

severance pay that is equalled by few private corporation plans, except that some large corporations do have voluntary contributory profit sharing plans that might be considered as off-setting this lump sum benefit for those who elect to set it up.

Possibly the major "worry" of pensioners or those about to plan their "budget" for retirement lies in the erosion of the value of pensions through inflation. This has been partially overcome by the recent annual 2% cost of living increase. However, this is only partial and with the cost of living increasing at a rate considerably above 2%, the Department, as a first priority in helping its people enjoy their retirement, should try to remove this worry by supporting fully and forcibly the principle that pensions should be subject to annual increases equal to the full increase in the cost of living. (It is recognized that, under present arrangements, this logically is a subject for bargaining by the Civil Service Unions with the Treasury Board. Also, since the principle has been applied to the Old Age Security payments, hopefully it will come to be applied to Civil Service Pensions as well as to all pensions in the private sector. However, the Department, as an employer, should show concern and interest in its retired employees and should do all possible to ensure that their pensions are not eroded by inflation.)

4.

Generally, one may conclude that for nearly all of External's employees with any sort of long service record (the great majority), financial considerations need not pose insuperable problems, but that, until the inflation factor is eliminated, that will be worrying.

However, the Department has an obligation to provide full financial information to each prospective retiree. This should be best discharged by informing each employee five years before retirement of the approximate amount of pension he will receive at compulsory retirement date based on his current salary and record of service at age 65. This should show how the amount has been calculated; in this way, an employee should be encouraged to make his own calculations from there on in. In addition, the employee should be told the amount

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