



The COVID-19 pandemic has revealed many cracks in the societal foundations that were supposed to protect our seniors. Now is the time to repair those cracks. This must include addressing the lack of pension protection for defined benefit pensioners. Ontario's seniors have a right to age with dignity and financial security.

We have seen seniors pay the price for inadequate pension regulations. Companies like Nortel, Sears and many others have largely abided by regulations and yet left pensioners facing significant losses in income for the rest of their lives.

For more than a decade, the Canadian Federation of Pensioners, representing 22 pension organizations and over 300,000 defined benefit pensioners, has proposed numerous solutions to ensuring 100% pension protection for seniors.

Pension protection must recognize the following:

1. Pensions are deferred wages. They are earned while working, payable after retirement.
2. Pensioners deserve the pension their former employer committed to.
3. The responsibility to ensure pension protection falls on government. Government has not provided pensioners any control, input or approval of changes to their pensions. Government has reserved this power to itself.

Ontario is in a unique situation to be the leader in protecting vulnerable seniors' pensions in Canada. Ontario is the only pension jurisdiction with a pension backstop, the Pension Benefit Guarantee Fund, which is well funded.

The CFP recommends the Ontario Government enhance the Pension Benefit Guarantee Fund to ensure pensioners received 100% of the pension to which their company committed should the company become insolvent.

The CFP believes that relatively minor changes to the existing PBGF would fully protect pensions in insolvency. While the CFP does not have access to detailed data, our high-level analysis indicates that the current PBGF rates would be sufficient.

During this pandemic many have suffered. Government has reasonably responded with financial support for many groups.

While we recommend improving the PBGF, the CFP is solution agnostic. Improving the PBGF is one of several solutions proposed by the CFP to protect pensioners without putting a burden on government or taxpayers. These can be found on our website www.pensioners.ca

It is well past time for government to lead stakeholders to a solution to this significant problem for seniors.

The Canadian Federation of Pensioners stands willing to meet and discuss this issue at your convenience.

Michael Powell
President
Canadian Federation of Pensioners
m.powell@pensioners.ca