

**Submission by the  
Congress of Union Retirees of Canada  
to the House of Commons Standing  
Committee on Finance Regarding Bill C-377  
An Act to Amend the *Income Tax Act*  
(*Labour Organizations*)**

October 2012

*The Congress of Union Retirees of Canada (CURC) represents the interest of retired workers and their spouses across Canada. We have affiliated memberships and individual memberships. The affiliated members are organizations of union members in one particular union and/or workplace. Individual members are retirees who do not have a retiree organization of their union where they live. Through individual and affiliated membership, we represent over 500,000 retirees. We have provincial organizations in every province and local area councils in a number of centres.*

## **Introduction**

It may not be immediately obvious to the Committee why our concern over senior's poverty should be linked to Bill C-377, but we believe that this Bill can contribute to the erosion of the well-being of seniors. It is also unfair to the organization of retired union members.

Before the rise of unions, to be old was to be poor. The emergence of unions at the end of the nineteenth century alleviated this situation slightly with union sponsored programs. It was only in the 1940's with the rise of industrial unions and later public sector ones that senior poverty started to be tackled with more success. In addition to bargaining benefits for their members like health insurance, they sought with the support of other groups such as churches and anti-poverty groups to extend them to everyone to meet a common need.

As a result of their actions, the poverty rate of seniors went from 36.9% in 1971 to 4.7% in 2007 according to study by the Conference Board. The economic down turn in 2008 saw that rate increase to 5.8% or a 25% jump in the number of poor seniors to 250,000. We want that rate to decline again.

Establishing decent pensions in the workplace did not come easily but they are a crucial element in why the poverty rate amongst retirees is far lower today than it was in our parent's and grandparent's generations. Even today, many retirees still live close to the poverty line; some, especially older women, live below it.

Today that historical accomplishment is under threat as some firms have either gone bankrupt or seek to have new employees excluded from the defined benefits plan. Other employers want to limit health benefits for retirees. We are striving to maintain decent pensions and benefits, not only for ourselves, but for future retirees. But when defence of our pensions and benefits involves going to court and other expensive efforts, our extremely modest resources mean that we have to rely on our home unions to defend us.

Indeed we retirees are working with the members in the workplace to increase government programs like the Canada and Quebec Pension plans to meet the retirement needs of our children and grandchildren.

## **Bill C-377**

So how does Bill C-377 undermine this effort? It is a conscious effort to force unions to divert scarce resources into what is in effect an unfair and costly bureaucratic exercise. Others have pointed out that unions are being treated unfairly compared to other groups such as professional associations. We concur in such observations but the real point for workers both active and retired is that we have come together with our time and our money to improve life for ourselves and for society in general.

Yes any organization, including unions, should make a financial report to its members and answer questions on it. That is what we in CURC do and what happens in our home unions. But to add to this reporting, the burden of the need to file statements on many areas does not increase accountability but does increase cost.

We believe that the reach of Bill C-377 would extend to the Congress of Union Retirees of Canada and our individual provincial Federations as the definition includes "duly organized group or federation, congress..."

Definitions     149.01 (1) The following definitions apply in section 149 and in this section.

"labour organization"     "labour organization" includes a labour society and any organization formed for purposes which include the regulation of relations between employers and employees, and includes a duly organized group or federation, congress, labour council, joint council, conference, general committee or joint board of such organizations.

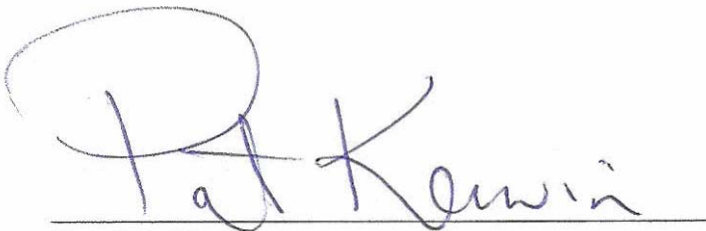
*« organisation ouvrière »*

Our national budget is under \$125,000 and none of it goes to salaries for elected officers or for staff. Our Federations and area councils operate on even more limited budgets. We are volunteers who work with and for our fellow retirees to speak out on their issues. This Bill would have us do work for the government for no positive benefit to anyone. Every year we would have to submit a report with a variety of statements.

If our treasurer missed the 6 month deadline by over 4 months for submitting our report on all the many statements required by the Bill, the law would fine us our entire year's budget. For our Federations and area councils, their budget would be taken away in fines if they were one month past the deadline.

For the sake of sanity and fair treatment to seniors and their organization, we asked that this Bill be withdrawn.

This document is respectfully submitted on behalf of the Congress of Union Retirees of Canada:

A handwritten signature in blue ink that reads "Patrick Kerwin". The signature is written in a cursive style with a large, looped initial "P".

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Patrick Kerwin  
President