

Based on 1988 rates, the proposed benefit structure would provide a bridging benefit of at least \$347.56 per month to a maximum of \$868.90 per month during the first three years. This compares with the current continuing benefit of \$302.61.

Disabled survivors under the age of 65 receiving CPP disability pensions would be eligible to receive the survivor's benefit, as provided to other survivors, in addition to the full amount of the CPP disability pension.

*Transfer of CPP credits*—Under the current provisions of the Canada Pension Plan, the survivor's pension is calculated without consideration of the length of the marriage. The Consultation Paper proposes that 60% of the CPP pension credits earned by the deceased contributor during the marriage be transferred to the surviving spouse's CPP account.

The transfer of credits would take place at the time of the contributor's death. Transfer of credits would be on a year by year basis during the period of the legal or common law marriage. This transfer, when added to the survivor's own pension credits, could not exceed the maximum pensionable earnings in that year.

For all survivors, retirement pensions would be based on the total credits in the survivor's account; i.e. transferred credits plus the individuals own credits. The maximum benefit, however, would be limited to one maximum retirement pension, or \$543.06 per month currently.

### **Transition to the new structure**

In recognition that family structure is in a transition stage, the Consultation Paper recommends that future survivors who are currently over age 35 would be granted a choice of protection under the proposed new structure, or protection under the existing structure with some augmentation of benefits. Thus, for a period of time, both the existing and new structures would co-exist.

For eligible survivors opting for protection under the current structure, the Consultation Paper proposes raising the flat-rate component of the continuing pension benefit from \$98.96 to \$197.92 per month. There would no longer be a reduction in continuing benefits for survivors under the age of 45 at the time of the contributor's death.

### **Improved benefits for surviving children**

The Consultation Paper recommends increases in the survivor's benefits paid to the dependent children of deceased CPP contributors. Under these proposals, the flat-rate benefit to dependent children and to children of the disabled would be increased from \$98.96 to \$126.82.

Disabled survivors eligible for disability benefits through their own contributions could receive an increase in benefits on behalf of their children as dependents of a deceased contributor and on behalf of their children as dependents of a disabled contributor. Disabled survivors who become eligible for benefits through the transfer of credits from the deceased contributor's account, would be entitled to claim a benefit for dependents as children of a disabled contributor in addition to the surviving child's