

*Supply*

legislation gives more protection to women who are victims of violence.

● (1520)

[*English*]

In the limited time I have left, I would like to give Hon. Members some idea of the Green Paper's proposal to improve pension protection for women under the pension system.

First, the Government recognizes that the current elderly, those already retired from the active labour force, would benefit little, if at all, from changes in work-related pension plans. We know that the combined Old Age Security Guaranteed Income Supplement Program already guarantees pensioner couples an income which is generally sufficient to meet their basic needs. Unfortunately, the same cannot be said for the single pensioners, the large majority of whom are women. Many of our single pensioners, those who have no income other than their Old Age Security Guaranteed Income Supplement, have to get by on an inadequate income, an income which is low relative to pensioner couples and to other groups in Canadian society.

The Green Paper clearly identifies the problems of the single elderly as a key social policy priority of the Government of Canada. We are committed to raising the Guaranteed Income Supplement for this group as soon as resources permit. Of course, in a time of economic restraint such expenditures are difficult, but there are indications that the economy is improving. For example, in January the annual inflation rate was 8.3 per cent, well below the annual rate of 11.2 per cent which was evident when the six and five restraint program was first announced last June.

In future years, of course, it is our hope that fewer women will have to rely so heavily on GIS benefits. That extent to which this goal can be reached will depend, in large measure, on improvements made in other aspects of the pension system.

[*Translation*]

The Green Paper advocates a number of changes to private pension plans designed to better protect retirement income. Some of those suggestions are of particular interest to women. For instance, protection against inflation is especially significant for them because in their lifetime they usually earn less than men and generally live longer than men do. The same can be said about the suggestions concerning compulsory vesting of pension contributions after two years, and the measures to be taken so that their transfer from one employer to another might be particularly worthwhile for women since they have more mobility than men and their work schedule is more often interrupted.

The Green Paper proposes the introduction of a new tax free retirement savings mechanism which would be called the Registered Pension Account. As in any Registered Retirement Savings Plan, the Registered Pension Account would make it possible to deduct contributions from the income, except that the employer could contribute directly to the RPA on behalf of

a wage earner, provided certain conditions were met. This provision would make it easier for small businesses to pay retirement benefits to their employees. In addition to these general improvements to the employer's plans, which will be particularly beneficial to women, the Green Paper recommends special provisions to improve the situation of the spouses of contributors. Among these, I would first like to mention pension benefits based on the income of the surviving spouse with survivor benefits amounting to at least 60 per cent of the initial benefits; second, the sharing of pension entitlements in the case of divorce or separation; and third, the continued payment of survivor benefits after remarriage.

I would now like to examine briefly the proposals of the Green Paper to improve the protection offered by the Canada Pension Plan to women who are now or will later become members of the labour force. Two suggestions have already been debated at length and seem to have many supporters. One would be to increase the maximum earnings covered by the plan to the same level as the average industrial wages over the last three years. The other would be to implement as soon as possible the clause of exclusion for the purpose of child raising which I mentioned earlier, and which is now applied in Quebec but nowhere else in Canada. In this regard, I was very pleased to hear that the Ontario government might be willing to accept this clause. Canada as a whole would benefit from this improvement. I understand that Ontario is willing to support the other recommendations of the Green Paper as soon as an agreement is reached about long-term financing conditions of the plan.

The Green Paper also contains recommendations to improve the situation of non-working spouses, which would involve an extension of arrangements for pension entitlement sharing and would be one way of recognizing that both spouses have contributed to the accumulation of Canada Pension Plan entitlements during their marriage and that both own these entitlements equally. Since 1978, such arrangements have been applied to divorced spouses. It seems to me that there is no reason why spouses with a lasting marriage should be denied access to entitlement sharing. I see some heads shaking, which might mean that everyone does not agree. This is why we will have public hearings. The fact is that the sharing of entitlements could take place when the younger spouse reaches 65. When either spouse dies or when the non-employed spouse or the lower wage earner, where both spouses work, becomes incapacitated, benefits would be paid on the basis of entitlement sharing. However, the entitlements could be divided on request in cases where the spouses have been separated for more than three years.

The Green Paper also recommends that changes be made to survivor benefits under the Canada Pension Plan. For spouses over 65, the Green Paper suggests that the lifetime survivor benefit be equal to 60 per cent of the accumulated retirement pension of the deceased spouse after entitlement sharing. Still