

# RETIREMENT SECURITY AND EQUALITY-SEEKING GROUPS

An illustration in the top right corner shows a blue hand holding a pink dove, symbolizing peace and security.

Canadians are walking into a retirement income crisis that will hit equality-seeking groups the hardest.

Over 11 million Canadians today – six out of every 10 workers - don't have a workplace pension plan. When a worker doesn't have a good pension at work, they have to rely more heavily on the country's public pension system (Old Age Security, the Guaranteed Income Supplement and the Canada Pension Plan). But this system is inadequate, particularly for equality-seeking groups.

The problems affecting Canadian workers generally have affected and will continue to affect equality-seeking groups even harder.

## BY THE NUMBERS

- The median income for women seniors is 2/3 of the median income of senior men.
- Nearly 70 per cent of single seniors who live alone are women. They are twice as likely to live below the poverty line.
- Canadian seniors with disabilities rely significantly on our modest public pension system.
- Racialized CUPE members are less likely to have a pension plan at work. This mirrors a trend throughout the labour market.
- Female CUPE members are less likely to have a pension plan at work.
- 70 per cent of senior men receive income from workplace pensions or RRSPs, compared to only 58 per cent of senior women. This means women rely on the public pension system more than men (52 per cent of senior women's income comes from the public system vs. 42 per cent of senior men's income).

- Women get less from CPP. The median CPP payment for men is 25 per cent higher than for women. This is a result of lower wages, more part-time work, and more years out of the traditional labour market.
- Part-time workers are often cut out of pension plans. Female CUPE members are twice as likely to work part-time as male CUPE members. Racialized members are more likely to work part time than non-racialized members.

## WHY?

These problems hit equality-seeking groups harder because of broader trends:

- **Access:** Workplace pension plans and the CPP are tied to employment. Since equality-seeking groups are less represented in the formal labour market, they are disproportionately cut out of these plans. If employed, workplace pension plans are often tied to full-time status, which further cuts many equality-seeking workers out of these plans.
- **Adequacy:** The amount a pension plan pays out is related to a worker's earnings. As workers from equality-seeking groups tend to have lower wages, they will have lower pension payments. Years not in formal employment (such as periods of unemployment, or childbearing or family responsibilities, for example) will tend to pull pension payments downwards.

- **Security:** Jobs offering good, secure defined benefit pension plans are generally tied to higher wage positions for CUPE members. Workers in smaller workplaces and/or lower paid employment are often in insecure types of pension plans (like defined contribution plans), if they have any pension at all.

## WHAT CAN WE DO?

Since equality-seeking groups rely more heavily on the public pension system than other groups, an immediate goal should be to improve it. We can do this by:

- **Expanding the Canada Pension Plan.** CUPE and the labour movement have been fighting to double CPP benefits through a modest increase in contributions. Canadians, pension experts, and provincial governments say this is the best way to go. But the federal Conservative government has unilaterally stopped any further talks. The NDP has pledged to expand the CPP when they form government.
- **Reverse the cuts to Old Age Security and the Guaranteed Income Supplement.** The federal Conservative government has announced a phased-in increase to the age of eligibility for these important plans from 65 to 67. This strips millions of future Canadian seniors – equality-seeking groups in particular – from two years of important pension payments. This change was unnecessary and can be reversed by electing an NDP federal government.
- **Improve the Guaranteed Income Supplement to bring all seniors out of poverty.** A small increase to the Guaranteed Income Supplement benefit levels could bring all Canadian seniors out of poverty. It's affordable, and we need to push for a federal government that will make it a reality.

We should also be fighting for good workplace pension plans. The best way to ensure equality-seeking members have a secure retirement income is to build and protect defined benefit pension plans in our workplaces.

CUPE has many resources to find the best solutions to protect our pensions. Locals have access to researchers, servicing representatives, and pension experts with the expertise to help build and defend pensions.

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