

Canadian Federation of Pensioners Calls on Parties to Protect Pensioners Now FINA Standing Committee to Hold Hearings on Bill C-228

Oct 13, 2022 – Toronto – Canadian pensioners are one step closer to having their defined benefit pensions protected when companies go bankrupt. On October 17 and 19, the Standing Committee on Finance will hold hearings on Bill-C228, legislation that will protect the financial security of the 4.2 million Canadians who rely on defined benefit pensions. Seniors and pensioners groups from across Canada, including FADOQ, CanAge, National Pensioners Federation, Sears, Yellow Pages Pensioners' Group, CCRetirees, GENMO Salaried Pension Organization, and Canadian Federation of Pensioners have requested the opportunity to address the Committee in support of the bill.

“It is time to stop prioritizing banks over pensioners,” said Michael Powell, President of the Canadian Federation of Pensioners. “Canadian pensioners can’t afford another bankruptcy like Sears or Nortel that left thousands of retired workers relegated to living in poverty for the rest of their lives.”

When the assets of a failed company are divided, as secured creditors, banks get paid first. Pensioners have no rights or status in insolvency and often end up with reduced pension income for life. Bill C-228 addresses this by giving pensioners super-priority status in corporate insolvency. This means that pensioners move closer to the front of the line, improving their likelihood of receiving their full pension.

Pension loss is for life and has plunged many vulnerable seniors into poverty. “Pensioners should not be acceptable collateral damage in insolvency,” said Mr. Powell. “Pensions are deferred wages earned by Canadians while they work and payable to them when they retire. In supporting C-228, MPs can act decisively to compel companies to honour their pension obligations.”

Bill C-228: An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Pension Benefits Standards Act, 1985 is sponsored by Marilyn Gladu, MP, Sarnia-Lambton. Since 1982, more than 250,000 seniors have suffered pension losses when their company has underfunded their pension and then become bankrupt. This happened with large companies like Sears and Nortel, as well as smaller ones like White Birch, Atlantic Co-Op, and Cliffs Natural Resources whose pensioners suffered pension losses of 20% or more.

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Get the facts at: www.pensioners.ca