

BC Federation of Retired Union Members (BC FORUM) Presentation to the Fair Wages Commission

Thank you for giving BC FORUM the opportunity to present to the Fair Wages Commission.

BC FORUM, the BC Federation of Retired Union Members represents thousands of retired and active workers from unions affiliated to the BC Federation of Labour.

BC FORUM is working to spotlight issues important to seniors. This is why we are pleased to present our views today.

BC FORUM strongly advocates that the minimum wages for everyone should be increased to \$15.00 per hour as soon as possible.

BC FORUM supports a \$15.00 per hour minimum wage for the following reasons:

1. It will help keep seniors, especially senior women out of poverty. According to the Canadian Labour Congress, fewer than 40% of workers have pensions. This means that when they retire they will have to rely on savings, the Canada Pension and Old Age Security to have a secure and dignified retirement. But we know a dignified retirement is impossible for many minimum wage workers for the following reasons:
 - a. Workers earning the minimum wage are unable to save for retirement. They have to spend all their wages to keep a roof over their head and food on the table.

b. The CPP contributions of workers earning the minimum wage are lower than those earning a living wage. So, when they retire, they receive lower monthly CPP payments. The amount working people contribute to CPP is based on their employment income. The Canada Pension Plan (CPP) uses workers' contributions to determine whether they and/or their family are eligible for a CPP benefit and if so, what the amount of the benefit will be. The CPP information states: "Generally, the contributions over this entire period determine the amount of benefits you will receive." ¹

2. Many minimum wage earners are over age 55. At a time in their lives when they should be enjoying themselves, these working seniors are having to struggle to make ends meet. BC FORUM believes that seniors should be able to live in dignity. Because they earn the minimum wage, their CPP is lower if and when they decide to retire.
3. Those persons earning minimum wage are often the children and/or grandchildren of seniors. This has resulted in a trend where seniors are becoming increasingly indebted because they are financially assisting their children and/or grandchildren. A 2014 report from the Strategic Council for the Financial Consumer Agency of Canada "FINAL

¹ Department of Employment and Social Development Canada "Canadian Retirement Income Calculator - Frequently Asked Questions about Canada Pension Plan"

REPORT Public Opinion Research to Strengthen Financial Literacy for Seniors” found “Other factors that may contribute to growing debt levels include older Canadians financially supporting their grown children with loans for education or mortgages and maintaining lifestyle choices” .² Increasing the minimum wage to \$15.00 an hour would serve to reduce some of seniors’ debt issues as they would not have to financially support their adult children to the same level.

4. Many seniors are working at jobs in fast foods and retail, generally these jobs are lower paid and often minimum wage jobs. Most of these seniors are working in order to take care of their basic needs. An increased minimum wage would mean that these seniors would not have to work so long and so hard.
5. Women are the majority of minimum wage earners and are therefore disproportionately negatively affected by the impact of low wages.
6. A \$15 minimum wage would increase the CPP pension amount for senior women. The Canadian Centre for Policy Alternatives (CCPA), BC study “Poverty and Inequality among British Columbia seniors” noted that the median annual CPP benefit is \$8,200 for men and \$6,500 for women.³

² Strategic Council “FINAL REPORT Public Opinion Research to Strengthen Financial Literacy for Seniors” Financial Consumer Agency of Canada, 2014 page 13.

³ Ivanova Iglia “POVERTY AND INEQUALITY AMONG BRITISH COLUMBIA’ S SENIORS” CCPA BC, April 2017, page 6

7. While we unquestionably help the most vulnerable amongst us by immediately enacting a \$15.00 per hour minimum wage law, it is also important to link growing income disparity to erosion of union organization and rights of workers across BC and Canada. We need to return to fair labour laws that do not discourage union organization. As retired union members, we witnessed a time in our lives when a much larger unionized workforce earned much better wages and benefits and made it less necessary for the working poor to rely on food banks and live in poverty. Society and the economy benefits from an organized workforce. We support increasing the minimum wage to \$15 per hour. However, it cannot stop there and we need to look further. We know that the living wage definitely exceeds \$15.00 an hour.

For all these reasons, BC FORUM is asking you to recommend that the minimum wage be immediately increased to \$15.00 per hour.

Submitted by:

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