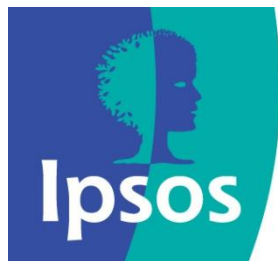


With Changes to Pension Landscape on the Horizon, Canadians of all Ages Want to See Pension Promises Kept, Look to Government to Ensure They Are

While many (44%) say employers can't afford to provide pensions anymore, there is strong support for government action to increase pension coverage (86%) and near unanimity (94%) that existing pension commitments must be honored

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Ottawa, ON – As the Government of Canada seeks feedback on its plans to put in place the necessary framework for a new kind of private sector pension plan, “the target benefit pension plan”, a survey conducted by Ipsos Reid on behalf of the Canadian Federation of Pensioners and Bell Pensioners’ Group finds that, against a backdrop of uncertainty about the future viability of employer-provided pensions, Canadians are highly supportive of government action to increase pension coverage.

However, Canadians **of all ages** are adamant that any changes affecting existing pensions must ensure pension commitments are honoured, and must not be made without the consent of affected individuals.

With fewer than half of Canadian employees covered by a registered pension plan according to Statistics Canada data, and a Canadian population that is divided as to the future viability of employer provided pension plans (44% agree with the proposition that employers simply cannot afford to provide pensions for their employees and pensioners anymore, compared to 56% who disagree), it is unsurprising that Canadians applaud Government action to increase pension coverage.

Indeed, over four in five Canadians (86%) agree, including two in five (38%) who strongly agree, that they are “glad that the Government of Canada is taking action to try and increase pension coverage for Canadians.” And, Canadians are hopeful that the outcome of the introduction of the target benefit pension plan will do just that; three in four (76%) agree that “with the introduction of TBPs, employers who do not currently offer a pension will introduce a pension plan for their employees.”

However, as much as Canadians may welcome changes that increase pension coverage, they expect existing commitments to employees and pensioners to be honoured. Over nine in ten (94%) agree “employers should live up to the commitments they have made to pensioners and employees.” A similar proportion of Canadians (92%) agree that “in developing a new pension framework, the federal government should ensure that companies honour the commitments made to pensioners and employees.”

The survey findings also make it clear that no one affected by possible changes to their pension plan type should have change foisted upon them. Nine in ten Canadians (92%) agree “employers should be required to obtain consent from each employee or pensioner prior to shifting them from an existing plan to any new type of plan.”

While much is made of intergenerational tensions on the pension file, the principles of individual choice and fairness transcend age. Indeed, while support edges up even higher among those 55 and older, as might be expected, nine in ten Canadians **of all age groups** agree that:

- Employers should live up to the commitments they have made to pensioners and employees (18-34: 92% agree; 35-54: 94% agree; 55+: 97% agree).
- The federal government should ensure that companies honour the commitments made to pensioners and employees (18-34: 90% agree; 35-54: 89% agree; 55+: 96% agree); and
- Employers should be required to obtain consent from each employee or pensioner prior to shifting them from an existing plan to any new type of plan (18-34: 91% agree; 35-54: 90% agree; 55+: 97% agree)

Prior to answering these questions, respondents to the survey were provided with the following information: “The Government of Canada recently announced its intention to put in place a federal framework for Target Benefit Plans, or TBPs, for federally regulated, private-sector employers.

The proposed TBP framework would establish a middle ground between Defined Benefit Plans, which offer a guaranteed pension backed by the financial position of the employer, that is to say if the plan under-performs, the employer must make up the difference; and Defined Contribution Plans, which provide a benefit that relies on investment returns; that is



to say if the fund under-performs, the pensioner will get less. TBPs fall somewhere in between the two, rather than promising a definite pension amount, targets are established which depend on plan performance; if the plan under-performs, employer and/or employee contributions will be increased and/or pension benefits for pensioners will be decreased.”

These are the findings of an Ipsos Reid poll conducted from June 9 to June 16 on behalf of the Canadian Federation of Pensioners and Bell Pensioners’ Group. For this survey, a sample of 1,019 Canadian adults was surveyed online via the Ipsos I-Say Panel. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/-3.5 percentage points, 19 times out of 20, of what the results would have been had all Canadians been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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