

**From:** pam mcourt [pammccourt@rogers.com]

**Sent:** March 1, 2009 10:44 PM

**To:** Pension Consultation 2009

**Subject:** National Consultations on Private Pension Plan

Dear Mr. Menzies:

**RE: National Consultation on Private Pension Plan - Submission**

I am pleased to make this submission to the Federal Government in the context of its public consultations on the *Pension Benefits Standards Act, 1985*. I am a Human Resources professional with over 30 years of experience in the field, and specializing in the provision of Benefits, Compensations and Pensions advice to employees.

While the federal government is mainly interested in finding ways of fine-tuning the existing regulatory system to ensure a vibrant environment for federally-regulated registered pension plans, it has become increasingly apparent that much more fundamental reforms are required to achieve greater pension coverage, at a lesser cost to all participants.

The most innovative fundamental pension reform advocated in the past 5 years would, in my opinion, and after much reflection, be an extension of the Canada Pension Plan (and in Quebec, the Quebec Pension Plan) to create a voluntary, supplemental account, into which employers and employees could make defined contributions, and have these contributions invested in the Canadian economy and abroad, by a body of expert investment managers, such as the CPP Investment Board.

The idea was first proposed by a Toronto pension lawyer, Jean-Pierre Laporte, in a paper entitled "Reforming the Canada Pension Plan", published in *Benefits and Pensions Monitor* in October of 2004. A link to this paper is attached for your convenience:

[http://www.bpmmagazine.com/02\\_archives/2004/october/reforming\\_canada\\_pension.html](http://www.bpmmagazine.com/02_archives/2004/october/reforming_canada_pension.html)

Since then, a number of key decision-makers have come to the realization that this idea is the only truly national, cost-effective way to increase pension coverage to all Canadians. For example, Ken Georgetti of the Canadian Labour Congress and ex-Bank of Canada Governor David Dodge advocated for an expansion of the CPP a few years later. Recently, the C.D. Howe Institute published a paper authored by pension expert Keith Ambachtsheer that virtually proposes the same solution as Laporte's original 2004 paper.

Of note, the Ontario Expert Commission on Pensions chaired by Prof. Harry Arthurs, along with Nova Scotia Pension Review Panel and the Joint Panel from Alberta and B.C. all advocated this exact concept in 2008 and early 2009. I therefore think it is an idea whose time has come, and I would urge your staff to seriously study the possibility of implementing such a structure so that future generations of Canadian might have a real pension to retire on. The federal government is the only government that can undertake this reform under the Constitution. The CPP is a Canadian success story and one of our most cherished institutions. It is a plan that reinforces our Canadian identity. Unfortunately, for too many Canadians it is the only source of income they can depend on to weather their retirement years, and at a replacement rate of 25% of the YMPE, it is simply insufficient. I can see no greater legacy for the current Government than to finish the work of the founders of the CPP in 1965 and turn it into a national, efficient retirement plan that is the envy of the world.

Thank you,

P. McCourt

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