



## **Canadians deserve a dignified and financially secure retirement**

For too many Ontario seniors, financial insecurity is a fact of life. Retirement is far from the golden years. Statistics Canada estimates that 12% of senior families are considered low income, and that 28.5% of single seniors qualify as low income — that's 600,000 Canadian seniors living in poverty.

Ontario's senior population is growing. The number of people in the province aged 65 and over is projected to rise from 2.6 million in 2020 to 4.5 million by 2046. They deserve a secure retirement.

Increases to the Canada Pension Plan (CPP), Old Age Security program (OAS) and Guaranteed Income Supplement (GIS) are all steps in the right direction. However, more needs to be done. For many people, CPP and OAS don't cover living expenses, and OAS can be clawed back.

Throughout the pandemic, when many Ontarians have been hard hit financially, there has been talk about a universal basic income. While that's worthy of discussion, what's clear is that our older adult population, in particular, needs basic rights ensured in terms of income.

During this provincial election campaign, we should be talking about defined benefit (DB) pensions. With DB plans, employers and employees contribute to a pension fund, which is pooled and invested. Retirees are then paid a specific amount, for the rest of their lives, using a formula that usually considers years of employment and salary.

These are the pensions as we traditionally think about them. However, the rate of individuals covered by a DB pension continues to decline across the country.

RTOERO is a trusted voice for healthy, active living in retirement. A financially secure retirement is of prime importance to our 81,000-plus members, and to all older Canadians.

No employer, in either the public or private sector, should be allowed to change the compensation promised to employees once they have retired. A pension is a commitment. Employees provide their service while making contributions into a pension plan, and employers compensate them in retirement with deferred wages. Employees and pensioners trust their employers to honour their pension promises.

Governments must commit to better public policy to: 1) safeguard accrued benefits;2) protect employees and retirees ensnared in corporate insolvencies.

When properly managed, DB pensions are the best way to ensure retirement income security. Up to 80% of all pension dollars spent come from investment returns, which are then pumped right back into local economies.

Supporting and strengthening DB pensions is a way to help our seniors, and ensure that they can continue to contribute meaningfully to local and national economies and communities.

With a guaranteed and sufficient source of income, Ontario's seniors can afford to enjoy a healthy, active and dignified retirement.