December 12, 2018

To: The Honourable Filomena Tassi

Minister of Seniors

ISED Contact Centre

Innovation, Science and Economic Development Canada

C.D. Howe Building

235 Queen Street, 4th Floor

Ottawa, Ontario K1A 0H5

From: Marilyn Bossert

 President, Alberta Retired Teachers’ Association

**Re: Government of Canada Consultation on Enhancing Retirement Security**

Dear Minister Tassi:

ARTA (Alberta Retired Teachers’ Association) thanks you for the opportunity to provide feedback to your initiative on Enhancing Retirement Security. Our membership exceeds 16,000 retired Educators, in addition to an excess of 5,000 retirees in other professions.

We approve most heartily your initiative directed at strengthening retirement security.  We view our defined benefit pension plan not as ‘Largesse’, but as ‘Deferred Wages’ paid for by our own contributions and the negotiated contractual obligation paid by our employers.  At this time our plan is close to being fully funded, and will reach that target in the near future. We moved into retirement with the assurance that we were partners in providing for financial stability in our preferred future.

This should be the assumption of all Canadians – a secure retirement income that was paid for by their contributions during their working years, that was invested prudently and that is guaranteed. Assured Pensions should allow them to enjoy the fruits of their labour rather than worry that their financial future will be threatened due to the bankruptcy of their former employer, mismanagement of their pension plans, or a negotiated surrender of their pension promises.

Specifically, we believe:

1. Earned pension entitlement is a contractual promise that must be respected. The surrender of earned pension is not fair to working people and is devastating to retired members who have no capacity to make up the loss.
2. Legislation is needed to recognize the primacy of corporate indebtedness to pension plans.  These assets do not belong to the employer, but to the employees.  Pay the employees first.
3. Supervision of Pension Plans needs to extend to all plans to ensure their financial accountability.  Transparency must be assured so that employees know where and how their assets are being managed and maintained.
4. Negotiating changes to the pension formula for future service may be acceptable; however, reneging on past commitments is never acceptable.
5. Retired Pensioners must be recognized as full partners in decision making.  If and when Pension Plans consider changes to plan design and benefits, the Retirees must have equal voice.  The investment of those who contributed for their whole career to build a plan is more than equal to those who are beginning to invest in this “Deferred Income”.  Retirees must be recognized as active partners in their shared future.
6. Solvency funding requirements need to be redefined to assure stability within current contributions and allocations is being maintained.
7. A Pension Benefit Guarantee Fund should be created, funded by pension plan contributions, similar to the insurance plan in Ontario or the [Pension Benefit Guaranty Corporation](https://en.wikipedia.org/wiki/Pension_Benefit_Guaranty_Corporation) in the United States.  This insurance would provide some degree of protection to the individual protecting from poverty and a reliance on tax-payer funded income replacement programs.
8. Insolvency Trustees need to be held to a tighter, more defined and reasonable set of fees. Their ability to further aggravate the circumstance of a bankrupt organization by prolonged process, and taking their share off the top, again disadvantages the fair and equitable distribution of assets.
9. Successfully addressing these issues extends well beyond the specifics of Pensions. Financial Security in Retirement is a precursor for Healthy Aging. This in turn will have positive impacts on Health and Welfare budgets at Provincial and Federal levels.

On behalf of our Organization and Membership, thank you for the opportunity to contribute to your discussions. We would be delighted to be included in any further representation or deliberations.

Yours truly,



Marilyn Bossert

President, Alberta Retired Teachers’ Association

cc:

Mark Warawa, Conservative Party of Canada

Alice Wong, Conservative Party of Canada

Rachel Blaney, New Democratic Party of Canada