



PENSIONS, RETIREE ISSUES AND THE FEDERAL ELECTION OCTOBER 21

Here are some of the issues for retirees to think about:

National Pharmacare Plan

A national Pharmacare plan is a universal prescription drug plan that covers everyone in Canada, regardless of their income, age or where they work or live.

Why is it important for retired postal workers?

1. It would reduce our drug costs, even if we have the CPC post-retirement extended plan. New Zealand's public universal pharmacare plan has a year's supply of the cholesterol-busting drug Lipitor costing just \$15 a year, compared to \$811 in Canada.
2. It would help retired RSMC's not currently covered by the CPC extended plan.
3. A 2017 report released by the Parliamentary Budget Officer estimates savings of \$4.2 billion a year for the federal government with a National Pharmacare.
4. Many seniors are forced to choose between buying needed prescriptions or purchasing nutritious food. They cannot afford both.

The parties' positions on National Pharmacare:

	Bloc Quebecois	Conservatives	Greens	Liberals	NDP
	Want to reduce the cost of brand name drugs. Not active in pushing for a national plan.	Scheer says he only supports a National plan to "fill in the gaps"	Support a National Pharmacare Plan	In favour of a National Pharmacare Plan, but since 2015 have not introduced any Plan legislation	Have been strongly supporting and campaigning for a National Pharmacare plan for years.

Protecting and improving the Canada Pension Plan and Old Age Security

The Canada Pension Plan (CPP) is the largest Defined Benefit Pension Plan in Canada. Quebec residents are covered by a similar plan –the Quebec Pension Plan (QPP). Payments under these plans are based on how long you worked the amount of contributions you made, and the age when you take these benefits.

Old Age Security (OAS) begins at age 65 and is a non-contributory plan.

The parties position on improving CPP and the OAS:

	Bloc Quebecois	Conservatives	Greens	Liberals	NDP
	Want to give workers the option to contribute an additional 5%-10% to the CPP/QPP to increase retirement pension	Scheer has once again floated the idea of raising the age to be eligible for OAS and CPP to 67	Call for a guaranteed liveable income for all. Have campaigned for improvements to the CPP	Trudeau reversed Stephen Harper's plan to up the OAS/CPP age of eligibility to 67 from 65. Propose increasing Old Age Security payments after age 75 by 10%.	Have been long time advocates to improve CPP and OAS. Strongly oppose changing the age of eligibility for CPP and OAS.

Defined Benefit Pension Plan

All retired CUPW members who worked for Canada Post have a Defined Benefit Pension Plan. This is the safest and most secure type of pension plan. It provides financial security for retirees.

Why is protecting our Defined Benefit Pension Plan important to CUPW retirees?

1. Our pension plan is our deferred wages.

Parties' position on protecting our Defined Benefit Pension Plan:

	Bloc Quebecois	Conservatives	Greens	Liberals	NDP
	Opposed Bill C-27.	Have not promised to protect our Defined Benefit Pension Plan.	Call for a guaranteed liveable income for all	Liberal Finance Minister Bill Morneau introduced Bill C-27 into Parliament-- a direct attack on Defined Benefit Pension Plans	Were very vocal in opposing Bill C-27 and in supporting Defined Benefit Pension Plans

OSFI CHALLENGE TO DEFINED BENEFIT PENSIONS

NORPW members are now aware that Morneau's Bill C – 27 has died on the legislative order paper with the "dropped writ" for the Federal Election. This is a partial victory for the labour movement and retirees in Federal Crown Corporations, effectively stalling the immediate attack on defined benefit pensions.

But this isn't the basis for a "we all can stop worrying now" celebration, because the principles of the failed legislative measure appear to have re-emerged in the new framework for pension regulations proposed in May by the Office of the Superintendent of Financial Institutions (OSFI), the regulator of workplace pension in the federal jurisdiction.

NORPW President Jean-Claude Parrot has written a letter of protest to OSFI around these Guide changes, as have CLC President Hassan Yussuf, union leaders and retiree organizations. These letters have identified the key dangers to the security of defined benefit plans:

1. The OSFI proposals eliminate reference to the “Distressed Pension Plan Workout Scheme” from the guide. This allowed plan sponsors in difficulty an alternative method of relief other than reducing accrued pension benefits. Why the removal?
2. The proposals also would modify what constitutes a “reducing amendment”. This appears to be an amendment allowing for future conversion of **accrued defined benefits** into **target benefits**--if OSFI or a plan sponsor such as Canada Post so decide.
3. The most disturbing change is the inclusion of wording virtually identical to that of the primary objective of Bill C-27. It provides a new consent mechanism for Crown Corporations and federally regulated employers to pressure unions and retirees to give up accrued defined benefits in favour of target benefits. This brutal formula reduces our retirement security.

Brother Parrot’s letter states NORPW is “completely opposed to these amendments to the instruction guide”. He declares that “OSFI should not be going via the back door” allowing employers “the right to make amendments... that the government... [could not] implement through legislation”.