

Government Orders

member of a normal private sector pension plan automatically starts to accrue and accumulate benefits.

If the members really wanted to provide all of the details they would have to take into account the differential in the vesting being imposed upon members of Parliament and the vesting benefit that is available in the private sector.

• (1625)

If we were to go to a system where vesting in the private sector was applicable to members of Parliament, that means each and every member of Parliament would automatically at the end of two years of service start to accrue and be entitled to a pension. That means that the vast majority of members of Parliament who never did reach six years of service would automatically be included. In fact the cost of the pension plan would more than double. In a quick calculation I did here on my laptop computer, I find that it would almost triple the cost of pensions to the House of Commons simply by changing the vesting benefits.

I honestly believe that the government has come forward with certain provisions that are absolutely necessary. The government, in its election platform, said that members' pensions should be reformed. There were two specific commitments, as the hon. parliamentary secretary outlined to the House. First, there was the eligibility. Under the current plan, members of Parliament would be eligible to be entitled to a pension if they served six years in aggregate in this House.

Under our Constitution a House must turn over at least every five years, so the six years is actually a very critical period. It means that a member of Parliament has to be elected at least twice, and in some cases in our history it has been more than twice. It could be three and sometimes four times that members have had to run simply to accumulate six years simply because of Houses collapsing before their five-year mandate might be available.

The six years really is a critical period, and it does, as all members know, eliminate a vast majority of members of Parliament from ever qualifying for pension benefits. Those are the differences that I think would have to be rationalized if the hon. members of the Reform Party would like to somehow move this to a system compatible with the private sector.

The second item the government committed to in its red book was to end double dipping. I am very proud to say that the Prime Minister did not wait until this legislation came forward to bring in effectively the end of double dipping. The first example was with regard to the newly appointed governor general, who was a member of the Senate and entitled to receive a pension. The governor general was asked and accepted to reduce his salary

otherwise payable as the governor general by the amount of pension. The double dipping is eliminate.

There are other examples in which the double dipping has effectively been eliminated even before this legislation has come forward. Those are the kinds of things the government has committed to and is doing, even in the absence of the legislation. That is important to point out.

Finally, as was pointed out earlier, in response to the need to demonstrate to the public that there was a goodwill effort to deal with this issue, the Prime Minister went further than his commitment in the election. He went further by proposing that the rate of accumulation of pension was going to be reduced. It is called the accrual rate and it has been reduced from 5 per cent to 4 per cent.

With the changes that have been made in addition to the commitments in the red book, the cost of the pension plan is going to be reduced by some one-third. Changes that have been made have been very significant changes.

For some hon. members and I know for many of my own constituents and Canadians across the land, there is a compensation question here they would like to have resolved.

The Reform Party whip has suggested we eliminate perks, pensions, and everything and simply pay members \$150,000 a year. The member has determined, based on the work and research his party has done, that \$150,000 a year is the salary we should be paid to compensate us for the contribution we make in this place.

• (1630)

I do not want to debate with any hon. members what the value of my work is to the House. Certainly under any criteria I would never suggest that \$150,000 a year would be appropriate for this job. It is an absolute ludicrous suggestion. I do not think that the Canadian people, if they really knew what the Reform Party had in mind, would consider any of this rhetoric as being in any way credible.

Very often in debate members have raised certain examples where a person is going to get a pension which by the time he or she reaches age 75 will have accumulated in value to \$3 million, \$4 million, \$6 million and so on. Let us get the facts right. They are working with numbers and people have to be cautious about numbers. Let me give an example of what this pension plan would mean to me, the member for Mississauga South.

If I should serve six years I will be entitled to a pension which will accrue at 4 per cent a year or 24 per cent of my salary. My salary is \$64,400 a year. That means I will get approximately