

*By the Chairman:*

Q. May I ask a question for the record. If an employee stays on after 65, does that in any way alter the benefits that he will receive in regard to pension?—A. At the present time, no. But in 1947 parliament amended the Act to provide that after 1957 a man's pension rights, on reaching his 65th birthday would be, so to speak, frozen. After he reaches his 65th year, even if he were kept on by special order in council, he would make no contribution. He would acquire no additional benefits for the time he served after his 65th birthday.

*By Mr. Brooks:*

Q. Suppose he could retire at the age of 60, but wishes to get the extra amount in salary, that is, from 60 to 65, the higher salary. Are there many of them staying on to get that?—A. I would think so. Your pension is founded on two things, your years of service and your rate of salary. One can readily envisage the case of a man who joined the service in the early twenties. By the time he is 58 he has had his 35 years of service, which is the maximum. He may be at the maximum of his class and with no expectation of promotion. He might stay on after he is 60, or he might just as well retire because by staying on he would not get any better pension when he retired 3, 4, or 5 years later.

*By Mr. Fraser:*

Q. Would not the civil servant have a better chance of getting a better pension if it was based on five years?—A. Oh yes. If it was based on the best or the last five years, certainly the pension would almost invariably, or in the great majority of cases, be a higher pension. But the whole basis of the fund is on a 10-year average and if you switch to a five-year average you would either have to increase the contribution from the civil servant or increase the contribution from the government, or run into a substantial deficit in the fund.

Q. May I ask you this question: Have there been representations from civil service organizations asking for an 8-year period?—A. Yes, sir. There have been representations from civil servants organizations asking for a five-year period and I understand for a three-year period. The advisory committee to the minister, which is a committee made up of officials and staff representatives, did formally recommend an 8-year average. I think the minister referred to that in his opening statement in the House and explained that the government had not been prepared to accept that reduction on the grounds it would upset the balance of revenue and expenditure.

Mr. LESAGE: I believe the minister said he would have to increase contributions.

*By Mr. Richard:*

Q. If the man was under five-year plan, and he was dismissed or let go, as by the Interior department in the 1930's, and re-employed later on, not within a short period, but within two years say, I understand that after that he comes within the 10-year plan, is that so?—A. That is true under the present Act. Under this bill he would, if he came back into government service, have the option of one annuity built up on the five-year average for his service up to the 1932-33 period, in addition to a second annuity based on his last 10 years of current service and put the two together.

Q. That is the case now. But if he was re-employed as after the 1932-33 period, is his second pension based on the 10 years instead of the 5 years. He receives two pensions, a pension for the first service, and a pension for the second service, isn't that so?—A. I will have to ask my advisor. I am told he gets two pensions.

Mr. RICHARD: That is what I think is unfair about the whole thing.