

November 23, 2010

C-574 - Retirement Income Bill of Rights

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):**

Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-574. I want to congratulate my colleague from York West. I do not think anybody in Parliament has done more work going around the country and understanding the need to strengthen and making our pension more robust than her.

One of the biggest issues facing Canadians today is the security of senior citizens. What are those who have gone past working age going to live on? It is an increasing problem. The saddest meetings we have as members of Parliament, certainly in my case, are with people who tell me they are retired or are planning to retire very soon, but it has all gone up in smoke. What they thought was there is not. These are people who do not have the option of going back into the workforce or if they do, their options are very significantly limited.

I really want to congratulate my colleague from York West. She has worked hard, she has travelled extensively in a non-political, non-partisan way and has brought this bill forward, which is very important.

We know that there are a significant number of seniors who live in poverty. Canada as a country has done a pretty good job over the last 20 to 30 years of reducing poverty rates among seniors. Going back to the 1970s, we have reduced poverty rates among seniors pretty significantly. They have been on the rise again over the past few years, but the poverty rate among seniors has gone down very significantly.

The problem is that there are still groups of seniors that tend to be single women that have very high rates of poverty. We need to take that into account. However, it not just lowest-income Canadians. Many middle-income Canadians are having a really difficult time now dealing with retirement.

I can recall working with somebody in a private company where I used to work who told me the story of having come out of technical school years before with a friend of his. My friend went to work with a private company, a big, reputable company, and his friend went to work for the city of Dartmouth. Thirty-five years later when they were ready to retire, the person who had the good pension plan and worked for the city of Dartmouth was very well situated, while my friend did not have very much because the pension plan simply was not as robust.

In many cases back in those days, people did not look at the pension plan when they started working at the age of 18, 19 or 20. They looked at the salary and never really understood the implications for themselves and their families down the road if they did not have a strong pension plan.

Then there are the cases of Canadians who believe for valid reasons that they have robust pension plans. They work for large, reputable, seemingly solid companies, in many cases world-leading companies like Nortel. Ten years ago who would have imagined that people who worked for a company like Nortel would have trouble. Then when things go bad for the company, they are left holding the bag, which happens to be almost completely empty.

What do we do? What is the role of parliamentarians in the House? What role does the federal government have? First, the regulation of private retirement savings is in fact a shared responsibility, federal and provincial. Federally, we have the Income Tax Act. We can take some of the instruments that we have control of and make them better.

I want to refer to the issue raised by my colleague from the New Democrats who would say this bill does not really do anything and we have a \$700 million poverty gap for seniors. This is a private member's bill.

I look at the work that members like my colleague from Scarborough—Guildwood did on his private member's bill, Bill C-292, the overseas development act. Those of us in the House know that the 20 million or 30 million Canadians watching us right now may not know what a royal recommendation is. Very simply, it means that with a private member's bill, we cannot call upon the government to spend money. We can bring it forward and we have seen many bills from the New Democrats and the Bloc, well intended bills, that required the spending of money, but they do not go anywhere.

Serious parliamentarians who actually want to make things better will craft a bill that is a road map to a better place but does not call on the government to spend money. In other words, some members in the House bring forward bills that can never be enacted or they can be serious about it and provide a road map. Members can come to the House to make a point or they can come to the House to make a difference and my colleague from York West is trying to make a difference.

The summary of the bill we are debating today, Bill C-574, is very simple. It says:

This enactment creates a Bill of Rights for a retirement income system that promotes the goals of adequacy, transparency, affordability, equity, flexibility, security and accessibility for all Canadians.

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Answer to Question:

We could say in the bill that we should increase the guaranteed income supplement, but then it cannot be enacted. It would require that royal recommendation that so many Canadians go to bed thinking about every night. It simply cannot make a difference. We either come to this place to make a point or we come here to make a

difference. Bill C-574 makes a difference and I want to commend the member for York West for her hard and diligent work on behalf of Canadians.

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Answer to question:

I think in many ways that says it all. My colleague from York West, sent out a media about a month ago which indicated:

As she presented the bill in the House of Commons, she noted the legislation proposes to enshrine in law the notion that all Canadians have the right to contribute to a decent retirement plan and to be provided with up-to-date, unbiased and conflict-free information on their retirement savings.

There are 308 members of the House. Many of us have been in business, many of us have been employed, and there are entrepreneurs in this House. There is a lot of people, and they are not foolish people, who think that they are covered, as was the case with the Nortel workers, and other people who simply do not understand that if a company goes under, their retirement goes under as well.

They assume that this is all done above board and it is done with a third party insurer. They do not understand the concept of self-insured. I think the government has a role, in this case to sort of translate to Canadians what actually is the case so they are not fooled when things go bad.

Our Canada pension plan, established in 1966 under Prime Minister Pearson, was a good and noble goal. It is working. We have had problems. In the early 1990s, there was a severe underfunding of it. Jean Chrétien, the Prime Minister, and Paul Martin, the finance minister, put it on sound financial footing. I do think that people fully understood how important that was at that time. I do not think that credit was given. That was a very important piece of both economics and social policy that made it possible for many people to have secure pensions.

Today, once again, we have significant barriers. This bill that we are debating today, Bill C-574 proposes to address that. To some it may not do enough; to others maybe it does too much. Maybe that is why it is a good bill, because it sets a road map for Canadians who are having issues with their pensions. It does as much as it possibly can within the restrictions of being a private member's bill. Many people are supporting it.

What does it do? The bill does five things. It is to create substantive, justiciable rights to give every person a chance to accumulate retirement income in a plan that will be there in the long term. Many Canadians simply cannot join a group pension plan right now. It is to promote good administration of retirement income plans; to ensure that members of retirement income plans regularly receive good, plain

language information that they need about their plans; and to set out in law the goals to which we aspire legislatively as they relate to retirement income.

We all know that Canada is heading into a demographic crunch. We heard from the member for York West, her statistic, that by 2036 there will be 10.9 million Canadians over 65. It is my sure and fervent hope that I will be among them, because the alternative does not turn me on very much.

The other statistic that I will give people, just to give a sense of where we are going as a country is the Association of Canadian Community Colleges was in to visit MPs recently. They shared a statistic with us that really says it all. Today in Canada 44% of all Canadians are not in the workforce. That includes senior citizens, children, the unemployed and those who are unable to work, 44% of Canadians not in the workforce. By 2031, in 20 years, that number will be 61% of Canadians that will not be in the workforce.

The challenges that it presents to us are clear. If Canadians are not in the workforce, that means they are not producing as much tax revenue for the country that we are going to need, and clearly, at the same time, there is going to be more of a demand for things like health care and social services.

Now many of that 61% will have earned a retirement. I am not suggesting for a second that they should be forced to work. In fact some of them may choose to work and we probably should make it as easy as possible for them to work, if that is what they choose to do.

This is the demographic crunch that Canada is facing. If we do not do more to address the needs of that growing segment of the population, including myself, who are going to be over 65 by 2031, and from the member for York West's statistics, 10.9 million over 65 by 2036, then we will have a significant problem.

The time to address that is now, both for those who have had a specific and urgent need, those who are hurting right now, because there has not been sufficient legislation, but also for the many other Canadians who do not even realize they are going to have a problem, who do not understand that their retirement is in severe jeopardy.

Those Canadians are going to be going to their members of Parliament in 20 years saying "I did not know. I was not aware. Nobody told me. Nobody told me we had this problem."