
_____, Member of Parliament

Dear _____,

I am a constituent of your riding and a member of the National Association of Federal Retirees, with 180,000 members across Canada from the federal public sector – that includes the Canadian Armed Forces, the public service and the RCMP. Federal Retirees is also part of the Canadian Coalition for Retirement Security, which represents more than five million working and retired Canadians who believe in retirement security.

I am concerned about House Government Bill C-27 – An Act to amend the Pension Benefits Standards Act, 1985. This legislation would allow Crown corporations and federally-regulated employers to push their employees to surrender their defined benefit pension plans in favour of target benefit plans.

Well-managed, disciplined defined benefit pension plans are proven to make retirement secure, and to contribute significantly to our economy in the form of consumer spending and taxes, generating business growth and employment. Bill C-27 could undo the retirement security earned by millions of working and retired middle class Canadians in defined benefit plans.

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 that's wrong: a deal is a deal.

Bill C-27 is said to a "voluntary pension option" that requires individuals to "consent to surrender" or trade their defined benefit pension for a target benefit pension, but this is misleading. This could have hidden negative consequences for all: pension reductions and less secure retirements for those who opt to transfer from a defined benefit to a target benefit plan, and jeopardized stability and sustainability of defined benefit plans for those who opt to remain in them.

Finally, pensions are complex. Consent to surrender one's benefits and to understand fully and clearly what is involved in a target benefit plan, will be difficult to navigate for many plan members, especially vulnerable seniors. This is unfair.

In 2015, Prime Minister Trudeau clearly promised to the National Association of Federal Retirees in writing that defined benefit plans "which have already been paid for by employees and pensioners, should not be retroactively changed into [target benefit plans]". And yet, Bill C-27 would permit exactly that.

Done fairly and in the right way, target benefit plans could make retirement more secure and dignified for many Canadians. But Bill C-27 is not the way to do this.

I am asking you to represent the needs of your constituents who could be seriously impacted by Bill C-27 and stand in the House of Commons to speak in support of the principles I've noted. Bill C-27 should be amended to allow target benefit pension plans as a new type of pension plan on a go-forward basis only, and should not allow already-earned defined benefit pensions to be changed into or weakened by the introduction of target benefit pension plans.

Sincerely,
