

**RESPONSE OF THE HOUSE OF COMMONS STANDING
COMMITTEE ON NATIONAL HEALTH AND WELFARE
TO THE CONSULTATION PAPER,
“SURVIVOR BENEFITS UNDER THE CANADA PENSION
PLAN”**

**PREPARED FOR THE HOUSE OF COMMONS
STANDING COMMITTEE ON NATIONAL HEALTH AND WELFARE**

J
103
H7
33-2
H43
A123

April 28, 1988

Canada. Parliament. House
of Commons. Standing
Committee on National Health
and Welfare.

33-2 Response of the House of

H43 DATE Commons . . . NAME — NOM

A123

J
103
H7
33-2
H3
A123

HOUSE OF COMMONS

CHAMBRE DES COMMUNES

Issue No. 44

Fascicule n° 44

Monday, April 25, 1988

Le lundi 25 avril 1988

Chairman: Bruce Halliday

Président: Bruce Halliday

*Minutes of Proceedings and Evidence
of the Standing Committee on*

*Procès-verbaux et témoignages du
Comité permanent de la*

National Health and Welfare

Santé nationale et du Bien-être social

RESPECTING:

CONCERNANT:

In accordance with its Order of
Reference dated September 24, 1987:
Consideration of the Consultation
Paper on Survivor Benefits under
the Canada Pension Plan.

Conformément à son ordre de renvoi du 24
septembre 1987 : Étude du Document de
consultation sur les prestations de
survivant du Régime de pensions du
Canada.

INCLUDING:

Y COMPRIS:

The Third Report to the House:

Le troisième rapport à la Chambre :

RESPONSE TO THE CONSULTATION
PAPER, "SURVIVOR BENEFITS UNDER
THE CANADA PENSION PLAN"

RÉPONSE AU DOCUMENT DE CONSULTA-
TION SUR «LES PRESTATIONS DE SURVI-
VANT DU RÉGIME DE PENSIONS DU
CANADA»



Second Session of the
Thirty-Third Parliament 1986-1988

Deuxième session de la
Trente-troisième législature 1986-1988

**STANDING COMMITTEE ON NATIONAL
HEALTH AND WELFARE**

Chairman: Bruce Halliday

Vice-Chairman: Barry Turner

**COMITÉ PERMANENT DE LA SANTÉ
NATIONALE
ET DU BIEN-ÊTRE SOCIAL**

Président: Bruce Halliday

Vice-président: Barry Turner

Members

Sheila Copps
Leo Duguay
W. Paul McCrossan
Margaret Anne Mitchell
Brian White

Membres

Sheila Copps
Leo Duguay
W. Paul McCrossan
Margaret Anne Mitchell
Brian White

(Quorum 4)

Patricia Russell

Clerk of the Committee

(Quorum 4)

Le greffier du Comité

Patricia Russell

Published under authority of the Speaker
of the House of Commons by the Queen's
Printer for Canada

Publié en conformité de l'autorité du
Président de la Chambre des communes par
l'Imprimeur de la Reine pour le Canada

Available from the Canadian Government
Publishing Centre, Supply and Services
Canada, Hull, Quebec, Canada K1A 0S9

En vente: Centre d'édition du gouvernement
du Canada, Approvisionnement et Services
Canada, Hull, Québec, Canada K1A 0S9

TABLE OF CONTENTS

LIST OF TABLES	vi
INTRODUCTION	1
ACKNOWLEDGEMENTS	3
EXISTING CPP SURVIVOR BENEFITS	3
Surviving spouse benefits	3
Surviving children benefits	3
The Standing Committee on National Health and Welfare	
has the honour to present its	
THIRD REPORT	
In accordance with its Order of Reference dated September 24, 1987, your Committee has considered the Consultation Paper on Survivor Benefits under the Canada Pension Plan.	
RECOMMENDATIONS OF THE STANDING COMMITTEE	27
SUMMARY OF RECOMMENDATIONS	29
APPENDIX "A": WITNESSES AND SUBMISSIONS	31
APPENDIX "B": OTHER REPRESENTATIONS SUBMITTED TO THE COMMITTEE	33
GOVERNMENT RESPONSE	35

ACKNOWLEDGEMENTS

The Standing Committee on National Health and Welfare wishes to express its appreciation to the individuals and organizations who cooperated with this study of survivors' benefits under the Canada Pension Plan. The Committee is grateful for the contribution of witnesses who appeared at public hearings in Ottawa and to those who submitted written briefs to the Committee.

We wish to thank the officials of the Department of National Health and Welfare who provided information to the Committee about current benefits, proposed benefits and who provided projected costs and other information about potential recommendations for change in survivors' benefits proposed by witnesses or considered by the Committee. Special thanks in this regard are expressed to Nicole Poitras and Richard Vaillancourt.

Special thanks are extended to Neil Young, M.P., who served as an Acting Member throughout the study and whose contribution was greatly appreciated.

The Standing Committee acknowledges the excellent work of Paul D. Rosenbaum of Evalusearch Planning and Evaluation Consultants, Researcher to the Committee, who provided expert research and analysis throughout the study and in the preparation of the Report.

The Committee expresses its appreciation to Patricia Russell, Clerk of the Committee, for excellent service in the management of the administrative aspects of the study.

Finally, the Committee wishes to thank the staff of the Committees Directorate, the Translation Bureau of the Secretary of State, and the other services of the House of Commons which have provided assistance in this study.

TABLE OF CONTENTS

	Page
LIST OF TABLES	vi
INTRODUCTION	1
EXISTING CPP SURVIVORS' BENEFITS	3
Surviving spouses' benefits	3
Surviving children's benefits.....	3
PROPOSED CPP SURVIVORS' BENEFITS	5
Proposed new benefit structure	5
Temporary bridging benefits	5
Transfer of CPP credits.....	6
Transition to the new structure	6
Improved benefits for surviving children.....	6
Improved benefits for current survivors	7
Impact of proposals on CPP expenditure	7
CONSULTATION PAPER ASSUMPTIONS	9
RESPONSE OF THE STANDING COMMITTEE TO THE CONSULTATION PAPER ASSUMPTIONS	11
PRE-RETIREMENT AGE BENEFITS RECOMMENDATIONS OF THE STANDING COMMITTEE	15
CHILDREN'S BENEFITS RECOMMENDATIONS OF THE STANDING COMMITTEE	17
TRANSFER OF CPP CREDITS RECOMMENDATIONS OF THE STANDING COMMITTEE	21
Tie to period of the marriage.....	21
Ceiling on credit transfer	23
PROPOSED IMMEDIATE IMPROVEMENTS IN BENEFITS RECOMMENDATIONS OF THE STANDING COMMITTEE	25
DISABLED SURVIVORS RECOMMENDATIONS OF THE STANDING COMMITTEE	27
SUMMARY OF RECOMMENDATIONS	29
APPENDIX "A": WITNESSES AND SUBMISSIONS	31
APPENDIX "B": OTHER REPRESENTATIONS SUBMITTED TO THE COMMITTEE	33
GOVERNMENT RESPONSE	35

List of Tables

		Page
Table 1	Estimate of the effect of 1987 survivors benefits modifications on CPP expenditure (\$ 1987).....	2
Table 2	Estimates of the effect of the Consultation Paper proposals on CPP expenditures	8
Table 3	Percentage of total husband/wife income contributed by the wife, considering the presence of children.....	9
Table 4	Annual labour force participation rate of women by age group	12
Table 5a	Earnings of men and women as a percentage of the YMPE, 1985	13
Table 5b	Earnings of women as a percentage of the YMPE considering the presence of children, 1985.....	13
Table 5c	Earnings of men and women as a percentage of YMPE considering marital status and type of employment.....	13
Table 6	Percentage of widowed and non-widowed women under age 65 reporting welfare income, 1985	18
Table 7	Percentage of widowed women reporting earning, 1985	22
Table 8	Rate of remarriage of widows, 1984.....	22

INTRODUCTION

Since its inception in 1966, the Canada Pension Plan (CPP) has played a role in protecting families against loss of earnings by providing a basic level of income protection in case of retirement, disability or death of a contributor to the Plan. Thus, the Plan has provided Canadians working outside the home with savings for retirement and insurance in case of death or disability.

The Canada Pension Plan was not designed to fully protect workers against loss of employment income. It was intended, rather, to provide basic income protection which reflects the pre-loss income level of the contributors. In the two decades since its implementation, Canada has undergone change. This change has required modifications to the CPP so as to bring the Plan more in line with the needs of today's working Canadians.

For several years, pension reform has been a priority for both federal and provincial governments. In December 1985 the Finance Minister, the Hon. Michael Wilson, announced in the House of Commons provisional agreement with the provinces on pension reform. The focus of these proposals, which came into effect in January 1987, was the financing aspects of the CPP.

Although addressed in several reviews, the issue of survivors' benefits for those under aged 65 proved particularly difficult. As a result, the Parliamentary Task Force on Pension Reform recommended only some modifications to survivors' benefits under the Canada Pension Plan and instead called for further study of the basic structure of survivors' benefits.

On 1 January 1987, modifications to the CPP survivors' benefits came into effect. These limited changes affected children's benefits, survivors' benefits on remarriage, and combined benefits.

First, for dependent children, the changes allow children of disabled or deceased contributors to receive up to two benefits in cases where both parents who contribute to the Canada Pension Plan either die or become disabled. Further, these benefits are now awarded independently of the child's marital status, i.e. even for children who have been previously married.

Second, since January 1987 survivors' benefits are no longer discontinued on remarriage. Widows and widowers receiving survivor benefits who remarry continue to receive these benefits. In addition, those who had had their benefits terminated on remarriage could apply to have these benefits reinstated.

Third, combined benefits were improved. Prior to January 1987, survivors who were eligible for both a survivor and a disability benefit could receive no more than one maximum retirement benefit. Since 1 January 1987, disabled survivors can receive up to the maximum retirement pension plus the higher of the two flat-rate portions (the "flat-rate" is the minimum benefit provided to any recipient). In addition the combined pension rules were changed so that survivors who were eligible for their own retirement benefits could receive the sum of both benefits up to the maximum retirement pension.

These changes resulted in increased costs to the Canada Pension Plan. Table 1 shows the estimated effects of the survivors' benefits improvements (excluding the modification in children's benefits) on CPP expenditure. It is important to keep these already implemented changes to survivors' benefits under the Canada Pension Plan in mind when considering the changes now recommended.

While these changes addressed some specific issues related to survivors' benefits, it was clear at the time legislation was introduced that a more detailed examination of the basic structure of these benefits was required. Over a two year period, provincial and federal officials have examined the survivors' benefits structure. This examination resulted in the release of a document recommending changes to survivors' benefits, "Survivor Benefits Under the Canada Pension Plan: Consultation Paper" (Consultation Paper).

Table 1

Estimate of the effect of 1987 survivors benefits modifications on CPP expenditure (\$ 1987).

Year	Variation in % of contributory earnings	Millions \$
1987	.01	15
1988	.02	26
1989	.02	41
1990	.03	57
1995	.07	174
2000	.12	372
2010	.18	1,016
2020	.24	2,280
2030	.30	4,691
2050	.31	14,319

Source: Department of Insurance

In September 1987, following the tabling of the Consultation Paper in the House of Commons by the Minister of National Health and Welfare, the Hon. Jake Epp, the House referred the Consultation Paper to the Standing Committee on National Health and Welfare for review.

The Minister of National Health and Welfare notified approximately 160 organizations that had participated in the pension reform discussions of the reference to the Standing Committee and invited them to make their opinions on survivors' benefits known. In October, the Committee began hearing testimony.

EXISTING CPP SURVIVORS' BENEFITS

The Canada Pension Plan currently provides benefits to surviving spouses and to dependent children on the death of a CPP contributor. When first implemented, CPP survivors' benefits were only available to widows of contributing men. Since 1975, in recognition of the growing role played by women in the economic life of the family, both men and women have been eligible to receive survivor benefits. Under the CPP, a spouse may include common law spouses or persons of the opposite sex who lived with the contributor in a conjugal relationship for at least one year prior to the death.

Surviving spouses' benefits—Currently, the surviving spouse may receive a continuing monthly pension following the death of a contributor. The amount received is partly determined by the amounts contributed to the Plan by the deceased contributor.

In most cases, for **survivors above normal retirement age** (age 65+), the amount paid is equal to 60% of the deceased spouses calculated retirement pension. Currently, the maximum monthly benefit¹ for a survivor over the age of 65 is \$325.84. Where the survivor is also entitled to a CPP retirement pension, the total of the combined benefit may not exceed the maximum retirement pension (currently \$543.06 per month).

For **survivors under age 65**, eligibility is dependent on the age and situation of the surviving spouse at the time of the death of the contributor. Survivors with dependent children, those who are disabled, and those over the age of 45, are eligible for the full survivor pension. Surviving spouses between the ages of 35 and 45 who are neither disabled nor have dependent children, are entitled to a pension that is reduced by 1/120 for each month they are under age 45. Surviving spouses under age 35 at the time of the contributor's death, who are neither disabled nor have dependent children, are not entitled to a survivor's pension until the survivor reaches retirement age.

Pension calculation for eligible survivors under age 65 includes two components: a flat rate component indexed to prices, currently \$98.96 per month; and a benefit equal to 37.5% of the deceased contributor's calculated retirement pension. Thus, the current maximum monthly pension for survivors below age 65 is \$302.61. The calculated pension is paid to the surviving spouse until age 65, at which time the pension is recalculated.

Surviving children's benefits—The Canada Pension Plan provides a monthly benefit on behalf of the dependent children of a deceased contributor. The benefit is a flat-rate amount currently equal to \$98.96 monthly. This benefit is paid until the child reaches age 18, or until age 25 for those attending school full-time. A surviving child's benefit is paid regardless of whether a surviving spouse's benefit is paid.

¹ Throughout this report, benefit rates indicated in the text as "current" were those benefits in effect on 1 January 1988.

PROPOSED CPP SURVIVORS' BENEFITS

The proposals contained in the Consultation Paper have the objectives of bringing the Canada Pension Plan into compliance with the Canadian Charter of Rights and Freedoms, adapting the Plan to make it consistent with changing social needs, and ensuring fair treatment for present and future survivors.

The proposal contains four major components:

- a proposed new benefit structure for future surviving spouses;
- implementation provisions for a period of transition to the new structure;
- improved benefits for surviving children; and,
- improved benefits for current survivors.

Proposed new benefit structure

The Consultation Paper proposes a benefit structure which reflects the increased participation by women in the work force, which recognizes the increasing likelihood of both spouses being in the work force and the potential for homemakers to re-enter the labour force following the death of a spouse, and which attempts to provide benefits which do not discriminate on the basis of age or disability.

The proposed new benefit structure would replace the continuing survivor's pension with a higher surviving spouse's benefit over a short period of time; and would transfer a portion of the deceased spouse's CPP credits to the surviving spouse's account. This proposed new structure would affect only future survivors.

Temporary bridging benefits—Unlike the current structure in which benefits may be paid for the lifetime of the survivor, based on the survivor's age at the time of the death of the contributor, the new structure would provide a significantly higher benefit but only during a limited period of time. This would provide a "bridging benefit" to assist the survivor while attempting to re-enter the work force.

The proposed benefits for *all* survivors under age 65 would provide a much higher initial monthly benefit than the continuing pension currently provided monthly by the CPP. The Consultation Paper recommends the provision of a temporary, or bridging benefit equal to 40% of the average insured earnings of the deceased spouse, with a minimum benefit set at 40% of the maximum pension benefit. Since CPP retirement pensions are calculated at 25% of the average inflation adjusted insurable earnings, this proposed bridging benefit calculated at 40% can be as much as 160% of the maximum retirement pension benefit.

Unlike the current survivor's pension which is paid until age 65 (when it is recalculated) the proposed bridging benefit would be paid at the initial rate for three years following the death of the contributor or until the youngest dependent child reaches age seven. Two-thirds of the benefit would be paid in the year following and one-third in the final year. No surviving spouses' benefits would be received thereafter.

Based on 1988 rates, the proposed benefit structure would provide a bridging benefit of at least \$347.56 per month to a maximum of \$868.90 per month during the first three years. This compares with the current continuing benefit of \$302.61.

Disabled survivors under the age of 65 receiving CPP disability pensions would be eligible to receive the survivor's benefit, as provided to other survivors, in addition to the full amount of the CPP disability pension.

Transfer of CPP credits—Under the current provisions of the Canada Pension Plan, the survivor's pension is calculated without consideration of the length of the marriage. The Consultation Paper proposes that 60% of the CPP pension credits earned by the deceased contributor during the marriage be transferred to the surviving spouse's CPP account.

The transfer of credits would take place at the time of the contributor's death. Transfer of credits would be on a year by year basis during the period of the legal or common law marriage. This transfer, when added to the survivor's own pension credits, could not exceed the maximum pensionable earnings in that year.

For all survivors, retirement pensions would be based on the total credits in the survivor's account; i.e. transferred credits plus the individuals own credits. The maximum benefit, however, would be limited to one maximum retirement pension, or \$543.06 per month currently.

Transition to the new structure

In recognition that family structure is in a transition stage, the Consultation Paper recommends that future survivors who are currently over age 35 would be granted a choice of protection under the proposed new structure, or protection under the existing structure with some augmentation of benefits. Thus, for a period of time, both the existing and new structures would co-exist.

For eligible survivors opting for protection under the current structure, the Consultation Paper proposes raising the flat-rate component of the continuing pension benefit from \$98.96 to \$197.92 per month. There would no longer be a reduction in continuing benefits for survivors under the age of 45 at the time of the contributor's death.

Improved benefits for surviving children

The Consultation Paper recommends increases in the survivor's benefits paid to the dependent children of deceased CPP contributors. Under these proposals, the flat-rate benefit to dependent children and to children of the disabled would be increased from \$98.96 to \$126.82.

Disabled survivors eligible for disability benefits through their own contributions could receive an increase in benefits on behalf of their children as dependents of a deceased contributor and on behalf of their children as dependents of a disabled contributor. Disabled survivors who become eligible for benefits through the transfer of credits from the deceased contributor's account, would be entitled to claim a benefit for dependents as children of a disabled contributor in addition to the surviving child's

benefit. Thus, these disabled survivors could receive \$126.82 per month for each dependent child as child of a deceased contributor and an additional \$126.82 per month for each dependent child as the child of a disabled contributor.

CONSULTATION PAPER ASSUMPTIONS

Improved benefits for current survivors

The Consultation Paper recommends improvements in the levels of benefits paid to existing survivors. Under these proposals, all persons already in receipt of a CPP survivor pension at the time of implementation would receive the higher benefits under the transitional structure. Thus, the flat-rate portion of the survivor's benefit, and the flat-rate surviving child's benefit would be increased to the transitional level of \$197.92 per month and \$126.82 per month respectively. Existing survivors over the age of 65 would see no change in their pensions.

Impact of proposals on CPP expenditure

The Consultation Paper proposals outlined above would, if implemented, have an effect on the costs of the Canada Pension Plan. As the CPP is fully self-supported, with benefits being paid from contributions of Canadian employees and their employers, changes in CPP expenditure will have implications for the premiums Canadians must pay. The net effect of all proposed changes would be to initially increase the cost of the Plan with an eventual reduction of expenditure as the new benefits structure is phased in. Table 2 outlines the total cost effect of the proposed CPP revisions.

Table 2

Year	Existing Expenditure (millions)	Proposed Expenditure (millions)	Variation (millions)
1990	1,773	2,151	378
1995	2,373	2,771	398
2000	4,117	4,373	256
2005	5,214	5,069	-145
2010	6,377	6,371	-6
2015	11,361	12,447	1,086
2020	12,382	17,086	4,704
2025	10,000	21,604	11,604
2030	27,160	26,471	-689
2035	36,691	33,368	-3,323
2040	47,679	40,018	-7,661
2045	58,211	50,586	-7,625
2050	78,268	78,268	0

The Consultation Paper does not include the effect of the proposed changes on the cost of the CPP for new entrants. Source: Department of Finance.

Table 2

Estimates of the effect of the Consultation Paper proposals on CPP expenditures

percent of contributory earnings

Year	Existing provisions	Proposed provisions	Variation from existing
1990	5.63	5.84	0.21
1995	6.18	6.45	0.27
2000	6.75	7.02	0.27
2005	7.18	7.45	0.27
2010	7.88	8.16	0.28
2015	8.95	9.23	0.28
2020	10.09	10.26	0.17
2025	11.27	11.34	0.07
2030	12.03	11.95	-0.08
2035	12.06	11.86	-0.20
2040	11.81	11.54	-0.27
2045	11.54	11.26	-0.28
2050	11.49	11.27	-0.22

\$ millions

Year	Existing provisions	Proposed provisions	Variation from existing
1990	1,773	2,151	378
1995	2,735	3,371	636
2000	4,117	4,975	858
2005	5,914	7,069	1,155
2010	8,277	9,871	1,594
2015	11,361	13,462	2,101
2020	15,392	17,015	1,623
2025	20,736	21,604	868
2030	27,760	26,479	-1,281
2035	36,697	32,386	-4,311
2040	47,679	40,018	-7,661
2045	60,856	50,528	-10,328
2050	76,568	66,157	-10,411

Source: Department of Insurance

CONSULTATION PAPER ASSUMPTIONS

As recognized in the Consultation Paper, Canada has undergone change since the Canada Pension Plan was first introduced. When the CPP was implemented in 1966, family structure and participation of women in the paid labour force was far different from today. The increased proportion of families dependent on the employment of both spouses and the increase in the number of one-parent families have both contributed to the need for CPP reform.

Unlike the situation two decades ago, a majority of women, both married and unmarried, are in the work force. The CPP, however, was designed to best serve the needs of the "traditional" two parent, one-earner family. In 1967, of Canadian families with children living at home, 67.2% had only one earner. By 1985, this had dropped to 32.7%. In contrast, the proportion on "non-elderly couples"² with children living at home in which both spouses worked had risen from 31.2% to 64.2% during the same period. The proportion of one-parent families, especially headed by women, has also grown, from 6.9% in 1967 to 13% by 1985.

Not only are women now more likely to participate in the paid work force, but all families are increasingly more dependent on the earnings of women, even the "traditional" husband/wife family. As can be seen in Table 3, women now contribute, as a percentage of family income, 2½ times more income to the traditional two partner family than in 1967.

Table 3

Percentage of total husband/wife
income contributed by the wife, considering the presence of children.

Presence of children	1967	1985
No children	19.1%	28.3%
Preschool only	9.7	27.0
School age only	9.6	24.8
Preschool and school age	4.6	21.5
Average	10.9	26.3

Source: Statistics Canada

Thus, for most families, including those with children, the earnings of women have become increasingly important.

The Consultation Paper bases its recommended reforms in large part on this increased labour force participation by women:

² Statistics Canada defines a "non-elderly couple" as a husband/wife family in which the male spouse is under age 65.

Today and in the future, it is expected that the majority of survivors of working age will be employed or have recently retired and that they will be more likely to have accumulated CPP credits for periods outside the marriage, either through personal earnings or through the division of CPP credits on the breakdown of a previous marital relationship... Consequently, it may no longer be appropriate to allocate survivor benefits on the assumption of lifelong dependency of the surviving spouse on the earnings of the deceased contributor.

Survivors are likely to face severe financial problems during the period immediately following the death of a spouse. It may now be questioned, however, whether permanent earnings replacement is required in a society where the majority of female spouses are wage earners.

Based on these observations, the Consultation Paper recommends the introduction of the temporary bridging benefit which would provide relatively high benefits to survivors over a short period of time. These benefits would be designed to support survivors attempting to re-enter the work force.

Table 1

Percentage of total household income contributed by the wife considering the presence of children

	1982	1987	1991
All children	28.3%	27.1%	27.1%
Pre-school only	27.6%	27.1%	27.1%
School age only	28.8%	27.1%	27.1%
Pre-school and school age	21.2%	27.1%	27.1%
Average	26.3%	27.1%	27.1%
Canada			
1982			
1987			
1991			

RESPONSE OF THE STANDING COMMITTEE TO THE CONSULTATION PAPER ASSUMPTIONS

While the Committee agrees that there has been dramatic increases in the labour force participation rate of Canadian women, and increased dependence of families on the earnings of women, the Committee agrees with witnesses who indicated that other factors must be considered in the redesign of survivors' benefits under the Canada Pension Plan.

With most women entering the labour force and, in consequence, earning their own CPP credits and with many widows, especially younger widows, either in the labour or able to re-enter the labour force on the death of a spouse, the CPP should not operate on the assumption of lifelong dependency for women. The Committee is concerned, however, about the apparent assumption that *all* survivors are equally able to enter (or re-enter) the work force and adjust to the death of a spouse. In this regard, the Committee agrees with the Canadian Institute of Actuaries who observed:

Initially, back in 1965, the CPP philosophy perceived that survivor benefits were by and large paid only to widows, and they worked on the assumption that all widows over a certain age were permanently out of the work force and hence they would need a lifetime pension... It certainly is not true today.

The Consultation Paper philosophically perceives that all surviving, spouses... will ultimately re-enter the work force, so would need only a temporary income until they have either acquired or re-acquired work skills. Equally, this is not true today...

While the basic concept of a relatively high bridging benefit to assist survivors' to adjust to the death of a spouse is sound, there were concerns raised by several witnesses about the specific proposals contained in the Consultation Paper. These concerns tended to focus on the difficulty of labour force re-integration for two specific groups; older widows, and younger widows with dependent children.

Robert Baldwin of the Canadian Labour Congress, for example, addressed the difficulty that would be faced by older widows.

...in principle we can accept the idea that is central to the proposal that benefits to survivors be temporary in nature; namely, that survivors can change their participation in the labour force to adjust for the earnings and retirement income that is lost due to the death of a spouse.

We do not believe that older survivors who are under 65 can be expected to change their labour force participation to adjust for the death of a spouse. In 1986, only 38.4% of women aged 55 to 64 were in the paid labour force, as were 73% of men. In short, there are large numbers of older men and women who are not yet 65 for whom it is not reasonable to expect that labour force adjustments will be made after the death of a spouse.

This view finds added support when the changes in labour force participation rates of women in the past two decades are compared for women of varying ages (see table 4). While younger women are *far* more likely to be in the paid labour force, the rate of participation for older women has changed only modestly. Thus, there is no reason to expect that dependency by older women will quickly change.

Table 4

Annual labour force participation rate of women by age group.

Age group	1967	1985
under 35	45.3%	75.1%
35 to 44	37.7	74.5
45 to 54	41.0	63.7
55 to 64	31.7	38.6

Source: Statistics Canada

Several witnesses before the Committee questioned the elimination of continuing benefits for women with dependent children. The National Action Committee on the Status of Women was typical of the witnesses who questioned the ability of many women in today's society to replace earnings lost on the death of a spouse, especially in cases in which female survivors had to care for dependent children.

Even more important, when we look at the proposals... we see that among employed mothers under the age of 35 who had children 7 to 17, only 51% had full-year, full-time jobs. Under the paper's proposals, mothers of that age who have children aged 7 to 17, whether or not they are employed, would get only three years of full benefits, so we see that among those employed, only 50% of those who would get only three years of benefits are not working full-year, full-time.

Concern was often raised by witnesses with regard to the lower earnings potential of women with children. It was also recognized that on the death of a homemaker, the surviving spouse is often forced to assume this additional role which may limit earning potential. Marianne Wilkinson of the National Council of Women of Canada told the Committee:

Because of this lower earning potential [of women with children] survivor insurance should be provided for a long-term earning supplement for all surviving spouses with dependent children... If you do not have the responsibility of children, then a woman is on the same status as a man in that respect and has the ability to have been in the labour force continuously if they so wished... We also do not believe a very short phase-in will work because of the problems of the double role women bear, and men would in the case of the death of a wife.

As can be seen in tables 5a and 5b, not only do women earn less than do men, but the presence of children appears to have an effect on these earnings, primarily by tending to increase the rates of part-time employment. This is especially true for women with young, pre-school children.

The Committee learned that, while women with children appear to have a disadvantage in terms of their earnings, there is a gap between the earnings of men and women regardless of marital status (see table 5c). This gap is greatest for married persons and those with children.

The Standing Committee shares these concerns with regard to older pre-retirement age survivors and with regard to younger survivors with dependent children. It is the view of the Committee that while the concept of the bridging benefit should be

supported, it is also necessary to inject a greater degree of flexibility in to the CPP to better meet the needs of survivors of all ages and family situations. These concerns are addressed in the recommendations of the Committee which follow.

Table 5a

Earnings of men and women¹ as a percentage of the YMPE², 1985.

Marital status	men	women
Married	117.4	56.3
Divorced, separated or widowed	106.3	66.6

Table 5b

Earnings of women¹ as a percentage of the YMPE² considering the presence of children, 1985.

	no children	under age 7 ³	7-17 only ⁴
Married Women	60.7	50.1	55.8
Divorced, separated or widowed	69.4	54.1	66.0

Table 5c

Earnings of men and women¹ as a percentage of YMPE² considering marital status and type of employment.

Type of employment	married		separated/ divorced/ widowed		single	
	women	men	women	men	women	men
Full Year/full time	79.4	131.7	87.1	128.0	78.9	87.1
Full year/part time	44.4	68.9	48.3	—	30.3	33.9
Part year	25.6	57.9	26.0	49.6	17.8	23.5
All	56.3	117.4	66.6	106.3	43.4	48.6

¹ Ages 15 to 64 years.

² YMPE = "years maximum pensionable earnings for the purposes of the Canada Pension Plan. This was \$23,400 in 1985.

³ At least one child is under 7, with or without older children.

⁴ No children under age 7.

-- Sample too small to be reliable.

Source: Statistics Canada

PRE-RETIREMENT AGE BENEFITS RECOMMENDATIONS OF THE STANDING COMMITTEE

The proposals contained in the Consultation Paper call for a temporary bridging benefit for survivors that would be significantly higher than that currently received, and higher than the pension benefit that would have been received by the contributor had he/she survived the retirement. As retirement pensions are based on 25% of the average insured earnings, by providing a bridging benefit equal to 40% of the deceased spouse's average insured earnings, the survivor would receive a temporary benefit equal to 160% of the earned pension of the deceased contributor.

In a written submission to the Committee, the Canadian Chamber of Commerce indicated its reservations about the level of this bridging benefit:

The Chamber is concerned that a benefit as high as \$834 a month (1987 dollars) should be payable, even if only for a temporary period, when the retirement maximum is only \$521 a month. Certain insurance and welfare elements for disability and survivor benefits are reasonable, but it would be dangerous if the CPP departed very far from the earnings-related principle.

The Committee is concerned that these benefits under the proposed structure are not better targeted. The elimination of benefits over the proposed five year period will harm survivors who will have difficulty adjusting to the death of the contributor, while at the same time offering relatively high (albeit, temporary) benefits to those in the labour force who may not require an adjustment period.

The Committee agrees that a supplementary amount may be of assistance in making the financial adjustment to the death of a spouse, however, the purpose of the supplement should be to provide a minimum necessary income to allow entry (re-entry) into the labour force. Other provisions for older, pre-retirement age survivors and for younger survivors with dependent children may be necessary. It is unreasonable to argue that a single, able-bodied survivor requires for this purpose 160% of the income of that required by a retiree and 267% of the income of the post-retirement age survivor without his/her own CPP credits. CPP expenditure should be more appropriately targeted.

To address the needs of the older survivor and those of the younger survivor, the Standing Committee has framed recommendations (numbers 2, 3, and 4 below) which address the specific needs of these groups. It is the view of the Committee that attention to these needs will modify the role which must be played by the temporary bridging benefit which can then better address the labour force readjustment needs of survivors.

It is the view of the Committee that the bridging benefit which is offered to survivors should always be offered either as a temporary benefit or as an actuarially-equivalent continuing benefit. Costs to the CPP would not be affected by this change, yet survivors would have the option of selecting the type of benefit, continuing or higher temporary benefit, which best suits their situation. This would have the greatest effect on the older survivors, those closer to retirement age, who may have the greatest labour force readjustment difficulties and who would receive relatively higher continuing benefits based on an actuarial equivalent.

1. The Standing Committee recommends:

- i. that the Minister of National Health and Welfare adopt the principle of a temporary bridging benefit for survivors under the Canada Pension Plan outlined in the Consultation Paper;**
- ii. that the proposal on bridging benefits be modified so that the size of the bridging benefit, designed to assist survivors in re-entering the labour force, be brought more in line with retirement pension benefits, allowing a smaller supplementary amount over the level of pension earned had the contributor survived; and**
- iii. that survivors be afforded a choice between the bridging benefit or an actuarially-equivalent continuing benefit.**

CHILDREN'S BENEFITS RECOMMENDATIONS OF THE STANDING COMMITTEE

The Consultation Paper recommends immediate increases in the flat-rate benefit for dependent children of deceased contributors. This recommendation received enthusiastic support from most of the witnesses to appear before the Committee. The Committee, too, supports the principle of higher survivors' benefits for dependent children of contributors.

Many witnesses before the Committee, however, addressed the difficulties faced by spouses with dependent children to adjust to the loss of the contributor's income. The issue of continuing support for dependent children was tied by many witnesses to the need for increased and continuing support for the surviving parent of these dependents. The National Council of Women of Canada, for example, told the Committee of the labour force difficulties faced by most women with children who must fulfill two roles, those of earner and homemaker:

A shift to a two-earner family does not alter the fact that most women maintain the primary responsibility for nurturing children and for operating the household... This restricts job opportunities... 1.8 million Canadians work part time, and of those, about 700,000 or 800,000 are working part time for family reasons.

The Standing Committee agrees with the many witnesses who argued in favour of higher survivors' benefits for the dependent children of deceased contributors. Indeed, the importance of providing Canadian workers' families with financial protection in the event of death is central to the CPP. In view of this, and in view of the difficulty faced by surviving spouses with dependent children, the Committee also supports further enhancement of children's survivor benefits to target those survivors who must support dependent children.

Widows (who may or may not be in receipt of survivors' benefits) are more likely to face economic hardship than non-widows of the same age. Data provided by Statistics Canada show widows of all ages more likely to be unemployed or employed part-time. The economic hardships faced by pre-retirement age widows are compounded by the presence of dependent children, as can be seen in Table 6. While widows are more likely to receive social assistance than non-widows, one out of every four widows with dependent children receive welfare assistance.

Table 6

Percentage of widowed and non-widowed women under age 65 reporting welfare income, 1985.

Widowed	% reporting welfare
no children	15.1
at least one child	25.0
<u>Non-widowed</u>	
no children	4.5
at least one child	7.1

Source: Statistics Canada

In its consideration of changes to the CPP, the Committee was concerned that proposals not result in marked increases to CPP expenditure. As a self-supporting plan, all increases in expenditures must be passed through to Canadian workers and employers in the form of higher premiums. The changes proposed in the Consultation paper would require higher contribution rates at some point before 2026. It is the view of the Committee, that changes to the CPP should not result in significantly higher premiums. For this reason, the enhancements to children's benefits should keep within the overall costs proposed in the Consultation Paper.

By recommending a reduction in the level of the temporary bridging benefits, the increase in expenditure will be markedly reduced. These funds, removed from the temporary benefit, could be provided to dependent children in order to better target survivors' benefits. Thus, enhancements to children's survivors' benefits would not necessarily result in increases above those proposed in the Consultation Paper.

The shift of some survivors' benefits to the dependent children of deceased contributors addresses several concerns raised in the Consultation Paper and by witnesses before the Committee. First, changes in family structure now require the CPP to better target benefits to surviving children. According to the consultation Paper:

...the increase in divorce and remarriage, and in the number of one-parent families, has resulted in marriages that now are often of shorter duration. This has led to an increase in family situations where the dependent child of a contributor may not live in the same household as the surviving spouse, and may not be able to count on the surviving spouse for financial support.

Second, enhanced children's benefits will recognize the continuing labour force adjustment difficulties faced by survivors with dependent children. The need to fulfill the roles of parent, homemaker and breadwinner pose financial burdens on the surviving spouse and make full-time labour force participation more difficult.

2. The Standing Committee recommends:

- i. that the Minister of National Health and Welfare adopt the principle of increased children's survivor benefits; and**
- ii. that the total amount reduced in the bridging benefits from that recommended in the Consultation Paper be used to increase children's benefits.**

In its May 1985 report, the Canada Pension Plan Advisory Committee recommended dividing children's survivors' benefits into two separate components; a "material benefit" and a "custodial benefit". Material benefits recognize the support needs of the dependent child. These needs continue during the entire period of the child's dependency. In addition to material needs, surviving spouses with young children (or other guardians of the surviving dependent) will also be faced with the need to provide custodial care so that the survivor is free to work. These needs for child care are reduced when children are able to attend school. Temporary benefits to meet these needs during the child's pre-school years were termed "custodial benefits."

The Standing Committee believes these different needs for financial support to dependent children should be recognized in the structuring of survivors' benefits under the Canada Pension Plan. Increased benefits to children should, therefore, be divided into custodial benefit for young children and a flat-rate material benefit for the entire period of dependency.

Child care costs for dependent children do not end at age seven. Indeed, in some provinces there is a statutory requirement that adults having charge of a child provide for adequate supervision for older children. There is strong feeling in the Committee that the full custodial benefit for young dependent children be provided at least until age ten, however, the majority the Committee does not wish this preference to jeopardize receiving the consent of the provinces. Consequently, the Committee recommends the provision of full custodial benefits at least until age seven and recommends consideration of liberalizing this age restriction.

The Liberal representative on the Committee is opposed to any discontinuation of full custodial benefits prior to the age of ten, at which time a three year phase-out should begin. This member consequently withholds support from recommendation 3.

3. The Standing Committee recommends:

that children's benefits be divided into a "custodial benefit", which would be phased out over three years beginning at age seven; and a "material benefit", which would continue during the entire period of the child's dependency.

TRANSFER OF CPP CREDITS RECOMMENDATIONS OF THE STANDING COMMITTEE

Two elements of the Consultation Paper proposals as they relate to post-retirement age survivors which were subject to criticism by witnesses before the Committee should be addressed; the proposal that the transfer of CPP credits be limited to the period of the marriage, and the ceiling which limits the receipt of credits by a survivor to 100% of the maximum pensionable earnings in any one year.

Tie to period of the marriage

The argument in favour of the tie of pension credit transfer to the period of the marriage is that the survivor should share in the assets of a marriage earned during the period of the marriage. In the words of the Consultation Paper:

In recognition that marriage is an economic partnership and that survivors had expected to share retirement income with their spouses, it is proposed that 60% of the CPP pension credits earned by the deceased spouse during the marriage be transferred to the surviving spouse's CPP account.

The Consultation Paper acknowledges that "where there was a shorter period of cohabitation, however, the transfer might result in smaller survivor/retirement pension being paid than that currently provided."

The Standing Committee shares the concerns raised by many witnesses in regard to the transfer of CPP credits. As has been pointed out to the Committee in a brief submitted by the Calgary YWCA, for example, no survivors over the age of 65 will benefit by the proposed changes to the CPP structure and some future survivors would find the proposal had reduced the amount of pension income they would have received:

...the position for survivors who are also retired (over 65 years of age) will **AT BEST** remain unchanged, and quite possibly deteriorate as a result of the cohabitation requirement on credit transfer.

The Calgary YWCA believes that improvements to survivor benefits should be based on principles which seek not only to maintain, but to improve the financial position of elderly survivors.

The Standing Committee agrees that pension reform should not have the effect of reducing income for this vulnerable group of Canadians, most of whom are women. Survivors over retirement age must adjust to the loss of income of a spouse, without having the ability to do so by re-entering the work force or, in most cases, through remarriage. In view of this inability to influence future income, the Committee believes that survivors over retirement age not be subjected to the credit transfer, but rather, receive the calculated pension of 60% of the deceased contributor's earned pension.

The situation for younger survivors is somewhat different. Survivors under age 55 are in a position to influence their own retirement income. Younger widows are more likely to be employed and are also more likely to remarry.

As can be seen in Table 7, a majority of widows under age 55 are in the labour force, unlike widows age 55 and older.

Table 7
Percentage of widowed women reporting earnings, 1985.

Age of Widow	% Reporting Earnings
under 45	74.4
45-54	67.2
55-64	38.7

Source: Statistics Canada

In addition to labour force participation and consequent earning of her own CPP credits, younger widows are also more likely than are older widows to remarry, as can be seen in Table 8.

Table 8
Rate of remarriage of widows, 1984.

Age in 1984	% who go on to second marriage
Under 35	77.6
35-44	53.4
45-54	38.9
55-64	28.8

Source: Statistics Canada

Even for these younger survivors, most of whom will influence their own retirement incomes, the transfer of CPP credits should not ordinarily be tied to the duration of the marriage. The CPP credits which have been accumulated by a contributor should be available for transfer to the surviving spouse as are other assets of the marriage.

Survivors between the ages of 55 and 65, who may have greater difficulty re-adjusting, should be provided with the option of the two types of benefit; i. either to be treated as retired and provided with a pension equal to 60% of the deceased spouse's earned pension, or ii. to be afforded the bridging benefit and pension credit transfer or an actuarially-equivalent continuing pension. Thus, survivors in this age group could choose the options which best meet their needs.

4. The Standing Committee recommends:

- i. that survivors above retirement age who have been married for one year or longer, not receive a transfer of credits, but receive 60% of the earned pension based on the deceased spouses contributory earnings;**
- ii. that for survivors below the age of 55, 60% of the deceased contributor's contributory earnings be transferred to the surviving spouse. In cases where there is more than one claimant, credits would be allocated on the basis of the length of the period of cohabitation; and**
- iii. that survivors between the ages of 55 and 65 be provided with a choice of either being provided with a pension equal to 60% of the earned pension benefit based on the deceased spouses contributory earnings or the transfer of credits or the benefits under the current system.**

Ceiling on credit transfer

Several witnesses argued that the proposed ceiling on the transfer of pension credits would not be equitable. As indicated in the brief submitted by the Calgary YWCA:

A fundamental principal in this regard is that pensions represent a form of savings which are earned by both partners in a marriage during the period of cohabitation, and therefore represent joint assets *in which each partner has an equal right*. This is presumably the principal upon which the credit transfer mechanism was based...

While the Committee is sympathetic with the view, the Committee does not view CPP credits as a form of savings like all others. Even in most private pension plans, the survivor does not have an absolute right to the full pension benefits of the deceased contributor. Further, unlike other pension plans, the CPP has some aspects of an inter-generational transfer. Contributors take out of the CPP more than they contribute. CPP is, therefore, not solely a savings plan. The Committee is also concerned that the elimination of a cap would provide some single survivors with pensions equal to 160% of the maximum earned pension. It is the view of the Committee, however, that some recognition should be given to the earned pensions of both spouses during the period of the marriage.

5. The Standing Committee recommends:

that for all survivors the ceiling limiting transfer of CPP credits for any year be modified so that survivors with their own contributory earnings may receive the total of their own earnings plus the 60% transferred from the deceased spouses contributory earnings to a maximum of 60% of the two spouses' combined contributory earnings.

PROPOSED IMMEDIATE IMPROVEMENTS IN BENEFITS RECOMMENDATIONS OF THE STANDING COMMITTEE

The Consultation Paper recommends the immediate increase in the flat-rate component of the current survivor benefits for persons under the age of 65. This would result in a doubling from \$98.96 a month at the current rate to \$197.92 a month. Dependent children's benefits would increase.

The recommended increases in the flat-rate components of the survivors' benefits under CPP were given broad support in testimony before the Committee. The Committee shares the view that the flat-rate portion of these CPP benefits should be increased so that survivors receive a minimum benefit sufficiently large to assist in maintaining their standard of living.

Of great concern to the Committee, however, is the inability of the federal government to ensure that increases in benefits reach all Canadians. Approximately 8% of all survivors now receiving benefits are also in receipt of welfare assistance. For these survivors, the provinces have the power to reduce welfare payments by amounts up to the increase in CPP survivor benefits. As CPP benefits are taxable, the doubling of the flat-rate benefit could actually result in some reduction in the amounts retained by welfare recipients!

The Committee is extremely concerned that these survivors, who are most in need of the flat-rate increases, may be denied the full benefit by the failure of their provincial governments to allow the "pass-through". This failure to allow a pass-through recently occurred with increases in disability income. Recent increases were not passed-through to the 13% of the recipients who were receiving welfare, despite the objections of the federal government.

The Committee agrees strongly with the Minister of National Health and Welfare, the Hon. Jake EPP, who told the Committee:

I believe it [CPP] is a contributory plan, to which people have made provision in case of disability, death, or retirement; and therefore those benefits should be passed on. We were also willing, as a Government of Canada, to make provisions in the interpretation of the Canada Assistance Plan to allow for those pass-throughs. So far, I have not received from the provinces any assurance that they have been persuaded by that argument... The provinces of all political stripes, of all parties, have chosen so far not to do the pass-through.

The Standing Committee believes it of great importance that the increased flat-rate portion of survivors' benefits be passed-through to welfare recipients so that they receive the benefit of an increase in the minimum benefit payable. While it is highly undesirable that federal and provincial governments assume confrontational positions on matters of national policy, it is important in this instance that the Government of Canada persuade the provinces to allow less affluent Canadians the advantages of CPP increases and, if it becomes necessary, to ensure that poor Canadians receive the full financial value of increases in pension benefits.

6. The Standing Committee recommends:

- i. that the Provincial governments allow the pass-through of increased survivors' benefits to recipients of social assistance payments;
- ii. that the Minister of National Health and Welfare monitor provincial action with regard to pass-through of survivors' benefits; and,
- iii. that should the Minister of National Health and Welfare determine that provinces are reducing welfare assistance payments to survivors in receipt of enhanced benefits, the Minister should consider tabling legislation that would amend the Canada Assistance Plan so as to allow the hold-back of transfer payments to provinces equal to these welfare assistance reductions.

DISABLED SURVIVORS RECOMMENDATIONS OF THE STANDING COMMITTEE

The Consultation Paper rightly argues in favour of provisions which will eliminate discrimination, thus spouses' benefits would be provided without reference to age, family status or disability. The elimination of the reduction in benefits for survivors under age 45 is an example of one such change. The Committee is concerned, however, that the elimination of reference to disability may create deep financial hardship for some disabled Canadians.

If the Committee's recommendations are accepted (recommendations 1 & 4), the elimination of special treatment for disabled survivors may adversely affect those disabled survivors of pre-retirement age. For survivors in this age group who are totally disabled, the disability may well markedly reduce or prevent entry into the labour force. The provision of a temporary bridging benefit to assist in labour force entry would, therefore, not be appropriate.

According to the Canadian Institute of Actuaries:

Something else that does not appear to us to make much sense is paying a disabled survivor a pension which reduces in part after three years. While this in non-discriminatory, it certainly does not seem logical because we can hardly expect disabled survivors to return to the work force, especially when we remember that the CPP definition of disability is a pretty strict definition. We would submit that an actuarially equivalent continuing level pension would meet real needs of the disabled in a much better manner...

The Committee believes the question of appropriate pension benefits for totally disabled pre-retirement age survivors requires further reform. One possible option may be to offer survivors who are disabled under the terms of the Canada Pension Plan the choice of receiving either the benefits for non-disabled survivors or treatment as though retired, i.e. 60% of the deceased spouse's earned pension.

7. The Standing Committee recommends:

that the Minister of National Health and Welfare continue to consult with the provinces in order to develop pension reform proposals to provide appropriate pension benefits for disabled survivors.

SUMMARY OF RECOMMENDATIONS

1. The Standing Committee recommends:

- i. that the Minister of National Health and Welfare adopt the principle of a temporary bridging benefit for survivors under the Canada Pension Plan outlined in the Consultation Paper;
- ii. that the proposal on bridging benefits be modified so that the size of the bridging benefit, designed to assist survivors in re-entering the labour force, be brought more in line with retirement pension benefits, allowing a smaller supplementary amount over the level of pension earned had the contributor survived; and
- iii. that survivors be afforded a choice between the bridging benefit or an actuarially-equivalent continuing benefit.

2. The Standing Committee recommends:

- i. that the Minister of National Health and Welfare adopt the principle of increased children's survivor benefits; and
- ii. that the total amount reduced in the bridging benefits from that recommended in the Consultation Paper be used to increase children's benefits.

3. The Standing Committee recommends:

that children's benefits be divided into a "custodial benefit", which would be phased out over three years beginning at age seven; and a "material benefit", which would continue during the entire period of the child's dependency.

4. The Standing Committee recommends:

- i. that survivors above retirement age who have been married for one year or longer, not receive a transfer of credits, but receive 60% of the earned pension based on the deceased spouses contributory earnings;
- ii. that for survivors below the age of 55, 60% of the deceased contributor's contributory earnings be transferred to the surviving spouse. In cases where there is more than one claimant, credits would be allocated on the basis of the length of the period of cohabitation; and
- iii. that survivors between the ages of 55 and 65 be provided with a choice of *either* being provided with a pension equal to 60% of the earned pension benefit based on the deceased spouses contributory earnings *or* the transfer of credits *or* the benefits under the current system.

5. The Standing Committee recommends:

that for all survivors the ceiling limiting transfer of CPP credits for any year be modified so that survivors with their own contributory earnings may receive the total of their own earnings plus the 60% transferred from the deceased spouses contributory earnings to a maximum of 60% of the two spouses' combined contributory earnings.

6. The Standing Committee recommends:

- i. that the Provinces allow the pass-through of increased survivors' benefits to recipients of social assistance payments;**
- ii. that the Minister of National Health and Welfare monitor provincial action with regard to pass-through of survivors' benefits; and,**
- iii. that should the Minister of National Health and Welfare determine that provinces are reducing welfare assistance payments to survivors in receipt of enhanced benefits, the Minister consider tabling legislation that would amend the Canada Assistance Plan so as to allow the hold-back of transfer payments to provinces equal to these welfare assistance reductions.**

7. The Standing Committee recommends:

that the Minister of National Health and Welfare continue to consult with the provinces in order to develop pension reform proposals to provide appropriate pension benefits for disabled survivors.

APPENDIX "A"

WITNESSES AND SUBMISSIONS

Issue No. Date	Organizations and Witnesses
31 Monday, November 2, 1987	National Action Committee on the Status of Women Louise Dulude, President
32 Monday, November 16, 1987	National Anti-Poverty Organization Debbie Hughes Community Liaison
33 Thursday, November 19, 1987	Federal Superannuates National Association L.W.C.S. Barnes First Vice-President A.J. Agius, Research Officer Canadian Institute of Actuaries Brian Wooding, Executive Director Yvan Pouliot, Vice-President Bruce MacDonald, Chairman of the Social Security Committee
34 Monday, November 23, 1987	The Honourable Jake Epp Minister of National Health and Welfare

- 36 Tuesday, December 1, 1987
- National Council of Women of Canada**
- May Nickson
Chairperson, Legislation
- Marianne Wilkinson
Chairperson, Economics
- Canadian Labour Congress**
- Robert Baldwin
National Representative
- 38 Tuesday, December 8, 1987
- National Advisory Council on Aging**
- Joel Aldred, Member
- Susan Fletcher, Director
- Richard Deaton, Senior Policy Analyst
-
- Canada Pension Plan Advisory Board**
- Louis Erlichman, Chairman
- Royce Moore, Chairman, Committee on Survivor Benefits
- 39 Monday, December 14, 1987
- National Association of Women and the Law**
- Suzanne Chartrand
Director General
- Gwen Brodsky
Lawyer and Member
- Professional Institute of the Public Service of Canada**
- Iris Craig, President
- Tom Williams, Employment Relations Officer

GOVERNMENT RESPONSE

Pursuant to Standing Order 98(2), the Committee requests that the Government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings and Committee on National Health and Welfare (Issue No. 1 and Issue 44 which includes this Report) is tabled.

APPENDIX "B"

Respectfully submitted,

Ernie Harder, M.P.

OTHER REPRESENTATIONS SUBMITTED TO THE COMMITTEE

Association des femmes collaboratrices
Canadian Bankers Association
Canadian Chamber of Commerce
Canadian Home Economics Association
Canadian Teachers' Federation
Carroll, Philomena
Church, Alice
Grotherin, Marion
Mueller, Gisa
Patterson Kidd, Catherine
Vancouver Board of Trade
William M. Mercer Limited
YWCA of Calgary, Alberta

GOVERNMENT RESPONSE

Pursuant to Standing Order 99(2), the Committee requests that the Government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings and Evidence of the Standing Committee on National Health and Welfare (*Issue No. 31, 32, 33, 34, 36, 38, 39, 42 and issue 44 which includes this Report*) is tabled.

Respectfully submitted,

Bruce Halliday, M.P.
Chairman

(TEXT)

Issue No. 44

MINUTES OF PROCEEDINGS

MONDAY, April 25, 1988
(64)

The Standing Committee on National Health and Welfare met "in camera" at 5:05 o'clock p.m., in Room 705, 151 Sparks Street, this day, the Chairman Bruce Halliday presiding.

Members of the Committee present: Sheila Copps, Bruce Halliday, Barry Turner.

Acting Member present: Marc Ferland for Brian White.

In attendance: From Evalusearch: Paul D. Rosenbaum, Research Officer.

The Committee resumed consideration of its Order of Reference dated September 24, 1987, relating to the Consultation Paper on Survivor Benefits under the Canada Pension Plan.

The Committee resumed consideration of a draft report to the House of Commons.

By unanimous consent, it was agreed, — That the Committee print 2,000 copies of its Third Report to the House in bilingual format.

By unanimous consent, it was agreed, — That the title for the Committee's Third Report to the House shall be: "Response of the House of Commons Standing Committee on National Health and Welfare to the Consultation Paper, Survivor Benefits under the Canada Pension Plan".

By unanimous consent, it was agreed, — That the Committee authorize the expenditure of funds necessary for engaging the services of an editor for the Third Report to the House.

By unanimous consent, it was agreed, — That the draft report, as amended, be adopted as the Committee's Third Report to the House and that the Chairman be authorized to make such typographical and editorial changes as may be necessary without changing the substance of the report.

ORDERED, — that the Chairman table the Third Report to the House and that pursuant to Standing Order 99(2), the Government be requested to table a comprehensive response to the said Report.

At 5:30 o'clock p.m., the Committee adjourned to the call of the Chair.

Patricia Russell
Clerk of the Committee