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November 14, 2017

BY E-MAIL

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
House of Commons
OTTAWA, ON K1A 0A6

Dear Prime Minister:

In 2016, Canada's federal and provincial governments achieved a historic deal to expand the Canada Pension Plan (CPP). This was an important and long-overdue step that will play an important role in the ongoing struggle to ensure that future generations of retirees are able to retire with dignity and security. And we thank you for your government's leadership role in this achievement.

While the deal fell short of CUPE's call to double CPP benefits, we commend Canada's governments for working together to implement the first expansion of CPP benefits since the plan was established 50 years ago.

Federal Bill C-26 implemented these agreed-upon changes. The bill received Royal Assent in December 2016 and subsequently received provincial consent from the nine signatory provinces. The bill is now in force.

However, there is a significant flaw in this legislation that must be remedied.

Under Bill C-26, special provisions for workers with child-raising responsibilities and persons with disabilities have been *excluded* from the expanded portion of the CPP.

The "child rearing drop out" ensures that parents are not penalized under the CPP for time out of the workforce to raise children. While available to any parent, this "drop out" provision is used mostly by women. Senior women already only earn 70 cents in CPP for every CPP dollar earned by men. Without this important drop out provision, this gap would be wider. Similarly, the "disability drop out" ensures persons with disabilities are not penalized for time they are collecting CPP Disability benefits because they are unable to work.

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MARK HANCOCK
National President/Président national

CHARLES FLEURY
National Secretary-Treasurer/Secrétaire-trésorier national

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General Vice-Presidents/Vice-présidences générales

As it stands, these two “drop out” periods will not be included in the expanded portion of CPP, even though they’ve existed (and will continue to exist) in the current portion of CPP for decades. This will unfairly penalize women and persons with disabilities when they collect their new CPP benefits.

Before Bill C-26 was passed, CUPE and others in the labour movement informed the federal government of the failure to include these important provisions in CPP expansion – an omission we believe was an oversight in a very technical piece of legislation. CUPE appeared before both House of Commons and Senate committees during their study of Bill C-26 and urged the government to fix this legislation to remedy these mistakes. The legislative changes required to extend the “drop out” periods across the expanded CPP benefits are simple and the cost would be modest. We are disappointed that the federal government did not make these changes.

We are aware that the federal and provincial governments have since committed to examining this issue as part of the regular triennial (2016-2018) review of CPP. We urge your government to work with provincial governments to ensure that the current CPP “drop out” periods, which have long served Canadians well, are applied equally to the expanded CPP benefits. We note that the agreed-upon changes to CPP will not be phased-in until 2019, so there is still time to fix this oversight.

No government would think it fair to penalize persons with disabilities, or workers who took time away from the paid workforce to provide care for their young children. On behalf of CUPE’s 650,000 members across Canada, we ask your government to stay true to your commitment to a more secure and dignified retirement for *all* Canadians.

Sincerely,



MARK HANCOCK
National President

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cc: B. Morneau, Minister of Finance
M. Monsef, Minister of Status of Women
K. Hehr, Minister of Sport and Persons with Disabilities
P. Hajdu, Minister of Employment, Workforce Development and Labour
J-Y. Duclos, Minister of Families, Children and Social Development
Members of House of Commons Standing Committee on Finance
Members of Senate Committee on Social Affairs, Science and Technology