

The Budget—Mrs. Erola

Other women now in their late seventies or older who had neither a CPP employment benefit nor a CPP survivor's benefit would receive an income of approximately \$600 per month, up from \$534 per month.

● (1130)

I would like to turn now to the second most important area of pension reform for women, second only, that is, to the proposed increases to the GIS. The GIS is absolutely the cornerstone. I cannot stress enough how pleased I am that the Government is now going ahead with proposals which were put forward by myself, as well as many women's groups, regarding pension credit splitting. Of course, I am speaking about the splitting of pension entitlements between spouses for pension plans both—and I want to stress the word “both”—in the private and public sector.

The sharing of pension entitlements is essential to be equitable, to reflect the different contributions of each spouse to a marriage, and to reflect the reduced consumption of both partners in a marriage to save for retirement. These benefits must be available equally on retirement, on separation or on divorce.

In so far as proposed amendments to the Canada Pension Plan are concerned, automatic fifty-fifty splitting of pension credits when the younger spouse reaches age 65 has my full support. Similarly, I am sure that the provision for fifty-fifty splitting of CPP credits upon marriage breakdown, unless waived by both parties in writing, will be widely supported by women throughout the country. In fact, virtually all women's groups recommended such pension splitting as did, I am happy to report, a majority of business and labour interests. These improvements await only the concurrence of the provinces, which I am sure, with the widespread support which exists for these measures, will be forthcoming shortly. I believe one Hon. Member just a few moments ago asked when this would happen. It can happen as early as 1985 with the concurrence of the provinces, and I expect that concurrence to take place.

Under private plans, credit splitting on marriage breakdown will provide for a more equitable distribution of accumulated retirement savings. I do believe that credit splitting is without question the best method we have today to recognize the contribution women make to the economic partnership of marriage. In conjunction with survivor benefits, credit splitting will ensure that both wife and husband will benefit from their savings for retirement. What is more, the work which married women do will be recognized, whether they work in the paid labour force or not.

I have just alluded to the important matter of survivor benefits. Permit me to take a moment to look more closely at these benefits as they also will ensure greater security for elderly women. The fact that women tend to outlive men means that survivor benefit reforms are of paramount importance to women. While the Canada Pension Plan currently provides survivor benefits, proposed CPP amendments take it greatly forward by calling for continuation of these benefits upon remarriage. I could not agree more with the Hon.

Member for Okanagan North. It was absolutely ridiculous that these benefits would disappear upon remarriage.

Proposed amendments to private pension plans under federal jurisdiction will also assist women by requiring, for the first time, that such plans provide survivor benefits, and ensuring that these benefits will not end if that spouse remarries. Women who survive their husbands—and let us face it, most of us will—will have far greater security in their old age knowing that their pensions will not disappear when their husbands die. I cannot tell you how heartbreaking it is to find a woman in my constituency office who has discovered that when her husband died, contrary to the popular myth, he did take it with him; this situation, under federal jurisdiction, can no longer continue.

As for private pensions under federal jurisdiction, the proposed changes will ensure that employees acquire rights to their pension benefits after two years' service instead of ten; that these benefits will be protected from inflation; that these benefits will be equal for men and women retiring under identical circumstances; and that employees will be allowed to take their pensions with them as they move from job to job. These measures are of particular importance to women who, for a variety of reasons, change jobs more frequently than men.

Proposed legislation will also increase pension coverage for part-time workers. Regular part-time employees who have worked for three years will be required to join their employer's pension plan at age 25, provided they work at least 50 per cent of the normal work period. Part-time employees who now meet these requirements will also be given the opportunity to join the plan.

Why is this so important for women, Mr. Speaker? Of course, it is obvious. Currently, 72 per cent of part-time workers are women, most of whom are combining work with family responsibilities. They rarely have the opportunity to contribute to their employer's pension plan. The provision to increase pension coverage for part-time workers will greatly increase the number of women covered, as well as increase their future pension benefits.

I would like to turn for a moment to the matter of homemakers' pensions. Let me begin by clearing up once and for all the confusion surrounding this issue. Homemakers currently do have pensions under the Canada Pension Plan in the form of survivors' benefits. However, the situation is not the same under private plans where few homemakers receive survivor pensions from their husband's employer, as I mentioned earlier. Under the proposals announced in the Budget, homemakers' pensions will be improved by the combination of credit splitting and survivor benefits in both the Canada Pension Plan and private plans under federal jurisdiction. In essence, homemakers will be guaranteed a pension in their own right under the CPP, as well as a survivor pension from the plan of the husband's employer.

The Government will begin discussions with the provinces to consider a number of other significant changes to the Canada and Quebec Pension Plans, including an increased homemak-