



**The CBC Pensioners
National Association**

Preserving our Future, Sharing our Past

**L'Association nationale
des retraités de la SRC**

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HELP SHAPE OUR FUTURE!

PNA DISCUSSION PAPER # 3 – KEEPING THE CANADA PENSION PLAN WHOLE



In the third in our series of federal election discussion papers, we turn our attention to the Canada Pension Plan, and more specifically the importance of all provinces staying in the plan.

In September 2023, the Alberta provincial government released a report it commissioned from LifeWorks (now Telus Health) on establishing an Alberta Pension Plan. It would mean Alberta would leave the Canada Pension Plan created in 1966. The LifeWorks report estimated Alberta would be entitled to take \$334 billion dollar in assets from the CPP Investment fund. At the time, that would have been about 53 per cent of the CPP assets.

A subsequent review by the Chief Actuary of Canada, Assia Billig, found the LifeWorks estimate was wrong, and Alberta would be entitled to a much smaller proportion of the CPP. She didn't give a precise number but supported the findings of University of Calgary economist Trevor Tombe, who estimated Alberta would be entitled to between 20 and 25 per cent of the CPP assets.

Under The Canada Pension Plan Act, a province has the right to leave the CPP so long as it creates a provincial plan that would provide comparable benefits. How much a province would be able to take out of the CPP would be subject to negotiations with the federal government and could ultimately land before the courts. But the bigger question is the impact on all Canadians participating in the CPP.

Send us your comments: advocacy@cbcpensioners.ca

THE ISSUE: Keeping the Canada Pension Plan whole.



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WHY IT MATTERS:

The Alberta government's proposal has garnered criticism from opposition parties, pensioner organizations, unions, pension experts and business-oriented analysts. They question how Alberta could lay claim to more than half the CPP fund when it doesn't have more than half the contributors.

Some say such a large departure could destabilize a critical part of retirement income for millions of Canadians and lead to costly administrative and investment duplication. Others question whether Alberta's departure could lead to other provinces leaving. They also question what the impact would be on labour mobility as thousands of people from other provinces work or have worked in Alberta but live elsewhere.

The Alberta government says workers and businesses in the province are paying too much into CPP and an Alberta plan could deliver better pensions at a lower price. The Alberta government says it would work with the CPP and Quebec Pension Plan to ensure people would be able to move between the provinces without risking their pensions.

An Alberta Pension Plan could be invested through the Alberta Investment Management Corporation (AIMCo), currently the sixth largest pension investment fund in the country. It currently manages the Alberta Heritage Savings Trust Fund and several public sector pension funds, some of which were compelled by the government to move their funds to AIMCo. In November 2024 Premier Danielle Smith's government fired AIMCo's board and senior executives. It then appointed a new board chaired by former prime minister Stephen Harper. Before he entered federal politics, he advocated for an Alberta Pension Plan, but no exit proposal appeared during his tenure in Ottawa.

WHERE THE PARTIES STAND:

Liberal Party of Canada

In past elections, the Liberal have said they would work with the provinces to enhance the CPP. In October 2023, Leader Justin Trudeau issued an open letter to Premier Smith, calling on her to drop the idea of creating a separate Alberta plan.



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He argued it would expose Canadians to greater volatility, an assertion Smith quickly dismissed. For its part, the provincial Liberal Party called on Smith to “throw the idea on the scrap heap.”

Conservative Party of Canada

Conservative Leader Pierre Poilievre said in October 2023 he would encourage Albertans to stay in the Canada Pension Plan. He went on to blame Trudeau for causing a rift between Alberta and the rest of Canada. Poilievre said the Liberal government should stop burdening Alberta with "carbon taxes, unconstitutional anti-energy laws and other unfair wealth transfers."

New Democratic Party

The federal party has followed the provincial NDP's lead in opposing Alberta leaving the CPP. In April 2024, Edmonton Strathcona MP Heather McPherson introduced a private member's bill that would raise the bar for any province to leave the CPP. Bill C-387 would require two thirds of the province's participating in the CPP to agree before any province could pull out. As of late November, the bill has not moved beyond first reading.

Bloc Quebecois

The province of Quebec has never participated in the Canada Pension Plan but established its own parallel Quebec Pension Plan in 1966. Seeing as the Bloc runs candidates in only Quebec it may not take a formal position on Alberta's proposal. But the Bloc has been threatening to bring down the Liberal federal government unless it agrees to increase Old Age Security benefits for people between the ages of 65 and 74, and that would not be limited to Quebec.

Green Party

The Greens have not commented publicly on the Alberta proposal, but in the past the party has proposed gradually expanding the CPP to provide higher pension benefits for Canadian workers.



WHAT THE PNA SAYS:

The CBC Pensioners National Association represents retirees from every province and territory in Canada. Many of us worked in more than one province during our careers and would not have wanted the uncertainty and paperwork of having to enrol in a new public pension plan with every move. Our CBC Pension Plan is designed to work in tandem with the CPP, with a bridging benefit for people who retire early until the age of 65.

The PNA does not support any change in the CPP that might complicate the financial planning of CBC employees and retirees, and will not support any change that could hurt the performance of the CPP, posing a threat to a fundamental source of retirement income. Ask candidates in the upcoming election to clearly state where they stand on breaking up the CPP and weigh their answers as you decide where to throw your support.

SUGGESTED QUESTIONS FOR YOUR CANDIDATES

1. Where do you and your party stand on the possibility of breaking up the Canada Pension Plan, now that Alberta is proposing leaving?
2. What action would your party take to make it more difficult for a province to leave the CPP in order to protect the plan?
3. What measures would your party take to ensure Canadians have a liveable retirement income?



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