



The Canadian Federation of Pensioners is pleased to see CAPSA include a focus on stakeholder engagement and stakeholder awareness in the draft Strategic Plan 2023 to 2026 and submits the following for consideration.

CFP is an organization dedicated to improving the security of defined benefit (DB) pension plans in Canada. Each of CFP's twenty-two member organizations advocate for the interests of the active and retired members of workplace DB pension plans. Collectively, the CFP member organizations represent the interests of more than 300,000 individuals and their families across Canada. CFP is also allied with many of Canada's leading senior's advocacy organizations.

Since its inception, the CFP has engaged the broad spectrum of stakeholders. Not just those in the pension industry (the regulators, government ministries, pension administrators, lawyers, actuaries, and insolvency experts), but also those outside the pension industry (pensioners, plan members, politicians, and the public). We hope that this is the scope of stakeholders envisioned by CAPSA.

While we fully support expanded stakeholder engagement, our experience over the years is that there are two key foundational elements missing that should be addressed.

First is a common ordinary language taxonomy. The lack of this taxonomy results in much confusion and misunderstanding outside the pension industry. It will be difficult to effectively engage stakeholders if they do not understand the terms. This is particularly important for politicians who ultimately vote for or against pension legislation.

There are many examples, here we will only discuss three:

1. It is often said that pension regulations **require** plans to be at a certain funding level. The ordinary language definition of required is "*set out by rule compulsory, essential, needed or necessary*". Those in the pension industry know that this is not the definition used when discussing pensions. In this context required means target. Those outside the pension industry assume that pension plans are all at or above the required funding level. This is a significant area of unnecessary misunderstanding.
2. Over the years we have heard many outside the pension industry ask, particularly as it applies to private DB plans, "How many plans are open to new members?". In discussions, most believe that **open** plans accept new members, **closed** do not. Those in the pension industry know that this is incorrect, that closed plans may accept new members, in fact within a single jurisdiction open/closed may have several meanings. Another area of unnecessary misunderstanding.

3. **Windup** has significantly different meanings depending on the context. A windup of a plan of a company as a result of insolvency only the funds in the plan are available to plan members; almost always resulting in pension loss. Windup of a plan of an ongoing company requires the company to first fully fund the plan. This significant difference is not generally understood by those outside the pension industry and has resulted in critical misunderstanding by key stakeholders including politicians voting on legislative changes.

Second, is the lack of accurate granular data. In discussions with politicians, testifying at committee it is common to hear questions, some are very specific. These examples are from discussions around C-253 and C-228 but illustrate the issue.

1. How many private single employer defined benefit plans enroll new members?
2. How many retirees are there compared to active employees?
3. How many plans have large deficits, what is the total exposure?
4. How many Canadians have had their pensions reduced due to insolvency, by how much?

The Canadian Federation of Pensioners encourages CAPSA to address these key foundational issues and is willing to assist.

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