



# Report on the Canada Pension Plan Consultations

June 1996

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Federal/Provincial/Territorial  
CPP Consultations Secretariat

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# Foreword

The Canada Pension Plan is the joint responsibility of the federal and provincial governments. The CPP Act requires federal and provincial governments to set a 25-year schedule of rates. These rates are reviewed every five years to make sure the plan continues to be financially secure. At each review, the schedule must also be extended by five years to ensure a 25-year rolling schedule. This year's review is now in progress.

As part of the review, the governments released *An Information Paper for Consultations on the Canada Pension Plan* which outlined the challenges facing the plan in the coming years. The paper outlined a way of strengthening the financing of the CPP and presented options for reducing the cost of benefits. It provided Canadians with an opportunity to assess the issues and form their own opinions. In February 1996, both orders of government announced consultations across Canada with interested groups and individuals on the Canada Pension Plan.

The public consultations, guided by panels of federal, provincial and territorial elected representatives, were held from April 15 until June 10 in every province and territory. The CPP Consultations Secretariat was established in Ottawa to co-ordinate the consultations, support the panels, and provide information to and receive submissions from Canadians. Each province and territory assigned to the Secretariat a provincial or territorial co-ordinator responsible for provincial or territorial involvement in the consultations process.

More than 270 Canadians made formal presentations on behalf of themselves or their organizations during 33 sessions held in 18 cities. In addition, about 140 written submissions were received by the CPP Secretariat and close to 6,000 inquiries or comments to the 1-800 information line were logged. The information line and consultations were advertised across the country. The CPP Secretariat kept the media informed of each of the sessions and posted a home page on the Internet with the consultations itinerary, schedules, pertinent addresses and background information.

**This report is a summary of the key issues raised and the views expressed during the public consultations. It is presented to ministers for their consideration as they carry out their review of the CPP.**



## **The Report**

This report is a summary of hundreds of presentations and written submissions made by individuals and groups representing every walk of life, all ages and each region of Canada. While every effort has been made to accurately reflect the tenor and substance of the consultations, this report cannot include all the comments, suggestions and opinions expressed by the participants. Rather, it is a cross-section of the testimony and briefs presented to the federal/provincial/territorial panels in each jurisdiction. To assist ministers in their consideration of the issues at stake in their review of the CPP, the summary attempts to provide a broad range of views. Representative quotes, comments and proposals from interest groups as well as individuals were selected to illustrate the various viewpoints or observations.

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# Table of Contents

<b>The CPP Review .....</b>	<b>7</b>
<b>The Challenge.....</b>	<b>9</b>
<b>The CPP Consultations .....</b>	<b>11</b>
<b>Summary of the Consultations.....</b>	<b>13</b>
<b>Main Themes .....</b>	<b>13</b>
Preservation of the CPP	
A question of confidence	
CPP should remain a public pension plan	
Escalating disability costs	
Canadians need to know more about the CPP	
<b>What Canadians Said .....</b>	<b>20</b>
Seniors	
Youth	
Business	
Labour	
Pension professionals	
Social policy groups	
Disability groups	
Taxpayers' associations	
Women's groups	
<b>Contribution Rates .....</b>	<b>27</b>
<b>The Problem .....</b>	<b>27</b>
Affordability	
Intergenerational fairness	
Value of benefits	



<b>Balancing Contribution Rate Increases and Changes to Benefits.....</b>	<b>33</b>
Fuller funding (with better investment) and ‘steady-state’ contribution rates	
Higher return on investment	
Effect of benefit reductions on ‘steady-state’ rate	
Earnings exempted from contributions	
Targeting or means testing of benefits	
<b>Options for Reducing CPP Costs .....</b>	<b>41</b>
Administration	
Retirement Pensions	
Disability benefits	
Survivor benefits	
Partial pensions	
Summary of additional options	
<b>Investment Policy.....</b>	<b>55</b>
Current investment policy	
Public consultations	
Investment policy meetings	
<b>Appendices .....</b>	<b>61</b>
I. Cities/Dates	
II. Panel Members	
III. List of Presenters	
IV. Written Submissions Received by the CPP Secretariat	

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# The CPP Review

The Canada Pension Plan is a pillar of Canada's retirement income system. Established 30 years ago, it provides working Canadians and their families with retirement income and with financial help in the event of death or serious disability. Working Canadians between the ages of 18 and 70 and their employers, as well as the self-employed, contribute to the plan based on a portion of their earnings.

## Canada's Retirement Income System

**The CPP** is financed by compulsory contributions from employees, employers and the self-employed. Contributions from today's workers pay for the benefits of today's recipients. Quebec has its own plan, the Quebec Pension Plan (QPP), with identical contribution rates and similar benefits. The CPP covers all workers between the ages of 18 and 70. In 1996, the CPP will pay \$17.5 billion in retirement, disability and survivor benefits. About 3.5 million Canadians receive CPP benefits and 1 million receive QPP benefits.

**Old Age Security (OAS)** is the basic public pension benefit for Canada's seniors. The Guaranteed Income Supplement (GIS) provides additional assistance to low-income seniors. Both are funded out of the general revenues which the federal government raises through taxation. In the 1996 budget, the federal government announced OAS/GIS benefits will be replaced by a new Seniors Benefit in 2001.

**Tax assistance for private retirement savings** such as employer-sponsored pension plans and Registered Retirement Savings Plans (RRSPs) encourage working Canadians to save enough to avoid serious disruption in their living standards at retirement.

The CPP was designed essentially as a pay-as-you-go program. The contributions of each generation of working Canadians, roughly speaking, pay for the pensions of those already retired. Every five years, the federal and provincial governments have a statutory responsibility to review the financing of the plan and add another five years onto the schedule of contribution rates. Such a review is currently underway.

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# The Challenge

*An Information Paper for Consultations on the Canada Pension Plan*, released as part of the review by the federal and provincial governments, outlined the challenge facing the CPP at this time. Basically, the costs of the plan have grown much more rapidly than originally expected and will escalate dramatically in the future when the baby-boom generation starts to retire in large numbers around 2011.

The architects of the CPP anticipated that the contribution rates that Canadians and their employers pay would not have to climb any higher than 5.5 per cent of each individual's contributory earnings. Today contribution rates have already reached 5.6 per cent and are legislated to reach 10.1 per cent in 20 years time. The last report by the chief actuary of the plan indicated that if nothing is done to improve the financing or reduce the costs of the plan, contribution rates are expected to almost triple to 14.2 per cent of contributory earnings in 2030.

The basic challenge facing Canadians is one of fairness and equity. For the past 30 years, Canadians have paid much less than the benefits they are receiving, or will receive, are worth. Future generations will be asked to pay considerably more for the very same benefits. Will they be willing and able to do so? The public consultations attempted to answer that question and others. The answers are of vital importance because the federal, provincial and territorial governments believe that Canadians deserve to have confidence in the future of the CPP, and therefore that all reasonable steps should be taken now to ensure that the plan is sustainable, fair and affordable.



**The CPP Information Paper asked Canadians to consider the following key questions:**

1. CPP contribution rates are already legislated to increase in the years ahead, and will have to be increased even more. If nothing is done, rates will reach 14.2 per cent by 2030. How high can the rates go before they become unaffordable? Beyond the limit of fairness?
2. The costs of the CPP can be reduced and future increases in contribution rates moderated by some combination of early increases in contribution rates and reduced benefits or reduced access to benefits. What is the appropriate balance between contribution rate increases and changes to benefits?
3. The CPP Information Paper has identified some ideas for reducing the costs of benefits. Are these the appropriate range of options to consider, or are there others? Of the ideas outlined, which ones are most appropriate? Least appropriate?
4. If a fuller funding approach to financing of the CPP were adopted, a much larger CPP fund would build up. The more the fund earns, the lower future contribution rates could be. Should CPP funds be invested so as to earn maximum returns? How could this be done? Are there other important considerations that should be taken into account in coming to a decision?

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# The CPP Consultations

The joint federal/provincial/territorial consultations were held this spring to seek public input on changes to the CPP to ensure its sustainability for future generations of Canadians. Canadians were invited to send written submissions or appear before a panel of federal, provincial and territorial elected representatives which changed with each jurisdiction. (Because Quebec has its own plan, the Quebec Pension Plan, only federal representatives were at the Montreal session.)

David Walker, Member of Parliament for Winnipeg North Centre, was the chief federal representative on all the panels. For most of the hearings, he was joined by other members of Parliament. In addition, each province and territory selected elected representatives to appear on the panels in their jurisdiction. Expert officials from the federal, provincial and territorial governments assisted the panels.

Hearings were held between April 15 and June 10 in St. John's, Charlottetown, Halifax, Fredericton, Montreal, Ottawa, Toronto, Hamilton, Waterloo, Thunder Bay, Winnipeg, Brandon, Saskatoon, Calgary, Edmonton, Yellowknife, Vancouver, and Whitehorse. The consultations were open to any group or individual who wanted to make a presentation to the panel.

Most of the hearings began with individual presentations, followed by a roundtable discussion among participants and an open session where members of the public seated in the audience were invited to ask questions or make comments. Each session generally ran for 2.5 to 3 hours. In Brandon and at one of the sessions in Whitehorse, the meetings were more informal, resembling a town hall meeting. In Alberta, the format called for individual presentations followed by a question and answer session with each presenter, and later, with the audience.

In addition to those consultations, several forums were organized to provide detailed consideration of specific topics. The CPP Secretariat organized two sessions in Toronto on May 13 attended by financial planners, pension experts and a labour representative to discuss issues related to a new investment policy for the CPP fund. On June 3, a forum on disability benefits held at Wilfrid Laurier University in Waterloo, Ontario was attended by representatives of the disabled as well as private insurance companies. To give special attention to the perspective of youth on the CPP, a session was held in Ottawa on June 4. The views expressed at those sessions are integrated into this report.



Other groups also contributed to the consultations process by organizing forums. The Ontario government sponsored a series of hearings across the province in Port Colborne, London, Windsor, Sudbury, Barrie, Peterborough, and Kingston. The Caledon Institute of Social Policy and the Department of Finance sponsored a day-long meeting in Ottawa on May 1 focusing on social policy implications of changes to the CPP. Status of Women Canada examined the impact on women at a meeting in Ottawa on May 17.

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# Summary of the Consultations

## Main Themes

Much of the discussion focused on the key questions at the centre of the public consultations – contribution rates, fuller funding and a new investment policy, the balance between higher contribution rates and benefit reductions, and benefit options. In addition, a number of themes emerged at almost all of the sessions no matter where in Canada they were held or who was around the table.

### The main themes of the consultations were:

- Most Canadians want the CPP preserved and protected now as a key pillar of the retirement income system.
- Canadians lack confidence in the future of the CPP and want the CPP fixed so that their confidence is restored.
- While the large majority support maintaining the CPP as a public pension plan, a minority want it privatized, that is replaced by individual, mandatory retirement savings plans.
- Many Canadians are concerned about the recent rapid escalation in the cost of disability benefits. Many favour moving disability benefits outside the CPP – some because they favour the creation of a separate comprehensive system of support for the disabled; others because they believe disability benefits threaten the key purpose of the CPP which is to provide retirement pensions.
- Canadians need to be better informed about the CPP.

This section explores these themes.



## **Preservation of the CPP**

The key recurring theme was that most Canadians believe in the CPP and want it preserved now because it plays a key role in Canada's retirement income system. The consultations panels heard over and over that Canadians are deeply attached to the CPP and believe it is well worth keeping. Canadians want the plan's current problems fixed quickly and fixed for good.

The majority of Canadians participating in the consultations urged governments to put the CPP on a sound financial footing now. Strong support came from organizations as well as individuals who said the plan is important to Canadians because it provides full coverage, portable benefits, inflation protection, low administration costs, and is a major source of income to the elderly.

The Association of Canadian Pension Management said the CPP should remain intact because it is secure, reasonably priced and accepted by workers and employers. The Greater Charlottetown Area Chamber of Commerce said it supports the concept of the CPP because its members strongly believe in the plan's founding principles.

The Canadian Bankers Association described the CPP as an essential part of a balanced Canadian economy, saying that dealing with the challenges should be a high priority of federal and provincial governments. Joanne Fulkerson, chair of the Ontario Municipal Employees Retirement System (OMERS), supports the continuation of the CPP as a universal, earnings-related, defined benefit pension plan. OMERS backs the governments' efforts to put the plan on a sounder footing.

In a written submission, John Ross of Thunder Bay said he would favour doing whatever is necessary to keep the CPP viable.

## **A question of confidence**

A majority of participants in the CPP consultations agreed that to ensure the survival of the CPP, the plan must undergo change. The projected 14.2-per-cent contribution rate was found by many, particularly younger Canadians, to be unacceptable. The consultations revealed that many Canadians lack confidence that the plan will be there for them and for their dependants when they need it.

For years many Canadian workers took for granted the assumption that they would collect a CPP pension equal to about 25 per cent of average wages once they turned 65, in addition to Old Age Security. The current financing problems with the plan, revealed in the 15th actuarial report on the CPP, have prompted concern about the sustainability of the plan. As a result many Canadians are questioning the CPP and expressing doubts about the plan's future.

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Many Canadians, particularly the young, told the consultation panels that they fear the plan will not be around when they retire unless it is reformed now. Richard Worzel, a futurist who appeared before the panel in Toronto, said the current review represents one last chance to make significant changes to the CPP. "If we fail, it is an act of cowardice."

A number of participants blamed governments for not fixing the plan sooner. As a result, many said there is a mistrust of government's handling of the CPP and a skepticism about the current review underway. David Fairey of the Trade Union Research Bureau in Vancouver said there was no lack of confidence in the CPP until it was instilled in Canadians by government. He added that the confidence problem for youth is not so much the CPP but whether or not they will have a job in the future.

At a session in Edmonton, pension planners Towers Perrin provided evidence from a survey conducted across Canada in the fall of 1994. The survey found only 29 per cent of respondents between the ages of 18 and 29 believed that they will receive the CPP, and even among the 50 to 64 year-olds the number only rose to 47 per cent. "Clearly confidence in the future of CPP has been seriously undermined and we believe it is continuing to erode," the firm said in its submission.

The company said this lack of confidence makes governments' job easier because almost any decision on the CPP is better than none. "The Canada Pension Plan should be the guaranteed foundation upon which Canadians can build their retirement," the company said. Other presenters agreed, saying that since governments had made Canadians aware of the CPP problem, it was incumbent on governments to find a solution. Representatives of the Brockville (Ontario) Patient Council, who appeared at one of the sessions in Montreal, asked that the government consider a nationwide campaign to restore confidence in the CPP as well as continuing the consultative process in the future.

Tom Jordan, a senior from Salmon Arm, B.C., wrote to the CPP Secretariat to say he fears that young Canadians are being persuaded to "give up" on the CPP. He said subjecting benefits to a means-test to cut expenditures would reduce public confidence and support for the CPP.

A frequent observation was that the changing nature of work in Canada makes maintaining the CPP imperative. Fewer Canadians have permanent jobs with the result that fewer people will enjoy the benefits of employer-sponsored pension plans. Unless the CPP is sustained, many Canadians will have nothing at retirement except OAS/GIS and whatever private savings they have managed to accumulate.

A very large majority of participants believed that substantial changes in the CPP are needed to sustain the program. They argued that the CPP, as it stands, is unfair because future generations will effectively be forced to finance the retirement of the past and present generations if nothing is done.



Economist Monica Townson, the Canadian Labour Congress and the National Council on Welfare are the chief spokespersons of a view that the status quo is tenable. A variety of arguments are presented by this group in support of their view that major changes are not needed. They were critical of what they perceived as the governments' and media's role in creating a climate of uncertainty by making it appear that the CPP is in crisis. Some said the CPP Information Paper is at fault because it is alarmist and attacks the principles of the CPP. They also disputed assumptions in the paper and deplored the lack of impact analysis, gender in particular.

### **CPP should remain a public pension plan**

The third theme that emerged during the consultations was a strong desire to see the CPP remain a public pension plan rather than privatized as some have suggested. The large majority of participants, both groups and individuals, want the public system to be preserved and protected.

These participants included diverse groups ranging from the Canadian Bankers Association, Canadian Federation of Labour, Canadian Institute of Actuaries, Canadian Council on Social Development, Canadian Labour Congress and a number of individuals, including David Slater (former Chairman of the Economic Council of Canada). While some said that governments have mismanaged the CPP in the past, they feared many of the benefits of the current system would be lost if the CPP was privatized.

Some of the arguments expressed in favour of maintaining the CPP as a public system included:

- Not everyone would be capable of investing private plans wisely. Some individuals may “fall through the cracks” and would still require pension assistance in retirement.
- A privatized pension system would sacrifice the social insurance element of the CPP and increase administration costs.
- Privatizing the CPP does not deal with the existing unfunded liability which is the total value of the benefits promised to contributors in excess of the fund's current assets. (In 1995, the CPP had an unfunded liability of \$556 billion.)
- A public plan is in keeping with the social values of Canadians and allows for the pursuit of social objectives – for example, support for childrearing.

At the hearing in Thunder Bay, Ontario, Sarah Colquhoun of the Kinna-aweya Legal Clinic warned that privatizing the plan would have “disastrous consequences for low-income Canadians.” She said that with the changing economy, fewer Canadians will have private pension plans or will be able to contribute to RRSPs, particularly young people, women and the disadvantaged in society.

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Robert Clark, Professor Emeritus at the Department of Economics at the University of British Columbia, told the consultations in Vancouver that although he opposed the design of the CPP when it began 30 years ago, he believes it should not be replaced. According to his research, possibly as many as 8 million CPP contributors are not covered by a private pension plan or an RRSP. “How can the federal government be sure that if in the long run the CPP is abolished this group will in fact be covered adequately with income protection from private sources that they need?”

In its submission, the Social Planning Council of Winnipeg said, “privatization of the Canada Pension Plan through private insurers and the marketplace would leave the system open and vulnerable to abuses. Rates are most likely to skyrocket through a private system. Many Canadians are also likely to find this system cumbersome and hard to understand, as they search for the best returns for their investments. Much money is also likely to be invested abroad, thus taking dollars out of the Canadian economy.”

A submission from William M. Mercer Ltd. said “this is not the time” to consider dismantling the CPP. “Because there is no significant back-up fund for the CPP, any plans to transition out of it would be extremely painful.”

There was far less support to privatize or abolish the CPP. Those in favour of privatization included the Fraser Institute, the Canadian Taxpayers Federation and some young Canadians.

Most proponents of privatization want to see the CPP replaced by individual retirement savings plans. They suggest either a voluntary system or, usually, a Chilean-style system where each Canadian would have a mandatory RRSP, would directly control its assets, and, post-retirement, be free to either buy an annuity or run down the assets over his/her post-retirement life (within a regulated system).

The Chilean model, cited frequently by participants both for and against privatization, is based on a compulsory contribution of 10 per cent of income which is paid into pension funds invested for the highest possible returns.

If Canada were to follow the Chilean model, the result would be much higher pensions than those currently available under the CPP, according to Michael Walker of the Fraser Institute. He proposed an individual, funded program in which each working Canadian would have a separate retirement pension beyond the reach of the political process and under their own control.

The Canadian Taxpayers Foundation proposed a mandatory, defined-contribution, fully funded, privately managed plan. The foundation suggested that the plan’s current unfunded liabilities should be paid out through “recognition bonds” given by the government to current contributors at retirement.



Some, including Mary Dixon of Edmonton, suggested in written submissions that Canadians under 40 should be allowed to opt out of the present system and establish their own pension accounts. A number of others said that RRSP limits should be raised. Ron A. Ireland of Cambridge, Ontario, said in his written submission that this would help create a society that is less dependent on government and more self-sufficient.

### **Escalating disability costs**

Disability benefits emerged as a concern for many Canadians, both in and out of the disability community. The intensity of the debate varied from session to session. Given the recent unexpected and strong escalation in the cost of disability benefits, various ways of controlling costs, and making sure only those who meet the CPP definition of disability receive benefits, were proposed. (See *Options for Reducing CPP Costs*)

Many of those who commented went further, however, and spoke in favour of moving disability benefits outside the CPP. There were, however, two very different reasons expressed for wanting to do so. Some of the disabled said that their interests would be better served if a separate, comprehensive national disability program were created to meet their needs. Others wished to see disability benefits removed from the CPP in order to ensure that the essence of the CPP – i.e. retirement pensions – could be sustained in the future.

Those advocating a new separate program outside the CPP to serve the needs of the disabled include Scott Seiler of the Income Maintenance for the Handicapped Co-ordinating Group, who favoured one national plan for people with disabilities. Gary McPherson of the (Alberta) Premier's Council on the Status of Persons with Disabilities in Edmonton said the CPP is the wrong vehicle for providing disability benefits because it is designed to provide for retirement needs and the disabled need a more rational support system. Other groups supported this view. The Workplace Health, Safety and Compensation Commission of New Brunswick advocated separating disability benefits and retirement pensions into two plans. Each would have different funding approaches because, unlike disability benefits, retirement pensions are paid on the basis of contributions.

However, the Canadian Association of Independent Living Centres told the panel in Winnipeg that disability benefits should remain within CPP. It fears the disabled may not be better served in a separate plan which could be subject to political or economic influences.

Many other presenters addressed the issue by suggesting that the CPP should be a pension plan, not a social welfare or income redistribution program. (For that reason, some participants also said all ancillary benefits – including survivor and children's benefits – should be removed from the CPP.) A frequently heard view was that the CPP should get back to basics and deliver a pension plan that is financially sound and affordable.

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The Winnipeg Chamber of Commerce suggested separating the disability program from the CPP before considering raising contribution rates. “Most of us thought the CPP was a pension plan,” said George Lawrence at the consultations in Thunder Bay. “We should deal with the CPP and then come back and we can talk about how we want social programs funded.” The Federal Superannuates of Nova Scotia recommended reducing the high costs of disability benefits by strengthening the qualification requirements or by converting the disability provision to an “add on” upon payment of an appropriate additional premium.

That view was shared by the Canadian Taxpayers Foundation, Towers Perrin and KPMG Peat Warwick Thorne in their submissions to the consultations. Having disability pensions in CPP jeopardizes the viability of the retirement pension section of the CPP, said Andrew Aitkens of the seniors organization One Voice who, in his appearance before the panel in Montreal, suggested disability benefits should be part of the Employment Insurance program.

Some participants, including the Prince Edward Island Council of the Disabled and the Manitoba Federation of Union Retirees, disagreed strongly with a separate program and said they feared the disabled were being unfairly blamed for rising CPP costs.

One unidentified member of the audience at the hearings in Winnipeg said a separate disability plan would segregate the disabled from mainstream society. “I contribute to the CPP and have a right to the same system,” she said. Several other participants warned that any talk of moving disability benefits outside the CPP is premature and inappropriate unless there is a national willingness to develop a new program.

## **Canadians need to know more about the CPP**

It was suggested throughout the consultations that the CPP has been misunderstood and taken for granted by Canadians over the years. A good number of people said they would have been more concerned about the future of the CPP had they been aware of the Plan’s current financing and investment structure. Some presenters blamed governments for the lack of public understanding about what the Plan is and how it works.

It was pointed out that a commonly held misconception is that an individual’s contributions are accumulating in an individual pension account and will be paid out during retirement. Many seniors, in particular, said they believe they have a right to their pensions because they contributed to it over the years and found it hard to believe that their benefits far outweighed their actual contributions.

At the hearing in Yellowknife, participant Robert Spence said he believes bad communications and ignorance has contributed to the general malaise over the CPP. Lack of information is causing intergenerational rivalry between those who benefit and those who must pay, he warned. He suggested there should be ongoing public information programs and better communications to make sure Canadians, young and old



alike, understand the Plan better. That theme was echoed in Whitehorse by several participants who suggested an effective education and communications strategy was needed to increase general knowledge and understanding about the CPP.

## **What Canadians Said**

Any changes that are made to the CPP will affect the lives of a large number of Canadians. Thus, in the CPP consultations, it was essential that the voices of people from all segments of society be heard. Over the course of the consultations a large number of interested individuals and groups gave presentations, each bringing to the process their own knowledge and experience and each providing their own perspective. A broad spectrum of Canadian society was represented at the CPP consultations.

There was a convergence of views across the country on the problems facing the CPP and on possible solutions. Unlike many other issues, views on the CPP did not differ based on where Canadians come from. Most Canadians from the Atlantic provinces to British Columbia agreed that the CPP should be preserved.

Participants were welcome to present their submissions at whatever scheduled hearing was most convenient for them. For that reason, the British Columbia Farm Women's Network chose to travel to Calgary to present their submission; several Ontario-based groups appeared in the sessions in Montreal; and several national organizations participated in the sessions in Calgary and Hamilton, Ontario.

Areas of commonality and opposing views both emerged. The following is a summary of the main views represented at the consultations by: seniors, youth, business, labour, pension professionals, social policy groups, the disabled, taxpayers' associations and women's groups.

### **Seniors**

A great number of seniors and retirement groups turned out to make submissions and observe the hearings. Several national organizations, including the Canadian Association of Retired Persons, Canadian Pensioners Concerned, and One Voice, among others, had representatives at several venues.

The large majority of seniors groups were opposed to any reductions in retirement benefits or access to those benefits as an option for putting the CPP on a more sustainable footing. Many argued that reducing retirement benefits would be an attack on the most vulnerable in society, that changing the drop-out provisions or partially indexing pensions would particularly affect women, and that raising the age of entitlement would force people to work longer and deprive young people of needed jobs.

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A common view was that those already retired or nearing retirement have based their retirement planning on receiving a certain level of CPP benefits and those benefits should not be reduced. There was some acceptance of making changes to disability benefits and eliminating the death benefit or targeting it to those in need.

Among individual seniors, several expressed concern that high contribution rates in future would be a burden on young people and said they were prepared to accept some containment of their benefits to help deal with this problem. But seniors organizations generally said raising contribution rates was their preferred solution. Few accepted the premise that the CPP is overly generous to today's seniors because benefits far exceed past contributions. Several presenters reminded the panel that they support the education of the younger generation through their property tax dollars. They also noted that having lived through the Depression and the Second World War, seniors had made sacrifices for the good of younger Canadians.

## **Youth**

In sharp contrast to seniors groups, youth representatives were more willing to cut benefits so that future generations would not have to pay the high contribution rates forecast in the future. Almost all expressed concerns about the burden that a 14.2-per-cent contribution rate would place on young people.

Youth were under-represented in the cross-Canada consultations, due in part to the demands of the academic calendar. In order to provide young Canadians with an opportunity to become more involved with the consultations, the CPP Secretariat organized a Youth Forum in Ottawa on June 4. The participants represented the Canadian Federation of Students, the Newfoundland and Labrador Federation of Students, Canadian Council on Social Development, New Democratic Youth of Canada, Canadian Youth Foundation, Yukon College and the Canadian Union of Public Employees.

There was general agreement among participants that securing retirement income for Canadians should be a prime objective of governments. For most of the participants this meant ensuring the long-term sustainability of the CPP by raising contribution rates substantially in combination with only minor reductions in benefits. The exception was the Canadian Youth Foundation, which advocated establishing a new mandatory saving scheme on a sliding scale in accordance with lifetime savings patterns, and possibly making a portion of the existing registered retirement savings plan system mandatory.

A common theme at the Youth Forum was the need to ensure intergenerational fairness and secure young Canadians' confidence in the CPP by increasing contribution rates quickly. All participants agreed that any changes to the CPP should not harm the poor.



## **Business**

Business representatives included the Canadian Chamber of Commerce and many local chambers, the Board of Trade of Metro Toronto, Atlantic Region Retail Council of Canada, Certified General Accountants Association, Repap New Brunswick Inc., as well as many individual business people. Business groups supported an approach to the problems of the CPP that included a balance of increased contribution rates and some changes to benefits. Most of them strongly endorsed the role of the CPP in providing retirement pensions.

A number of representatives said higher contributions amounted to higher payroll taxes and would be “job-killers”. They advocated some modifications to benefits so that scheduled contribution rates do not climb into the double digits. One area of commonality among most business, labour and seniors groups was a call to invest the CPP fund in the market in order to maximize returns.

## **Labour**

National labour groups as well as individual unions made presentations to one or several of the consultations. Included were the Canadian Labour Congress, Canadian Federation of Labour, Canadian Auto Workers, Canadian Union of Public Employees, United Steelworkers of America, the Canadian Teachers Federation, and a number of provincial government employees’ unions.

Labour was very supportive of the CPP and wanted to see benefits maintained even if it meant a substantial rise in contribution rates. As with seniors representatives, the majority of labour spokespersons said the current CPP is affordable as is and opposed any reductions in benefits on the grounds that they would adversely affect low-income Canadians, fundamentally alter the social insurance side of the plan and adversely affect women.

Some groups, including the Canadian Auto Workers, said governments should be looking to enhance benefits, not reduce them. Labour organizations also generally supported raising contribution rates to a steady-state rate or higher. However, a few did suggest changes to benefits, such as income-testing some benefits and only partially indexing benefits to inflation. Some advocated breaking the link between contributions and benefits and making higher income earners pay more than others for CPP pensions.

A number of labour groups were in favour of investing the CPP fund in the market in order to maximize returns, provided the existing benefit structure is maintained. However, a few argued that the broader interests of Canadians should be taken into account in developing an investment policy and that maximizing returns should not be the only objective.

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Some labour groups criticized the CPP Information Paper, saying, for example, that the CPP is affordable; that the paper doesn't indicate how changes to the CPP will affect other parts of the pension system; that it doesn't adequately assess the implications of economic factors such as increased productivity; and, finally, that it is designed to raise fears.

## **Pension professionals**

Professionals from the financial planning and pension sectors were well represented at several sessions. Groups heard from included Towers Perrin, Wyatt Watson Worldwide, Malcolm Rowan Associates, Ontario Municipal Employees Retirement System (OMERS) and the Ontario Teachers Pension Plan Board.

A number of pension professionals urged the government to broaden the discussion. For example, they said that the government should look at the role of the CPP in the overall retirement savings system and that any changes should be consistent with other elements of the system.

Many presented alternative options including the much publicized "smart funding" proposal advanced by the Canadian Institute of Actuaries. This proposal would move towards full funding of the CPP through increased contribution rates when real interest rates are high. When interest rates drop, contribution rates would return to a pay-as-you-go basis where current contributions finance current beneficiaries.

As was the case with business groups, most pension experts called for a mix of contribution rate increases and benefit reductions. Invoking intergenerational fairness, the majority opposed very large contribution rate increases. Some opposed raising the age of entitlement and most opposed reducing retirement benefits. The majority of pension professionals called for investment of the CPP fund in capital markets in order to maximize returns.

The large majority also favoured removing disability and some other ancillary benefits (e.g., death and survivor benefits – "other social welfare features") from the CPP. The view was expressed that the CPP is a contributory pension, "not a social program."

A few groups called for more transparency. For example, the Multi-Employer Benefit Plan Council of Canada stressed that any change to the CPP structure should make it accountable to CPP contributors.

## **Social policy groups**

Many social policy groups participated in the consultations including the Canadian Council on Social Development, Alliance of Seniors to Protect Canada's Social Programs, National Anti-Poverty Organization, National Council on Welfare, and local



groups such as the Fredericton Area Coalition for Social Justice and the Community Services Council in St. John's, the Social Planning Council of Winnipeg and the Social Planning and Research Council of British Columbia.

Social policy groups generally opposed reducing CPP benefits on the grounds that they disproportionately affect women and the poor, and would prefer to raise contribution rates as high as needed. They wanted to sustain the CPP, seeing it as essential in helping many Canadians maintain a decent standard of living. Most of these groups expressed opposition to privatizing the CPP and the idea of mandatory RRSPs on the grounds that such plans would not adequately provide for the needs of low- and middle-income earners. Ideas put forward include: increase the Year's Maximum Pensionable Earnings (YMPE), prevent offloading of disability costs by private insurers, and target the death benefit.

Some groups called for changes to the CPP rules on disability benefits in order to facilitate the transition of disability recipients into the workforce. Another theme among social policy spokespersons was that the CPP should not be examined in isolation from other social programs or the economic context which includes high unemployment and trends towards less standard work patterns. A few participants, including the Social Planning and Research Council of British Columbia said the CPP reforms are being carried out in haste and more time is required to analyze the complex issues at stake.

### **Disability groups**

The disabled and their advocates were widely represented in the consultations. Groups making presentations included the Council of Canadians with Disabilities, the Income Maintenance for the Handicapped Co-ordinating Group, Canadian Mental Health Association, Canadian Association of Independent Living Centres and the Brockville (Ontario) Patient Council. Recurring concerns about disability benefits included benefit levels, re-employment strategies, the need for a national program, and maintaining benefits within the CPP.

Disability groups opposed reducing benefits for the disabled. A number of presenters voiced concerns that disabled groups were being made scapegoats. Scott Seiler of the Income Maintenance for the Handicapped Co-ordinating Group said it is repugnant that persons with disabilities are being blamed for problems with the CPP.

As mentioned earlier in the report, a number of groups voiced their dissatisfaction with the existing system and called for a new, separate, comprehensive national program to meet the needs of the disabled.

A few disability groups supported increasing contribution rates, but the (Alberta) Premier's Council on the Status of Persons with Disabilities at the consultations in Edmonton opposed higher premiums because the disabled are generally low wage earners and can't afford to contribute more.

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For more information on disability issues, please refer to *Main Themes* as well as to the Disability Benefits section of *Options for Reducing CPP Costs*.

### **Taxpayers' associations**

The Canadian Taxpayers Federation, the Ontario Taxpayers Federation and the Manitoba Taxpayers Association made presentations. The first two groups recommended that the CPP be replaced with a mandatory, defined contribution, fully funded, privately managed plan. They criticized the pay-as-you-go approach as well as significant increases in contribution rates. The Manitoba Taxpayers Association expressed concerns about the impact of the CPP on younger generations and recommended that the government offer those under 30 a chance to opt out of the CPP.

### **Women's groups**

Women's groups included the Manitoba Action Committee on the Status of Women, British Columbia Farm Women's Network, National Association of Women and the Law, Northwest Territories Status of Women, Yukon Status of Women, Manitoba Women's Advisory Council, and the Older Women's Network Metro Toronto and Area Council, Disabled Women's Network, and l'Association féminine d'éducation et d'action sociale. Women's groups strongly supported the CPP, saying it has worked well and is vital to women. They opposed reducing benefits and some called for enhanced benefits.

The women's groups advised against reducing the number of drop-out years, de-indexing pensions or raising the age of entitlement, noting that these measures would impose a greater burden on women. They pointed out that any reform of survivor benefits should recognize that many women have low-paying jobs.

A few groups specifically voiced opposition to raising the age of entitlement. Several others said Canadians will accept contribution rates as high as 14 per cent. There were also some calls for a homemakers' pension plan. Like other groups, the women's organizations supported improved investment of the CPP fund. Many were critical that the CPP Information Paper did not include a gender analysis of options.

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# Contribution Rates

*CPP contribution rates are already legislated to increase in the years ahead, and will have to be increased even more. If nothing is done, rates will reach 14.2 per cent by 2030. How high can the rates go before they become unaffordable? Beyond the limits of fairness?*

CPP Information Paper

## The Problem

In 1996, the CPP contribution rate shared equally by workers and their employers is 5.6 per cent on earnings between the basic exemption of \$3,500 and the maximum pensionable earnings of \$35,400. Under the existing schedule of contribution rates, rates are slated to increase to 10.1 per cent by 2016. However, the last report by the chief actuary of the CPP indicated that if nothing is done contribution rates are expected to almost triple to 14.2 per cent of earnings in 2030.

The CPP Information Paper describes how the financing of the CPP can be strengthened by ensuring that today's working Canadians pay a fairer share of CPP costs. Raising contributions more quickly now would ease some of the contribution burden that will otherwise be passed onto future generations of workers. This would not only be fairer across generations – it would also make the CPP more sustainable for future participants, the paper stated.

During the CPP consultations, groups and individuals commented from three main perspectives – affordability, intergenerational fairness, and the value of the benefits.



## **Affordability**

Most groups and individuals said a contribution rate of 14.2 per cent is simply too high to be sustainable in the long run. Canadians want to keep the CPP, but will not be prepared to do so in the future if costs are too high, and are out of line with the value of the benefits that contributors will receive. Several argued that the CPP contribution rate should not exceed single digit levels by very much. They said a long-term rate in the 10-11 per cent range would be much more sustainable and acceptable to Canadians even if this means paying more now so that the rates would not have to go so high for their children and grandchildren.

There was a strong view expressed by many participants that a 14.2 per cent contribution rate would not be affordable by businesses, particularly small business, or the self-employed who would have to pay both the employer and employee share.

“Such a massive increase in contributions is not acceptable to the vast majority of Canadians, nor is it a policy conducive to economic growth,” said Mitchell Gray of the Canadian Taxpayers Federation at a hearing in Edmonton. John Bech-Hansen of the Board of Trade of Metro Toronto agreed rates should be higher than today but must still remain a single digit number – 14.2 per cent is too high. The Board is concerned that increases in payroll taxes equate to lost jobs in the economy.

Echoing that theme was the Canadian Restaurant and Food Services Association for the Atlantic region. They told the panel in Halifax that such high contribution rate increases were unjustified given the fact that today’s recipients receive seven times what they paid in and today’s youth will contribute far more than they will receive.

Representatives of the College of Applied Arts and Technology Pension Plan in Ontario suggested fuller funding is possible with a contribution rate of 9 per cent and better investment of the CPP fund. They added that if current CPP contribution rates are increased, the surplus in the UI account would allow room for a reduction in UI premiums as a partial offset. Small businesses cannot be expected to shoulder the burden of higher CPP premiums, said Dave Ramsey of Confederation College in Thunder Bay. He suggested contribution rates should be increased instead for big companies, relative to their profits and record in eliminating jobs.

Some groups and individuals took the opposite point of view. They argued that if 14.2 per cent is the rate necessary to maintain current CPP benefits, then so be it. They did not want to reduce benefits or pay higher contributions before they were absolutely necessary. They, in essence, argued that there is nothing wrong with the status quo, and that the funding philosophy already in the legislation should be maintained.

They suggested that 14.2 per cent is not a problem since other countries are already paying that much for their public pensions, and have higher payroll taxes than in Canada. They pointed out that no one actually pays a percentage of total earnings that is as large as the contribution rate suggests. The Canadian Labour Congress made this point, echoed by other labour groups, including the New Brunswick Federation of Labour.

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“Current arrangements include a two-year reserve fund that generates income and, the contribution rate is likely to be 13.9 per cent not 14.2. In addition, thanks to the Year’s Basic Exemption, no one will actually pay more than 12.5 per cent of their earned income to the CPP in 2030. On average, people will contribute less than 9 per cent. This does not strike us as constituting a “sustainability crisis”, the CLC said in its submission.

Grace Buller of the Older Women’s Network, Metro Toronto and Area Council, said Canadians should pay whatever rate is necessary to maintain the CPP. “We can afford the plan and we must protect it,” she said. Similar views were expressed by the Canadian Labour Congress and some of its affiliated unions, and Monica Townson.

The following response was made to some of these points. International comparisons are extremely difficult to make since no two country’s pension systems are alike. First, CPP replaces up to 25 per cent of the average wage in Canada while pension plans that are more costly in other countries provide much larger pensions. Moreover, several of these countries are worried whether they can continue to afford their pension systems. It was also noted that while payroll taxes in Canada are comparatively low, what really matters is the overall tax burden in a country. Canada’s overall tax burden is higher than its three major trading partners – the US, Japan, and the UK.

## **Intergenerational fairness**

Many participants in the consultations said that their children and grandchildren would not be in a position to pay such high contribution rates because their legacy is one of poor job prospects and lower incomes. A number argued that it would be unfair to their grandchildren to have to pay 14.2 per cent for exactly the same benefit that the current working generation is paying 5.6 per cent for, and today’s seniors paid even less for.

Richard Worzel, a futurist with IF Research in Toronto, said that if contribution rates rise to 14.2 per cent in 2030, his son will have to pay 263 per cent more in CPP contributions compared to today for the same pension. On top of this governments would probably increase tax rates to compensate for the increase in non-refundable tax credits created by higher CPP contributions. He added that health care costs are skyrocketing far more than CPP contributions and would be paid for by the taxes of future generations. “How can we ask our children to pay more for our pensions than we are willing to pay ourselves?” he concluded in his submission.

Michael Walker of the Fraser Institute said the architects of the CPP made a fundamental mistake because they formulated the plan on the assumption that there will always be more youth than retirees. The intergenerational transfer did not take into account changing demographics and is simply not achievable under current circumstances, he said at a hearing in Calgary.



Some seniors and many seniors groups brought another perspective to the question of intergenerational fairness. They argued that it is wrong to judge this matter by looking at the CPP in isolation. While they are receiving more in benefits from the CPP than they paid in, they went through the Great Depression and the Second World War, raised their families, and continue to pay property taxes to support the education of today's young people. "Young people have been encouraged to believe that seniors are taking everything, nothing will be left for them. This particularly insidious and dishonest propaganda denies facts," Philis Matusic, of the Seniors Action and Liaison Teams, told the consultations in Edmonton. In Vancouver, Franklin Miller of the West End Seniors Network said little effort had been made to inform Canadians about the CPP and this is causing intergenerational tension.

In Hamilton, Ontario, retired actuary Ray McLeod said, "I'm a senior ... but I pay property taxes to educate your kids and I want to see your kids educated." The issue flared up in Vancouver when theology student Jim Love expressed concerns about how future generations are going to "pay through the nose" and how young people are struggling to get by while there are wealthy seniors. "We need to have concern about our entire society. We have to ask, are there seniors who are getting money and are wealthy enough to take care of themselves who are selling out younger generations for a house and a golf membership." An audience member responded that "I paid for your university, for God's sake. You paid \$3,000 and it cost \$10,000."

While youth tended to be under-represented during the consultations, many said the CPP fails the test of intergenerational fairness because income security for seniors is undermining the income security of future generations. A number of young people said that they could not afford to pay 14.2 per cent for a benefit they do not expect to receive. They would have to pay for the CPP of others and save for their retirement on their own.

Douglas Earle, who said he represented other 20- and 30-year-olds in the group IOU the Future, said if benefits are not going to be available to his generation, they in turn will not feel obliged to pay for current retirees. It is a statistical fact that those born in 1948 will receive a benefit worth a third more than current 25-year-olds, even though they paid a lower contribution rate, said the Manitoba Taxpayers Association.

A 24-year-old teacher, David Richinger, told the panel in Yellowknife that he spoke for other Canadians in their 20s who fervently believe that paying three or four times what their parents paid for fewer benefits is not fair. "My fear is that the seniors' lobby will prevent meaningful and fair restructuring ... and that payments will triple for a generation with questionable employment prospects." He predicted many young people will opt out by seeking employment abroad or by working in the underground economy. However, Richinger conceded that if the CPP can be redesigned so that Canadians "have a hope of paying for it," young people will be willing to pay for it.

Michael Grant of the Canadian Youth Foundation suggested correcting the imbalance by moving to a funded system which "will increase the welfare of all Canadians in the long term and address intergenerational equity."

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A number of youth representatives at the Youth Forum in Ottawa said they believed young Canadians would be willing to pay higher contribution rates if they were assured the CPP would be there for them when they retire.

“If people have some sort of bedrock, then they can say okay, at least we have this security, that whatever happens to me in the next 20 years in the labour market, I know that there is at least this basic level of income security there,” said Chris Clark from the Canadian Council on Social Development.

Jocelyn Charron, of the Canadian Federation of Students, echoed that view. “It’s important to move quickly to reassure young people ... that the system will be funded. The sooner this is done, the more young people are going to feel more at ease with their own contributions to it.”

This view was reinforced by other young participants in the public consultations including Sarah Archer of Yellowknife. She wrote in a submission that she is personally hopeful that if the CPP is reformed as soon as possible, the fund will be in place for future generations.

## **Value of benefits**

Are Canadians getting value for money from the CPP? In answering this question, people commented both on the value CPP provides compared to private pension plans, and the value CPP will provide to future generations compared to what they will have to pay.

Virtually all individuals and groups addressing this issue agreed that CPP in the past has represented very “good value for money”.

Philip Connell, a retired chartered accountant in Toronto, said the CPP “represents a massive intergenerational transfer of funds from future generations who are expected to overpay for their pensions to compensate for underpayment by older generation recipients.” He told the panel that the \$18,607 in contributions paid by himself and his employer, including interest has given him a total of \$54,287 in CPP benefits since he retired seven years ago. Those same funds, if used to buy an annuity at age 65, would have provided only \$14,317 thus far. Mr. Connell said such an overpayment is “scandalous”.

A number of people noted that their parents had received all of their contributions back from the CPP after as little as a year but had then gone on to receive benefits for another 15-20 years. In Winnipeg, Earl Backman commented, “We have to give up the expectation that we can draw out far more than we pay in.” That view was supported by Reg Harrill, a retired accountant in Calgary, who said, “We didn’t pay enough for it, for what we are taking out of it.”



It was pointed out that, in contrast, future generations could only expect to receive a real rate of return of about 1.5 per cent compared to the nearly 30-per-cent rates of return realized by people retiring in the 1970s. It was noted that a 1.5-per-cent real rate of return – albeit positive – is not very good compared to the much higher rates of return that people can earn on their money right now and for the foreseeable future. William Robson of the C.D. Howe Institute, in his presentation to the Caledon Forum, presented calculations showing that those born before the baby boom fared very well under the CPP, while those born afterwards will receive “meagre” returns.

Some also noted that the “actuarially fair” rate to be paying for the CPP is estimated at 10.5 per cent while future contributors will have to pay 14.2 per cent if nothing is done to change the CPP. This is the reason why some people argued that CPP should be phased out or eliminated and replaced by mandatory RRSPs.

Gordon Koop of the International Brotherhood of Electrical Workers, Local 2067 in Saskatoon, said calculations indicate that investing contributions privately would provide a pension twice as generous as the CPP. Others cautioned that it is difficult to compare the value of the CPP to private pension plans for a number of reasons. For instance, Bob Baldwin of the Canadian Labour Congress claimed there is nothing that the CPP can be legitimately compared to because there is nothing else like it: “Coverage is universal; vesting is instant and portability complete within Canada; limited periods of time can be spent outside the labour force with no loss in benefits; benefits are wage indexed prior to retirement and price indexed thereafter ... and, retirement benefits provide a predetermined percentage of pre-retirement earnings.”

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# Balancing Contribution Rate Increases and Changes to Benefits

*The cost of the CPP can be reduced and future increases in contribution rates moderated, by some combination of early increases in contribution rates and reduced benefits, or reduced access to benefits. What is the appropriate balance between contribution rate increases and changes to benefits?*

CPP Information Paper

The CPP Information Paper outlined how the financing of the CPP can be strengthened by ensuring that today's working Canadians pay a fairer share of costs. This would not only be fairer across generations – it would also make the CPP more sustainable for future participants. To strengthen CPP financing would require both fuller funding and consideration of changes to the way the CPP fund is invested. The paper explained that moving to fuller funding means higher contribution rates now to avoid even higher rates in the future.

The fairest way to begin to equalize costs would be to quickly raise CPP contribution rates to a level which is high enough that no further increases will be needed thereafter. This rate can be called the 'steady-state' contribution rate.

This contribution rate would cover the costs of each contributor's own benefits plus an equal share of the burden that has built up. Higher rates would mean the CPP fund would grow substantially in size; the return on investment of a larger fund could pay for an increased share of CPP benefits.

## **Fuller Funding (with better investment) and 'Steady-state' Contribution Rates**

Most participants during the consultations agreed that CPP contribution rates need to rise beyond what the current schedule specifies for the coming years in order to keep the steady-state contribution rate as low as possible down the road. There were a variety of views on how quickly the steady-state rate should be reached. Some suggested



six to nine years was appropriate, while others said the sooner contributors start paying more toward the real cost of their benefits, the better. Still others called for a gradual ramp-up, without specifying a time period, so people could adjust.

For instance, the Coalition of Seniors for Social Equity advocated speeding up increases in the contribution rate to reach the 'steady state' contribution rate, therefore reducing the ultimate contribution that younger generations will have to pay. "Those who stand to benefit from the program will be making contributions closer to the cost of the benefits they will ultimately receive," the coalition stated in its submission.

Although many said that the concept of a 'steady-state' rate is reasonable, there was reluctance among participants to see contribution rates rise much beyond 10 per cent. The Canadian Association of University Teachers recommended raising rates immediately by three or four percentage points per year to reach 10 per cent, and even more for those with above average earnings who can afford to pay more.

The Canadian Bankers Association (CBA) said, in principle, it supports 'steady-state' financing but their preliminary view is that double digit contribution rates would be too high. The CBA recommended moving to 7.5 per cent as quickly as possible and achieving a better balance between rates and benefits. Finding that balance is a major political challenge, the CBA noted.

A number of social groups, including the Social Planning Council of Winnipeg, favoured fuller funding and 'steady-state' contribution rates in order to secure the plan. The Canadian Council on Social Development believes the 'steady-state' approach is a reasonable means to address the shortfall. The Council said the 'steady-state' rate would need be no higher than 11.7 per cent if several of the cost-saving measures in the CPP Information Paper were adopted. These measures include tightening the administration and eligibility for CPP disability benefits and reducing the overlap with provincial workers' compensation programs.

Raising the contribution rate to the 'steady-state' rate proposed in the CPP Information Paper is worth studying, according to Bob Dale of the Nova Scotia Government Employees Union. Reaching it would still leave Canadians on the low end of the scale compared to other countries. Mr. Dale cited data from the Organization for Economic Co-operation and Development which indicates the current combined rate for Sweden is 21 per cent, and for France, 19.8 per cent. However, other participants noted that such a comparison is not valid because Canadians also contribute to OAS/GIS benefits through their income tax dollars, and because CPP pensions are smaller than public pensions in such countries.

The pay-as-you-go model should be changed to a more fully funded method of financing which includes the accumulation of a larger reserve fund, said the Certified General Accountants Association. No further enrichments of benefits should be authorized until the CPP is brought to some reasonable level of financial stability.

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The Prince Edward Island Teachers' Federation supports achieving a 'steady-state' contribution rate over six to nine years and better investment to maximize returns. It fears any attempt to fully fund CPP – as opposed to fuller funding – would be unacceptably expensive. Desmond Achilles, a participant in the Edmonton consultations, believes building up a fund equal to six years of benefits would have positive outcomes on the national economy, as well as on the plan.

William M. Mercer Ltd. suggested governments review the contribution rate every three to five years in light of experience in gains and losses, anticipated wage increases, real rates of return and demographic changes.

The Canadian Institute of Actuaries proposed a variation on the steady-state funding approach, termed conditional funding or “smart funding”. Under the smart funding, the contribution rate and target size for the fund would be adjusted according to the level of real interest rates. Each year the Chief Actuary would project CPP assets and liabilities 30 years into the future. The Chief Actuary would then determine the constant 30-year contribution rate needed to meet a certain funding target (i.e. fund size) at the end of the period, expressed as a percentage of CPP liabilities.

For example, if the real interest rate was 6 per cent or higher, the target would be 100 per cent (i.e. full) funding. At a real interest rate of 2 per cent or lower, the funding target would be zero (i.e. no fund) and the CPP would operate as a pay-as-you-go plan.

Not all agreed that pay-as-you-go funding – i.e. the existing financing philosophy of the CPP – is flawed. Mae Harman of Canadian Pensioners Concerned, Ontario Division, said at the hearings in Hamilton, Ontario that seniors favour a fund equal to three or four years worth of benefits, compared to the present two years worth of benefits, in order to generate more return from investment. However the organization opposes any fundamental change from pay-as-you-go funding – i.e. building a fund any larger than three to four years.

Others who see no problem at all with the current financing philosophy of the CPP which provides for a fund equal to two years of benefits were opposed to any degree of fuller funding. These include the Canadian Labour Congress, Monica Townson and Robert Brown, an actuary who teaches at the University of Waterloo. They presented a number of arguments to support their positions: a pension system cannot be pre-funded because in the end, all benefits must be paid out of national income; increased contributions would not raise national savings and thus be ineffective and self-defeating; real growth will again exceed real interest rates so there is no need to act; and, a large pension fund could be misused.

Others took the opposite view. They agreed with the assessment in the Information Paper about the changed economics. They said that pay-as-you-go financing made sense in the 1960s and 1970s. But, given the changes in the economic and demographic situation since then, fuller funding of the Canada Pension Plan would be better now.



At the CPP forum organized by the Caledon Institute of Social Policy in Ottawa, Yves Guérard of Sobeco Ernst & Young said that fuller funding and a 'steady-state' rate is fair for current and future generations. He said it was time to change the plan because benefits have been enriched with no corresponding increase in contribution rates. As a result, no contributor has paid for more than about two-thirds of the value of his or her benefits. It is time to cut back, he added.

### **Higher Return on Investment**

There was wide support across the country for achieving a higher rate of return by investing CPP funds in market securities. Most participants said a higher return on investment is a prerequisite for reform of benefits and contributions. Without it, the rationale for fuller funding disappears. There was agreement that the inevitable increases in contribution rates must be kept in check through diversified investment that will earn a higher return.

Most participants who expressed a view felt that the funds should be invested professionally at arm's length from government in order to maximize returns in the sole interest of beneficiaries. However, some labour representatives thought the fund should be invested as well to meet economic goals for the country.

In Charlottetown, Gary Paynter of the Public Service Alliance of Canada suggested establishing an advisory board of investment professionals and government employees whose role would be to maximize the profitability of the plan.

Kit Moore of the Canadian Institute of Actuaries and Ian Markham of the Toronto Board of Trade both conditioned their support for fuller funding of the CPP on CPP funds being invested in a market portfolio free of political manipulation. They argued that if appropriate controls were not in place, they would not support fuller funding.

For more on investment of the fund, please see *Investment Policy* in the report.

### **Effect of Benefit Reductions on 'Steady-state' Rate**

The CPP Information Paper indicated that with an improved investment policy the 'steady-state' contribution rate would still need to be 12.2 per cent if no changes were made to CPP benefits. Contribution rates could be further reduced if the cost of benefits were reduced. For example, a reduction in the cost of benefits by 7 per cent would bring the 'steady-state' rate down to 11.3 per cent from 12.2 per cent; a 10-per-cent reduction would bring it down to 10.9 per cent; and a 15-per-cent reduction would bring it down to 10.3 per cent.

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On the question of balance between contribution rate increases and benefit reductions, the predominant view during the consultations was that comparatively more action should be taken on the contribution side than on the benefit side.

Economist David Slater agreed that contribution rates will have to be increased beyond previously agreed schedules or benefits will have to be reduced or a combination of both. In his appearance before the panel in Toronto, he suggested combined efforts to broaden the contribution base with increases in contribution rates over the next 15 years. He also suggested some action on the benefits side, such as a gradual and moderate increase in the age of entitlement and a change to partial indexing of benefits.

Many agreed that some action was needed on the benefits side to limit the level of contribution rates at about 10 per cent. David Abbott, of the Prince Edward Island Institute of Chartered Accountants, said his group believes Canadian employees and employers will support contribution rates in the 10-per-cent range if combined with benefit options outlined in the CPP Information Paper. His organization recommended actions such as reducing pensions by 10 per cent, reducing drop-out provisions, and eliminating the death benefit.

The Ontario Municipal Employees Retirement System asked its members to fill in questionnaires on the key questions for the CPP consultations outlined in the Information Paper and send them to the CPP Consultations Secretariat. According to the results tabulated from a sample of 1,000 respondents, a large majority of respondents, 56 per cent, supported a balance of “mixed rate increases and benefit changes” to reduce the cost of the CPP, and to moderate further CPP contribution rate hikes. Thirty-one per cent supported “contribution rate increases only”, followed distantly by “changes to benefits only” at 5 per cent.

In Winnipeg, John Irvine of the Canadian Union of Public Employees said his members would support increasing contribution rates from 5.6 per cent in 1996 to 10.1 per cent over a nine year period (0.5 per cent increase biannually) in combination with a number of measures, such as changing the indexation formula to CPI minus 1 per cent; eliminating the YBE exemption on the first \$3,500 of earnings along with an offsetting income-tested tax credit; and income-testing the CPP death benefit starting at the average industrial wage.

Arthur Baggs, president of the Newfoundland and Labrador Teachers' Association, suggested in a written submission that the contribution rate be increased to no more than 8 or 9 per cent and recommended a number of actions on the benefits side to achieve this, including re-examining indexation, ending survivor benefits for those who remarry, reducing administrative costs, increasing the years required for full pensions, and raising the age of entitlement.

Some participants opposed any reductions in benefits, and a few suggested that benefits are not generous enough. The Older Women's Network Metro Toronto and Area Council wants to maintain all current benefits, saying, for example, that



full pensions are needed to maintain adequate living standards. In Thunder Bay, Sarah Colquhoun of the Kinna-aweya Legal Clinic said benefits are already modest and should therefore not be reduced. She also expressed concern about the impact of benefit reductions on the tax system since some of the benefits are recovered through the tax system now. The New Democratic Youth of Canada opposed reducing benefits, saying that doing so would harm those in need and that, if anything, the pension benefits should be increased.

More details on benefits are presented under *Options for Reducing CPP Costs* in the report.

## Earnings Exempted From Contributions

Employees and their employers, as well as the self-employed, pay for the CPP through annual contributions based on employment earnings. The contribution is equal to a percentage (currently 5.6 per cent) of employment earnings between the Year's Basic Exemption or YBE (currently \$3,500) and the Year's Maximum Pensionable Earnings or YMPE (currently \$35,400, approximately the average industrial wage in Canada).

### *Option*

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#### *Reduce or Eliminate the YBE*

As explained in the CPP Information Paper, reducing or freezing the basic exemption would result in a decrease in the plan's contribution rate because contributions would be levied on a broader earnings base. Even though the rate would decline, contributions in aggregate would not decline, and costs would not decline, so the option is quite unlike benefit reductions. Contributions would be collected from the first dollar of earnings up to the maximum pensionable earnings, and contributions lowered to reflect the broader earnings base.

There was broad support by business groups for the idea of reducing the amount of earnings exempted from contributions, either by reducing or eliminating the YBE. The Institute of Chartered Accountants of Prince Edward Island supported a move to basing the rate on all earnings at a lower rate. They noted that benefits are calculated on all earnings and said that they do not support progressivity in the context of the CPP. Workers and employers should contribute on every dollar earned, urged Larry Williams of the Co-Operative Superannuation Society, because benefits are paid on every dollar.

A number of participants supported reducing or eliminating the YBE as a way of preventing contribution rates from rising too high. To prevent the contribution rate from rising into the double digits, the Canadian Bankers Association suggested eliminating the YBE along with action on the benefits side such as reducing the drop-out provision and increasing the age of entitlement. According to William M. Mercer Limited, if the YBE were eliminated, a contribution rate of 10.4 per cent over the next five years would be sufficient to meet a funding target equal to six times annual expenditures.

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The Union of Public Sector Employees suggested that if the YBE is lowered then adequate protection must be provided for low-income earners. Rick Miller appeared at the consultations in Montreal on behalf of the Ontario Professional Fire-fighters Association and the Canadian Police Association. He suggested the YBE be gradually phased out, given that charging contributions on a broader base could cost employers and employees more in the short term even if it lowers the contribution rate in the long-term. He would modify the option by eliminating the YBE for workers earning more than \$10,000 per year.

However, not everyone supported the option to eliminate or reduce the YBE. The Canadian Auto Workers calculated the option would mean many workers would have to pay 11 per cent more in contributions which represents a major increase for low-income earners. Reducing the basic exemption would place a greater burden on employers and could lead to job losses, according to Roberta Bedard of the Alberta Association of Retirement Planners.

The Canadian Restaurant and Food Services Association represents an industry which employs many part-time workers. In a written submission, the association's Joyce Reynolds stated that reducing or eliminating the YBE would have a severe impact on job creation and on youth. It would add to the burden of payroll taxes which have a negative impact on labour-intensive businesses and on their ability to create and maintain jobs, the submission said.

A number of presenters warned that lowering the YBE would remove an element of progressivity from the CPP (i.e. hurt low-income earners, women in particular, by lessening the comparative advantage they currently receive from the YBE).

### ***Option***

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#### *Increase the YMPE*

Instead of reducing or eliminating the YBE, the Social Planning Council of Winnipeg would rather see the YMPE increased. Although this option was not presented in the CPP Information Paper, eliminating or raising the YMPE on contributions was suggested by some as an alternative way of increasing the amount of CPP contributions. In Winnipeg, Don Pavelick suggested basing contributions on up to 2.5 times the average industrial wage. James McCambly of the Canadian Federation of Labour suggested that "it may be more appropriate and equitable to increase the maximum contribution than increase the 5.6-per-cent contribution rate." Lucie Blais of the National Council of Welfare suggested that doubling the current YMPE to \$70,800 should be explored. Luis Rufo, who participated in the Calgary hearings, said the YMPE should be eliminated because the rich should pay far more. He said it makes more sense to increase premiums if necessary to maintain the plan. "The best avenue is to continue the Canada Pension Plan."

These views ran counter to the prevailing view that the CPP is a pension system so there should be a close link between contributions and benefits.



## **Targeting or Means Testing of Benefits**

The consultations revealed some Canadians think CPP benefits could be targeted or subjected to means testing in order to reduce expenditures and make the CPP affordable. Bill Mitchell of Seniors Outreach Services said maybe some benefits should be clawed back from those who don't need CPP while protecting those who do. But he warned that means tests for receiving CPP would not be well received by seniors. The Newfoundland and Labrador Federation of Students suggested benefits to wealthy Canadians could be clawed back to an appropriate level via income tax returns.

Some went less far and suggested that the former retirement and earnings tests should be reinstated only for those receiving early retirement benefits. The Canadian Association of Retired Persons believes early retirees should be subjected to a means test, and benefits reduced from 70 per cent of maximum benefits to only 50 per cent for those retiring at 60.

Most presenters, however, believe that it is imperative to the survival of the CPP that it continue to be available to all contributors who have paid for it, regardless of income. They warned that the CPP is a pension plan, not an income redistribution scheme – it is the role of other government programs to redistribute income. Dan McCaw of William M. Mercer Ltd. said an early decision should be to confirm that the CPP is primarily an income replacement pension system for working Canadians rather than a vehicle for the redistribution of welfare support. He called for changes to the benefit structure and a fairly quick increase in contribution rates. The Canadian Association of Retired Persons, which opposes benefit reductions, said the CPP should be maintained for the purpose originally intended in the CPP Act and should not be used to redistribute or equalize income.

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# Options for Reducing CPP Costs

*“This paper has identified some ideas for reducing the cost of benefits. Are these the appropriate range of options to consider, or are there others? Of the ideas outlined, which ones are most appropriate? Least appropriate?”*

CPP Information Paper

The CPP Information Paper illustrated how future increases in contribution rates could be moderated by reducing CPP expenditures – including options for administrative costs, retirement pensions, disability benefits, and survivor benefits.

The many presentations and submissions made on reducing CPP costs during the course of the consultations reveal that most Canadians cherish the CPP and want to preserve it as a pillar of the retirement income system. A common view was that the CPP is the only retirement income beyond OAS/GIS for many working Canadians and many Canadians have built their retirement plans around receiving it. Virtually no one argued that the maximum CPP retirement benefit is too generous. They saw the maximum benefit, which is set at 25 per cent of average earnings, as a basic amount that many workers have to supplement by private savings.

While some argued that they would pay whatever is necessary to ensure that the benefits now in the plan can continue as is, many were willing to part with some benefits in order to make the CPP sustainable for future generations. To protect retirement pensions as much as possible, it was frequently suggested that the other benefits provided by the CPP – disability, survivors, and death benefits – should be scrutinized first and reduced, eliminated, or moved out of the CPP.

In contrast, many participants, including those who depend on disability and survivor benefits, staunchly defended them.

With respect to retirement pensions themselves, one reaction by those who accepted that some action is necessary was to suggest that the first step should be elimination of the Year's Basic Exemption, as this would mean that everyone pays equally for each



dollar of pension they receive. Others accepted that retirement pensions should be directly reduced in one way or another.

The following section lists the current benefits, describes reaction to the benefit options outlined in the information paper, followed by some of the alternatives proposed by participants.

### **Current CPP Benefits**

Retirement pensions are paid monthly to all Canadians who have contributed to the plan, based on the amount of their contributions. In 1996, more than 2.3 million Canadians will receive retirement benefits of about \$10.9 billion. This represents about 63 per cent of total CPP costs.

The normal age of eligibility is 65, but late retirement (up to age 70) is also permitted. Reduced benefits are available as early as 60. The maximum pension is equal to 25 per cent of average Canadian earnings and benefits are fully indexed. In 1996, the maximum monthly pension at age 65 is \$727.08.

**Disability benefits** are payable to contributors under age 65 who can no longer work due to a severe and prolonged mental or physical condition and who have made sufficient contributions to the program. The maximum monthly CPP disability benefit is \$870.92.

**Survivor benefits** are paid to the deceased contributor's estate, surviving spouse and dependent children. There are three categories:

- Death benefit is a one-time payment to the estate of a deceased CPP contributor to a maximum of \$3,540.
- Surviving spouse's pension is a monthly pension paid to the surviving spouse of a deceased contributor. Maximum benefit for individuals under 65 is \$399.70; for those over 65, \$436.25.
- Children's benefit is a monthly benefit for dependent children of a deceased contributor. The CPP monthly benefit is \$164.17 and is payable to age 18 or to age 25 for full-time students. The benefit is also provided to the children of disabled contributors.

### **Administration**

The low cost of administering the CPP compared to private pension plans was one of the factors mentioned for keeping the CPP a public pension system as opposed to privatizing it. For example, in Winnipeg Barry Shtatleman said the size and universal coverage of CPP means lower administration costs – 1 per cent of benefits versus at least 5 per cent for private plans. “The difference translates into hundreds of millions of

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dollars in savings,” he said. Nonetheless, many advocated that a good place to look for savings is always administration. For example, the Union of Public Sector Employees said administration should be streamlined before any benefits are looked at. Initiatives already taken to tighten administration received support, and governments were encouraged to continue to keep a watchful eye against inefficiency, waste, and misuse or abuse of the CPP.

## **Retirement Pensions**

The Information Paper identified four ways of reducing expenditures on retirement pensions to help offset the costs imposed on the CPP by increased life expectancy. At the inception of the CPP 30 years ago, Canadians could expect to live, on average, 15.3 years after 65. Nowadays, they live on average 18.4 years. Life expectancy will continue to increase in the years to come, meaning that pensions will be paid to people for longer and longer periods of time.

As already mentioned, some presenters believed there is no need to cut benefits; many proposed looking at other benefits first in order to preserve retirement pensions; yet many did address the question of how to reduce expenditures on retirement pensions if this is necessary to make the CPP affordable and sustainable.

### ***Option***

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*Reducing retirement pensions by reducing the replacement rate*

Reducing CPP retirement pensions to replace 22.5 per cent of earnings rather than the current 25 per cent was not a favoured option. It was argued that the role of the CPP in providing a base on which to build individual pensions should not be eroded in this way. Some stated that women would lose more from this change than men given their lower average pensions and longer life expectancy.

In Whitehorse, Pat Carberry of the Yukon Council on Aging said seniors have paid their share and their benefits should not be touched. The Board of Trade of Metropolitan Toronto also opposed reducing the basic retirement pension benefit. “As a fundamental principle, we do not support a reduction in the core retirement benefit provided under the CPP, particularly since other changes can be made which will leave this part of the program intact while still affording a steady-state contribution rate of no more than 10 per cent.” The board preferred partially indexing benefits, reducing the drop-out provision and halving the YBE.

In St. John’s, Penny Rowe of the Community Services Council opposed reducing the maximum retirement pension to 22.5 per cent from 25 per cent, saying that benefits are already low and this would hurt lower and modest-income earners. However, a few people, including Sandy Holmes of Yellowknife, favoured reducing retirement benefits to 22.5 per cent of the average industrial wage to reduce CPP expenditures.

### ***Option***

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#### *Years required for full pension*

Under the current formula used to calculate CPP pensions, contributors are allowed to drop some non-working or low-income years from their earnings record: 15 per cent of their contributory period, up to a maximum of seven years. This means that a full pension is based on a 40-year period. In addition, time spent out of the workforce caring for children under age seven can be dropped from a person's earnings record. Options mentioned in the CPP Information Paper were to lower the general 15-per-cent drop-out to 10 per cent and place a maximum limit of 15 years on the total number of years that can be dropped out (general plus child-rearing drop-outs combined).

During the consultations, most presenters who commented disapproved of reducing the 15-per-cent drop-out period because it would severely impact on workers who must increasingly face periods of unstable employment or part-time jobs. It was pointed out that 40 years is already a very long period to work in order to earn a full CPP pension.

A number of seniors groups including the Coalition of Quebec Seniors advised against any change in the current drop-out provisions. Some groups, such as the seniors organization One Voice, suggested the drop-out provision be extended to time taken out of the labour force to care for the elderly – a role that falls significantly to women as does the raising of children. Women's groups opposed any limit on the child rearing drop-out. However, a few presenters including the Canadian Bankers Association and the Multi-Employer Benefit Plan Council of Canada said that the drop-out provisions are too generous as they reduce the link between contributions and benefits.

### ***Option***

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#### *Raising the age of entitlement*

The Information Paper explains that another way of dealing with the costs to the CPP of rising life expectancy would be to gradually raise the normal eligibility age for retirement benefits – called the age of entitlement – to 66 or 67 from the current 65 years of age. Early CPP retirement pensions, now available at age 60 with reduced benefits, could likewise be available one or two years later, at 61 or 62. The Information Paper noted that five to 10 years' notice would be given before starting to raise the age of entitlement, and the higher eligibility age would then be gradually phased in by three or four months a year. The higher age of entitlement would thus be in place by the time the baby boom generation starts to retire in 2011.

A large number of presenters expressed their views on the age of entitlement, but most overlooked the fact that any increase would not start for five to 10 years and would then be gradual. Most presumed it would start immediately. Most opposed raising the age because of the current job situation in Canada and current trends in the labour market. Some feared raising the age of entitlement would go against the current trend towards early retirement and could have a negative impact on unionized workers,

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women and the poor. Saskatchewan Seniors Mechanism said many Canadians cannot find work between the ages of 60 and 65 while Canadian Pensioners Concerned, Ontario Division, said the elderly feel they should move aside and make room for younger workers.

The Canadian Labour Congress said moving the retirement age to 67 would have a massive impact on private pension plans, since over 90 per cent of private plans assume CPP benefits will be payable at 65, and private pensions are built on that base.

Others expressed the view that raising the age of entitlement is probably inevitable as Canadians are living three years longer in retirement now than when the CPP was created, and life expectancy will keep on increasing. They noted that many other countries are increasing the age at which their public pensions are available.

Several pension planners, academics and others, therefore, called for a gradual increase in the retirement age. Pierre Giard of Repap New Brunswick Inc. said there will be fewer workers in the future and those born after 1955 will require more time to accumulate wealth before retirement than their parents did. The Canadian Bankers Association supports an age of entitlement of 67 while keeping 60 as the age for early retirement.

### ***Option***

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#### *Partial indexing of pensions*

At present, CPP benefits are fully indexed to inflation as measured by the Consumer Price Index. A fourth option to reduce costs would be to index benefits of all current and future retirees to the rate of inflation minus one percentage point. Or benefits could be partially indexed for a specific time period, such as the next 10 years. This would allow current seniors and those about to retire to make a contribution to lessening the CPP burden.

Presenters were fairly evenly split on whether benefits should be fully or only partially indexed to inflation. Many pointed out that partial indexing would contribute to intergenerational equity. Of those who did not want to see any reduction in benefits, some, including a few seniors themselves, suggested partial indexing could be carried out as a last resort if needed to prevent contribution rates from going too high. Bob Slattery of the Ada Bland Senior Citizens Centre in Stoney Creek, Ontario agreed with the option of CPI minus one percentage point, saying the retired have less worry about inflation because costs are less for seniors than for working Canadians. The Winnipeg Chamber of Commerce said de-indexation should be considered before contribution rates are raised.

A few of the presenters who were in favour of partial indexation suggested it could be a temporary measure. Temporary de-indexation was “strongly supported” by the Association of Canadian Pension Management because “it will allow some sharing of



the cost of CPP changes with current retirees and improve intergenerational equity.” The Canadians Bankers Association would support partial indexing, possibly through a customized, so-called ‘seniors index’ or a variation of CPI minus 1 per cent.

Similarly, the Canadian pension firm Watson Wyatt Worldwide, said indexing should reflect the rate of inflation pertaining to seniors which may be different from the commonly used CPI index since seniors do not usually have the same expenses as working Canadians.

Strong opposition to partial indexing was voiced by several women’s groups who point out that women generally live longer than men and so would be more adversely affected. “Partial indexing will have the result that because women live longer than men, their income will decrease as women age and the oldest women will be the most impoverished,” wrote the Northwestern Ontario Women’s Decade Council in their submission.

## **Disability Benefits**

The CPP Information Paper described continuing efforts to improve the administration of CPP disability benefits. The goal is to ensure that benefits are provided only to those who are truly incapacitated and must rely on the CPP for income support. It outlined a number of other changes that could be considered to further reduce costs and ensure the sustainability of this part of the CPP. Such changes would not affect current beneficiaries.

As already mentioned, disability benefits were a prevalent theme at most meetings, generating a good deal of often detailed and emotional discussion and diverse views. Opinion was divided over whether what is essentially a pension plan should be providing benefits to disabled workers and their families.

Many argued that CPP is first and foremost a pension plan to provide retirement income and that disability benefits should be taken out of the CPP. For example, Vi Presley of Edmonton said the CPP has become something it was never intended to be – a long-term disability insurance plan. This must change or the plan will be bankrupt, she said.

Many groups representing the disabled were not opposed to removing disability benefits from the CPP but only if they could be assured that a new, comprehensive program to support the disabled were put in place. Short of that, quite a number of participants argued disability benefits are not overly generous and should not be reduced. In Toronto, Dianne Albers, a disabled individual, told the panel that disability benefits are miserly. The Canadian Mental Health Association spoke against basing retirement pensions on maximum pensionable earnings at time of disablement. Others warned against making the disabled the scapegoats for rising CPP costs.

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Often the debate delved into areas beyond the scope of the CPP consultations, such as the employment needs of the disabled. Several presenters raised the issue. Brian Cogle in Calgary, who is on a disability pension, said he is concerned about finding a job and getting off CPP benefits. Steve Mantis of the Thunder Bay and District Injured Workers Support Group said his organization favours a universal disability program, saying the current system does not provide incentives to return to work and encourages dependency. And the Calgary Injured Workers Association said Canada needs an employment strategy for the disabled and it could result in massive savings. “If Canada’s 2.4 million working age disabled were employed at a similar rate to able-bodied workers, immediately 500,000 of these people would find jobs, saving Ottawa and the provinces \$4.6 billion a year,” the association said.

### ***Option***

#### *Stacking of CPP and Workers’ Compensation*

In some provinces, persons who become disabled can receive benefits from both the CPP and the provincial Workers’ Compensation Board (WCB). In others, WCBs require applicants to apply for CPP and then subtract any CPP benefits from WCB benefits. Most presenters argued that “categorical” programs such as WCB should be the first payer and should not “offload” onto the CPP. Reducing this overlap would reduce costs to the CPP and also reduce disincentives to return to work for those who recover from their disability.

The option outlined in the CPP Information Paper would reduce the CPP disability benefits of those receiving benefits from the WCB. Those presenters who focused on this option during the consultations supported eliminating the stacking of CPP disability benefits on top of WCB benefits. Many presenters were concerned about what they perceived as offloading by private insurers as well. Presenters took issue with the way disability benefits are handled by private insurers, former employers, provincial WCB and social assistance programs as well as CPP.

The Communications, Energy and Paperworkers Union of Canada Local 105 in St. John’s, was concerned about what they described as the “abuse” of the CPP by insurance companies in making disability payments. The union echoed the view of many groups representing the disabled who say that CPP benefits wrongly pay the largest portion of an individual’s disability claim. Many individuals, such as Linda Mercier of Thunder Bay, expressed frustration over how benefits are administered as well as the division of responsibility between CPP and disability insurers.

Why should WCB allow employers to pay less of the disability costs for injured workers by passing the costs onto CPP? asked Rick Miller on behalf of the Ontario Professional Fire-fighters Association and Canadian Police Association. However, he believed that reducing fraud and tightening benefits would help reduce costs only minimally. In New Brunswick, the N.B. Federation of Labour told the consultations that provincial legislation forces workers to go first to CPP for benefits, adding “we don’t think that is right.”



The Thunder Bay and District Injured Workers Support Group asked whether WCB should be paying for disability benefits, not the CPP. The Workers' Compensation Board of Prince Edward Island said there is no overlap between CPP disability benefits and WCB benefits because a number of provinces have provisions in their workers' compensation legislation that the CPP disability benefits are to be included as earned income the worker receives or is entitled to receive as a result of injury. The proposal to transfer some or all of the cost of CPP disability benefits to WCB is inappropriate, the board said.

A number of individuals expressed concern about the issue. Barb Skelton of Niagara Falls, Ontario said the CPP is being used to subsidize private and provincial disability insurance benefits. Patricia Smith of Hamilton, Ontario suggested the stacking of benefits should be discouraged. Private insurance companies should not be allowed to require clients to apply for CPP so that it can be subtracted from their payments. She believes CPP disability benefits should be reserved for the permanently disabled.

F.L.Walle of Leduc, Alberta suggested the CPP disability benefits should be paid only when private benefits expire. Patricia Rogerson of the N'Swakamok Native Friendship Centre in Sudbury, Ontario made the same point. She suggested that CPP "top-up" disability payments from private insurers. More attention should be devoted to getting individuals off disability benefits and back into the workforce where possible, she noted.

The relationship between CPP, private insurance companies, Workers' Compensation Boards and provincial social service agencies was a key topic at the CPP Disability Forum held at Wilfrid Laurier University in Waterloo, Ontario in early June. It was attended by representatives of the disabled as well as private insurance companies, including the Canadian Life and Health Insurance Association, Manulife Insurance, Mutual Insurance, Paul Revere Insurance, Health Services Division of British Columbia, Alberta Worker's Compensation Board, Canadian Council on Rehabilitation and Work, Canadian Paraplegic Association and the Canadian Medical Association.

Participants said CPP is seen as the bedrock on which the rest of the disability system is built. It was recognised that any effort to tighten CPP could result in cost increases to some other programs. Scott Fixter of Paul Revere Insurance noted that if CPP disability benefits were not part of the system, insurance companies would offer higher insurance benefits but at higher premiums.

Private long-term disability insurance (LTD) and CPP disability benefits have similar earnings-replacement objectives, the forum was told. Usually LTDs are designed to offset benefits from CPP and the premiums charged reflect this. WCBs on the other hand, are funded entirely by employers, with employees giving up the right to sue for damages. WCB benefits compensate for work-related injury or illness. Some provinces (e.g., New Brunswick) offset CPP disability benefits; some (e.g., Alberta) believe firmly that Workers' Compensation should be first payer and that CPP should offset WCB benefits. Stacking of both benefits, although it exists in relatively few cases, creates over-compensation and a disincentive to rehabilitation and return-to-work, some participants said. It was suggested that the stacking issue should be addressed.

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LTD and WCB administrators said they saw potential to work more collaboratively with CPP. It was noted that continued eligibility for CPP disability benefits is a disincentive for rehabilitation and return-to-work initiatives of other programs. A focus by all programs on return-to-work measures could improve outcomes, some participants said. There was a call for more information sharing between plans, although it was recognised that privacy legislation could be a barrier.

### ***Option***

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#### *Tighter eligibility requirements*

To be eligible for CPP disability benefits now, a person must have contributed to CPP in two of the last three calendar years or five of the last 10 calendar years before applying. An option for consideration in the CPP Information Paper is to require contributions to be made in four of the last six years for new applicants.

Groups were divided over whether to tighten eligibility requirements in this way. The Canadian Mental Health Association warned against tighter eligibility requirements that may jeopardize the well-being of people dependent on CPP income. It called for a definition of disability which takes into consideration the cyclical nature of mental illness, and would allow people with mental illness to work when they are able without jeopardizing their benefits. Scott Seiler, of the Income Maintenance for the Handicapped Co-ordinating Group in Toronto, feared the aim of the current CPP review is to get more people off CPP through new definitions of disability and reduced access to benefits.

However, many supported the option of requiring more labour force attachment before being eligible for disability benefits. It was noted that the “two out of the last three years” test was very weak as it does not require that a person work for two full years, but as little as a month or two for two years. The Workplace Health, Safety and Compensation Commission of New Brunswick suggested tightening adjudication and management of disability claims and reconsidering how the definition of disability is interpreted. Allan Simpson of the Canadian Association of Independent Living Centres in Winnipeg said tighter rules will help to bring costs down. He said he strongly supports efforts to reduce the overall costs of disability benefits because “I am really concerned that we maintain the sound financial basis of the plan.”

Other presenters were supportive of tightening eligibility requirements in general. A few, including Elizabeth Publicover of Halifax suggested the CPP establish a program of periodic reassessment of disabled benefit recipients. She said this is necessary because disability payments are never investigated by the CPP administration system once applications are granted. “No one is interested to know if I’m going to get better, they just spit out the cheques.”

Making the plan more like a private sector plan would improve efficiency and would reduce costs significantly, according to Don McIver, representing the Canadian Chamber of Commerce. Aznive Mallett of Hamilton, Ontario, representing PATH, an



employment service for the disabled, said the CPP has one main flaw – it provides no incentive for workers to return to their jobs. More recipients will return to the workforce if the fear of losing their benefits (if employment does not work out) is removed.

### ***Option***

*Base retirement pensions on maximum pensionable earnings at time of disablement*

Under current provisions, as long as a CPP disability beneficiary continues to meet the CPP disability definition, he or she continues to receive benefits until age 65. These benefits are indexed to the consumer price index. At age 65, disability benefits are automatically converted to a retirement pension based on average wages at the time the beneficiary turns 65 and is thus, in effect, wage indexed for the period of the disability.

The disability benefit could be amended by basing the retirement pension of disability pensioners on the average wage at the time of disablement, with subsequent price indexing.

Very few people spoke on this issue. Those who did were divided. The National Advisory Council on Aging supported the option as did Francis Reid of the Construction Association of Prince Edward Island. However, it was opposed by the Canadian Mental Health Association and Eric Boyd of the Canadian Paraplegic Association who saw the option as a reduction in benefits for the disabled.

### ***Option***

*Convert disability benefit to an actuarially reduced retirement pension at age 65*

At age 65, persons who have been on CPP disability benefits receive more generous retirement pensions than persons who retire early and take reduced pensions from that point onwards. The option outlined in the Information Paper provides that at age 65, persons who have been out of the workforce and on CPP disability benefits would receive a retirement pension of the same value as persons who have similarly been out of the workforce and are receiving early retirement benefits.

While few presenters focused on this issue, some who did said there is no justification for disabled persons receiving higher pensions than many other Canadians at age 65. That was the view of the Saskatoon Chamber of Commerce. Some representatives of disability groups said unreduced retirement pensions for the disabled should be retained. Greg Winmill of the Canadian Paraplegic Association (Manitoba) Inc. opposed the option of converting disability benefits to an actuarially reduced retirement pension at age 65, saying that “early retirement is a personal choice. A severe prolonged disability is never chosen. Any attempt to bring CPP disability benefits in line with early retirement serves only to punish the most vulnerable CPP recipients.”

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## Survivor Benefits

The federal and provincial governments have agreed to continue the review of survivor benefits over the next one or two years in order to consider fundamental reforms. In the meantime other changes could be considered to reflect the changing realities of today's families.

There was no consensus on what to do with survivor benefits: some favoured income-testing (which was frequently called "means testing"), or discontinuing them if a person remarries, or even eliminating the benefits, while others said the benefits should not be touched. A few opposed survivor benefits in principle on grounds that they should not be part of a pension plan. Sometimes these views were challenged by persons who said a husband's company pension plan often dies with him and widowed homemakers had a right to survivor benefits. For example, a member of the audience in Thunder Bay, Rolf Tornblow, said it is "ridiculous" to wipe out spousal benefits.

### *Option*

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*Combined benefit rules: survivor/disability and survivor/retirement*

Under the CPP, a surviving spouse can qualify for a disability or retirement benefit in addition to a survivor benefit. A ceiling has been placed on the amount of combined benefits that an individual can receive. The Information Paper suggests that consideration could be given to tightening the rules and ceiling on combined benefits for new recipients.

Few participants addressed this question but of those who did, a number favoured a limit on combined benefits. Roberta Bedard of the Alberta Association of Retirement Planners said that tightening the rules for combined survivor/disability benefits would be sensible.

### *Option*

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*Death benefit*

The CPP currently provides a death benefit to a maximum of \$3,540 in 1996 to the estate of a deceased contributor or pensioner. The purpose of this benefit is to defray funeral costs. A number of presenters who opposed almost all reductions in benefits were willing to see death benefits eliminated, or subjected to a means test in order to target those most in need. The option of eliminating the death benefit had wide support among pension professionals, actuaries and business representatives.

J.R. Box of Vancouver, whose employment involves probate of estates, said the death benefit is an unacceptable use of pension funds. "It is not acceptable to be threatening reduced pensions when funds are wasted in totally unnecessary death benefits," he said.



In Hamilton, Dave Cage of Seniors Outreach Services said people don't mind losing the death benefit if this will help reduce costs. While Margaret Stephenson of Weston, Ontario believes the CPP and Old Age Security benefits help seniors live longer because their financial worries are lessened, she too thinks the death benefit could be eliminated.

However, some were not as confident. The Saskatchewan Seniors Mechanism said there was still a need for the death benefit because many seniors are spending their money trying to help family members who are unemployed. The New Brunswick Advisory Council on the Status of Women, and others, suggested the death benefit should not be changed without assessing its possible negative impact on women.

### **Partial Pensions**

Although it would not result in reduced costs, the CPP Information Paper suggested consideration could be given to whether partial CPP pensions should be paid to Canadians who wish to make a gradual transition from work to retirement. They would receive a portion of their CPP pension benefits while continuing to work part-time and would earn further CPP pension credits.

This option generated very little discussion although a few participants suggested that it sounded promising and should be explored further. For example, Barry Shtatleman in Winnipeg favoured allowing workers to phase in retirement by allowing them to make partial contributions while collecting partial pensions. In Edmonton, Brad Slawsky suggested partial pensions would improve the job prospects for youth.

The Information Paper noted that this complex idea is beyond the time frame of the current review of the CPP.

### **Summary of Additional Options**

A number of participants in the consultations advanced additional ideas – not mentioned in the CPP Information Paper to strengthen the financing of the plan or reduce costs. The following is a summary of some of these suggestions.

#### ***Option***

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*Increase the Year's Maximum Pensionable Earnings (YMPE)*

Some presenters suggested eliminating, raising or doubling the YMPE as a way of increasing the amount of CPP contributions. It was suggested that it may be more appropriate and equitable to increase the amount of maximum contributions than to increase the contribution rate. This view was supported by the Canadian Federation of Labour, National Council of Welfare and the Social Planning Council of Winnipeg. These views ran counter to the prevailing view that the CPP is a pension system so there should be a close link between contributions and benefits.

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**Option**

*Create a homemakers' pension plan*

A few participants proposed the idea of a homemakers' pension plan. In Calgary, Bev Smith said homemakers are discriminated against because they are not eligible to contribute to the CPP and receive CPP benefits like women who work outside the home for pay. She said that if a larger income tax deduction could be claimed for children, homemakers could use this money to contribute to CPP. Other presenters supported this option, including the Manitoba Action Committee on the Status of Women and the Yukon Status of Women.

**Option**

*Allow individuals to make CPP contributions while collecting Employment Insurance or Workers' Compensation benefits*

Tom Beattie of the Hamilton-Wentworth Building Trades Council said it is unfair that those on disability or the unemployed cannot contribute to the CPP and build up their entitlements. He recommended increasing EI benefits and putting the extra in a CPP fund so that the unemployed can remain eligible for CPP benefits.

**Option**

*Do not allow those who take early retirement and then re-enter the workforce to collect a wage and CPP at the same time*

John Irvine of the Canadian Union of Public Employees suggested closing the loophole for people over 60 who take early CPP and then re-enter the workforce and collect a wage and a CPP pension. Others suggested that CPP contributions continue to be made by those who take early retirement pensions and later return to the workforce.

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# Investment Policy

*If a fuller funding approach to the financing of the CPP were adopted, a much larger CPP fund would build up. The more the fund earns, the lower future contribution rates could be. Should CPP funds be invested so as to earn maximum returns? How could this be done? Are there other important considerations that should be taken into account in coming to a decision?*

CPP Information Paper

## Current Investment Policy

Currently, contributions not required to pay benefits in any given year go into the CPP fund and earn interest. CPP funds are invested primarily in 20-year non-marketable securities of provincial governments. Provinces pay interest at the federal long-term bond rate at the time the bonds are purchased. Returns on the CPP fund have been comparable to returns on other pension funds over recent decades due in large part to the high returns on CPP investments made in the early and mid-1980s, when interest rates were substantially higher than they are today.

There have, nonetheless, been criticisms that the current CPP investment policy does not maximize returns. Under the steady-state approach to financing described in the CPP Information Paper, the CPP fund would grow significantly in size. How quickly it would grow would depend on how rapidly the 'steady-state' rate is reached. A larger fund earning a higher rate of return would help to pay for future pensions.

## Public Consultations

There was near unanimous support among those who commented on investment policy in the general consultations for a better investment strategy for the CPP fund. Most advocated that the CPP fund be invested in a diversified portfolio of market securities to enhance returns. Pension consultant and actuary Bill Gooden said in Calgary that



the fund should be invested in a diversified portfolio including foreign investments. In Charlottetown, Randal Affleck agreed with a more diversified investment strategy but with the provision that the fund be invested in Canada. He said the capital that working Canadians have contributed should be reinvested in their communities where both the return on their investment and the risk is acceptable to the sustainability of the CPP. On risk, the Newfoundland and Labrador Federation of Students made the point that the fund should be invested in high yielding, but safe securities.

There was also wide agreement that the fund should be carefully managed at arm's length from government under a fiduciary mandate. The Multi-Employer Benefit Plan Council of Canada (MEBCO) recommended the appointment of a board of trustees and establishment of a trust fund independent from governments so that Canadian workers will be confident that the CPP program will be properly managed, accountable and secure.

Mary Galway of William M. Mercer Limited favoured a board that is not politically affiliated to oversee management of the fund. And Simon Postma of the Alberta Retired Public Employees Society said that the crisis in the CPP is due to improper management of the fund. He suggested that one half of the fund should be managed by private pension investment fund managers to maximize returns. Independent actuaries should be hired "to provide unbiased feedback" so the public knows exactly how the fund is being managed, he suggested.

However, a few presenters were wary of turning over the fund to private management. The Manitoba Society of Seniors said it fears the financial and investment communities will want to make a profit from administering such a huge amount of money.

Questionnaires on the CPP sent by members of the Ontario Municipal Employees Retirement System to the CPP Consultations Secretariat contained a question on whether the CPP fund should be invested in government debt securities. Forty-four per cent of OMERS respondents answered no, according to a sample of 1,000 questionnaires tabulated by the Secretariat. Eighty per cent of respondents supported investment in capital markets while only 6 per cent disagreed.

If provinces were to continue to have access to the fund, there was a strong consensus that they should pay market rates. John Irvine of the Canadian Union of Public Employees in Winnipeg suggested investing the fund in capital markets or charging provinces market rates to borrow from the fund. In Fredericton, John McEwen said Canadians cannot afford to have provinces borrowing at preferred rates and likened the arrangement to a hidden tax. The Canadian Federation of Labour and the British Columbia and Yukon Territory Council told the Vancouver panel that the investment policy should create responsible, visible and accountable governance for the CPP fund. For example, decisions on investments should not be made by those borrowing from the plan, the submission said.

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## **Investment Policy Meetings**

### **Summary**

Two sessions specifically dealing with investment policy were held in Toronto on May 13. The investment dealer and pension fund communities were well represented at both sessions. Only one labour group was represented. Hugh MacKenzie of the United Steel Workers of America made the point that, of all the formal participants at the session, "... I'm the only one that doesn't have a conflict of interest in the outcome of this."

Presenters were asked to comment on two approaches outlined in the CPP Information Paper. Under the first approach, the provinces would continue to have access to their share of CPP contributions, but with modifications to the terms of this access ("provincial access approach"). Under the second approach, most or all future available funds would be invested in a diversified portfolio of market securities ("market oriented approach").

With the exception of the labour representative, there was a consensus on the following issues:

- The CPP fund should be invested in a diversified portfolio of market securities to increase returns and restore confidence in the CPP.
- The objective of the fund should be to maximize returns in the interest of current and future beneficiaries. There should be no secondary objective to promote economic development.
- The fund should be governed by an independent, arm's length, board of trustees operating under a clear fiduciary mandate. Most thought the federal and provincial governments should jointly select the board.
- A diversified CPP fund would hold a portion of its assets in provincial securities. However, provinces should have no preferential access to the fund.
- The fund should be permitted to invest in foreign securities, both to broaden diversification and to take pressure off the domestic capital market.

### **Investment policy objectives**

Almost all presenters agreed that CPP funds should be invested on behalf of beneficiaries, and not for economic or regional development goals. A diversified portfolio invested in the market was considered key to increasing the rate of return on CPP funds.



It was noted that the returns on the CPP fund have been reasonable in the past, but that the attractiveness of these rates of return relative to those of a diversified market portfolio cannot be expected to continue in the future. A higher return on the investments was considered to be important in building and sustaining support for the CPP by younger Canadians.

Hugh MacKenzie of the United Steelworkers of America was alone in arguing that the broader interests of Canadians should be taken into account in developing an investment policy, and maximizing returns should not be the only objective.

### **Provincial access to funds**

All but one of the presenters were opposed to giving the provinces continued access to CPP funds at below market rates. However, some did say that the existing borrowings should be held to maturity, at which point they could be rolled over at market rates. It was mentioned that considering the projected increase in the amount of funds available under fuller funding and assuming the CPP fund is invested in a diversified portfolio of securities, provinces would have access to a significant portion of the funds in any event – but at market rates.

Gretchen Van Riesen of the Association of Canadian Pension Management indicated that provincial bonds could constitute up to 20 per cent of investments in a prudently managed, properly diversified portfolio.

Hugh MacKenzie argued that provinces should continue to have preferential access to the funds because increasing returns to CPP members by penalizing provinces through higher interest rates would not be in the interests of Canada as a whole. James Pesando of the University of Toronto Institute for Policy Analysis responded by noting that the economic signals would be confused if the CPP did not seek the highest return for the level of risk. Since the provinces are not all of the same risk class, he argued that they should pay different rates. Mr. Pesando also mentioned that, under a preferential access arrangement, discipline on provincial governments to pursue prudent fiscal policies would be weakened.

### **Governance**

There was considerable support for the CPP being governed according to the principles private pension plans adhere to, particularly those of prudence and of a fiduciary approach. Several insisted that the funds be invested independent of government. It was suggested by a number of presenters that this would not preclude federal and provincial governments from appointing board trustees.

It was mentioned that there were several large public sector pension funds that could be used as models for the governing of the CPP. Ontario Teachers' Pension Plan Board was cited as an example of a successful governance structure by a number of presenters.

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There was some discussion as to whether the funds should be managed internally (though not “by government”) or by private sector fund managers. Some presenters were in favour of breaking the fund into smaller independent funds that would be managed by third parties in order to promote competition and to avoid a large unified fund having undue influence on the economy. Others thought that it would be more cost effective to keep the fund whole and manage the funds internally.

There was also considerable debate as to the merits of active versus passive management of the funds. Those in favour of passive management believed that such an approach would reduce management costs and lower the potential for political interference. Several presenters, however, said that active management would enhance returns sufficiently to outweigh additional management costs. Others pointed out that asset allocation between markets and types of securities is an active decision that contributes the most to actual realized returns. Active management would not necessarily require constant trading and security selection.

## **Foreign investment**

There was near unanimous agreement that the fund be permitted to invest in foreign securities to enhance returns and reduce risk. Several presenters pointed out that investing internationally is required to achieve proper diversification in equity markets. Robert Bertram of Ontario Teachers’ Pension Plan Board noted that the domestic equity market is not large and diversified enough to meet the needs of a large pension fund. He indicated that 80 per cent of the TSE’s total capitalization is contained in the top 100 companies.

Many of the presenters argued in favour of raising the 20-per-cent limit on foreign property for CPP fund investments and several advocated abolishing the ceiling altogether.

It was suggested that allowing the fund to invest in foreign property would help take pressure off of the Canadian capital market. Malcolm Rowan of Malcolm Rowan and Associates indicated that the potential size of the fund would be a less relevant issue if the fund were able to invest abroad. Donald McIver of the Canadian Institute of Actuaries noted that it would be imprudent to rely solely on domestic economic growth to provide for retirement, and that the CPP would benefit from investing in countries that had different demographic characteristics than Canada.

Dale Richmond of Ontario Municipal Employees Retirement Board noted that the current 20-per-cent ceiling on foreign property investments has forced pension funds to get around this limitation with the use of derivatives, thereby skewing investment decisions and distorting markets.

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# Annexes

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# Annex I

## Cities/Dates

<i>City</i>	<i>Date</i>
Toronto, Ontario	Monday, April 15, 1996
Hamilton, Ontario	Tuesday, April 16, 1996
Brandon, Manitoba	Wednesday, April 17, 1996
Winnipeg, Manitoba	Thursday, April 18, 1996
Thunder Bay, Ontario	Monday, April 22, 1996
Halifax, Nova Scotia	Wednesday, April 24, 1996
Charlottetown, P.E.I.	Thursday, April 25, 1996
Fredericton, New Brunswick	Tuesday, April 30, 1996
Montreal, Quebec	Friday, May 3, 1996
Saskatoon, Saskatchewan	Monday, May 6, 1996
Calgary, Alberta	Tuesday, May 7, 1996
Edmonton, Alberta	Wednesday, May 8, 1996
Yellowknife, NWT	Thursday, May 9, 1996
Toronto, Ontario	Monday, May 13, 1996
St. John's, Newfoundland	Tuesday, May 14, 1996
Whitehorse, Yukon	Monday, May 27, 1996
Waterloo, Ontario	Monday, June 3, 1996
Ottawa, Ontario	Tuesday, June 4, 1996
Vancouver, British Columbia	Monday, June 10, 1996



## Annex II Panel Members

### Chief Federal Representative David Walker (MP – Winnipeg North Centre)

<i>Province/Site</i>	<i>MP</i>	<i>MPP, MLA, MHA</i>
Ontario, Toronto	Albina Guarnieri (MP – Mississauga East)	Ed Doyle (MPP – Wentworth East)  Tim Hudak (MPP – Niagara South)
Ontario, Hamilton	Bonnie Brown (MP – Oakville-Milton)	Ed Doyle (MPP – Wentworth East)  Tim Hudak (MPP – Niagara South)
Manitoba, Brandon		Mervin Tweed (MLA – Turtle Mountain)
Manitoba, Winnipeg	Ron Fewchuk (MP – Selkirk-Red River)	David Newman (MLA – Riel)
Ontario, Thunder Bay	Joe Comuzzi (MP – Thunder Bay-Nipigon)	Ed Doyle (MPP – Wentworth East)  Tim Hudak (MPP – Niagara South)

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<i>Province/Site</i>	<i>MP</i>	<i>MPP, MLA, MHA</i>
Nova Scotia, Halifax		Lila O'Connor (MLA – Lunenburg)  Alan Mitchell (MLA – Dartmouth- Cole Harbour)
Prince Edward Island, Charlottetown		Wayne D. Cheverie, QC (MLA, Fifth Queens)
New Brunswick, Fredericton	George Rideout (MP – Moncton)	Carolle de Ste. Croix (MLA – Dalhousie- Restigouche East)  Peter LeBlanc (MLA – Kennebecasis)
Quebec, Montreal	Sheila Finestone (MP – Mount Royal)	
Saskatchewan, Saskatoon		Doreen Hamilton (MLA – Regina- Wascana Plains )  Bob Pringle (MLA – Saskatoon- Eastview)
Alberta, Calgary and Edmonton	Judy Bethel (MP – Edmonton East)	Heather Forsyth (MLA – Calgary- Fish Creek)  Paul Langevin (MLA – Lac La Biche- St. Paul)



<i>Province/Site</i>	<i>MP</i>	<i>MPP, MLA, MHA</i>
Northwest Territories, Yellowknife		Jane Groenewegen (MLA – Hay River)  Jake Ootes (MLA – Yellowknife Centre)
Newfoundland, St. John’s		James Walsh (Legislative Assistant to the Minister of Finance, MHA – Conception Bay East-Bell Island)
Yukon, Whitehorse	Audrey McLaughlin (MP – Yukon)	Alan Nordling (MLA – Porter Creek South)  David Sloan (MLA – Whitehorse West)
Ontario, Waterloo (Disability Forum)*		
Ontario, Ottawa (Youth Forum)	Maurizio Bevilacqua (MP – York North)	
British Columbia, Vancouver	Anna Terrana (MP – Vancouver East)	Joan Smallwood (MLA – Surrey-Whalley)

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\* Joining David Walker at Wilfrid Laurier University in Waterloo, Ontario were Dr. Lorna Marsden and Dr. Max Stewart.

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# Annex III

## List of Presenters

<i>Organization</i>	<i>Name</i>	<i>Appeared in</i>
Board of Trade of Metro Toronto	Ian Markham John Bech-Hansen	Toronto April 15, 1996
Multi-Employer Benefit Plan Council of Canada	William D. Anderson Darrell Brown	Toronto April 15, 1996
Association of Canadian Pension Management	Gretchen Van Riesen Michael Beswick	Toronto April 15, 1996
Canadian Bankers Association	Doug Berrigan Richard Turzanski	Toronto April 15, 1996
IF Research	Richard Worzel	Toronto April 15, 1996
Ontario Taxpayers Federation	Paul Pagnuelo Jason Kenny	Toronto April 15, 1996
Canadian Council on Social Development	Charles Birchall	Toronto April 15, 1996
Canadian Mental Health Association Ruth Stoddart	Lisa McDonald	Toronto April 15, 1996
Ontario Coalition of Safety Networks	Randy Ellsworth	Toronto April 15, 1996
Council of Canadians with Disabilities	Harry Beatty	Toronto April 15, 1996
Toronto Mayor's Committee on Aging	Norma Wilcox	Toronto April 15, 1996



<i>Organization</i>	<i>Name</i>	<i>Appeared in</i>
College of Applied Arts and Technology	Paul E. Owens Sharon Chandler	Toronto April 15, 1996
Income Maintenance for the Handicapped Co-ordinating Group	Scott Seiler	Toronto April 15, 1996
Older Women's Network Metro Toronto and Area Council	Grace Buller Frances Chiapkin	Toronto April 15, 1996
Alliance of Seniors to Protect Canada's Social Programs	James Buller	Toronto April 15, 1996
Ontario Coalition of Senior Citizen's Organizations	Bea Levis Barbara Black	Toronto April 15, 1996
Canadian Association of Retired Persons	Lillian Morganthau	Toronto April 15, 1996
Advocacy Centre for the Elderly	George Monticone	Toronto April 15, 1996
Canadian Federation of Labour	Jim McCambly	Toronto April 15, 1996
United Steel Workers of America	Michael Arsenault Sheila Block Hugh MacKenzie	Toronto April 15, 1996
Canadian Labour Congress	Dick Martin Bob Baldwin	Toronto April 15, 1996
Workers' Compensation Network	John McKinnon	Toronto April 15, 1996
Canadian Union of Public Employees	Peter Leiss	Toronto April 15, 1996
Individual	John Andrachuk	Toronto April 15, 1996
Individual	Dianne I. Albers	Toronto April 15, 1996
Individual	Philip Connell	Toronto April 15, 1996

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<i>Organization</i>	<i>Name</i>	<i>Appeared in</i>
Individual	David W. Slater	Toronto April 15, 1996
Individual	Monica Townson	Toronto April 15, 1996
Individual	Brenda Mason	Toronto April 15, 1996
Individual	David Vallance	Toronto April 15, 1996
Individual	Andrew Kilpatrick	Toronto April 15, 1996
Individual	Jim Willis	Hamilton April 16, 1996
Seniors Outreach Services	Dave Cage Bill Mitchell	Hamilton April 16, 1996
Ada Bland Seniors Citizens Centre	Bob Slattery	Hamilton April 16, 1996
Coalition of Seniors for Social Equity	Keith Patterson	Hamilton April 16, 1996
Canadian Pensioners Concerned, Ontario Division	Mae Harman	Hamilton April 16, 1996
Councillor, Township of Binbrook	Gary Birch	Hamilton April 16, 1996
IOU the Future	Douglas Earle	Hamilton April 16, 1996
Pearson Insurance	Bruce Pearson	Hamilton April 16, 1996
Bic Financial	Clarence Bic	Hamilton April 16, 1996
Hamilton Wentworth Building Trades Council	Tom Beattie	Hamilton April 16, 1996
Watson Wyatt Worldwide	Martin Brown David Adams	Hamilton April 16, 1996



<i>Organization</i>	<i>Name</i>	<i>Appeared in</i>
Individual	Keith Holtze	Hamilton April 16, 1996
Manitoba Action Committee on the Status of Women	Jennifer Howard	Brandon April 17, 1996 (meeting conducted as townhall with audience participation)
Individual	Don Pavelick	Winnipeg April 18, 1996
Individual	Barry Shtatleman	Winnipeg April 18, 1996
Individual	Roy Benson	Winnipeg April 18, 1996
Public Service Alliance of Canada	Bernard Perreault	Winnipeg April 18, 1996
Social Planning Council of Winnipeg	Frances Roesler	Winnipeg April 18, 1996
Manitoba Women's Advisory Council	Maggie Nishamura	Winnipeg April 18, 1996
Canadian Union of Public Employees	John Irvine	Winnipeg April 18, 1996
Manitoba Federation of Union Retirees	Al Cerilli	Winnipeg April 18, 1996
Manitoba Federation of Labour	Rob Hilliard	Winnipeg April 18, 1996
Winnipeg Chamber of Commerce	Lyle Atkins Cliff Fox Andrew Alleyne	Winnipeg April 18, 1996
Manitoba Taxpayers Association	Brian Kelcey	Winnipeg April 18, 1996
Turnbull and Turnbull	Ron Youngson	Winnipeg April 18, 1996
Manitoba Association of Retired Schoolteachers	Imogene Williams Ethel Buchanan	Winnipeg April 18, 1996

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<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Manitoba Society of Seniors	Murray Smith Dr. Mary Pankiw	Winnipeg April 18, 1996
Choices	George Harris	Winnipeg April 18, 1996
Canadian Association of Independent Living Centres	Allan Simpson	Winnipeg April 18, 1996
Thunder Bay Chamber of Commerce	Rebecca Johnson	Thunder Bay April 22, 1996
Professor in the Faculty of Social Work, Confederation College	David Ramsey	Thunder Bay April 22, 1996
Northwestern Ontario Women's Decade Council	Leni Untimen Margaret Phillips	Thunder Bay April 22, 1996
Kinna-aweya Legal Clinic	Sarah Colquohoun	Thunder Bay April 22, 1996
Thunder Bay and District Injured Workers Support Group	Steve Mantis	Thunder Bay April 22, 1996
Communications, Energy and Paperworkers' Union of Canada	Mark Weare	Thunder Bay April 22, 1996
International Longshoremens	Jim Martinsen	Thunder Bay April 22, 1996
Individual	Linda Mercier	Thunder Bay April 22, 1996
Individual	Richard Staples	Thunder Bay April 22, 1996
Retail Council of Canada (Atlantic Region)	Jeanne Cruickshank	Halifax April 24, 1996
Canadian Restaurant and Food Services Association (Atlantic Region)	Luc Erjaver	Halifax April 24, 1996
Nova Scotia League for Equal Opportunities	Lorne Ryan	Halifax April 24, 1996



<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Canadian Association of Retired Persons	Redvers Cainey	Halifax April 24, 1996
National Association of Women and the Law	Diane Zwicker	Halifax April 24, 1996
Nova Scotia Government Employees Union	David Peters Bob Dale	Halifax April 24, 1996
Canadian Union of Public Employees (Atlantic Region)	Russ Whitney	Halifax April 24, 1996
Nova Scotia Disabled Persons Commission	Charlie MacDonald Rick Williams	Halifax April 24, 1996
Nova Scotia Government Retired Employees Association	Joan Churchill	Halifax April 24, 1996
Federal Superannuates of Nova Scotia	Rex Guy	Halifax April 24, 1996
Canadian Pensioners Concerned	Myrna Slater	Halifax April 24, 1996
Individual	Elizabeth Pulicover	Halifax April 24, 1996
Teachers' Federation	Allan Murphy	Charlottetown April 25, 1996
Construction Association of P.E.I.	Francis Reid	Charlottetown April 25, 1996
P.E.I. Institute of Chartered Accountants	David Abbott	Charlottetown April 25, 1996
Certified General Accountants Association	Allan Savidant	Charlottetown April 25, 1996
Maritime Electric	Michael Mulcahy	Charlottetown April 25, 1996
Federation of Municipalities	Richard Brown	Charlottetown April 25, 1996
P.E.I. Council of the Disabled	Anne Lie-Nielsen	Charlottetown April 25, 1996

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<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Holland College	Gerry Johnston	Charlottetown April 25, 1996
Canadian Union of Public Employees – P.E.I.	Bill McKinnon	Charlottetown April 25, 1996
National Farmers’ Union	Urban Laughlin	Charlottetown April 25, 1996
Union of Public Sector Employees	Mike Butler	Charlottetown April 25, 1996
Public Service Alliance of Canada	Gary Paynter	Charlottetown April 25, 1996
Workers Compensation Board – P.E.I.	Howard Jamieson	Charlottetown April 25, 1996
Individual	Sue Loucks	Charlottetown April 25, 1996
Repap New Brunswick Inc.	Pierre Giard	Fredericton April 30, 1996
N.B. Advisory Council on the Status of Women	Brenda Sansom	Fredericton April 30, 1996
Premier’s Council on the Status of Disabled Persons	Randy Dickinson	Fredericton April 30, 1996
Fredericton Area Coalition for Social Justice	Brian McIntosh	Fredericton April 30, 1996
Workplace Health, Safety & Compensation Commission of N.B.	Medard Collette John Roushorne	Fredericton April 30, 1996
New Brunswick Federation of Union Retirees	Greg Murphy Ray McDevitt	Fredericton April 30, 1996
Canadian Union of Public Employees	Susan Barton	Fredericton April 30, 1996
New Brunswick Federation of Labour	John Murphy Dermot Kingston	Fredericton April 30, 1996
Individual	Dorothy Dawson	Fredericton April 30, 1996



<i>Organization</i>	<i>Name</i>	<i>Appeared in</i>
Individual	John McEwen	Fredericton April 30, 1996
Individual	David Murrell	Fredericton April 30, 1996
Canadian Teachers Federation	Harvey Wiener	Montreal May 3, 1996
Canadian Chamber of Commerce	Don McIver David Brown	Montreal May 3, 1996
Ontario Professional Fire-fighters Association and the Canadian Police Association	Rick Miller Dale Kinnear	Montreal May 3, 1996
National Anti-Poverty Organization	François Dumaine	Montreal May 3, 1996
One Voice	Robert Armstrong Andrew Aitkens	Montreal May 3, 1996
Brockville Patient Council	Steve Thomas Linda Rhéaume	Montreal May 3, 1996
National Council of Welfare	Lucy Blais Steve Kerstetter	Montreal May 3, 1996
Canadian Auto Workers	Buzz Hargrove Sym Gill	Montreal May 3, 1996
Coalition of Quebec Seniors	David Woodsworth Henri Hudon	Montreal May 3, 1996
Association hellénique des femmes âgées du Québec (Filya)	Stephanie Christoduonos	Montreal May 3, 1996
Individual	Jean-Marc Noël	Montreal May 3, 1996
Saskatchewan Chamber of Commerce	Casey Davies	Saskatoon May 6, 1996
Saskatoon Chamber of Commerce	Pat Pitka	Saskatoon May 6, 1996

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<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Co-operative Superannuation Society	Larry Williams	Saskatoon May 6, 1996
Canadian Union of Public Employees	Tom Graham	Saskatoon May 6, 1996
Saskatchewan Government Employees' Union	Richard Phillips	Saskatoon May 6, 1996
Saskatchewan Government Superannuates Association	Bob Walker	Saskatoon May 6, 1996
Saskatchewan Federation of Labour	Garnett Dishaw George Rosen	Saskatoon May 6, 1996
International Brotherhood of Electrical Workers	Dennis Andersen Gordon Koop	Saskatoon May 6, 1996
Saskatchewan Seniors Mechanism	Wally Coates	Saskatoon May 6, 1996
Individual	Earl Milward	Saskatoon May 6, 1996
Individual	Larry Miller	Saskatoon May 6, 1996
Canadian Association of Actuaries	Kit Moore	Calgary May 7, 1996
Calgary Chamber of Commerce	Peter Wallis June Wozny	Calgary May 7, 1996
William W. Mercer Ltd.	Dan McCaw Gordon Hall	Calgary May 7, 1996
Fraser Institute	Dr. Michael Walker	Calgary May 7, 1996
Calgary Injured Workers Association	Mike Bonner	Calgary May 7, 1996
Alberta Federation of Labour	Audrey Cormack	Calgary May 7, 1996
Canadian Association of Retired Persons – Calgary Chapter	John McIntosh	Calgary May 7, 1996



<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Kerby Centre	Norene Mahoney	Calgary May 7, 1996
Alberta Association of Retirement Planners	Roberta Bedard	Calgary May 7, 1996
Individual	Bev Smith	Calgary May 7, 1996
Individual	Barry Ronellenfitch	Calgary May 7, 1996
Individual	Gerry Rocchi	Calgary May 7, 1996
Individual	Peter Jaffray	Calgary May 7, 1996
Individual	Brian Cogle	Calgary May 7, 1996
Individual	Jacob Van Hardeveld	Calgary May 7, 1996
Individual	Salvatore Gramaglia	Calgary May 7, 1996
Individual	Karl Achenbach	Calgary May 7, 1996
Individual	Trevor Nysetvold	Calgary May 7, 1996
Individual	Tony Stoklosa	Calgary May 7, 1996
Individual	Bill Gooden	Calgary May 7, 1996
B.C. Farm Women's Network	Christine Mitzner	Calgary May 7, 1996
Individual	Aloma Mitchell	Calgary May 7, 1996
Alberta Federation of Union Retirees	Don Aitken Norm Bezanson	Edmonton May 8, 1996
Management Employees Pension Board	Jack Phelps	Edmonton May 8, 1996

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<b><i>Organization</i></b>	<b><i>Name</i></b>	<b><i>Appeared in</i></b>
Alberta Association of Social Workers	Rod Adachi	Edmonton May 8, 1996
University of Alberta Students' Union	Garett Poston	Edmonton May 8, 1996
Alberta Union of Public and General Employees	Ed Mardell	Edmonton May 8, 1996
Canadian Association of University Teachers	Donald Savage George Benedetti Alan Meech	Edmonton May 8, 1996
Premier's Council on the Status of Persons with Disabilities	Gary McPherson Fran Vargo	Edmonton May 8, 1996
Disability Group – Chronic Fatigue Syndrome	Wendy Koeing	Edmonton May 8, 1996
Alberta Indian Health Care Commission	Richard Saunders	Edmonton May 8, 1996
Society for Retired and Semi-Retired	Walter Coombs Helen Raboud Jack MacDougall	Edmonton May 8, 1996
Alberta Council on Aging and Seniors Advisory Council	Hazel Wilson Kenneth Pals	Edmonton May 8, 1996
Association for Residence Maintenance for Seniors (ARMS)	Peter Campbell	Edmonton May 8, 1996
Seniors Action and Liaison Teams (SALT)	Philis Matusic	Edmonton May 8, 1996
Alberta Retired Public Employees Society	Simon Postma	Edmonton May 8, 1996
Edmonton – One Voice	Jean Hodgkinson	Edmonton May 8, 1996
Individual	Jack Foley	Edmonton May 8, 1996
Individual	Jim Reed	Edmonton May 8, 1996



<i>Organization</i>	<i>Name</i>	<i>Appeared in</i>
Individual	Bill Daly	Edmonton May 8, 1996
Individual	Hilda Clark	Edmonton May 8, 1996
Individual	Desmond Achilles	Edmonton May 8, 1996
Individual	Jack Grant	Edmonton May 8, 1996
Individual	Chris McElroy	Edmonton May 8, 1996
Individual	Viva Parker	Edmonton May 8, 1996
Individual	Andrew Tschetter	Edmonton May 8, 1996
Individual	Maria Miller	Edmonton May 8, 1996
Individual	Neil Lizotte	Edmonton May 8, 1996
Individual	Vi Presley	Edmonton May 8, 1996
Individual	Terrance Filewych	Edmonton May 8, 1996
Individual	Dennis Weeks	Edmonton May 8, 1996
Canadian Taxpayers Association	Mitchell Gray	Edmonton May 8, 1996
Capital Region Housing Corporation	Brian Chayka	Edmonton May 8, 1996
Anroc Retirement Financial Planning Corporation	George Cormack	Edmonton May 8, 1996
Towers Perrin	Jim Murta	Edmonton May 8, 1996

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<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Canadian Restaurant and Food Services Association	Joyce Reynolds Elizabeth Kuhnel	Edmonton May 8, 1996
NWT Construction Association	Richard Bushey	Yellowknife May 9, 1996
Yellowknife Chamber of Commerce	Dave McCann	Yellowknife May 9, 1996
NWT Chamber of Commerce	Robert Brooks	Yellowknife May 9, 1996
Status of Women	Sharon Hall	Yellowknife May 9, 1996
One Voice	Robert Spence	Yellowknife May 9, 1996
NWT Federation of Labour	Fern Denault	Yellowknife May 9, 1996
NWT Seniors Association	Dusty Miller	Yellowknife May 9, 1996
Individual	Sandy Holmes	Yellowknife May 9, 1996
Individual	David Richinger	Yellowknife May 9, 1996
Board of Trade of Metro Toronto	Ian Markham	Toronto, Investors May 13, 1996
Canadian Institute of Actuaries	Kit Moore Wayne Berney	Toronto, Investors May 13, 1996
CIBC Wood Gundy	Shelly Forrester	Toronto, Investors May 13, 1996
Investment Fund Institute of Canada	Tom Hockin John Kaszel	Toronto, Investors May 13, 1996
Life Underwriters Association of Canada	Karl Keilhack John Bowden	Toronto, Investors May 13, 1996
Canadian Bankers Association	Robert Adams	Toronto, Investors May 13, 1996



<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
RBC Dominion Securities	Don Chornous	Toronto, Investors May 13, 1996
Ontario Municipal Employees Retirement Board	Dale Richmond	Toronto, Investors May 13, 1996
Association of Canadian Pension Management	Gretchen Van Riesen Michael Beswick	Toronto, Investors May 13, 1996
Malcolm Rowan and Associates	Malcolm Rowan	Toronto, Investors May 13, 1996
Lévesque Beaubien	Justin Pacquet	Toronto, Investors May 13, 1996
Frank Russell Canada Ltd.	John Ilkiw	Toronto, Investors May 13, 1996
G.N. Watson Ltd.	George N. Watson	Toronto, Investors May 13, 1996
Investment Dealers Association	Ian Russell	Toronto, Investors May 13, 1996
Watson Wyatt Worldwide	Patrick Longhurst David Adams	Toronto, Investors May 13, 1996
Sobeco Ernst & Young	Doug Andrews	Toronto, Investors May 13, 1996
Ontario Teachers Pension Plan Board	Robert Bertrum	Toronto, Investors May 13, 1996
Pension Investment Association of Canada	Donald Walcot Russell Hiscock	Toronto, Investors May 13, 1996
University of Toronto Institute for Policy Analysis	James Pesando	Toronto, Investors May 13, 1996
United Steel Workers of America	Hugh MacKenzie Sheila Block	Toronto, Investors May 13, 1996
William M. Mercer Limited	Mary Galway	St. John's May 14, 1996
KPMG Peat Marwick Thorne	Kevin Sullivan	St. John's May 14, 1996

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<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
St. John's Taxi Association	Ed Noseworthy David Barren	St. John's May 14, 1996
Newfoundland and Labrador Federation of Students	Kelly Squires	St. John's May 14, 1996
Community Services Councils	Penny Rowe	St. John's May 14, 1996
Newfoundland Association of Public Employees	Burt Blundon	St. John's May 14, 1996
Newfoundland and Labrador Federation of Labour	Elaine Price	St. John's May 14, 1996
Communication, Energy and Paperworkers Union	Chuck Shewfelt	St. John's May 14, 1996
National Advisory Council on Aging	Doug Rapelje Louise Plouffe	St. John's May 14, 1996
Canadian Association of Retired Persons	Charles Devine	St. John's May 14, 1996
National Pensioners and Senior Citizens Federation	Don Holloway	St. John's May 14, 1996
Yukon Teachers Association	Dennis Darling	Whitehorse May 27, 1996
Individual	Doug Graham	Whitehorse May 27, 1996
Yukon Council on Aging	Pat Carberry	Whitehorse May 27, 1996
Yukon Liberal Party	Debra Hoffman Gavin Wood	Whitehorse May 27, 1996
Yukon Building and Construction Trades Council	Todd Hardy Luigi Zanasi	Whitehorse May 27, 1996
Individual	Pierre Lacasse	Whitehorse May 27, 1996



<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Yukon Status of Women	Carolyn Moore	Whitehorse May 27, 1996
United Steel Workers of America	Gerry Edwards	Whitehorse May 27, 1996
Challenge – Community Vocational Alternatives	Jon Breen	Whitehorse May 27, 1996
Yukon College	Dudley Morgan	Whitehorse May 27, 1996
City of Whitehorse	John Pereira	Whitehorse May 27, 1996  (additional meeting conducted as a townhall with audience participation)
Canadian Life and Health Insurance Association	Charlie Black	Waterloo, Disability June 3, 1996
Manulife Insurance	Keith Weaver	Waterloo, Disability June 3, 1996
Mutual Life Insurance	Karen Martin	Waterloo, Disability June 3, 1996
Paul Revere Insurance	Scott Fixter	Waterloo, Disability June 3, 1996
Workplace Health, Safety and Compensation Commission of New Brunswick	Rick Hancox	Waterloo, Disability June 3, 1996
Alberta Workers’ Compensation Board	John Quince	Waterloo, Disability June 3, 1996
Health Services Division, B.C.	Colleen Wilkins	Waterloo, Disability June 3, 1996
Canadian AIDS Society	Greg Williams	Waterloo, Disability June 3, 1996
Alberta Premier’s Council on the Status of Persons with Disabilities	Gary McPherson	Waterloo, Disability June 3, 1996
Canadian Council on Rehabilitation and Work	David Pollock	Waterloo, Disability June 3, 1996

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<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Canadian Paraplegic Association	Rick Price	Waterloo, Disability June 3, 1996
University of Waterloo	Robert Brown	Waterloo, Disability June 3, 1996
SPR Associates	Sue Langton	Waterloo, Disability June 3, 1996
Canadian Medical Association	Dr. Lisa Doupe	Waterloo, Disability June 3, 1996
Watson Wyatt Worldwide	David Hutniak Kirsten Johnston	Waterloo, Disability June 3, 1996
Canadian Council on Social Development	Chris Clark	Ottawa, Youth June 4, 1996
Canadian Youth Foundation	Michael Grant	Ottawa, Youth June 4, 1996
Canadian Federation of Students	Jocelyn Charron	Ottawa, Youth June 4, 1996
New Democratic Youth of Canada	Aaron Goldstein Alex Ng	Ottawa, Youth June 4, 1996
Yukon College	Sherri Pooyak	Ottawa, Youth June 4, 1996
Newfoundland and Labrador Federation of Students	Kelly Squires	Ottawa, Youth June 4, 1996
Canadian Union of Public Employees (CUPE)	Kevin Skerrett	Ottawa, Youth June 4, 1996
Individual	Robert Clark	Vancouver June 10, 1996
B.C. Federation of Retired Union Members (FORUM)	Bill Clark	Vancouver June 10, 1996
B.C. Federation of Labour	John Weir	Vancouver June 10, 1996
Individual	Joe Labuda	Vancouver June 10, 1996



<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Individual	Jennifer Sullivan	Vancouver June 10, 1996
Canadian Association of Retired Persons (CARP)	Konstantin Bernaschek	Vancouver June 10, 1996
Individual	Jim Love	Vancouver June 10, 1996
Individual	Clayton Craft	Vancouver June 10, 1996
Community Legal Assistance Society, Disability Advisory Committee	Frances Kelly Judy Shipper	Vancouver June 10, 1996
Industrial, Wood and Allied Workers of Canada (IWA)	Terry Smith	Vancouver June 10, 1996
Canadian Federation of Labour, B.C. and Yukon Council	John McNight	Vancouver June 10, 1996
Trade Union Research Bureau	David Fairey	Vancouver June 10, 1996
B.C. Coalition of People with Disabilities	Robin Loxton	Vancouver June 10, 1996
Canadian Auto Workers (CAW) – B.C. Region	Jef Keighley	Vancouver June 10, 1996
Communication, Energy and Paper Workers Union	Bill Williamson	Vancouver June 10, 1996
Individuals	Bernice Renaud Ron Renaud	Vancouver June 10, 1996
Retirement and Estate Planner	Konstantin Bernaschek	Vancouver June 10, 1996
West End Senior's Network	Franklin Miller Bernice Miller	Vancouver June 10, 1996

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<i><b>Organization</b></i>	<i><b>Name</b></i>	<i><b>Appeared in</b></i>
Social Planning and Research Council of B.C.	Michael Goldberg Kathleen Jamieson	Vancouver June 10, 1996
National Action Committee on the Status of Women (NAC)	Cenen Bagon	Vancouver June 10, 1996
Individual	Jim Box	Vancouver June 10, 1996
Individual	Al Knight	Vancouver June 10, 1996



# Annex IV

## Written Submissions Received by the CPP Secretariat

<i>Name</i>	<i>City and Province</i>
Evelyn Abbey	Toronto, Ontario
W.C. Acker, M.D., RRSP Alliance	Ottawa, Ontario
D.B. Anderson	Langley, British Columbia
Mary Grace Anibaldi	Nanaimo, British Columbia
Ernie Antonow	Rosburn, Manitoba
Sarah Archer	Yellowknife, Northwest Territories
Magdalena Asselstone	Peterborough, Ontario
Marc E.W. Auger	Waterloo, Ontario
Arthur Baggs, President, Newfoundland and Labrador Teachers' Association	St. John's, Newfoundland
Stuart Bailey	North Bay, Ontario
D.C. Bames, President, Gander Federal Superannuates National Association	Gander, Newfoundland
Dieter Barnieske	Oshawa, Ontario
Nicole Beggs	Gloucester, Ontario
Michael Beswick, Senior Vice-President, Ontario Municipal Employees Retirement Board	Toronto, Ontario
Judy Bethel, M.P.	Edmonton, Alberta
Terry Boehmer	Nepean, Ontario

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<i>Name</i>	<i>City and Province</i>
Reginald Douglas Boyce	Truro, Nova Scotia
Eric Boyd, Canadian Paraplegic Association	Ottawa, Ontario
A. Glen Brinkman	Edmonton, Alberta
Denis C. Buckley	Kitchener, Ontario
Alicia Butson	Milton, Ontario
Anthony Byrne	Hamilton, Ontario
Brian Campbell	Toronto, Ontario
Donald E. Card	Sherwood Park, Alberta
Anne Carlow	Norwood, Ontario
Bruce Carpenter, President, Provincial Federation of Ontario Fire Fighters	Mississauga, Ontario
Rhonda Chorney, Aids Shelter Coalition of Manitoba Inc.	Winnipeg, Manitoba
Andrew Clark, Clark-Lécuyer	Winnipeg, Manitoba
Don and Carol Clarkson	Winnipeg, Manitoba
Laurence E. Coward	Willowdale, Ontario
Andrew Crawford, Chair, Regional Advisory Committee on Services for Seniors (Hamilton-Wentworth)	Hamilton, Ontario
L.D. Cross	Ottawa, Ontario
Joan Curran (disability recipient)	Winnipeg, Manitoba
Mark Deacon	Vancouver, British Columbia
Mary Dixon	Edmonton, Alberta
Deborah Doane	Kanata, Ontario
Robert A. Donovan	Peterborough, Ontario
James W. Doswell	Oshawa, Ontario



<i>Name</i>	<i>City and Province</i>
Gary Duff	Toronto, Ontario
Ronald Eliason	Ponoka, Alberta
Mary Ennis, Executive Director, Consumer Organization of Disabled People of Newfoundland and Labrador	St. John's, Newfoundland
Perry Exley	Winnipeg, Manitoba
Joe Fiome	Beaverton, Ontario
William A. and Gail C. Fletcher	Winnipeg, Manitoba
Gary Foran, Brewery & Soft Drink Workers	Halifax, Nova Scotia
Hubert Frenken	Ottawa, Ontario
Joanne Fulkerson, Chair, Ontario Municipal Employees, Retirement Board	Toronto, Ontario
Reg Gabriel, Gabriel Associates	Mount Pearl, Newfoundland
Gerry Gauvin	Swift Current, Saskatchewan
Jim Gilchrist	Pickering, Ontario
Geoffrey V. Gladdy	London, Ontario
Yvette Gonzalez, Executive Director NWT Association of Municipalities	Yellowknife, Northwest Territories
John G. Goodwin, Canadian Pension and Benefits Institute	Montreal, Quebec
William J. Gregory	Corner Brook, Newfoundland
Jyoti Grewal, Manitoba Womens' Advisory Council	Winnipeg, Manitoba
Anne Griffiths	Ottawa, Ontario
Barbara Heather	Edmonton, Alberta

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<i>Name</i>	<i>City and Province</i>
Patricia G. Hempstead, Executive Director, Newfoundland and Labrador Federation of Municipalities	St. John's, Newfoundland
Douglas Hersey	Bolton, Ontario
Frank Hicks	Greely, Ontario
Laurie Hodson, The City of Calgary	Calgary, Alberta
Ruth Hoffman	Calgary, Alberta
R.C. Holland	Edmonton, Alberta
Karl Hoover	Ridgeway, Ontario
Rosemary Hughes	Edmonton, Alberta
Christofer G. Hylton, CG Hylton and Associates Inc.	Calgary, Alberta
Ron A. Ireland	Cambridge, Ontario
ISP Staff	Calgary, Alberta
Christine A. Jackson, President, Chartered Accountants of the NWT	Yellowknife, Northwest Territories
Donald H. Jarrett	Oakville, Ontario
Rudy Janz	Winnipeg, Manitoba
William A. Jones, President, Canadian Association of Retired Teachers	Toronto, Ontario
Tom Jordan	Salmon Arm, British Columbia
Emilio Juliani	Calgary, Alberta
Anne King, President, Whitehorse Chamber of Commerce	Whitehorse, Yukon
Rudy W. Klassen	Calgary, Alberta
Peter Koroluk	Edmonton, Alberta



<i>Name</i>	<i>City and Province</i>
P. Kovich, R.N., CHE, Executive Director, NWT Health Care Association	Yellowknife, Northwest Territories
W. Clayton Kraft	Vancouver, British Columbia
Herbert Kugel	Toronto, Ontario
Gordon S. Lentz	Medicine Hat, Alberta
Doreen Lindsay	Mount Hope, Ontario
W.M. Little	Mississauga, Ontario
Marg MacKenzie, President, Greater Charlottetown Area Chamber of Commerce	Charlottetown, P.E.I.
David Magrel	Winnipeg, Manitoba
Aznive Mallett, Executive Director, PATH	Hamilton, Ontario
Cindy Marshall, B.C. Coalition of People with Disabilities	Vancouver, British Columbia
John and Shirley McCormack	Peterborough, Ontario
Ken McLennan	Richmond, British Columbia
Paul Mercier	Montreal, Quebec
Peter Milton	Winnipeg, Manitoba
Thomas D. Moase	Byron, Ontario
Charles P. Mooney	Vancouver, British Columbia
James W. Muza	Red Deer, Alberta
Ernest G. Neudorf	Weston, Ontario
Reid Nicholson, Chair, N. S. Disabled Persons Commission	Halifax, Nova Scotia
Anton R. Noteboom	Gibsons, British Columbia
B. O'Neill	Fisher Branch, Manitoba
Marion E. Overholt, Legal Assistance of Windsor	Windsor, Ontario
Louis L. Pade	Edmonton, Alberta

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<i>Name</i>	<i>City and Province</i>
Catherine M. Parber	Waterloo, Ontario
James G. Paterson	West Vancouver, British Columbia
George W. Poznanski	Nepean, Ontario
Pat Petrala	Ottawa, Ontario
Greg Quirbe, Manager/Clerk, Town of St. Lawrence	St. Lawrence, Newfoundland
Duncan Read, Ist Vice-President, Ontario March of Dimes	Toronto, Ontario
Heidi Rideout	Pouch Cove, Newfoundland
William Robson, Senior Policy Analyst, C.D. Howe Institute	Toronto, Ontario
Patricia Rogerson, Assistant Director, N'Swakamok Native Friendship	Sudbury, Ontario
John Ross	Thunder Bay, Ontario
P.M. Sackville	Rosetown, Saskatchewan
Joe Sandy	Winnipeg, Manitoba
Adil Sayeed	Victoria, British Columbia
Dennis Schroeder	Steinbach, Manitoba
Mike Shannon	Winnipeg, Manitoba
Louise Shaughnessy, National Association of Women and the Law	Ottawa, Ontario
Judy Shipper, Chair, Community Legal Assistance Society	Vancouver, British Columbia
Barb Skelton	Niagara Falls, Ontario
Hanns F. Skoutajan and co-signatories	Owen Sound, Ontario
Brad Slawsky	Edmonton, Alberta
Myrtle E. Smith	Hamilton, Ontario
Patricia D. Smith	Hamilton, Ontario



<i>Name</i>	<i>City and Province</i>
Anne Sominer	Yellowknife, Northwest Territories
W. Archie Speers	Winnipeg, Manitoba
Ken Stansfield	Burlington, Ontario
Jane Stewart, P.C., M.P.	Brantford, Ontario
Darrel Stinson, M.P.	Vernon, British Columbia
Maureen A. Croft-Steen	Blind Bay, British Columbia
Margaret L. Stephenson	Weston, Ontario
Frank H. Sweet	Lion's Head, Ontario
Wayne Taylor	Shubenacadie, Nova Scotia
Joyce M. Tedball	Elmira, Ontario
John Thorpe	Winnipeg, Manitoba
Paddy Torsney, M.P.	Burlington, Ontario
Bernard Turcotte	Mississauga, Ontario
R.A. Vaillancourt, Manager, Human Resources, Newfoundland & Labrador Credit Union	St. John's, Newfoundland
P. Vincent	Winnipeg, Manitoba
Helen Wagle, Manager of Social Action, Multiple Sclerosis Society of Canada	Toronto, Ontario
Michael Waldron	Boissevain, Manitoba
F.L. Walle	Leduc, Alberta
B.L. Welch	Baie d'Urfe, Quebec
Greg Winnill, Canadian Paraplegic Association (Manitoba) Inc.	Winnipeg, Manitoba
Greg Zaba, President, Iron Workers District Council of Western Canada	Regina, Saskatchewan
Barb Zinter	Calgary, Alberta

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