to accept that.

**Senator Frith:** I hope that the two whips will confer and speak to Senator Doody, Senator Murray, Senator MacEachen and myself, and we can finalize our recommendation to the Senate about it.

**The Hon. the Speaker *pro tempore*:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

### UNEMPLOYMENT INSURANCE BENEFIT ENTITLEMENT ADJUSTMENTS (PENSION PAYMENTS) BILL

#### SECOND READING—DEBATE ADJOURNED

**Hon. Brenda M. Robertson** moved the second reading of Bill C-50, respecting the treatment of pension payments in determining certain unemployment insurance benefit entitlements and to amend the Unemployment Insurance Act, 1971.

She said: Honourable senators, I am pleased to speak about the provisions contained in Bill C-50. This bill contains changes needed to implement certain measures that were announced by the Minister of Employment and Immigration some time ago, which will enable the Employment and Immigration Commission to commence payment of benefits to thousands of people affected by the legislation.

Before we continue, honourable senators, we must remember what unemployment insurance represents. Unemployment insurance is an element of great importance, historically, to the fabric of Canadian life.

Unemployment insurance began in Canada in 1940. In the years since then Canada has evolved greatly. There has been rapid change in the economy, in the labour market and in social legislation and values. Honourable senators, unemployment insurance today remains a temporary income protection

for many—retaining its original reason for being—while for others it has become an income maintenance plan.

Unemployment insurance, during this past decade, has consistently paid out more in benefits per year than any other single program at any level of government, except old age security.

The introduction of seasonal benefits in the 1940s altered the strict insurance principles of the program. Supplementary benefits in 1950 and the special program of benefits for self-employed fishermen were even greater departures from the insurance nature of income protection between jobs.

The bill before us today, honourable senators, is a bill containing special measures—measures needed to implement certain promised changes.

Honourable senators, Bill C-50, the law which takes pensions into account in determining the eligibility for unemployment insurance benefits, and which modifies the 1971 Unemployment Insurance Act, will make three important changes for Canadian workers. The measures proposed in this bill will affect many Canadians directly. This bill proposes changes that demonstrate the commitment of this government to ensuring fair and equitable treatment for all workers.

You will remember that on April 5 of this year certain changes were made to the pension regulations. Passage of Bill C-50 is needed to make the effect of these regulatory changes to the pension regulations retroactive to January 5, 1986.

Since January 5, 1986, pension income from employment, whether as a lump sum or as a regular payment, has counted as earnings for unemployment insurance. Some people have claimed that they received inaccurate information on the subject of the changes made on January 5, 1986, concerning pension income. The government recognizes that some people decided to retire before January 5, believing that they could benefit from unemployment insurance. We took their concerns into serious consideration and decided to provide a transitional period for these people. It will allow CEIC to treat all claims for unemployment insurance benefits filed before January 5, 1986, under the rules in effect at that time.

During the month of January 1986 claimants found that the amount of their unemployment insurance benefits was either eliminated or reduced because of their pension income. Under the provisions of this bill, any claim for unemployment insurance benefits filed before January 5, 1986, will not be affected by pension income.

Basically, the change is this: Those who applied for unemployment insurance prior to January 5, 1986—those who applied under the previous rules—will have their entitlement to benefits determined under the previous rules. Equally straightforward, those who applied for benefits on or after January 5, 1986, will be governed by the new provisions.

Honourable senators, this bill will also allow the Canada Employment and Immigration Commission to apply the recent April 5 change on subsequent employment retroactively to January 5, 1986. It will allow for full UI benefits to be paid to