House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(●) **an organization** **Organization name:** CARP

or

( ) **an individual** **Name:** _____

Topic: Retirement, pensions and seniors

*Recommendation 1: Please provide a short summary of your recommendation.

Lead the way on comprehensive pension reform and retirement security:
• Work with provinces to create a national supplementary Universal Pension Plan (UPP) and enact a modest CPP enhancement.
• Commit to funding the replacement of the OAS and GIS benefits that will be lost by the most financially vulnerable seniors because of the changes to OAS, as a first step to restoring the OAS eligibility age to 65.
• Support single seniors, with particular regard to older women, with an equivalent to spousal allowance for single seniors in financial need; make the Caregiver Tax Credit refundable

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Please select from the drop down menu

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

• Work with provinces to create a national supplementary Universal Pension Plan (UPP) and enact a modest CPP enhancement (direct gov funding not required)
• Commit to funding the replacement of the OAS and GIS benefits that will be lost by the most financially vulnerable seniors because of the changes to OAS, as a first step to restoring the OAS eligibility age to 65
• Support single seniors, with particular regard to older women, with an equivalent to spousal allowance for single seniors in financial need; make the Caregiver Tax Credit refundable

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Most Canadians stand to benefit, but especially: the nearly 6% of seniors who still lives in poverty, amounting to almost 300,000 people; the one in six single seniors, most of whom are women, who live in poverty. Almost 12 million working Canadians do not have workplace pension plans.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

These measures would provide stability for low income seniors and retirement security for most Canadians. Twelve million Canadians - two-thirds of the workforce - do not have occupational pension plans. Approximately 36% of Canadians in 2011 stated a lack of confidence in their ability to save for retirement, compared to 18% in 2010. RRSPs have not been the answer to retirement security and another voluntary option such as the PRPP is unlikely to improve savings. In 2011, Canadians contributed $34.4 billion to RRSPs, which was only 4.5% of the total room available to eligible tax-filers.

Topic: Employment, labour markets and unions

Recommendation 2: Please provide a short summary of your recommendation.

• Remove barriers to continued employment: amend tax and pension systems to encourage continued employment, such as being able to work and receive benefits while still contributing to a pension plan; create employer incentives that encourage policies such as flexible time.
• Help unemployed older Canadians in job search: further minimize work disincentives associated with the GIS claw back provisions; amend Employment Insurance rules to give older workers more time to find suitable job opportunities.
• Create job opportunities and promote the value of older workers

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

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Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The federal and provincial governments have formally recognized their role in supporting older workers, most notably in the federal transfer program Targeted Initiative for Older Workers (TIOW), which funds provincial programs aimed at securing employment for older Canadians. A comprehensive plan is still needed, both to help unemployed older Canadians looking for work and to help currently employed older Canadians keep their jobs.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Older Canadians are staying in the workforce longer than in previous years. Canada's total labour force is estimated at roughly 18 million people. Eight million Canadians in the labour force are aged 45-plus, approximately - 45% of the total workforce. Three and a half million Canadians aged 55-plus are in the labour force - 20% of the total workforce. Over 600,000 seniors (65-plus) are in the labour force. From 2006 to 2013, roughly 300,000 more seniors joined the labour force, almost doubling the number.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

With retirement security increasingly out of reach for many older Canadians and with a looming skilled labour shortage, there are important reasons to proactively address the employment needs of older workers. Older workers who remain engaged benefit themselves, fellow employees, and employers and continue contributing to society and the economy.

Topic: Financial services and other financial issues

Recommendation 3: Please provide a short summary of your recommendation.

Work with provinces to create a dedicated investor protection enforcement agency, within a single national regulator:
• Work with provinces to establish a dedicated national investor protection agency with specialist knowledge to receive complaints, investigate crimes, and support prosecutions; a tribunal with authority to order restitution, undo transactions, provide mediation, and order compliance, with access provided to retail investors; and a compensation fund to pay restitution.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

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Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

CARP members were disappointed with the December 2011 Supreme Court decision to disallow a National Securities Regulator (NSR). The proposed NSR agency had promised better investor protection – something that CARP members have demanded. CARP is renewing the call for a comprehensive investor protection function within a NSR. The single NSR would have been a great step forward toward replacing the 13 disparate provincial and territorial regulators currently in place.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Retail investors in Canada would benefit strongly from a more regulated retail investment environment.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Consumer confidence in a well-regulated financial industry is a critical basis for economic stability, growth, efficiency, and personal financial well-being. Investors should have fair and reliable means of investing and saving for their retirement. However, many Canadians feel unprepared and are not saving enough. Even among those who are investing, there is a reluctance to invest. With the recent economic turmoil and investments losses, trust in financial advisers and retail investment vehicles is waning.

Please use this page if you wish to provide more explanation about your recommendation(s).

Financial insecurity is a growing concern for older Canadians. Inadequate retirement savings, precarious employment, and poor investor protection combine to render too many older Canadians financially vulnerable to even minor economic shocks and unable to prepare for retirement. Nearly 6% of seniors still live in poverty, amounting to almost 300,000 people. One in six single seniors, most of whom are women, lives in poverty. Almost 12 million working Canadians do not have workplace pension plans and Canadians are increasingly unable to save sufficiently for their own retirement.

The federal government has made economic and employment issues a priority. Recent initiatives aimed at helping older and senior Canadians have been widely welcomed, including the 2011 Guaranteed Income Supplement (GIS) increase, the non-refundable Caregiver Tax Credit, the Targeted Initiative for Older Workers (TIOW), and the elimination of mandatory retirement. But more needs to be done to ensure Canada's aging population will be financially secure and able to prepare for retirement. The decision to change the Old Age Security (OAS) age of eligibility from 65 to 67 and the ongoing reluctance to meaningfully address pension reform will place many older Canadians in tenuous financial circumstances. Precarious employment and a retail investment environment that sidelines investor protection add to the difficulty older Canadians experience in maintaining financial security, before and after retirement.

The 2014 budget is an opportunity for the federal government to help older Canadians achieve financial security and prepare for retirement.

*Please note that at least one recommendation must be provided