

## MEMBERS OF PARLIAMENT

AMENDMENT TO PREVENT INCREASE IN  
MAXIMUM RETIRING ALLOWANCE

**Right Hon. C. D. Howe (for the Prime Minister)** moved the second reading of Bill No. 176, to amend the Members of Parliament Retiring Allowances Act.

He said: Mr. Speaker, the amendments which are proposed in this bill are designed to continue the present scheme of pensions under this act at the same level as before by eliminating the automatic increase which would be possible as a result of an increase in the sessional indemnity.

Hon. members will recall that they have been contributing on the basis of 6 per cent of the sessional indemnity of \$4,000 and would have continued to contribute until their contributions equalled the amount of the sessional indemnity, which has been \$4,000. Without this amendment, the recent increase in indemnities would have increased the limit of contributions to \$8,000.

A member who was eligible for pension would receive one equal to 75 per cent of the contributions he had made.

The proposed amendment no longer ties the limit of contribution to the sessional indemnity but specifies that \$4,000 will be the limit and correspondingly the maximum pension will be \$3,000, for the 75 per cent factor remains unchanged.

The contributions will continue at the same level, and will be taken at the rate of 6 per cent from the first \$4,000 payable to a member by way of sessional indemnity in each period of twelve months commencing the day he became a member. It can be seen therefore that there will be very little difference and, if anything, it will take a member longer to become entitled to the maximum pension than would have been the case under the act as it stands at the moment.

I should like to take this opportunity to emphasize how restricted a pension scheme this is. The pension is paid to the member only and there are no dependents benefits. Moreover, the minimum requirements are such that, as a result of the last election, appointments to the Senate and resignations, only 16 members of the House of Commons at the end of the last parliament have become eligible for pensions. As a matter of interest, none of those who became senators were eligible for an annual allowance, and all received withdrawal allowances equal to their own contributions, which did not include any interest which they had paid. One of those who were eligible for an annual allowance

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has had it suspended because he is holding a position in the government service. Of the remaining 15, five are of the age of 70 or over and their allowances are therefore subject to the reduction of \$480 a year to tie in with the amount payable under the Old Age Security Act.

In addition to these annual allowances, 55 withdrawal allowances have become payable in respect of members who have died or of former members who failed to qualify under the minimum requirement of having contributed or elected to contribute in respect of sessions in more than two parliaments. As I mentioned a few moments ago, the withdrawal allowances which these former members received did not include any interest which they had paid in respect of prior service. Those amounts of interest as well as the interest which was earned by the contributions of those members will remain for the benefit of the fund. Thus the relatively small number of allowances that are paid can be seen to have been paid at the expense of the much larger number of other members who will not become eligible.

**Mr. Diefenbaker:** Will the minister permit one question?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Diefenbaker:** The minister made the statement a moment ago that under the new regulations now before the house it would take a somewhat longer time in order to be entitled to full pension. Has he the figures on that?

**Mr. Howe (Port Arthur):** I have not the figures, but it arises from the fact that there have been indemnities for each of two sessions of parliament in one year and that will no longer be the case.

**Mr. Coldwell:** One other question. Is it not a fact that not all of the 15 members who retired are entitled to the maximum pension?

**Mr. Howe (Port Arthur):** Yes, that is true. To receive the maximum pension would require 17 sessions of parliament. A man must have attended 17 sessions of parliament to qualify for the maximum pension and a number of those who have qualified have qualified for less than the maximum pension.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Members' contributions.*

**Mr. Low:** I have one question I should like to ask the Acting Prime Minister or the Minister of Finance. I think I am right