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# DEBATES and PROCEEDINGS

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### **Bill No. 91 Saskatchewan Pension Plan Amendment Act**

**Mr. Forbes:** Thank you very much, Mr. Speaker. It's a pleasure to rise and enter into debate of Bill 91, *The Saskatchewan Pension Plan Amendment Act, 2013 (No. 2)*. It's very important that . . . This is an important area when we talk about pensions. And how will our seniors and how will we, as we age, and how will our children have that stability when they reach the retirement years? And what kind of plans have our governments made to ensure that there is that stability and predictability and the protection against poverty when we reach that age?

And so in many ways we're starting to see the fruits of the labour of this government and also at the federal level I know, and the federal minister and our own provincial minister have spoken about the discussions that have happened at the federal-territorial-provincial tables around pensions and security in old age. And so this is one part of that package, and of course this one is about amending the Saskatchewan Pension Plan so it can offer the pooled pension initiatives that the ministers have been talking about.

So it's important that we take some time and talk about this. I think there's three or four bills that are tied together on this issue.

But as I have talked earlier, and I will continue to raise this in terms of the fact that we think this is not the approach, I think this is not the approach that serves Canadians in the best way, that unfortunately that we should be doing more to strengthen the programs that all Canadians have. And of course the minister did talk about this. He did raise the fact about the different pillars. And he talked about the fact that in Canada we are considered to have one of the best systems in the world. It's a blend of public and private programs. And he talks about the three elements or referred to the three pillars, and I think that's very important to consider.

Now he does talk about only 47 per cent of workers have access to workplace pension plans. And that's so true. And ironically almost all of those have workplace pension plans

because they are unionized or they are organized. And that is one of the positives of an organized workplace is that you can get benefits that most others can't.

And in fact, Mr. Speaker, you know, and I think I may have said this, but I'm not sure. But two-thirds of my family, my siblings and our spouses — and that would range in to about 15 people — have pensions because of the fact that we belong to some sort of organized workplace. And whether it's myself in terms of the STF [Saskatchewan Teachers' Federation] or whether it's CUPE [Canadian Union of Public Employees] or Steelworkers or the SGEU [Saskatchewan Government and General Employees' Union] or SUN [Saskatchewan Union of Nurses], almost . . . Yes, two-thirds of my siblings belong to some sort of organized workplace. And most families I think in the province would think, well we're not a union family, or we're not a labour family. And I think that until just recently, I think that I would've said the same thing about the Forbes.

But unfortunately or fortunately, I think perhaps more fortunately, the fact is that we were able to launch our careers in organized workplaces, whether that be nurses or teachers or social workers. It's interesting that we are now, my siblings, many of us are reaching that retirement age. And we can make that choice because we belong to some organized work association, whether it be a union or a professional organization. We were able to have workplace unions' plans. But unfortunately less than half of Saskatchewan people have that.

Now the other shocking statistic is not only is a small number, less than half have a workplace pension, but then about only a third of people take advantage of private pension plans. They just aren't meeting or aren't able to be utilized by workers in Saskatchewan, and it's unfortunate. It truly is unfortunate because what happens is that we could make these plans, but if people cannot afford them or it's the last thing they do because they have too many other bills to pay, then there's a problem. There's a real problem. And so, Mr. Speaker, this is a challenge that I think that we have to address.

And while we can talk about changes to the Saskatchewan Pension Plan and we can debate the value, the merit of that plan — and it's been around now for quite a while, almost 30 years, 27 years — the real debate is, is this meeting the need of people in Canada and in Saskatchewan when ironically so few people can actually take advantage of it? And I mean about a third of people. And I don't know what the actual percentage of . . . And I think the member did talk about the fact that Saskatchewan Pension Plan has grown over 32,000 members. But we've got to realize, out of what kind of pool of potential members is that? And this is something that we think is a problem. And he talked about 1,000 new members since 2012.

So, Mr. Speaker, while the Finance minister may be impressed by these numbers, we have to be impressed by the fact that old age security is becoming a real, a real challenge for people, and they are worried about what will be their lot when they retire. We know more and more people are actually working past 65. And in fact the federal government did raise the age of retirement or what we often think of the age of retirement to 67, and it's pushing people to work longer.

Now we're seeing potential pressures from that. Interestingly last week we saw the stats on workplace fatalities, and one of the highest stats was heart attacks in the workplace. Now I don't know the situation behind that and all the details, but I do know that there were several in their 60s, and I think that there might have been one even in their 70s who were still working.

Now it is a wonderful thing to work into . . . you know, until you feel that you are ready to retire. And if you feel you are contributing, and it's a meaningful workplace, or if you're meeting a social need, that you're working in the coffee shop for a couple of hours and it's meeting your need, I'm fine with that too. But I am worried. I am deeply worried that people are working or may be forced to work longer than they normally would simply because they have a hard time making ends meet. That shouldn't happen in Saskatchewan.

And when the minister talks about the fact that our retirement income system in Canada is considered to be one of the best in the world, you know, there's many things that we are considered to be the best in the world, but our reputation is sliding. And I really worry. I deeply worry about this, that how do people around the world view our retirement plans? And it used to be one of the best and may be today, but clearly is it on a slippery slope?

Now pooled pension plans may work for some, and I think that's an interesting tool in the tool kit. I'm not opposed to it in principle. But what I am concerned about is the priorities and choices this government has made when really I think the idea that I know that many groups have raised with the Finance ministers that talked about the second pillar which consists of the Canadian pension plan, CPP [Canada Pension Plan], which is funded through earnings-based contributions from employees and employers . . . And participation in CPP is mandatory for all employed and self-employed Canadians.

And so I think it's important that we take a look at that. That would have been my first choice for this government, and I think it would have been the first choice for people in Saskatchewan to say, can you look at this more carefully? Be one of the provinces that join in in convincing the federal government to pay attention to the Canada Pension Plan. Pay attention to the CPP because while it is tough when we have deductions off our paycheques and it goes to CPP, you know, you feel a lot more secure about it. You know what's going to happen, and you can count on it.

And the wonderful thing about CPP versus say the Saskatchewan plan . . . And we see people moving back to Saskatchewan, but we don't know where we're going to be in 20 or 30 or 40 years, especially young people. And if they're making contributions to the CPP, it will follow them. It will follow them right across Canada whereas the Saskatchewan Pension Plan is really focused on, you know, one employer who may be involved in the Saskatchewan plan. And will it follow them, or will they have to keep track of it?

And I think that could be a real challenge for somebody who is 25 or 28, working and saying, oh I have to remember that when I was in Saskatchewan and I worked for a

company for two years, I had made contributions and the contributions are in the Saskatchewan Pension Plan. And now I'm 65 and I'm living in BC [British Columbia] or Nova Scotia, and I have to remember, oh yes, that Saskatchewan Pension Plan. And that was located in what city was it? Kindersley.

And that's great that it's in Kindersley. But you know, Mr. Speaker, I think this is not the appropriate priority that this government should have gone down the road of. This government should have gone down the road of CPP. And this is a tool in the tool kit. As I said, I'm not fundamentally or on a principle opposed to it. And it was originally set up to meet the needs of homemakers and those people who did not normally have access to a pension. But now we're seeing that it's moving into the mainstream, and I worry about that. I worry about that.

So I would really, I would really encourage this government to continue — and I understand from the minister that they'll be meeting in June — to talk with the Finance ministers to continue this conversation around pensions and security for seniors. And I would really urge them to continue the conversation around CPP, just because I think that's a more universally accessible program for Canadians. And I think that it's critical that we do that.

And I think we can do both at the same time, that we can have tools. And it's good to have a variety of tools to meet your needs in your senior years. But we do have to set priorities. And I said with the CPP, I think that makes a lot more sense to have that full discussion. And of course, Mr. Speaker, I don't know all the specific details. Obviously the Finance ministry . . . It's a very complex, very complex issue. But I would really urge the government to really pull at that as well.

And while we will be debating this, we will have many more questions in committee around this topic and around this tool because it has stood the test of time as I said, being created in 1986. Obviously it's been well run and the management is strong and it's not going anywhere. And it's meeting the needs of a group of people. And so we will have questions about that.

But as I said, that it's important that we look at the broad range of people — those who are able to save money, those who are able to put money aside, who'll say this makes sense for me; I can put this aside. But there's many, many people, and we often consider them, we often talk about them as vulnerable workers, those who just have a difficult time making ends meet. And whether it's because of the high cost of housing that they're spending more than what we would normally, say 30 per cent of their income on housing, and if they're paying 40 or 50 per cent, that extra 20 per cent is what they could be making a choice about putting into their retirement savings. But they can't.

And we know in the reality in Saskatchewan that housing has become much more expensive. It's much more expensive. And it's one of those basic needs. You've got to pay the rent. You've got to make your mortgage payment every month. You absolutely do. And so these are the realities that people have. And I'm not even thinking we can call them choices because you really don't have a choice. Do you pay rent or do you pay into

your savings account, your retirement savings account? Unfortunately that's reality here in Saskatchewan now.

And the other issue though of course is around you may have a high cost like housing, but you also may have low pay. And that's an issue as well. Now we've seen the minimum wage increase significantly over the past seven years. And on our government's side we were very happy and proud of the contributions that we made in terms of increasing the minimum wage to what we thought was going to be a living wage. But clearly the cost of living in Saskatchewan has outstripped that, so it's no longer really considered a minimum wage, even when it's over \$10 an hour.

The reality is, though, we have to make sure that people have a living wage. And this is something else, on an aside. You know, when we first did that, I think that there were numbers around 10 or 12,000 who were working for minimum wage. And now I understand the number is much, much higher. Because as you increase the minimum wage, it catches more people who were working maybe 50 cents or \$1 dollar an hour higher, and you were catching those people. So they're not getting the increases that typically would have happened or should have happened. When minimum wage was increased, their increases should have happened, but they didn't. And so they've been caught up by the increase in minimum wage, so you have a lot more people at the lower end of minimum wage.

And again I hesitate to use the word choice because they don't really have a choice. They have to pay for the basic things of life and what's happening in their life right now. And unfortunately, putting aside for retirement isn't making their priority list. And I can understand why. I can understand. I absolutely can understand. And so this is why we need to have that broader discussion.

And I'm using this time, Mr. Speaker, to make that pitch for us to have that conversation about strengthening the Canada Pension Plan. And while we are talking about the Saskatchewan Pension Plan, as I said, it's a tool in the tool kit. Not fundamentally opposed to it. It meets the needs of a certain group of people, but it sure does fall short of the mark to meet the needs of many, many people in Saskatchewan, particularly those vulnerable workers who are working at low-income jobs or are caught in a cost squeeze because of their cost of living.

And so, Mr. Speaker, this is the challenge that we have. This is the challenge we have, and I know that there will be many people who will want to speak to this bill because this is, again, we call it a suite of bills. We understand there's three or four of these. And I know that we'll be ready to go on to some other debates pretty darn quick because I think that . . . I know there are many people who want to speak to this particular bill. So I would like to move now adjournment of Bill 91, *The Saskatchewan Pension Plan Amendment Act, 2013 (No. 2)*. Thank you.