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•(1535)

[English]

The Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): Committee members, we have a life that revolves around votes. Because we have votes, we will have to ensure that we start on time and finish at about five o'clock. So if there is any committee business, we can do that.

With that, I would like to invite Mr. Braniff and Mr. Wilson to begin.

We are the Standing Committee on the Status of Women. We are studying the economic security of women, and we would like your expertise in helping us resolve some of the issues. You will have 10 minutes of presentation, after which we will go around and ask questions, and then you will have one minute each to wrap up. Then we will finish at five o'clock.

Mr. Braniff, would you like to start first, for 10 minutes? I'll give you my signal if you're going over time.

Thank you.

Mr. Daniel Braniff (Chairman, Georgian Bay Chapter, Canada's Association for the Fifty-Plus): Thank you for inviting me.

I speak as a non-partisan volunteer, and yes, I'm here to address the inequities that women suffer in the senior years. My objective in being here is to try to give you some ideas, not necessarily scientific or tested, because it was short notice, but some ideas for closing the gap, and I don't think I have to explain that there is a gap.

I have 50 years of experience, many of these in my work life long ago when I worked within the women's movement and was in a position of some authority to act in it. I also have done some work in the volunteer sector, and currently I'm the chairman of the CARP chapter in Georgian Bay. I'm also the liaison and the organizer of a common front on pension splitting that encompasses 25 organizations, something in the order of three million-plus members, all pensioners and seniors.

That's been bothering me for the last four years. We coined the term "pension splitting". I look at pension splitting—and by the way, Jim is going to specifically deal with it, so I'm going to skip a lot of stuff, if you don't mind, or else you'll hear it twice. He's from CAPS. His organization is one of the 25, but one of the early ones and one of the most strongly oriented to that issue. He has the technical background, even though he's very shy about it.

I look at pension splitting as an entitlement for women. It's a women's issue. It always has been. Yes, there are tax breaks that are shared, but in principle, it is an entitlement of women, and I think you'll see the precedent in that in family law, the sharing of CPP, QPP, and the spousal RRSP. The precedent was established before we got into the act.

I want to talk outside of pension splitting, but I think you have to understand some of the peripheral benefits. At last we've got a good reason to get married, because if you look at pension splitting and what it does, it's going to change and formalize relationships that have been disrupted by the disincentives of old age security. Believe it or not, there are seniors who are living together but aren't announcing it formally. While this will do a lot for current married women, it's not going to do anything for widows. It will in the future, because they'll retain in the family some additional equity that won't be eroded by taxes.

What I'd like to talk about today, and I hope your interest goes my way, is the senior unattached women of today, and some remedies, so that we won't have more of them, so that we can close the gap.

I'll start with the survivor's option for pensions. As you know, we have it in some pension plans but not all. Many pensions die with the pensioner, and that leaves the widow with that income vanishing. I think that should be looked at, and if we get into it, I'll be willing to discuss how that might be done.

The residual impact of decades of discrimination has left today's senior woman at a great disadvantage. She's the one who has been discriminated against in terms of pay, advancement, benefits, recognition in the community, and recognition for her contribution to the community, whether it's at paid work or in the community itself at home.

The inequalities of divorce.... I don't think it's any surprise for you to hear that I might say men have a great advantage. If you look at StatsCan 2006, men have two times the university education of women. That goes with other status the man has in the household and his links to the community and his resources.

The remedy I would look for is that we've had women disadvantaged with what I call a "headwind" of discrimination, and I would like to propose that we put some wind at her back, to give her a catch-up opportunity.

You might read this as reverse discrimination, albeit it might be, but I think we have to make the cure. I think we have to start earlier than age 65. We'll have to deal with women who are less than seniors, or not quite seniors yet. There are many ideas I have that I would like to explore that we've used over the years in the women's movement.

I worked on the other side of the scene. I was one of the orchestrators. I headed up personnel. I had a staff of 4,000 employees. I know what happened in that period, and we did a lot of things that we could do now for senior women and women coming into their senior years: internships, coaching, counselling, selective placement, star polishing, publicity. Do it right. Find the stars and make them be examples. We can do that.

I don't think I have to talk to you about networking. I look over and I see mostly women here. I'm sure you have a network working among you that makes you productive, that advances the women's movement, where you're sitting here.

I'm representing CARP here, but as I said, I'm also liaison for three million. But I have checked with CARP, and they're quite prepared to work to facilitate this particular idea. In other words, how can we work to present seminars that will allow women to get the advantages they are lacking with respect to finances?

I'm going to suggest some revolutionary things. With respect to widows, I think we should look at a retroactive tax adjustment for the widows who were left out of pension splitting—I'm assuming that pension splitting is going to pass, by the way. I think we need to look at the actuarial factors, because actuarially, women live longer than men, and I ask the question, why is there one set age to convert to a RRIF from an RRSP? Maybe there should be a later age for women. They live longer. Seventy percent of the population over age 90 are women. Maybe women should be allowed to collect their CPP, their QPP, and still work if they choose.

I think we need more options for pension survival programs. Again, look at the actuarial tables. Can we justify it? Even if we can't, I'd say let's put some wind at the back of the women.

Some of these fixes require money, but I think most of that money is already in other programs and it's in the community. It's in volunteer non-profit organizations. EI has money for this kind of program, and I suggest that it should be plugged in, in this way.

That's a quick summary, Madam Chairman, and I'd be happy to answer any questions.

• (1540)

The Chair: Thank you very much.

We will now go to Mr. Wilson for 10 minutes.

Mr. Ken Wilson (Vice-President, Canadian Activists for Pension Splitting): Thank you for the opportunity for CAPS to be able to make this presentation to you.

I just want to remind you that CAPS, the Canadian Activists for Pension Splitting, is a single-issue advocacy group on behalf of pension splitting. While there are 23 different organizations that are involved in the common front, this is the only one that has this as a single issue. I would just like to put that into perspective.

First of all, we'd like to assure you that we're not barging an open door. We are aware of and very pleased that the government has introduced the tax fairness ways and means motion, which includes pension splitting, and we are convinced that it will become tax law, notwithstanding the fact that this initiative has been bundled with several others, including the income trust initiative.

We are optimistic, and that may be borne out in the third reading of the budget today, but we recognize, although it is well on its way to final approval, it is not yet tax law, so we remain both vigilant and cautious. Despite our caution, this presentation is not designed to convince you of the inherent fairness of pension splitting. That has now been recognized by the government, by the media, and by the Canadian people, who have expressed strong support for the initiative.

Our intention today is to make it clear to you why pension splitting is a significant benefit for senior women. To understand why this is so, a brief explanation of pension splitting provides the basis for this assertion. The following excerpt from the Finance Canada website states, under pension splitting:

Spouses are assumed to split eligible pension income so that each spouse reports an equal amount, subject to the maximum allocation of 50% of this income.

For example, if one spouse has \$40,000 in eligible pension income and the other has \$10,000 in eligible pension income, it is assumed that both spouses report \$25,000 in eligible pension income for tax purposes.

You will see attached to the presentation a table that was prepared for us by one of the chartered accountants associated with CAPS, and it shows the impact of pension splitting based on the 2005 tax year. As you will see, while not a large amount, this additional tax relief will go a long way to assisting senior couples living on pension income.

CAPS believes that this income tax reform will benefit senior married women whose income is lower than their husbands. Current seniors formed their division of labour within their households at a time when it was common and traditional for a married couple to have a breadwinner and a homemaker. The motives for this division of labour included the well-respected belief that it was best for raising children.

Even if those women wanted to work, they lived in a generation when careers for women were limited by the glass ceiling and gender discrimination was rampant. Many had little or no opportunity to develop a pension or RRSP nest egg of their own, and in many occupations women were excluded. In teaching, for example, we laid them off when they became visibly pregnant. There was no paid pregnancy leave.

Women who held key jobs during World War II were expected to resign to make room for breadwinner veterans. In some occupations, for example, telephone operators, women were required to train the men to become their bosses.

Even as late as the 1960s, there were some major employers who would not employ married women.

So it was in good faith that many couples starting out committed themselves to essentially a single income then and thus largely a single retirement income now.

It was not until the 1988 tax year that the income tax formula changed in such a way as to increase the single-income penalty to a significant amount for many couples. By that time, today's seniors had committed themselves to their household division of labour and career paths and it was too late for those in the traditional stream to salvage their tax prospects much, both while employed and for retirement, even with spousal RRSPs.

In contrast, younger couples who started out after 1988 and who were better acquainted with a government-blessed, dual-income lifestyle could take the prospect of a lifelong single-income penalty into account in choosing their division of labour.

● (1545)

There are currently ways to avoid some of the single-income penalty in retirement: RRSPs, spousal RRSPs, CPP. However, these came too late for many current seniors to take advantage of; CPP contributions began in 1966, and RRSPs began in 1988.

Senior women are discriminated against, as far as CPP is concerned, in that most of the current senior women either came through the system before the introduction of the CPP and/or came through the system when women were discriminated against in the workplace. Because CPP does not recognize the economic value of the work that women perform when they stay at home, these senior women now draw either a minimum amount of CPP or none at all.

How, then, does pension splitting benefit senior women? First of all, Statistics Canada has observed that five years after the death of a spouse—which normally is accompanied by the loss of at least 50% of the deceased's pension—a widow's income generally drops by more than 15%. Because these women tend to be the ones who took time away from paid work to perform caregiving roles at home, they generally have access to only a lower pension or no pension. With the death of a spouse, 5.1% of widowers are in the low-income bracket, but 8.7% of widows are in the same category.

The following example will help illustrate the unfairness of the current tax regime as it applies—and hopefully this soon won't be the current tax regime—to couples drawing pension income. I have provided two examples. Group A are two seniors, both pensioners, each with \$30,000 in pension income, for a total of \$60,000. Group B are two seniors, one pensioner, with \$60,000 in total pension. Both groups earn \$60,000 income in pensions. Suppose one of the pensioners in group A dies. The survivor receives their own pension of \$30,000 plus half the other's pension, for a total of \$45,000. If the pensioner in group B dies, the survivor receives half, or \$30,000, of the deceased's pension to live on, while at the same time they have been paying more in tax for those preceding years. The scenario for non-pensioner survivors is unfair. Group A pays less tax and receives more than the pensioners in group B do.

The single-income penalty paid during all the years that group B were together has depleted their nest egg, leaving the survivor, most often the woman, with less wealth to live on. Pension splitting will help alleviate this by helping the couple avoid depletion of their wealth by the unfair single-income penalty during their retirement years. Since the survivor is more often the woman, the impact of pension splitting on senior women becomes clear. It is ironic and especially cruel that having suffered discrimination in the workplace throughout the productive years, senior women have to endure

further prejudice when they are at their most vulnerable, after the death of their lifetime mate and breadwinner.

Thank you.

● (1550)

The Chair: Thank you, Mr. Wilson.

We will go to the first round of questions for seven minutes, starting with Ms. Minna.

Hon. Maria Minna (Beaches—East York, Lib.): Thank you very much, Madam Chair.

This is a good discussion, actually, because both gentlemen have touched on an issue that I have been discussing for some time, and some of us have discussed it back and forth for quite a number of years now.

I just want to make sure that when we talk about pension splitting, we mean the same thing exactly. If I'm not mistaken—and someone could correct me—the current budget for pension splitting is only for the purpose of taxation. So it's not really splitting money. That doesn't really do very much, and it doesn't accomplish—I don't think—what you're suggesting, Mr. Wilson.

True pension splitting would mean that when the couple retired, the actual pension would be split, just as if they were divorcing, and a cheque would go into her hands and a cheque would go into his hands. So she now actually has an income that she can handle. We forget sometimes that in families where there is either abuse or difficulties throughout life, they don't necessarily disappear when people retire; they continue. However, regardless of that, if the woman's pension is lower—and in most cases it has been and probably will continue to be—for all of the reasons that both of you have stated, and I don't want to go over that territory, splitting pensions for the purpose of taxation doesn't really help the woman, nor does it mean that when the husband passes on, a portion of that pension actually goes to the wife and is not taxable and what have you. She does become poorer.

We had an organization in here last week. That organization, Senior Link, has about 2,600 seniors whom they serve. Seventy-five percent of them are single women. It goes to show you a bit of what that population looks like.

So help me understand. Do you mean pension splitting in the way that I'm describing it, where you actually split pensions, or do you mean simply for the purpose of taxation, which I don't think will do what you're suggesting it will?

Mr. Ken Wilson: We are talking about pension splitting—

Hon. Maria Minna: You mean for taxation purposes.

Mr. Ken Wilson: —for taxation purposes. I agree with you. Yes, you're right that women's incomes will be reduced when the spouse dies—that can't be denied—but the pension splitting will permit couples to retain more of their income during the time they're both alive, and they won't be eroding the nest egg she might have for her later years.

Hon. Maria Minna: With all due respect, though, I think I'm going to disagree. I'm hoping Mr. Braniff has a different view. The reason is that, yes, they may be able to save some, but it depends on how much pension they have and whether they're very high, or medium, or low. Their savings will be dependent on that.

I've seen senior women I've worked with who do deplete savings very quickly, because housing is high and they still have to pay the same rent if they're living in an apartment. They have medicines, attendant care, and what have you. It doesn't really go to the core of what I consider to be women's economic security. Saying they will actually save is like going on a hope and a wing and a prayer, and we don't know whether they will save to the extent we think they should save, because when people are healthy, they tend to not always think about that. Hopefully, after one passes on, the other one has saved enough.

Mr. Braniff, do you agree that it should be...or were you talking about pension splitting the way I mean it? I'm trying to clear this one, because it's not—

• (1555)

Mr. Daniel Braniff: I'm close to you on this. I would have preferred the cheque.

Hon. Maria Minna: Okay.

Mr. Daniel Braniff: But it would bring on a whole raft of other complications.

Hon. Maria Minna: I understand that, but life isn't easy, right? And women are paying for it every day.

Mr. Daniel Braniff: Exactly. I coordinated 25 organizations on this, and, like you, I had to reach a consensus. The consensus was to "keep it simple, stupid".

You still have the facility to rearrange this. There is a requirement that the spouse receiving the transfer would sign off. I would like to see her get financial advice when that happens. I would like her to take satisfaction in the fact that she's not getting this for any other reason than entitlement. I see it as an entitlement issue, so my suggestion is that we should make that point very clear.

I've been to many meetings and I have come from this angle—that there's an entitlement and that this is a women's privilege. In my own case, my wife put me through school. She was the one who, because she couldn't go anywhere, put her energy behind me. In those days they called it the woman behind the man—unfortunately, because she probably would have done better than I. She's here as a witness to this.

I agree with you. I don't know an easy way to do it, but I do subscribe to the idea that you should make it very clear that the reason this is put in place is for entitlement. She earned this.

Hon. Maria Minna: Thank you.

I agree. I think any pension—CPP, RRSPs that are subsidized by a government tax-based structure—should be actually split and they get 50%. I think we can get to that. That would really resolve the issue of poverty—it wouldn't resolve it entirely, but it would certainly go a long way in helping.

I have a couple of other questions. Some of the other suggestions you were making have to do with the time period before women become seniors. You mentioned collecting CPP, maybe allowing them to work for a while, and RRSPs later.

We have talked in this committee about things like the Canada Pension Plan dropout rate, allowing them, so that they don't lose out on those years they're looking after a sick child or a relative. We do now have it for child-bearing, but we don't have it for caregiving—80% of which, of course, is done by women today—unless the government wants to pay for that and let the women be able to go back to work. That's one area.

The other is a stay-at-home contribution, figuring out a way to help women who do stay at home to make a contribution towards a pension for the future—an actual structure, not just allowing it to happen that if you have money, you do have a bit of an RRSP, and if you don't have money, too bad.

The Chair: Would you like to ask the question?

Hon. Maria Minna: One suggestion would be that maybe the personal exemption could be put forward towards a pension.

The Chair: I'll give you some time to answer it. I caution you to be not more than a minute.

Mr. Daniel Braniff: You'll see in my brief that I've made some suggestions on how you might do this, and I've only scratched the surface.

I believe there are many things these women can do to help themselves if we give them the opportunities. We need to put in place some seminars, mentoring, and internships. Telecommuting is the way of the future, and it saves the environment at the same time. So these are things we should be doing.

The Chair: Thank you.

If you want to respond to that one, I'll give you an opportunity when you make your closing remarks.

Ms. Deschamps is next for seven minutes.

• (1600)

[Translation]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Thank you, Madam Chair.

Good morning, gentlemen.

I listened closely to your testimony on the economic circumstances of older women. Personally, I think the government should bring in urgent measures and legislation aimed at helping older women. However, I still have one concern. Basically, the population is aging and health care costs are also rising at an alarming rate.

Not long ago, I read a recent report by the Senate Standing Committee on Banking, Trade and Commerce which dealt with the demographic time bomb. It is estimated that by 2030, for every 100 people of work-force age, there will be 40 retirees. Therefore, discrimination toward older women will continue to be a problem for those generations set to retire within the next few years.

Can you see where I'm going with this and can you appreciate the demographics of our time? With respect to state-funded plans, currently people contribute to the Canada Pension Plan and to the Quebec Pension Plan. However, the plans will not be able to support the massive influx of new retirees.

[English]

The Chair: The question she asked is really an actuarial one. Are you in a position to answer it?

Mr. Daniel Braniff: I heard you say we have this big wave of baby boomers coming, and how are we going to be able to afford it? Is that basically correct?

The Chair: She's saying that retirees are coming. The CPP has been funded for 75 years; it is sustainable. I think she's asking you a very actuarial question. If it is not within your purview, you can say so and we will proceed with something else.

Mr. Daniel Braniff: I have just a personal comment. I'm 76 and have been retired for 21 years. I can tell you that I've worked harder in the volunteer sector than I've ever worked. I think people are going to have to work longer and perhaps get paid for it.

[Translation]

Ms. Johanne Deschamps: We arrive at the same conclusion in the report. We propose that retirement age be increased, as we have seen happen in some other countries.

Do you have any questions, Nicole?

Ms. Nicole Demers (Laval, BQ): Thank you for joining us, Mr. Braniff, Mr. Wilson.

I listened closely to your proposals to set up pilot projects in two different ridings and I found your suggestions to be quite interesting. My riding would be an ideal location for one of the two pilot projects because it is home to twenty or so seniors homes. The riding is home to between 12,000 and 15,000 seniors age 65 and over. Of this total, 38% are over the age of 75 years. It would truly be an ideal choice.

Earlier, you mentioned the age at which individuals must convert their RRSPs into RRIFs. You stated that women should be allowed to convert their funds at a later age, that is around 76 years of age, if I read your document correctly. Every week in my riding, we celebrate the birthday of someone who has reached the age of 100, or more. Last week, we even celebrated a person's 106th birthday. Shouldn't this age limit be raised even further? The problem is that many of the people we meet these days, including men, are between the ages of 90 and 95. They retired at 65, confident that they had enough savings to live comfortably until their death. However, they were still very much alive at 75, 80 and 85. Now, at the age of 90, they have exhausted their savings. Interest rates were so low that they were forced to draw on their capital. They are now in dire straits because they have no other source of income. They don't realize that they can get help from the community, because they have never needed it before. Now, they are too old to ask for help.

Do you not think that the age limit should be increased even further, maybe up to 80 years of age, not just for women, but for men as well?

• (1605)

[English]

Mr. Daniel Braniff: I agree, and I think I can use myself as an example. I've been retired for 21 years and I ski 80 days a year. I'm probably as fit as many people much younger than me.

As far as planning for longer living and possibly the cost of doing so, we need to do more in general education in preparing people for this. This is a blind side. If somebody's planning that they're going to die at a certain age, that's pretty ridiculous. That's my personal comment.

The Chair: Would you like to add anything, Mr. Wilson?

Mr. Ken Wilson: I fully understand the issue of people running out of their funds, and anything that can be done to ameliorate that would be wonderful. I'm not sure I have any solutions to that.

I think Dan's on the right track about an education process. It doesn't help seniors now, that's the problem. We should be making sure that people in the system are educated enough so they can prevent that problem in the future.

[Translation]

Ms. Nicole Demers: Thank you.

[English]

The Chair: We will now go on to Mr. Guergis for seven minutes.

Hon. Helena Guergis (Simcoe—Grey, CPC): Mister?

The Chair: Sorry. Why did I think you were a Mister? And in that leather outfit—no way.

Hon. Helena Guergis: No worries. At least you got the pronunciation right, and that's what I appreciate.

To both of you, I really appreciate your coming in here today to be with the committee. I know one of you a little more personally than the other, as Dan is from my riding of Collingwood.

Dan, going back to when I was first elected as an opposition member, I remember when you came knocking on my door. We had a great discussion about pension income splitting then, and came up with some ideas on how we could further that cause. I'm not going to go into great detail about that, but I do want to say that I enjoyed working with you very closely on that. And I understand, from your reputation in the riding, that this is not the only issue you've seen success on, that pretty much anything you put your mind to do you accomplish.

I have a suggestion for our ladies around the table: if we want to see something done, we can hand it to Dan, because maybe he can help us get what we're looking for.

Also, Ken, I appreciate the good work you've done on pension income splitting.

Bottom line, I take it that both of you very much support the government's initiative on pension income splitting and that you really want to see this go forward. If you would just clarify for us, in a little bit more detail, the financial benefits for seniors of this pension income splitting, I would really appreciate it.

With respect to vulnerable senior women in our society, my experience working with seniors goes back to when I was a political staff person with the Province of Ontario, sitting on a seniors policy committee. I heard often about seniors—the majority of them women, because they live longer—who were taken advantage of by perhaps a family member or someone close to them. A lot of their valuables and such had been taken from them, perhaps stolen and sold off, and they were left in a very vulnerable position.

Dan, in some of your suggestions you talk about seminars and options and ideas for women to become more educated on what we can do for them, what people can do to help make them aware. Would you think this would be a benefit, the idea of making them aware of what's available to them if they're ever caught in such a situation? I know some of the changes we've made with Status of Women Canada, some of the applications that could be made to provide seminars for women within the community on specific issues.

I'm asking you to comment on that, I guess, but I'm also letting you know that within your circles, you can spread the message that it is available if there's interest in providing these kinds of seminars, giving some of the great information you have specific to pension income splitting and further details for senior women. That is available for all of your pension organizations and your senior organizations; I think you said there were 23. So that would be an opportunity for you there. And if you have any comments on that, great.

I also found very interesting your comment about when we raised the age limit for RRSPs from 69 to 71. The gender-based suggestion of a higher age for women is very interesting. We've had a lot of conversations around gender-based analysis at this table, so I think that's an interesting approach. We may hear it very often, but still it can get missed in many different conversations. I found it very interesting.

As well, Dan—sorry if the questions are going more to you, but that comes from knowing you a little bit more personally—I understand you were the founding president of the Canadian aboriginal business association. Perhaps you could give us a little bit of information on the role you played there, specific to women, and how you think some of the ideas you've taken from there can benefit us around this table. I understand the former Prime Minister was on that board with you as well.

Please go ahead.

●(1610)

Mr. Daniel Braniff: That's a lot. Thank you very much, Helena.

In polls, 70% of the population of Canada support pension splitting. That goes way beyond the people who are eligible. In fact, I think the poll reported that it was the most popular legislation that had been put forward or announced since before Chrétien.

In terms of where the support came, I don't understand politics that well; I confess to that. That's why I can be so non-partisan. You'll forgive me. There hasn't been one politician I've talked to on a one-to-one basis who didn't agree with pension splitting. In October 2005 I had a conversation with Paul Martin. He set up a meeting with Tony Ianno, and we were well on the way to getting this

discussion going when somebody called an election. I don't know where the Liberals stand today. It's very difficult to know, but I have had personal calls. I have had calls from Jim Peterson, for instance, saying the Liberal Party supports this. It's hard for me to know exactly how that's happening, but I trust that it's happening, because today there's going to be a vote.

The idea of doing a gender-based thing appeals to me. It makes sense, because it corrects for some wrongs over the years.

What I'm saying in some of my stuff has not been necessarily a consensus, even at CARP, because they had a little trouble with reverse discrimination. I don't have that problem—and they can't fire me because I'm a volunteer. There would be some discussion, as there will be, I suspect, in the rest of society, but the one thing they will do is put that force, 400,000 strong, behind the idea of doing seminars and getting people out. They have a magazine that's read by one million people, most of whom are people who are 50-plus. So that could be the focus, and they could take this on.

I've talked to financial institutions, who would be only too pleased to get involved in these seminars—for somewhat their own purposes, of course, but they're pleased to do that.

You mentioned the Canadian Council for Aboriginal Business. I trust that's not an unfamiliar name to you, but I was the founding president back in 1986. And yes, Paul Martin was on that board, and Murray Koffler, Edward Bronfman, and quite a few others you'd recognize. A basic thrust of that was to bring economic development to native people. On reserve was the primary target, but off reserve as well. I found—if we had time to discuss—that the potential in there for females was incredible. For one thing, I found it much easier to get them to move.

The Chair: Thank you. You will get an opportunity to continue on with your thought processes.

Ms. Mathyssen for seven minutes.

●(1615)

Mrs. Irene Mathyssen (London—Fanshawe, NDP): Thank you, Madam Chair.

Thank you very much for being here today.

I have a number of questions. I'd like to start with the chart that you've provided. I found it very interesting. If you look at the top of the chart, you'll see that a couple with a combined income of \$22,000 doesn't benefit at all from income splitting, but if you go down to the bottom, the couple with the combined income of \$112,000 do reasonably well, with a benefit of about \$8,500.

This is of interest to me for a number of reasons, but primarily because, when I think about the senior years, I think about the importance of quality of life. That disparity in terms of income seems to me to undermine that quality of life for a significant sector. I wonder if you could comment on how we address that group that doesn't have any opportunity to benefit from the changes that are being made in terms of pension splitting.

And I ask you to comment in terms of the fact that, in this budget, despite the fact that there is income splitting, there is nothing to address some of the issues around seniors' needs and quality of life, such as pharmacare, such as affordable housing, affordable home care, available long-term care or palliative care, and recreational and training opportunities. There is nothing there. What do we say to those people who are at the bottom, who simply don't have the kind of income that would give them the quality of life that they've earned?

Mr. Daniel Braniff: I think it's his numbers.

Mr. Ken Wilson: Basically, as far as CAPS is concerned, we entered into this discussion looking at pension splitting as a matter of fairness; that is, that people drawing the same income would end up paying different rates of tax, just because of the way the income was split. We thought that unfairness had to be addressed. Whether that in fact addresses all of the issues you have raised around the table, I guess I can't speak to that specifically, but I can say that if you don't address simple, obvious issues on fairness like that, it may be difficult to undertake others.

So as far as I'm concerned, this one puts people earning the same amount of money in the same ballpark paying the same amount of tax, and I think that's the fairness issue we wanted to address.

Mrs. Irene Mathysen: If you're saying that this is a start, do we need to go back now and take a look at that disparity and also address the issue with older single women, or singles, because they don't—

Mr. Ken Wilson: Absolutely. I think this is perhaps just a first step. It's a step that we banded together to try to resolve, but I don't think you can leave it there. I think it has to go further.

Mrs. Irene Mathysen: Okay. So we should pursue pharmacare and housing and home care, make sure that those things are available to ensure quality of life for seniors who have been left out in this first round.

Mr. Ken Wilson: I believe those things should be pursued. I also understand that there are economic reasons why they may not be able to be pursued as quickly as one would hope.

Mrs. Irene Mathysen: Perhaps, yes.

Currently the government provides only 11 months of retroactivity in terms of OAS/GIS and CPP. Should the government extend retroactivity on these payments? We know in Quebec, for example, they can go back five years when someone has been overlooked. Should we be giving that some thought?

Mr. Daniel Braniff: I think anything that's going to address that particular circumstance that would represent fairness would be correct.

To comment on the reasons that people might be on the bottom of the scale, for the most part that wasn't their fault, but we all know of circumstances where people have depleted their assets, perhaps because of overzealous families who have relied on them and helped to deplete their assets. And I think this is a matter of financial education, because especially widows, senior widows, are very vulnerable. They become dependent on the social contacts they have and the care they might be getting, and it could be that they're

transferring assets they should be retaining. I think that's an educational thing.

• (1620)

Mrs. Irene Mathysen: Certainly there are a lot of people who don't have the assets because they just didn't have the earning power, and a lot of them certainly live in my riding.

Should the government eliminate the GIS clawbacks? Is that a good step?

Mr. Daniel Braniff: Well, pension splitting is going to do that in part, if you look at it. It's going to diminish the numbers of people who will be clawed back, at least on old age pension. I guess the GIS...I'm not an expert on that. I quite frankly can't answer that.

Mrs. Irene Mathysen: Now you mentioned, or I read—I can't recall which—that about 55,000 Canadians are missing out on their CPP retirement benefits, while in Quebec the comparable number is zero. I believe in reading through the briefs this morning that there was a recommendation that government agencies make sure they call through and actually talk to people and advise them of their situation.

The Canada Revenue Agency actually has volunteers and they come into my office. We have clinics for people who are trying to access their disability benefits and for folks who look at that maze of income tax documents and can't get beyond it.

Would some of that kind of activity, volunteers who are trained to help people through the maze, be more personable than the call through? A call through might be intimidating for seniors. Might we suggest that government do this?

The Chair: Your time is up, but, Mr. Braniff, you can respond.

Mr. Daniel Braniff: Certainly, the point you're making is a good one. We should include this in any agenda for a seminar. With respect to people's knowledge about the various plans, it's pretty sad. And many people don't understand, and haven't been able to understand, that they can split their CPP now, and it's to several advantages, and in that case the particular partner gets the cheque.

The Chair: Thank you.

We will go to round two with five minutes.

We'll go to Mr. Bagnell.

Hon. Larry Bagnell (Yukon, Lib.): Thank you for coming.

Just on your comment on the budget vote tonight, it's not a reflection of the Liberals' view on income splitting. There are a whole bunch of other things in the budget that we think are bad, so that will be what we're voting on.

A single woman, in the worst-case scenario, would get old age security and the supplement. Do you have any comparison with what some other countries are doing that's better and that we might adopt for a woman in that position?

Mr. Daniel Braniff: No, I don't.

Hon. Larry Bagnell: What about on income splitting?

Mr. Ken Wilson: There are income-splitting regimes in different countries that operate slightly differently. I'm not an expert on those; I can't address them. But I know that France has income splitting and the United States does, to a degree.

Hon. Larry Bagnell: On the demographics, the government has just raised the contribution limit from 69 to 71 for everyone. If we were to raise the women's, based on your suggestion, which people seem to appreciate, in a short answer, did you figure out what figure that might be?

Mr. Daniel Braniff: No. But I can make the comment that it would be an actuarial decision.

Hon. Larry Bagnell: Right.

One of my colleagues had a question about your comment on the retroactive tax adjustment for those left out of income splitting. Could you just explain that in more detail?

Mr. Daniel Braniff: I'm suggesting that, for instance, if I were to keel over, my proposed widow would be in a bad situation. She would never have enjoyed the pension splitting. And you have to realize that pension splitting isn't a big cost item, for a very big reason: the situation for a person my age—because statistically speaking, I'm already dead—is that once one partner dies, pension splitting disappears. So it isn't a big item, I don't think. But the point is that the widow, my widow, would then never have enjoyed the efforts of my last four years, for instance. In other words, it seems unfair that death has terminated the benefits.

I've had many calls, and CARP has had many letters, from widows. We talk about unattached women. I don't know the statistics, but I think today most of them have been married, and quite often they're widowed. So it's not like the old days. There's the element of "let's look to the future". And if you have pension splitting, you're going to level the playing field eventually, and that widow, at least, would benefit from the accrued collection or the reserve you can build up in the estate. Because that's what happens. When I die, my pension goes with me.

• (1625)

Hon. Larry Bagnell: Basically what you're saying is that if you keeled over today, and because this law isn't coming into effect tonight, we'd give it to your widow going five years back because we didn't get it five years ago.

Mr. Daniel Braniff: That's the idea.

Hon. Larry Bagnell: Your other point was about allowing greater flexibility, lower cut-offs, for unattached women to receive GIS and to remove conflicts between drug benefits and the cut-off band. Could you explain that, please?

Mr. Daniel Braniff: This is partly a provincial thing, I suspect, but as I understand it, and I'm not an expert in the field, when you get the drug benefits, it's added to your income and it can move you into a different category for your supplement. So I don't think there should be inhibitors that reduce the supplement when it's a requirement for your health.

Hon. Larry Bagnell: And the lower cut-off means that they could actually receive more income before that income is added...cut off their taxes, because of the GIS.

Mr. Daniel Braniff: Are we talking about the RRIF?

Hon. Larry Bagnell: Let me leave that for a minute.

I have one last point. When you talk about a comprehensive review of pension plans to meet the essential needs of older women, what effect is it going to have? One is that we're all living a lot longer now. Are the OAS and CPP taking that into account, or is that what you were asking to review? There is also the fact that income tax went up last July 1 from 15% to 15.5% for seniors and everyone else.

Mr. Daniel Braniff: I'm looking mostly at the fact that we have these senior women who have suffered this gap, and we should be reviewing anything that allows us to narrow it. It could be that it's very temporary, because I suspect that the next generation of senior women will have some benefits with more education, the women's movement, less discrimination—it's not gone yet. I suspect this will level off.

The Chair: Thank you.

We now go to Mr. Stanton for five minutes.

Mr. Bruce Stanton (Simcoe North, CPC): Thank you, Madam Chair, and thank you to our panel this afternoon.

It's great to have you here, gentlemen.

I was glad to see in both of your presentations that you spent some time on this whole issue, and this has come up, actually, in previous meetings that our committee has had on this particular topic. This is primarily a widow. It's usually the women who are left alone after their husbands pass away at an earlier age, and what actually happens to their income has been a subject of some debate.

You've unearthed for us here some Statistics Canada information, which is very helpful. I see you've gone on to suggest some issues around which that could be in fact improved on, and hopefully bring some policies that will begin to address that to at least level the playing field. We're looking at a 15% drop in the first year. The average income drops by 15% in that first year.

I was surprised to see that in fact the incidence of seniors living in poverty—5.1% for widowers and 8.7% for widows—wasn't as much of a difference as I thought, to be honest, but I'll just set that aside for a moment.

On that topic, though, I don't know what the year of this Statistics Canada report was. I don't know if it was referenced in there. It looks like it might have been 2004. There had been some other measures that were introduced in Budget 2006 and then again in this budget pertaining to increases in the age amount tax credit, the pension amount credit. Also, in Budget 2007, the increase in the spousal amount, the basic personal exemption—when a couple chooses to do a combined tax return, the dependent spouse gets a full benefit.

Have you done any calculations to see how those additional credits for seniors or pensioners would impact on some of these numbers, in addition to pension splitting?

• (1630)

Mr. Ken Wilson: No, we have not, from CAPS, to be quite honest.

Mr. Bruce Stanton: Dan.

Mr. Daniel Braniff: No, but I think you're on to something. You have to look at those from this standpoint: does it narrow the gap? We're not sure.

Mr. Bruce Stanton: It will be interesting, I think, to see how that plays out. What we have here are some substantive measures that really go to individual earnings ability in that time after, where a widow or a widower has to make ends meet and carry on as a survivor.

That's all I had, Madam Chair. Perhaps my colleague, Madam Smith....

The Chair: Ms. Smith, for about one and a half minutes.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Okay. Our time is running out.

I really thank you for coming today. Your advice has been very insightful. We're anxiously waiting for the budget vote because we believe very strongly that the income splitting is a huge component. As you say, other elections have put a stop to things, so we don't want a stop happening here.

I want to ask a question about the unattached senior women. They seem to be just hung out there without any recourse. We can talk about pension splitting for couples, but would you have some more ideas around what could be done to assist the unattached senior woman?

Mr. Daniel Braniff: I don't want to repeat myself, but I think there's a requirement for education, and in terms of the propagation of some of the situations we know exist, how do we offset that?

Mrs. Joy Smith: As Ms. Gorgeous said, or Ms. Guergis—it's a Freudian slip, she is gorgeous—the fact of the matter is that we have to take a look at some of these issues right now, and we have to look to the future as well. The income splitting is something that everybody, as you said earlier, would agree with. Right? But in regard to the unattached senior woman, basically, as Ms. Guergis said, the Status of Women did have the \$5 million for programs that you could apply for, for those kinds of things, to help senior women. It might be of some benefit for you to know that today.

Is there anything else, other than the educational component, that you would...?

Mr. Daniel Braniff: I believe that no matter what your status is in earning, at the bottom or near the top, you should have advice. Too often, it's the family member who is giving you advice. Too often, it's usually the male in the family who has the big say. I would suggest that at least once or twice in a lifetime you should have a financial plan at any age, and it should come from an authorized accountant, not an actual advisor who's selling you mutual funds.

The accountant might recommend who your financial advisor should be, but I think we don't use our professionals very well. Maybe we have to make a provision for people who are on the bottom rung so that they can get some advice.

The Chair: Thank you.

We will now go on to Madame Demers *pour cinq minutes, s'il vous plaît*.

[Translation]

Ms. Nicole Demers: Thank you, Madam Chair.

Once again, thank you, Messrs. Braniff and Wilson.

Mr. Braniff, you stated that you were 76 years old. That's a venerable age to continue fighting for ones brothers and sisters, for the people around us. I'm always amazed to see members of the older generation continue to fight for better living conditions and for a better quality of life for their counterparts and for people even older than themselves.

I'm not speaking as a politician, because I have no desire to engage in partisan politics. Do you not think that our government should have a long-term vision, one that extends beyond its four-year mandate — or a one- or three-year mandate, in the case of a minority government — in order to formulate a comprehensive policy for seniors that takes into account all of the factors that we have discussed?

Some older persons are in dire financial straits and they don't need an accountant to tell them so. Information sessions for these individuals would be pointless. They need money, more than \$12,000 a year, because that income already puts them below the poverty level. Today, a low-income for a single person is pegged at approximately \$16,000 or \$17,000. And even that isn't much.

Shouldn't the government be formulating comprehensive policies to ensure that the people who contributed so very much to this country's wealth are given the respect they deserve and the opportunity to live out their remaining years with dignity? I'm thinking here in particular about veterans' widows. Some of them benefit from very good programs, but others are not so fortunate because they did not want to request government assistance, preferring instead to get by on their own.

I'm also thinking about the hundreds of people who need something much broader than mere pension splitting, especially when there is only once income.

Mr. Wilson, you stated that if two seniors each receive \$30,000 and if one of them dies, the survivor will receive \$45,000 in total, or half of his spouse's pension. However, if there is only one income, the survivor will receive only \$30,000. We're talking about \$15,000 in lost income. Shouldn't this whole issue be revisited?

I'm happy to see that Ms. Guergis requested income-splitting measures. It's a start. However, shouldn't governments work together and go even further?

• (1635)

[English]

Mr. Ken Wilson: If you're asking if there should be a comprehensive, coherent, long-range strategy that governments at all levels adhere to, absolutely. That only makes common sense. Is there the political will to achieve that? That becomes the issue and that becomes a political response. We would certainly support that kind of an initiative and that kind of a look into the future. We have to set targets. We have to know what the problems are. We have to plan for what we expect to evolve to as a society. Consequently, yes, I fully support that look ahead, that development of a strategy. I leave it up to the politicians to arrange how to do that.

[Translation]

Ms. Nicole Demers: If you continue your lobbying efforts, that may happen one day. Because of your lobbying and your efforts to explain your ideas and views, you have succeeded in making known your views and position on this issue.

[English]

Mr. Daniel Braniff: Lobbying—I'm not even sure I understand it, but I do understand one thing; we have to be able to have a win-win situation. You can undertake one thing at a time—it took me four years to do this, along with a lot of other people—and where do you want to put the energy? I would encourage you not to look at age as how long you've been around; just look at what you have to offer. We could plug in our seniors a lot more than we are to solve their own problems.

• (1640)

[Translation]

The Chair: Thank you, Ms. Demers.

[English]

We're now going to Ms. Mathysen for five minutes.

Mrs. Irene Mathysen: Thank you, Madam Chair.

The subject of income splitting has come up, and I know there has been some consideration and thought given to it, so I did a little background reading. One of the things I discovered was that approximately 18.7 million Canadians live in families with two or more earners. These households couldn't take advantage of income splitting unless there was a great disparity in terms of the income of one spouse compared to the other. By contrast, 2.8 million Canadians live in single-earner families, and they're the ones, of course, who would be most likely to gain from income splitting. If you look at those incomes, if the family is making \$36,000 a year or less, they'd save about \$200, but if they're making \$230,000 a year, they'd save \$9,000. It seems that again we're into a real inequity. We have this proposal to fiddle with the tax system, and once we do, we discover that it benefits those at the high end far more than people who are at the lower end. It would cost about \$5 million in government revenues to do that.

I'm wondering, would it make more sense to invest that \$5 million in something that is more universal? If we're talking about families needing to have choices, choices with regard to extending employment insurance benefits, so there can be longer parental leave, so those families can benefit that way, or making sure there's a national child care system, so there is choice, where both partners wish to work and contribute and enjoy the benefits, they can....

I'm wondering if you would care to comment on that.

Mr. Ken Wilson: As far as CAPS is concerned, I must admit, this will sound like a cop-out response, and partly it's intended to be. CAPS addressed the issue of pension splitting and devoted its energy to the issue of pension splitting. It did not undertake the issue of income splitting because that's a bigger issue that would perhaps divert this particular one we're after. Therefore, we did not spend a lot of time analyzing the impact of the full income splitting. We concentrated on what the impact of pension splitting would be. I think I have to leave it at that.

Mrs. Irene Mathysen: I'm sorry, I thought you made reference to it with regard to France and some other countries where they had income splitting.

Mr. Ken Wilson: I responded with what other countries did; I didn't say we would.

Mrs. Irene Mathysen: Another question. There are about five million caregivers, mostly women...and I had a young woman come to my office. She has an autistic son and virtually no income, except for a very small income that is connected with the support for that child, and she's absolutely determined that she be at home with that child because she can provide him with care that she regards as imperative to his development and his future success. As I said, there are about five million caregivers. Does the government need to put in some special policies to help those caregivers? As they age, in their senior years, they will be at a tremendous disadvantage.

Mr. Daniel Braniff: Yes, you should have something in place, and you should have it in place when she is ready to re-enter the paid workforce, if that's her choice. I think there should be some recognition for caregiving. I don't know how you'd do that—I haven't investigated—but I'm sure if there's a will to look at this you'll find a way.

You mentioned income splitting versus pension splitting. I'm somewhat pleased to say that I'm the author of the words "pension splitting", because I didn't see income splitting going anywhere. It was much easier for me to organize the three-million-plus on this pension splitting issue, primarily because everybody benefits. You don't have to be retired or approaching your seniorhood to understand that you're going to benefit from this someday. I look around this room, and I'm sure there aren't too many exceptions.

• (1645)

The Chair: Sorry, Ms. Mathysen, your time is up.

We go to Ms. Smith for five minutes.

Mrs. Joy Smith: I think today has been very beneficial in hearing a third-party approach.

Mr. Wilson, even though you said you haven't really addressed income splitting in any great depth, I think this conversation has still allowed us to open up some new ideas. I really like your focused approach. When you focus, you get things done, and then you can carry on to the next agenda.

When I asked Mr. Braniff earlier about the single senior woman, we ran out of time. I don't feel as if we have examined that thoroughly enough at the Status of Women. Perhaps, Mr. Wilson, you might have some comment on that.

Mr. Ken Wilson: I actually have the same observations that everybody else in the room probably does. It's a travesty to see people I know well—my mother, my mother-in-law—who are struggling, and the system only provides marginal help. I think the system has to target that particular group of people.

I'm not like Dan; I don't have a wonderful series of innovative solutions. But something has to be done.

Mrs. Joy Smith: Thank you.

When you were making comments a little earlier and there was the suggestion that people could work when they receive a pension, were you referring to CPP as well? And you were talking about the internship. Mr. Braniff, please explain this internship concept. What age of women were you talking about, and how do you see that rolling out?

Mr. Daniel Braniff: I would see internship beginning before 65. I think I could still take a little internship on a few things in life, but I think you want to get it as young as you can.

On internship, let me explain an example in the aboriginal environment, with the Canadian Council for Aboriginal Business. We had an internship. We carefully selected an aboriginal lady, who had every qualification you could imagine. She was a star, but nobody knew that until we identified her. And doing this was difficult.

We put her in an internship with the CIBC for two years. The idea was that she would not stay in the bank. In that particular case, she successfully set up a credit union on Manitoulin Island. That was what we wanted.

Mrs. Joy Smith: How old was she?

Mr. Daniel Braniff: She would have been in her twenties.

I would suggest that you apply this principle. Take a 58-year-old woman who has the stuff. Finding her is difficult, but it's not impossible. Use that as a test case. Make sure you gear it for success. I don't like losing propositions, even if they look very important and necessary. Look at what she can do. Set the model, and then I think you'll find it very easy to replicate.

Mrs. Joy Smith: It's polishing the star that you were talking about a little earlier.

Mr. Daniel Braniff: Yes.

Mrs. Joy Smith: Regarding CPP—and I don't know—can't women get that early, but only if they have a disability? What is the rule around that? Do you know?

Mr. Daniel Braniff: You can get CPP at 60—

Mrs. Joy Smith: Yes, but you can get it earlier—

Mr. Daniel Braniff: —but you take a reduced amount.

One of the things I suggested, as I understand it—I hope I've got it right—is that a woman might earn a small CPP from her own experience in the workforce and also have entitlement to her husband's after he's dead. I'm saying she should be able to collect both. I don't think you can now.

An hon. member: You get partial.

• (1650)

Mrs. Joy Smith: You get partial?

The Chair: Ms. Smith, we don't really have any more time. Thank you.

Mrs. Joy Smith: Okay. I think she's telling me my time is up.

The Chair: I didn't want the bell to ring and you to get a shock.

We'll go to round three.

I am an accountant by trade, so whatever you're saying, I'm calculating in my head. I'm dying to hear somebody ask you the question, but if nobody does, then I will.

Ms. Neville.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Thank you very much.

Let me begin by apologizing for coming late. It seems to have been a pattern recently, and I'm sorry.

I have read your submission. I have a couple of scenarios that I would welcome some comment on.

Mr. Braniff, you indicated that should the pension splitting come into effect and should—and we certainly hope not—something happen to you, your wife would not benefit, and you're recommending, as I understand it, a retroactivity for it.

There are two scenarios I want to present. The first one concerns a husband and wife who have a middle-class income; he dies, and she loses a portion of his pension. They are pension splitting. They have a lower tax rate. He dies, and suddenly she has fewer dollars coming in and now a higher tax rate. What would you recommend in that scenario?

In the second scenario I want to describe, Budget 2006 increased the tax rate for low-income earners—that means those earning less than \$36,000—from 15% to 15.5%. It also reduced, I understand, the basic personal amount by \$400. This had the overall effect of increasing the amount of tax paid by seniors by about \$350.

Income splitting, as a tax measure, does give the two seniors a lower tax bracket. There's no question about that. However, it has a negative impact, potentially, of clawing back the old age security and the guaranteed income supplement. So what happens when one person dies? My understanding is that the recent budget of 2007 does not transfer the actual dollars, and that therefore the senior who is left no longer has the GIS and the OAS available to them. Have you any recommendations on either scenario?

Mr. Daniel Braniff: Well, on the first instance you would want to put in place—and it's not going to happen for somebody who's going to die next week—something that recognizes, for everybody who's married, the circumstance the widow or the widower will be in following a death. If you're going to save on those taxes, what a wonderful opportunity to put some of it away for the widow.

Hon. Anita Neville: That's if you have the flexibility.

Mr. Daniel Braniff: Yes, well, you should have the flexibility. You've been paying the taxes, and you've been living, hopefully, to the living standard you can afford. I don't have a complete answer, but I think you're on the right track—how can we adjust this?

One of the things you'll find in my package is that... For example, in my case, my pension dies with me, and that was a decision we made together. But I have a feeling that a lot of the decisions that were made in that respect weren't really signed off by both parties, or at least they weren't signed off with the recognition that there needs to be a different plan in place. If you're going to lose the whole pension and your widow is going to suffer, then shame on you. It might be a shame on you or it might be ignorance.

When I retired in 1985 from Bell Canada you didn't have to get a spouse's signature. I tell my wife to say, "Hey, I had nothing to do with it. Give me my money." She won't do that; she's too honourable. The point is that even if the decision had been made together, it might have been made under circumstances that have changed a great deal, like taxes have changed. I would have been better off, if I look back at it, but I didn't understand all the nuances. I thought by taking life insurance I could supplant that particular requirement. Well, my life insurance...I can't get any now that I'm 76.

Only by educating our public...and we have a highly sophisticated population in Canada, and it's getting more so. If we present the opportunity and present the urgency of doing this.... People do some financial planning, but it's usually at the will of some financial advisor who wants to sell you something. We should have a provision where you can get this financial planning. Wouldn't we all be better off if everybody had a plan? We wouldn't have to worry about some of these circumstances.

• (1655)

The Chair: I'm sorry, your time is up.

Thank you.

Ms. Smith, I think I can grant you three minutes.

Mrs. Joy Smith: Thank you.

Can I just ask you a question? I just heard this a little earlier from one of the members opposite. It's my understanding that GIS is income tested but OAS isn't. So OAS never gets clawed back, does it?

Mr. Daniel Braniff: No. It's not income tested.

Mrs. Joy Smith: No, it's not income tested.

Mr. Bruce Stanton: It's not clawed back. It wouldn't be.

Mr. Daniel Braniff: Old age security is clawed back. GIS is dependent on household income, as I understand.

Mrs. Joy Smith: Can you please get a clarification?

Mr. Bruce Stanton: We need to get a clarification on that.

The Chair: We need to get a clarification, because basically it's not in your purview.

Mr. Daniel Braniff: I'm not an expert.

The Chair: It's not in your purview, and nobody knows about the pension splitting at taxation. The taxation isn't finalized, so we will get it when the finance department....

Mrs. Joy Smith: Thank you. That's the clarification I needed, based on a comment. I wanted to make sure I was accurate.

My second question is centred again around CPP. I'm looking at CPP as being something that's there, something that could be utilized, yet it doesn't recognize the economic value of work women do at home. Could either one of you comment on that, how we could come up with some solutions so that problem could be addressed?

I know many women, as you said earlier, are penalized because they made a choice to stay at home. I had an aunt who put my uncle through university. He was a nuclear physicist, so he was in university for an awful long time. She was a relatively uneducated woman, but extremely intelligent, and as you related these

testimonies today it reminded me of several instances where this has happened.

Could you comment on the CPP?

Mr. Daniel Braniff: Only from the standpoint that I believe that CPP does recognize the woman who's at home, because it calls for sharing. You have the option—and maybe it shouldn't be an option—that you can assign 50% of your CPP to your spouse. Unfortunately, not everybody knows that. Whether we should go to the next step and award some kind of recognition for caregiving, I don't know how to do that.

Mrs. Joy Smith: Could I just ask a question following that?

In a way it might, but doesn't it recognize the smallest, minimal amount of CPP? They don't get any....

Mr. Daniel Braniff: It's a shared thing.

Mrs. Joy Smith: That's the end of my questions. Thank you so much.

The Chair: Thank you.

Can I give your minute to Ms. Minna?

Mrs. Joy Smith: Yes.

Mr. Bruce Stanton: What about you, Madam Chair?

The Chair: It's okay. It's a technical question, and I don't want to put people through that.

Go ahead, Ms. Minna.

Hon. Maria Minna: I'll try to be very quick.

I'm sorry, but I'm having some difficulty because we're talking about women's economic security, which means young and older women.

Mr. Braniff, you talk about pension splitting as primarily a women's issue, and then you go on. I have difficulty accepting that. As you stated, when someone is deceased or in many other cases as well, the pension is depleted, it disappears, or it's less. Women are left with less even if they've saved some money along the way. If this was years later, depending on your income, you could save to varying degrees, but it does not give income security to women.

There are divorced women we ought to deal with who are not going to grow old with their partners, and there are single women. We need to talk about income security for women in the broader context, not as attached couples but as individual citizens. What's happened here with income splitting is fine, but we need to go beyond that.

If you could help me to understand, have you looked at or done any research with respect to income security for women as entities on their own? I'm trying to say this just doesn't do it, and it's frustrating.

• (1700)

The Chair: This is what I would like to suggest. We are looking at the economic security of women. We can look at a Gantt chart that shows what the timelines are. At the end of the timeline, what happens to the woman? Why do we have so many senior women who are poor?

We've asked you questions that have sometimes been beyond your expertise, and we apologize for that. We are all very anxious to see a holistic approach, but we have witnesses who come with different perspectives, and your perspective is pension splitting.

If you can address Ms. Minna's question in your wrap-up, it would be quite appreciated.

We thank you for being here and providing us with your opinion. It's your opinion, and it's not actuarially tested, and that's okay.

We have certain things the finance department has not come up with for how it will manage the pension splitting, such as whether or not there'll be a clawback or it will be applicable this way or that way. There are too many permutations and combinations.

As a tax auditor, I can tell you that I don't envy anybody trying to do it. We don't expect it from you either, but you can give us your analysis of what you see on the street and what you know.

Thank you.

Mr. Daniel Braniff: Thank you very much.

It's a tough question, but I can best answer it with what I get back from women.

You say they won't get the feeling there's something there for them. It's not what I'm hearing, and I have addressed groups by the hundreds.

When I mentioned this as an entitlement, the first group I had to talk to were women, and they would segregate themselves from the men, from their own husbands. They like it. They said their husbands want the tax break, but they want the entitlement.

Let's push that button as far as possible, if you want to get to the point of actually mailing out separate cheques. I know when my wife first received her half of my CPP, there was a smile on her face. It wasn't so much because it was a windfall, but it was recognition for the fact that I wouldn't have had the pension without her. I recognize that.

I've been married for 52 years. My wife probably knows what I'm going to say in the next sentence, by the way. If you think she doesn't think pension splitting benefits her, you're mistaken.

I realize there are couples where this doesn't exist. This is a cultural problem within the different cultures we have in this society. There are men who think what's theirs is their own; they earned it, so it's theirs. It's not even true, and we know that.

I think we have an information package. If you want to mail out separate cheques, that's great, but it's going to cost you a lot of money.

The Chair: Thank you.

Mr. Wilson, for one minute.

Mr. Ken Wilson: I would like to express our appreciation for being able to be here to speak to you and to hear what you have to say and the questions you've asked.

I have to let you know that I sent a copy of this presentation, the CAPS one, to our members. It was almost only women who

responded, saying how pleased they were by the position we had taken. We felt we were on to something that resonated with the women in our group, and most of them are senior women.

It doesn't answer Ms. Minna's question, and I don't think we're in a position to do it. There is an issue that has to be dealt with and dealt with separately from this.

We are quite proud of the fact that we brought it to this stage, and we hope it will be introduced. From what I understand, you probably support the fact that this will be introduced as well.

The bottom line is that we can't help you immediately with it, but I think it's something the groups we belong to could address and would look forward to.

The Chair: Thank you very much, and I thank you all for being here. You've provided us with a lot of information.

I'd like to suspend the meeting for a minute and then start again with the business. You're welcome to stay in the audience.

● (1700)

(Pause)

● (1705)

The Chair: Committee, we're resuming business. We are going to resume consideration of the motion posed by Ms. Mathysen. At the last meeting, Ms. Smith had—

Mrs. Joy Smith: Would you mind, Madam Chair, if I could explain the reports, because they're not here today? Oh, they're here now? Okay, great.

The Chair: Ms. Smith provided them to the clerk's office, and it was late—

Mrs. Joy Smith: Sorry, I just got it.

The Chair: —and it was in English. Since we're going to be discussing the motion pertaining to the report, I'd like to get the committee's direction on whether I can distribute the list of reports. They are only in English, and that is why I'm seeking the committee's direction. Can I distribute copies of the list of reports that have been put on the website, those that have been authorized, those that require revision and will not be completed, etc.? Can I please give this list?

[Translation]

It's in English only. Is there a problem?

Ms. Nicole Demers: Are we talking only about names?

[English]

The Chair: Yes, it's just names.

[Translation]

Ms. Nicole Demers: A name is the same, whether in French or in English.

[English]

The Chair: It doesn't matter, right?

[Translation]

It's the title.

[English]

Mr. Bruce Stanton: Madam Chair, while that's going on, could I suggest, to go back just for a moment on this issue that we have on the topic we're discussing—economic security—that we consider at some point getting Revenue Canada in? I know at the front end of this topic we did have them in, but there have been some issues that have come up in the course of the deliberations here. There were a couple today.

Similarly, now that we have the Statistics Canada report, we need to shine a light back on the situation of those 60% to 70% of women and what truly happens to their economic reality once they're widowed. Furthermore, we need to determine what types of measures might we consider to do that.

I pose that as a question.

The Chair: That's a very valid question, because witnesses come here who do not have the technical expertise in taxation. We have put that down, because we can hear a lot of suggestions, but if you're not an actuary or a tax expert, then you cannot verify or justify what they're saying. So we have them down as coming to clarify, because there have been a lot of suggestions that have been made, and that's what we're listening to. A layman on the street can say, "Here's where my foot hurts and here is the solution", but if the solution deals with justice or taxes or whatever, we have to get them to come and verify that the information we have been provided is accurate.

Mr. Bruce Stanton: Perhaps if we do that towards the end in preparation for that meeting, the analysts could take a look back at some of those points that came forward, on which there were questions, and then we'd really be able to have a productive session around that.

The Chair: That's what the analysts have done. There will be a lot of technical information coming through, so we need to get the experts here. Okay?

Mr. Bruce Stanton: Yes, thank you, Madam Chair.

The Chair: Has the committee had a chance to look at the reports?

Ms. Mathysen, you are the one who had some issues with those....

Yes, Ms. Smith.

• (1710)

Mrs. Joy Smith: Perhaps I could just for one moment draw the committee's attention to something. It has to do with the motion.

I had said at the last meeting that I would bring the list, and perhaps I could just very briefly go over the list here. At the top you have the reports printed and posted on the web and you have the names of them.

For number 2, you have the reports that will be posted on the web and require conversion to HTML, and they're listed.

Under number 3, you have the reports that require translation and that will be posted on the web.

Under number 4, you have reports that require revision and will not be completed. These are the working titles.

For number 5, you have the draft reports that will not be completed, with the working titles.

Under number 6, you have the co-publication by Statistics Canada and Status of Women Canada that is being printed and distributed, and that will be posted on the web.

I will look at one of the motions. Last week we had talked about certain names and we had agreed that once we had the list we could look at the names of the reports and see what we wanted. If we're speaking about Ms. Mathysen's motion that was distributed, there were some documents that were named, like *Women and the Employment Insurance Program: The Gender Impact of Current Rules on Eligibility and Earnings Replacement* by Monica Townson and Kevin Hayes.

And if you look under number 3, it is there. Those are the reports that require translation and will be posted on the web. The second one is Shelagh Day and Gwen Brodsky, *Women and the CST: Securing the Social Union*. That is also under number 3, *Women and the Canada Social Transfer: Securing the Social Agenda*.

I just have a question. The third one was by the Canadian Research Institute for the Advancement of Women and entitled *Integrating Marginalized Women's Voices into Policy Discussions and Debates Linked to the CST*.

I was wondering, is that the second one under number 4, which says, *Integrating the Voices of Low-Income Women into Policy Discussions on the Canada Social Transfer: Aboriginal Women in Vancouver, Immigrant Refugee Women in Calgary, and Women with Disabilities in Winnipeg*? Looking through the list, there is no title that's the same as that. I had promised I would bring all of the titles, which I have done. I just had a question about that one.

The Chair: Ms. Mathysen, do you have an answer to that one?

Mrs. Irene Mathysen: Actually, Madam Chair, I'm not sure in terms of the third one. We spoke with the authors and they said they were ready to go in terms of their having the preliminary work done and it simply required translation, and that support was withdrawn.

So it wouldn't make sense that the second one, under number 4, would be the same one, by virtue of the information we have from the authors.

Mrs. Joy Smith: Madam Chair.

The Chair: Yes, Ms. Smith.

Mrs. Joy Smith: We do want to make sure that all the titles are here, which we have done, and the minister's office has gone over an extensive review of them. So I'm in a bit of a quandary when Ms. Mathysen says the authors have stated that it just needs to be translated and it's ready to go, because there is no evidence that this is the case.

Could the committee or Ms. Mathysen maybe clarify a way that we could solve this mystery, because it is a mystery?

Mrs. Irene Mathysen: I have a letter from the author, and I could put it on the record. It basically gives a summary of the peer-reviewed material and an indication that this was important research that was done. It says:

Subsequent to the peer review, the report went on to the editing stage during which SWC contracts freelance editors or editing companies to suggest stylistic changes.... We have received the report back from editing. It is sitting on my desk.... It has no place to go.

So it did go through the process, and the authors were told there were no funds to translate, publish, or distribute the document.

It would seem to me that if this is indeed the report, it should be categorized under 3 as opposed to 4.

• (1715)

Mr. Bruce Stanton: If it's the same report....

Mrs. Irene Mathysen: Yes.

Mrs. Joy Smith: Madam Chair.

The Chair: Ms. Smith, Madame Demers wants to speak, and then you can have another chance.

[*Translation*]

Ms. Nicole Demers: Madam Chair, when you asked us if the list could be tabled, I asked if it was a list of names. You said that it was. However, it appears to be a list of titles, which is not quite the same thing. I would appreciate having this list translated for our next meeting. There are titles as well as names on this list. Occasionally, the finer points can get lost in the translation.

The report mentioned by Ms. Mathysen appears to be under heading IV, Integrating the Voices of Low-income Women into Policy Discussions on the Canada Social Transfer [...]. If this report has been approved, translated and verified, I hope that it can be published, because it appears to be a very important document. It focusses on aboriginal women, immigrant women, women refugees and women suffering from physical disabilities and loss of independence.

[*English*]

The Chair: Ms. Mathysen, could we have the letter you received from the group, so that we have an idea of what we're talking about?

Ms. Smith.

Mrs. Joy Smith: Could I just make a suggestion? I would ask Ms. Mathysen to please table that letter so we can work with it, and I will further—

The Chair: That's exactly what I've asked her.

Mrs. Joy Smith: I know. I was just going to say that I would further look into whether there's something that has been missed, or whatever, to get clarification, because they did say no, that needs revision and will not be reported.

I would suggest that we deal with this next Thursday, because our bells are ringing, ready for the vote. It's a very important vote tonight. We have to leave. This side of the House has to leave.

The Chair: Everyone has to leave. We have 12 minutes.

Ms. Mathysen, are you agreeable to the suggestion that we look at some comparators and figure out what is what?

Mrs. Irene Mathysen: Yes. Thank you.

The Chair: The motion is deferred to the next meeting. We have agreed to take it up at the next meeting because we'll have a better feel for it.

Madame Demers.

[*Translation*]

Ms. Nicole Demers: Madam Chair, could we have the names of the authors of the various reports included on your list? If we had the authors' names, it would be easier to compare these reports with the others that we have received.

[*English*]

The Chair: Ms. Smith, can we have the names of the authors so that there is no confusion as to what we are dealing with?

Mrs. Joy Smith: Yes, absolutely. Thank you.

The Chair: Thank you very much.

The meeting is adjourned.

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