

## June 7 Ontario Election - CFP Membership Participation

What to ask candidates in a public forum.

Recent Ontario Government legislation permits companies to permanently under-fund pension plans. That increases risk to your pension. In passing that legislation, Premier Kathleen Wynne rejected a no-cost-to-taxpayers proposal to fully protect pensions.

The June 7 election campaign starts now. It's your best chance to ask candidates and parties to commit to full pension protection. Where will candidates respond to questions? All-Candidates' meetings; radio phone-in programs; similar public events or when they call on you – at your front door or on the phone.

To find out the time, date and location of an All-Candidates' meeting, call the campaign office of one of the Candidates.

If a party leader participates in a radio or TV phone-in program, it's a great opportunity to challenge her/him with one of the party-specific questions below. Party leaders are the very best place to apply the pressure.

To advance 100% pension security, pick a few questions to ask candidates from the 10 questions below.

Print them – so they're always available from now to June 7.

Questions 1 – 5 (mostly for NDP and PC candidates). These questions challenge opposition parties to commit to legislation which provides 100% pension security.

Questions 6 – 8 (specifically for Liberal candidates). These questions have more “bite” and challenge the Ontario Liberal Government on its abysmal pension record. Liberal legislation diverts money from pension funds into corporate coffers – \$1.4 billion per year. Yes BILLION.

Question 9 (specifically for NDP candidates). This question challenges the NDP to improve its moderately good (but still inadequate) policy to increase pension insurance.

Question 10 (specifically for PC candidates). This question challenges PCs to produce a pension policy. Their most recent statement trusts companies' profitability to secure pensions – that's nothing but the status quo created by the Liberals. It seems the PCs learned nothing from Sears. If the PCs publish an actual policy, we'll update this question for you.

### **Question 1: (to the NDP and PC candidate)**

The Sears Canada bankruptcy hurt many people – pensioners and their families.

The Sears parent company sold assets and then paid out about \$3 billion in special dividends and executive bonuses.

At the same time, they minimized payments into the pension fund. It was all legal.

The Sears result: a pension fund shortfall of \$267 million – and pensions cut by about 20% - as well as lost health and insurance benefits.

**If your party is elected, what legislation would you pass to protect other pensioners from the same fate?**

### **Question 2: (to the NDP and PC candidate)**

The Ontario Government recently reduced pension funding requirements from 100% to 85%.

Without the money to cover 100% of pension obligations, pensioners get 85% pension coverage.

That means a shortfall of at least 15% to pensions in a bankruptcy.

**If your party is elected, would your party fix the legislation to prevent such a pension reduction? If so, how?**

**Question 3: (to the NDP and PC candidate)**

Ontario has pension insurance. It just doesn't work very well.

Since 1980, an employer-funded pension insurance plan guaranteed a floor pension of \$1,000 per month.

No higher pension allowed to fall below \$1,000 per month.

After 37 years, the Wynne government finally raised that floor a little - to \$1,500/month. Still no taxpayer money required.

As many Sears pensioners now realize, \$1,500/ month is 40% less than the Ontario's new FAIR minimum wage. How Fair is that?

**Since employers are now walking off with \$1.4 billion/year of pension money, would your party, if elected, require 5% of that windfall to go into the insurance plan - to fully protect pensions?**

**Question 4: (essentially asking Questions 2/3 a different way)**

Pensioners aren't shareholders – and shouldn't have shareholder rewards or risks. But the Sears experience demonstrates that any failing company can transfer shareholder risk to pensioners.

HOW? Loot the pension fund; Cut up the cash between shareholders & executives; and Race out of town in bankruptcy. It's like an old-time bank-heist movie – without a stick-up note. Instead of protecting the cash, the Sheriff opens the bank vault before the gang arrives. Starring as the Sheriff: Premier Wynne.

It's a total failure of responsible government. To address it, the Canadian Federation of Pensioners proposed an enhancement to existing pension insurance – to fully protect pensioners' losses in a Sears-type heist. The insurance premium would be paid from the \$1.4 billion/year windfall that companies receive from Wynne's new pension funding law.

Accredited professional actuaries calculated that a mere 5% of the windfall, if directed into the pension insurance plan, would be enough to provide full pension protection in a future bankruptcy.

It may be a perfect solution: There is NO cost to the taxpayer. Companies make off with slightly less than \$1.4 billion/year. Pensions are fully protected. But the Wynne government refused pensioners this protection.

**If elected, would your party legislate the CFP proposal?**

**Question 5: (to the NDP and PC candidate)**

It is possible that no party will achieve a majority of seats in this election.

Two parties may negotiate to govern with common items of legislation.

**In such a negotiation, would your party insist on implementing the pension insurance improvement suggested by the CFP?**

**Question 6: (to the Liberal candidate)**

Prior to passing the recent pension legislation, Premier Kathleen Wynne indicated she wanted it to have “THE RIGHT BALANCE”.

Now we see that one side of her BALANCE is a windfall gift of \$1.4 billion per year of pension fund money to companies.

The other side of her BALANCE is the new “floor pension” of \$1,500 per month for pensioners in bankruptcy.

Companies love walking off with \$1.4 billion/year of pensioners’ money.

But Pensioners feel betrayed. A floor “guarantee” of \$1,500/month is not full protection. In fact it’s 40% less than Ontario’s FAIR minimum wage.

**Please explain why that’s Premier Wynne’s “RIGHT BALANCE”.**

**Question 7: (to the Liberal candidate)**

Premier Wynne recently described her 2014 election platform as addressing pension fairness.

How fair is it that Ontario law allows a company like Sears to strip its Canadian subsidiary of assets in order to pay \$3 billion to shareholders and executives while Sears pensioners suffer reductions of about 20% in their pensions.

**Please explain how Premier Wynne’s 2014 election promise delivered fairness to Sears pensioners?**

**Question 8: (to the Liberal candidate)**

**How much money has the Liberal party received in donations from Executives of those companies receiving part of the windfall gain of \$1.4 billion/year - money that should be funding pensions?**

**Will you identify those donors? Will Premier Wynne release the list to media now or before June 7?**

**Question 9: (to the NDP candidate).**

Your party platform promises to “.... Increase the Pension Benefit Guarantee Fund guaranteed amount to \$3,000 per month indexed to inflation and will make the current benefit retroactive for Sears pensioners.”

That’s much better than the Liberals’ “less-than-minimum-wage” protection – thank you.

But you don’t offer to fully guarantee every pension – so you wouldn’t undo all the damage of the Liberal legislation.

Companies are getting \$1.4 billion/year of pensioners’ money. They can afford increased insurance premiums. It costs taxpayers nothing.

**What possible reason did you have to stop short of the principle of protecting 100% of every pension?**

**Question 10: (to the PC candidate).**

In a policy vote last year, your members voted 84% to protect pensions.

Your party then promised it in the Peoples’ Guarantee.

With the demise of the People’s Guarantee, your party now leaves it to employer profitability to protect pensions.

That’s the status quo. The Sears saga demonstrated it doesn’t work.

**Will your party accept the no-cost-to-the-taxpayer solution recommended by the Canadian Federation of Pensioners to enhance the Pension Benefits Guarantee Fund (PBGF) – funded by a small fraction of the \$1.4 billion annual windfall to employers – to protect 100% of pensions in a Sears-type bankruptcy?**

**Hints for asking questions:**

Hint 1: wherever possible a questioner should remain standing during the answers – ideally in a conspicuous place and maintaining eye-contact with the candidate(s) – in order to hold the floor and to retain the ability to comment on the answer and/or ask a supplementary question.

Hint 2: Consider prefacing your question with: “How many candidates or people in the audience could tolerate an immediate 40% reduction in income for the rest of your lives? Please stand up. 20%? Nobody? Now you know what Nortel pensioners and Sears pensioners will feel for the rest of their lives.”

Hint 3: Take friends with you. It works really well when a second questioner – from a different part of the room – comments on the adequacy of a previous answer and asks a different pension question. Done properly, you can get the whole meeting – or a great part of it – to focus on pension security.

Hint 4: Everyone in the audience will have sympathy for Sears pensioners. Always try to mention Sears in your questions.

Additional Benefits of asking these questions: Candidates who continually face tough questions on an issue will do two things. First, they’ll report back to HQ that the issue is “hot” and ask for answers. Second, if the answers are inadequate, they’ll ask HQ to change/improve the party’s position on the issue. So, we need to ask these questions at every possible event.

Hint 5: Never hesitate to briefly interrupt an evasive answer if you still have a microphone. Don’t get into a long argument – a brief interjection gets the point across. “You Aren’t Answering The Question. What Is Your Answer?”

Hint 6: Personal references can be very helpful: “I worked 30 years for a large company. All I have is a modest company pension as well as small Old Age Security and Canada Pension Plan monthly payments. I can’t get another job now. I earned my pension. I need 100% of my pension. My spouse will need it after I pass on.”

Hint 7: Don’t hesitate to contrast Government policies. “What good are Fair Hydro rates if I lose my FAIR pension?” “What good are FAIR gasoline prices, if I lose my FAIR pension?” “Is it still a FAIR pension, when I lose 20% or 40% of it?”

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