

ing provincial and municipal. It has been extended also to universities and to groups of municipal employees.

The amendment to section 28, which is contained in clause 18 of this bill, page 23, will make it possible to have these agreements with any employer of a recognized type. Broadly speaking, what is contemplated and what has been followed in practice, in approving such pension plans in the past, is the qualification of that plan for income tax exemption privileges in relation to contributions.

Whereas today a reciprocal agreement could not be concluded with, for example, the Canadian Pacific Railway, this bill would make it possible. It is the same with any company with a pension plan recognized for these purposes.

The next provision, which may be of more interest to Mr. Knowles than to anyone else, introduces some of the terms contained in the portable pension legislation of Ontario, Quebec and Alberta which Dr. Davidson mentioned earlier.

This is regarded with mixed views. When you hear from the staff associations, you will learn this.

This provision appears in clause 11, page 16. It provides that, after a date to be fixed by the Governor in Council, the pension contributions (after that date) of civil servants will be locked in, if they have more than 10 years of service on ceasing to be employed and are then over the age of 45. This is the basic requirement in the legislation of the three provinces I have mentioned.

It really means reducing from age 60 to age 45 the age at which a person could leave and receive the full return of his contributions.

Other provisions on portability are indirect. There is power to count service under other circumstances than the act originally provided. There is power to deal with a new type of situation into which we will be running as a result of the portable pension legislation in the provinces, namely the locking in of the contributions under an existing private plan in a province. This means that an employee who comes to us from such an employer would be barred from counting his service, unless we had a reciprocal agreement with that employer. It could be that he has a certain fraction of his service to his credit locked-in with that employer's pension plan. An amendment to the act will make it possible to recognize and permit the employee to pick up that fraction of the service which is not locked in the plan of the previous employer.

There are some other small points here and therê that can be regarded as improving the portability, but those are the main points.

Mr. BELL (*Carleton*): Would you go back to the original statement on the new definition of approved employer. Assume that Bell Telephone Company becomes an approved employer and I have 20 years service there and decide to enter the Public Service. What happens precisely in those circumstances? Also, may I put it in reverse, if I have had 20 years service with the government of Canada and wish to accept a position with Bell Telephone Company, what happens? How is it handled?

Mr. CLARK: If we had one of these agreements?

Mr. BELL (*Carleton*): Assuming one of these agreements, which I assume is the objective—that in the case of large employers this is what you would be seeking.