

# One election away...

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## FROM RETIREMENT SECURITY FOR ALL CANADIANS

Over 11 million Canadians don't have a workplace pension. Less than 25 per cent of Canadians contribute to RRSPs, which on their own are an ineffective way to prepare for retirement. Half of middle class baby boomers won't have a decent retirement and the problem is projected to get worse with each generation.

**It is undeniable that Canada is facing a pension crisis.**

For women the crisis is more severe since **only 58 per cent of senior women receive income from workplace pensions or RRSPs** compared to 70 per cent of senior men. Racialized workers are also less likely to have a pension plan at work.

With a modest increase to the contributions made by employers and workers, phased in gradually over several years, Canada Pension Plan (CPP) benefits could be doubled.

There is growing consensus among Canadians, provincial and territorial leaders, and pension experts, that expanding the Canada Pension Plan is the most efficient, effective and affordable way to address Canada's pension crisis.

**Expanding the CPP could provide all Canadian workers with a decent income in retirement** so millions of seniors could live with dignity and out of poverty.

### The Conservatives

**The Conservatives want Canadians to work longer to retire with less.** The Conservatives:

- Refused to expand the CPP, ignoring overwhelming public support for increased contributions by workers and employers.
- Promote ineffective voluntary saving schemes that let employers off the hook and leave workers without any real help in retirement.
- Unilaterally increased the eligibility age for Old Age Security/Guaranteed Income Supplement from 65 to 67 forcing seniors to work longer. This will take \$13,000 of retirement funds from middle class Canadians and could push hundreds of thousands of seniors into poverty in the future.
- Support allowing employers to walk away from pension promises they've made to workers and retirees.

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**CUPE**

## **The Liberals**

**The Liberals cannot be counted on to show the leadership needed to address Canada's pension crisis.** The Liberals:

- Don't have a concrete plan for CPP expansion, and don't support expanding it for all workers – only for those without a workplace pension.
- Want to use Canadians' retirement savings to pay for privatized infrastructure they should be funding themselves.

## **The NDP**

**An NDP government would make sure all Canadians can retire in dignity with a secure income.** The NDP will:

- Expand the CPP by phasing-in a doubling of benefit levels.
- Reverse Harper's cuts to Old Age Security and the Guaranteed Income Supplement by returning the age of eligibility to 65.
- Ensure that employers can't walk away from the pension promises they've made to workers and retirees.

## **Why expand the CPP?**

**The CPP is well managed and financially stable –** The CPP is a public defined benefit pension plan that all Canadian workers and employers pay into. It is solely funded by these contributions. The CPP is well run, fully portable if workers change jobs, and is fully sustainable at current contribution rates.

**But current benefits paid out by CPP are not enough to retire on with a decent income –** The CPP is currently designed to replace 25 per cent of a retiree's annual working earnings below \$53,600. This means the maximum CPP benefit is \$12,780 per year. But the average new Canadian retiree gets around \$7,300 – or about \$600 a month. This is clearly not enough.

**Doubling these benefits is affordable for workers and employers –** By gradually increasing the contributions made by both workers and employers over seven years – by less than 0.5 per cent per year – CPP benefits could be doubled.

For a worker earning \$30,000 per year, the initial increase would be about six cents an hour, less than \$2.30 a week, in contributions.

**It's the best option for workers without a workplace pension –** Less than 25 per cent of Canadians contribute to RRSPs, with most workers saying they can't afford to. They also have high management fees, and don't provide the same kind of security that the CPP does. Other saving tools, like Tax Free Savings Accounts, primarily benefit the wealthiest Canadians.

**Expanding the CPP** is the most effective, efficient and affordable way to address the retirement income crisis.

We need a party committed to fully protecting and expanding both our workplace pension plans and our public pension system.

***We are just one election away from ensuring that all Canadians can retire in dignity.***