

State Pensions

Motion No. 4.

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended in Clause 45 by striking out line 43 at page 38 and substituting the following therefor:

"45. (1) The definition "participant" in subsection 31(1) of the said Act is amended by adding thereto, immediately after paragraph (a) thereof, the following paragraph:

"(a.1) a member of the reserve force who is on full time service, with the approval of the Chief of the Defence Staff, in a position in a regular force establishment or as supernumerary to a regular force establishment;"

(2) All that portion of paragraph (a) of the definition "salary" in subsection 31(1) of the said Act preceding subparagraph (i) thereof is repealed and the following substituted therefor:

"(a) in the case of a participant who is a member of the regular force or a member of the reserve force described in paragraph (a.1) of the definition "participant" contained in this subsection, the greater of"

(3) Subsection 31(3) of the said act is"

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 4 (Mr. Chrétien) agreed to.

Mr. Speaker: The question is on motion No. 5. May I ask if all members have the text of the motion available to them and are familiar with its terms?

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

Motion No. 5.

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended by striking out line 44 at page 39 and substituting the following therefor:

"42(1)(d.1) and (d.2)."

46.1 Paragraph 37(1)(b) of the said Act is repealed and the following substituted therefor:

"(b) one-sixth of the benefit paid in respect of each participant who, at the time of death, was a member of the regular force or of the reserve force, for which benefit contributions under this Part were payable by him at that time;" "

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 5 (Mr. Chrétien) agreed to.

Mr. Speaker: The question now is on motion No. 9. May I ask if all hon. members have a copy of the text before them and are familiar with its terms?

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

Motion No. 9.

[Mr. Sharp.]

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended by

(a) by striking out lines 12 to 14 at page 76 and substituting the following therefor:

"104. Section 4 of the *Supplementary Retirement Benefits Act* is amended by adding thereto the following subsection:

"(5) Notwithstanding subsections (1) and (4), but subject to section 5, the amount of the supplementary retirement benefit that may be paid for a month in any year to a recipient in respect of whom the retirement year determined pursuant to subsection (3) is 1976 or a later year shall be not less than the difference obtained by subtracting the amount of the pension that may be paid to him for that month in that year from the aggregate of the supplementary retirement benefit and maximum pension that would have been payable to that recipient for that month in that year, other than pursuant to this subsection, if the retirement year of the recipient had been such earlier year, being a year after 1974, as is determined to be his retirement year by

(a) the Governor in Council, in the case of a person to or in respect of whom the pension is payable on ceasing to hold an office to which he was appointed by the Governor in Council; and
(b) the Treasury Board, in the case of a person other than a person described in paragraph (a).

105. Section 6 of the said Act is repealed and the following substituted therefor:"

(b) renumbering present Clauses 105 and 106 at page 78 as Clauses 106 and 107, respectively.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say a few words on motion No. 9? I realize that there has been no response to my point of order of a few minutes ago. Although the President of the Treasury Board (Mr. Chrétien) is still absent, I hope he will be available before this debate is over.

This proposed amendment, as the Parliamentary Secretary to the President of the Treasury Board (Mr. Francis) suggested, seeks to resolve an anomaly which has developed recently. I agree that it needs to be resolved. This motion does it, but in a way extremely beneficial to retiring public servants at the top of the salary ladder.

This situation has arisen because some public servants near the top of the salary scale realized one year ago, last December in fact, that if they retired in December and took their pension, their pension would be escalated in January by more than 10 per cent and, in this way, they would begin drawing a higher pension than would have been available to them if they had worked until January or February. Some of those public servants not only retired in December in order to obtain higher pensions than would have been available if they had retired in January or February, but they obtained contracts to work for the government while on pension. That seems to me to be an abuse, but it happened in a number of cases.

The proposal being made in motion No. 9—and it is up to the Governor in Council to determine whether this practice is to be carried through—is this: if a person in his retiring year could have obtained a higher pension by retiring the previous December, he is to get the higher pension. In other words, the person retiring in March or April, 1976, will get a higher pension than he otherwise could obtain in March or April, 1976; he will get it by virtue