

Protect Pensioners Now. Canadian Federation of Pensioners Calls on All MPs to Pass Bill C-228.

June 21, 2022

Toronto – On Wednesday, June 22th, MPs will have the opportunity to cast a decisive vote that will protect the financial security of the 4.2 million Canadians who rely on defined benefit pensions. While Bill C-228 has broad support among all Opposition parties, the Liberal government has repeatedly refused to take action to protect vulnerable seniors.

“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.

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 is what 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. Pension loss is for life and has plunged many vulnerable seniors into poverty.

“We need to stop allowing pensioners to become 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. Super-priority puts a price on a company’s decision to abandon its pension obligations.”

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Get the facts at: www.pensioners.ca