



The coming year is shaping up as a crucial time for the future retirement income security of Canadians.

Our universal public pension system – Old Age Security (OAS), the Canada and Quebec Pension Plans (C/QPP) and the Guaranteed Income Supplement (GIS) - has been a major Canadian success story since it was introduced in its current form approximately 50 years ago. The public plans guarantee that almost all Canadian seniors have an income at least close to the poverty line. In fact, because of our failure to effectively address overall poverty, a lower proportion of seniors live below that poverty line than Canadians in general.

Unfortunately, pressure from employers and the banks in the 1960s kept our public pension benefits at relatively low levels, with the OAS currently (fourth Quarter, 2014) at \$564/month and the C/QPP maxing out at \$1,038/month (though the average benefit actually paid out is only \$540).

Back in the 1960s, employers and the banks argued against higher public benefits, in order “to leave room” for expanded workplace coverage. In fact, workplace pension coverage (which never reached even 50% of Canadian workers) has been declining for the last 35 years. Close to 12 million Canadian workers have no workplace pension plan at all.

Meanwhile, Canadian banks have been getting fat on the fees from their RRSP/Mutual Fund racket.

Since most seniors depend on the public system for much (or all) of their income, many seniors still have poverty level incomes, and between a third and a half of them face a serious drop in their living standard at retirement.

The continuing decline in workplace pension coverage

means that the situation will get even worse in the future, unless we act now.

Since 1978, the Canadian Labour Congress has been arguing that we need to double the C/QPP retirement benefit. Universal public plans are much better, fairer and cheaper than any private plans. C/QPP enhancement would ensure that low and middle-income Canadians would not face a drastic drop in living standards on retirement.

C/QPP reform requires the agreement of 7 provinces with at least two-thirds of Canada’s population as well as the federal government. Over the last few years, the CLC’s *Retirement Security for All* campaign has brought enough of the provinces onside, but the Harper Conservatives have blocked reform at the federal level.

The 2015 federal election will be crucial to the future of retirement security. Not only do we need to get rid of the Harper Conservatives, but we need to ensure that whoever forms the next government is committed to real C/QPP reform. *The federal Liberals seem to think that C/QPP reform is setting up a voluntary RRSP/mutual fund run by the CPP Investment Board, rather the universal mandatory benefits we need.* They need to be clearly told otherwise.

It is therefore essential that we make real C/QPP improvements a central issue in the coming election campaign. We need to make it clear to parties and candidates that we expect firm commitments that they will move quickly ahead on this issue, and guarantee dignity in retirement for all Canadian seniors in the future.