December 20, 2016

The Honourable Bill Morneau
Minister of Finance
Government of Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5
By email: Bill.Morneau@parl.gc.ca

The Honourable Charles Sousa
Minister of Finance
Government of Ontario
Frost Bldg S 7th Flr, 7 Queen's Park Cres
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The Honourable Jean-Yves Duclos
Minister of Families, Children and Social Development
Government of Canada
140 Promenade du Portage
Gatineau, Quebec K1A 0J9
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Re: Gaps in child-rearing and disability provisions in the enhanced Canada Pension Plan

Dear Ministers Morneau, Duclos, and Sousa,

I am writing to express the concern of the Ontario Nonprofit Network and our Pensions Task Force on the gaps in Bill C-26 with respect to extending child-rearing and disability drop-out provisions to the enhanced Canada Pension Plan (CPP).

The Ontario Nonprofit Network’s (ONN) vision is to support thriving communities and a dynamic province through a strong and resilient nonprofit sector. We are the provincial network for the 55,000 nonprofit organizations across the province of Ontario. ONN brings the diverse voices of the sector to government, funders and the business sector to create and influence systemic change. ONN activates its volunteer base and the network to develop and analyze policy, and work on strategic issues through its working groups, engagement of nonprofits and charities and government.

As part of our efforts to build a decent work movement in the nonprofit sector, ONN is taking steps to address the retirement income security of nonprofit workers, the majority of whom do not have access to a workplace pension plan. For the past year, ONN’s Pensions Task Force has been developing recommendations on the design of a sector-wide pension plan that meets the needs of Ontario’s nonprofits. It will release its report next month.

Our Task Force was pleased to see the federal-provincial agreement on enhancing the CPP last June. It made use of public information about CPP enhancement in modelling pension adequacy for our proposed nonprofit sector plan, noting that the enhancement would primarily benefit future generations of workers.
The Task Force is acutely aware that pensions policy must take into account the predominance of women in both our sector’s workforce and Canada’s population of retirees—particularly seniors living in poverty. Approximately 75 to 85 percent of Ontario’s nonprofit workers are women. The majority of our senior population is composed of women, whose greater longevity is a key factor in pension scenario planning. ONN is developing a labour force strategy for the nonprofit sector that includes a major focus on championing decent work, with an emphasis in 2017 on addressing the status of women in the nonprofit labour force. We are keen to see our overwhelmingly female workforce supported by adequate compensation, including pensions and benefits, to advance the decent work movement in our sector.

The CPP is a major component of many workers’ retirement income. We know, however, that women receive on average about two-thirds of the CPP benefits that men get.\(^1\) Any enhancement to the CPP must close that gap and not make it wider. The federal government has recently suggested that the drop-out provision for the enhanced CPP will be made more general instead of tying it to parental responsibilities or time taken away from the workforce due to disability. The drop-out could apply, for instance, to a worker taking time off for travelling, child-rearing, looking after a parent, or studying.\(^2\) We are taken aback by the suggestion that the luxury of taking time off for travelling should be deemed equivalent in social value to the time taken off to care for small children. We know that a disproportionate number of women will, for the foreseeable future, continue to take time off work for child care and other family responsibilities as compared to men. If either men or women wish to take time out of the workforce for travel or higher education, that is a separate question from the precedent already set in the 1970s to ensure that women are not penalized in their CPP benefits for having done the lion’s share of child-rearing in our society. The same goes for people whose workforce participation has been affected by disabilities.

We understand that the Government of Canada has committed to engage in dialogue with provincial governments to see the child-rearing and disability provisions added to the enhanced CPP framework. This must happen sooner rather than later. We therefore ask that the Government of Canada either amend Bill C-26 during its consideration by the Senate or else introduce an amending bill as soon as possible, with the support of the Ontario Government and other provinces, so as to include the child-rearing and disability drop-out provisions to the enhanced CPP in the same way that they apply to existing CPP benefits. Women and persons with disabilities deserve to have existing CPP provisions extended to the enhanced CPP as a matter of fairness. We hope you will agree and take measures to correct the gap in Bill C-26.

Sincerely,

Cathy Taylor, Executive Director
Ontario Nonprofit Network


c.c. The Hon. Patty Hajdu, Minister of Status of Women Canada via Patty.Hajdu@parl.gc.ca
The Hon. Carla Qualtrough, Minister of Sport and Persons with Disabilities via Carla.Qualtrough@parl.gc.ca
The Hon. Laura Albanese, Minister of Citizenship and Immigration, Government of Ontario via laura.albanese@ontario.ca
Senator Kim Pate (Ontario) via Kim.Pate@sen.parl.gc.ca
Michael Kainer and Jennifer Closs, Co-chairs, ONN Pensions Task Force