

Canadian Federation of Pensioners – Pre-Budget Submission for 2020

Thank you for the opportunity to submit our priorities for the 2020 Ontario budget. As the united voice of 19 retiree groups, representing over 250,000 pensioners, the Canadian Federation of Pensioners advocates on behalf of defined benefit pension plans and their members.

The CFP supports FSRA and the government of Ontario for taking proactive steps to support innovation and reduce red tape in the pension sector. However, any reduction of the regulatory burden on the pension sector must be balanced and must ensure that the remaining regulations are enhanced to protect pensions.

Enhancing regulatory tools available to FSRA, and strengthening legislative and regulatory protections for pensions, will enhance retirement security for Ontarians and save the Ontario government money.

CFP is asking the Ontario Government to:

1. Make protection of defined benefit pensions a high-impact priority for FSRA and the Ontario Government in 2020
2. Recognize a key factor in the long-term financial stability of the Pension Benefit Guarantee Fund (PBGF) will be reducing the risk of pensions failing. Critical to this is maintaining healthy pension solvency levels.
3. Identify and enact specific legislative and regulatory changes to enhance the government's ability to prevent pension defaults, such as:
 - a. abolishing pension funding relief except in true hardship cases
 - b. preventing the sale of a company until its pension is fully funded
 - c. blocking executive bonuses or issuance of dividends when a pension falls below established solvency funding requirements.

The Ontario government has a duty to protect Ontario pensioners. Pensioners must be considered a distinct stakeholder group, separate from employees or members of a collective bargaining unit. Once workers become pensioners, they lose the protection of a collective bargaining group. Only the government can safeguard their interests.

Unlike all other pension sector players, pension beneficiaries are individual people who rely on the regulator to ensure their pensions are safe and secure. When pensioners don't receive their full pension, it hurts everyone. Pensioners' reliance on social services increases and they contribute less to local economies, communities and the tax base.

We caution that increased flexibility should not be an excuse for diluting pension protection. We look forward to working with the Ontario government in 2020 to protect pensioners.

Thank you.

Michael Powell
President
Canadian Federation of Pensioners