



A man looks over a brochures offering various retirement savings options in Montreal. THE CANADIAN PRESS/Ryan Remiorz

OPINION: Why is the B.C. NDP government abandoning pensioners?

Michael Powell is the president of the Canadian Federation of Pensioners

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When governments have to release information they would rather not, they do it on a Friday, on a long weekend in the summer. Just like B.C.'s government did last week.

On Aug. 2, the government released, "A Review of the Solvency Funding Framework under the Pension Benefits Standards Act: Report on Stakeholder Committee Process August 2019." Friday? Check. Long weekend in summer? Check. Under the radar? Think again.

This report recommends that the B.C. government – an NDP government – should completely alter pension regulations in favour of the pension sponsors and the

pension industry. It is entirely focused on reducing sponsors' obligations to fully fund pensions. It fails to recommend tangible solutions to protect pensioners when companies with under-funded pensions file for bankruptcy.

The government should do the right thing and follow the lead of the federal NDP, which has committed in its election platform to protect retirement savings and put employee pensions at the front of the line if a company goes bankrupt. The federal NDP is also proposing a mandatory, industry-funded pension insurance program to protect and guarantee pensions. The B.C. government should follow suit.

As we have seen from the bankruptcies of Sears, Nortel and others, the impact of insolvency on pensioners is devastating. When Canadian pensioners lose 20 per cent or more of their pension income, there are financial repercussions that impact all of us. In a conservative case, a pensioner could see a 20-per-cent reduction in income, from \$30,000 to \$24,000 per year, resulting in an annual tax revenue loss of \$1,500 to \$2,000 per pensioner.

The impact of bankruptcy and pension loss is particularly devastating in smaller communities. It can shift pensioners from leaders and volunteers to leaning on local resources for support. Pensioners contribute to their communities in many ways, particularly as volunteers. When they lose a substantial amount of their income, they cut back on community engagement or seek post-retirement employment. How can they help out at the seniors' centre or provide transportation for medical treatment when they can't afford the gas?

B.C.'s 170,000 defined benefit pension beneficiaries and their families should be the most important stakeholders in pension security discussions. But the report issued by the B.C. Ministry of Finance does nothing to protect them. We have seen how companies abandon pensioners, because the law allows them to do so. Pensioners, by law, cannot negotiate to improve or ensure their pensions.

Governments have that responsibility.

It's time for the B.C. government to put pensioners first. On behalf of our 250,000 members, we are calling on Premier John Horgan and his government to put aside this report and act in the best interests of pensioners.

Michael Powell is the president of the Canadian Federation of Pensioners

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