

*Canada Pension Plan*

months or even years of sickness or unemployment, or just low earnings before you were a member of parliament. Some people will have been attending university or taking other types of education beyond age 18. There is therefore a provision in the bill for a dropout of years of low earnings or no earnings amounting to 10 per cent of the number of months in which you may have contributed.

If you continue to work and contribute beyond age 65 up to age 69, you may substitute any months of earnings during those years for less favourable months of earnings before age 65, as long as this does not reduce your contributory period below 120 months.

The disability pension consists of two parts, a flat rate benefit and an amount equal to 75 per cent of the retirement pension the contributor might have claimed had he been age 65. The flat rate portion will be \$25 adjusted in line with increases in the cost of living. The total disability pension will be at least as large as the retirement pension at any given level of earnings. The actuaries have estimates that in the year 1975 about \$63 million will be paid out in disability pensions. This will represent about 17 per cent of the estimated total benefit payments.

A widow of 65 or over will be entitled to a pension at 60 per cent of her husband's retirement pension. She will be able to draw this in addition to the flat rate old age security benefit that is to be available from age 65 in the future. For widows under 65, and therefore not entitled to old age security, the widow's pension will itself contain a flat rate component as well as an earnings related component. The flat rate component is the same amount, \$25, adjusted in line with the cost of living, as that provided for orphans and disabled people. The earnings-related component will be 37½ per cent of her husband's retirement pension.

The philosophy on which pensions are paid to widows under 65 is that a full pension should be available to those who cannot easily obtain employment. That is, a full pension will be paid to all widows who have dependant children, and to all widows who are disabled, no matter how young they may be. Other widows will receive a full pension if they are age 46 or over when they are widowed. For those who are widowed before age 45, the pension available will be reduced on a sliding scale so that those who are aged under 35 will not receive a pension. Young widows in their twenties and early thirties usually have little difficulty in finding em-

ployment, and of course many of them remarry.

When a widow reaches 65, or when a woman of 65 or more becomes a widow, the widow's pension is calculated at 60 per cent of her husband's retirement pension. She may, however, be entitled to a retirement pension in her own right. In that case she receives the larger of 60 per cent of her own pension plus 60 per cent of her husband's, or 100 per cent of her own pension plus 37½ per cent of her husband's, up to a ceiling equal to the maximum pension payable to a retired contributor.

The pension for the disabled widower is calculated in the same way as that for the disabled widow. The actuaries estimates indicate that in 1967 widows benefits will amount to \$89 million.

If the father dies, what happens to children under the Canada pension plan? The orphans benefit will be paid to all dependant children up to the age of 18, and to age 25 if they continue their full-time education.

The benefit will be paid on the death of the father or if the mother dies in cases when she has been the main support of the family. The benefit for each child will be \$25, increased in line with the cost of living. However, the total amount paid to the children of one contributor cannot exceed the maximum retirement pension payable in the year the parent died. It is estimated by the actuaries that in 1975 the payment of orphan's benefit will be about \$37 million.

The death benefit is a lump sum payment which amounts to six times the monthly retirement pension, or 10 per cent of the earnings ceiling for the year of death, whichever is less. Initially the maximum would be \$500 but it will increase as the earnings ceiling rises. The actuaries estimates indicate that in 1975 death benefit payments will amount to \$20 million.

At ages 65 to 69 many people continue full time employment. Indeed, while many of us can hardly wait to be 65 to retire it is noticeable that as we get closer to that age, and this is especially true of men, there is a desire not to leave the labour force. But the purpose of this bill is to provide pensions for those who do retire voluntary or involuntarily. However, a person who does retire may still make modest earnings from part time or casual employment without any effect on his pension benefits under the Canada pension plan.

At the outset, when the plan's earnings ceiling is \$5,000, a pensioner will be entitled