

# Blakely + Dushenski

LEGAL COUNSEL



## Canada

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# Background

- Second largest country
  - Resource Rich
  - Cold and Sparsely populated (38M)
  - 1 in 8 lives in poverty
  - Bicameral Government
    - Pensions caught in the middle
    - *Income Tax Act*
    - 9% of workers federally regulated for pensions, the rest a hodge-podge of provincial statutes



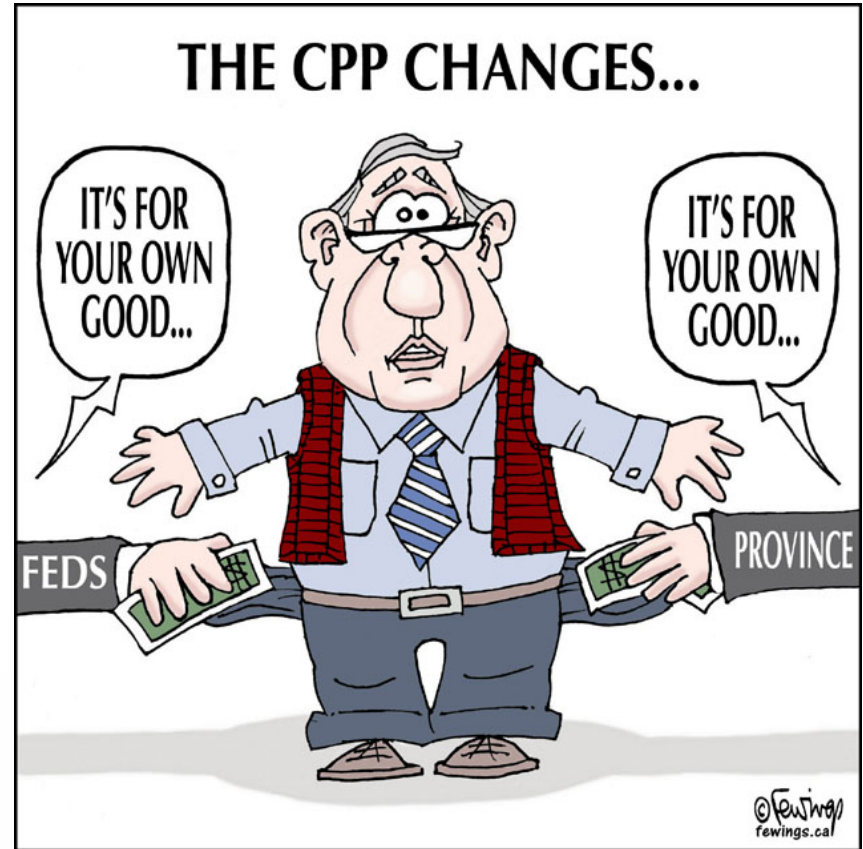
# Retirement Security



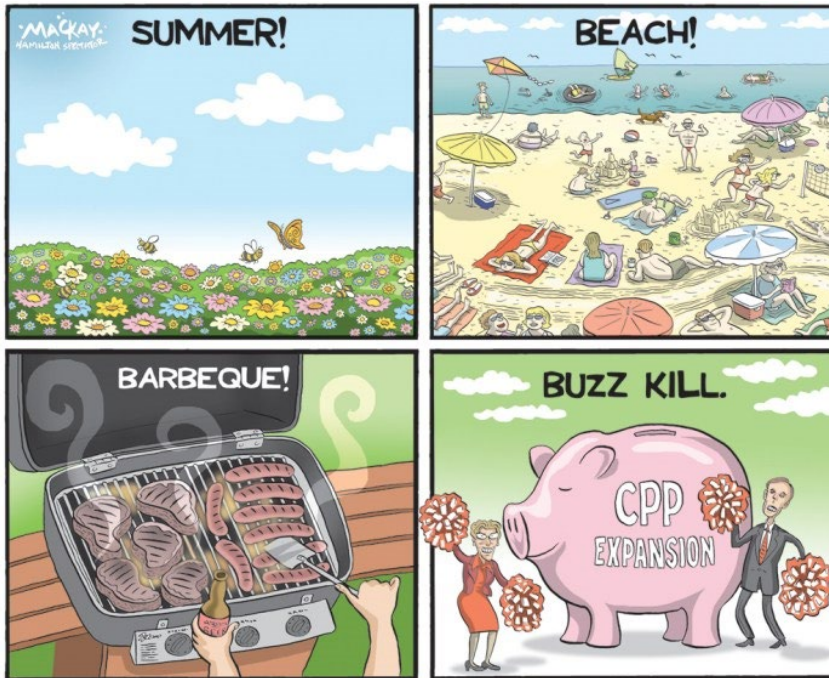
- Positive government support (reduces poverty and the need for gov't action)
- 40% have workplace pensions by Employer
- 52% do not have enough to retire on
- Stop gap is Canada Pension Plan (CPP) – one of the pillars

# CPP

- Nationwide except Québec (if you earn a pay cheque 4.95% deducted to a maximum)
- Fully funded (Force in the economy - \$600 billion)
- Employers must deduct and remit
- Taxable
- Pays around \$1300/month at max, only 6% get to max



# CPP continued



- Concentration on this vehicle because it is base retirement security
- Labour Campaign
  - Increase by 50% over next 40 years
- Marshallled with Old Age Security (OAS) and Guaranteed Income Support (GIS) – tops out at \$1700 - 2000



# Other Government ‘Incentives’

- Tax Free savings Account (TSFA)
- RPP
- Support by tax credit set up of Workplace Pension Plans or RPP
- RRSP – personal savings accounts, but need to consider PA



# After CPP



- If there is pension
  - MEPP
  - Single Employer (the mobility problem)
  - Governmental indexed
- For shorter attachments to the Canadian Workforce or in industries like retail, service, food services ---- CPP is it!!

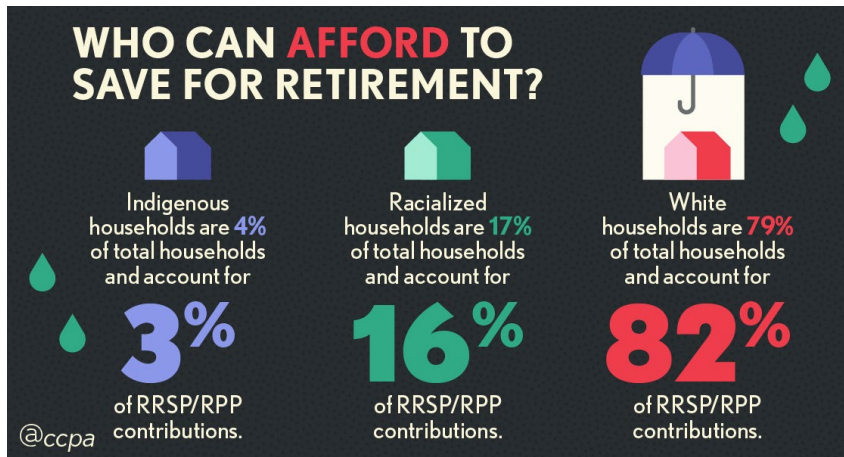
# Canadian Centre for Policy Alternatives

- **Colour Coded Retirement (2021)**
  - Racially identified persons retirement income 25 -33% lower
  - First Nations - \$29,000
  - Métis - \$35,000
  - Inuit - \$35,900
  - White - \$42,000
- Indigenous women 52% less than white





# Poor data in this area, but



- Immigrants or indigenous persons
  - Poor English/French
  - Residency requirements
- Conclusion to fix racially/gender-based inequality
  - Improve Public Pension Plans (CPP/OAS/GIS is all there will be for many)
  - Support and broaden Private Pensions

# Benefits Canada - BIPOC

- Can you get a job with a pension? (harder for racialized persons)
- Significant increase in diversity in cities
- Significant *Majority* of workers would forgo raise(s) for a pension
- Racialized persons more likely to have a degree



# Benefits Canada



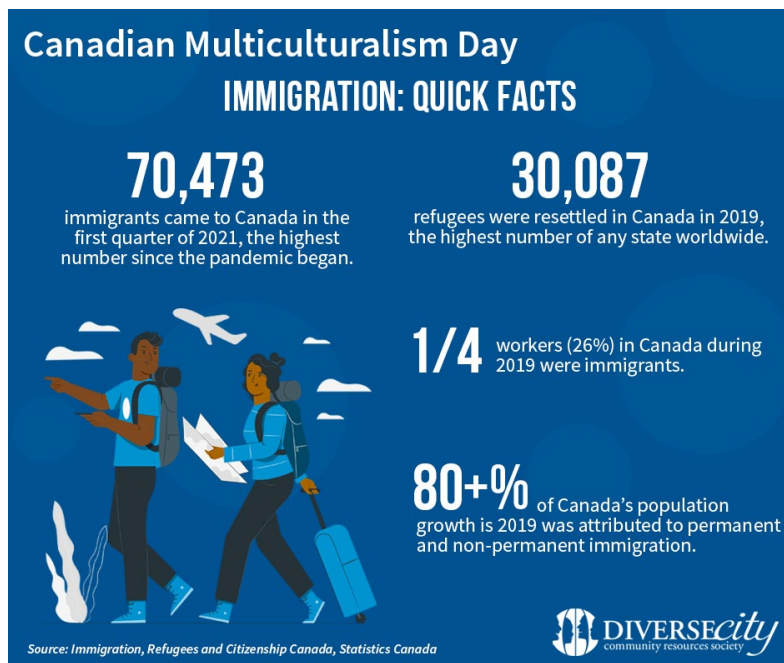
- Unionization drives pension membership
- Recent immigrants fared worst in private savings (1991- present)
  - 11% less likely to engage in private pension plans
  - Women fared worst
- Claw Backs

# Cambridge University Conundrum

- Progressive Country, so why does racial disparity exist?
- Post-war 96% were of European descend – frameworks, policies and problem definitions are seen through that lens
- Steer away from racial categories in policy design (If your only tool is a hammer.....)



# Cambridge University #2

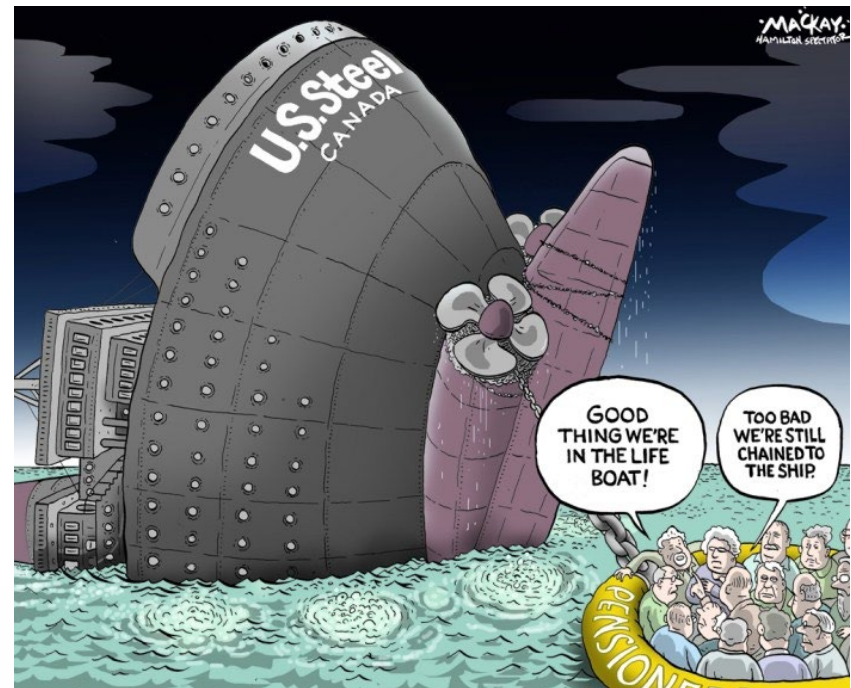


- “Colour-blind” but this blindness
  - OAS residency requirements
- Attachment to workforce in Canada
- Conclusion
  - Impressive set of policies and policy tools
  - Reinvigorate them generally and ‘positive’ action around ‘blindness’



# Government Responses (Canada's First Poverty Reduction Strategy)

- Support thorough the CPP
- OAS – initially lauded, (Cambridge Study) but...
- Canada Child Benefit
- Increase GIS (means tested)
- Protect Pensions (from failure??)





# Government Responses continued



- \$22 billion to lift 650K out of poverty
  - Housing, clean water, health, transportation, early learning, childcare, skills/employment
- Issue – not poverty but near poverty

# Governance in Plans.....

- ESG
- “Mood of Wish”
  - No overt governmental action, but subtle.....
- Plans may have a pensioner(s) on Board
- Area will develop, but it is going to be slow!!



# Not Broken, but with a long ways to go!!

- Thanks

- Questions?