



**Written Submission for the Pre-Budget Consultations
in Advance of the 2019 Budget**

**Submitted By: CARP
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CARP Recommendations

Recommendation 1: That the government of Canada protect pensioners by granting unfunded pension liabilities super-priority status under the *Companies' Creditors Arrangement Act* and the *Bankruptcy and Insolvency Act*.

Recommendation 2: That the government of Canada eliminate mandatory RRIF withdrawals to better protect the middle class.

Recommendation 3: That the government of Canada improve investor protection by making the Ombudsman for Banking, Securities and Investments (OBSI) the single, unified and binding dispute resolution body for banking and investment services.

Recommendation 4: That the government of Canada extend the current exemption of \$3,500 of employment income for GIS purposes to all forms of income including contract income and income from self-employment.

Recommendation 5: That the government of Canada lower the claw-back rate on the GIS top-up to 50% to provide respite for our poorest seniors who are trying to alleviate their poverty by earning small amounts of income.

Recommendation 6: That the government of Canada create a national awareness campaign on elder abuse, neglect and self-neglect.

Recommendation 7: That the government of Canada establish a 1-800 national number to report and track elder abuse and connect Canadians with appropriate local services and supports.

Recommendation 8: That the government of Canada invest in research and data gathering to quantify, track and develop a national strategy for responding to all forms of elder abuse and neglect.

Recommendation 9: That the government of Canada provide long term, secure funding for the Canadian Network for the Prevention of Elder Abuse and their provincial and territorial affiliates.

Recommendation 10: That the government of Canada allow financial institutions the ability to report financial abuse by amending PIPEDA s.7(3)(d.3) to (a) actually define "financial elder abuse"; (b) revise the list of organizations or persons to reflect to whom disclosure can be made to reflect the provincial laws; and, (c) link the PIPEDA disclosure to the appropriate provincial and territorial response systems.



Recommendation 11: That the government of Canada increase financial supports for ageing in place by amending the Home Accessibility Tax Credit from a \$10,000 per dwelling tax credit to a per person basis.

Recommendation 12: That the government of Canada provide protection for seniors in assisted living or long-term care facilities during periods of extended hospitalization to ensure they don't lose their housing.

Recommendation 13: That the government of Canada extend the National Housing Strategy to develop housing supports for newly homeless seniors whose needs are not well met by traditional homeless shelters.

Recommendation 14: That the government of Canada support caregivers by working with the provinces to align provincial employment standards with federal EI benefits and by increasing the Family Caregiver Benefit from 15 to 27 weeks unpaid job-protected caregiving leave.

Recommendation 15: That the government of Canada change the requirement for 26 weeks of Compassionate Care Benefit that a family member must be facing significant risk of death by including people who are critically ill.

Recommendation 16: That the government of Canada make the Canada Caregiver Tax Credit a refundable tax credit to ensure all caregivers, who are overwhelmingly women, are treated equally.

Recommendation 17: That the government of Canada adopt and implement universal, comprehensive, sustainable and evidence-based pharmacare.

Recommendation 18: That the government of Canada commit to preventative care by fully funding High Dose Flu and Shingrix vaccines for all older adults across Canada.

Recommendation 19: That the government of Canada adopt and fully fund a National Dementia Strategy.

Recommendation 20: That the government of Canada renew and expand funding for two National Centres of Excellence that focus on older Canadians: AGE-WELL and the National Initiative for Care of the Elderly (NICE Network).



CARP PRE-BUDGET FEDERAL SUBMISSION - AUGUST 2019

Canada is home to six million seniors. Every day, 1,000 Canadians turn 65. By 2061, there will be 12 million seniors -- and only eight million children -- in Canada. This demographic shift is driven by increased life expectancy and a declining birth rate, and is consistent across G7 countries. Canada is not currently meeting the needs of this rapidly growing group and must take decisive and immediate action to respond and prepare for the future.

CARP is calling for a National Seniors Strategy that embraces the human potential and social inclusion of older Canadians in all realms of society. This includes:

1. FINANCIAL SECURITY FOR OLDER CANADIANS

A. Protect pensioners by granting unfunded pension liabilities super-priority status

- 1.3 million Canadians with corporate defined benefit pension plans are potentially at risk of having their pensions slashed.
- Retirees from Nortel, Wabush Mines, Royal Oak Mines, Indalex, and others have suffered pension losses.
- Sears' pension is under-funded by more than \$250 million; Sears' retirees are claiming losses of \$730 million.
- All Sears pensioners outside of Ontario are now losing 30% of their pensions.
- Compared to other jurisdictions, Canada lags in its protection of pensioners. In the UK, 90% or more of pensions up to at least \$57,000 annually are protected through a national pension benefit scheme¹. In the U.S. the Pension Benefit Guaranty Corporation protects pensioners; in 2018 a 65 year old's pension is guaranteed up to U.S. \$71,431[v]. In Canada, only Ontario offers some protection, and that is only a "bottom-up" protection of \$18,000 annually².

B. Eliminate mandatory RRIF withdrawals to better protect the middle class

- RRIF rules were last updated in 2015. While those changes were important to recognize increased longevity and decreased returns, they didn't go far enough.

¹ <https://www.pensionprotectionfund.org.uk/Pages/Compensation.aspx>

² <https://www.pbgc.gov/wr/benefits/guaranteed-benefits/maximum-guarantee>



- According to the C.D. Howe Institute, most seniors still face a material risk of outliving their tax-deferred savings³.
- With posted rates for 5 year GICs at major banks currently at 1.25% - 1.6%, the real investment returns of 3% used in the 2015 budget RRIF table are in excess of safe returns.
- Seniors therefore must either face running out of funds or taking additional risks that could cost them part of their principle.
- The number of seniors who work past 71 (and are thus punitively taxed by forced RRSP withdrawals) has increased from 15% in 1995 to 24% in 2015⁴.

C. Improve Investor Protections for all Canadians

- Make OBSI the single, unified and binding dispute resolution body for banking and investment services. Right now, banks can choose to opt-out of the public system, which negatively impacts consumer protection.
- Create a best interest standard to ensure financial advisors put the interests of investors ahead of their own. A best interest standard or fiduciary duty either exists or is proposed for the U.S., Australia, the U.K. and the EU.
- Require simple, full disclosure of all costs for any financial products which include an investment component.

D. Provide additional support to the poorest older Canadians

- Extend the current exemption of \$3,500 of employment income for GIS purposes to all forms of income including contract income and income from self-employment.
- Lower the claw back rate on the GIS top-up to 50% to provide respite for our poorest seniors who are trying to alleviate their poverty by earning small amounts of income.

³ https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/e-brief_210.pdf

⁴ <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016027/98-200-x2016027-eng.cfm>, Accessed July 24, 2018



2. ABUSE PREVENTION

CARP is calling for national action to support and protect vulnerable seniors who are at risk of, or are experiencing, physical, financial, emotional or sexual abuse. One in ten older Canadians report being abused or neglected but due to significant under-reporting, particularly in long-term care facilities, and against persons with mental capacity issues, the abuse rates are in fact much higher. In the immediate term, governments must act now to:

- Create a national awareness campaign on elder abuse, neglect and self-neglect.
- Establish a 1-800 national number to report and track elder abuse and connect Canadians with appropriate local services and supports.
- Invest in research and data gathering to quantify, track and develop a national strategy for responding to all forms of elder abuse and neglect.
- Provide long-term, secure funding for the Canadian Network for the Prevention of Elder Abuse and their provincial and territorial affiliates.
- Allow financial institutions the ability to report financial abuse by amending PIPEDA s.7(3)(d.3) to (a) actually define “financial elder abuse”; (b) revise the list of organizations or persons to whom disclosure can be made to reflect the provincial systems; and, (c) link the PIPEDA disclosure to the appropriate provincial and territorial response systems.⁵

3. CAREGIVING AND HOUSING SUPPORTS

Governments at all levels need a new vision for housing seniors that includes innovative housing models, municipal zoning flexibility, and building standards for accessible housing for seniors in urban, rural and Indigenous communities.

- Increase financial supports for ageing in place, such as amending the Home Accessibility Tax Credit (HATC) from a \$10,000 per dwelling tax credit to a per-person basis to recognize the unique needs of individuals.
- Provide protection for seniors in assisted living or long-term care facilities during periods of extended hospitalization to ensure they don't lose their housing.

⁵ <http://faircanada.ca/wp-content/uploads/2017/11/171115-Vulnerable-Investor-Paper-FINAL-1.pdf> p.31 - 46)



- Develop housing supports for newly homeless seniors whose needs are not well met by traditional homeless shelters.
- Support caregivers by aligning provincial employment standards with federal EI benefits (provincial) and increasing the Family Caregiver Benefit from 15 to 27 weeks unpaid job-protected caregiving leave.
- 26 weeks of Compassionate Care Benefits: Change the requirement that a family member must be facing significant risk of death to include people who are critically ill. This relieves the pressure on families to acknowledge a loved one is dying and for physicians to attest to an imminent death. This is particularly relevant in multicultural, diverse and Indigenous communities where there may be cultural taboos around death and dying.
- Make the Canada Caregiver Tax Credit a refundable tax credit to ensure all caregivers, who are overwhelmingly women, are treated equally.
- Increase support for respite care, adult day programs and create innovative solutions for care in community to support aging in place.

4. EXCEPTIONAL HEALTH CARE

While our health care needs change and often increase as we age, our right to exceptional health care in Canada does not. CARP is calling for an age-aware approach to policy-making, programs and funding that recognizes and supports the health and housing continuum of older Canadians.

A. Adopt and implement universal, comprehensive, sustainable and evidence-based national pharmacare

- Provincial pharmacare programs are inconsistent across Canada, with different eligibility requirements and medications included in each province. 86% of CARP members surveyed in July of 2017 agree or strongly agree that the same medications should be covered by all provinces.
- Support multidisciplinary health teams to facilitate de-prescribing and mitigate the risk of over-prescribing.
- Support the collection of comprehensive data to facilitate surveillance post-approval, including specific data for populations that may have been excluded from controlled trials due to age.



B. Demonstrate a Commitment to Preventative Health Care

- Fully fund High-Dose Flu Vaccines for all older adults across Canada – currently only offered to all seniors in Ontario at this time.
- Fully fund Shingrix for all older adults across Canada. 1 in 3 Canadians will get shingles in their lifetime, a painful and debilitating illness. Shingrix has an efficacy of 91-97% and at this time, only Ontario offers Shingrix at no cost to people over 65.
- Renew and expand funding for AGE-WELL (Canada’s technology and aging network - NCE) and the National Initiative for Care of the Elderly (NICE Network - NCE)
- Promote and fund active aging programs across Canada.

C. Adopt and Fully Fund a National Dementia Strategy

- Provide timely and affordable access to mental capacity assessments.
- Support dementia-friendly care in home, hospital and long-term care facilities.
- Increase funding for adult day programs and social supports for persons with dementia and their caregivers.
- Build sector capacity in the areas of neurodegenerative diseases and aging.

Respectfully submitted.