



**Legislative Assembly
of Ontario**

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**Official Report
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(Hansard)**

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Lundi 13 décembre 1999

Speaker
Honourable Gary Carr

Président
L'honorable Gary Carr

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LEGISLATIVE ASSEMBLY
OF ONTARIO

Monday 13 December 1999

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Lundi 13 décembre 1999

The House met at 1845.

ORDERS OF THE DAY

PENSION BENEFITS STATUTE LAW
AMENDMENT ACT, 1999

LOI DE 1999 MODIFIANT DES LOIS
CONCERNANT LES RÉGIMES
DE RETRAITE

Resuming the debate adjourned on December 9, 1999, on the motion for second reading of Bill 27, An Act to amend the Pension Benefits Act and the MPPs Pension Act, 1996 / Projet de loi 27, Loi modifiant la Loi sur les régimes de retraite et la Loi de 1996 sur le régime de retraite des députés.

The Deputy Speaker (Mr Bert Johnson): Further debate?

Mr Doug Galt (Northumberland): It's certainly a pleasure for me to rise and speak on Bill 27, An Act to amend the Pension Benefits Act and the MPPs Pension Act, 1996. This bill, in a nutshell, is about flexibility, increasing the flexibility with which people can use the dollars that are invested for them in a pension fund. It's really about using your own money as you see fit.

I've often commented in the House about what a compassionate government we have had since the election in 1995, compassionate in many ways—particularly in this bill, when there are hardships for people or a shortened lifetime expectancy, they're able to use their money here—and also concerned about social programs into the future. Some of the governments in the past wanted to spend all the dollars right at the time, give it away, any kind of giveaway program, but this government has indeed been very compassionate to our young people, limiting the kind of debt that is going to be on their shoulders, and ensuring that there would be some dollars available for people in the future who needed that kind of support in various social programs. This bill is really saying that Ontario is taking a lead role in pension reform here in Canada.

As we think in terms of pensions, when we're young we really don't worry too much about a pension, but as we grow a little older, get into our 50s and early 60s, pensions become very important to us. Consequently, as we look at our population right now, with the baby boomers coming along, that sort of bulge in the demo-

graphics, they're demanding more things in pensions. They are concerned too as they approach retirement age that there is something for them and that there is some flexibility here. They are very demanding consumers. They are looking at their pensions and certainly they are one of the groups that have these kinds of expectations. They're demanding rules that make sense.

Probably when the original pension rules, regulations and legislation came in, it was very sound at the time: Keep that money and ensure that there was something there when people became 65. But changes have occurred since that time. Certainly the baby boomers, as they age, are expecting this kind of flexibility.

The first issue that the bill really addresses is this one of financial hardship. I've received several calls, particularly this past fall, from people who are either quite ill themselves and off work, unemployment has run out and they do not have long-term income protection, or from their spouses. They're saying: "There's money in my pension plan and I need it now. It's not going to do me any good when I'm 65. We need it now." If this bill is passed, people will be able to apply to the superintendent of financial services of Ontario and, according to the regulations that are set out with this bill, they'll be able to access some of those funds.

It's interesting also to note that Lillian Morgenthau, president of CARP—that's the Canadian Association of Retired Persons. They have been asking for this legislation since 1997. They feel that this kind of change is important. As I mentioned earlier, it really relates to compassion as we face various challenges in our life, challenges such as sickness or injury. Having some compassion so that they can address and get some of those funds is very important.

It also addresses shortened life expectancy. We live in a day when cancer, unfortunately, seems to be a rather common diagnosis. It probably relates to the fact that with modern-day medicine we're living an awful lot longer so we have more risk or more opportunity, being aged, to contract these kinds of diseases; also AIDS that has spread across the country—two diseases that are certainly terminal. When diseases such as those strike, why leave the funds there until you're age 65? You're never going to make it. You really need the funds today. The only benefit if they are left there, of course, is for the insurance company, and that's not the concern of the individual once they become quite ill. With this bill, if they meet the criteria, they would be entitled to draw those funds, whether it's from a locked-in retirement

account or a life income fund or a locked-in retirement income fund. It's only right that when these terminal illnesses come we could have those opportunities.

Also in this bill is the elimination of that requirement to purchase annuities. Ever since I was investing in RRSPs I knew that come age 69 I was going to have to buy an annuity. It meant that it would be totally consumed regardless of when I might end up passing on. Whatever is left in there, again, would go back to the insurance company.

The locked-in retirement income fund would be the arrangement that you would have after age 69. You could then draw up to a maximum amount that would be established for it, and if you didn't in a certain year draw that maximum amount, that could be carried forward for future years when it could be drawn. Also, it would be totally transferable prior to age 69. Whether it was in a locked-in retirement income fund or a life income fund in itself or a locked-in retirement account, it could move back and forth within those.

Again, CARP, the Canadian Association for Retired Persons, hopes that other provinces will follow Ontario's lead, and certainly the territories as well should be looking at this.

I think one of the interesting parts in this particular bill is the harmonization with the federal investment rules. By doing that, there are many advantages in the investment field, and new financial products would be able to be put on to the market that would be advantageous for us all. Some of this is already happening and has been adopted by some of the four western provinces.

These changes that we're bringing about with this bill have been the result of extensive consultation. Consultation has been a hallmark of this government, if you go back and look at the hours and days. I mentioned it last week and I could pull them out and read them off to you again if you want. During our term, the 36th Parliament, from 1995 to 1999, compared with the two previous governments, whether it was second reading or third reading, whether you measured it in hours or in days, whether it was at Queen's Park or on the road, in Niagara or in western or eastern Ontario, we put in more hours of consultation than the other governments ever dreamt of doing in the 1980s and in the early 1990s.

It was never heard of, in the history of this province, to go out and consult prior to bringing in a bill. We did that several times during the 36th Parliament. The car insurance bill was one good example, the right to farm for farmers was another example, and it goes on. Many times we did go out and consult. As I mentioned, it is a hallmark of this government.

As we harmonize these regulations and move along, it's going to reduce bureaucracy and reduce red tape. It's about improving flexibility; it's about allowing people to use their money as they see fit, not as the government says; and it's also about being compassionate with those who are having difficulties.

In my last two or three minutes here I want to make a few comments about the elimination of the MPPs gold-

plated pension plan that was in place when we took office. When we got rid of that, there was a saving for the taxpayers of Ontario of some \$5.5 million a year. This is similar to what Alberta did. I say to the Liberals smiling across the House, when will your federal cousins do the same thing? They make approximately 50% more than Ontario MPPs make, yet they keep their gold-plated pensions and their tax-free allowances. Something else that we eliminated was that tax-free allowance in our first term here.

We also recognize the 5% cut we took in the social contract—that was prior to my being here—but when we revamped our payment reform we took another 5% cut, some of the leadership this government has shown in Ontario.

As we look at this bill, there's now going to be the same kind of access to RRSPs for MPPs that other people in Ontario have. If we remove anything from our RRSP once we retire, of course we are going to pay tax on it the same as anyone else in the province would. There'll be absolutely no special treatment, and I think the most exciting part of all for the MPP—the change for them—is that there'll be no extra cost to taxpayers. We removed that kind of expense: The \$5.5 million they were paying for that gold-plated pension some time ago.

Regardless of where you look in this bill, the bottom line is all about increased flexibility and being able to use your money as you see fit.

In recognition of another member who will be speaking, I'll wind up and leave the member from Kitchener Centre the next eight or so minutes to fill the 20-minute block this party has.

Interjections.

1900

Mr Wayne Wettlaufer (Kitchener Centre): The Liberals are over there asking me to bash them for the next eight minutes, and I'm not going to do that tonight.

It gives me great pleasure to rise and speak on behalf of the Pension Benefits Statute Law Amendment Act, 1999. The purpose, as you're aware, is to amend locked-in pension fund access for those individuals who are seniors, who are facing a life expectancy of less than two years as a result of a critical illness, and also those individuals in a position of hardship. We're not discussing just any hardship here; we're talking about serious financial hardship.

Ontario's pension system has been designed to support those individuals in their retirement years. I know when we first began discussing this issue about two or three years ago, the one concern I had was, what do we do for those individuals who, because they are facing a financial hardship, cash in their locked-in pension fund and then face retirement in poverty? I was very concerned about that, but we have addressed that in this bill.

We're not too sure how the members opposite are going to vote on this matter. I know they should vote to support this bill, but I'm sure they're testing the political winds right now to determine which way—yes, that's right. The member from Ottawa Centre, is it—no, no,

you're not from Ottawa Centre. Where are you from? Come on, Mike, where are you from?

Interjection.

Mr Wettlaufer: From Manitoulin. He held up his finger to see which way the wind was blowing, and that's probably typical of the way they vote. They don't know how they're going to vote until they know the political wind direction.

But I do want to reassure them, as well as all the individuals viewing tonight, that we are not opening up the pension system to wholesale unlocking of funds. If we were to do that, it would jeopardize the entire Ontario pension system, and we have no intention of doing that. But those individuals who are facing serious financial hardship may apply to the superintendent of financial services of Ontario. He, in turn, will employ specific criteria which would be defined under regulation to determine whether or not they may qualify for some freeing up of their pensions.

The other key issue here is those individuals with a shortened life expectancy or capacity due to a critical illness. I have had over the course of the last five years perhaps only a half-dozen people who have come into my office and have been facing death six months, a year or two years away. They have come to me and said: "That's my money. Why can't I have some of that money now to enjoy what few days I have left?"

It was necessary to address that. I believe very strongly that these people should not have their money tied up in an annuity of some life insurance company or some faceless financial institution. They should be able to access those funds. The only ones who should object to this bill would be those life insurance companies or financial institutions, because the monies in those locked-in pension funds, the annuities, once the person dies, have been transferred to that financial institution as an asset of that financial institution. I want to make that very clear to the members opposite. To vote against this bill is a vote to ensure that those funds go to a life insurance company or to the financial institution. Is that what you want?

We have looked at this very broadly. We have said that upon reaching age 55 an individual who has a total of less than 40% of the year's maximum pensionable earnings in all his or her locked-in accounts may unlock the entire amount. Let's think about that for a second. Is that wrong? Those funds are taxed, but they're only 40% of his total pensionable earnings in one year. So it's not a significant amount and that person will not be penalized upon reaching normal retirement age, which is usually 65. That person will still have a substantial income. That's not wrong either.

The members opposite may find objection with this section, but I want you to understand that we are talking here about \$15,000, representing 40% of that individual's year's maximum pensionable earnings. Again, we're talking about an individual who has a fair, decent pension, so it shouldn't impact that individual too much upon reaching retirement age.

I ask you again, relating to the individual who, because of a critical illness, may die at an age earlier than you or I would normally die, do you want his funds or her funds to go to a life insurance company or a financial institution? If not, then you have to support this bill.

The Deputy Speaker: Comments or questions?

Mr Rick Bartolucci (Sudbury): I should let the government members know right off the bat that I'll be voting against this bill. I would like to be able to vote for the first part of this bill, because I honestly believe that it makes great sense to allow for, in times of undue hardship, the things that they're speaking about to happen. But the reality is, as this government does so famously, they rolled two acts into one. They rolled in the MPPs' pension bill into one so that it makes it impossible for people with a conscience to support a bill that would allow members with experience in this House, especially from the government side, an undue advantage that people would normally not have.

I would suggest to you that Mike Harris replaced his gold pension plan with a platinum pension plan. Mike Harris, Ernie Eves, Norm Sterling, Bob Runciman, you mention them, and I'll tell you that they are ensuring that their pockets are lined extremely well, that they do not have to follow the same rules as a normal person would have to follow, who has contributed to a plan for 10, 20, 30, 40 years.

I would suggest to you that the government members are heckling simply because they understand very clearly that when they say they removed the gold-plated pension plan, they replaced it with this plan giving unfair advantage to people who have served in this Legislature for a long period of time. I should tell you that the government members took very good care of themselves when they scrapped the plan.

Interjections.

The Deputy Speaker: Would the Minister of Education come to order, please

I wanted to interrupt your conversations to let you know that these types of outbursts are not allowed. They're your rules; I enforce them and, believe me, I'll do it.

Comments and questions?

1910

Mr Gilles Bisson (Timmins-James Bay): I always get a little bit worried when the government comes into the House with a bill and says that they're going to help me, because normally it means quite the opposite is going to happen.

I listened to the comments from the members across the way on the government side as they spoke to this bill, and they failed to mention a whole bunch of negative parts of the bill, one of which the member for Sudbury pointed out, which is that there happen to be provisions in this act that will give MPPs such as myself, because I'm a vested member of the old plan, the ability to withdraw money out of that pension plan after age 55, rules that don't exist for anybody else in Ontario.

They couched that by saying: "Don't worry, it's not just MPPs who are going to get this treatment. We're going to give it to other Ontarians under dire circumstances. Should they be ill and need to get access to the money or be in financial hardship, we're going to let them do it too." The reality is that the government is starting to recognize that it was really good political ammunition for them in the election of 1995 to run on the issue of pensions, but what they did to the pension plan of MPPs in this House was not to their liking over the longer term.

I'm of the view, quite frankly, that the type of pension plans we have in this place now are not the way we should be going. What we should be looking at are pension plans of the type that is defined. We should not look at it from the perspective of MPPs, but we in this House should be looking at how to advance ideas and legislation that deal with proper pension plans for all Ontarians, not just people who live here at Queen's Park six months of the year making legislation on behalf of the province. If the government were to come forward with a plan that looks at how we can create defined pension plans that will help all Ontarians, I think this debate would be a little bit saner than it's going to be tonight.

Mr David Young (Willowdale): I appreciate having an opportunity to respond, particularly in view of some of the comments that have been made over the last 20 or 30 minutes. It's important to put this in perspective and to ensure that those here today and those watching on their television sets understand that this legislation, if it passes, is not going to cause there to be any additional funds available by way of a pension for myself or for any of the other members in this Legislature as compared to the situation that they would have been in if the bill did not pass.

The members opposite stand and speak at length about how this is in some bizarre fashion a way to get pensions back on the table, a way for the gold-plated pension plan, as they describe it, to be re-established. I think their comments would be viewed with a great deal of credibility if they would stand one at a time, each and every one of them who would be eligible to benefit from the changes contemplated if this act was to pass, and I would look forward to seeing each and every one of them—we've mentioned some of the names already; Mr Conway is one, Mr Bradley is another, and on and on; there are some over in the NDP ranks as well—rise in this esteemed chamber to come up and say, "I will not take advantage of the terms of this legislation, regardless of whether it passes or not." Then, and only then, would they be in a position to criticize this proposed legislation. But until they come forward and say, "We will not benefit from this legislation if it passes," it is absolutely wrong—and the people of Ontario will understand this—for them to criticize it.

The Deputy Speaker: Comments and questions?

Mr Michael Bryant (St Paul's): I understand the other side's point is something to the effect that there are lots of good things in this legislation and the discretion is

left to the MPP to somehow act honourably. "Just take our word for it, MPPs, we'll act honourably." But we all know it's not just fairness and justice that we're trying to achieve in legislation such as this but the appearance of fairness and injustice.

The problem with this legislation is that regardless of what Mr Harris and Mr Eves and Mr Sterling are going to do—and you're going to hear from Mr Conway tonight, and those who have used his name as a supporter of this act will regret those words when you hear his case.

Hon Janet Ecker (Minister of Education): Who said that, Michael?

Mr Bryant: The honourable minister said, "Who said that?" The honourable minister was using his name in vain. That's who said that.

What I'm trying to get to is that there's obviously an appearance of unfairness here. Those who want to be cynical about elected officials have been given great fodder by this government thanks to their "less representation" act, otherwise known as the Fewer Politicians Act. Those who want to show cynicism towards elected officials can look to the further deterioration of MPPs' abilities to make a contribution to this House, and I mean both on the government side and this side. But now they can turn to a bill that blatantly gives opportunities to members of provincial Parliament that do not exist for the rest of the population. That is the height of the appearance of inequity, the height of the appearance of injustice and the height of hypocrisy.

The Deputy Speaker: The member for Northumberland has two minutes to respond.

Mr Galt: It's interesting to listen to some of the responses from the members of the opposition and what they're relating to the debate. What they're trying to do is zero in on the MPP RRSP, the donations being set aside for them. The real problem here is that they are all upset because they've lost their gold-plated pension that was originally here; it's gone. This is just another opportunity for them to try and come out with an appearance of unfairness, play the opposition, which I understand; they have to be a critic and they have to object.

But most of this bill is about helping other people. It's about helping those who have financial hardships, about those who have a shortened life expectancy. I think they should address those concerns. Those are the principal concerns in this particular bill. Certainly as we move through this, those are the people who are going to benefit—an opportunity to get some dollars out of their pension fund when they so desperately need it.

Show me in this bill where one extra cent will be paid to an MPP because of this. All it does is increase flexibility, which is what the bill is about, increasing flexibility, whether it be for Joe and Jane Citizen in the province of Ontario or whether it be an MPP. It's interesting where they're objecting from, and I think they're objecting from their own pockets. Their federal cousins in Ottawa could get rid of their gold-plated pensions, but they're the Liberals and they're in charge of that House. Here the Liberals are not in charge of the legislation, and

that's why the gold-plated pension plan is gone and so is the tax-free allowance. I, as one MPP, am real pleased to see that.

1920

The Deputy Speaker: Further debate?

Mr Michael A. Brown (Algoma-Manitoulin): I'm here this evening to say that I support An Act to amend the Pension Benefits Act. Unfortunately, it says, "and the MPPs Pension Act." This is an intentional hostage within the pension act.

The first part of the bill is an advancement, an improvement, something that should have happened long ago. I remember writing to Mr Eves on quite a number of occasions—the Minister of Finance; I'm sorry, Mr Speaker—and asking on behalf of quite a number of my constituents who had had problems with LIRAs over a period of time. I had one gentleman who was trying to complete his education. He was in his mid-40s and had a tiny amount of money, actually, locked into a retirement account. He obviously needed the money then. He needed to help feed his family while he was at school. It was, as I recall, a total of \$12,000. He could not possibly access that money. That money was not going to provide any kind of reasonable pension to him in the future. It was something that would help him finish his education. Unfortunately, I think he was forced to discontinue going to school because he couldn't access that money.

I had another gentleman who, as I recall, had \$4,500 in a locked-in retirement pension. This gentleman was 63 or 64 years old and wasn't going to be able to access it until he was 65, in his particular case. He needed the money. It wasn't going to help his standard of living any in the future, but it was going to solve some short-term problems he had.

And there are others, so I want to commend the government for finally doing something about this. Back when I was contacting the Ministry of Finance, I was always told I should talk to Terence Young, who was the parliamentary assistant. He was operating in a review. He's not back. I'm sure he's quite happy these days that this legislation is proceeding.

But that isn't the real question before us today. The real question before us today is quite simply, why do we have this one amendment to one act before us today? The MPPs Pension Act is being amended. One would have to ask, why do we need an amendment to the MPPs Pension Act?

Mr Bill Murdoch (Bruce-Grey): You're going to tell us.

Mr Brown: No. I don't know why, member from Bruce. I think the government should tell us why it is necessary that MPPs who have a LIRA should be treated differently than our constituents. That is what this act does. It means for MPPs, essentially, that if we want to call our LIRA an RRSP, we can immediately. There are great benefits to doing that, and members on the other side would know that. Anybody within the financial community would know that.

You can't have it both ways, I'm saying to the people across on the other side. Either everything should be an RRSP and we can trust the people of Ontario, all of them, to look after their own retirement needs through a registered retirement savings plan, if that's what you believe, or everybody should be under the same rules on a LIRA, a locked-in retirement account. To have two classes of Ontarians in the same pension scheme seems totally unusual, totally outrageous, totally beyond belief. I want somebody on the other side to stand up and tell me why we as MPPs need to be treated differently from everyone else in the province. It doesn't make sense to me. I haven't yet heard one of you on the other side tell us why we need to be in a different situation than everyone else in the province.

Back in 1995 we got rid of what were called the gold-plated pensions. I don't think there was a member of the Legislature who voted against that, if my recollection is correct. People who were vested got some rather sizeable buyouts. Some of those buyouts, for certain members who had been around this place for a long time, approached seven figures, maybe were beyond seven figures—sizeable chunks of dough. And many of those who received that rather large sum, which was due to them according to the Harris legislation, ended up sitting on the treasury benches—the people who benefited the most. We on this side would have to ask why, when we were told everything was to be in a locked-in retirement account—I'm one; I'm vested. I have some money in a locked-in retirement account. Unfortunately for my family, I wasn't one of the ones who got the big payout, but hey, I've got it.

Mr Sean G. Conway (Renfrew-Nipissing-Pembroke): Jealous?

Mr Brown: Yes, I'm maybe a little jealous. But I'm not asking that mine be changed. I didn't ask in the first place if this was the formula that should be made. What I want to know is, quite simply, why do we have the MPPs' pension plan in front of us today? It's a simple question. Let's get a simple answer. Why? I cannot believe this.

The other gross unfairness about this situation when we're talking about pensions and savings in this province is that if you apply for child care in this province, if you apply for social assistance of any kind, under any circumstance, one of the things they look at is your RRSP. Are you going to get it if you have RRSPs? The answer is no. If you have a pension plan, which isn't a bad thing, or if you have a LIRA, you do. I can't figure out—both are assets; both are worth the same amount of money on any given day—why you would deny people child care or why you would deny a person social assistance on the basis of exactly the same thing, whether it be a pension plan, an RRSP or a LIRA? It's equal to the same amount of money. The accountants on the other side could maybe explain that one to me too. We have child cares and people with children in those child cares who aren't able to access the subsidy only on the basis of their assets, and in most cases that asset is the RRSP.

So while you're thinking about why MPPs have to be special people, above and beyond everyone else in this province, and when you're thinking about why welfare people, people who need child care and other social services are apparently special people but in a different class again, I ask the government, why are we doing this today? I understand the LIRA provisions. They're good. There needed to be some more flexibility for ordinary Ontarians, for all Ontarians, for that matter, to access their own money from LIRAs. I'm not sure that all of them have gone far enough, and maybe some have gone too far. I would suggest we probably need a committee to look at the exact impact this will have on individuals.

I just cannot believe that we would set MPPs, members of this Legislature, in a totally different class of people than everyone else. That's what this legislation does. I don't understand that. If somebody can explain why this is necessary today, go ahead. I'd love to hear it.

I should tell you, Mr Speaker, that my time is being shared with the member for Sarnia-Lambton, and she will proceed.

1930

Ms Caroline Di Cocco (Sarnia-Lambton): I stand to speak to Bill 27, which amends the Pension Benefits Act and the MPPs Pension Act. In my attempt to understand the different segments of this bill, I will proceed to try to express what I have learnt about it.

The Pension Benefits Act is of course a guide to the administration of private sector pension plans. It doesn't spell out the details of the entitlements and the contributions under these plans, but this bill provides a framework for the operation of private sector pension plans, covering issues such as employer-employee sharing of contributions, the assignment of benefits for early retirement, minimum terms of contributions, surpluses, and so on.

The Pension Benefits Act, besides making some small changes, includes some substantive amendments to enhance accessing of benefits. For instance, there's a provision that has been requested for some time, and it's an amendment that allows early payouts from pensions for serious terminal illnesses. The amendment to section 49 of the act addresses the payment of pension or deferred pension in such circumstances. There are provisions to allow paying out of the entire value of an individual share in a plan in case of financial hardship, and this is a good thing. There is another provision that allows spouses to waive their entitlements to pre-retirement death benefits in order to direct payments to other individuals. So there was a great deal of flexibility that was needed.

Now, there's another part of the amendment to the legislation that affects that pension buyback provision. It is somewhat ambiguous and a bit controversial, this little section. In the past, if an employee wished to buy back additional years of contributions to move up the date of entry into the pension fund, then the employer usually covered 50% of the cost. This practice of buyback has been changed to provide what they call discretionary

choice to the employer as to whether they want to participate in the buyback, but there is some confusion on this aspect of the bill as to whether or not employers are forced to fund the 50% of the buyback.

The reason I have a problem with this bill is not for the flexibility that's there for the people of this province, but I object to this bill because of the section on MPPs' pensions. This section provides, in my opinion, some special privileges to MPPs. I must add that I do not understand, like my colleague, why there are special provisions that apply only to MPPs and not to anyone else. This contradicts the rhetoric I have heard on the other side of the House. There have been comments from this government that politicians should not get any special provisions or get any special deals. We've heard them talk about a fewer politicians act, and we've heard as well that they are going to bring in legislation to remove that 30% tax-free income in a city councillor's income. I've heard often on that side of the House what I call a pejorative connotation with respect to politicians.

Some members elected in 1995 or later do not get a pension. We put money into RRSPs. But what this act does is to deal with some MPPs who were here before 1995. I quote from the compendium: "The bill would eliminate the requirement to comply the MPPs Pension Act with the Pension Benefits Act and remove the restrictions on the amount a member can withdraw from his or her account."

Most of the bill is making changes in the Pension Benefits Act for the people of this province, but the MPPs' pension plan part of the bill doesn't have to comply with the act that is being changed. I cannot agree with this part of the bill that treats the MPPs and their pension plans, for those people who were here prior to 1995—dealing with this pension in a manner significantly different from the way that other people in this province are being treated. So here we have a bill that's dealing with two different directions that are in contradiction to one another.

I heard an argument in committee that when MPPs lose an election they should have a placement in other areas. They should be rewarded, and of course the word "patronage" comes to mind, to allow them to have an income—this discussion was concerning Isabel Bassett's appointment—and that for some reason an appointment or special privilege is owing to those who spend time serving in politics.

I don't understand this notion. The argument about MPPs' pension provisions is that MPPs are at greater risk than most people by coming into this arena, and the nature of little or no job security. The members supposedly are in short-term jobs and the discussion is that MPPs should get some sort of special accommodation for their unique position. But I have to point out that there is a huge reality in corporate downsizing, and thousands of people have experienced a lot worse. Job security or being taken care of by big corporations is not the common trend any more.

I understand we live in a society where our aging population is greater in number than ever before. This causes us to look closely at pension entitlements and savings. We should be revamping outdated legislation and the improvement and reform of the Ontario Pension Benefits Act should be revisited on a regular basis. What I have a problem with is that the change to the pension rules for former MPPs is tucked into this bill in a way that it was hoped no one would notice.

I read some commentary from the National Post. This is from December 8 and it says, in discussion of this pension bill:

“Sixty-one MPPs received lump-sum payouts when the Tories scaled back the infamous ‘gold-plated’ MPPs pension plan during their first term in office. The payouts, which included \$860,000 to Mike Harris, the Premier, and more than \$1 million to each of five people including former Premier Bob Rae, were placed in locked-in retirement funds that made monthly payments once the owners reached 55 and were retired from the Legislature.

“The changes introduced ... alter the rules so that former politicians over 55 will be able to withdraw all or part of the money as long as they pay tax on it.”

The question I have is, why? Is this a generous gift for MPPs just before Christmas?

I agree that there has to be flexibility for people facing shortened life expectancy due to critical illness to withdraw money from pension plans. I also agree that if there is proven financial hardship there should be flexibility to withdraw, but I do not agree with the special status provided to MPPs in this bill. It seems that this bill has this clause to treat some MPPs with special rules. So there is one legislative change for the general population and then there is another for some MPPs. I believe that we, as MPPs, are here to serve, not here to garner special treatment.

Mr Bisson: I particularly appreciated the comments from the member who just spoke. It was apparent to me that she has actually gone through the bill in some detail in trying to understand, in short, what the legislation does and trying to make up her mind, should she vote in favour, against, should she put forward amendments, what position she should take. I appreciate that she actually did a very good job in going through the legislation.

She points out that the government, as she said and I think rightfully so, is hiding behind the language they normally use to put in place legislation that’s supposedly good for us, but as she went through the bill and looked at it, there were a number of pitfalls within the bill. We’re all going to get a chance tonight to have a bit of a discussion about that, but it’s fairly apparent that what’s going on here is quite contrary to the saying, “What’s good for the goose is good for the gander.” We’re finding out what’s good for the goose is good for the goose, being the government, but not necessarily the gander, the rest of the public.

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It’s fairly apparent when you read this bill that there are some real changes made to pension legislation as it applies to RRSP-type programs for members of the Legislative Assembly as compared to the rest of the province, and some of them are particularly troubling. I’ll get an opportunity to speak on those a little later.

The other thing I thought was interesting is—and I’m sure she would want to comment on this—do you notice how Bill 27 is called An Act to amend the Pension Benefits Act and the MPPs Pension Act? It doesn’t go on to the big, flowery explanations we get for all other kinds of legislation, such as Bill 25, which says An Act providing blah, blah. They give these great, big descriptions on their bills about what their acts are supposedly doing. The titles are very political. I would like to move a motion a little bit later in this bill and rename Bill 27 An Act to help Mike Harris, Ernie Eves and all other MPPs who are vested in the old pension plan in the right of Her Majesty, the Queen of all of this Commonwealth, because that’s what this bill is going to do. It’s going to set up two sets of rules, one for the MPPs who are vested and the other for the public.

The Deputy Speaker: The member’s time is up. Comments and questions?

Mr Bryant: We’ve already heard today, and I just want to say for the record, that of course there are things in this bill that I, too, support. The early payout of pensions for catastrophic illness—who can quarrel with that?—the payout in case of financial hardship and other portions of this bill are portions that any member would favour. We’ve already heard from this side of the House, the opposition, to the effect that obviously we cannot support an act which treats MPPs in a favourable manner with respect to their remuneration from pension benefits, in a more beneficial way than the rest of the public. We’ve heard that already.

An obvious question might come about which is this: Why on earth couldn’t we just amend the legislation so as to include the part that we all agree on and leave the legislation which is controversial to a separate bill? In the United States, for example, we all know that the President of the United States has always sought something called the line item veto, whereby he could go into a piece of legislation—pork barrel legislation, it’s called—and say, “Here’s the part of the legislation I don’t like and I’m going to pull it out, because I’m not going to fall into this trap.” That power, it turns out, has been struck down by the United States Supreme Court, so do you know what the President does? He does not get drawn into that trap. He vetoes legislation which has a poison pill, if you like, in it.

That’s the position we have today. Are we going to sit in opposition and vote in favour of an act which contains provisions that are repugnant? No. Is the government going to support legislation as part of the litmus test for the Premier and the support for the Premier? Yes. That’s what this debate is going to be about.

The Deputy Speaker: The member's time has expired. Comments and questions? The member for Sarnia-Lambton has two minutes to respond.

Ms Di Cocco: When you read over some of the aspects of this legislation, as I said, there are sections of it that are flexible and have been needed for a long time. People who have financial hardships and sometimes have a lot of money invested in retirement savings should be allowed to access that money so they don't lose their homes or have further undue financial hardships. People who have very serious illnesses of course would need flexibility to access monies if their lifespan has been shortened because of their illness.

On the other hand, I really find it offensive when I see that the real crux of this legislation has to do with this little clause that was almost like an afterthought, that hopefully nobody would notice, so that we can now go back prior to this to what they called "infamous gold-plated MPPs' pensions" that were discussed across the way and say, "Well, it's there, so we might as well access it, so let's now have another little part of the legislation that changes or contradicts the legislation for the rest of the population."

I heard from across the way—I don't remember which member—someone saying: "Help those who have worked in this Legislature for a long time." When you take a look at the payouts that were given and would only be able to access—they were locked in—

The Deputy Speaker: The member's time has expired. Further debate?

Mr R. Gary Stewart (Peterborough): I'm absolutely elated to speak to this bill. This bill is long overdue. I can remember sitting and talking to people in my own riding over the last four years. I had them crying in front of me because they were losing homes; they didn't have any dollars in their pockets because of the fact that they had lost their jobs for one reason or another, yet had dollars in pensions that were locked in. I have no problems supporting this bill whatsoever, following on the government's commitment in the 1998 budget, which said there would be pension reforms. I believe that a commitment made, as we've done for the last four and a half to five years, is a commitment kept. I have great pleasure in seeing that happen in this day and age, because we are a government that has done those things, and nobody has done them in the past.

I can again remember a particular person who was going to lose his house. He couldn't make the mortgage payments because of a locked-in pension. I also had a person who was in, who had no dollars to get their car fixed to be able to go out and look for a job. When you get to that 50 or 55 age bracket, it makes it more difficult to find those jobs. I believe that when financial hardship gets into life, it makes many more things that much harder.

Also you want to make sure, and this legislation is going to do that, where the specific criteria will be contained in regulation and certainly will be announced in the year. One of the things I'm a great believer in is that

you have the criteria set and the regulations in place so that people will make sure they don't try and circumvent the issue.

If you look at the financial hardship of people losing jobs, some of them may indeed, because of an age factor, want to start a business. Unfortunately, when you don't have a great deal of money in the bank, the banks are not overly supportive of loaning dollars to help you start that business or possibly keep that business going and saving it from bankruptcy. If these people have access to funds, there's a fair chance that the banks or the financial institutions may support or loan dollars to that particular person, again, to keep their businesses going or to start new businesses.

That's exactly what we want to do. We all know that small business is the engine of the economy in this province. It is now and will be in the future. If we can be of any assistance to help these people start businesses who have had difficulty with their jobs or have lost their job, I believe that we have to do that.

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There's another thing that concerns me very much. There are folks who have worked all their lives and have had, for some health reason or whatever, a shortened life expectancy and were in need of funds. I just can't visualize people not wanting to support that. I believe that somebody who has worked all their life in their final days or certainly in their last couple of years should be able to have the dignity and have the resources available to them to have the best quality of life they possibly can have. There again, I've had people in my office. I've been into a couple of the homes where people were having these kinds of difficulties, and we had no way around them. I can remember writing letter after letter to the Ministry of Finance, asking and in some cases begging that they look at this particular type of legislation to make sure we could have a better lifestyle for those people who may be having financial difficulties with a shortened life expectancy. It is the compassionate thing to do. Certainly it is the fair thing to do. If you work all your life, you should be able to have the best quality of life that you possibly can when it comes time to go beyond.

I support this legislation very much. I'm elated to be able to speak to it.

Another thing has been brought up a number of times. It's interesting when I listen to people in this House talking about the MPPs' pensions. First of all, the 61 MMPs are the only Ontarians who have ever been legislated out of their pension rights. There were 61 people involved, and I want to emphasize the fact that if this change happens, there is absolutely no cost to the taxpayer. I believe that in this particular case—and I don't have a conflict of interest. When I was elected in 1995, as a commitment of this government, the gold-plated pension plan, was gone, and I believe it should be. I listen to my friends across the way, the Liberals, and I listen to people who I fully know are double-dipping, and yet they have the audacity to stand up in this House and criticize

what we're doing. I listen to what their Liberal brothers and sisters are getting in Ottawa, and they have the audacity to stand up and criticize what we're doing in this particular case. I want to make sure that the taxpayers of this province know that there is absolutely no cost to them whatsoever.

I want to support this bill, but primarily for the first two reasons. The third reason does not benefit me in any way, and I want to make it perfectly clear that this type of legislation does not benefit any of us who were elected after 1995. It's interesting to note that just the other day somebody said to me, "Well, Stewart, if you don't run again, look at the great pension you're going to have." It's interesting to know, people, that we cancelled the gold-plated pension plan that had been in here for years and years, and there are people in this House who are benefiting tremendously well, and I have no problems with that, because many of them gave up careers to come here and be part of this institution.

One of the things that does give me a great deal of concern is when people stand up and try to criticize what we're doing. If we could all work together a little bit, cooperate in partnership, it's interesting what we could do to continue to make this the great province that it is.

I would also implore the opposition to support this legislation because there are many, many people out there who need these locked-in pensions to be released so they can have some dignity in the last couple of years of their life, and indeed those having hardship financially, either through their businesses or whatever. I would implore the opposition to support this bill. It's been a great pleasure to be able to speak to it.

The Deputy Speaker: You're splitting your time?

Mr Stewart: Yes.

The Deputy Speaker: The Chair recognizes the member for Barrie-Simcoe-Bradford.

Mr Joseph N. Tascona (Barrie-Simcoe-Bradford): I'm pleased to join the debate on Bill 27, the Pension Benefits Statute Law Amendment Act, 1999. As my friend from Peterborough has indicated, these are long overdue and certainly have been requested by a number of my constituents. After extensive consultations, finally we are delivering on this problem.

Retirement savings reform is what we're talking about here, and more access for those in need is the fundamental theme. We're talking about people having financial hardship. Funds in locked-in retirement accounts would be available to individuals in cases of serious financial hardship. Individuals must apply to the superintendent of financial services of Ontario, and the application to withdraw funds due to serious financial hardship will be based on specific criteria to be contained in regulations announced in the new year. So this is something that's going to be happening in the new year, and it's good news for people who are in the unfortunate circumstances of financial need.

The other circumstance I want to comment on is individuals with shortened life expectancies. Individuals faced with shortened life expectancies due to critical

illness or disability would be entitled to withdraw all the money from their locked-in accounts. Application can be made to the financial institution where the account is held. A similar provision would be implemented for persons no longer employed but entitled to benefits from a pension plan. What we're dealing with here is a situation where people are in need either as a result of financial circumstances beyond their control or also shortened life expectancy. That is a situation we can all show some compassion for and must show compassion for, because it's people who have earned those pension monies and who need those funds, need them to be used to assist in their situations because of shortened life expectancy and financial problems.

I just want to deal with specific examples with respect to what we heard from people in our consultation, because there was a tremendous demand from individuals and also from organizations looking for the legislation to assist them in these hard times. They were asking for flexibility and fairness. That's all we're talking about here: flexibility and fairness in the means available for them to get access to their own monies.

Here's what we heard. An individual wanted to know why self-directed plans were not open to those who own them: "Why are we allowed control over our investments and not over the fruits of these investments? I resent becoming a burden to family and government when we have invested money to look after ourselves. I would like to make my remaining months or years happier. At present, we spend most of our time staring at the TV and the four walls that surround us. We cannot even consider a retirement home without a government subsidy." The reason is they can't get access to their own money that's been put into these pension plans.

Yet another individual said: "I have been diagnosed with a debilitating illness. I can no longer afford the medication. Government legislation prevents me from accessing my own locked-in RRSP monies. I am aware that starting next year I will be able to receive some of this money as an annuity, but I need all of it, hopefully to save my life."

That inflexibility, that barrier to access one's own monies, is going to be stopped by this government. We have listened and we are acting.

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Yet another individual said: "My disability pension is not enough to live on. My health is getting worse. Financial planners say that I can get my money only if it is terminal. It's terminal, all right. When I die it's going to be from the health problems I have now. How long depends on how good I can look after myself. I am anxious to hear from you."

I heard from my constituents and I'm very glad that the Minister of Finance has decided to act on this legislation and in the timely manner we are. I would suggest to all parties that we should be acting on this and shouldn't be playing politics, like the Liberals are across the way with respect to this bill.

Another individual said: "A great many of us have used all our savings and are just surviving on small fixed incomes. This money would make our forced early retirement, forced through illness, less financially stressful and afford us a better quality of life. I would like to see special consideration given to people in these circumstances and would like this issue proposed in the form of a bill in the provincial Parliament."

Another individual said: "I have tried to unlock this pension plan because of a desperate financial situation that we find ourselves in. I am not trying to use up all the funds, only a portion of it. I do not see the point of my being restricted from using my own funds to take care of myself. Today my wife and I find ourselves in a desperate situation and we have funds sitting in a plan that is being held up by bureaucracy and will in turn force us to rely on the taxpayers of this province. Please look at this situation as quickly as possible."

What's even worse, and I know this from an individual who has spoken to me, is when an individual with very significant financial problems has to turn not only to the government for assistance but has to turn to bankruptcy to protect their home and whatever assets they have accumulated over the years and as a result will be detrimentally impacted by the financial need they're in. When you have to look to bankruptcy to deal with a situation that could have been prevented by getting access to your locked-in pension funds, then I know the government isn't listening and isn't looking after the people we should be looking after.

That's why I'm proud to be a member of this government, because we have listened and we are showing flexibility. We are also showing fairness in giving people in financial need or people who are desperately ill an opportunity to get access to their own monies. That is long overdue. We're the only government that has looked at this. We have listened and we have acted.

Another thing I want to deal with in this legislation is that there are also MPP pension plan amendments. Looking at this, we have to remember with respect to our new MPP program what we did in the last mandate we had: We eliminated the previous gold-plated pension plan. We saved taxpayers \$5.5 million annually, and those savings remain protected.

Unlike the federal Liberals, who have done nothing with respect to pension reform but have put themselves in the position where they are far better off than the average taxpayer—they certainly have a very lucrative pension plan, and I'd say have taken the steps to make sure their plan is protected. Their plan is not even remotely close to the type of pension plan available to the members in this House, because we scrapped our MPP pension plan in terms of what it was known to be. I can tell you, that took tremendous guts on the part of this government, because we moved forward with a promise. Unlike the federal Liberals, who may have made promises with respect to the GST, made promises with respect to pension reform—they haven't lived up to one of those promises. This government has lived up to theirs.

When you're talking about supporting access to locked-in funds, we're doing nothing that would put anyone in a position better than the average taxpayer. I can honestly say that when you're dealing with a situation where there are people in financial need, people having medical hardship, to turn your back on legislation that is not only demanded but also is needed in our current society isn't serving your constituents properly. I don't think you should be playing politics with this legislation. I think what people should be doing here is that all parties should be joining and supporting this legislation, because there are people out there who need access to these locked-in funds.

We have heard hue and cry for this particular piece of legislation, and I'm just glad we can get this legislation through. If everyone co-operates, we can get this thing through before Christmas in terms of passage of the bill. There are financial organizations out there to help people. They have demanded we make these changes. There have been extensive consultations. This is something that should have been done many years ago, and it's finally being done.

I just want to say that I support this initiative on the part of the government and I think everyone should support it.

The Acting Speaker (Mr Michael A. Brown): Questions or comments?

Ms Di Cocco: I listened with a bit of incredulity to the statement by the member from Barrie-Simcoe-Bradford saying not to play politics with this bill. I have to say that is exactly what this government is doing. I say that because there's one part of the legislation that gives flexibility and, as the member said, it's long overdue. But again, why is the government discreetly tucking into this bill the component so that previous Ontario politicians who received hundreds of thousands of dollars in lump sum payouts before the new pension system in 1996 are now accessing the money with no limitations except to pay taxes?

I heard comments from the member from Peterborough saying, "You talk about double-dipping, and there are members who are double-dipping." Well, this legislation is actually allowing a lot of that. It's treating politicians differently. It's treating MPPs differently. The lump sum payouts were given with a specific criterion, that they be placed in locked-in retirement accounts with limited amounts to be withdrawn on a monthly basis after the age of 55 when they were retired from the Legislature.

But again, maybe just like you did—it happened this morning. I made a statement from a pamphlet that has a disclaimer on the back which says: "Whatever we say really doesn't count, so don't listen to what we write. We'll do something else."

Hon Chris Stockwell (Minister of Labour): So cynical for a new member.

Mr Bisson: Sometimes there's some good catcalling across the House, and the former Speaker had a good one there.

I listened to the two Conservative members talk about how members of the opposition shouldn't play politics with this issue and about how only their government had the courage to do what they're doing. I can guarantee you, an NDP government would not do what this government is by way of this legislation.

Number one, this is setting up rules that are different for MPPs as compared to the rules that will apply to every other pension holder in Ontario. It is true and it is a fact that MPPs, after age 55 and retired from this place, will be able to cash money out of their RSPs just like that [snaps fingers] compared to anybody else in the province. I can tell you, that is not something we favour.

The other issue is that this government is making a number of other unprogressive changes, which I'll talk about a little bit later, when it comes to workers' rights to pensions around the growing-in factor and around multi employers in Ontario. They're giving a sop to those employers who hold businesses other than inside Ontario. They're giving those employers some special provisions to opt out of pension laws in Ontario and lessen the rights of workers when it comes to pensions. And yes, an NDP government would not do that—quite the contrary.

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The other thing I want to say in the few seconds that I have left is that the reality of saying that you're going to open up RRSPs to people for catastrophic reasons is in itself not a bad idea. I don't disagree with that, but I think we need to have a bit of debate around here about allowing people to access RRSPs in the event of financial hardship, because that is going to be a great temptation to people throughout their lives or business cycles, which could leave people without any pension rights when they come to retire.

Mr Galt: I'm very impressed with the comments made by the member from Peterborough and also the member from Barrie-Simcoe-Bradford: very inspiring, very thoughtful comments, I was disappointed in some of the comments made by the two opposition parties, who really don't understand the bill. Obviously, if they've read the bill, they don't understand it. Maybe I'll give them the benefit of the doubt. Maybe they haven't read the bill and just don't understand some of the content in there.

Both the member from Peterborough and the member from Barrie-Simcoe-Bradford pointed out the compassion of this bill and the thoughtfulness of it so that people who are hard-pressed—especially with sickness, disability from work, having lost their unemployment insurance, for example, and don't have long-term income protection—are able maybe to get some of the funds in their pensions. It's their money. They're the ones who have invested, both their employer and themselves, have put into pensions, and consequently when things are tough they should have the opportunity, especially if they are into some terminal illness such as AIDS or cancer or one of the other terminal diseases, to draw on those pension funds. If you're 55 and you have a terminal illness and only expect to live another couple of years,

what good is a pension going to be at age 65 or whatever? It's important that those people be able to get those dollars at the time.

As I've mentioned before, this is one of the most compassionate governments the province of Ontario has ever seen, with the extensive consultation. Again, this is a good example of extensive consultation that has been carried out through 1998 and 1999 to bring forth this bill.

Mr Ernie Parsons (Prince Edward-Hastings): I certainly missed the public consultation that happened on this. When I talk to people, the question I'm asked most is about the gold-plated pension that the MPPs have in Toronto. I've explained to them, "No, that doesn't exist," and wrongfully so. It is an embarrassment that I will carry with me to my grave. I defended the Premier for what he did on the pension because I believed it was the right thing, but it turns out that I and a lot of us were fooled. It wasn't a matter of getting rid of the gold-plated pension; it was a matter of hiding it for a little while until people forgot.

In terms of priorities, we need to think about that. The first issue I dealt with as a new member was squeegees—

Interjection.

Mr Parsons: Minister of Education, be a role model for your students, please.

This would be an excellent topic except for the cost of a referendum: What would the general public think of MPPs having slightly different rules from anyone else? I don't need a referendum to know what their answer will be.

I think this is probably politically wise: Bring this change in, in the first six months. The public will have forgotten it four years from now. It will be an issue that's gone and forgotten. That still doesn't make it right.

When we look at children in poverty, and I don't care what number you accept—let's take the government's number that poverty is only 6%. That's 6% too high but it's 6%. We look at children starving, yet one of our priorities is putting in place legislation that would allow MPPs access to their money before the others: fundamentally, morally wrong. I support people being able to access it, but MPPs—same rules as everyone.

The Acting Speaker: Response?

Mr Tascona: I'm very pleased to respond to my colleagues. I appreciate their responses. Certainly some of them were well thought out, not all of them. I'll deal the best I can with them.

The MPP from Sarnia-Lambton talked about the MPPs. She basically plays with words, because she said, "I don't think this should be something that applies to MPPs, because it benefits Ontario politicians." Well, what are we here? We are Ontario politicians. The point she's making escapes me with respect to this. Everyone is being treated equally in this House.

To the MPP for Timmins-James Bay, there's not an iota of proof—I don't know what he's talking about—that this lessens the rights to workers. What we're talking about here is helping people who are in financial need; we're helping people who have medical problems.

There's nothing in this bill that deals with workers' rights that would be lessened.

The MPP for Northumberland certainly shows compassion. He gave some examples with respect to people who are facing terminal illness benefiting from this.

To the MPP from Prince Edward-Hastings, get a grip. Whom do you think this is going to help? It's going to help children and families or people who are having financial hardship, people who have medical problems. That's whom it's going to help. Read the bill. He never spoke once on the bill, so I would say to him, read the bill and you're going to see that it helps children and families.

The point that was made by the member from Sarnia-Lambton—she is playing with words. Focus on what we're dealing with here. There's nothing that's benefiting anyone else. All the Ontario politicians are being treated the same, and I think she should read the bill and understand it.

The Acting Speaker: The member from Renfrew-Nipissing-Pembroke.

Mr Conway: I'm happy just to be called the member from Renfrew.

I am pleased to join the debate tonight. Let me say at the outset that in the main we have good policy and good legislation. It was said by the parliamentary assistant, the member from Wentworth, that previous members—certainly Bill Grimmett, the former member from Muskoka, is one who I know worked on a number of these issues. I read with some interest the debates here last Thursday night and I tried to listen to the debates earlier this evening.

It is hard for me to disagree with much of what has been said by a number of people on the government side when it deals with increased flexibility that is provided around the withdrawal of monies from various pension accounts. I want to be very clear, and I think with one very notable exception, that it is for me disabling and a major problem, a problem that I'd like dealt with. With that aside, this is good policy, and for the reasons well advanced and I think well understood, it should be supported.

The problem I have is the one that deals with the members' portion of this, particularly sections 20 and 21 of the bill. Let me be very candid, because I was listening elsewhere tonight and I heard my name intoned. Well it should be, because I want to be very honest with the House tonight: I am one of the principal beneficiaries of a change that I think is wrong and which we should not make.

I don't know how many members understand the provisions that affect those of us who are—what's the proper word? Not “grandfathered.” Those 61—

Interjection.

Mr Conway: “Vested,” that's the word. Thank you, I say to my friend from Wellington. Make no mistake about it: Some of us, with names like Conway, Harris, Eves, Sterling, Runciman, are very substantially advantaged by a portion of this bill, and it is wrong that we

should be so advantaged. The question is, is it special privilege for special people? I want to deal with that.

The member opposite, the Minister of Education, said, “It doesn't cost the taxpayer any money.” That's technically correct but that's not the issue. On April 10, 1996, my friend the Minister of Finance, Ernie Eves, stood in this place and introduced Bill 42, an act to do away with the old gold-plated pension plan. Let me read what he said on that day. Mr Eves said, “In the Common Sense Revolution, we,”—the Harris Tories—“promised, ‘We will end the sweet deals politicians have created for themselves.’”

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He went on to explain how they were getting rid of the pension plan. It was an interesting debate. There was no dissent. Mrs McLeod spoke for the Liberals, Mr Cooke, formerly the member for Windsor-Riverside, spoke for the NDP, and the legislation passed unanimously. The government argued at the time that it was doing this because it was time to end special sweetheart deals made by the politicians for the politicians. It was a very popular thing to do.

What we have here today, I say to my friends, in one particular respect is another sweetheart deal for a very few members of this Legislature named Harris, Eves, Conway, among others. I want to make it plain. No one benefits more from this change than I do. It's a wrong thing for me to support. I would go even further and say it's immoral.

There are an awful lot of you newly elected people who should not sign on to this, though I say very seriously that when people like Gary Stewart do as he did tonight and point out all the other people who rightly call out for help, he should be supported and those changes should be made. Any fair-minded member of this Legislature would want to do that. But in the name of that justice, we should not go and make this deal possible so that Harris and Conway and Eves and Sterling and Runciman and Bradley get the special consideration they are getting.

I have talked today to the Minister of Finance and to the parliamentary assistant who have carriage of this bill, because I was concerned that I perhaps was not fully understanding the issues at play here. I read the speeches the other day of Mr O'Toole, Mr Kwinter, Mr Gerretsen and Mr Skarica. I read them very carefully. That's why I raised quietly today with the Minister of Finance and his parliamentary assistant my concern, and let me get to that concern.

Back to the speech of April 10, 1996: Mr Eves could not have been clearer and for that clarity I think we ought to be thankful. What did he say would happen? He said three things would happen to the three sets of people who were affected by the legislation. If in fact you had retired and you had a benefit under the old plan, there would be an annuity purchased by the assembly to support that contribution for the rest of your life. If you were a newly elected member, there was going to be a traditional RRSP to which the employer—the government of On-

tario, the Legislative Assembly—would make a contribution and members could on their own, if they so chose, top it up.

What did he say about the members who were still around and who were vested under the old plan? He was very specific. Let me read from page 2193 of the Legislative Hansard, Queen's Park, April 10, 1996. Quoting directly from Mr Eves, the Minister of Finance on that date, "To terminate the existing benefit arrangements, annuities will be purchased to cover the pensions of retired members, their spouses and dependants."

Here is now the really important sentence, "All members with benefits earned under the old plan who have not yet retired will have the appropriate funds transferred to a locked-in retirement plan."

It could not be clearer. That's what I remember, that's what I was told, and that was the deal that was honourably made.

What do I read in the Ottawa Citizen the other day, December 10, 1999? Quoting now the Minister of Finance, because the story is, "New Rules Give MPPs Better Access to Pensions," and the story is, as I understand it, substantially correct. Quoting the Citizen, what does it say, December 10, 1999?

"Sixty-one MPPs received lump-sum payouts when the Tories scaled back the infamous 'gold-plated' MPPs pension plan during their first term in office. The payouts, which included \$860,000 to Premier Mike Harris and"—let me say it, \$1 million to S.G. Conway, MPP, North Renfrew, in case there's any confusion—"more than \$1 million for each of five other people including"—the article says, "Bob Rae," but I'm one of the five, let me be quite frank, and it's a matter of public record, and those funds "were placed in locked-in retirement funds that made monthly payments once the owners reached 55 and were retired from the Legislature."

The operative paragraph in this article of just the other day is as follows: "The changes introduced yesterday," meaning Bill 27, "alter the rules so that former politicians over 55 will be able to withdraw all or part of the money as long as they pay tax on it."

Now, quoting the Minister of Finance: "When we eliminated the (old) plan, there was an oversight in the legislation," Finance Minister Eves said after the bill [Bill 27] passed first reading. "The intent was always to have (the) MPPs ... treat their amount as a personal registered retirements savings plan."

I submit to this House that is not what the minister said in this House three and a half years ago, and that's a very important distinction that gives to me a benefit that is not generally available to my constituents. I can't believe that honourable members, particularly those of the new class of '95 or '99, want to stand up and assent to this kind of sweetheart deal for a few, granted, very senior members, one of whom happens to be the First Minister, when we are not providing a similar benefit to the general population. That is wrong. It is particularly wrong, since this process began in the spring of 1996 on the high altar of saying "We are ending special sweet-

heart deals for politicians, made by the politicians for the politicians." How could anybody assent to that policy in 1995-96 and now agree to this rider to another otherwise good bill?

The argument is going to be made—and I've got friends who are former members who may very well have had some financial difficulty or they may have a medical hardship. I think part of the appeal of the government's Bill 27 is, if there are members who face those special circumstances they can now, under this policy, go forward and argue their case with the superintendent of financial services. So we're giving those people a right they didn't have before, to argue special circumstances, and to seek an amendment that will allow them greater access to their locked-in funds.

If we don't feel that that's sufficient redress, then we have to in good conscience say that this change—and understand what the change is. Conway has, as my friend Stockwell would say, not an inconsiderable locked-in retirement account, and that's true, and it is governed by the pension benefits legislation. The big change here is that Conway's locked-in account, when he becomes 55—which is for me seven years hence forward—my draw-down on that account would have been governed previously by the pension rules which say that you can only take out a certain amount annually. You can't go beyond that. What we are doing here? We're saying to Conway and Harris and Eves and Sterling and Bradley and Runciman: "Oh no, we're now going to make it possible for you—when you get to age 55, those limits aren't going to apply. You're going to be able to have much more flexibility. You can take it all out, presumably, if you want. Yes, you'll have to pay tax, but you're going to have much more flexibility than you would have had otherwise."

That, let me tell you—any pension manager, any benefits adviser will tell you—is a considerable benefit. If we're going to make that possible, it damn well better be made generally available. I cannot imagine going home to Renfrew, I can't imagine my friends opposite going home to their respective communities, and looking someone in the face and saying, "We did it for some of our own, but we're not going to do it for you."

Hon Mrs Ecker: How do you know that?

Mr Conway: I know it because I have a bill in front of me. I have Bill 27 before me. I have to say to my friend the Minister of Education, if it is the intention of the government to make this benefit generally available, it seems to me one thing should happen: This bill should be rewritten and either that benefit should be clearly made generally available, or, if the government is not able to do that at this time, it should amend this legislation by taking the special provision out for 61 members of the Legislature.

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I don't think you have to be Einstein or Mother Teresa to understand the absolute intolerability of this situation. On the very day that we awaken to the news that has the Minister of Community and Social Services saying to

welfare recipients, "One strike and you're out," on the very day that we talk about cracking down on malingers and other wayfarers, we plan what? We plan to give the Premier and front-bench members on both sides this kind of a sweetheart special deal. Incroyable; I can't believe it. I don't believe that the government caucus wants to do this. I think I fairly represent the opinion of the Liberal caucus, that with some redress for this very serious problem, the rest of this bill should proceed for the good and cogent reasons given. But what are we to do? We could say, "We are powerless." We know the score. We know who the beneficiaries are. I say to my friends, if this Legislature is that supine, if we are that gutless, then we deserve the fate that awaits us. Don't you think for a moment that I wasn't tempted just to go away and be quiet, because I can say without any fear of—

Hon Janet Ecker (Minister of Education): You've never done that before.

Mr Conway: Let me finish on this point, Janet. I can say without any fear of contradiction that there is no one in this assembly who has a greater personal benefit than I do. I'm very serious. Let me repeat again: It is wrong and it is immoral. It is absolutely wrong because this is the policy that is concomitant to the end-special-deals policy of three or four years ago. That's where this began. This is a very special deal for a few very special people. I just can't imagine that hypocrisy has reached such a zenith that any one of us wants to stand up here and affirm that special people should get this kind of special treatment.

I'm sorry if I seem to be a little strident on the subject, but on this matter I expect the House to take matters into its own hands. I have heard the stories, as Gary Stewart and my colleague from Sarnia and others have recited here tonight, of hardship. Those are real stories, and there has been good work done. We should not jeopardize that good work because of this proviso.

I also want to be clear that this bill should move forward expeditiously, but if it is not amended, if there is not some redress given to my concern and that of a number of other people, this bill is going to have a tough time, and it should have a tough time. It should also be a warning to all of us that sometimes—and we've all done it. The politics are sometimes easy. It's a quick, cheap hit up front; you get a headline. Then you realize that it's not quite as simple as you thought it was. The mischief-maker in me looks at this and says, "Oh, boy, those smart people who write those electoral manifestos for all of us know what the quick hit is," but months and years later you find out that there's some of this that's a little more complicated; it's not quite as easy as it appears.

Where I have a real problem, I say to my friend the parliamentary assistant—whose speech I read which I thought was quite creditable—is that when I look at what the Minister of Finance said three and a half years ago, it's very clear what he intended. I won't be provocative. This speech of April 10, 1996, is replete with all of the rich political vernacular of politician-bashing. It was very clear what our friend Mr Eves intended. If you were

vested, your monies were going directly into a locked-in account, and that account was going to be governed, not by the RRSP rules but by the LIRA rules as set out in the Pension Benefits Act. There was no confusion. There was no ambiguity.

I think the House always has to be sensitive to unintended consequences because they will happen. I don't care how clever you are; it's very difficult to anticipate all circumstances. This bill was first introduced on April 10, 1996; second reading on April 18. It passed very quickly with all-party agreement. It went to committee of the whole on April 23. There were six amendments, moved I think by Mr Sampson, the now minister of corrections. It was dealt with in committee on April 23 and reported back out, as amended, and given third reading on the 23rd and royal assent on the 25th. The whole thing was done in two weeks and it was very clear what was intended.

What was manifestly not intended three and a half years ago was that there would be a retroactive provision to turn those LIRA accounts, constrained as they are by the pension benefits legislation, retroactively into RRSP accounts that are much more generous to 61 members with names like Harris, Eves, Conway et al. You shouldn't do that, and I expect—

The Acting Speaker: Thank you. Questions and comments?

Mr Bisson: It's interesting to note that as the member from Renfrew made his points, he managed to get a certain amount of silence from the Conservative side of the benches. I have to wonder if that is because of his speaking style or because he managed to put to a very fine point what this legislation is all about.

Hon Mrs Ecker: Just respect for his usual rhetorical skills.

Mr Bisson: The Minister of Education says it's because of the great amount of respect they show for the member from Renfrew, but I doubt that is the case. I think the reason is that what the member says is the case: that the government, on the one side, is trying to be seen as the Reform-minded government, the Preston Manning government of Ontario which supposedly got rid of the gold-plated pension, and now, some four or five years later, some of the more senior members of their cabinet and their caucus are looking at it and starting to say: "One day I'm going to leave this place and I'm getting close to 55. Jeez, I've got a big, huge chunk of cash, \$800,000 to \$1 million," such as the Premier of Ontario got when the pension plan was wound down, such as other members got with that amount of seniority. People on the government side are trying to figure out, "How can I get my hands on this cash?" Under the current rules in Ontario that money is in an RRSP system that is locked in, and you can draw off only so much per month. The Premier is sitting there with \$1 million in cash built up with interest, and people like Norm Sterling and others are saying, "How can I get my hands on that cash so I can maybe take out a couple of hundred thousand dollars and start up some sort of consulting business,

maybe buy a condo in Florida?" Maybe they want to get into flying or something and they're trying to figure out how to use that money a little bit more creatively.

I can understand their wanting to do that. My only problem is that if you're going to do that, you've got to make the rules the same for everybody and not have rules for workers and the rest of Ontarians different from what happens with MPPs. I think the member from Renfrew made the point well.

Mr Toni Skarica (Wentworth-Burlington): I'd like to thank the member opposite for a very excellent speech delivered with his usual passion. Perhaps I could read from the commitment made in the Common Sense Revolution back in 1995. It says: "Under this plan, MPPs' pensions will be abolished and replaced with an RRSP contribution program similar to those used by other professionals in Ontario." What this amendment does is fulfill exactly that commitment: that this plan, pursuant to this amendment, will be just like any other RRSP plan where at age 55 you can take out whatever portion you want. You can take all of it out or some of it, and you have to pay taxes.

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The member indicated that it's immoral and that somehow there should be outrage. I have not had one complaint from any members of the public with reference to this change. I might indicate that it does not cost the taxpayer a single cent. Really what it does is it converts all the plans that are in this House to RRSP contribution plans. Now we all have the same rules that already exist for all RRSP plans, and that is that you can take out as much as you want or as little as you want; you just have to pay tax on it. What this does is complete the commitment that was made in 1995.

I indicate that for most of us it has no impact at all. Mr Conway indicated, "Well, I have \$1 million and I benefit tremendously." I can tell him I have virtually nothing and I benefit from nothing.

This change makes it into a true RRSP plan, and that's the intent of the legislation.

Mr Bruce Crozier (Essex): I want to support the comments of my colleague from Renfrew in that there are two—

Hon Mrs Ecker: Surprise, surprise.

Mr Crozier: The Minister of Education says, "Surprise, surprise." The Minister of Education also barracked earlier that this doesn't cost the taxpayers anything.

It doesn't cost the taxpayers anything in dollars, but it costs this House a great deal in moral respect.

Hon Mrs Ecker: Oh, wow. When did you start worrying about that?

Mr Crozier: There are two sections to this bill, Minister, that you apparently don't understand. We support the part that supports all Ontarians when they get into some kind of financial or medical difficulty. But the MPPs' side of this bill treats 16 privileged members of this House. That's not right. There isn't another Ontarian in this province who can take their pension money under

the Pension Benefits Act and go out and buy a yacht with it. But it can happen with the MPPs. They can take that money and buy anything they want.

Hon Mrs Ecker: They can take it and pay taxes.

The Acting Speaker: The Minister of Education will come to order.

Mr Crozier: If there are some of those 16 who are in financial difficulty, then they'll be covered under the first part of the act. But three years ago the Minister of Finance stood here and said, "We're going to lock in all this money we're going to give you, and you're not going to have unfettered access to it." What this amendment does is it takes MPPs out of the Pension Benefits Act, treats them differently than all other Ontarians—

Hon Mr Stockwell: Well, we are different.

Mr Crozier: We are not different. The Minister of Labour says we're different. In this case we're not different. We should be treated like all other Ontarians.

Mr Galt: As I stand to respond to the member for Renfrew-Nipissing-Pembroke, I think it's interesting—

Hon Mrs Ecker: The Liberals said they want their pension plan back.

Mr Galt: I just heard it called across the House that the Liberals would like their gold-plated pension plan back. I'm a little surprised that you would say that you wanted it back and would openly admit it here in the House.

On page 8 in the Common Sense Revolution, of which we had several copies made—

Mr Crozier: On a point of order, Mr Speaker: The member said that I said I wanted the Pension Benefits Act—

The Acting Speaker: That's not a point of order.

Mr Galt: I can understand why they'd be upset with having made that comment. In the platform in 1995 it stated: "Under this plan, MPPs' pensions will be abolished and replaced with an RRSP contribution program similar to those used by other professionals in Ontario. The tax-free benefits paid to politicians will also be abolished"—something we did, just as we promised. "They will be paid a straight salary, just like ordinary Ontarians." Exactly what we said we would do, we did.

Then it goes on: "With fewer MPPs, we can also cut the cost of running elections by working co-operatively with Elections Canada to do the job." That was a little difficult because we got the Liberal voters list from Ottawa and I can tell you, it was quite a mess. Maybe by the time we get finished working it over and redoing it, it's going to be a lot better for the federal Liberals coming up to the next federal election. I just thought I'd bring some of the platform to your attention.

The Acting Speaker: Response?

Mr Conway: Three things. I want to say to the parliamentary assistant that I paid very careful attention to what he read and I want to return to Minister Eves's statement of April 10, 1996. It was very clear what the policy intended. Going forward, for new members there would be an RRSP plan, and to that extent he's absolutely correct. For the retirees there was going to be an

annuity purchased that would provide the level of entitlement that had been promised.

My complaint is with the third group, the group of members who were vested under the old plan but are still here. It's very clear what was intended. The Minister of Finance, then as now, Mr Eves, said that those members who were vested would have their money transferred into a locked-in retirement account. We're not doing that. We are retroactively changing that, and that advantages 61 people in a way that is not generally available to other people. I think that is wrong and that should be dealt with. I can't be clearer on that. I don't quarrel with the RRSP plans as you reported, because that's what we're doing. That's not my complaint. I expect this House to do something about it, because otherwise this is good policy and it should go forward.

I want to say to every member here, this is a crucial point, because I honestly believe that it speaks to the values of honour and integrity. This bill can only carry if we vote for it, as is or as amended. I want to vote for this policy, but I will not vote for this bill unless and until that offending section that I've complained of in this speech is dealt with.

The Acting Speaker: Further debate?

Mr Bisson: Before I commence, I would like to indicate for the record that we're deferring the lead to our critic—he's in the House leaders' meeting tonight with the other House leaders—until the next chance we have to debate this. That's unanimous consent sought. Agreed? Agreed. There you go. Thank you, Speaker.

Mr Conway: I take it tonight they're at the House leaders' dinner party.

Mr Bisson: That's where they're at; just exactly where Dwight and the rest of them are at.

First of all, I'd like to take the opportunity to comment on this particular bill. As I said earlier, all of the government members have gotten up in this debate and said how wonderful this bill is for the people of Ontario and how MPPs should never be seen speaking against this bill, voting against this bill, speaking against any parts of this bill; otherwise, it would be just a terrible thing.

For the record, I want to speak to a couple of items that haven't been spoken to yet, and if I get an opportunity, I'll come back to some of the points that were already made. As you know, we only get 20 minutes now to debate bills after we've done the leads, a rule that was changed by the Conservative government. Newly elected members would have no idea how this Legislature used to work at one time when people really did have time to debate issues. There was really some give and take and there was really some work done by House leaders, and there was really an ability to try to find a consensus on bills. What we have now is a government that rules by decree and moves everything by way of closure motions, something that has become the norm around here, rather than what it used to be before.

As I said, the government said: "This is a good bill. There is nothing but good in this bill. There is nothing bad about it." I want to raise two specific amendments

that this bill makes to other pieces of legislation that I think Ontarians should be careful about and should pay special attention to.

The first one deals with multi-employer pension plans. Under clause 8(1)(a) of the Pension Benefits Act to which this bill is making amendments, we are going to be making changes to how multi-employer pension plans operate in Ontario. You would know, for example, in the trucking industry and the construction industry and a multitude of other industries, the individual employers may not be large enough to go out and purchase, for a good buck, a pension plan, so they bind themselves together by industry and go out as a group of employers to buy a pension plan for their employees as was negotiated in their collective agreement. We see that as the common way of doing things, for example, in the construction industry.

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In this bill, there are amendments under the Pension Benefits Act that say that the rights workers won in court saying that multi-employer plans must be administered by a board of half employers and half employees would be gone.

You would know that workers in the past have gone to court and have argued successfully in a case where multi-employer pension plans were being wound up that there needed to be a board of administration put in place, or as we call it, a board of trustees, where half the board is made up of workers and the other half is made up of employers.

Under this particular bill and amendments that we're making under the Pension Benefits Act, clause 8(1)(a) says that basically it would allow multi-employer pension plans in windup situations to allow one employer to administer the pension plan, no longer any board, no longer any workers on that board having the ability to decide where monies will be invested to make sure there are dollars there when their members retire in the future from other employers, no ability to—

The Acting Speaker: Could we just have some order. Take some of these conversations outside. I'm having some difficulty hearing the member from Timmins-James Bay.

Mr Bisson: As I was saying, the government is very proud in saying there's only positive in this bill, there's nothing wrong, and it helps workers and people all over the province. One of the things that we're finding out is it's allowing employers and multi-employer pension plans to get away from the trustee boards that we have now, where half are appointed by workers and the other half are appointed by the employer; rather, we're going to a system that will allow the employers to decide among themselves which of the employers would administer the pension plan. That has huge consequences to employees in windup situations. For example, in a particular group of employers where the pension plan is to be wound up it would allow a particular employer to decide where monies would be invested, how monies would be dealt with. It would allow a number of decisions to be

made that, quite frankly, would affect the viability of that plan for future retiring workers and would also affect the ability to pay out existing workers monies that they're due.

That is but one section of the plan that I have great problems with and one of the reasons I will vote against this legislation, because I've always believed that workers have the right to sit on pension boards to make decisions along with their employers about where money is going to be invested and about how that money is going to be dealt with. In the end, it is a benefit that was negotiated by the employees from the employers. It's employees' dollars, so those employees should have the ability to sit on the board and decide what happens with some of that money.

There is another section of the bill that I think is even a little more distasteful, if you really listen to this, and I would urge members on the government side to really read the legislation and not just read your briefing notes that you get from the caucus services or wherever you get your particular briefing notes from. If you go on to the bill and have taken the time to read, you're making amendments to the Pension Benefits Act. Under section 93 and subsections 95(2) and (3), read what it does over there. It eliminates for some workers the right to move into what they call a growing-in factor within the pension plan. Let me explain that.

Under the current pension legislation, for example, let's say that you've been working somewhere and your retirement factor is 80. Your age and your years of service must total 80. Let's say that your particular employer goes under and between your age and your years of service, you're at factor 78. Under current pension laws, you may not be accumulating time as far as seniority working, but in two years' time when you reach your factor 80, because you're two years older, you have the right to collect your early retirement provisions of your pension. And that's very important. I look at workers of Macassa mines. I look at workers at the Royal Oak mine in Timmins. I look at people up at the Detour Lake mine. I look at employers across Ontario that have had to close their doors because of what has happened in the economy or for whatever reason. What we have is a number of older workers, aged anywhere from their 50s and up, who have provisions within their pension plans to be able to retire at a factor 80 or 85.

Under the current pension laws in Ontario, laws that quite frankly have been made to give some protection, we have the ability to increase your factor number with your age even after the employer has closed down their doors. So under the current situation the employer, for example, Macassa mine, the Royal Oak, closes, the persons that factor 85 as the magic number, the person only has, let's say, 78 or 79 years of service with age. They're able in a year or two, whenever they reach their 85, to go in and collect their pension.

Under this particular legislation, and under amendments made to the Pension Benefits Act, you would not have the ability to do that. It takes away that right from

workers. You're saying: "We're proud, as Conservatives of bringing forward this legislation and giving people in the province of Ontario the rights that they're getting under this bill. Nobody else would have the courage to bring forward such legislation." That was the mantra spelled out by the Conservative members. You're darned right you're the only ones who would decide to do this, because an NDP government certainly would not bring in provisions like that, which will strand the most vulnerable workers in Ontario, those older workers who have been working somewhere for 25 and 30 years, whose employer has shut down. You will bar their access to pension under the early retirement provision. They will now have to wait until age 65 to get their pension dollars rather than being able to kick into the early retirement provisions that exist within the current pension plans.

It's not me saying this, out of sorts. I want you to go read your legislation. That's right. Open up that book and take a look at the amendments you're making under the Pension Benefits Act, section 93 and subsections 95(2) and (3).

Another thing you're doing, also under the Pension Benefits Act, is that you're making amendments inside that particular act that would allow interprovincial employers to cover employees through other provincial pension legislation. Now you say: "Well, what does that mean? That's a bunch of legal jargon. What does it really mean?"

What it means is that if you happen to be working for an employer who has offices outside of the province of Ontario, under the current pension legislation, even though their head office might be in Regina, it might be in Vancouver, it might be wherever, the employer must utilize Ontario pension rules when it comes to putting together the pension plan for the employees working in Ontario. The rules basically say "where the majority of employees exist." In Ontario that means we follow Ontario pension rules in 95% of cases.

Under amendments made under this act, I think it's 95, this particular one, it says that the employer will have the choice to go shopping around other provinces and park themselves under the legislation that gives them the best deal. For example, if Ontario pension rules allow provisions that give workers some additional rights to their benefits or the benefit itself as far as cash or benefits are concerned, that employer would be able to say: "Hang on a second. If I park myself under, let's say, Alberta's pension legislation, we don't have to pay as much because the benefits will not be as much as required under the law and the various statutes that flow within in."

The Conservatives get up and say only they have the courage to bring forward legislation like this to give Ontarians a good deal. I say again, an NDP government would not put in place that type of legislation, and that's one of the other reasons that we're going to vote against it, because this government, by way of amendments to the Pension Benefits Act, is going to give employers the ability to basically shop around other provinces to see

what pension legislation best provides relief for them as employers when it comes to their liabilities around pension.

Those are only three such sections inside this legislation that I found just by reading through the legislation on the weekend and tonight that I can see that basically have some very big question marks associated with them where workers are going to lose a number of rights.

I also want to get on the issue of giving people the ability to cash out RRSPs for catastrophic reasons and for financial hardship reasons. Let me, for the record, say this: When it comes to catastrophic reasons, I have no argument. If, for example, a person is mortally ill from whatever disease, or they know their quality of life, in a short period of time, is going to be such that they will not be able to enjoy retirement in the years to come because they know they're going to be ill with an illness that will disable them to the situation of not being able to get around and enjoy those things that we'd like to do in retirement, certainly, no argument.

A person has \$50,000 or \$60,000, or if they're lucky \$100,000, in RRSPs. They're 40 years old. They find out: "My Lord, I've got multiple sclerosis. I'm being told that by age 50 I will not be able to get around again. Jeez, I wouldn't mind taking \$20,000 and going off on a holiday somewhere or buying myself a van for the disabled"—or whatever it might be. I agree. In those conditions that makes a lot of sense. I commend the government for that part of the bill. If you can carve that out, I would vote for that, no question. I think that makes a lot of sense.

2100

Where I have problems, and this is where I'm sure I'm going to spark some interest from the government side, is in allowing people to cash out money because of financial hardship. There are all kinds of cases that will be able to be made or that people will try to make to get access to their RRSPs in case of financial crisis.

The first problem I have is that we're passing this bill through a pig in a poke because the regulation has not been written yet that defines what financial hardship will be. That could be this wide or that wide.

I look at the members across the way and it may turn out in the end—I'll give you the benefit of doubt, Wayne—that your government in the end might say, "Oh, it's only under very specific situations that this will happen." Maybe. Or it might be in a situation—

Interjection.

Mr Bisson: I told you I'd raise the ire here. It might be that when they come to define this by way of cabinet committee and by way of cabinet itself, they will give a definition that's this wide. There's a problem with this because there's going to be a huge amount of temptation on the part of people to say: "Jeez, I lost my job. I'm 52 years old and I'm not quite ready to retire. I've got \$120,000 or \$140,000"—whatever the number is—"in locked-in RRSPs. If I can only get access to, let's say, 60% of that money, maybe I can go out and try to start up a business." The government says, "That's a good thing."

Interjection.

Mr Bisson: Hang on. Just hear me out. There are going to be situations, and you know it as well as I do, where people are going to be very tempted to try to get access to that money. They may end up blowing it on a bad investment or utilizing it to offset debts they've got.

For example, a person is almost in personal bankruptcy and says: "I'm under financial hardship. I need to get access to my \$150,000, so let me cash out my RRSPs." They slap the money out of the pension plan, which is the RRSP plan, and they go out and pay their bills. That fixes the problem for the instant, but what it does is take away certain benefits that person would have received in the years to come. When they should be retiring, they'll find themselves without the money.

That brings me to my point that I have not been a big fan of RRSP-type pensions. I believe defined pension plans, by and large, are a better model. There are few people, even in this Legislature, who are good enough money managers, who will resist the temptation to get at that money to do whatever with it and won't put themselves and their families in a position of not having the dollars when they retire.

You just have to go around this Legislature. When MPPs, the 61 of us, got our pension plans cashed out, part went into a locked-in process. There was another part that wasn't locked in that people were able to get their hands on. I would really like to know, because in talking to government members, members of the Liberal caucus and my own, a majority of those members cashed out the money to pay off debts. MPPs are like anybody else. We have mortgages and car payments and Visa bills and all of those kinds of things. People could not resist the temptation to run to that RRSP money rather than leaving it inside their RRSP pension plan. Because it wasn't locked in, they took the cash out to pay bills. They find themselves now, two and three years later, going: "Well that was kind of nice. I paid off my bills but now I've got other bills to replace those and I don't have the money any more. Rather than having X amount of money in my RRSP's locked-in program, I've got substantially less."

I just say that in this case what is going to happen is there going to be a temptation on the part of many people to go in and get access to their RRSPs when it may not be a good thing in the long run.

It might even, I would argue, put a spouse in a very difficult position. For example, you're an individual who is 52 years old and you've got, let's say, \$180,000 in RRSPs. You make a financial hardship argument before the board. You win the financial hardship requirement. You get, let's say, \$150,000 out of the RRSP and all of a sudden you go broke with that investment you supposedly made, or you paid off your bills, and you find yourself, 10 years later, trying to retire and there's no money there.

What happens is it's not only you, as the individual who cashed out the money, who will pay the price; it will be the spouse, who in this legislation has very little protection in making sure that his or her money is not

cashed out frivolously to pay off debts that shouldn't be paid off by way of RRSPs.

So there are a lot of parts in this bill that I have a great problem with. The other one is the special treatment we're giving MPPs when it comes to cashing RRSPs. We're saying everybody else in the province of Ontario will be able to access RRSP dollars in the event of either a catastrophic illness or special hardship. RRSP programs for MPPs, for the 61 of us who have been vested, and I'm one of them, won't have that requirement, Mr Speaker, and neither will you, Mike Harris or Norm Sterling. All of us at age 55 will be able to go, under this legislation as it's written, and say, "I want to take \$50,000 or \$100,000 out of my RRSP and I'm going *hasta luego*," I'm off to wherever I'm going. It will be our right as individuals to do so. But nobody else in Ontario will have that kind of lax requirement when it comes to getting access to RRSPs.

I come back to the point that I made earlier: It may not be a good idea that we as MPPs go out cashing that money at age 55 to take that trip, wherever we want to go around the world, because we might find ourselves blowing whatever little money we've got by way of retirement income in a short period of time. You'll find a whole bunch of MPPs walking around the city of Toronto with an old, yellow newspaper saying: "You remember me? I used to be somebody, and now I'm broke and I've got nothing."

That's what is going to happen to some people around here, because being an MPP doesn't mean you're an excellent financial manager. There are many people in this House from all sides, and I know a lot of them on your side, who have a problem trying to manage their own financial accounts when it comes to their family budgets. They'll find themselves in a situation of saying, "Let me get some of that cash and I'm going to go out and pay off those bills."

They're those MPPs, I can just see them, who are going to be down there: those street people you guys always complain about. They'll have those old, crumpled, yellow newspapers and they'll say: "See me? That's my picture when I was 43 years old. I used to be an MPP." They won't have anything to live on any more.

Maybe it'll serve them right for having done the type of thing they're going to do by way of this pension legislation. I will vote against this bill on the basis of the comments I've made in the House tonight.

The Acting Speaker: Questions or comments?

Mr Galt: I was certainly entertained by the presentation of the member for Timmins-James Bay. It's interesting that he agrees with one part of the bill. He talked about the shorter life expectancy and possibly taking a trip and seeing something during those last few years, and it's very thoughtful that he agreed with that. But he really was very passionate about not agreeing about hardships.

I've had people phone me and I just can't understand why he would be so vehemently opposed to helping these people in hardship. They need the money now. They

need to get their lives straightened out. Nothing is coming in, unemployment is gone and they're in trouble.

He's worried about people not knowing how to spend their own money, and that's really the difference between their party and ours. We believe that people can be responsible and should be responsible for looking after themselves. He believes that government knows best and that government should be looking after everyone.

I recognize there is a very basic difference between the two parties, and I respect him for that and the direction he's going, but certainly I believe, as our party believes, as this government believes, that people know how to spend their money better than government knows how to look after their money.

I think he touched on it, but just to zero in on some of the consultation and the support that we have from CARP, the Canadian Association of Retired Persons: I can't think of a group that would be better to take advice from than CARP. These are the people who have formed an organization, who have been through this. They have experienced it, they have personal involvement and they understand some of the situations that people get into whereby they should be able to access their pension plan, those dollars that are in there, when they need them, and they know when those are really needed.

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Mr Bryant: I'll join all those who applauded the comments of the member for Renfrew-Nipissing-Pembroke, the longest-sitting member of this House. He talked about sections 20 and 21 of this act. Let me be clear: I'm not imputing motives upon the beneficiaries of this act under sections 20 and 21. I just don't understand why the government would give the public, or for that matter the opposition, the opportunity to say that this is a cash cow for a chosen few. If there's any doubt that it's a cash cow, I would refer to the comments of the longest-serving member of this House, who I was glad to see didn't get heckled. I don't deserve that honour yet, so heckle away at me. I've been serving the least amount of time here in this House, along with 14 other members. So go to it, honourable minister. He said, and I haven't heard him say this before, since I've been in this House, and those of you who have been around much longer than I will know that he doesn't stand up and call legislation immoral on a whim—he may oppose legislation from this government often, but he said it was immoral. I'll be curious to see—we all have litmus tests of loyalty to the leader from time to time, and votes from time to time. But on legislation—

Interjection.

Mr Bryant: No. This legislation is different. This is legislation which will permit the beneficiaries, including the Premier and others in our caucus, a cash-out of \$1 million, *ba-boom*. That's exactly what they can do under these new rules. It's a flip-flop from the position taken by this government where it'll be interesting to see—

The Acting Speaker: Thank you.

Interjections.

The Acting Speaker: No. Sit down.
Member for Durham.

Mr John O'Toole (Durham): Mr Speaker, the member for St Paul's certainly tried his best to beat the clock.

I want to follow up from the member for Timmins-James Bay. I am having some difficulty with his consternation. It's the greatest good for the greatest number. There has never been a bill here that has been perfect. For the most part this piece of legislation, Bill 27, goes a long way to recognize a serious change in the needs of society. I think that's the most fundamentally important part of this legislation. I can quote our Minister of Finance, Ernie Eves, who may be a net beneficiary: "If passed, this bill will permit persons facing considerably shortened life expectancy due to critical illness to withdraw all monies from their pension or locked-in accounts. Those in financial hardship would apply to the superintendent of financial services to determine whether they meet the necessary criteria to access some or all of the locked-in funds."

I don't think anyone here, in good faith, in good conscience, could even consider voting against this, when you think that our population is aging, living longer.

To finish, I was in my office listening to the remarks by the member for Renfrew-Nipissing-Pembroke, who of course is one of the net beneficiaries of this small, innocuous, little bill. He took great exception—I had to turn the volume up because I didn't want to miss his spectacular oratory, but I had some problem with the content. I thought the only thing is, he gets it both ways. He gets to talk against it and he gets the bonus. I have a great deal of respect for the member, but on this side we do what we promise. That's exactly what we deliver. It's for the retired people of this province.

The Acting Speaker: Response?

Mr Conway: I just want to say to my friend Mr O'Toole that he is—

Interjection.

Mr Conway: Member for Durham, this is a serious issue. The member for Durham makes a point about his apparent powerlessness. He's a member of this Legislature. We have some powers. I think it is generally understood that this is a bill with a lot of good policy. I want to say to my friend from Durham that I hope we have not reached a point where members of the government caucus feel utterly powerless to change that which I believe any fair-minded person would want to change. I repeat, the overwhelming majority of this bill is good and sensible policy. It should be supported; it should be moved forward as expeditiously as possible.

There is a rider in this bill that affects a number of people—myself and the leader of the government. I want to say very seriously that I can't believe there is anyone in this day and age who imagines it is going to be possible for the leadership of the government, the leadership of the Legislature, the leadership of the community to say, "One rule for you and another rule for us." That's the problem here.

I say to my friend from Durham, there is broad agreement on which we can move forward. There is one part

of this bill that I believe he understands and knows to be wrong, wrong for a whole bunch of reasons, wrong because it treats some people more preferentially than others, wrong because it subverts the solemn promise made three and a half years ago as to what we were going to do with those people who were going to be vested. They were going to be vested in locked-in retirement accounts. That we can change, I say to my friend from Durham. Stand in your place and change it.

The Acting Speaker: In response, the member for Timmins-James Bay.

Mr Bisson: Thank you very much to all the members who made comments on my contribution to this debate. I just want to say again to the members across the way that I support the idea of allowing people who find themselves with a health condition that is catastrophic to get access to their RRSP. If you want to carve that out of the bill, I would have no problem supporting and voting for that. I do, however, have a problem with a number of provisions in this bill that take away pension rights from workers. I spelled those out in my debate earlier and I still maintain that those are steps in the wrong direction.

With regard to the issue of allowing people, including MPPs, to cash out part or all of their RRSPs for financial hardship—in the case of MPPs they won't even have to do that because special treatment is given to MPPs—I'll say it again and it's not popular with certain people and I understand that. We say: "Hey, those are my dollars and I want access. Nobody should come between me and my ability to get at my money." But you forget that the reason these provisions were put in place under the existing legislation was in a sense to protect people from themselves. I know it's not popular to say that, but there's a temptation on the part of a lot of people to get access to their RRSPs early, to cash them out to pay off debts, Visa cards, whatever it might be, and they will put themselves in a position at a later date of not having the adequate amount of dollars in their RRSP locked-in program to have an adequate income in retirement.

Should we allow people some form of access? I'm open to that debate and I suppose there are some ways we maybe can do that constructively, but I worry that some people will see this as an ability to get their hands on their dollars and spend away their retirement income, and that is something they will have to pay for much later.

The Acting Speaker: Further debate?

Mr Bart Maves (Niagara Falls): I also believe that the most important part of this bill is something that Mr Stewart and Mr Tascona touched on: giving people access to their funds in hardship situations. But I want to deal with what some of the other members have raised, the MPP pension part of this. I want to go back to 1994, after I had read this document, the Common Sense Revolution, and I agreed, based largely upon the contents of that document, that I would run for office in the riding of Niagara Falls for this party.

One of the things that frustrated voters for so many years was gold-plated MP and MPP pension plans. The MPP pension plan basically went like this: If you were

elected one time, served a term and then were re-elected again, you would be eligible for a pension for the rest of your life, and the longer you served the higher that pension was and it would be fully indexed for inflation for the rest of your life. Most people in Ontario and Canada were very frustrated with their politicians, MPs and MPPs, having those types of pension plans. We ran and said we would replace this pension plan with an RRSP contribution plan.

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I don't have a lot of money. I'm a young man. My wife and I went through university and we acquired some debt because we had to pay tuition. The members opposite would have you believe that no one, except in the last four years, ever had to pay tuition, but we had to pay tuition and we had debts; we own a house, we have a mortgage, and I have a car loan and so on. We don't really have a lot of money to invest. But my understanding of an RRSP is that I can invest that money and I get a tax break for doing so, and then that money grows in an RRSP tax-free. At any point in time I can withdraw that money. However, when you do withdraw that money it's taxed at the current rate, so you're sensible not to touch that money until it has had a chance to grow tax-free and you're retired and you don't have other income coming in so it's not taxed at a higher amount.

When I ran, I could say with a straight face that when we passed our bill, we moved to an RRSP contribution plan. Members of this Legislature now receive \$4,000 a year, roughly, that goes into an RRSP plan, the controller of which was picked by a member from each of the three parties—not the greatest-performing fund, I must say, at this point in time. But that money goes into that fund and I don't touch it and I'm not going to see it until I retire, until I'm 55 years old. My understanding of RRSP contributions is that I can get at them at any time, any RRSP contribution I happen to make, and I have to pay tax on that.

The 61 other members, 13 of whom right now are Liberals—Bradley, Brown, Cleary, Conway, Cordiano, Crozier, Curling, McGuinty, McLeod, Patten, Phillips, Ramsay, Ruprecht—some of whom have been here for many years, stood to gain quite a bit from that previous gold-plated pension plan—in fact, I think Bob Rae stood to gain, when he turned 55, about \$135,000 a year in income from the taxpayers of Ontario. I think everyone finds that distasteful.

We replaced that, and monies went into an RRSP contribution plan. I was personally under the impression that anyone at any time could actually cash that RRSP contribution plan but paid taxes on it. When I found that wasn't the case, I was actually quite surprised, so it seems to me that it's only fair that this legislation correct that earlier oversight.

As I said at the outset, one of the key points of this legislation, that many members have talked about, is that of financial hardship. During consultations we've had in the past, many individuals came forward, and I know people have come into my office to talk to me about this

situation. They find they're in dire straits financially and they need access to their locked-in pension monies sooner. What we've done in this bill is said clearly that for those facing financial hardship the withdrawal of the money today is important to protect their own or their family's quality of life and best interests.

I want to read a quote from one particular individual during the time we had consultations on this. This is a lengthy quote, Speaker, and I apologize, but I think it brings home to people at home watching tonight the hardship that some people do suffer, the situations they are in and the unfairness that currently their locked-in pensions present them. The woman says:

"In December 1996, my husband suffered a debilitating stroke. After several months of rehabilitation it became apparent that he would never be able to return to work. It is now over eighteen months since [he] had the stroke [His] sudden incapacity has left me facing considerable debt We are living in a home where we cannot afford the heat or maintenance We have no bath or shower. Walking is impossible without a cane and night-time manoeuvring is dangerous We must move or renovate to reduce costs.

"We have been desperately looking for solutions that will allow us to pay our debts and retain our independence without relying on government-subsidized retirement homes I am selling all but essential possessions."

This couple has several hundred thousand dollars in life insurance, paid in full through decades of premiums. However, they themselves point out that to access the funds needed, "We have to die first." They told us at the consultation: "We have sponged from family and friends and have nowhere else to turn. Please help us to get our money. We are not asking for a handout but a hand up."

That is a situation that this bill addresses clearly. People will have access to those monies, other people in other situations with pension funds and similar hardships, after applying, I might add, to the superintendent of financial services and meeting specific criteria for eligibility under financial hardship, which will be out there. The member opposite said he's concerned that those criteria aren't before us yet, but I would remind him that for all governments and most pieces of legislation, those regulations pretty much always follow the passage of a bill. You wouldn't make a regulation, in most cases, for a bill until the bill passed, because if the bill didn't pass, you would have gone ahead and made a whole bunch of regulations that you couldn't apply anyway. It's only the passage of that bill that allows those regulations to take place.

I'm going to support this bill. I, like my colleagues from Durham and Hamilton-Wentworth and from the Barrie area, Mr Tascona, and several other members of the Legislature who have talked about this, have pointed out a very important piece this adds for seniors. We've pointed out that CARP, the Canadian Association of Retired Persons, is a very strong backer of this legislation. They have advocated for this before. As I said, not only did we have people who came to us with these

problems in the consultation process, but we come across lots of people in our own offices who come to see us in desperate situations facing financial hardship, but they can't get at that money, which they rightfully should be able to get at. This legislation will address that. It's got the endorsement of the Canadian Association of Retired Persons. I know this has the endorsement of a lot of other groups out there.

For my part, I'll continue to collect my \$4,000-a-year RRSP contribution. I willingly voted to be worse off than any of my predecessor MPPs in the province who tapped into that previous pension plan. To be perfectly honest and frank, a lot of people don't even realize that I no longer qualify for a pension other than an RRSP contribution plan. I even had close friends and neighbours, two of them, actually, in the post-election say, "The one thing I'm happy for you about is that now you've got that pension." I said: "No, I don't have that any more. One of the very first things we did when we were elected was to get rid of that." I gladly did that, because it was high time that tax-free allowances and those special gold-plated pensions and all those other little perks that previous members had—

Interjection.

Mr Maves: —members like Mr Bisson from the NDP, across the aisle, Mr Christopherson, Churley, Hampton, Kormos, Lankin, Marchese, Martel and Martin. They had all the benefits of those things. They never moved to do anything about those gold-plated pensions. They never moved to do anything about those beautiful—

Mr Bisson: On a point of order, Speaker: He just forgot to mention names like Mike Harris, Norm Sterling, Mr Runciman, who benefited—

The Acting Speaker: Order.

Mr Maves: Well, maybe I didn't mention Bradley, Brown, Cleary, Conway, Cordiano, Crozier, Curling,

McGuinty, McLeod, Patten, Phillips, Ramsay and Ruprecht.

Anyway, they were here for many years, they were in government for many years, and it was their government that failed to do something about it, which led to increased frustration among members of the general public about all the tax-free allowances, all the perks and the gold-plated pension. We finally did something about it in 1996, and I'm going to stand by that even though the federal Liberals continue to refuse to do anything.

I'm going to leave the floor now. My colleague Mr Kells has an opportunity to talk for the final 10 minutes or so of tonight's debate. I thank all of you for allowing me the opportunity to participate in tonight's debate.

Mr Morley Kells (Etobicoke-Lakeshore): It's a pleasure to rise and talk and join with my colleagues to support Bill 27. I think the benefits of 99% of the bill have been obvious to the speakers here this evening. The reason I've chosen to take these few minutes to talk on the bill is because I have a genuine interest in what the bill does and the reasons behind the government moving, as we are, to rectify a situation that has gone on far too long.

The first opportunity I had to stand for political office was in 1971, and that was in my current riding of Etobicoke-Lakeshore. Although the boundaries have changed it's been generally the same area all these many years. Probably the biggest shock I had in politics back in 1971 was when I went door to door and found so many elderly women who were living in rooms or small quarters and obviously living on very reduced—

The Acting Speaker: Thank you. It being 9:30 of the clock, this House stands adjourned until 1:30 of the clock tomorrow afternoon.

The House adjourned at 2131.

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		Windsor-St Clair	Duncan, Dwight (L)
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		York West / -Ouest	Sergio, Mario (L)

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