

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

National Association of Federal Retirees

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

The National Association of Federal Retirees (FSNA) is the largest national advocacy organization representing more than 177,000 federal retirees – their partners and survivors – from the Public Service of Canada, the Canadian Forces, RCMP and the retired federally appointed judges. As such, FSNA members are concerned about their future and want the opportunity to age with dignity and security. During challenging economic times, volunteers and their associations are often called upon to support and create community services that assist those who find themselves less able to cope. Statistics Canada reports in its most recent National Survey of Giving, Volunteering and Participating a decline in the number of Canadians who volunteer. With more than 12 million volunteers involved in communities across Canada who contribute an estimated 2 billion volunteer hours per year and an estimated \$14 billion dollar to the economy, the equivalent to 1.4% of Canada's GDP, Canada cannot afford to continue losing volunteers. The Special Senate Committee on Aging, appointed to examine and report upon the implications of an aging society in Canada, recently highlighted the need for the federal government to promote active and healthy aging and support for the volunteer sector in their report: Canada's Aging Population: Seizing the Opportunity. The Government of Canada in its response to the Special Committee's report recognized that volunteering plays an important role for seniors, as both recipients and providers of volunteer services. Recommendations That the Government of Canada: • Implement a tax credit for individuals who volunteer more than 100 hours per year in their community.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Our aging population is elevating the need to provide home care for older people coping with chronic illnesses and health conditions. The preference of 90% of seniors is to stay in their homes as long as possible. Home care is a cheaper alternative compared to lengthy hospital stays in acute care beds and maintenance of long-term care institutions. It also provides a better quality of life for seniors. Recommendations That the Government of Canada: • Collaborate with the provinces and territories to develop a National Home Care/Long Term Care Strategy. • Create a national standards and certification program that would regulate and adequately train health professionals and especially personal care

workers to care for an aging population. By establishing and monitoring national standards guidelines, the federal government can help ensure quality and establish trustworthy provision of these burgeoning services.

- Eliminate the GST on the services of personal home care workers.
- Implement changes to the relevant legislation to provide a higher standard of compassionate care leave provisions for federally regulated employees which could encourage comparable provisions in provincial and territorial legislation.

o Reduce notice period to 5 days; o Increase the Employment Insurance benefits to cover an extended compassionate care leave; o Increase the period of job protection from 8 weeks to 20 weeks;

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

As Canada's population ages and the number of seniors increases, it is important that the Government of Canada supports and encourages ways in which Canadians age in a positive and active way. While many Canadians may choose to work after retirement, many others may need to work in order to replace savings lost in recent years. The Government of Canada has an opportunity to harness the wisdom and experiences of these seniors and foster knowledge transfer to new generations of employees. This would strengthen Canada's economic competitiveness and the health and well-being of seniors.

Recommendations: That the Government of Canada

- Implement a tax credit for companies to hire and re-train seniors.
- Develop and implement a transitional retirement program that would enable companies to access resources and funds to assist in retaining the services of retiring employees on a part-time or phased retirement basis, or job share or mentoring arrangements with new, younger employees.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

CANADIAN VETERANS: Many Canadians are facing challenges during these uncertain economic times, and Canadian veterans are not exempt from this harsh reality. As a country and a populace we have a moral obligation and responsibility to make a positive difference in the lives of those who served our country. In particular, we have a responsibility to ensure that our disabled veterans are treated fairly and equitably. Recent legislation that introduced changes to the administration of the Disability Award under the New Veterans Charter addressed the issue of lump sum payments to the most severely disabled. However the legislation did not address the amount of the payment which currently stands at \$276,000. This payment is lower than the average civil court payment awarded in Canada to disabled workers (\$329,000). Other Common Wealth countries provide greater payments; members of the Australian armed forces receive \$325,000, while in Great Britain the award is almost \$1 million.

Recommendations: That the Government of Canada:

- Introduce legislation to increase the Disability Award to meet the minimum Canadian national average awarded to disabled workers.
- Continue the financial support for the recently announced Transitional Housing and Supports for Homeless Veterans pilot project to help veterans who are homeless or at risk of homelessness.

SENIORS: While Canada did not suffer the same level of financial crisis, the continued fragility of the global economy has created uncertainty and anxiety for many older Canadians as they approach retirement. As the Canadian population ages and more people prepare for retirement, there is great need for the government to do more to ensure that current retirees and older Canadians achieve and maintain financial security throughout old age.

Recommendations: That the Government of Canada:

- Exempt small amounts of RRSP withdrawal from inclusion in the income calculation for GIS benefits.

