



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

**By: C.A.R.P.
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Recommendations

FINANCIAL SECURITY

Recommendation 1: That the government boost Old Age Security (“OAS”) by 10% for people 65 to 74.

Recommendation 2: That the government increase the Canada Pension Plan (“CPP”) Survivor Benefit by 25% for people 65 and older—from 60% to 75%.

Recommendation 3: That the government eliminate current mandatory RRIF withdrawal rules.

Recommendation 4: That the government amend the *Bankruptcy and Insolvency Act* and the *Companies’ Creditors Arrangement Act* to give pensioners ‘super-priority’ status.

Recommendation 5: That the government create a pension insurance program that insures 100% of pension liabilities.

Recommendation 6: That the government make the Ombudsman for Banking Services and Investments (OBSI) the single, unified and binding dispute resolution body for banking and investment services.

SAFETY AND SECURITY FOR OLDER ADULTS REQUIRING HOME-BASED OR FACILITY-BASED LONG-TERM CARE

Recommendation 7: That the government establish legislation or regulations to ensure new, appropriate National Long-Term Care Service Standards (set to be finalized in 2022) are upheld and enforced.

Recommendation 8: That the government ensure that sufficient funding is provided where provincial and territorial governments are able to meet or exceed the appropriate national standards.

Recommendation 9: That the government establish a citizen oversight panel to ensure that national standards for care are achieved and maintained.

Recommendation 10: That the government increase financial supports to expand home-based long-term care and community care services.

Recommendation 11: That the government make the Canada Caregiver Tax Credit a refundable tax credit, or a rebate.

Recommendation 12: That the government exempt in-home caregiver services from the federal portion of the HST.



Recommendation 13: That the government allow a drop-out provision of the Canada Pension Plan (CPP) for full-time caregivers who have left the workforce due to their caregiving responsibilities.

PREVENTIVE HEALTH CARE

Recommendation 14: That the government commit to preventive care by fully funding three leading vaccines for all adults over age 65, especially those in congregate settings like nursing homes: high-dose flu, the new (and more effective) shingles vaccine and pneumococcal vaccine.

Recommendation 15: That the government implement a Fitness Action Plan for Seniors to help seniors be healthier, and stay independent and at home longer.



C.A.R.P. PRE-BUDGET FEDERAL SUBMISSION

C.A.R.P. (formerly the Canadian Association of Retired Persons) is a not-for-profit, non-partisan organization, with over 320,000 members in every province and territory across Canada. We fight to ensure that all older adults can live in dignity and with respect, regardless of economic, familial or health challenges.

To that end, C.A.R.P.'s recommendations for Federal Budget 2022 fall under three broad categories: financial security, safety and security for older adults requiring home-based or facility-based long-term care, and preventive health care.

1. FINANCIAL SECURITY

A. Support low-income seniors by boosting Old Age Security by 10% for people 65 to 74

C.A.R.P. commends the government for its commitment in federal budget 2021 to increase OAS payments for seniors over 75, but urges the government to extend this benefit to eligible seniors 65 and older.

Our polls show seniors – young and old – face economic insecurity. A significant majority of our members¹ are very concerned about outliving their money in retirement. Unprecedented longevity, declines in personal savings rates, and reduced access to workplace pension plans have all contributed to growing retirement insecurity.

This means that federal government pension benefits, including OAS are particularly critical to keeping seniors out of poverty. C.A.R.P. encourages the government to:

- Boost OAS by 10% for seniors 65 to 74, as the government did in federal budget 2021 for people 75 and older.

B. Follow through with election promise to increase the Canada Pension Plan Survivor Benefit by 25% for people 65 and older – from 60% to 75%

As couples age, spouses are often unprepared for the financial difficulty resulting from the loss of a partner. This is especially true for senior widows, who outnumber widowers nearly four to one. Women live longer than men, earn an average of 25% less throughout their lives, take time away from the workplace to have children, and thus contribute less to pension plans and retirement funds. The face of senior poverty is overwhelmingly female. C.A.R.P. calls on the government to:

¹ The average C.A.R.P. member is age 70.

- Follow through with its commitment to increase the CPP Survivor Benefit by 25% for people 65 and older.

C. Eliminate mandatory RRIF withdrawal rules

Canadians are not saving enough for their own retirement and a significant majority of our members are very concerned about outliving their savings. Current rules mandating minimum yearly withdrawals from Registered Retirement Income Funds (RRIFs) starting at age 71 compound the problem. RRIF rules have not kept pace with increasing lifespans, declines in personal savings rates, and reduced access to workplace pension plans.

When individuals are forced to draw down on their savings, they risk outliving their funds; many seniors depend on their RRIF to provide sustained income throughout their later years. Moreover, the number of seniors who work past 71 (and are thus punitively taxed by forced RRIF withdrawals) has increased from 15% in 1995 to 24% in 2015. C.A.R.P. calls on the government to:

- Eliminate (or re-examine) current mandatory RRIF withdrawal rules to better reflect this reality, and consider greater deferrals of RRIF withdrawals while seniors are still working.

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

1.3 million Canadians are at risk of losing their corporate defined benefit pensions. This is for two fundamental reasons: 1. Companies aren't funding their pension commitments, so if they go bankrupt, there isn't enough money set aside to keep pensions whole; 2. When companies go bankrupt, pensions are at the back of the line, so the assets that are available go to secured creditors, not to make up for pension underfunding.

Retirees from Sears, Nortel, Wabush Mines, Royal Oak Mines, Indalex, and others have suffered pension losses.

In Canada, only Ontario offers some protection through the Pension Benefit Guarantee Fund, but that is only a "bottom-up" protection of \$18,000 annually. C.A.R.P. calls on the government to:

- Amend the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* to give pensioners 'super-priority' status, ranking them ahead of other creditors when it comes to who gets compensated first.
- Create a pension insurance program that insures 100% of the pension liability.

E. Improve investor protections for all Canadians



A government task force recently published a consultation report which proposed, among other things, to give the Canadian Ombudsman for Banking Services and Investments (OBSI) binding authority to impose its compensation recommendations on the investment industry. C.A.R.P. fundamentally agrees with this conclusion.

Although low settlements occur in a relatively small percentage of overall cases, such settlements are unfortunately common for larger recommendations—especially those above \$40,000. Such low settlements can be financially devastating and are, in part, a consequence of OBSI's inability to compel firms to pay the recommended amounts. C.A.R.P. calls on the government to:

- Make OBSI the single, unified and binding dispute resolution body for banking and investment services.

2. SAFETY AND SECURITY FOR OLDER ADULTS REQUIRING HOME-BASED OR FACILITY-BASED LONG-TERM CARE

A. Safety and Security for older adults requiring long-term care

Residential care facilities have long been plagued by underlying systemic vulnerabilities – severe underfunding, chronic understaffing, out-dated facilities with multi-room wards – these challenges existed before COVID-19, and will persist without immediate action.

C.A.R.P. will work with the Health Standards Organization and the Canadian Standards Association to establish new, appropriate standards for long-term care homes across Canada to ensure that the devastation seen during COVID-19 never happens again. But, unless these new, appropriate standards are upheld and enforced, they will fall flat. C.A.R.P calls on the government to:

- Establish legislation or regulations to ensure new, appropriate National Long-Term Care Service Standards (set to be finalized in 2022) are upheld and enforced.
- Ensure that sufficient funding is provided where provincial and territorial governments are able to meet or exceed the appropriate national standards.
- Establish a citizen oversight panel to ensure that national standards for care are achieved and maintained.

B. Prioritize and invest in home and community-based care

Virtually 100% of C.A.R.P. members tell us they want to remain in their homes for as long as possible, and nearly a quarter have admitted to supplementing publicly funded home care with private alternatives.

According to new research, Canada spends 30% less than the average OECD country on the provision of long-term care, and close to 90% of our public long-term care dollars on facility-

based care, rather than home-based care. C.A.R.P. urges the government to recognize that home care and community care solutions are critical to resolving the long-term care crisis. To this end, C.A.R.P. calls on the government to:

- Increase financial supports to expand home-based long-term care and community care services, including front-line home-care, nursing hours, expanding tele-healthcare solutions, and income tax rebates for family-funded care to enable ageing in place as an alternative to facility-based care.

C. Support for caregivers

The vast majority of home care needs in Canada could not be met without the support of unpaid family caregivers who, according to a University of Alberta study, save our health care system an estimated \$66 billion annually. Right now, caregivers are entitled to a Family Caregiver Tax Credit. This tax credit is non-refundable, and therefore only benefits those who pay taxes. Those who are most in need of relief—individuals who have given up their employment income to provide care—receive no benefit.

Moreover, a majority of caregivers are female and between the ages of 45-64 (44%). Women in this demographic tend to outlive their spouses, often forego employment to provide care, and face a greater likelihood of financial insecurity in retirement—in many cases even poverty. C.A.R.P. calls on the government to:

- Make the Canada Caregiver Tax Credit a refundable tax credit, or a rebate, to ensure all caregivers are treated equally and are able to obtain financial relief.
- Exempt in-home caregiver services from the federal portion of the HST to support individuals ageing in place.
- Allow a drop-out provision of the Canada Pension Plan (CPP) for full-time caregivers who have left the workforce due to their caregiving responsibilities, to ensure that they are not penalized under CPP for taking time out of the workforce.

3. PREVENTIVE HEALTH CARE

A. Adult vaccinations

Older adults are not adequately vaccinated for key illnesses like shingles, pneumonia and influenza. Particularly in older adults, whose immune systems decline with age, it is especially important that they avoid conditions that may further weaken them and increase the risk of more serious consequences of COVID-19 should someone contract it.

PHAC has previously reported that they anticipate that less than 10% of older adults are fully up-to-date on their vaccines, and a follow-up survey to individuals showed that number may be even closer to 3%.



C.A.R.P. calls on the government to:

- Commit to preventive care by fully funding three leading vaccines for all adults over age 65, especially those in congregate settings like nursing homes: high-dose flu, the new (and more effective) shingles vaccine and pneumococcal vaccine.

B. Fitness action plan for seniors

While older adults today are generally living longer, and staying healthier longer with unprecedented quality of life, there are also realities they must face. For example: about two million seniors suffer osteoporosis. In the near future, three million more seniors stand a good chance of being affected.

Recently, C.A.R.P. launched *Stand Up Straight and Move Your Buns to Preserve Your Mind* – a campaign devoted to rousing C.A.R.P. members to take a more active part in maintaining their own health as they age. In particular, walking is a great weight-bearing exercise that can help build bone strength.

C.A.R.P. calls on the government to partner in our commitment to improving the health and longevity of seniors through exercise, by:

- Implementing a Fitness Action Plan for Seniors to help seniors be healthier, and stay independent and at home longer.

Respectfully submitted.

