



National Association  
of Federal Retirees

Association nationale  
des retraités fédéraux

# Written Submission for the Pre- Budget Consultations in Advance of the 2020 Budget

## Recommendations

- **Recommendation 1:** A budget consultation should focus on more than a single topic to allow a broader discussion on a wide variety of topics about the financial priorities of this country, including health care, retirement income security, a National Seniors Strategy, pharmacare, and veterans.
- **Recommendation 2:** Federal Retirees believes that Canadians deserve a secure and dignified retirement, with a guaranteed and sufficient source of income. More needs to be done to ensure that older Canadians can afford to enjoy a healthy, active and dignified retirement. Federal Retirees recommends that the government protect accrued benefits, protect employees and retirees in corporate insolvencies and strengthen defined benefits. The government must commit to better public policy to ensure employees and retirees receive their pensions, including if companies become insolvent.
- **Recommendation 3:** Federal Retirees recommends that the government implement a National Seniors Strategy that optimizes health, financial security and social inclusion so that all Canadians can age with dignity.
- **Recommendation 4:** A national strategy should also include a universal, public, comprehensive, accessible and portable national pharmacare program so that all Canadians have access to the medications they need.
- **Recommendation 5:** Federal Retirees urges the government to invest in veterans' issues. Veterans face long-standing difficulties in accessing support over several successive governments. The government should build on the work that has been started by the new Canadian Armed Forces Transition Group working together with Veterans Affairs Canada to make transition seamless. Federal Retirees also recommends that the government improve access to information and resources, and support horizontal communication among government departments and organizations that serve veterans and families, to ensure that they have the well-being, care and benefits they deserve.

## Discussion

Federal Retirees is the largest national advocacy organization representing active and retired members of the federal public service, Canadian Armed Forces, Royal Canadian Mounted Police and retired federally appointed judges, as well as their partners and survivors. The organization has a proud 50-year history of advocacy on behalf of our members and all retirees. In collaboration with our volunteers and 176,000 members from coast-to-coast, we continue our tradition of strong, smart advocacy campaigns that seek to protect our members' hard-earned pensions and benefits, and to support good policy that improves the lives all Canadians in their retirement.

This year, the Committee on Finance has asked for budget 2020 submissions specifically relating to the topic "Climate Emergency: The Required Transition to a Low Carbon Economy". While Federal Retirees recognizes and appreciates the significant threat of Climate Change, we feel that to focus the entire budget consultation on a single topic limits a broader discussion on the wide variety of topics that should be included in a conversation about the financial priorities of this country. Priorities such as health care, retirement income security, a National Seniors Strategy and veterans.

## Make Retirement Income More Secure

Federal Retirees believes that Canadians deserve a secure and dignified retirement, with a guaranteed and sufficient source of income. Unfortunately, that isn't the case for many of our members and Canadians in general. Statistics Canada estimates that 12% of senior families are considered low income and that 28.5% of single seniors qualify as low income — that's 600,000 Canadian seniors living in poverty. While recent increases to the Canada Pension Plan (CPP), Old Age Security program (OAS) and Guaranteed Income Supplement (GIS) are a step in the right direction, more needs to be done to ensure that older Canadians can afford to enjoy a healthy, active and dignified retirement. Federal Retirees are therefore pushing the next government to protect accrued benefits, protect employees and retirees in corporate insolvencies and strengthen defined benefits.

No employer, in either the public or private sector, should be allowed to change the compensation promised to employees once they have retired — accrued benefits must be respected. A pension is a commitment. Governments must commit to better public policy to ensure employees and retirees receive their pensions, including if companies become insolvent. According to a study by the National Institute on Retirement Security in the US, defined benefits plans deliver the same retirement income at half the cost of defined contribution plans due to lower fees, a balanced investment portfolio and longevity risk protection. Further, studies show that strong defined benefit pension plans, like the Public Service Pension Plan, contribute significantly to local economies. Retirees continue to spend — up to 80% of all pension dollars are pumped into local economies.

## **Implement a National Seniors Strategy**

Federal Retirees also believes Canada needs a National Seniors Strategy that optimizes health, financial security and social inclusion so all Canadians can age with dignity. Older Canadians are the fastest growing segment of our population, but gaps in Canada's healthcare and social policies are creating barriers to seniors' independence and the essential role they play in vibrant, healthy communities and economies. A coordinated National Seniors Strategy, with dedicated funding and accountable goals will ensure we meet the evolving needs of seniors. Canadians are living longer, and our health care system is not keeping up with shifting demographics.

We need a quality, accessible health care system that helps address the social determinants of health. Standards of care are inconsistent across the country. Many Canadians do not have access to a primary care provider and Canada has but one geriatrician per 15,000 adults. The need for community care workers and personal support workers is growing. Adequate staffing levels, better training and education and safe working conditions are needed to improve care. Shortfalls in long-term and home care force seniors to stay in hospitals longer than they need. A national strategy should encourage the integration of hospital, community and home care services to enable seniors to receive care in comfortable and familiar settings. More than 8 million Canadians provide care to a family member or friend, contributing an estimated \$25-billion in unpaid labour. This comes at a cost to their personal finances, and to their physical and mental health.

## **Prioritize Pharmacare**

A national strategy should also include pharmacare. All Canadians should have access to the medications they need. A universal, public, comprehensive, accessible and portable national pharmacare program would cut costs and lead to a healthier population. It would also allow for better monitoring of medications and reduce the burden on other parts of the health care system. Canada is the only country in the world with universal health care that does not also provide universal drug coverage. Canadians consistently pay among the highest prices for prescription drugs. Twenty per cent of Canadians have inadequate coverage to meet their needs, and one in four households in Canada can't afford to fill their prescriptions. A universal, public pharmacare program would help Canadians better manage their health, lead to reduced medication costs and allow for better monitoring of the effectiveness and safety of medications. It would also reduce the burden on other parts of the health care system as studies estimate that a coordinated, national drug plan would save between \$4 and \$11-billion annually.

## **Better Well-being for Veterans and their Families**

Finally, Federal Retirees urges the government to invest in veterans' issues. Veterans face long-standing difficulties in accessing support over several successive governments. There are numerous challenges in receiving the care they need to have an acceptable quality of life after service. Transition to civilian life is a big change that can be especially challenging for those who are dealing with illness, injury or trauma, and transferring to the civilian medical system is often marked by difficulty finding family doctors, long waits and incomplete or missing medical records. This can mean that ill or injured veterans are unable to access financial, health and other benefits and services from Veterans Affairs Canada. Future governments should

build on the good work that's been started by the new Canadian Armed Forces Transition Group working together with Veterans Affairs Canada. This group is working to make transition seamless, from continuity of medical care and records transfer, to coordinated programs and a clear application process, to support to navigate every step.

Numerous changes to the Minister for Veterans Affairs and payment calculation errors compound a lack of confidence in the system veterans rely on. Government cannot do it all alone. The next government must improve access to information and resources by working on solutions with national service providers, non-profit and community-based organizations. It is important to emphasize and support horizontal communication among government departments and organizations that serve veterans and families. Veterans have served Canada and were willing to risk their lives to do so. Now it's Canada's turn to support veterans of the Canadian Armed Forces and the Royal Canadian Mounted Police, and ensure that they and their families have the well-being, care and benefits they deserve.

While do not choose to minimize the importance of climate change, we look forward to further positive discussion on these, and other topics of relevance, during the Finance Committee discussions on the federal budget. We are happy to assist the committee and take part in further discussions.