



INFO

Retirees call for better protection of their pension funds

They want Quebec to be inspired by Ontario, the only province to provide this protection to private sector employees.

The Sun retirees were invited to a meeting last night.

PHOTO: RADIO-CANADA / GUYLAINE BUSSIÈRE

Mathieu Belhumeur

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Retirees from the private sector, beneficiaries of a defined benefit pension plan, are asking the Quebec government to put in place insurance to protect their retirement income.

One of them, Denis Bouffard, had worked for Sears for 42 years, when the retail giant declared bankruptcy in October 2018.

Responsible for ensuring the sale of the goods, he was the last to leave the store a few months later. Then aged 61, he believed that the time had come for retirement, that he was going home. But then, he learned that with the bankruptcy of Sears, he would lose 30% of his monthly pension.

When Sears went bankrupt, it left an actuarial deficit pension plan of \$ 267 million for approximately 18,000 former employees.

Impossible for him to consider retirement in this context. He had to return to the job market, a situation that caused him a lot of stress, uncertainty and anxiety.

« There have been many sleepless nights to think about that », says Mr. Bouffard who now works for an SME in Trois-Rivières, a kitchen cabinet manufacturing plant.

He is sorry that after 42 years of contributing to a defined benefit pension plan, he still has to work to secure an adequate income. « It's annoying », he drops.

Another province, another reality

A few hundred kilometers away, the story is very different.

Reynald Rheault has spent most of his career at Sears, but in Ontario. He worked there for 35 years.

Today, he is enjoying his retirement, in part thanks to the Ontario Pension Benefits Guarantee Fund. A kind of insurance that protects the retirement benefits of employees in the private sector.

The Fund protects employees who have contributed to a defined benefit pension plan by guaranteeing them monthly payments of up to \$ 1,500 per month in the event of the bankruptcy of their employer. This fund is financed through premiums paid by the promoters of pension funds.

Ontario is the only province in the country to protect the benefits of private sector employees.

Without this protection, Mr. Rheault believes that he should also have returned to work. « The beautiful retirement plans, there, it flies away ... I would have returned to work, so we no longer talk about retirement », he said.

For the Canadian Federation of Retired Persons, this reality demonstrates the need for such insurance to be introduced elsewhere in the country.

« When you get to a certain age, you can't necessarily go back to work. It is very, very difficult for retirees to get back on their feet by suffering a pension loss. »

— Jean-Paul Joannis, Treasurer of the Canadian Pensioners Federation

« It's the same as when a house goes up in fire, he illustrates. It is rare that this happens, but we take out insurance to protect ourselves. Companies take out insurance to protect their investments, their buildings; they should do it for human capital. These are people who have spent 25-30-40 years in their jobs. »

During the last provincial election campaign in Quebec, the Federation also made representations to the various political parties. Prime Minister François Legault has recently shown himself willing to protect retirees from bankrupt businesses.

In the wake of the Capitales Médias bankruptcy, experts and retirees come back to the charge and believe that it is time for the government to move

For Professor Patrik Marier of the Department of Political Science at Concordia University, the government « has a role to play » to better protect retirees. « It remains to be seen what the solution is, the path to favor », he says.

Federal call too

The Canadian Federation of Retired Persons is also lobbying Ottawa for the government to make pension plan members priority creditors in the event of the insolvency or bankruptcy of their employer.

The struggle has been going on for years. Since workers are not considered priority creditors, they only have a portion of their retirement benefits left when the banks and other creditors have been paid.

« Currently, we are completely at the bottom of the list of creditors. So there is no way to recover what remains after a bankruptcy; and at the bottom of the list of creditors, there is nothing left. »

— *Jean-Paul Joannis, Treasurer of the Canadian Pensioners Federation*

Joannis adds that governments are quick to help businesses in the event of financial difficulties. This is normal, he said, but « it should not be done at the expense of retirees » .

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Mathieu Belhumeur

