

For Immediate Release

Ontario Budget Must Prioritize Pension Protection: Canadian Federation of Pensioners

March 5 -- The Canadian Federation of Pensioners is calling on Ontario Finance Minister Rod Phillips to make protection of defined benefit pensions a priority in the upcoming budget.

“Financial security for Ontario seniors must include pension protection,” said Mike Powell, President of the Canadian Federation of Pensioners. “According to FSCO, in 2018, an estimated 78% of defined benefit pension plans in Ontario were underfunded. In the event of an insolvency, those pensioners will not receive their full pension. This puts an estimated 850,000 pensioners at risk.”

While the Ontario Pension Benefit Guarantee Fund does provide pensioners with some protection, it is capped at \$1500 per month. That means that people, like Sears pensioners, have seen their pensions reduced by 20% or more,” explained Powell.

If the Ontario government is serious about protecting financial security for older Ontarians, it needs to make defined benefit pensions a high priority for FSRA in 2020. Including:

- Full pension insurance for all pensioners by increasing employers’ contributions to the Ontario Pension Benefit Guarantee Fund (PBGF)
- Protecting the long-term viability of the PBGF by enhancing the government’s ability to prevent pension defaults such as:
 - abolishing pension funding relief except in true hardship cases
 - preventing the sale of a company until its pension is fully funded
 - blocking executive bonuses or issuance of dividends when a pension falls below established solvency funding requirements.

“The Ford government has an opportunity to show leadership and protect the pensions of seniors who have worked hard all their lives,” said Powell.

[The Canadian Federation of Pensioners](http://www.pensioners.ca) (CFP) advocates on behalf of defined benefit pension plans and their members. Founded in 2005, the CFP is the united voice of 21 retiree groups, representing 270,000 defined benefit pensioners, who work together to improve pension security across Canada. CFP is affiliated with CARP and the National Pensioners Federation. www.pensioners.ca

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