



News Release
For Immediate Release

Canadian Federation of Pensioners Rejects BC Pension Solvency Review Calls on Premier Horgan to Protect Pensioners and Set Report Aside

August 7 - The Canadian Federation of Pensioners is calling on Premier Horgan and Finance Minister Carole James to reject a newly issued report on pension solvency.

Last Friday, under the shadow of a holiday weekend, the provincial government released, "*A Review of the Solvency Funding Framework under the Pension Benefits Standards Act: Report on Stakeholder Committee Process August 2019*". This report outlines the findings of the review which examined the solvency funding requirements for defined benefit pension plans.

This report 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. Rather, the report recommends that solvency funding be reduced to 85%, rather than the 100% currently required. It also recognizes that many pension plans don't currently meet 85% threshold. This means that if a company goes bankrupt, pensioners will experience a 15% cut (or more) to their pensions. That's a huge hit to their retirement security.

"The proposed changes do nothing to protect BC's 170,000 defined benefit pension beneficiaries and their families," explained Michael Powell, President, Canadian Federation of Pensioners. "Employees pay into their pensions and expect to receive the money when they retire. But as the bankruptcies of Sears, Nortel and have shown, companies abandon pensioners because the law allows them to do so."

The impact of bankruptcy and pension loss undermines the fabric of our communities and 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 at the seniors' centre or provide transportation for medical treatment when they can't afford the gas?

"It's time for the BC government to put pensioners first. On behalf of our 250,000 members, we are calling on Premier Horgan, Minister James and the provincial government to put aside this report and act in the best interests of BC pensioners," said Powell.

About the Canadian Federation of Pensioners

The Canadian Federation of Pensioners (CFP) advocates on behalf of defined benefit pension plans and their members. Founded in 2005, the CFP is the united voice of 20 retiree groups representing 250,000 members who work together to improve pension security across Canada. CFP is a member of the National Pensioners Federation.

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