



Bill C-27: Undermining Canadian Pensions

Pension Promises Must Be Honoured.

Canadian pension law exists to protect pensions that have already been promised. Bill C-27 would tear up this traditional protection by permitting employers to pressure their workers and retirees into “surrendering” their pension rights. Canada is a country where a deal is a deal. Employers should not be allowed to walk away from the pension promises they’ve made to workers and retirees.

Broken Promises. Before the election, Justin Trudeau clearly promised in writing “[Defined Benefit Plans] which have already been paid for by employees and pensioners, should not be retroactively changed into [Target Benefit Plans].” Bill C-27 would permit precisely this retroactive change. Trudeau has broken his promise to retirees and pension plan members.

Bill C-27 is Stephen Harper’s Unfinished Business. The Harper government considered these changes, but even the Conservatives did not proceed with this anti-worker legislation. Now the Liberals are picking up where they left off.

Actuarial Firms Are the Big Winners. Finance Minister Bill Morneau’s firm Morneau Shepell wrote in a submission to the federal government that TB plans entail “excessive operating costs” (which, of course, flow to firms like Morneau Shepell). These actuarial firms would be big winners if DB plans were converted to TB plans, which require more frequent and more complex services from actuarial and pension consulting firms like Morneau Shepell.

No Mandate. The Liberal Party did not campaign on allowing employers to pressure workers and retirees into “surrendering” their pension rights. In fact, it signaled to voters that it would protect these rights. The government has no mandate for this extreme legislation.

Fueling Labour Disputes. The Bill will destabilize labour relations in the workplace. Employers will be keen to push workers to “surrender” the pension promises they’ve already earned. This will fuel conflict between members of the bargaining unit, between more senior workers and new hires, and between active and retired workers.

Shifting Risks to Members. Conversion from a DB to a TB plan shifts virtually all plan risks from employers to active and retired members.

Downgrading not upgrading. Bill C-27 is not about creating new options for employers and increasing pension coverage. This Bill is really about attacking secure DB pensions and replacing them with employer-friendly TB plans.

A Dangerous National Precedent. Bill C-27 would set an example across the country that other provinces would be invited to follow, giving private and public sector employers the green light to intensify attacks on DB plans in every jurisdiction.



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