

Income Tax Act

of assistance to that pensioner and mean that his net income is reduced. I am referring to such items as 50 per cent of a capital gain or loss which can be deducted from net income on the tax form, allowable contributions to a Registered Retirement Savings Plan or a Registered Home Ownership Savings Plan, and certain tuition fees. In addition to those kinds of reductions which alter the amount of net income for tax purposes, certain definitions of "income" are excluded for the purpose of the supplement. These include income from sources such as war service and compensation benefits, income of Indians earned on the reserve and certain other pension and compensation payments. It was under this latter category that the workers' compensation benefits were excluded up until the change in the Income Tax Act which was effective, I believe, for the 1982 taxation year.

● (1710)

On the other hand, we have to recognize that the Government felt that there were certain sources of income that were received by pensioners, even though they represented income for tax purposes that should not be included for Guaranteed Income Supplement purposes. Thus we have under the Old Age Security Act certain specific exclusions as far as applications for GIS payments. These include family allowances, Canada and Quebec Pension Plan death benefits, home insulation grants and means tested assistance provided by the provincial Governments. All of these, of course, are programs that either had special designations for certain specific reasons such as the home insulation program, or those moneys that were already income tested such as certain death benefits and so on. Therefore, there were definitely certain factors taken into account in determining how one should arrive at the definition of what would be income that had to be reported and be considered in arriving at the benefits that a person was going to get for his Guaranteed Income Supplement.

The point that I think has upset a lot of us in the House is the fact that the amendment that was created in 1983 affected 25,000 pensioners who at the same time were receiving workers' compensation benefits. The officials of our Government and I think perhaps Ministers both in the present and previous Government felt there was some need to consider this as ordinary income. I think it is very important that we stress the difference between income that we get from earnings, called earned income; income that we get from a pension plan or income that we get from a disability plan. These are all plans where the employee or the taxpayer has paid a premium into it. He has put in money with the expectation of having some benefits at a certain time under certain conditions. The difference in a benefit under the workers' compensation plan is that it is not a payment, it is really compensation. It is compensation for having sustained an injury. When a worker loses a leg, Mr. Speaker, I would suggest to you that the best we could do for that person, if our technology would allow us to do it, would be to provide that person with a new leg and then there would not have to be any benefits whatsoever. We cannot do that. We must give that person an artificial limb which has certain disadvantages, which are more serious in the case of

loss of eyesight. Being unable to replace those lost bodily parts we provide a payment that may be a payment on a monthly basis or it may be a lump sum payment. It is my understanding that the name of this payment that we are talking about here through the Workers' Compensation Board is a payment called active for life pension. It is a different kind of pension than any of these other kinds of pensions that we are talking about. It is my contention that if we are going to be fair to these people who are receiving that benefit from the Workers' Compensation Board that that money they receive should be considered not as income, because it does not resemble ordinary types of either earned income, investment income or pension income where premiums have been paid. It is entirely different. I think it is incumbent upon us as a Government to recognize that fact and to proceed accordingly.

I am pleased to be a member of a Party which is dedicated to helping our senior citizens, particularly those who have a special need and have requirements for financial assistance. That is indeed the feeling of this Government, but I will feel much better if I see the day come when this particular amendment to the Income Tax Act, going back to the previous Government of 1983, is removed from the books and that those pensioners who now receive that kind of a workers' compensation benefit will again be able to receive that benefit and not suffer a drop or a loss in their GIS payments because of that. I hope that the House will agree to that.

I have no objection to this going to committee but I also feel that there is active work going on now by our officials in several Departments and I would certainly be happy to see that progress. I would hope that all Members of the House would encourage those officials and those Ministers to expedite this matter as quickly as possible.

Mr. Rod Murphy (Churchill): Thank you, Mr. Speaker. It is not my intent to speak very long on the motion that was brought forward by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) but I do want to express, as the Hon. Member for Beaches (Mr. Young) and the Hon. Member for Nickel Belt (Mr. Rodriguez) have done in the past, that our caucus is in complete agreement with the proposal that he has made. As the Hon. Member is aware, when the Liberal Government introduced the changes to the Income Tax Act we opposed those changes for the very reasons that the last speaker spoke about so well; first, that workers' compensation has to be treated differently from other sources of income.

As was mentioned by the previous speaker, when someone has lost a leg, an arm, the use of one eye, other bodily functions, or has a disabling back injury he or she should be compensated, we should recognize that he or she should be compensated and we should recognize the special circumstances under which that person has to live for the rest of his or her life.

I find it ironic that even though this matter has been in debate for the last four years that neither the previous Liberal Government nor the present Conservative Government could move very quickly. That is one of the major complaints that I