

Canadian Federation of Pensioners

www.pensioners.ca

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- Advocate on behalf of defined benefit pension plans and their members. Founded in 2005, the CFP is the united voice of 20 retiree groups, representing 270,000+ defined benefit pensioners, who work together to improve pension security across Canada.

Member Organizations

- ActiPension (Association de protection des droits des participants au RPRTA)
- Air Canada Pionairs
- ARAC (Association des retraités Abitibi Consol)
- Bell Pensioners' Group
- Catalyst Salaried Employees and Pensioners Advocacy Association
- CCRetirees Organization (salaried retirees of Chrysler Canada)
- DIPAC (DuPont Invista Pension Association of Canada)
- GENMO Salaried Pensioners Organization (retirees of General Motors Canada)
- International Association of International Air Transport Association Retirees (IAIR)
- KODA Retirees Association/Association Des Retraités KODA (retirees of Kodak Canada)
- MacMillan Bloedel Weyerhaeuser Retired Salaried Employee Club
- MROO (Municipal Retirees Organization Ontario)
- ONPA (Ontario Northland Pensioners Association)
- Novartis/CIBA Retirees Group
- Police Pensioners Association of Ontario
- RERWBS (Regroupement des Employés Retraités White-Birch Stadacona)
- SCRG (Sears Store and Catalogue Retiree Group)
- Society of United Professionals Pensioners Chapter
- SSPO (Stelco Salaried Pensioners Organization)
- Yellow Pages Pensioners Group (YPPG)

Partners, Affiliates and Allies

- CFP has collaborative relationships with national advocacy groups.
 - CARP
 - 300,000+ members
 - National Pensioners Federation
 - 350 affiliate organizations 1,000,000+ members
 - FADOQ
 - 535,000+ members
 - Canadian Coalition for Retirement Security
 - 22+ organizations 2,000,000+ members
 - Vibrant Voices
 - 9+ organizations 2,000,000+ members
- They all share the same goal, some work with us on shared strategies and some work with us on shared tactics and campaigns.

Shared Goal: Pension Protection

- The goal is simple: All pensioners should receive the pension their employer committed to.
- It is the responsibility of the former employer to fund the pension and the responsibility of governments to ensure pensioners receive 100% of their pension through legislation and regulation.

Impact of the Global Pandemic

- Liquidity issues are real for companies despite government relief programs.
- CFP is deeply concerned that the current financial crisis will lead to insolvencies, putting pensioners at risk.
 - COVID-19
 - Global oil price war

Pensions are at greater risk now

- Due to temporary and permanent solvency relief implemented over the past five years
- CFP did not envision or predict a financial crisis of this magnitude, but CFP and other pension advocacy groups have consistently raised concerns over solvency relief without counterbalancing pension protection.
- We have been very proactive expressing our concerns in formal and informal consultations both provincially and federally.
- Our concerns have not been acted on.

Issue

- Pensions have always been at risk and the risk is increasing.
- Large companies like Nortel, ubiquitous companies like Sears and small companies like Co-op Atlantic and many others have raised public awareness and concern.
- Pensioners are exposed to the most risk with the least protection of all stakeholders.

Complex Problem

- There are many stakeholders with competing objectives.
- We realize it is a complicated landscape that includes legislation and regulations from multiple levels and areas of governments.
 - Pension
 - Business
 - Tax
 - Insolvency
- The external environment is volatile.

External Environment: Before COVID-19

- How to Thrive in the 2020s (Boston Consulting Group).
 - The odds of failure are increasing. One out of three public companies will cease to exist in their current form over the next five years—a rate six times higher than 40 years ago.
- What would those numbers look like now?

Regulatory Environment

- On balance the risk to pensioners is increasing.
- Pension regulators moving away from solvency requirements.
 - With no compensatory action to maintain or improve pension security
- History of blanket solvency relief in the face of economic downturns.
- Lack of ownership of pension protection.
- Lack of inclusion of pensioner perspective.
- C97 illustrated a number of issues.
 - Acknowledged the unfair treatment of pensioners
 - Difficulty implementing an effective whole of governments approach

Stakeholder Competing Objectives

- Each stakeholder holds their position paramount.
- Pensioners are at a significant disadvantage.
 - Pensioners are the only stakeholders with no ability to directly influence their position
 - The lack of influence is a conscious decision of government and regulators.

Why should pensions be fully protected?

- Pension loss undermines the fabric of our communities and can shift pensioners from leaders and volunteers to relying on social services for support
- Pensions are deferred wages.
- It is good policy.
- It is good politics.

Scenario: The Next Pension Crisis

- Likely to be a jurisdiction that reduced/eliminated solvency requirements.
- Why is the government waiting for a high profile insolvency / front page story before they act? The first high profile insolvency will be a major media event and an embarrassment for governments if pensioners are left vulnerable.
 - Questions will be raised as to why solvency was reduced.
 - Who proposed?
 - Who agreed?
 - Who obtained the buy in from pensioners?
- Parallels to LTC failures

Solutions

- We have proposed solutions in our various submissions.
 - Pension insurance
 - Super-priority for unfunded liability
 - Refundable tax credit
 - A directed third party study with all stakeholders
- However, we are solution agnostic providing the goal of 100% pension protection is achieved.
- No other stakeholder has proposed a solution; governments, regulators, financial industry, pension industry

Ask

- CAPSA include guidance that provisions be in place ensuring pensioners receive 100% of the pension their employer committed to.
- CAPSA include guidance that changes with potential negative impact on pensioners be approved by pensioners.
- CAPSA support the creation of a third party study to answer the question “What is the best way to ensure pensioners receive 100% of the pension their employer committed to.”