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**Chair**

**The Honourable Judy Sgro**

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## Standing Committee on the Status of Women

Thursday, June 8, 2006

• (0910)

[English]

**The Chair (Hon. Judy Sgro (York West, Lib.)):** I call the meeting to order. This is the seventh meeting of our Standing Committee on the Status of Women. We are very pleased to welcome several people from the Department of Social Development who are with us today.

We have Susan Scotti, Assistant Deputy Minister, Social Development Sectors; Deborah Tunis, Acting Assistant Deputy Minister, Social Policy; Lenore Duff; Sandra Harder; Mitch Bloom; Caroline Weber; and Nancy Lawand.

Since we have all of you here, as well as the majority of our committee, thank you very much for agreeing to come and talk about an issue that's extremely important to all of us on this committee.

I would now welcome you and invite you to address the committee.

**Mrs. Susan Scotti (Assistant Deputy Minister, Social Development Sectors, Income Security Programs, Department of Social Development):** Thank you, Madam Chair. Good morning, Madam Chair, vice-chairs, and members of the committee.

[Translation]

I would like to begin by thanking you for inviting us here today.

[English]

We're delighted to be able to be with you. I and my colleague, Deborah Tunis, look forward to sharing with you some of our perspectives and knowledge on women and poverty. We look forward to your questions and insights on this very important topic.

I'm going to turn it over to Deborah. We're going to be a bit of a tag team here this morning on the issues.

**Ms. Deborah Tunis (Acting Assistant Deputy Minister, Social Policy, Department of Social Development):** We will be within the 10 minutes allotted. We've divided up our time.

As you're already aware from the briefings you've received from Status of Women Canada and Statistics Canada, significant strides have been made in recent years in improving the low-income situation of women in Canada. The low-income rate among females in Canada has been steadily declining since the 1990s, and that trend is reflected in all provinces.

[Translation]

However, we still have significant challenges in addressing the gender differences in low income rates, particularly as they affect

single senior women, single-parent families headed by women, and women with disabilities.

[English]

A number of federal mechanisms specifically address the needs and efforts of low-income women. Setting aside for a minute our discussion of programs for senior women, which Susan will address, I'll highlight five that are particularly important to women.

The child support reforms of 1997 ensure fairer, more predictable support amounts and improvements to the enforcement and tax treatment of child support, and thus help lone parents meet the needs of their children. Justice Canada is responsible for this initiative.

Since 1998, the child tax benefit has included a national child benefit supplement to provide additional monthly benefits to low-income families with children. An important feature of the child tax benefit is that the payment is generally made to mothers, which increases women's control over household resources.

The employment insurance family supplement provides additional help to low-income families claiming benefits by increasing the income replacement rate from 55% to a maximum of 80% of insurable earnings.

Fourth, the Canada Pension Plan disability benefits program is the largest long-term disability insurance program in Canada. It's designed to provide financial assistance to CPP contributors under 65 who are unable to work because of a severe and prolonged disability. Benefits are paid monthly to disabled workers and their dependent children.

Finally, under the proposed universal child care benefit, all families will receive \$100 per month for each child under the age of six to help them balance their work and family life. Budget 2006 also announced that \$250 million would be set aside next year to support the creation of new flexible child care spaces. These investments are particularly important to low-income women, including female lone parents.

[Translation]

Now, I would like to take a moment to discuss women's caregiving responsibilities and how they affect women's worklives.

[English]

The increased participation of women in the paid workforce, especially women with young children, has been one of the most significant social trends in Canada in the past 25 years. It's not possible to directly assess how the labour force participation rates for women are affected by the availability of non-parental child care alone.

Despite increases in the use of non-parental child care, the provision of care by parents remains the primary arrangement for almost half of families with young children. Many women work part-time or take on non-standard work to accommodate child care or other family responsibilities. This is true in particular for women aged 25 to 44. We also know that one-third of women aged 25 to 44 who were not in the labour force in 2005 cited family responsibilities as a key factor in their absence from the labour force.

We've been doing some work on broader caregiving responsibilities. Women traditionally play the predominant role in caregiving for the elderly. In Canada, this caring role affects a large proportion of the population, as roughly one million Canadian seniors receive formal and informal care for a long-term disability or physical limitation. Research has shown that working women are just as likely to become caregivers as their non-working counterparts, although working women who take on caregiving tasks may reduce their work hours. Providing this care is costly for those who provide it. Less time spent in the labour force may limit women's earnings and therefore the capacity to build up future retirement incomes.

As the Canadian population ages, there are also additional pressures on families to take care of elderly relatives. I know this is an area that the committee may have an interest in, and I want to take a few minutes on this point.

Employment-related costs arise when informal caregivers accommodate their employment to meet caregiving responsibilities by changing work patterns, reducing hours of work, declining promotions, or even quitting. In addition, those with elder care and/or child care responsibilities often find it difficult to balance work and personal lives and often experience stress as a result. The difficulties faced by caregivers in trying to find a work/life balance are also reflected in higher rates of work absenteeism, being unwilling or unable to work extra hours, and indirectly increasing the burden on co-workers.

We know the employment-related consequences of caregiving are not shared equally between men and women. Among men and women aged 45 to 64, almost twice as many women change work patterns to adjust to caregiving demands, and more women reduce their hours of work, compared to men.

• (0915)

[Translation]

That said, some caregivers may shoulder a costly burden, which can affect their income throughout their lives, by reducing their labour force participation, their ability to save for retirement, and their pension contributions. As such, they may be at greater risk of falling into low income than those who did not provide care.

[English]

The federal government has introduced a number of initiatives designed to support the informal caregiving activities of Canadians. The federal tax system allocates an estimated \$70 million per year to caregivers via the caregiver tax credit, as well as \$6 million via the infirm dependant tax credit. I think the committee may be bringing officials from the Department of Finance to talk more about the tax credits.

Through the employment insurance compassionate care program, workers receive benefits to provide care and support to a gravely ill family member. Other federal initiatives include the Canada Pension Plan general dropout provision, the veterans independence program, and the first nations and Inuit home and community care program.

At this point, I'll turn it back to Susan to talk about seniors.

**Mrs. Susan Scotti:** Thanks, Deborah.

Let me give you a quick overview on some of the features of our retirement income system.

It's a retirement income system that is recognized worldwide as one of the best. Over the past 25 years, low income among seniors, including female seniors, has been significantly reduced, primarily as a result of the maturation of the Canada Pension Plan. Poverty among seniors aged 65-plus has fallen from a high of 20.8% in 1980 to 6.8% in 2003. It's quite a remarkable achievement.

Nevertheless, the incidents of low income among unattached women remain high. Consequently, a higher proportion of women receive the guaranteed income supplement, or GIS as it's known, along with old age security, OAS, as their main sources of income, compared to men. In 2003, OAS and GIS, the spouse's allowance, comprised 32% of senior women's annual incomes, compared to approximately 17% for senior men.

Of course, men and women have different life course trajectories, which lead to different retirement income needs. Women are also living longer than men, which causes them to fund retirement over longer periods of time. Because of their longevity, senior women are more likely to live alone later in life, potentially assuming overall responsibility for household financial burdens.

[Translation]

Due to increasing numbers of women who participate in the labour force, it is likely that future cohorts of women will be in a better financial position at retirement. However, women will continue to face unique retirement challenges, including greater life expectancy and continuing expectations to provide care, relative to men.

[English]

Turning for a few minutes to the federal programs that support senior women's income security, I'd like to briefly outline some of the features of old age security, the guaranteed income supplement, and the Canada Pension Plan.

Old age security is a residence-based pension program based on age and years of residence in Canada. It effectively recognizes the contribution made by seniors to society, regardless of whether they were doing paid or unpaid work.

Additional benefits that specifically target low-income seniors, the majority of whom are women, include the guaranteed income supplement, which is available to low-income OAS pensioners, and the allowance that is available to low-income spouses, common-law partners, or survivors between the ages of 60 and 65.

I'd also like to outline some of the key elements in the design of the Canada Pension Plan that either generally or specifically target women. The CPP is a contributory-based public pension program that includes the following provisions. It covers workers in all sectors of the economy and it is an important feature for women who tend to work in sectors with low rates of employer-sponsored pension coverage, such as business and personal services. It covers part-time and self-employed workers earning over \$3,500 per year, many of whom are women, and it's a portable system, meaning it does not penalize workers who change jobs. It also provides an important provision, a child-rearing dropout provision known as the CRDO. This allows parents to exclude no-earning or low-earning periods associated with the care of a child aged seven and under, effectively increasing the value of a person's benefits. About 94% of persons who claim the CRDO are women.

The CPP also provides a general 15% dropout for periods of low earnings that can be used for periods while one is in school or providing caregiving. It also allows for credit splitting between former partners upon divorce or dissolution of a common-law union, which effectively ensures that CPP credits earned while living together are split equally.

The CPP also allows for pension sharing for spouses or common-law partners who are in receipt of a retirement pension. This allows for income to be shared between the spouses, potentially benefiting the couple for tax purposes.

The CPP also provides a survivors' pension, with women being the vast majority of recipients of this benefit, and a survivors' children's benefit, which is provided to dependent children of a deceased contributor, effectively helping to provide a surviving partner with additional income with which to raise children.

More recently, the Government of Canada increased the guaranteed income supplement for low-income seniors, the first non-inflation adjustment increase made to the GIS since 1984.

The last budget also proposed an increase to the pension income credit, and measures were introduced to provide some funding solvency relief to define the benefit pension plan sponsors under specified circumstances.

At the same time, our department continuously seeks information and best practices from other countries in order to help learn from

them about measures that have been undertaken to reduce poverty among senior women. As well, we're continuously examining ways to bring more flexibility into the public pension system to reflect the varied life course trajectories of women.

● (0920)

[Translation]

This concludes our opening remarks.

[English]

We would be delighted to take your questions and to work with you on this very important issue.

**The Chair:** Thank you very much. You've touched on many of the issues that are of concern to all of us in the committee.

I would ask Ms. Minna to take the lead.

**Hon. Maria Minna (Beaches—East York, Lib.):** Thank you, Madam Chair. I have so many questions, I'm not quite sure where to start, but I'll get started and then hopefully come back to some of my other ones.

I have two kinds of questions, one that has to do with younger women, because, for me, income security starts younger. Obviously the reason we have poor seniors is because of what happened earlier—otherwise it might not have happened—and it's why we have such a large number of unattached women, seniors, who are in poverty.

You mentioned earlier the \$100. I asked this of the Status of Women earlier: have you done any analysis as to the impact of dropping the young child supplement for children under six and increasing the actual taxation from 15% to 15.5% at that level, and then of course taxing the \$100, because the families who are the poorest are the ones who actually end up paying more taxes on that because they're working?

Then of course there's no child care yet, because the child care agreement was cancelled.

So my question is, has there been any analysis done as to the impact of these measures on women, especially women at a certain income level?

**Ms. Deborah Tunis:** The acoustics in this room are not terrific. If I heard your questions correctly, they're about the elimination of the supplement, the taxation levels of the child care benefit and differential impacts between women and men on that, and was there a third component?

● (0925)

**Hon. Maria Minna:** I guess I'm looking at three pieces, the cumulative thing. I'm looking at the dropping of the supplement, the increasing of the tax brackets at the low-income level, the taxing of the \$100 in the hands of the recipient when most people at the \$35,000 level are actually working, and the elimination of the child care program.

Has there been an impact study on this? My analysis shows me that they're actually losing, not gaining, in that whole arrangement. I'm talking about young women, young mothers, who are going to be the poor seniors.

**Ms. Deborah Tunis:** In terms of folding the supplement into the universal child care benefit, for most of the mothers, because the supplement goes until age seven and the universal child care benefit is for children under the age of six, in terms of this, there is a transition year. So families this year, who have that child, are being protected.

For most families, the benefit is more generous than the supplement was. Under the supplement, they were getting about \$250, about \$20 a month. Under the benefit, they will be getting \$100 a month, or \$1,200 a year. So almost all families do benefit, except those few families who have children between the ages of six and seven, who are protected for this transition year.

**Hon. Maria Minna:** My question, though, was broader than that.

My question was, given that the \$100 is taxed, they don't get the full \$1,200, and it's taxed in the hands of the person who is working. So if you are a single mom making \$25,000, you're going to pay taxes on that \$1,200, as opposed to somebody else who won't pay taxes, who's not making that money. So they're not getting the full benefit.

**Ms. Deborah Tunis:** The benefit is taxable in the hands of the spouse with the lower income. The benefit is generally going to go—

**Hon. Maria Minna:** But my question was, have you done an impact evaluation of all these elements on the family? I guess that's what I'm asking. Has there been an evaluation done?

**Ms. Deborah Tunis:** We've certainly done analysis in terms of how many people the benefit is going to and what the distribution is in terms of family types, in terms of different income ranges and different family status, in terms of one earner or two earners, all of that.

It doesn't appear that there's a particular differential impact on women in terms of introducing this benefit.

**Hon. Maria Minna:** I guess we can go back and forth on this one, because I've read some of the studies done by the Caledon Institute and others that actually show the opposite.

If we're going to have a benefit, it should benefit all, especially low-income Canadians, but it doesn't. The \$1,200 does not benefit 100%.

Can I move on to something else for a second? I'd like to deal with seniors.

One of the recommendations that the National Advisory Council on Aging made with respect to seniors was that the federal government allow seniors to earn an income of 10% of the benefit received through the old age security program before reducing the guaranteed income supplement and the allowance. Do you know if there is any discussion of that in the system at this time?

**Mrs. Susan Scotti:** There already is an earnings exemption in the OAS.

**Hon. Maria Minna:** What is the percentage now?

**Mrs. Susan Scotti:** It's 20% or \$500 of earnings.

I would ask Mr. Bloom to respond as well.

**Mr. Mitch Bloom (Director General, Seniors and Pensions Policy Secretariat, Department of Social Development):** The challenge, of course, is that people's GIS is variable, based on their incomes. Not everybody gets the maximum GIS. But indeed, within the plan, there already is up to \$500 of earnings exemption, as Madam Scotti mentioned. At the end of the day, the actual percentage will depend on the individual, but it's already there.

**Hon. Maria Minna:** I understand, but given the poverty, especially with unattached women, would you see that percentage being increased? Is there any discussion about increasing that?

**Mrs. Susan Scotti:** Studies are always under way about how we might be able to improve what we have right now. I think the Ianno task force report recommended an increase of about \$4,000 to the exemption.

There is work under way, but it's work and a study that are under way.

**Mr. Mitch Bloom:** This is certainly worth mentioning. I find it interesting that there aren't a lot of seniors on GIS who have earned income. We have looked at that, and the numbers are small. That's not surprising. These are low-income seniors over the age of 65, so there aren't many who are working.

• (0930)

**Hon. Maria Minna:** I'll be brief. On the dropout on CPP, have there been any studies to see how much it would cost and whether it's feasible to have a dropout for caregivers? We were talking about all the women who are having to take time for child rearing.

**Mr. Mitch Bloom:** Maybe I'll answer that one as well.

Yes, of course. We've always looked at that. We study the dropouts, both the 15% general dropout and the child rearing dropout, to see the impact they're having on Canadians and to see whether they're covering off periods where people have lower reduced earnings—for whatever reason. The work we've done has indicated that we haven't yet seen—and it doesn't mean it's not there, it's just that we haven't seen it in our data yet—evidence that there are periods of dropped out earnings due to caregiving or other reasons that aren't picked up under the existing 15% general dropout.

So certainly, we're interested in any data or information we can find on that. I myself have spoken with experts outside of government on this question, seeking the same kind of information. While we don't know, it looks like the trend is probably more that either it's a very small period of reduced earnings or they're actually working and doing caregiving at the same time.

**The Chair:** Thank you very much.

Ms. Mourani.

[Translation]

**Mrs. Maria Mourani (Ahuntsic, BQ):** Good morning, everyone, and thank you for your presentation.

There are a number of things I want to clarify. Earlier, you said that our system is the best in the world. I want to understand a bit better. Compared to all the other industrialized countries, or compared to an equal country, more or less, is our system the best because it is the most generous? What is it about the system?

Furthermore, I understood that poverty among senior women was dropping. How do you assess the poverty line? How many people currently are still not receiving the Guaranteed Income Supplement?

I am asking several questions at once.

Do you think, if we take a long-term approach, for example 20 or 50 years, let's say 20 years, that we can expect a continued drop in poverty, or an increase in poverty? How do you see the future in this regard?

**Mr. Mitch Bloom:** Perhaps I can give you a brief overview of our system. There is one major reason why we believe that our system is better than the rest.

[English]

There are many levels to the system.

[Translation]

It is one difference compared to other countries. We have the Canada Pension Plan.

[English]

It's a contributory-based scheme, which provides full coverage to all workers, regardless.

[Translation]

It is not the same in other countries.

**Mrs. Maria Mourani:** Pardon me. Could you speak in just one language, either French or English? I am asking you because the translation is difficult to listen to. You may speak in English, it doesn't bother me at all.

[English]

**Mr. Mitch Bloom:** As I was saying, the system has three levels. The Canada Pension Plan is the first level, which covers all workers in the system, regardless of where they work. In other countries, that's not necessarily the case; it doesn't seem to cover all parts of the workforce.

The old age pension is something almost no other country has. It's one that doesn't require your having been simply in the paid workforce; it covers unpaid work as well. It's measured on the basis of your contribution to Canadian society. Most other countries find this outstanding. They don't understand how we ever even invented it. It has a significant cost to the government, which pays it every year, and again, it's found in almost no other place in the world.

Many of the benefits we have, which I've already mentioned, like survivors and like the GIS, are paid to women on a vastly disproportionate basis. Again, these kinds of benefits just aren't found anywhere else. In terms of the gender aspect of our programs, most countries find that very surprising.

There are many other points that could be made about how our system is built to spread risk and cost across contributory-based

schemes, tax dollars, and investments. Most other countries don't have that kind of diversification in their system so it creates this kind of stability that few other countries in the world actually have and many others wish they did have. In general, that's the reason we consider it to be one of the best.

[Translation]

**Mrs. Maria Mourani:** As to how generous the system is, compared to other countries and in monetary terms, meaning how much winds up in people's pocket, are we number one, are we ahead or are we quite behind?

• (0935)

[English]

**Mr. Mitch Bloom:** *Merci.*

In that regard, every country comes to a different position as to how much they should replace after a person retires. The standard around the world is that about 70% of pre-retirement earnings should be enough to live on in post-retirement. Canada's public pension system itself covers off about 40% and private pensions, RRSPs, and other elements of our system cover off the remaining 30%.

What people find interesting about our system is how much we spend on low income. The guaranteed income supplement, which was mentioned, is not a feature found in many other countries. Canada has made a decision in the design of its system to include this benefit, which is up to \$7 billion right now in benefits paid to low-income seniors, which is not a feature found in many other countries.

**Mrs. Susan Scotti:** You've also asked about whether poverty amongst older women is dropping. I noted in my opening comments the drop that has taken place over the past few years. The recent measure that was introduced to provide an increase to the GIS will mean that we will make the benefit available to about 50,000 more low-income seniors, and it will reduce the LICO rate, the low-income cut-off rate, for a number of seniors from 6.9% to 6.3% when that increase is fully implemented.

You also asked about how many seniors are not receiving the guaranteed income supplement. There's a bit of a debate about the numbers on that one. You'll have seen different numbers pointed at in different reports. The GIS client base is constantly in flux because clients die, their current client experiences change in income levels or they may leave Canada for other countries, and new clients become eligible. It's hard to estimate, but there was a recent figure, in 2000, provided in the NACA report that estimated it to be.... It's a figure that is not consistent with the Statistics Canada data we have, which estimates these numbers are quite a bit lower, about 206,000.

It's hard to do an accurate assessment of the numbers, as the eligibility is also based on a number of factors, like marital status or periods of residence in Canada. It's difficult to do a precise estimate of the numbers. I can assure you we do the very best we can to reach all potential beneficiaries of the GIS, and we can describe that for you in another round if you wish.

**The Chair:** Ms. Mourani, you have only a few seconds left. Be very quick.

[Translation]

**Mrs. Maria Mourani:** When people say that someone lives below the poverty line, what figure is being used? When you say that poverty is dropping, I suppose this means that people are no longer living below the poverty line, which does not mean that they are earning \$20,000 per year. It may mean that they are earning perhaps \$15,000 per year, which is not easy for someone who has to pay for housing and survive. So, I want to understand the figure being used.

[English]

**Mrs. Lenore Duff (Acting Director, Economic Security, Department of Social Development):** Canada, of course, doesn't have an official poverty line. In measuring low income we use the standard Statistics Canada post-tax low-income cut-off. It's the measure that's used in all their publications relative to measuring low income in Canada. People often refer to it as the poverty line. Statistics Canada continues to underline that it isn't a poverty line, but rather a measure of low income.

It's a constructed figure. People who spend 20 percentage points more on the necessities than the average family or individual are deemed to be below the low-income cut-off. That's how the number is constructed.

It is a very standard measure that's used across groups to describe low income in Canada.

• (0940)

**The Chair:** Thank you very much.

Could I ask you if you could supply the committee with a comparison chart for the other countries and how Canada compares, following Ms. Mourani's question?

**Mrs. Susan Scotti:** Yes, we can do that.

**The Chair:** Thank you.

Ms. Smith.

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Thank you, Madam Chair. I want to thank the presenters today for their presentation, because it is clearly something that impacts on every single Canadian woman, and man too. It is something we really have to examine.

The one question that really presents itself is this. I know there are a number of people who are eligible for the guaranteed income supplement who never get around to actually applying for it. It is the same with CPP. This is a mystery to me, in a sense. I'm very surprised that this happens here in Canada.

Could you comment on that? Could you comment on the numbers you know of to whom this is happening and on how we could all better inform people? I'm sure people would apply for it if they knew how to do it.

**Mr. Mitch Bloom:** I wish I knew the answer to that question in the same detail you'd like to have.

I can't express strongly enough how much effort the government goes to, to reach all these people. Having MPs in the room, I will use this opportunity to ask you to help as well. We try to work with MPs and anybody else we can find to do this.

The good news is the world has changed a lot, certainly technologically, so we have all sorts of new tools we didn't have 10 years ago. It's unfortunate that some of the data we have is still a bit dated. We'll have some new information out as time progresses, so you'll see how much we're able to do.

I'm a huge advocate of getting seniors to fill out their tax returns. We will find them 100 times out of 100, if they fill out a tax return, because we share data with the revenue agency. On top of that, they also get a GST rebate if they're low income, so it's really a winning scenario for them to do it.

We also appreciate, especially on the low-income side, that it's not going to happen in every case. One of the things we work really hard on is to work with provinces to get their social assistance data for people around 64 years of age who might not file a tax return but who are likely on low income as well. Some of them are starting to cooperate with us, and again we'll get automatic data transfers in and I'll be able to find these people. If somebody ever made a CPP contribution, and if at the age of 65 we haven't heard from them yet, we go out to try to find them. Everybody gets a letter with their statement of contributions. It's not just on CPP either. We tell them about all the benefits they may be entitled to.

We have people on the ground across the country who go out to trade fairs, who go out to nursing homes. We try to do anything we can in that regard. One of the new things we're trying to do also is work more with third parties—the Salvation Army, tax planners, funeral directors—for survivors' benefits.

We're looking under every rock we can possibly find, and it's really a question of getting an understanding of why somebody might not want to apply for a benefit they may be entitled to. There is a recent Statistics Canada report that came out—I don't have it with me—that actually went into this a little bit. One of the things they realized was that because the GIS is an income-tested benefit, when people have a very small amount of the benefit—the kind of thing that literally tops out at \$2 per month—they decide not to do it.

There are also some logical reasons they'd like not to do it: some provincial governments have programs in which the income from our program is used as a test against their program, and it could result in a loss of a benefit. So there is a conscious decision in some cases by people not to do it.

That's also an area we're working on with provinces, to try to get a better alignment across the benefits.

**Mrs. Joy Smith:** Yes. It sounds as if you feel the same way I do. It's a complete mystery to me.

Could you also tell us what the line is? How much income do people have to have available to them to be eligible for the guaranteed income supplement? From what I can tell, one of the problems is that people get to a point where they're not quite sure what the exact line is. I think people feel the bureaucracy is too much for them to reach out to. I know this is not the case. I mean, we're doing everything we can on all sides.

I think this is an issue that would help a lot of seniors. And I agree, members of Parliament and others need to help in this initiative as well.



But what is the line of income they are earning or have that guarantees them the GIS?

● (0945)

**Mr. Mitch Bloom:** We can provide the committee...I have a little chart in front of me that we distribute to the public that I think you'll find helpful. Anybody who is interested in it can get it. If you're a single person, the current lines right now for the guaranteed income supplement are \$14,256. Yes, it literally calculates in that degree of specificity. If you're the spouse or a common-law partner, there are different thresholds, depending on whether your spouse or partner is getting an old age security pension at 65 or not. For example, if the person is under that age and not getting OAS, the threshold moves up to a little more than \$34,000; if your partner is a pensioner as well, the threshold is \$18,720; and if the person is getting our allowance program for a person 60 to 64 also in a low-income situation, that threshold is \$34,638.

It's one of the reasons we encourage people to file taxes. We do all these things for you automatically.

**Mrs. Joy Smith:** When could we have that chart? As members of Parliament, we could put it in some of our householders and ten percenters, just to make people aware, educate them. We could use that chart.

**Mr. Mitch Bloom:** I'll leave you my copy of the chart. And I can assure you we work with MPs and their offices and your staff every year to try to give you the materials you need. I read the letters from MPs and your constituents, and anything you can do to help reduce the number of letters I get would be welcome.

**Mrs. Joy Smith:** It's a twofold benefit.

Do I have more time, Madam Chair?

**The Chair:** Yes, 30 seconds.

**Mrs. Joy Smith:** All I'll say, then, is thank you, and I look forward to the chart.

**The Chair:** Good.

Mrs. Mathysen.

**Mrs. Irene Mathysen (London—Fanshawe, NDP):** Thank you very much.

I, too, have a number of questions.

I'm going to start with young working women first, and I'd like to come back to Ms. Mourani's question.

You talked about the reduced work time when it comes to caregiving and young women actually having less income. We know that women make two-thirds of what men make, and I've come across another statistic that shows that, since 1992, the participation of women in pension plans, company pension plans, has declined. With all these situations, it seems we may have reduced poverty among older women at this point, but we may be looking at a resurgence of poverty in future.

Is there any sense of how that future could play out, given all these problems young women are facing?

**Ms. Deborah Tunis:** I think part of my response will build on the question Madame Mourani also asked.

We don't have a crystal ball to see what poverty rates are going to be like in the future. I noted in the *Montreal Gazette* today that a study has been released, and as the baby boomers move through the age cohorts...and I'm part of that crowd myself.

**Mrs. Irene Mathysen:** Some boomers are here, yes.

**Ms. Deborah Tunis:** Yes, some of us are part of that.

We did get higher education levels and we do have higher income levels than our mothers. So the expectation is that we will have a different kind of retirement, and it is affecting retirement decisions in families. Recent studies by Statistics Canada show that in the past women's income was largely for supplementing families—helping decide if you'd have an extra vacation or buy an extra kind of property. Women's incomes have really grown. Is that trend going to continue? Are some of the challenges we see right now in terms of lone mothers going to be a problem?

The other part of our new department is responsible for post-secondary education, and when you see the rate of women's participation in post-secondary education, it's a great sign for the future. But we are still seeing unacceptably high levels of lone-parent poverty. Even though we still have increases in the national child benefit coming on board and we will be introducing the child care benefit, we don't know what's really going to happen.

Mitch, I don't know if you want to predict more.

● (0950)

**Mr. Mitch Bloom:** I won't predict, but perhaps I'll underscore how the CPP is a good tool when it comes to this type of question. It's a mandatory scheme and it covers people up to the average wage in Canada, which is \$42,000 right now. As women's labour participation has gone up, the system has been maturing. So we're going to see equity at least—if we can call it equity—among women, because they generally still earn less than men. But when it comes to average industrial wage, I don't have the stats in front of me, but it will look better because of the \$42,000 ceiling.

So maturation of the CPP means that women who've been participating increasingly since the 1970s have been putting into the plan, and they will have that to backstop them. They didn't have that, of course, back in the 1950s and 1960s. But the presence of the plan, participation in the labour force—it'll be there to help.

**Mrs. Irene Mathysen:** You also talked about stress in the workplace. Has there actually been any investigation into this?

My sense is that if you invest in things like child care and family stability you're going to prevent a lot of the consequences, like stress in the workplace, absenteeism, and economic loss to employers. Has there been any investigation of that in terms of the reality of young women, or is that something we need to take a very long look at?

**Ms. Sandra Harder (Acting Director, Families and Caregivers, Department of Social Development):** I think there are a number of things you might flag in the area of work/family balance. We know it's an issue that had a lot of prominence in the early eighties, and it continues to be an issue for many women and men. Balancing of work and family responsibilities has a huge impact on families. We know it has impacts on the broader economy as well—the health care sector and the employment and labour market.

A number of studies are going on. We know that some employers have taken large steps to balance work and family life. I've just returned from a meeting of ministers of social services in Lisbon, where the European governments were talking about and have done a significant amount of work on the balance between work and family. It's evident from those discussions that the role of employers is huge, and certainly in Europe the lobby is quite strong. There is a benefit to employers and certainly to families when employers take that responsibility on board. So there's a fair amount of work being done on it in Europe and in Canada.

**Mrs. Irene Mathysen:** Okay, so there's some real choice.

I have so many questions. I wanted to switch to a question about older seniors, and one of the things I discovered in reading is that when seniors are in nursing homes or long-term care facilities, very often they're charged for the room or accommodation and the medical services that come with that. One of the recommendations in the paper I was reading was that those things have to be separated.

If a citizen goes and seeks medical service, it's covered under our medical coverage plans. Why can we not make sure that seniors in these long-term care facilities have that same benefit, rather than double charging them, as it were?

**Mr. Mitch Bloom:** It's a good question.

Unfortunately, it's a provincial responsibility; the provinces regulate long-term care facilities, so it's not something that we particularly would be able to do much about. I'm interested in it. I haven't heard it before, so it's something we can raise with our provincial counterparts.

• (0955)

**Mrs. Irene Mathysen:** So this is a recommendation that the feds could take forward to the provinces?

**Mr. Mitch Bloom:** I said we can mention it. Recommending things to provinces is out of my purview.

**Mrs. Irene Mathysen:** Oh, yes, I forgot. Sorry.

**The Chair:** Sometimes it works the other way.

Thank you.

Ms. Neville.

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Thank you very much. Thanks for being here.

I apologize for coming in late; I had a previous meeting.

I have a number of questions. I'd just like to follow up very quickly on Ms. Smith's comment on the guaranteed income supplement. I know we've done a considerable amount of outreach in our office, and it's been well played out by people who prepare taxes on a volunteer basis, so it's been caught.

But how many people, in your estimate, are eligible for the guaranteed income supplement but are not claiming it right now? Do you have a figure?

**Mr. Mitch Bloom:** My colleagues tell me I should try to answer. Of course, it's impossible to know people who are eligible. But if you ask for a figure, what we did was to use a combination of Statistics Canada data, which tell us how many seniors Statistics Canada thinks are in the country, as well as our own administrative data on old age security, as well as tax data. So those are the three sources we used.

If you take all of those things together, you come up with an estimate of about 90,000 people who might be eligible for OAS—old age security—who aren't filing tax returns. We then took that and said that about one-third of OAS recipients are generally getting GIS. Those are the only figures I have. That brings you down to about 30,000 people. We then further reduced that number, because OAS is paid out of Canada, but not GIS, which is only paid if you're residing in Canada. That brings us down to figure somewhere in the range of 10,000 to 25,000 people who might be in that situation—and I underscore the word “might”.

**Hon. Anita Neville:** I'm surprised, because the figures I heard a few years ago were in the area of 300,000 to 400,000.

So are you telling me that everybody has been very successful in reducing that number?

**Mr. Mitch Bloom:** I come back to the point that those figures were prior to the data sharing we had in place with the revenue organization. It was a parliamentary committee, in fact, that pushed the government at that time to do those things. And they've been done.

**Hon. Anita Neville:** Good.

I have a couple of other questions on two different areas. The first one is on caregivers and seniors. The previous government had committed a significant sum of money over five years towards the development of an ongoing caregiver agenda. I'm wondering if there is still a plan in place and an agenda for that.

Let me ask my other question before you answer, because I'm aware of the time. We're talking about young women and the implications of financial security for them. We all start out thinking it'll never happen to us, yet life has a funny way of playing tricks.

Are you aware of studies? Are you aware of outreach? Are you aware of education programs that advise young women of the financial realities of working, not working, being married, not being married, or marriage break-up, or all of the things that can happen that affect their ultimate financial security as they reach age 55 or 60? Is there any outreach being done at the moment that you're aware of?

I'll stop with those two questions.

**Ms. Deborah Tunis:** Those are excellent questions.

In terms of caregivers, as you're aware, the previous government had committed a significant amount of money, and that work is currently on hold in terms of how we are advancing on caregivers' issues. We think caregivers' issues are still important, and the sense we get from our minister and our parliamentary secretary is that they are very important to this government as well.

I think the format of how they respond will be different from the path we had been on. Is that sufficient or do you want more details on it?

**Hon. Anita Neville:** Is the money still available for it?

**Ms. Deborah Tunis:** No, that money is no longer available. This government has adopted an approach of being quite focused on their preliminary priorities, and those priorities are advancing. Then they've signalled quite clearly that there will be other issues that continue to be important and will also be priorities for funding over the future. But that particular envelope of money is no longer available.

• (1000)

**Ms. Sandra Harder:** I would just add that in terms of the policy work and the thinking that goes on, those do continue.

**Hon. Anita Neville:** What about young women, in 20 seconds or less?

**Ms. Deborah Tunis:** It's an excellent question. I'm not aware of a lot of advice that is available to young women in terms of future financial planning.

**The Chair:** Thank you.

Mr. Stanton.

**Mr. Bruce Stanton (Simcoe North, CPC):** Thank you, Chair. Thank you for joining us here this morning for this. I find it a very interesting topic because it affects so many people in my particular riding.

I have a couple of questions that hopefully I can get through in the five minutes we have here. The first question is on this topic of income splitting, which is so in vogue, particularly among representatives of seniors' groups here in Canada. There's the notion that in retirement many of the families, or couples, who are facing retirement right now came through a period of time when they didn't have things like spousal RRSPs and those types of mechanisms to find a way to balance a family income, and find themselves now in retirement with a disproportionate income scenario that ultimately disadvantages the family. And I must say I'm of a mixed mind on this. I've seen both sides of the argument.

I wonder if you could explain this a little bit, particularly as it relates to women in this equation. What would you be prepared to say in terms of how it might advantage or disadvantage women in a retirement scenario, presuming if one were to propose, for example, an income splitting ability for couples in retirement?

**Mr. Mitch Bloom:** I won't really be able to comment on the splitting of income—that's not really our purview—but I can tell you that under our programs good things are happening. We have a pension sharing provision under the Canada Pension Plan, which Madam Scotti mentioned, which does allow just that, an equal distribution of CPP credits across spouses or common-law partners. So that's in place.

Of course, I mentioned earlier that the old age security program is paid regardless of whether you were in paid or unpaid work through the course of your life. So, again, there are good sources of income provided through both of our core benefits relatively equally.

**Mr. Bruce Stanton:** Conceivably then, considering that in many cases you have 50% or more of couples living with incomes essentially from public pensions, those pooling provisions are already there. Okay, good.

The next one is on this GIS clawback, very much another hot button issue. What can you as a government do about this clawback situation, where essentially the moment a senior earns some incremental income through whatever means, instantly it comes right off? In some cases they don't make anything, so there's really no advantage at all for them to look at.... Is there any ability to...or could there be any changes considered that would bring some relief to this issue?

I'm sure the department must receive tons of mail on this issue, and I wonder if you could comment on it.

**Mr. Mitch Bloom:** Honestly, we don't receive tons of mail on it, and the reason is, as I mentioned earlier, in terms of earned income, people over 65 getting GIS are generally not working at all. So we don't see a lot of instances of that, and I think, as we also mentioned earlier, the plan already has built into it the \$500 earnings exemption for GIS recipients.

So truth be told, it's not really been seen, and most people also understand the fact that GIS is an income-tested program, sources of income that otherwise are people's pension income, private savings and things like that. It is an income-tested benefit, and we income test it to make sure the most money gets in the hands of Canada's poorest seniors. So there really hasn't been a big push that I've ever seen in this regard.

**The Chair:** You have a minute and a half left, Mr. Stanton. Perhaps one of your colleagues has a question.

Mr. Mayes.

**Mr. Colin Mayes (Okanagan—Shuswap, CPC):** I would like to know a little bit about disability pensions. I am aware of a female who has a disability. One of the challenges with her disability pension is that there are restrictions on contributing to any retirement savings, and also employment restrictions as far as ability to contribute to CPP. Is there anything available for a person like that, once they come to the age of retirement, to assist them in their retirement?

• (1005)

**Ms. Nancy Lawand (Director General, CPP Disability Policy, Department of Social Development):** If the individual is receiving a CPP disability benefit—I don't know if that's the pension your constituent—

**Mr. Colin Mayes:** No, I mean prior to retirement.

**Ms. Nancy Lawand:** Yes, prior to retirement, up to the age of 65, if the person is receiving a CPP disability benefit, it's true that the individual's contributory period ends when they start receiving a disability benefit. When they reach the age of 65, that benefit will be automatically converted, through a formula that's in the legislation, to a CPP retirement pension. So if the person does stay on the benefit from whatever age they go on until 65, if that's what happens, they automatically get a converted retirement pension, which is normally a bit lower. However, then they're eligible for OAS and GIS if the combined income is low enough.

We have introduced a number of provisions over the past 10 years to encourage CPP disability beneficiaries to work to their full potential. Obviously they have severe and prolonged disabilities, but they can earn small amounts of money if all they can do is work periodically. For example, they can earn \$4,200 in 2006 without having to report that to CPP.

At a certain point of regular employment they need to report to the administration, and we will work with them to see if they're ready to regain regular employment. If they do, they actually have a safety net so that they can return to the benefit very easily if their disability recurs once the benefit has ceased.

So there are more opportunities now for people who are receiving CPP disability to earn; as you say, through earning they can save more towards their retirement, if that's one of their issues.

**Mr. Colin Mayes:** Have I got time?

**The Chair:** No, I'm sorry.

Ms. Bourgeois.

[Translation]

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** The subject that we are addressing together this morning is so broad that I think we would need an entire day in order to really understand all the issues in each of your respective areas. I must tell you that I would really like to be able to take the time to look with each of you at what you do, and how you do it. I would like you to provide us with detailed explanations. We are getting an overview, and everything is basically being mixed together. But we will try to figure it all out.

The National Advisory Council on Aging tabled a report approximately six to eight months ago in which it seems to say that it does not quite agree with you. You are painting us a bit of a bright picture. Of course, the situation of seniors has improved. They themselves agree. This does not mean that, over the next few years, there will be a major improvement. Yes, young women are studying and working. However, will the Canada Pension Plan be able to meet the needs of non-contributors? This is where the picture gets gloomy. I only want to present it to you like that.

Furthermore, you have read the report. It highlights a number of gaps with the Guaranteed Income Supplement. First, have these gaps been corrected, particularly with regard to finding seniors who are entitled to the Guaranteed Income Supplement? You and your predecessors had not contacted people who were entitled to the GIS. Are you doing this systematically now, as requested?

Second, with regard to women working for family businesses, the National Advisory Council on Aging said that job insecurity had a significant impact on retirement income. Naturally, that is obvious. This is true for self-employed workers and part-time workers. I want to point out that perhaps 40 per cent of women work for a family business. These women contribute to employment insurance, but they are not entitled to benefits. This is quite curious. So, if I am mistaken, I would like to know where.

Also, if they are not entitled, what do you intend to do? What can we do, we women, to ensure that women are entitled to EI when they work for their husband's company.

Third, the government's withdrawal from healthcare has meant that we have caregivers who currently are entitled to approximately six weeks of EI, if I understand correctly. However, what can you do with six weeks of EI? You cannot tell a cancer patient that they can only be sick for six weeks. Cancer patients may be sick for one year, for two years. So, what are we doing in those cases? Have you taken any steps to help people who are caught in this situation?

Thank you, Madam Chair.

● (1010)

[English]

**Mr. Mitch Bloom:** You asked a good question about whether we will be able to deal with the demand over the long term. Nothing pleases me more than to sit in front of a committee and say that the government has a chief actuary who, every three years, evaluates the sustainability of the Canada Pension Plan for 75 years, which is as far as he goes. He has recently again reconfirmed that the plan is fully sustainable indefinitely for all of the benefits I have mentioned for that entire period of time. It's wonderful news to be able to share.

You also asked a question about the guaranteed income supplement. As we explained to the committee this morning, much has happened in the last four years that has really changed our ability to reach potential recipients of the benefit. The best one is the automation that we now have with provincial governments and the Canada Revenue Agency. If you fill out a tax return, you're never lost, and we will find you every time.

As I said already, for those who aren't filling out tax returns and for some reason are not picked up by provincial governments, we have mass mailings that go out. We deal with third parties who help get the word out to people on the street. We even work in the homeless sector to try to make sure we've reached everybody.

**Mrs. Susan Scotti:** I think the only question you raised that Mitch has not addressed is on the NACA report and the recommendations that applied to improvements in the level of income for the guaranteed income supplement. Did I understand your question?

[Translation]

**Ms. Diane Bourgeois:** No. My question concerned women working for family businesses, who pay EI but who are not entitled to benefits.

[English]

**Mrs. Susan Scotti:** Unfortunately, we do not have anyone from the employment insurance program here this morning, and I don't know the answer to your specific question, but I'll undertake to get you the answers to those questions you have raised.

[Translation]

**Ms. Diane Bourgeois:** Please. I asked this question to Ms. Ivers of Status of Women Canada, and I have yet to get an answer. Now I am asking you. I want details on these women who work for a family business. Women of other nationalities work hard. I am thinking of Chinese women who work for their husband's company, Filipino women and women of all other nationalities, many of whom work for their husband's company and who will soon retire and who are not entitled to EI, although they paid contributions.

Thank you.

[English]

**The Chair:** It is a very important area, one for which we need to make sure we get some answers. Possibly we could have someone attend at either our next meeting or the following one, to follow up on that important area.

Ms. Mathysen.

**Mrs. Irene Mathysen:** Thank you, Madam Chair.

The recommendations on aging and poverty in Canada mention the fact that shelter is a major expense for seniors; 56% of unattached senior women are paying 30% or more for their housing. That is debilitating them in a very serious way.

Has your department done any research in terms of their recommendation that the federal government and other levels of government get back into the social housing business, back into those affordable programs that would alleviate the kind of stress seniors are feeling?

• (1015)

**Mrs. Susan Scotti:** Again, this is a question that needs to be addressed by our colleagues in the Canada Mortgage and Housing Corporation, because housing is not our particular area of expertise. I can undertake to get the answer to that for you.

**Mrs. Irene Mathysen:** I'd appreciate that.

One of the other recommendations had to do with the fact that a lot of seniors are late in applying for old age security or the Canada Pension Plan, and that if they are late, they can only go back 11 months in terms of getting compensated, whereas in Quebec they can go back five years.

The recommendation is that the federal government allow full retroactive benefits. Is that a possibility? Is there any work going on in that regard?

**Mr. Mitch Bloom:** The question of retroactivity, as you can appreciate, is very complex. We require people to apply for these benefits because there are many conditions of application, so that's really important for us to have.

We try to put all our efforts into making sure people are aware of the benefits and are receiving those benefits on a timely basis. Generally speaking, in terms of the notion that people are delayed, the 11 months plus the month of application provide enough of a window for people to be able to get in there.

The issue is more of people who aren't aware of the benefits, and that's the answer we've been trying to explain this morning—all these efforts we go to in trying to get awareness up, even reaching out, as I said just a few moments ago, to the homeless and to people who speak neither English or French, those communities being the toughest for us to reach. The only way to resolve that is to actually reach them.

**Mrs. Irene Mathysen:** But there is no retroactivity in the foreseeable future.

**Mr. Mitch Bloom:** Essentially, across this country it has been accepted that social benefits have an 11-month period of retroactivity. You have cited the case of the Quebec Pension Plan, which provides five years of retroactivity; that's really the exception to the rule. Even in Quebec, for example, many social benefits have no retroactivity at all. I mean, social assistance means that you get it and you get nothing retroactively.

That's pretty much the way things are done across the country and in fact around the world—that notion of about one year's worth of retroactive payments.

**Mrs. Irene Mathysen:** I don't know if I can get this one in.

There is some concern that CPP, in terms of gay and lesbian couples, has not been equitable in the kinds of benefits that other couples receive. There is a cap that limits lesbian, gay, transgendered, and bisexual community claims on CPP survivor benefits. It only goes back to 1988. There has been a call by a group called WE\*ACT to eliminate this discriminatory policy.

Has there been any discussion about that, now that same-sex marriage is the law of the land? Has there been any thought about going back further—back to 1978?

**Mr. Mitch Bloom:** In fact, I really won't be able to comment on this. This matter has been put in front of the Supreme Court. It was recently heard—a few weeks ago. So the court will have to pronounce on the extent to which they wish to go back further.

**Mrs. Irene Mathysen:** Okay, but has the government decided whether or not to challenge the lower court? I know it's before the Supreme Court, but I'm wondering what—

**Mr. Mitch Bloom:** In fact, both the class action members and the government challenged the matter for different reasons, and both took the matter to the Supreme Court.

**Mrs. Irene Mathysen:** Okay, so we're waiting for them.

**Mr. Mitch Bloom:** Yes.

**The Chair:** Ms. Smith.

**Mrs. Joy Smith:** Thank you.

I have one more question. When seniors apply for CPP, it's my understanding they have to apply for that only once. Is that correct? For the GIS benefits, do they have to apply more than once?

From my understanding from my constituents...there was one woman who came in and said she thought she had those benefits but she didn't, and I thought she had to reapply. Could you clarify that, please?

• (1020)

**Mr. Mitch Bloom:** My pleasure. Yes, in fact, CPP is a contributory-based scheme. Once you're in the system, you will get your cheques right through to the very end.

GIS is re-evaluated every year. The reason it's re-evaluated every year is that there are conditions of eligibility, the largest one being income. So we have to make sure that you're still within the income ranges we describe.

Marital status will also change it. You get a larger benefit if you're a single individual. So if your spouse or partner has died, we need to know that so we can increase the value of the benefit.

As I also mentioned, residency is important. If somebody has left the country, we don't send those benefits outside of Canada. So that's the reason.

I will also say, as I've said a couple of times, if somebody files their tax return, it is essentially an automated process. We will take care of it all in the background for them as long as they fill out their tax return.

**The Chair:** Mr. Stanton.

**Mr. Bruce Stanton:** Thank you, Madam Chair.

I'm just going to go back for a bit to the CPP, and I appreciate, Mr. Bloom, you mentioning just how many improvements have taken place with regard to the stability of CPP. I do wonder, though, as we go forward and as the Canada pension fund becomes so large and in fact will have such weight in terms of its ability to purchase securities and other savings instruments to help keep the plan in place, are there provisions to make sure that the sheer size and weight of the CPP is spread in such a way that it doesn't interfere, as you can imagine, with trading?

When we have such a large block—and I think of, for example, teachers funds, and so on, that become a huge player in equity markets. A fund of this size conceivably is going to be one of the largest funds in the world in terms of its ability.... Could you comment on that, on what provisions might be in place?

**Mr. Mitch Bloom:** I really can't say a lot about it, for good reason, because it's an arm's-length body that manages the fund. So the

distribution of their portfolio is entirely up to them, and they report annually on it.

As a contributor to the plan myself, I'm delighted to see the diversification they have. They have equity investments, securities, and of course now they're able to invest globally, which allows them to further diversify the risks. Before some recent budget changes, the amount you could invest outside of Canada was restricted. Now, with that—again as a contributor—I'm delighted they'll have that full flexibility.

**Mr. Bruce Stanton:** Thank you.

**The Chair:** You have a minute and a half left on your side.

**Mr. Bruce Stanton:** Can I add something, then?

**The Chair:** Yes.

**Mr. Bruce Stanton:** Thank you, Madam Chair.

Let's just go back to this GIS question again—and I appreciate the answer with regard to the fact that most people who are receiving the GIS in fact don't have any additional income. But some would have some retirement income, some RRSPs. Once they cash those, it becomes taxable in their hands. It could basically have the effect of negating any benefit from the GIS.

Where is the current threshold on that right now in terms of annual income? At what point do you lose that benefit?

**Mr. Mitch Bloom:** As I think I mentioned, I'm going to leave my charts for the committee, which have the thresholds in them.

Just to reiterate, yes, those other sources of income would be included and would reduce the amount of your GIS.

The principle is very, very simple. It's really about getting as much money as possible in the hands of people who have none. Then, of course, it starts to top out as their income starts to increase.

**Mr. Bruce Stanton:** Thank you.

**The Chair:** Mr. Cotler, I don't know if you have any questions. Ms. Minna is on the list. You can share the time, if you'd like.

**Hon. Maria Minna:** Earlier we were talking about the question with respect to CPP for caregivers and the dropout possibilities. I want to look overall at the depth of poverty of seniors and women who are in the workforce, doing caregiving, and then becoming the poor seniors of tomorrow, which is what we seem to be looking at.

I understand from the data that it shows the number of low-income rates among seniors and women has gone down, but I'm looking more at the depth of poverty, which is a little more than just the income they receive. I know there are a lot of seniors who are not getting GIS but are on the cusp or just above it. By the time you add rent, they're really in a wholly different bracket, because housing is a huge problem and there is a lack of supportive housing if they need assistance.

My question is this. Have you done any studies to measure the depth of poverty of seniors, not only the absolute income they receive when they happen to be above a threshold, or they're not above it and are therefore fine, but in terms of other factors like housing, drug costs, the need for caregiver programs, and so on?

Could you give me an idea of what that picture looks like? I think that's probably a little more realistic than looking at the hard numbers.

• (1025)

**Mr. Mitch Bloom:** I appreciate the question, because I'm also interested, understanding that the benefit is about getting above the measures that are out there. What does that really mean at the end of the day?

There's a big difference in the senior population, for example, between living in a house that you've owned for 40 years and still having to pay rent. I wish I could say here's the study and here's the information on it, but I don't have that. It's an issue that we're trying to get a better understanding of.

As we've already discussed, some of those elements are not federal elements at all and have significant cost implications for seniors. It's already been mentioned that accommodation is a fundamental issue. Drug costs can become a fundamental issue. Those are things that we need to better understand, and I think we're going to try to better understand them.

**Hon. Maria Minna:** I guess we haven't yet done an analysis in the system to try to get at the depth of poverty over and above the exact numbers and thresholds. Are there any studies in place now? Is there anything of that nature?

**Mrs. Susan Scotti:** I don't think there are any that accurately look at it.

**Ms. Deborah Tunis:** I think there's a growing recognition that the simple fact of being above or below the low-income cutoff isn't really the determining factor. Part of what the department's been trying to do is to develop a market basket measure to look at some of the other components. I think that's partly what you're getting at.

In terms of depth and duration, more of our focus has been on low-income families and mothers with young children. I think you're talking more about the senior population. Canada has made so much progress in terms of the statistics of taking more people out of poverty. We've been focusing more on low-income mothers.

**Hon. Maria Minna:** For what it's worth, I have my own little study. It's all word of mouth and it's not very scientific, but I can tell you about it.

I'm asking about it because I see it out there every day. I only want to get a handle on what that means and what the factors are so we can actually get some data. I know that housing is a factor.

The other thing is this. I was very involved in trying to restructure our pension system so that women are not left completely behind. I didn't succeed, obviously, because it would have happened.

I'm again asking if any analysis has been done, because I know that Finance was doing something. I'm not quite sure if it ever translated to your department, because that's where the policy would be.

I know there's CPP sharing, but it's not compulsory. I was looking at splitting CPP, RRSPs, or any pensions that are assisted or subsidized by government through tax dollars at a time of separation or divorce. It would be compulsory, so that both the man and the woman carry 50% of pension assets, if you like. A stay-at-home

mom, who isn't earning an RRSP or a work pension, is especially taking nothing with her. It was one of the things I was working on.

Has any of that kind of work been done in your department?

**Mr. Mitch Bloom:** Absolutely.

There are two rules. One was the pension sharing, which, you're right, is voluntary. It's almost a tax planning tool. Credit splitting is a different rule that's available, and it is for divorced and—

**Hon. Maria Minna:** Sorry, none of it's compulsory, though, right?

**Mr. Mitch Bloom:** No, you have to come in and let us know that you're being divorced or you're separating and you wish to avail yourself of this rule.

It's a pretty blunt instrument. They come in, and the CPP credit assets acquired during the period of cohabitation are split 50-50. We get a lot of correspondence on this. I think it's an exceptionally good rule to ensure equity after a split.

**Hon. Maria Minna:** Sorry, at this point it doesn't include RRSPs or work pensions, does it?

**Mr. Mitch Bloom:** No, this is just the splitting of CPP.

**Hon. Maria Minna:** Just the CPP.

My suggestion was to create an equitable pension system and that all pensions be split 50-50.

I just wondered if there had been any work done on that, because I think it's an important way of looking at it. Since women are taking the brunt of caregiving, and we aren't going to change that around very quickly, I think we need to come up with an economic solution for women in some way.

That might be one way of doing it.

• (1030)

**The Chair:** Thank you, Ms. Minna.

Ms. Smith, Ms. Davidson, who would like to speak on your side?

**Mrs. Joy Smith:** Today has been extremely helpful because it's been very practical, very down to earth.

You're the experts in this field, and what we're here to do today is to see how we can make things better for women. And everything that goes along with women actually goes along with men, too, because it's our population. But here in Status of Women we're particularly focused on the plight that women sometimes find themselves in.

In your work in your department, do you see something that you think might really need improvement for women? Do any of you have any ideas of the kinds of things you think should be addressed sooner rather than later?

**Ms. Deborah Tunis:** Well, it's hard for me to think about how the parliamentary committee could help us on this, but there's the fact that when they're starting out, women don't always have all the information to make their decisions about having children—some people defer those decisions until it becomes difficult, in terms of fertility—and decisions about how their family arrangements will affect their later income. So getting some information out so that people are aware of the consequences of their choices earlier on would be a terrific thing.

I think that would be a great initiative for the committee to take on, some awareness around that.

**Mrs. Joy Smith:** As a teacher of 22 years, junior high, I have to say that I think that's a very insightful comment. Even young women who had pregnancies early and things like that had absolutely no idea about what the effect was going to be on their personal lives later on.

Could you give us some ideas? I don't want to seed your answers, but as an educator, I think it should happen in the public school system or the private school system, to start. But in the practicalities of the world, from what I can tell in my constituency and from my experience as a teacher, there are many women who don't have that information. They have misinformation.

So could you reiterate some possibilities on your wish list of making things better for women? What might be a brainstorm of possibilities that could take hold that perhaps we should look at very seriously to make this happen?

**Mr. Mitch Bloom:** Sorry, I was just going to offer—you said you were a teacher. I couldn't resist—

**Mrs. Joy Smith:** Maths and science now. I can add.

**Mr. Mitch Bloom:** We were digging around in our Nova Scotia office for ideas...and it's not a women's issue for us. Both boys and girls have the same challenge of understanding what the responsibilities are through the course of life, especially into the senior years. As my colleagues would tell you, if you do things right when you're young, it works out a lot better. Even the committee members noted that.

So when digging around, we found this amazing little course that was given in high school to educate students about why they should save, what that would mean, and what their responsibilities are in the system. They had to dust it off, and we just finished re-keying it into our system. So we hope to roll something like that out across the country, using our network to get into high schools so we can educate all Canadians about their responsibilities, because there's no better way to eliminate poverty than by doing it 50 years before there's nothing else you can do.

**Mrs. Joy Smith:** Would it be possible to get a copy of this little report you just dusted off?

**Mr. Mitch Bloom:** I'd love to provide that to you. It's a huge document, but I think we have it now in an electronic format, so we'll provide it to the committee.

• (1035)

**Mrs. Joy Smith:** If you could, that would be very nice. I appreciate it.

**The Chair:** Thank you.

Ms. Bourgeois, go ahead, please.

[Translation]

**Ms. Diane Bourgeois:** Thank you, Madam Chair.

Ladies and gentlemen, the economic situation of women or the living conditions of women, who now make up 51% of the population, is extremely important for the future of Canada, the future of the provinces, and the future of Quebec.

You are from social development. Women make up 51% of the population. I imagine that, in each of your respective areas, you have conducted gender analysis of the impact of the policies you promote on the living conditions of women. Has that been done? I'm talking about gender-based analysis. Status of Women Canada does that.

Have each of you, in your respective areas, conducted in-depth analysis of the impact of your policies on living conditions for women? That is what I want to know.

[English]

**Ms. Deborah Tunis:** The department has tried to pursue gender-based analysis, and last year we were before this committee talking about what approach we'd taken, both at Human Resources and Skills Development and at Social Development, and we're now one.

We did have a session last June for all the new analysts in the department to discuss bringing in people from Status of Women and training employees on gender-based analysis. Then in January we had another session to pilot a course for analysts on using techniques of gender-based analysis in our policy analysis.

I'm thinking particularly of those of us who are working on the social development side of the department. On so many of the issues—whether child poverty or family benefits or seniors' issues—we have tried to be as sensitive as possible to the differential impacts. My colleague here, Caroline Weber, is from the Office for Disability Issues. When they do their report on disability issues, they publish the statistics showing different effects for women and men. So we're trying to do our best.

[Translation]

**Ms. Diane Bourgeois:** Your answer is insufficient. I am, however, certain that you are very much aware of the living conditions of women: you are women. I am convinced, sir, that it rubs off on you, as generally, women talk about it. You have to do more than try. You are holding, in your hands, the fate of caregivers, among others, in addition to the fate of other women.



How can you tell the minister that his policy will have a negative impact on the living conditions of women who are caregivers? How can you do that if you do not have help, if you have not done the analysis? It is not true that mostly men take care of people who are ill and of children. Women who do not work do not accumulate a pension. A woman who stays at home is prevented from accumulating more security for her retirement. Studies show this. So, how can you tell the minister to include six weeks for caregivers or a certain number of weeks for women who stay at home, when you know full well that you have not done any gender analysis and that, as a result, you have nothing to go on, first of all, and secondly, when you know full well that the woman will have less income than a man at retirement and that she will potentially live in poverty?

My tone of voice is firm. I do not want to quarrel with you, I am simply establishing the facts. Madam Deputy Minister, what authority do you have if gender analysis is not done?

[English]

**Mrs. Susan Scotti:** We do undertake gender-based analysis on all of our policies and programs as they're being developed and designed.

I think Deborah did explain to you the process that we have in place in the department to do this, so that we are in a position to provide some advice on potential impacts, and it is our role as officials to be able to look at the differential impact on different population groups.

It can always be done better, and it can always be done more rigorously, so we're far from perfect at it, but I can assure you that it is an integrated part of the way we do our policy development and design our programs.

● (1040)

**The Chair:** Thank you.

We have time for one more questioner.

Ms. Mathysen.

**Mrs. Irene Mathysen:** Thank you, Madam Chair.

Earlier this week, we heard from first nations women about the regrettable situation facing first nations populations in terms of poverty. In light of that, I wonder if there is any work the department does in terms of reaching out to first nations women. Are there any extraordinary measures that you take? So often they're in remote areas, rural areas, and if anyone is cut off from the kind of information that seems to have eluded seniors, these are the women.

**Mrs. Susan Scotti:** Mitch has been doing some work with the Assembly of First Nations in that regard. Maybe I'll let him speak about it.

**Mr. Mitch Bloom:** Yes. It's one of those vulnerable areas we're aware of, like the homeless. Remote communities are a problem, and aboriginal communities have an even bigger problem. We did a project with the Assembly of First Nations and the Department of Indian and Northern Affairs together. First, we're trying to get a good sense of the scope of the issue, and we're also looking at how we can reach out to them. Our hope at the end of the day would be to be able to reach out directly to people in the communities who might be eligible for benefits. Given the portion of women who get things,

such as the guaranteed income supplement and the allowance, those are obviously big priority areas for us. We indeed have that work under way.

**Mrs. Irene Mathysen:** Okay.

There is a first nations women's group. Have they been included in this discussion as well?

**Mr. Mitch Bloom:** At this stage, we're just doing a research exercise together. Once we get to that point, we'll have an opportunity to bring in the broader community.

**Mrs. Irene Mathysen:** Okay.

Thanks.

**The Chair:** We have two or three minutes left.

I have Mr. Cotler, who would like to ask a question, if that's all right.

Mr. Cotler.

**Hon. Irwin Cotler (Mount Royal, Lib.):** Thank you, Madam Chair.

I regret that I wasn't able to be here for the first part of the meeting as a result of a competing responsibility.

Let me turn to an issue. If you've discussed it, then don't answer the question, and if it's outside the ambit of your own concerns, you can tell me.

While I was the Minister of Justice, I was particularly concerned about the absence of a comprehensive and sustainable legal aid program. At the last annual meeting of federal, provincial, and territorial ministers of justice, there was a unanimous recommendation calling on the government of the day—which was subsequently defeated—to enact a comprehensive and sustainable legal aid program. One of the things, of course, that helped prompt this was the disproportionate impact that the absence of such a comprehensive legal aid program has on the poor and disadvantaged, including its impact on women and custody cases, or claimants in income security matters and the like. In fact, it's a whole issue of income securities.

Have you done any studies in your area on the prejudicial impact of the lack of legal aid on income security as it affects women, and senior women in particular?

**Mrs. Susan Scotti:** Not that I'm aware of. This is really not our purview. It would be more in the hands of the Department of Justice. But it's a great question.

Deborah or Nancy?

We come across the issue of legal aid in our work with disability claimants, particularly in the appeals process.

**Ms. Nancy Lawand:** But we haven't really done any studies about representation of claimants in particular. The way the appeals process works, there is every effort to make it such that the individual does not need to be represented. The system is set up in a way that's very accessible. It goes to the locations where people live, especially at the first level of tribunal. It really is an informal and non-adversarial-based appeals process. But we haven't done any specific studies on that issue.

•(1045)

**Hon. Irwin Cotler:** The reason I mention it is because when I used to go across the country, I kept hearing increasing concern from low-income people, including single women and people involved in custody disputes and a whole range of issues, that the lack of legal assistance was prejudicing their ability to advance a claim or to have a quality of arms, as they say, in the context of a claim. I felt that government was somehow ignoring this and that it was falling between different stools.

I'm just hoping the new government—and I say this in a non-partisan way—will take up something that we in fact did not initiate sufficiently and that we can move forward on it. I think poor and disadvantaged Canadians are looking to us for leadership in that regard.

**The Chair:** Thanks, Mr. Cotler.

Ms. Smith.

**Mrs. Joy Smith:** Thank you. I do have a couple of questions.

First of all, I think Mr. Cotler has a good point. Over the 13 years that he was in government, it must have weighed on him quite heavily. I think maybe now we can do our best in this area, because I've heard the same thing. It's good to hear that you're still really involved in that.

The other thing I want to ask you about is the GIS. For seniors, there is a \$500 leeway for them if they earn a wage. Is that right?

In your recommendations you said the federal government increased its efforts to encourage renewal by sending reminders over a six-month period. I'm not understanding. Is one of your recommendations that we should increase the benefits? My feeling is that that might be very helpful. What do you think? I know seniors in my riding—

**Mrs. Susan Scotti:** That was not our recommendation. It's not within our purview to make that kind of a recommendation.

**Mrs. Joy Smith:** I wondered because...I'm sorry, that was the National Advisory Council.

**Mrs. Susan Scotti:** Yes, it's the council that recommended that.

**Mrs. Joy Smith:** Oh, I see. So it's not within your parameters to do that.

I know in my riding, I've had three or four seniors come in over this year who are still working, and they have said it's not worth their while working. Most seniors I think don't want to work or can work. Do you think it's a big issue? Or is it only a few people who drop in once in a while who fit into the category where they actually get the GIS and work? It seems to me it's not a huge number of people, but I don't know.

**The Chair:** A brief answer.

**Mr. Mitch Bloom:** As I said earlier, we did the research on it and it showed, not surprisingly, that a very small number of people with earnings getting GIS.

**The Chair:** Thank you very much.

I thank you all very much for sharing all this information. As Ms. Bourgeois suggested, there are so many areas we want to focus on as we move forward on our study.

If you could supply the researchers with the information pertaining to the EI issues and the other charts and so on, we would very much appreciate it.

We adjourn for 30 seconds for the witnesses to leave the table.

•(1045)

(Pause)

•(1050)

**The Chair:** Order, please. For the information of the committee, I did table the Sixth Report on the Status of Women on the issue of pay equity yesterday in the House.

Minister Prentice has been approached to come and talk to us regarding matrimonial property rights. He's very keen to come before the committee, so we will try to see if we can schedule that.

Were there any other comments or concerns the committee wished to raise?

Ms. Mourani.

[Translation]

**Mrs. Maria Mourani:** Thank you, Madam Chair.

I would like to share some information today that I think is of the utmost importance and that concerns me a great deal. I would like us to discuss it to see what we can do about it.

On Monday, I believe, I learned that the Standing Committee on Justice and Human Rights has set up a subcommittee that will study solicitation in order to complete work that had apparently been underway for several years. I think that our participation on this subcommittee is of the utmost importance. To my mind, it must not be done without us, the Standing Committee on the Status of Women.

This subcommittee is no longer at the consultation stage, according to what I gathered, but is actually drafting a report that will undoubtedly lead to a bill on solicitation. So I think it is crucial for us to get involved in the subcommittee. I do not know what procedure we could use to do that. I am throwing out the idea to committee members around this table to see what can be done. Moreover, if there is already consensus around the table that we should be involved in the discussions, we need to look at how we might do that.

Should we create our own subcommittee to make an additional contribution? I think it would be unfortunate for there to be overlap. It would be better to get involved on the subcommittee and to work with those members to put out a document with some consensus. That is one of my concerns.

[English]

**The Chair:** Mrs. Smith.

**Mrs. Joy Smith:** I'd like to bring forth two things as well.

We talked earlier about the human trafficking issue, and before the end of this session I would like to put a motion forward to take a look at the human trafficking issue in the fall.

Also, today there were some very good questions around EI, and we really didn't get the answers. I'm wondering if we could bring somebody in to answer those questions.

On affordable housing, some very good questions came out today, but we just didn't get the answers.

**The Chair:** Thank you.

We have to vacate this room very quickly today.

Ms. Minna.

**Hon. Maria Minna:** I'll be very quick.

As to bringing someone here on EI and housing, there's no question—and anything else we can get that goes to the economic security of both senior and younger women, which is what we're studying.

On trafficking, that's part of the violence against women motion that we've already passed. I think you're saying that maybe we need to get moving on that topic as well.

Madam Chair, I'm asking for clarification. Did you intend to move quickly and finish the matrimonial issue as soon as possible because of the research that's already there, and start focusing on the other areas a bit more?

**The Chair:** Yes. Our wonderful researchers have indicated to me that they have started working diligently and will be able to bring forth some sort of brief for us at the next couple of meetings. If we can have some communication with the minister or his PS on that as we move forward, we may be able to get it tabled in the House by the time we end on the matrimonial property rights. That will give us an opportunity on that one, and then we can put more focus on the very issues of the two studies we have initiated.

May I suggest that I connect with the chair of the Standing Committee on Justice that has put this subcommittee together? I haven't heard about this from any other source, so let's find out. There was a lot of work done previously on the whole issue of solicitation, but I don't believe the report ever saw the light of day. Our clerks and I will see just where that is going and how we might bring that together.

On Thursday we will have additional people from HRSDC, as well as from the National Council of Welfare. The National Advisory Council on Aging will be here at our meeting on Tuesday. That will be very positive for all of us.

Thank you all very much.

Ms. Mourani.

• (1055)

[Translation]

**Mrs. Maria Mourani:** I would like to say one last thing, Madam Chair. I think it is excellent that we are doing a study of matrimonial property as part of our work on violence against women. It would be important for us to get something started on the 22nd.

Mrs. Smith is right when she talks about human trafficking. In our work on violence, we must start by studying that, all the more so since the subcommittee examining legislation on solicitation is

working in parallel to some extent. So it would be important, because we can make a lot of links between trafficking in women and solicitation.

[English]

**The Chair:** Mrs. Mathysen.

**Mrs. Irene Mathysen:** I wonder if the clerk has received the information promised from the Native Women's Association of Canada.

Secondly, in support of bringing in other experts to look at affordable housing and EI, I'd like to request that CMHC come in, as Mr. Bloom suggested. There are also national housing experts who could provide further insight into affordable housing, and I would request that they be added.

**The Chair:** Okay, we will.

Mr. Cotler.

[Translation]

**Hon. Irwin Cotler:** I would simply like to support what Ms. Mourani has said about human trafficking. As part of our study on violence against women, I think it is necessary to take a specific look at human trafficking.

[English]

**The Chair:** Yes, I think the intent was to make that part of the study.

Ms. Minna.

**Hon. Maria Minna:** We were talking about women's income security, and I think bringing in some officials from the Department of Finance is important. They did quite a lot of work some time back on reforming pensions and looking at restructuring—some of the points I mentioned, and others. Since the people we had this morning didn't have the analysis, there seem to be silos here. We need to go after the different silos, otherwise the income security analysis will not be done properly.

**The Chair:** They were invited. We just haven't been able to confirm them. They are very important witnesses. We will make sure they come here.

Thank you all very much.

[Translation]

**Mrs. Maria Mourani:** Madam Chair, I would like to clarify a technical point. Could we receive the consultation documents before 4 p.m., please? Yesterday, I saw that once again I had received documentation at 4:25. Sometimes, I am not here. I receive it on my Blackberry and I have to print it out in the morning. It would be good if all of the documentation we need to consult for the next day could be sent to us by 1 p.m. at the latest, if possible.

[English]

**The Chair:** We'll do our best to see that this happens. Thank you.

Ms. Davidson.

**Mrs. Patricia Davidson (Sarnia—Lambton, CPC):** I just wanted to say I didn't even get this stuff beforehand.

**The Chair:** You certainly should have had it all. The presentation from HRSDC, by the way, you will be receiving in your offices. They did not get it to us in advance. You will be receiving a copy of the HRSDC presentation from this afternoon. They didn't have it ready for us to have it translated for everybody today.

**Mrs. Patricia Davidson:** I didn't get anything. I didn't get anything at all.

**The Chair:** Not a copy of the briefing notes from the researchers?

This report you should also have received. You didn't?

You're a member of this committee, and you should have received everything prior to the meeting. We'll make sure you do.

Thank you very much.

I adjourn the meeting.

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