Submissions by CARP
(Canadian Association of Retired Persons)

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Introduction:

CARP is a membership based advocacy organization of more than 320,000 older Canadians from coast to coast to coast. We have 30 local chapters who engage in their communities as well. CARP’s mission is to advance the rights and wellbeing of Canadians as we age.

We thank the Committee for this opportunity to present to you and wish to acknowledge the traditional owners of the land and offer our respects to their elders past and present.

CARP launched its National Seniors Platform in October of 2018 and we are measuring this budget against it.

It is called the FACES of Canadian Seniors. Financial Security, Abuse Prevention, Caregiving and Housing Supports, and Social Inclusion.

F - Financial Security

1. We are extremely supportive of the GIS - and we see this as key win for low income seniors, especially older women who are especially subject to poverty.

2. We are supportive of the changes to the Bankruptcy and Insolvency Act which provide greater transparency for government over companies which are in dangerous decline into insolvency, including provisions which will inhibit CEOs and other executives from divesting assets.

3. We believe that these preliminary steps, while important, are not enough to ensure pension security for pensioners. To that end, we adopt the submissions of our colleagues at the Canadian Pensioners Federation, submitted by Mike Powell. We strongly believe that pensioners need and deserve super-priority and that there should be a pensions insurance fund to backstop pension losses. While we acknowledge that there are only about 7% of Defined Benefit pensions which are federal, it is a problem which this government could provide leadership to.

4. Deferred annuities, announced in the Budget, are a positive and we are supportive, but we do not think that allowing a person at 71 years old to take 25% of their RRIFs and put into deferred annuities until 85 is the answer. It is somewhat beneficial to *some people.

5. What CARP really wants, and we were very disappointed to not see in the budget, is the elimination of the ageist requirement to withdraw RRIFs at the age of 71.

6. We were very disappointed to see that this government did not close the loophole and ensure that the Ombudsman for Banking Services and Investments - the public non-partisan and independent ombudsman - is reinstated as the only ombudsman for Canadian consumers, as opposed to the current situation where fully 75% of all banking customers now are required to use the “for profit” company alternative. We acknowledge that the report by FCAC is due in June but want that CARP will remain steadfast and vocal on this matter.
Division 7 of Part 4 amends the *Old Age Security Act* to provide, starting in July 2020, a new income exemption for the purposes of calculating the Guaranteed Income Supplement. The new exemption excludes the first $5,000 of a person’s employment and self-employment income as well as 50% of their employment and self-employment income greater than $5,000 but not exceeding $15,000.

CARP is strongly in support of the GIS changes proposed in the Budget.

**The “First Steps” to pension protection.**

Division 5 of Part 4 amends the *Bankruptcy and Insolvency Act* to, among other things,

(a) require all parties in a proceeding under the Act to act in good faith; and

(b) allow the court to inquire into certain payments made to, among other persons, directors or officers of a corporation in the year preceding insolvency and imposes liability on the directors for those payments.

The Division amends the *Companies’ Creditors Arrangement Act* to, among other things,

(a) limit the relief provided in an order made under section 11 to what is reasonably necessary and limit the period staying all proceedings that might be taken in respect of the company to 10 days;

(b) allow the court to make an order to disclose an economic interest in respect of a debtor company; and

(c) require all parties in a proceeding under the Act to act in good faith.

The Division also amends the *Canada Business Corporations Act* to, among other things,

(a) set out factors that directors and officers of a corporation may consider when acting with a view to the best interests of that corporation; and

(b) require directors of certain corporations to disclose certain information to shareholders respecting diversity, well-being and remuneration.

**Deferred Annuity**

We are supportive but concerned that it will be confusing and is not a replacement for eliminating RRIFs.
A. Old Age Security (OAS) and the Guaranteed Income Supplement (GIS)

CARP recommended the federal government implement the following changes to materially enhance the provision of OAS and GIS and increase enrolment in current income support programs. We believe that these changes are critical to lifting seniors out of poverty and ensuring they can age with dignity.

1. Institute a system (as in the UK) where individuals are not required to file their own tax returns. At a minimum, this should apply to low-income wage earners and pensioners. Use this system to automatically calculate and distribute GIS to low-income seniors.

2. Increase GIS for single seniors. This will bridge the gap between existing payments and the poverty line for Canada’s poorest seniors - who are overwhelmingly women.

3. Reduce GIS clawbacks. Individuals receiving GIS face high clawbacks from the federal government on earnings. When this is combined with provincial supports such as means-tested housing, they face a very high effective tax rate. This must be reduced.

4. Extend the current exemption of $3,500 of employment income for GIS purposes to all forms of income. Currently GIS recipients face clawbacks on every dollar of CPP income or RRSP/RRIF withdrawal.

5. Provide funding to local agencies who work with vulnerable seniors to assist with their applications for income support.

B. Canada Pension Plan (CPP)

The Canada Pension Plan is the foundation of financial security for Canadians when they retire. CARP recommends the federal government consider the following actions to enhance the benefits of CPP and improve overall financial security for seniors.

1. Provide education and information about the benefits of deferring CPP (and OAS).

2. Provide incentives for individuals to defer CPP (and OAS) past age 70. This may include enhancing the pension benefit for those who have maximized their CPP contributions by age 65 and continue to work.
Other Aspect of the Budget: FACES National Seniors’ Platform

2. Abuse Prevention

We welcome the increase to the New Horizons for Seniors Program by 100 million over 5 years. This is an important and needed funding increase for a program which is essentially the backbone of seniors’ service delivery in Canada. We would encourage this government to use these some of these funds to be allocated to raising awareness of elder abuse and abuse prevention mechanisms. New Horizons for Seniors has specific “calls” each year and we hope that elder abuse will be included in this upcoming 2020 call.

3. Caregiving and Housing Supports

While we are strongly in support of the funding of the National Dementia Strategy and pleased to see that Caregivers are mentioned in it, we were deeply disappointed that this budget did little for caregivers. Additionally we would encourage this government, (and we support the work of the United Way also being presented here today) to invest in a much more modern health and housing continuum embedding supported housing into the National Housing Strategy, which has been silent in this matter. A national housing strategy which does nothing more than give a bit of support for tenancy issues for those who already live independently is not what we need. We need to ensure that Canada is an age-friendly Country and has age-friendly health and housing. Ensuring that caregiving supports and that the National Housing Strategy is amended to include supportive forms of housing will be important in this regard.

We welcome the inclusion of more long-term care and assisted living supports for aboriginal and indigenous peoples in Canada. We urge that more of these services be available especially to support our northern territories.

4. Exceptional Healthcare

We applaud the government for its steps toward Pharmacare and hope to see that NACI recommended adult vaccinations will be included in the formulary as opposed to just prescriptions. We are hopeful that funding of a National Seniors’ Strategy will be included as well, but cannot locate where any specific funding has been allocated for same. We understand that the NSS rests currently with the National Seniors Council but we want to see both movement on this as well as funding allocated.

5. Social Inclusion

We welcome the funding for Digital improvements especially in rural areas which is critically important to social connections. We urge this government also to fund projects which support inter-generationalism, and workplace inclusion and entrepreneurship. Too often entrepreneurship programs are only targeted at younger people, but the majority of investment in Canada in new start ups comes from the 50+ cohort.