ENHANCING THE

Canada Pension Plan

A Guide for Union Activists

canadianlabour.ca

Canadian Labour Congress

Congrès du travail du Canada

Lobbying works!

Lobbying is the process of trying to influence decision-makers so that they do what we want them to do. It is as old as politics itself, and a legitimate part of how our democracy works.

Elected officials, as well as their staff and advisors often have a limited or sometimes narrow understanding of the issues, the range of policy options at their disposal, and the impact on working people, our families, and our communities. This includes a limited (or zero) knowledge of the policy objectives that unions and the labour movement take, including why and how we take them.

This makes it even more important for our lobby efforts to be effective. Decision-makers must not only be given the opportunity to understand our views, they must come to see union activists as both advocates who represent the best interests of workers as well as individual citizens, taxpayers, consumers... and voters. They need to hear alternative views and policy options that counter-balance what they hear from the corporate lobbyists and business-friendly media.

You don't need to be a policy expert, or a professional lobbyist, to have influence with politicians and their advisors. You just need to show that you are connected to the people and the communities the politicians need to represent. Just tell them the stories you already know about. Explain how the issue at hand impacts your community and the people you work with. That's where union activists qualify as experts. And that's when politicians will listen.

Many people believe politicians know more than they do, otherwise they wouldn't be in decision-making positions. Many people think they do not have the talking or the debating skills needed, or that they will freeze up when they approach the politicians, or be asked questions they cannot answer.

Often we forget that a politician's job is to serve us. That's why they were elected to office and it's what their staff were hired to help them do. Too often, we forget that it is us, the voters, who hold the power.

According to experienced lobbyists, once you start meeting the politicians, the mystique that surrounds them at first dissolves. They are ordinary people who come from a variety of backgrounds. And they are always responsive to the voters—the people who can affect their future.

It is critical for unions and the labour movment to get more workers and union members to meet with and talk to decision-makers about the issues that affect us all. Union leaders cannot do it all by themselves. The active union membership has got to become involved as key stakeholders in labour issues.

Our opponents have the resources to buy professional lobbyists and pay for media influence, but we have the numbers and it's time we used that advantage to make a difference.

Your Lobby Team

You don't need to go alone. It's better to meet as a team. Before the meeting, make sure the team decides:

- who will be the lead spokesperson;
- who will ask each of the questions; and
- who will be the Lobby Reporter.

The Lobby Reporter is responsible for filling out the Lobby Report and sending it back to the CLC Regional Office.

Setting Up the Meeting

Despite what many people think, setting up a meeting with a politician is not difficult. The first person you need to contact is their assistant.

When you call—do this by phone, not e-mail or through social media—to arrange a meeting, be prepared for the assistant to ask a lot of questions. They may try to engage you in a debate about the issue or try to discourage you from asking for a meeting. Sometimes they will offer to schedule a meeting, but not give you a firm commitment.

Don't let this discourage you. Here are some tips to help you succeed:

- Ask for the meeting as a constituent. If you are not a constituent, ask for a meeting as a representative of local workers, some of whom are constituents.

- When asked about the nature of the meeting, give a short answer such as: "I speak on behalf of many workers in the community (or region) and would like to discuss some specific issues with my/their elected representative."

- If the assistant tries to argue with you, discourage you, or even change your mind about asking for a meeting, do not engage in a debate or discussion. Continue to insist that you want to speak with your local representative—in person.

- If needed, remind the assistant that you have the right to meet with your elected representative as a constituent and a voter.
- Press for a commitment on a date and time convenient for you.
- If you cannot get a meeting, e-mail the elected representative directly, or phone their other office (sometimes there is more than one office in the constituency, as well as an office at the legislature).
- If you get a meeting, follow-up with their office staff, to confirm the details a few days before you attend, including how many people will accompany you.

Planning the Meeting

Prior to the meeting, your lobby team should get together for practice. Decide what will be said and who will say it. Decide the key points you want to make. Practice making them. Anticipate questions and practice your answers too. Here are some tips:

Know your audience. Most politicians will be interested in what you have to say. Some will be supportive, others will be preoccupied with their own interests or may already be predisposed to disagree with your position. Don't let this distract you.

Know your subject. Speak about what you know and how it affects the people you know. If you get asked a question you cannot answer, don't be afraid to say you don't know. Offer to get back to them with information (and be sure that you follow through).

Be clear and stick to the point. Confine your comments to the issue at hand, but don't make the mistake of presuming everyone understands your point of view. Speak with confidence and remember that your job is to persuade your audience that your opinion matters.

Listen. Try to determine where there is agreement and the reason for disagreement. Avoid getting into arguments, never lecture and never make things personal. If you find there is support for your position, ask for help with persuading decision-makers at higher levels of government.

Leave the door open. Work to prevent outright rejection of your position. Focus on areas of agreement, not on the differences.

Don't be discouraged by failure. Not everyone will agree with you or be supportive. Remember the importance of lobbying is to make your position known. Changing minds always takes time, which is why lobbying is more than a one-time event.

Lobby Day Checklist

Before the Meeting

1. Read the issue documents and backgrounders.
2. Make sure you bring the “Leave Behind Kit” with you.
3. Gather 15 minutes ahead of time, close to the meeting location.
4. Make sure you know who will take the lead and who will write the Lobby Report.
5. Establish when other lobby group members will add comments or answer questions.

At the Meeting

1. Introduce yourselves to the staff as well as the elected representative.
2. Make a short statement of your postion. If you have any requests to make of the elected representative (such as voting a certain way, presenting a petition, advocating your position to other decision-makers, etc.) be sure to make those clear from the start.
3. Speak from your own experience as a worker, or as a representative of workers. Stick to what you know and why your opinions matter.
4. Try to stay in control of the meeting. Don’t get sidetracked by the elected representative or any staff who are also in attendance. Stick to the issues you asked to discuss first and foremost.
5. Try to get a commitment from the elected representative before the end of the meeting. Make sure any commitments, including those made by you to follow-up, are mutually understood. Indicate that you want to meet again.
6. Say “thank you” to the elected representative and be sure to thank the staff who worked to make your meeting happen. You will need their help to make future meetings possible.
7. Leave your contact information with the representative and their staff.

After the Meeting

1. Immediately sit down and talk about what was said during the meeting. Decide what, if any, follow-up action is required and who will do it.
2. Fill out your Lobby Report, right away!
   Send it to the CLC Regional Office listed on the report.
3. Tell your union membership about the meeting and your expectations.
4. Encourage co-workers and other union members to contact the elected representative or their office about the meeting and its results. If you are satisfied, they should express their thanks; if you are not satisfied, they should express their disappointment.

Follow-up

1. Promptly send a thank you message to the elected representative. A letter is best, but an e-mail message, copied to their staff will also do. Be sure to include any additional information you may have promised, repeat your main requests and any commitments that were made.
2. Set up another meeting, if necessary.

What are we asking for?

We are asking the federal government to **double the Canada Pension Plan (CPP) retirement benefit for Canadians** so that it replaces 50% of a Canadian's pre-retirement employment earnings up to a maximum amount.

Today, the CPP retirement benefit replaces about 25% of a Canadian's average pre-retirement employment earnings.

We are calling on the government to **phase in a universal expansion of the Canada Pension Plan that includes every working Canadian**, including those who are self-employed.

Who will benefit?

The CPP is not just the main way in which most workers save for retirement out of their employment earnings. It is the only way that millions of Canadian workers put aside a portion of their wages for retirement.

CPP benefits offer retirement income that is secure, predictable, and protected atainst inflation—for virtually all working Canadians.

The CPP is a cornerstone of retirement income

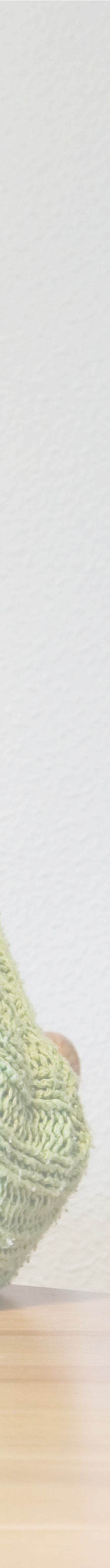
The Canada Pension Plan provides a monthly benefit to retired Canadians, and nearly everyone who works in Canada and their employers are required to contribute to it. Currently the maximum retirement benefits one can receive from the CPP is $1,092.50 per month. On average, Canadian retirees receive $640 a month.

The CPP is portable. It follows workers anywhere in Canada, no matter how many times they change jobs.

The CPP is cost-effective. Without the excessive management fees found in other retirement savings plans, the CPP keeps up with the cost of living (it is indexed to inflation) and pays out benefits for life. Canadians will not run the risk of outliving their CPP benefits.

The CPP is safe. The CPP is protected against the ups and downs of the stock markets, which makes it a secure and predictable source of retirement income.

The CPP is sustainable. The Chief Actuary of Canada, who monitors and reports on the health of the CPP, indicated in his last report that the CPP is well on track to pay benefits, as promised, for the next 75 years.



Why enhance the CPP?

Employers today are more resistant to providing or contributing to workplace pension plans for their employees. That's why **nearly two-thirds of Canadians don't have a workplace pension plan.** With a workforce of 19 million people, that works out to 11 million people.

In the private sector, 75% of employees are without a workplace pension plan today. The pension plans that are left are being squeezed — converted into plans with limited benefits that cost employers less, but also offer lower and unpredictable incomes in retirement.

Left on their own, **Canadians are saving less for retirement**.

Canadians are more and more in debt. In 2015, Canadians owed $1.64 for every $1.00 of disposable income — a debt-to-income ratio of 164%. In 2000, that ratio was below 110%.

Higher income Canadians contribute more to Registered Retirement Savings Plans (RRSPs). Canadians making $80,000 or more accounted for 62% of all RRSP contributions in 2013 but only represented 13% of all tax filers. Yet, governments continue to spend just over $13 billion each year on tax subsidies for RRSP contributors. As a result, Canadians are more likely to pay higher taxes to support wealthy RRSP holders than they are to save for their own retirement.

RRSPs and mutual funds are dependent on the stock markets and management fees erode retirement savings.

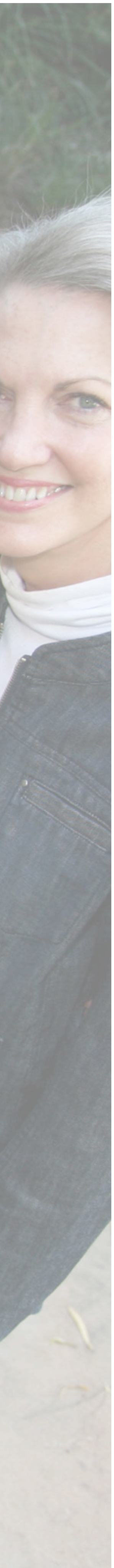
At the same time, Canadians have started to delay retirement and work longer, whether by choice or because they can't afford to stop working. But staying on the job and working longer isn't realistic for many workers and Canada can expect a lot of retirements — 3.6 million retirements in the next decade.

Canada's population is getting older. Forty years ago, there were about eight working-age persons (15-64 year-olds) for every person aged 65 or older. Today, there are fewer than 4.5 for every senior. In 20 years, that ratio could be as low as 2.5 to one.

What's brewing is a perfect storm of seniors' poverty: a large population of seniors with low retirement incomes, with a smaller population of working tax-payers capable of sustaining social programs for low-income seniors as they stand today.

The only way to steer clear of this problem is to increase the amount of retirement savings among workers today.

The best way to do that is by expanding the Canada Pension Plan.



Why does it have to be "universal"?

One of the reasons the CPP performs so well is because its administration costs are kept low. Low operating costs means more of the money Canadians contribute through their CPP premiums gets invested, which means higher returns, which means more money for retirement incomes.

The high administration fees charged by the retirement plans sold by the financial industry really eat into future savings. In fact, an extra fee of 1% can cut into your lifetime savings by as much as 25%. The typical fee charged for mutual funds in Canada (2.3%), for example, can slash your returns in half.

The CPP was created to be a "universal" pension program, meaning it belongs to everyone. Everyone pays into it when they work. Everyone gets a pension from the CPP when they retire. Fair and simple.

Creating exceptions for certain workers or special arrangements for some employers, rather than offering the same plan to everyone, would make it more complicated to operate the CPP. More of the money Canadians contribute would get used to pay administrative costs and not get invested toward retirement income.

The result would be a more expensive, less efficient CPP for everyone, just because a few employers don't want to pay their fair share. It's hardly fair.

Ontario's government has chosen to abandon a universal approach to its new Ontario Retirement Pension Plan (ORPP). The result is a plan that's more expensive to run and unlikely to deliver the results they hoped for.

We can't let this happen to the CPP. The whole point of expanding the CPP is to help today's workers save more and have higher incomes when they retire. It makes sense to stick with the fair and simple universal approach that works best.

This is why we are calling on the federal government to enhance the CPP in a way that is universal and available to everyone who works, including the self-employed.

Doubling CPP benefits is affordable now

Doubling CPP retirement benefits is the most affordable way for Canadians to ensure they have a decent and reliable source of income after a lifetime of work. All it requires is setting aside an extra 3.2% of income to boost existing CPP savings.

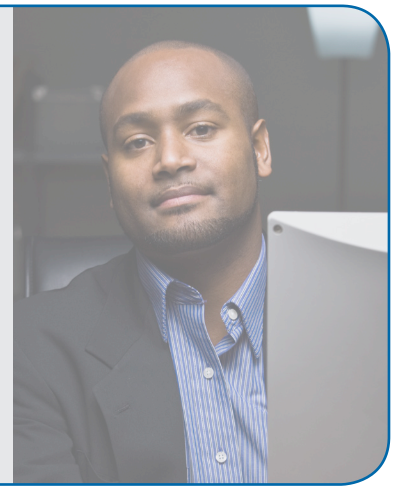
In these examples, the dollar amounts are expressed in 2016 terms, for comparative purposes.

Remember, CPP is indexed to inflation, so it won't lose its value over time.

Mohammed is a 25-year-old accountant in Oakville.

He has a decent job and good salary, earning $60,000 in 2016. At this rate, Mohammed is on track to receive the maximum CPP benefit in retirement, that's $1,092.50 a month.

With labour's plan to double benefits, the CPP would pay him twice this amount ($2,185 a month) — a predictable, secure monthly income that won't run out before he does.



Karuna is a hard-working and dedicated 29-year-old artist living in Kelowna.

Her earnings from occasional shows and a part-time waitressing job will add up to $21,000 in 2016. Karuna can look forward to scraping by on a low CPP benefit of just $427 a month in retirement.

Even at her current low wages, labour's plan would allow Karuna to retire with a more livable monthly CPP benefit of $803.11 (an additional $376.11).

Freya is a 37-year-old home care worker in Lethbridge who will earn $45,000 this year. With this level of earnings, Freya would receive a CPP retirement benefit of $917.70 a month.

With labour's plan, Freya would contribute more to the CPP for another 28 years and get $626.85 more each month, for a total of $1,544.55.

Jason is a 44-year-old maintenance worker in Gander earning $31,000 in 2016. When Jason retires at age 65, he can expect to receive a modest monthly CPP benefit of $655.50 under the current rules.

If Jason has an opportunity to save more through the CPP for the next two decades, based on labour's plan, he could count on a monthly retirement benefit of $979.37 ($323.87 more each month and a significant boost for someone on a modest income).

Nila is a 55-year-old support staff worker at a public school in Brandon. Over the course of her lifetime, Nila's annual earnings have averaged about $26,000.

When she retires in 10 years, she will receive a monthly CPP benefit that is close to the average ($524.40).

Under labour's plan, saving for just 10 more years at a higher rate, Nila's monthly CPP benefit would increase by $129.35, giving her a total of $653.75 (a small but welcomed improvement).

Myths and Facts

about the costs and benefits of expanding the Canada Pension Plan

Many of the common arguments made against expanding CPP benefits are not based on the facts. They are myths, repeated so often they get mistaken for the truth. In fact, the proposals being made to expand the CPP have all been shown to be fully funded and will benefit young workers the most.

Myth #1:

The economy is too fragile to increase CPP contributions.

FACT: The last time CPP contributions were increased was 1997. During the entire seven years the increase was phased in, employment rose and the economy steadily grew – and during that time, benefits to workers weren't even increased.

Myth #2:

The CPP is a job-killing tax.

FACT: CPP contributions are not a tax. They are savings put aside in return for a pension benefit in retirement. They are an investment by workers and their employers into a pension plan that is safe and sound. The savings in the CPP will eventually be spent in 10, 20, and 30 years, and will help create jobs in the future.

FACT: Employers can afford to contribute to expanding the CPP, which will provide greater future retirement benefits for today's workers. Outside the banking industry, companies have seven times as much cash in the bank today than they did the last time CPP contributions were raised. The income tax rate for business is also thirteen percentage points lower than it was in the 1990s.

Myth #3:
Millions of jobs will be lost if CPP premiums are increased.

FACT: Increasing CPP premiums has never cost us jobs. In fact, people with better pensions will have higher incomes and be able to spend more in their retirement—and that spending grows the economy and creates jobs.

Myth #4:
Small businesses are opposed to expanding CPP.

FACT: A Morneau Shepell survey of 200 employers in December 2013 found that support was greatest for expanding CPP as the most cost-effective way to improve Canada's retirement income system. The CLC's own polling has found strong support among small business for an expanded CPP.

FACT: Small and medium-sized business owners know that CPP is the best value for their money with its low management costs, portability, and security. Expanding the CPP gives small business owners the risk-free stability of a defined-contribution savings plan, and a guaranteed defined-benefit pension plan for their workers. And, as self-employed workers, owners contribute and benefit from CPP themselves.

Myth #5:
CPP is not sustainable and won't last into the future.

FACT: In the latest report, the Chief Actuary of Canada indicated the CPP is sustainable for the next 75 years. Simply put, the CPP is on track to provide a guaranteed pension income, for life, to even the youngest members of today's workforce.

We Can Win

Canada's new government was elected because they promised change and a new approach to rebuilding our economy by restoring the middle class. One of those changes is the following:

> "We will work with the provinces and territories, workers, employers, and retiree organizations to enhance the Canada Pension Plan."

Source: https://www.liberal.ca/realchange/retirement-security/

We now have a federal government that not only supports expanding the CPP, but has committed to getting it done. Our job is to make sure they do it in a way that benefits all wokers, because after a lifetime of hard work, nobody should have to retire in poverty.

CLC's CPP Campaign Timeline

1965: CANADA PENSION PLAN IS ESTABLISHED.
The Canadian Labour Congress (CLC) supported the CPP from the very beginning, coordinating 100,000 postcards to MPs and 35,000 petition signatures to government.

NOVEMBER 2007: The CLC Pension Conference in Ottawa starts discussing options for CPP expansion to address rising seniors' poverty and declining availability of workplace pension plans.

JULY 2009: The CLC releases report calling for doubling CPP benefits. The report is titled, "Security, Adequacy, Fairness: Labour's Proposals for the Future of Canadian Pensions."

SEPTEMBER 2009: The CLC launches the Retirement Security for Everyone campaign.

DECEMBER 2009: The CLC attends the Finance Ministers' meeting in Whitehorse to engage ministers on the CPP.

MARCH 2010: The CLC holds a pension summit with Ontario Federation of Labour in Toronto, featuring Finance Minister Jim Flaherty, CARP Executive Vice-President Susan Eng, and more.

MAY 2010: The Federation of Canadian Municipalities adopts a motion at its annual conference supporting CPP expansion, following concerted campaigning by the CLC, CUPE, and other unions.

JUNE 2010: The CLC helps coordinate labour movement attendance and CPP campaign at the Finance Ministers' meeting in Crowbush, P.E.I. At this time, the CLC was able to secure the support of enough provinces to move forward with an expansion of the CPP.

DECEMBER 2010: The CLC attends Finance Ministers' meeting in Kananaskis. At this meeting the federal government withdrew its support and pulled Québec away with a promise to expand the Pooled Registered Pension Plan (PRPP) model.

2011: The CLC launches public awareness campaign on radio and social media with information on why the CPP is the best and fairest model for retirement security.

FEBRUARY-MARCH 2011: The CLC organizes retirement security community meetings across the country.

DECEMBER 2011: The CLC and its affiliated unions have a major presence at the Finance Ministers' meeting in Victoria.

NOVEMBER 2012: CLC convenes expert panel to examine the models available to expand the CPP, including CLC President Ken Georgetti, former CPP Chief Actuary Bernard Dussault and University of Ottawa professor Dr. Michael Wolfson.

2013: The radio campaign continues in Alberta and Saskatchewan. The CLC launches a new petition drive to support expanding the CPP.

2014-2015: The CLC holds a cross-Canada series of town halls on the need for an expanded CPP.

2015: The CLC lobbies all federal parties to include CPP expansion in their election platforms.

DECEMBER 2015: The federal and provincial finance ministers agreed that officials will start working on various CPP options that will be reviewed in 2016. In June, a more formal meeting will be held to review this work. These meetings will set the stage for potential decisions by the finance ministers at their annual December meeting.

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