



Annual General Meeting
June 10, 2010

Resolution #2

Improving pensions for working people

Background:

- More than 70 percent of private sector workers in B.C. have no pension other than the Canada Pension Plan.
- Most private sector pensions and voluntary contribution plans have no inflation protection.
- The federal government is proposing to increase the penalty paid by workers who choose early retirement under the CPP.
- Young workers, many of whom change jobs frequently, need a pension plan that is fully portable. The CPP fits the bill.
- Federal and provincial ministers have been meeting to discuss possible changes to Canada's retirement income system. They met in Whitehorse in December. They will meet again June 13 and 14 in Prince Edward Island.
- The *Globe and Mail* (April, 2010) reported that Federal Finance Minister Jim Flaherty seems to be leaning towards "a private sector solution" to address the shortcomings of Canada's retirement system. This is not a solution. It is part of the problem.
- Private sector retirement plans are, almost without exception, defined contribution plans. They are designed to protect the profits of financial institutions, and leave the retirement incomes of workers to the vagaries of the market.
- Household debt is at record levels. Families struggling to meet their current living expenses do not have extra money to set aside for retirement.

Therefore be it resolved that the B.C. Federation of Retired Union Members:

- Endorse the Canadian Labour Congress proposals to phase in improvements to the Canada Pension Plan so younger workers can have a secure retirement.
- Reject private sector pension solutions which force individual workers to carry all the risks while banks and financial institutions collect guaranteed management fees and profits.
- Call on the federal government to withdraw its proposal to reduce CPP payments by 36%, up from the current 30%, for workers who retire at age 60.