

PENSIONS

RETIRED CIVIL SERVANTS—ANNOUNCEMENT
OF INCREASE

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am pleased to be able to inform hon. members that the government will be introducing legislation, following the Christmas recess, to provide for increases in the pensions of retired public servants and their surviving dependants.

Some hon. Members: Hear, hear.

Mr. Drury: As I have indicated to the House in recent months, this matter has been the subject of intensive study. The proposals which the government will be placing before Parliament are based on a report which has been submitted to me by my Advisory Committee on the Public Service Superannuation Act. This committee examined proposals which had been made to the government for a special contributory plan, financed by contributions of the government and employees. The committee concluded that such a plan, financed by equal contributions from the government and employees, is feasible as a continuing method for up-dating pensions payable in respect of retired public service employees under the Public Service Superannuation Act.

The plan will contain the following features:

(a) Commencing April 1, 1970, pensions in pay will be increased by the application of percentages ranging from 2 per cent for those who retired in 1969 to 42 per cent for those who retired in 1952 and earlier. These percentages will be applied to the basic pension plus any increase being paid under the Public Service Pension Adjustment Act of 1959.

(b) Commencing in 1971, pensions would be increased each January 1 in accordance with the percentage change in the Canada Pension Plan pension index provided the maximum increase under that plan remained at 2 per cent.

(c) There will be no dollar ceiling on the amount of the increase in applying the percentage increases.

(d) The contribution rate will be one half of one per cent each, by the government and the employees.

● (5:00 p.m.)

I should mention at this point that while half of the membership of the advisory committee consists of members of employee

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organizations, the government had discussions with and obtained the support of representatives of all the bargaining agents for these proposals.

In the case of persons retired from the Canadian Forces or RCMP, the situation is somewhat different because of the earlier ages at which members of those forces can retire on full pension. It will be proposed that the commencement of escalation in their cases should take place at the age of 60, or immediately if the member is invalidated from the service. This would be comparable with the treatment to be accorded the majority of public service pensioners who can retire on an immediate annuity at age 60. The additional contributions required from members of the forces and the government would be at the same rate, as in the case of public service employees.

The legislation which is proposed will also deal with increases in the pensions of retired Members of Parliament and with other pension plans, such as the Governor General's Retiring Annuity Act, certain pensions authorized by Appropriation Acts and the pension plans for locally engaged employees abroad.

With proper reservations respecting the special position of the judiciary, the same principles will be proposed for the adjustment of pensions payable under the Judges Act.

It is intended that the effective date of the pension increases and the new contributions will be April 1, 1970.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, some people will really believe that there is a Santa Claus now—of a sort, anyway. This is not a time for controversy. Generally speaking, I know that the announcement of the President of the Treasury Board (Mr. Drury) will be welcomed. However, even though it is not a time for controversy I feel there are one or two things that need to be said.

First of all, I do not know why there was the unconscionable delay in this matter. I do not know what provoked this action at this time, whether it was the action that was taken by the government of Ontario.

Some hon. Members: Oh, oh!

Mr. Stanfield: If my hon. friends opposite really want me to be critical, then I will, but I feel I should say one or two things. If hon. members opposite will pipe down I will not take too long. This whole plan is figured on