

February 1, 2021

Dear Prime Minister Trudeau,

The Covid-19 pandemic has revealed many cracks in the societal foundations that were supposed to protect our seniors. Now is the time to repair those cracks. This must include addressing the lack of pension protection for defined benefit pensioners. Canada's seniors have a right to age with dignity and financial security.

Today, many Canadian businesses are in crisis and there will be significant business insolvencies in the months and years to come due to COVID-19. In many cases, insolvent companies will leave behind underfunded and abandoned defined benefit pension plans. We have consulted with key sector players to identify innovative solutions to the looming crisis in pension security.

**As you know, there are no real protections for defined benefit pensioners when a company goes bankrupt.** The risk to defined benefit pensions occurs when a company becomes insolvent and its pension is underfunded. When companies are in trouble but haven't yet become insolvent, pensioners are powerless to intervene and secure their pensions. All other creditors can negotiate terms to protect their interests.

We would like to meet with you to discuss opportunities to close that gap in pension protection. I am attaching, for your review, a link to an innovative proposal that explores the concept of a '[Distressed Pension Facility](#)' that would ensure all Canadian pensioners are treated equally, regardless of where they live.

The Canadian Federation of Pensioners represents 22 retiree organizations with over 270,000 members across Canada. Our organization has a long history of working collaboratively with all levels of government. Our partners include CARP, CanAge and the National Pensioners Federation.

The Canadian Federation of Pensioners is guided by three tenets:

1. Pensions are deferred wages. They are earned while working, payable after retirement.
2. Pensioners deserve the pension their former employer committed to.
3. Pension insecurity is caused by governments and needs to be resolved by governments. Pensioners losing a portion of their income for the rest of their lives is a result of legislation and regulations passed by governments without the consent, approval or involvement of pensioners.



I look forward to meeting with you to discuss this pressing issue.

Sincerely,

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cc: Minister Freeland  
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