



National Association
of Federal Retirees

Association nationale
des retraités fédéraux

Written Submission for the Pre-Budget Consultations in Advance of the 2019 Budget

Recommendations

- **Recommendation 1:** That the federal government lead the implementation of a comprehensive National Seniors Strategy with our provinces and territories, that addresses the [social determinants of health, including](#) access to affordable and appropriate housing, retirement income security, and robust and sustainable social services. This must include action on improving seniors-focused home and community care; developing and promoting Age-Friendly Community principles; increased support for caregivers; and combatting isolation and ageism.
- **Recommendation 2:** That this government will help Canadians build better retirement security, honour the promises made to retirees when pension plans are changed, and continue improving CPP and OAS. A good first step in achieving this is the immediate withdrawing of Bill C-27.
- **Recommendation 3:** That the federal government follow through on the Budget 2018 commitment to consult on retirement security, to ensure our current retirement savings regimes are effective and that Canadians' retirement security needs are met. Hold public, transparent consultations by spring 2019 with retiree and pensioner organizations; veterans; academics; policy experts; labour and business leaders, and others, to map Canada's path to retirement security.
- **Recommendation 4:** That this government ensures retirees and employees are properly compensated and invest appropriate funds and continue to work with labour and retiree partners to resolve Phoenix Pay System issues.

Discussion

The National Association of Federal Retirees (Federal Retirees) is the largest national advocacy organization representing active and retired members, as well as their partners and survivors, of the federal public service, Canadian Armed Forces, Royal Canadian Mounted Police (RCMP) and retired federally appointed judges.

With 180,000 members including over 60,000 veterans and their families, the Association has advocated for improvements to the financial security, health and well-being of our members and all Canadians for more than 50 years.

In this brief, Federal Retirees focuses on retirement security and health care for seniors, which will also encourage Canada's productivity, economic growth, and competitiveness.

Older Canadians are transforming how we define retirement and aging, living longer than ever before in better health, and outnumbering youth since 2015. The 2019 federal budget is the right time to enable investments and public policies that will ensure this diverse, vibrant and growing group continues to be a force for economic good for decades to come.

Secure Retirements, Secure Economies

Retirees remain important to the economic well-being of the country, and retirement income security is a benefit for the individual retiree, their community and Canada. Retirees continue to make significant purchases including cars or new housing; many travel domestically, engage in other recreational pursuits and volunteer ([over 1 billion hours by baby boomers and older adults in 2010](#)), all of which are important to Canada's economy.

Retirement income security is essential, and well-managed, disciplined, defined benefit pension plans are the most effective means of achieving this: they [make retirement secure](#), contribute to national prosperity, and [cycle back to the Canadian economy](#) in the form of consumer spending and taxes, generating business growth, competitiveness and employment. Retirees with defined benefit plans are less likely to rely on government assistance such as the Guaranteed Income Supplement; and solid retirement income security brings better health status and outcomes, which helps contain demands on the health care system.

As discussed in the [National Association of Federal Retirees' 2017 pre-budget brief](#), adequate, secure, and predictable income — or a lack of it — is a major issue for older Canadians, requiring many to work well into their senior decades for financial reasons. And tomorrow's seniors are at risk, too: with access to defined benefit pensions declining, more and more Canadians have only products such as defined contribution plans, Registered Retirement Savings Plans (RRSPs), and the Canada and Quebec Pension Plans to rely on.

In April 2017, the [Canadian Public Pension Leadership Council's](#) national survey on pensions demonstrated that Canadians across generations want access to the secure, predictable retirement income available with defined benefit pensions, and they are willing to pay for it. Defined benefit pensions continue to help companies compete against others to attract and retain employees. Protecting accrued benefits, for example by changing legislation to ensure that retirees do not share the same fate as Sears pensioners, should be a priority.

A 2018 study by a [group of U.S. researchers](#), drawing on historical data from various public sources spanning 1977 and 2016, found that national, state and local economies all benefit greatly from investing in public sector pensions. This is also true in Canada. Beyond the value defined benefit pensions bring to individuals and employers, these plans are also large institutional investors in the Canadian economy. Canadian pension plans invest in Canadian equities, real estate and infrastructure such as roads, bridges, rail, airports, utilities, and pipelines. With their long-term focus on growth, pension funds are uniquely poised to invest in long-term projects, including those envisioned by the *Investing in Canada* plan and the Canada Infrastructure Bank.

A barrier to retirement security and its far-reaching benefits continues with *House Government Bill C-27, An Act to amend the Pension Benefits Standards Act, 1985 (Bill C-27)*, in past [federal pre-budget submissions](#), we have outlined the negative longer-term impact of this legislation on local and national economies. Our members have written over 45,000 emails, sent in tens of thousands of postcards and met with over 100 MPs to voice their objection to Bill C-27. It is time to get rid of this legislation.

Finally, the government must ensure the pay and pension systems and regimes of the Public Service, Canadian Armed Forces and RCMP meet the obligations and commitments the Government of Canada has made to federal public sector retirees and employees. Forty-two percent of Federal Retirees members surveyed said they had suffered issues related to Phoenix, ranging from unpaid severance to large overpayments that led to tax and repayment problems. Retirees cannot afford these issues, and the government cannot hope to attract and retain qualified, high-performing individuals to Canada's public service if the issues persist. Canadians – those who serve and those served by our federal public sector – deserve better.

Implement a National Seniors Strategy

Federal Retirees has long called for a National Seniors Strategy focused on enhancing seniors' quality of life at all stages, through access to affordable and appropriate housing, age-friendly communities, and adequate home and health care services.

In 2019, with a newly appointed Minister for Seniors and per [the recommendations of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities](#), we urge the government to lead the implementation of a National Seniors Strategy.

By addressing the [social determinants of health](#), this government can provide the blueprint for an integrated continuum of care to meet the needs of a growing seniors population; to support a strong economy across

generations; and to address the gaps in Canada's social policies that have led to barriers to seniors' independence and participation in vibrant, healthy communities and economies.

[It is estimated that the aging population will drive 20 per cent of increases to the health care system over the next decade.](#) Canada's bilateral health agreement funding will make improvements, but without additional funding through the Canada Health Transfer, the provinces and territories will struggle to meet seniors' health care needs. The [Canadian Health and Life Association estimates](#) that long-term care costs alone will total \$1.2 trillion dollars over the next 35 years. Coordinated efforts, innovative thinking and cross-sector engagement that involves seniors and caregivers will be necessary to develop solutions to meet this challenge.

[Canadians spend \\$33 billion annually in indirect and direct elder caregiving costs. The Conference Board of Canada estimates that elder care outside the health care system costs \\$1.3 billion dollars annually in lost productivity.](#) Women are disproportionately impacted by gaps in seniors' care. Federal Retirees recommends that the contributions of informal caregivers are recognized and supported. Efforts to improve awareness of the Canada Caregiver Credit and make it refundable would be a positive step forward. Additionally, access to resources and improved home care and respite services are needed across the country; and access to quality health care and services should not depend on postal code. Working with the provinces and territories to develop Canadian home care guidelines to improve services for seniors and caregivers is essential.

Seniors' independence at home and in their community is multifaceted. Most people want to age in place, but need support. Last year we highlighted Canada's [Veterans Independence Program and the need to share its approach and lessons learned with the rest of Canada, as well as the importance of investing in pilot projects](#), and in 2018 we were pleased to see investment in the Healthy Seniors Pilot Project in New Brunswick. This research will lead to quality of life advancements for seniors. Continued investments in pilot projects are essential, and these investments should also focus on measurable, attainable ways to share and scale these innovations and best practices to the rest of Canada.

Well-designed housing, accessible neighbourhoods and quality community services help seniors stay independent and connected to their community. Affordable programs for home repairs, lawn care, snow removal, meal sharing, and transportation are needed to help seniors age in place. They also represent opportunities for Canadian businesses. Supporting businesses in gearing activities, products, and services for the seniors' demographic will help us all reap the rewards – financial and otherwise – and drive the economy.

Age-friendly communities contribute to better health outcomes for seniors, reduce isolation, enable safety, good health, and continued economic and social participation and involvement. Federal Retirees recommend the adoption [Age Friendly Community \(AFC\)](#) targeted funding to help promote age-friendly communities in our provinces and municipalities, and implementation of [Universal Design](#) standards as criteria for awarding funds for new infrastructure or renovations to existing infrastructure. Measures to promote and increase accessible and adaptable homes for seniors are needed. Furthermore, as recommended in the HUMA report, federal/provincial and territorial governments should work together to

support greater co-location of housing and seniors' health and community services to improve accessibility and community participation.

Age-friendly business resources as seen in [London, Ontario](#) and [British Columbia as well as](#) consumer protection programs for seniors will facilitate greater economic and community participation. These programs should be funded and promoted so that learnings are shared across the country. In addition, measurable actions to protect seniors from financial abuse must also be a government priority. Furthermore, continued support and augmenting the New Horizons for Seniors Programs, with a focus on combatting ageism and isolation will improve seniors' quality of life, economic and social participation.

Health care, housing, social interaction and predictable income are interrelated; each affects the other. A comprehensive National Seniors Strategy will bring together the initiatives addressed above and others. For instance, a national pharmacare plan so that seniors can afford to take the medication they need to stay healthy, as well as quality, accessible health care, including palliative and end-of-life care. Federal Retirees participated in the Health Canada consultation and commend the government for acting to move a national framework forward.

Tackling these issues independently will not see the results we need across the country. Dedicated funding, setting common goals and tangible outcomes under a National Seniors Strategy ensures that the federal/provincial and territorial governments and stakeholders are prepared to work together to meet the evolving needs of its aging population, so that all Canadians can age with dignity.