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## DEBATES and PROCEEDINGS

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### **Bill No. 158 – The Saskatchewan Pension Plan Amendment Act, 2014**

**Mr. Forbes:** Thank you very much, Mr. Speaker. It's a pleasure to enter into this debate on Bill No. 158, *An Act to amend The Saskatchewan Pension Plan Act and to repeal The Saskatchewan Pension Plan Amendment Act, 2013*. And of course it is very timely as we are in the early days of March, and people are considering . . . This is probably the time of year most people are thinking about their retirement. Have they put money away? Have they put it into RRSPs [registered retirement savings plan], that type of thing, particularly young people? And you look at them and you say, so have you done what you should be doing, putting money aside?

Unfortunately though the reality — and we can look at the news stories that we have quoted — that unless you're in a retirement plan, either one that is a public sector type of plan or a private sector plan in your workplace, the odds are really high you haven't done that. In fact we heard on Monday when the RRSP season was closing that more than half of Canadians bought no RRSPs this past year. And we know the reason why. It's just simply unaffordable. It's simply unaffordable. It's a priority though but it is really unfortunate that we are in the circumstance that we have right across this country, but probably even more highlighted here in Saskatchewan because we know the cost of living has gone up. And it would be interesting to know, over the last 8 or 10 years, how has the Saskatchewan Pension Plan done in terms of contributions.

And I'll talk a little bit about the minister's comments, about how he feels it is the answer, and it's an appropriate retirement tool. It may be for some. You know, savings are savings and it's a good thing and in particular if there are ways to enhance that. Fair enough. I think that's the thing. But we can't mislead people, particularly those who are vulnerable, into believing that that will help them in their senior years.

Seniors deserve a good, fair retirement that meets their needs, not to live excessively but to have one where they know that they can pay their rent, they know they'll be able to buy food, and they know they'll be able to buy their prescriptions as needed and to have

some small amount so that they can enjoy the things that we all enjoy in life, and whether that be going to the movies, going out for the odd meal, or buying gifts for grandchildren or grandnieces or nephews, being part of a family. These are all the things that we expect in our senior years. But for too many, for too many that's a difficult, difficult choice. And we see that right across Canada.

And I would like to talk at length a bit about this because I think we have a real opportunity here in Saskatchewan where we have had pioneering initiatives around the kind of work that we've done with seniors.

And I would think at this point I just want to recognize the fact that, as seniors, you know, there are many resources they can draw on, whether it's Canadian pension plan if they were working; the old age security, a basic retirement fund; a Guaranteed Income Supplement that we see right across Canada; and here in Saskatchewan we have the Saskatchewan Income Plan that Allan Blakeney put into place in the '70s.

And you know, we've had a lot of talk about the Saskatchewan Income Plan and I would like to say, and I have said in this House, that while this government has done a good thing in terms of the increases to senior income plan, I do have concerns about that because the work that they've done may be undone by the fact that it's not managed very well. It's not managed very well at all. In fact, when we ask questions in estimates, it's hard to get a straight answer from the Minister of Social Services because apparently there's two people overlooking this pool of some 20-plus million dollars. They are not sure who in Saskatchewan is receiving it. And we know the impact it has every year where many actually fall off the senior income plan because of the way many seniors feel that they may not have to file for income tax and therefore they lose out on benefits.

They get back on. Some get back on, but the fact's that it's an interruption that doesn't need to happen. And we know that there's many folks out there, and my office often receives calls from seniors about making sure they have all the resources they are eligible for and they deserve — and they do deserve — and so we get a call and we say, well you know, it's actually quite simple to get on the plan because what you do is phone GIS, the Guaranteed Income Supplement, and therefore you will, if you're eligible, get on the Saskatchewan Income Plan. But it's not advertised. People aren't aware of that. And it's only by a fluke that you do find the information out. And that is unfortunate because people should know that, should know that.

And the other really unfortunate thing about this is that, while people . . . And it really is a bit of a tragic thing. People do set aside money and they do save, and that's a good thing. That's a good thing that we should all, when we're looking at our . . . through our working lives that we budget our money and we are not going into debt. In fact it's kind of nice if you can put some money aside for savings, whether that's for retirement or for travel or for some special project. It's a wonderful thing if you can discipline yourself for savings. But the unfortunate fact that what happens when people turn 65 and they don't have a lot of money put aside?

In fact the number that we often hear is around \$50,000, that if you haven't saved more

than 50,000 or 100,000, you should really talk to an adviser because you may be putting yourself in place of getting money clawed back that you would normally get through Guaranteed Income Supplement and other sources because you have just a little bit that throws you over the number that allows you to qualify. And in fact we have people who phone my office and say, you know, my GIS has gone down by 35 bucks or 50 bucks. And I say, do you have a small RRSP? Do you have about \$30,000 in savings? And they say, yes. Well that's why you've lost about 30 to \$50 on your GIS because they've taken that into account now, and your savings that's giving you a little bit of an allowance is also causing you lose out on your GIS.

So it's something that we should really be sure that we make sure our seniors are well advised about the implications of their savings, and that includes the Saskatchewan Income Plan, and it's one that while the minister . . . And I'll talk about his numbers in a few minutes. But we know that these are people who are putting a little bit aside and will have a little bit of retirement. But what are the implications for them for the Guaranteed Income Supplement, and will they be sheltered from that? Is there a way to say, hey, we recognize that you did the right thing? You were a good saver and now you have some resources, and you won't be penalized for doing that.

Unfortunately a lot of people don't realize that they will be. They won't be able to take full advantage of other federal programs and provincial programs because they've saved 25,000 or \$50,000, and it just isn't that worthwhile. You really need to be disciplined and put it over, put it over.

But you know, I look at some of the stats that we have, and this is from *The Telegram* in Victoria. I believe that's where *The Telegram* is at. It could be Halifax as well. I'm not sure. But *The Telegram* talks about "More and more Canadians . . ." This is Lana Payne, and this was from last November. "More and more Canadians believe they will never be able to retire, giving whole new meaning to the phrase 'work till you drop.'"

Usually we think work till you drop happens within a 24-hour period. We don't think of it literally, work till you drop. And this is really, this is really unfortunate. And you know, I remember these ads, and I think young people may not remember these ads, but we all remember the freedom 55 ads. And that we don't see on TV anymore. We don't see that. And that's okay too, you know, because people who've reached 55 actually, there's always the option to work. And I think that . . . [inaudible interjection] . . . TV black and white and it would be colour, the tropical scenes.

But you know, working after 55 is not a bad thing. And I think that many of us look forward to working many years, and it's a good thing. There's lots of good reasons to work. But it's when you have to work and you have to work, and the phrase that you're going to work till you drop really is something that is unfortunate.

She writes, "For [many people] . . . Freedom 55 is someone else's dream. They can't even imagine Freedom 75." And then she talks about a report that came out in the fall, the Conference Board of Canada's survey on non-retirees and retirees in Canada, and it talks about how people don't feel in Canada very secure about their retirement income. It

would be really interesting, and maybe the government's done this, and if they haven't, it would be interesting to see the results of a survey here in Saskatchewan. How do Saskatchewan citizens feel about their retirement income?

She goes on to talk about:

... a full 60 per cent do not believe they have saved enough to retire in comfort. Not surprisingly, women and lower-income earners were even less likely to have saved enough.

Shockingly, one in five Canadians reported that they will never retire.

That's 20 per cent of Canadians feel that they will never retire, that they will work until they pass. "In addition [she writes], nearly one-third of those surveyed said they didn't know when they'd be able to retire. Stagnant wages are coming home to roost." So this is really, this is really, really something else when you're getting these kinds of results.

The survey also found that over 40 per cent of employers surveyed said that their employees are overly optimistic with respect to their assessment of when they will be able to retire.

So that's even more surprising. The bosses are saying, almost half of them are saying, you know, I think my employees are overly optimistic about their ability to retire, and that's something. So this really underlines what we really have to do here in Canada and in Saskatchewan.

So we have this bill before us, 158, and I know the Saskatchewan Pension Plan has been something that the Finance minister has raised many times at the federal level and in the federal arena as an option to address some of these concerns that we've been hearing about for many years, but clearly it's not enough. It really isn't. It's one, as I said, maybe a bit of a tool, but considering the size of the problem and in considering the size of the nut or the bolt that we're trying to work with, this just isn't going to be enough.

We know that in many ways, seniors who are the very bottom of the income scales have been a priority for many governments now, and we know, as I said, in terms of whether it's the Canadian pension plan, the old age security, the Guaranteed Income Supplement, or the Saskatchewan Income Plan, and in fact Sask Housing.

And we know Sask Housing itself has nearly 11,000 seniors who are tenants and really actually appreciate the ability to have a landlord like Sask Housing, even though we see with The Residential Tenancies Act some of the language is changing around social housing, affordable housing. We're hearing more and more from seniors who are becoming alarmed about what is the change that maybe coming next from this government. Sask Housing used to be something that you could really count on in terms of stability and predictability, in terms of rent, and particularly seniors, some 11,000 seniors who are in the very low end, low end of income.

So all of these resources are in place, but they're being challenged. They're being

challenged, and we have some real issues. We have something that we really have to deal with, and we have to make sure we do the right thing. When you hear the numbers that one in five really will plan not to retire but in fact will work for the rest of their lives, that's something else, and so we need to make sure we do the right thing.

Now many of us . . . I don't know, Mr. Deputy Speaker, but we did all receive, I assume we all received the CARP [Canadian Association of Retired Persons] magazine, the *Canadian Association of Retired Persons Advocacy Annual Report*. I was reading through it yesterday. Now we all just got back yesterday, so I might have got it the week before. But it was very interesting because it gives a national perspective, and it really focuses on what Ontario is doing because of lack of action at the federal level around a Canadian approach to this. And Ontario and Quebec seem to be striking out on this.

But I thought it was very interesting to read because this is a non-partisan, this is a pretty level-headed organization who've really talked about . . . Now they've identified their top 10 issues that they advocate for seniors.

CARP takes the long view in advocating for social, financial, and health transformation in Canada . . .

As Canadians live longer and the population ages, governments will have to lengthen their time horizon in addressing the challenges and opportunities that lie ahead. Here are CARP's top 10 advocacy issues that will require real political commitment and long term investments from governments.

(1) Support for caregivers. (2) Retirement income security.

And that's really what we're talking about here, for those who have not put money aside or enough money aside or have felt like they have, but really when it comes to . . . And this report, this gets back to the employer's . . . [inaudible] . . . who say, you know, 40 per cent of employers are people in the know about what their employees might be, feel that their employees are overly optimistic.

And this is what I worry about the Saskatchewan Pension Plan, that in fact people are overly optimistic. It has a nice ring to it, but really I don't know if it meets the test. And this is something that we really need to talk about. We have to have a frank conversation, and we will when the bill comes.

Just for interest's sake, I'd like to go over some of the other issues: "(3) National dementia care strategy," "(4) Patient centred health care," "(5) Homecare," and "(6) Older workers," and on it goes. But we are here talking about retirement income security, and that's a major, major issue.

And you know, it was interesting that as we read through this, they feel what happened in Ontario a big win, but more work ahead. And this is what I would say in Saskatchewan is we have more work to do here and, you know, with plans that have been innovative in the past, like the Saskatchewan Income Plan.

But we need to really take a look at those folks who are at the low end who are the working poor. Those people who are making around minimum wage in a full-time. We know the average age for people making minimum wage is some 35 years, 35 years old. Those people who are making some 25,000, 30,000 up to maybe 50 or \$60,000, this is something that we really need to focus on, and so we have to take this challenge quite serious.

So you know, this what they talked about, and I just want to read a few things from this magazine that we all received, the annual report of CARP. And CARP, I will quote:

. . . has been advocating for pension reform since 2008, starting with a call for a national pension summit, a Universal Pension Plan [we call it a UPP] and a modest increase to the Canada Pension Plan as a first step to address the growing concern about retirement income security. This year, our efforts bore fruit with the first change to the public pension landscape in a generation.

Now they are referring to the Ontario retirement pension plans, so they are not really thinking about what happened, you know, with the Saskatchewan Pension Plan out here in Saskatchewan as a significant change. And in fact I think they would feel that it's a little too . . . not enough and it's too late, and I would agree with them. It talks about:

Six years ago, CARP's biggest advocacy challenge was getting governments to recognize the growing problem of retirement insecurity and to get them to do something about it.

And we see much the same here, that we need this province, we need this Finance minister recognize that retirement security is a major, major issue. And as I said, particularly for those, the working poor to the low, average income, those who are from the 20,000 to the 50,000, 60,000 income bracket who may not have put enough aside, who probably don't work in a workplace that has a pension plan, who are doing in many ways the right thing because they are putting some money aside but it clearly won't be enough and in fact actually be harmful to them because they will see much of it clawed back by the federal government because essentially they will be paying their own benefits through a GIS.

So this is a problem here. And so we need to do something about this. And they go on to talk about:

Six years ago, [their] . . . biggest advocacy challenge was getting governments to recognize the growing problem of retirement insecurity and to get them to do something about it.

By June 2010, finance ministers finally acknowledged that Canadians were not saving enough for their own retirement and that governments had a role to play. The federal government introduced the Pooled Registered Pension Plans as a solution to the savings gap and finance ministers committed to considering a "modest" CPP enhancement. It is now widely accepted by experts and governments that Canadians are not and cannot save adequately for their own

retirement.

But recognition can be fleeting and government action can be slow to come. Keeping consistent attention on and driving pension reform for more than half a decade has been a challenge that paid off in 2014.

And what I'm really . . . What they're referring to of course the action that happened in Ontario, and we wait to see what happens in Quebec. But we know, we know, and coupled with a universal pension plan if we want to go down that road, but we know that as well the CPP [Canada Pension Plan] has been a very effective tool. But again we need to take a look at if it's time to have a modest, reasonable increase to make sure that there is enough money aside for everyone.

There's many benefits of a Canadian pension plan that has enhanced benefits. It's one that we all pay into, no matter where you are in Canada, and it's one that at the end of the day we'll all remember that we're part of. Now the Minister of Finance will say, well the Saskatchewan Pension Plan is portable. You can draw on it or contribute to it anywhere in Canada, and fair enough. Now I have to understand for sure. There's a residency requirement at some point, but you know, if you're . . . My colleague here from Regina . . .

**An Hon. Member:** Regina Lakeview.

**Mr. Forbes:** No, from Regina, talked about yesterday about how he has been a contributor way back in the '80s, and that's fair enough. That's good. Good thing that he remembers, but if you don't remember, that may be lost income. And I don't know. I don't know whether or not people . . . It's funny, when you make a contribution of a couple of hundred dollars when you're young, whether you will remember that. Hopefully most people do.

Interesting here, a little factoid in terms . . . I see the Minister of Education's not here. One thing that was in the teachers' contract that was interesting is those teachers who started working and, you know, Mr. Deputy Speaker, you were a school board chairman I believe at one point or on school board. Sometimes the situation arises where teachers start and they don't stay. Their very beginning career and they don't stay a month. They don't stay 20 days. But they've contributed to their pension plan during that 15 days or 14 days or something like that. So fair enough. They were 21 or 22 when that happened and they decided, this is not for me. I have to find a different career, and it's better for everyone involved if we call it a day right now. And they do, and they move on and find a different career. And they live and they have a reasonable life, and they have forgotten that they actually contributed to the STF [Saskatchewan Teachers' Federation] retirement plan.

So the situation is this. Under the old Act, a teacher who taught less than 20 days could not withdraw that money. Their estate could. After they passed away, you could get it. You could get it. But if you were alive and retired, you couldn't get it. So this was brought to my attention by one of my constituents, and so for the last couple of years I've

been writing letters and have been raising this. I wrote a written question about this.

Now would you imagine how many teachers, former teachers are in this situation? Fourteen hundred and ninety-two people. There are 1,492 contributors to the teachers' pension plan that taught less than 20 days and cannot access that money. Their estate can. Now the crazy thing is that unless you put it in your will to make sure you go after the pension plan for your couple of hundred bucks, most people will have forgotten. Most people will have forgotten that they actually contributed to the STF plan.

But that's changed now, and I'm glad to see that actually . . . I don't know all the particulars but it was one correction. Because that's not fair. That's simply not fair. If you've retired, you should be able to draw on all the resources that you have in savings. But now you can. So one little battle for the little guy, you know. And it's kind of nice when that happens. But I do have to pass that on to the constituent because she's still with us, and she was thinking that that would never, that she'd never see her, and I think it's like 3, maybe \$400. Because at that time it wasn't a lot of money.

But it's one of these things sort of, you know, when we think back and we were 20 or 21, we'll think about all the places we remember. Well we know the stats of how many forgotten bank accounts there are in this country, people who've put money aside. They've worked in a small town. They started up a credit union account. They've taken most of their money out, but there's maybe 50 bucks, 100 bucks left in and they've gone and moved on, you know. And they think they've closed everything up, you know, but they haven't.

So there are some challenges here with portability. And this is one of the things we will never . . . Most of us, I hope, will never miss getting their CPP benefits. I hope that whoever works and whoever . . . that's one of the first things you do. Make sure you get your CPP. But it is understandable if, as I've said, almost 1,500 members of the STF when they've taught less than 20 days, 20 days some 35 years ago . . . That's, you know, that would be they would have taught in the 1970s. And so do they remember? I mean, and it probably wasn't a positive experience either, you know. It's one they will . . . that September of 1978, I would just rather forget about. But at any rate, it's all something in the past, and I think that we have to make sure we make it as easy as possible. So having said that though, you know, as I said, portability is really important.

I want to take a minute to talk about the labour's plan for retirement security, and they have worked tirelessly. You know, you have CARP working on it. You have the CLC [Canadian Labour Congress] working on it, because this is something that they see and they advocate for working people. And they say, you know, a modest increase in contributions to CPP can go a long way, can really help in terms of making sure people do get a retirement that is something that you kind of look forward to, and you don't have to be the one in five who say that they'll work until they die. And that's just not the way we should be. In Canada, of all places, we should not be having that kind of thing.

I want to take a minute to refer to the minister's comments, and he talks about the CPP. This is back in November 17th, and that it's a unique . . .

SPP [Saskatchewan Pension Plan] . . . [is] a unique retirement savings vehicle for individuals with little or no access to occupational pensions . . . or other retirement savings arrangements. It is the only plan in Canada of its kind offering members professional investment management at institutional costs.

And of course, you know that would be interesting to make sure. We've heard horror stories from the States about their 401s, and what are the costs? But again, here we have a situation with little or no access to occupational pensions or retirement savings, and are they going to be penalized with a GIS or the Saskatchewan Income Plan because they've contributed not enough to make it really worthwhile.

So that's about 33,000 members with over 400 million in trusteeship. I'm not sure what that works out to, what each plan has, and what their expectations can be when they retire. That would be interesting.

And you know, he talks about three or four key aspects. Simple. You know, well that may be the fact that it's easy to join and understand. Paperwork is kept to a minimum. But you know, I think people expect more than just making sure it's simple. People want something that's durable, that's stable and predictable, and will make sure it's sustainable. Simple probably isn't the one thing that they're thinking about, but maybe it is simple.

Consistent talks about being cautious over the long term in terms of investment and making sure that . . . And we know that it's a difficult thing, up and down, in terms of investments, but fair enough. Consistent is fair. Flexible. You can make a contribution at any time during the year. Again, fair enough. But are people making contributions? It would be interesting to know. Have they done a study? Have people been consistent in terms of making contributions? Have they been there to make sure that they've been making contributions? That's really important. And portable — it's always your plan regardless of where you live, what you do.

So this is the question I would have is, so is there any, you know, what are the benefits? What are the contributions? Are there any contributions or any liabilities from the province of Saskatchewan for this? I know at one time there was, but I don't think there is anymore. But it would be interesting to know that.

And so can anybody in Canada subscribe or do they have to have had at some point some residency here in Saskatchewan? Clearly you should be able to withdraw wherever you live, but I'd be interested to know more about the contributions.

So this is something that's hugely interesting and compelling, because it's something that is on people's minds. We know the Ontario election, in many ways the outcome was determined in significant ways because of Premier Wynne's promise to create a universal pension plan in Ontario, to go it alone. And we know in Quebec there is a lot of interest in it, and they also made a plan, a promise to make a plan.

So we are really . . . I think that people are thinking about, do I have enough resources to retire and not be overly optimistic like many employers think that their employees are?

We want to make sure that people can make contributions. That in fact they won't see them clawed back when they're 65 or 66 and wonder, why did I put this money into a plan that really doesn't really protect me? I mean it may be one thing to say I have professional advisers while I'm working, but what happens when you have to withdraw? What happens then? And what happens with the implications with the other plans?

So we have a lot of questions about this, Mr. Deputy Speaker. It is one that is on the radar, as I've said, for citizens. It's one on the radar right across Canada, right across the world. We see governments that are having to step up, and people are expecting them to make sure that people can retire, that this stat, that where we say one in five will continue to work . . . I mean it's one thing to say I have a choice to work when I'm older, but it's another to say I have to work. I have to work. And quite often we know those are people who are in low-income jobs.

So while this may target one kind of niche in terms of those who may not be working . . . And it'd be interesting to know, since the 80s when it was introduced, how much that market has shrunk. We know families now, it's very common to have both spouses working. In the 80s it wasn't as common, but now it is very much the situation. And so what has it done to bring this forward?

So there will be many, many questions with that, and I think this is one that many folks will want to talk about at length. It is one that we have in all our constituencies, seniors who are wanting to make sure they have money set aside. There's a segment that will do well — those who have pension plans or those who've done well through their work, whether through business — but there unfortunately will be those who will be struggling. And I think we owe it . . . This is who we are as Canadians, to make sure every senior is looked after in their senior years, that they can have a home, that they can afford groceries, and they can afford their medications and their health care and they can have a little bit of joy as well. That's a huge thing.

So with that, Mr. Speaker, I would like to move adjournment of Bill No. 158, *An Act to amend The Saskatchewan Pension Plan Act and to repeal The Saskatchewan Pension Plan Amendment Act, 2013*. Thank you, Mr. Speaker.