

*Civil Service Superannuation*

On section 21—Election to become contributor.

Sir HENRY DRAYTON: This covers everybody that is not under either of the other two funds.

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: Those who want to come in under this fund have to pay arrears at the rate of 5 per cent?

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: Supposing you have a man who cannot afford to pay 5 per cent and who has been in the service for twenty years.

Mr. MALCOLM: He can have half time allowed to him—ten years.

Sir HENRY DRAYTON: Then he would have to pay 5 per cent on ten years?

Mr. MALCOLM: No; he would be allowed the benefit of ten years without the payment of anything. If he wanted the benefit of the full twenty years, he would have to pay 5 per cent for the twenty years without interest. If he wants to sacrifice ten years, the scheme will give him the benefit of ten years' service gratuitously.

Sir HENRY DRAYTON: If he had not any cash at all?

Mr. MALCOLM: The payments can be made by regulation under the act. For instance, subsection (5) of section 19 takes care of that:

Any payment made under the provisions of subsections (2) or (3) of this section shall be deemed to be a contribution under this act, and shall be made in one sum or in instalments of equivalent value computed on such bases as to mortality and interest as the Governor in Council may by regulation prescribe.

The amount may be deducted from his salary through life; or he can pay it all in cash or in payments of equal amounts for five, ten, fifteen or twenty years. Several schemes are going to be offered to civil servants to take care of that difficulty by regulation in order to make the payment as easy as possible. That point was thoroughly discussed by the committee.

Sir HENRY DRAYTON: What my hon. friend refers to has nothing to do with part IV at all.

Mr. MALCOLM: The same clause covers each of the sections. I read that one just for convenience. Subsection (3) of subsection 21 is the same section as referring to employees covered under part IV.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: All that does is to deal with the payments which are made?

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: And it says that payments which are made shall be deemed to have been contributed under this act?

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: That is not what I was asking. What I want to know is this. We have a man working in the service for twenty years. He has no money and he wants to come in under this scheme. Would he be allowed to come in on simply paying 5 per cent with a ten-year allowance?

Mr. MALCOLM: If he has been in the service for twenty years, he may be allowed ten years' service without paying any arrears.

Sir HENRY DRAYTON: In that instance he need pay no arrears whatever.

Mr. MALCOLM. Nothing whatever.

Sir HENRY DRAYTON: If he pays ten years' arrears, he gets the benefit of the twenty years?

Mr. MALCOLM: No. A man who has not contributed to any scheme and who has been in the service for twenty years may elect to come under the scheme without the payment of any arrears, in which case he will be allowed ten years' service gratuitously. If he wants the benefit of the full twenty years, he is allowed to pay in 5 per cent of his salary for that time without interest, either in cash or in instalments.

Sir HENRY DRAYTON: That is, he gets the benefit of ten years' service without paying anything at all and he gets the benefit of twenty years' service if he pays for twenty years? What is the idea of putting them on a different basis?

Mr. CHEVRIER: I thought I made it clear before that the act was based on mutuality. Those who pay get what they pay for. If some people cannot pay the full amount, that is where the generosity comes in and we give them the benefit of one-half the term of their service.

Sir HENRY DRAYTON: That is not mutuality at all.

Mr. CHEVRIER: The basis of the act is mutuality. It is and it is not, if the hon. gentleman wants to put it in that way. If you want to get the full term of your service,