

The only change that has been made is that these plans, when this bill becomes law, will have to be registered. The idea of registration is to get a good look at what they are doing with the money in those plans—is that right, Mr. Irwin?

Mr. IRWIN: Yes, sir. For the most part, these plans have been set up as a result of employer-union negotiations, but the law does not restrict the plan to this kind of arrangement. We are concerned that the present provisions of the law may be capable of being abused. We do not know that they have been, but as the chairman has said, it seemed prudent to require these plans to be registered. They will have to file returns. It may be necessary to add to the law certain rules concerning their operations.

Senator KINLEY: How does this interfere with unemployment insurance?

The CHAIRMAN: It is quite apart from it.

Senator KINLEY: I know, but it is in addition to it?

The CHAIRMAN: In the field of employer-employee contracts, it is a matter of agreement, if the employers agree to do it.

Senator KINLEY: They do not have to pay any income tax on that money? They give that money out.

The CHAIRMAN: When the employer contributes it to the fund, there is no income tax. When the beneficiary receives it, there is.

Senator KINLEY: That means they can give this money out, in addition to his unemployment insurance, and he does not have to pay income tax; but they have to pay income tax when they get the money, which is all right.

The CHAIRMAN: Yes.

Those are the three main items in this bill. There are some items which are for tidying up. Is there any particular item any senator would like to ask a question on? Mr. Irwin, if you were asked to pick out any one of these items, which would you say is the most important single item, in tidying-up? Over in the other place, it was thought the most important was that of having to put one's social security number on the tax return, in addition to your name.

There may be a number of people with the same name but not with the same number.

Senator BENEDICKSON: What is the interest rate currently paid on overpayment of income tax before the refund is made?

Mr. IRWIN: Mr. Pook could answer this.

Mr. D. R. Pook, Chief Technical Officer, Department of National Revenue: The ordinary rate is 3 per cent; it is 6 per cent on moneys refunded as a result of overpayment.

The CHAIRMAN: If you are assessed and you appeal and your assessment is reduced and you have paid the money in the meantime, you get back the excess, with 6 per cent. If you make a straight overpayment, the refund carried 3 per cent. Isn't that right, Mr. Pook?

Senator LEONARD: Which you then show in your income form as income received?

The CHAIRMAN: That is right.

Senator LEONARD: So that reduces it again below the 3 per cent.

The CHAIRMAN: Is there any particular item? To me, they seem to be all tidying-up.

Mr. IRWIN: Yes, sir. It is difficult to say that one amendment is more important than another, as it depends on the taxpayer's circumstances.