

# FACT SHEET #13



## PENSION REFORM

### A better choice for retired Canadians

The Canadian pension system suffers from serious shortcomings. The public pension part of the system has inadequate benefit levels. For those without good pensions at work and unable to build up significant RRSPs on their own account, public pension benefit levels will not provide them with anything close to a comfortable retirement.

You will only do well in the private system if you have a good negotiated plan, and if you have stayed with a workplace over an extended number of years. Even then – as we have seen in recent prominent cases such as Air Canada – your pension entitlements will be exposed to the whims of corporate restructuring, downsizing and poor pension plan investment returns.

RRSPs are not a suitable alternative to strong public and private pension plans. They carry high administrative costs, cannot deliver an assured benefit because of unstable rates of return, and deliver perverse tax benefits in that they give the greatest benefit to the highest income people.

We must look for a federal party that will bring about the necessary reforms, a party that will push reforms that will help people rather than profits. These reforms must be done in the interest of workers and in a way that will make people trust the pension system and reinforce pensions as an earned benefit – part of their wage package.

These reforms include:

- funding deficiencies in private pension plans to be continually monitored, made known to plan beneficiaries, and corrected in the fastest practicable manner.
- enhanced participation by both actives and retirees in the administration and investment of plan funds.
- more certain funding of present and future pension obligations in the private sector, including moving pension obligations to 'fully secured creditor' status under bankruptcy laws, and strengthening 'pension benefit guarantee' legislation.
- significant increases in the level of benefits under the CPP and OAS programs, including survivor and disability benefits.

The federal government has chosen not to listen to our call for pension reforms. Since 1999 they chose to give away \$10 billion in tax cuts to already profitable businesses. It looks like this federal government has already made its choice between people and profits.

### You can make a better choice.

**When you vote,** choose a party that clearly supports pension reforms which put people before profits and that offer a better standard of living and quality of life for retired Canadians.



For more information about the Congress of Union Retirees of Canada (CURC) and better ideas for health care, visit: <http://curc.clc-ctc.ca>.