

Government Orders

● (1015)

In fact since May over 65,000 calls have been answered from clients in Ontario and New Brunswick alone. These clients would have had their calls go unanswered had the changes not been made.

The amendments we are introducing today will move us a few more steps down the road toward the administrative effectiveness and excellent client service which we all seek. They will also make it easier for you as members of Parliament to represent constituents in their dealings with the department.

I want to speak a bit about the reform of income security programs. The government is committed to providing Canadians with a more streamlined and efficient system. This is especially true in Human Resources Development Canada where this is not just some philosophical notion but rather a daily commitment to the clients who use the numerous employment, training, social development and income security programs which the department administers.

The redesign of our income security programs encompassing the old age security program and the Canada pension plan is a concrete example of this commitment. This project will vastly improve the efficiency and quality of service to Canada's seniors and pensioners. However, redesign is not something that happens overnight but it is indeed a continual process.

Fortunately there are changes which can be made right away and these are contained in the bill before the House. These include an alternative to the annual application process for income tested benefits under the old age security program; streamlined appeals process and procedures to expedite the hearing of appeals; one year retroactivity under the Canada pension plan for retirement pensions payable after age 65; the authority to forgive overpayments resulting from administrative error or erroneous advice; and a number of technical amendments which collectively enable the government to offer better service to seniors in a more efficient manner. Also in the bill is found changes to guaranteed income supplement and spouses allowance.

One amendment of the bill is of special significance to low income elderly Canadians, a disproportionate number of whom are single women. Under the Old Age Security Act a basic pension is provided to all those persons over the age of 65 who have met the residency period established in the act.

The basic pension is the foundation of the old age security program. In addition this program provides income tested benefits such as GIS and SPA. These two programs ensure that recipients have a guaranteed minimum income on which to live.

The amount of GIS or SPA an individual receives during the fiscal year is based for the most part on income in the previous calendar year. To obtain this information we have always

required that our clients file a statement of income each and every year. The experience of experts in this area is that this can be an onerous and even frightening experience for many seniors.

I recently received a letter from a volunteer agency composed of seniors whose mandate is to ensure that other seniors are aware and able to take advantage of the services and benefits available to them. This group was asking if any alternatives to the current application/reapplication process had ever been considered. This question obviously flowed from its experience in dealing with problems caused by the current system. The woman who wrote on behalf of the group pointed out two significant areas of concern which these volunteers had encountered.

● (1020)

To begin with, renewal applications are sent out each January and must be returned by the month of March. This allows the new benefit amounts to be calculated in time for the April cheque.

The woman who wrote on behalf of the volunteer group pointed out that some of the older recipients in her province worry about being late in reapplying, so much so that many complete it as soon as it arrives in January. The problem is that people with some other source of income have not received their information slips by the end of January. As a result, these pensioners guess at what their income was in the previous year.

However, if they guess wrong it means that they either receive an underpayment or an overpayment on their April cheque. In the case of an underpayment, they may not receive sufficient money to live. In the case of an overpayment, recipients could end up having to pay money back to the government. As well, some recipients set this form aside for safekeeping in recognition of its importance and then forget to submit it when they receive their information slip.

Sadly, it is no longer possible for staff to contact those seniors who have not returned their forms by a certain date, since we now have more than one million supplement clients to serve each year. In any case, failure to file this form means that pensioners' old age security cheques in April would contain only the basic pension amount. At its worst, this could mean receiving roughly \$388 instead of \$848, a 54 per cent drop in income.

For someone relying on an income tested benefit to make ends meet, this is of course a devastating experience. At that point they need special help to get their forms completed and a cheque issued as fast as possible. This, of course, adds to administrative costs.

I am not saying that all pensioners, or even the majority of pensioners, have difficulty with the renewal process. However,