Draft letter to MP – long form

Date?

Mr./Mrs./Ms./Miss Firstname A. Lastname, M.P. for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

House of Commons

Ottawa, Ontario K1A 0A6

Dear Mr./Mrs./Ms./Miss:

I am writing, as a member of the constituency of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, to express my opposition to the government’s Bill C-27 *An Act to Amend the Pension Benefits Standards Act.*  I ask that you seek the withdrawal of this bill now.

I am concerned that this legislation would encourage employers to pressure their employees and retirees to surrender their defined benefit plans in favour of target benefit plans, thus leaving hundreds of thousands of Canadians facing income insecurity in their retirement.

Employers promised employees and retirees defined benefit pensions as part of their compensation. Pensions are a form of deferred wages. Bill C-27 could permit employers to renege on that promise and, in doing so, shift all of the plan risks from employers to active and retired members.

The bill in question contradicts promises made by the Prime Minister in a letter dated July 23, 2015. The letter states: “DBPs" [defined-benefit pensions], which have already been paid for by employees and pensioners, should not retroactively be changed into “TBPs” [target benefit pensions].” 1

Because of these statements, Canadians were left with the impression that a Liberal government would respect their pensions. Rather than put defined benefit plans at risk, it would be far better if the Liberal government focussed on asking Canadians for their views on how to ensure secure retirement for all Canadians.

For those members of the house who support the Bill, much emphasis has been placed on its requirement for individual employee and retiree consent, before a DBP [defined-benefits pension] can be converted to a TBP.

1. Letter from Honourable Justine Trudeau, Prime Minister of Canada to Gary Oberg, head of the Federal Superannuates National Association dated July 23, 2015

I have no doubt that employers will use a range of “carrots and sticks” to persuade members to surrender their secure pension benefit I have serious concerns about the ability of a plan member to provide an “informed consent”.

Young workers often do not have a deep understanding of pension plans. When approached, they may focus on their short-term needs at the risk of their long-term security. They may be vulnerable to pressure, helpless before a persuasive plan sponsor, and they may be convinced that surrender of their rights will benefit current workers and contribute to the greater good.

Retirees are especially vulnerable and have no voice in the potential changes. If the active members of a pension plan are persuaded to switch to a TB plan, there is no source of funding for a shortfall and the stranded members of the defined benefit plan will find their pension promise broken and their benefits will be reduced.

In summary, because DB plans provide security, efficiency, collective assumption of risk as well as adequacy, these retirees are less likely to rely on government assistance, such as the Guaranteed Income Supplement [GIS]. Solid retirement income brings better health status and outcomes, reducing demands on the health care system.

In my view, the enactment of the provisions of Bill C-27 will result in a significant erosion of retirement security for current and future retirees.

If your original intent was to support this bill, I hope that you will reconsider your position based on the specific concerns that I have raised.

Thank you for your attention to this important matter. I look forward to your timely reply.

 Sincerely,

 [FULL NAME]

 [FULL ADDRESS]

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