

2004 Federal Elections

Issues of Interest to FSNA VS Political Parties' Platforms

Introduction

There are many issues facing older Canadians today. Even though all of these issues are of importance, FSNA has focused on certain issues which directly impact on superannuates.

A letter was sent to each one of the leaders of the political parties asking them to respond to the same questions as described under each issue.

Each issue is presented under the following headings:

- Background and FSNA's position
- Questions
- Political parties' positions
(they will be communicated to branches as soon as they are received).

It is not recommended that FSNA members enter into a debate with the candidates. Rather, the purpose is to have them explain their views and positions, and the actions they would take if elected.

Major Issues

The major issues described in this document are:

- Public Sector Pension Reform (Surplus court case & pending pension matters)
- Canadian Health Care System
- Retirement Income Security Programs
 - OAS/GIS (first pillar)
 - CPP/QPP (second pillar)
 - RRSPs and RPPs (third pillar)
- Fair Tax System
- Policy on an Aging Society
- Other Issues

How to Use

Whether members are chairing a meeting of all candidates or attending an all candidates' meeting as the official FSNA representative, they should ensure that in commenting and in asking questions they stick with information they have and with which they are comfortable.

The issues described in this document are very briefly stated and deal only with the most important aspects of the issue.

If members are preparing news media articles or participating at news media events (such as local radio/TV shows), they should ensure that they bring the description of the issues with them.

Note

At the time this document was prepared (June 16, 2004), only the Bloc Québécois had responded to the questions asked by FSNA. The Bloc's responses were not translated and are reproduced as given.

For the other parties, only those parts of their party platforms that most directly relate to the issues of concern to FSNA were included in this summary.

Additional information as well as the complete electoral platforms of each of the parties are available at these Web sites:

- **Liberal Party of Canada:**
www.liberal.ca
- **Conservative Party of Canada:**
www.conservative.ca
- **New Democratic Party of Canada:**
www.ndp.ca
- **Le Bloc Québécois :**
www.bloc.org

ISSUE

Public Sector Pension Reform

Background information

The superannuation plans are employer-sponsored pension plans of the Government of Canada. For all practical purposes, they generally compare favourably with most plans in the private sector, especially in the area of indexation. Because they are set out in separate legislation, many people in the private sector regard them as a special benefit given to the Public Service (PS) employees, the members of the Canadian Forces (CF), the Royal Canadian Mounted Police (RCMP), and the federally appointed judges. Also, because many of the issues are complex and can easily be misunderstood by candidates and others, specific details of these plans should not be discussed at open meetings but should be left for the National Executive to discuss with party leaders and Cabinet Ministers.

If the issue of the superannuation plans is raised by others, it will most likely be done in a hostile context i.e. the plans are seen as "overly generous", as representing "a huge burden on future generations of taxpayers", etc. If this happens, the following facts should be made clear:

- During their working years, plan members pay a fair share (about 40%) of their pensions.
- Contribution rates by employees are among the highest in the country.
- The Government of Canada counts its share (about 60%) of the cost as part of employee compensation in determining wage and salary rates for its employees, consistent with the principle that pensions are deferred wages.
- All liabilities of the superannuation plans are counted as part of the total obligations of the government of Canada. In this regard, the liabilities of the superannuation plans are no different than any other obligation of the Government of Canada such as a Canada Savings Bond.
- The financing of the superannuation plans is on a fully funded basis just like any private sector plan.

Public Sector Pensions Surplus Court Case and other pending pension matters

In 1999, Bill C-78 resulted among other things in the establishment of the Public Sector Pension Investment Board (PSP Investments) for the investment of net cash flows from the superannuation plans into the capital markets rather than government bonds. However, Bill C-78 also provided for the appropriation of the public sector pension surplus (about \$31 billion at that time) by the federal government.

FSNA has since then claimed that the combined surplus in the underlying three plans (PS, CF, RCMP) should be allocated equitably amongst all stakeholders: the pensioners, the employees, and the employer. FSNA is one of the 15 plaintiffs in the pending related Court Challenge that ensued.

Since then, FSNA continued its efforts to seek improvements in the benefits of current pensioners, including:

- Provision of survivor benefits to pensioners who marry after retirement in the case of pensioners from the Public Service (PSSA) and over age 60 in the case of Canadian Forces (CFSA) and RCMP (RCMPSA) pensioners;
- Restoration, to more than 110,000 pensioners still alive, of the pension income loss resulting from the implementation, in 1982, of the Government Compensation Restraint Act (i.e. limits on pension indexing);
- Indexing of pensions for all CF and RCMP pensioners for the period running from the release date to the pension commencement date;
- Provision, to CF retirees, of the same improvements in the Supplemental Death Benefit provided to PSSA retirees through Bill C-78;
- Various other improvements in survivors' benefits

Questions to ask of candidates

- 1- What is your position on the allocation of the pension surplus?
- 2- The improvements in the benefits mentioned above will require changes to the appropriate acts. Do you support these changes?

Responses from the leaders of the political parties

- **Liberal Party of Canada:**
Position not stated in party platform.
- **Conservative Party of Canada:**
Position not stated in party platform.
- **New Democratic Party of Canada:**
Position not stated in party platform.
- **Bloc Québécois :**

Quelle est votre position concernant la distribution équitable des surplus actuels?

Le Bloc Québécois continue de réclamer du gouvernement qu'il adopte une approche transparente et démocratique dans le dossier des surplus des régimes de pension, comme il le réclame par rapport aux surplus budgétaires du gouvernement. Ainsi, nous souhaitons que la répartition des surplus des régimes de pension se fasse conformément aux conclusions du rapport du comité consultatif, déposé en 1996, qui

a étudié la question, c'est-à-dire en concertation avec les bénéficiaires du régime. C'est d'ailleurs la pratique qui a cours dans le secteur privé.

Les améliorations aux prestations précédemment mentionnées nécessiteront des amendements aux lois concernées Appuiez-vous ces modifications?

Oui. Le Bloc Québécois croit qu'il est équitable d'utiliser une partie des surplus accumulés dans les fonds de retraite afin de bonifier lesdits régimes.

ISSUE

Health Care

Background Information

In Canada, provincial and territorial governments deliver most public health services. The federal government transfers funds and tax points to provinces for health care, and monitors their adherence to the five fundamental principles of the health care system, i.e. universality, accessibility, comprehensiveness, portability, and public administration. Where provinces deviate from these principles, the federal government normally withholds part of its funding.

In the 1990's, the federal government significantly reduced transfer payments to provinces as one means to reduce the federal deficits. This has resulted in many provinces changing their health care plans and implementing many reductions such as:

- Changing drug plans for seniors by increasing premiums and excluding some needed drugs
- Introducing user-fees for services
- Closing some hospitals or reducing the services they provide
- Reducing community services provided outside hospitals

Many of these changes impact especially on seniors. For instance, elderly spouses often cannot cope with the need to provide convalescent care for partners discharged from hospital while still unable to look after themselves.

Although the Health Budget of 1999 and the 2000 Federal Budget made provisions for increasing the transfer payments and placed additional money into the hands of provinces for health care, the provinces still maintain that this is not sufficient and that more resources are needed to provide a decent level of health care to their citizens. The Auditor General has noted that Health Canada is not adequately enforcing provincial compliance with the Canada Health Act.

The 1999 Federal Health Budget promised that provinces would have to report on the use of the transfer payments towards health care. Canadians have not seen these reports. All they have seen is declining services in health care. Cuts, reductions, provincial differences, and the two-tier system contemplated in some provinces are threatening some, if not all of the five principles mentioned above.

In response to these growing concerns, the federal government established the Commission, headed by Roy Romanow, on the Future of Health Care in Canada.

Its report was released in 2002 and recommended:

- Increase in federal funding to the provinces for health care
- Expansion of publicly funded services to include home care, catastrophic drug coverage, and advanced diagnostic services
- Inclusion of the accountability principle in the Canada Health Act
- Establishment of a Health Council for tracking and reporting on health expenditures (the Health Council was actually established 9 December 2003).

FSNA Position

If there is one issue that is of major concern to Canadians of all ages, it is the worsening state of our national health care system. The erosion of the universality of the health care system must be stopped and reversed. There are still too many reports from across the country about overcrowded emergency rooms, long waiting lists for important and urgent surgery, and overworked hospital staff. In spite of the Canada Health Act, a two-tier health system is emerging. It is hoped that the recently established Health Council will contribute materially in the curtailment of several of the above detrimental actions.

FSNA believes that the viability of the Canada Health Act must be preserved. Despite the recent injection of some \$2 billions in the national health care system by the federal government, additional federal money needs to be provided to the national health care system, and the federal government must not abandon its role under the Act. With an aging society, it is important to establish a National Long-Term Care program in order to ensure that all older Canadians live with dignity. A National Pharmacare program must also be considered.

Questions to be asked of candidates

- 1- What will your Party do to ensure that the universality of health care is restored to what it was designed to be under the Canada Health Act?
- 2- How much additional money, and under what conditions, would your Party transfer to the provinces for health care improvements?
- 3- What is your position on the establishment of national Homecare program providing convalescent and long-term care?
- 4- What is your position on the establishment of a National Pharmacare program?
- 5- What is your position on two-tier health care for certain services?

Responses from the leaders of the political parties

- **Liberal Party of Canada:**

Position taken from party platform

The Liberal Party supports the First Ministers' Health Accord of 2003 and promises to:

- Ensure that the federal government is bearing a fair share of the cost of publicly provided health care. It will begin by closing what has been called the "Romanow gap," identified in Mr. Romanow's report and reflecting principles that go back to the period prior to 1977 when medicare services were explicitly cost-shared between the provincial and federal governments. On the basis of the figures set out in the Romanow report -- which called for a cash transfer of at least \$15.3 billion in 2005-06 -- the current "gap" will be eliminated by increasing federal health transfers to the provinces by a total of \$3 billion (beyond all existing commitments) during this fiscal year and next -- i.e. by April, 2006.
- Put health care money for the provinces on a long-term predictable basis. A defined escalator formula will assure a steady increase in federal support.
- Work with provinces and territories to measure and publish existing waiting times, determine which waiting times should be reduced first, and, then do what it takes to bring waiting times down. Federal support for the strategy will be provided by \$4 billion in new and targeted funds.
- Work with the provinces and territories to overcome the shortage of medical providers that exists in too many parts of Canada - in part by increasing the number of medical spaces in universities and accelerating the qualification of new immigrants with medical credentials and support a program to train 1,000 new Canadians to provide first-class primary care physicians right across the country.
- Work with the provinces and professional associations to determine an appropriately expanded role for nurse practitioners and other health care professionals to reduce the load on doctors in frontline care.
- Continue to financially support Canada Health Infoway's development of a national electronic health record system. The e-record is an essential element of a safer and more efficient primary health care system.

- Introduce a National Home Care Program, laying the foundations for full inclusion of appropriate home care services in our public health system. The program will begin with services in the following areas:
 - Home care services for post-acute patients, including coverage for medication and rehabilitation services.
 - Home mental health case management and intervention services.
 - Palliative home care services to support people at the end of life.

The federal government will create a new Home Care Fund totalling \$2 billion over five years to encourage the needed reforms. This money will be allocated on a per capita basis to provinces and territories that have passed legislation governing the provision of at least an agreed-upon, minimum basket of home care services.

- Enforce each of the five principles of the Canada Health act and:
 - Formalize a procedure among federal, provincial and territorial governments regarding Canada Health Act dispute resolution. Cases will be referred to a three-person independent expert panel. The panel would assess whether there has been a breach of the Act and would recommend appropriate penalties to the federal Minister of Health for a final decision.
 - Ensure violations of the Act are corrected as quickly as possible, any funds arising from penalties would be returned to the province once compliance was restored.
 - Commit up to \$1 billion of new resources over the next five years to help implement a family caregiver support strategy jointly with provinces. If within 24 months there has been no agreement on new support mechanisms, the federal government will ensure that alternative ways are developed to make the new resources available to caregivers.
 - As a concrete first step, double to \$10,000 the amount of medical and disability related expenses that can be claimed by a caregiver on behalf of a dependent relative.

- **Conservative Party of Canada:**

Position taken from party platform

The Conservative Party supports the First Ministers' Health Accord of 2003 and promises to:

- Work with the provinces to implement the commitments of the 2003 Health Accord. It will seek to bring Alberta and Quebec into the Canada Health Council to make it truly representative of all Canadians.

- Provide stable long-term funding for health care. Canada's health system has not yet recovered from the \$25 billion in cuts imposed during the 1990s. The federal government has a responsibility to provide long-term stable funding for health care. The 2003 Health Accord reached by the provincial and federal governments goes some way to restoring that funding base.
- Implement the \$36.8 billion in new funding committed under the Health Accord. It would also be prepared to negotiate with the provinces to achieve a greater long-term federal commitment to health care funding, provided that new funding is linked to achieving the broader health reform goals of the 2003 Accord. As part of those discussions, it would propose that the federal government assume direct responsibility for the catastrophic drug plan in the Accord.
- Ensure that performance indicators on timely access, quality, sustainability, and health status and wellness are developed.
- Provide Canadians with a list of common home care services eligible for coverage.
- report to Canadians on how provinces are planning to ensure that all Canadians have access to catastrophic drug coverage by 2005/06.
- Work with the provinces through the Canada Health Council to monitor and report on waiting lists and explore ways of dealing with the problem.
- Propose to the provinces a federal program for catastrophic drug coverage.
- Support the appointment of a Chief Public Health Officer and the creation of the Canada Public Health Agency.
- Clearly define federal and provincial governments' roles during public health crises.
- Settle on a compensation formula for public health emergencies to avoid unseemly squabbles over money while patients are still at risk.
- Clear the drug approval backlog and bring drug approval waiting times in line with the U.S. average.
- Treat natural health products as "food style" rather than "drug style" products.
- Expand tax credits for caregivers taking care of elderly, sick, or disabled relatives by doubling the size of the caregivers' tax credit to cover \$7,000 in allowable expenses.

- **New Democratic Party of Canada:**

Position taken from party platform

The New Democratic Party promises to:

- Reduce the cost of drugs with a national bulk-buying program, as Australia uses, to use combined purchasing power to reduce costs for provinces and to examine drug patent legislation to ensure corporate protections do not impinge on accessibility of needed drugs.
- Phase in a pharmacare program to help Canadians afford the drugs they need, starting with Canadians with low incomes or those facing massive drug costs because of catastrophic illness.
- Outlaw the practice of “evergreening” prescription drugs that delays the availability of cheaper, generic drugs.
- Establish a Royal Commission to examine bold means to protect Medicare’s sustainability through reduced drug prices, strengthened public research and the creation of a Crown corporation dedicated to providing innovative drugs to Canadians and the world at cost.
- Scrap the reviews of the Food and Drugs Act and enforce a "precautionary principle" approach, ensuring that when there are uncertainties, decisions must err on the side of health and environmental safety.
- Implement public or non-profit-based home care, based on the Manitoba model.
- Aggressively pursue a major federal plan for the prevention of illness and injury, focusing on good nutrition and physical fitness, a clean and healthy environment, quality housing and attacking poverty.
- Work with provinces and territories to establish more community-based clinics to handle minor medical problems, reducing the expensive reliance on hospital ERs.
- Implement Roy Romanow's solution of fair, predictable federal funding for public health care by ensuring the federal government returns to being a full partner in health care by addressing what has become known as the "Romanow Gap" and paying 25 per cent of provincial health care costs within two years. This would let provinces invest in the staffing and operating more modern diagnostic equipment such as MRIs, deliver more efficient health care, and retain health professionals.

- Work with the provinces and provincial regulatory bodies to recognize foreign qualifications of health professionals.
- Implement the recommendations of the Canadian Nursing Advisory Committee to address nursing shortages.
- Create a national public health agency, modelled on the Centres for Disease Control in the United States, to provide concerted national response and treatment protocols for public health emergencies such as SARS and give this agency a specific mandate to study the impact of poverty, air pollution and toxics on public health and deliver annual recommendations for improvement.
- Restoring ParticipAction, the national program that prevented illness by encouraging physical activity, and promoting proven alternative and traditional health practices to keep Canadians healthy and out of the acute care system.
- Copy successful strategies in Europe to outlaw the use of trans-fatty acids in food.
- Restore independence to Health Canada in monitoring drug safety.
- Ensure women have access to safe, therapeutic abortion services.
- Strengthen the Canada Health Act to prohibit public money going to private, for-profit hospitals and respond to technological change by deeming diagnostics such as MRIs as medically necessary services, thus protecting them from privatization.
- Make the disability tax credit and medical expense tax credit fully refundable.

- **Bloc Québécois :**

En réponse à l'ensemble de vos questions, le Bloc Québécois considère qu'en santé, le principal problème est le sous-financement qui découle du déséquilibre fiscal qui sévit au Canada. Le déséquilibre fiscal, c'est « *lorsqu'un ordre de gouvernement dispose de revenus excédant ce qui est nécessaire au financement de ses propres compétences, alors qu'à l'inverse, l'autre ordre de gouvernement a des revenus insuffisants compte tenu des dépenses résultant de ses compétences constitutionnelles* »¹. Cette situation prive le Québec et les provinces des revenus nécessaires pour remplir leurs responsabilités, dont la santé.

Le Québec et les provinces sont actuellement dépendants d'Ottawa et de ses transferts pour la santé et les services sociaux. Depuis l'arrivée de Paul Martin,

¹ Rapport de la Commission sur le déséquilibre fiscal page 18

d'abord ministre des Finances et ensuite premier ministre, les paiements de transferts en santé et en éducation versés par le gouvernement fédéral pour le Québec sont passés de 20% à 15,4% par rapport aux dépenses totales en santé et en éducation assumées par le Québec Paul Martin a économisé sur le dos du Québec pour ensuite intervenir unilatéralement dans des domaines de compétence du Québec

En matière de financement, Le Bloc Québécois propose donc comme plan pour la santé et l'éducation

- Hausse de 11 milliards \$ dans les transferts aux provinces sur trois ans
- Atteinte du 25% des dépenses en santé et en éducation en 2009-2010;
- De plus, le Bloc réclamé des modifications substantielles à la formule de péréquation (norme des dix, rajustement de la valeur foncière, etc), qui entraîneraient une hausse substantielle de la péréquation 13,7 milliards sur trois ans,
- Au total, une hausse des transferts de 24,7 milliards sur trois ans,
- Pour le Québec, cela signifie
 - Transfert en santé et programmes sociaux 2,6 milliards sur trois ans
 - Péréquation 6,6 milliards sur trois ans
 - Total 9,2 milliards sur trois ans

Sur la question des réformes en santé provenant du palier gouvernemental fédéral, le Bloc Québécois souligne que le Québec n'en a pas besoin puisqu'il dispose déjà de son plan d'action découlant des travaux de la Commission Clair. qui proposait pas moins de 95 avenues de solution pour améliorer les services de santé et les services sociaux au Québec, tout en maintenant les principes d'universalité et de gratuité du système. Les mesures proposées portent autant sur les services de première ligne que sur l'amélioration des services à domicile, la diminution des délais d'attente en chirurgie ou encore la rémunération des médecins. Le plan d'action québécois existe, il est déjà en voie d'application et on voit mal comment le gouvernement fédéral pourrait mieux respecter les particularités du Québec, notamment en matière d'assurance-médicaments.

Enfin, le Bloc Québécois défend vigoureusement les consensus et les compétences du Québec et son droit à gérer les domaines qui relèvent de sa compétence. Le Québec et les provinces sont les seuls ayant l'autorité d'évaluer les besoins en service de santé et nous jugeons que le Québec et les provinces sont les mieux à même de répondre aux spécificités propres de leur population en matière de soins de santé. Le rôle du gouvernement fédéral doit se résumer à transférer les sommes nécessaires pour permettre au Québec et aux provinces de répondre adéquatement à cette importante tâche.

Malgré cette évidence, le gouvernement fédéral provoque des dédoublements et empiète dans les champs de compétence du Québec et des provinces. Le Bloc

s'oppose à cette façon d'agir et refuse qu'Ottawa impose des mesures pan canadiennes qui reviendraient à confier au gouvernement fédéral la maîtrise d'œuvre de la santé, ne laissant au gouvernement du Québec, qui est pourtant seul responsable de ce dossier, qu'un rôle d'exécutant et de gestionnaire au jour le jour.

ISSUE

Retirement Income Security Programs

The Retirement Income Security Programs consist of the Old Age Security (OAS) program and the Guaranteed Income Supplement (GIS), the Canada Pension Plan and the Quebec Pension Plan (CPP & QPP), and the private pension plans, namely the Registered Retirement Savings Plans (RRSPs) and the Registered Pension Plans (RPPs), i.e. employer-sponsored pension plans. The public sector pension plans referred to earlier fall in that latter category but they are not supervised under the Pension Benefits Standard Act, which applies to all federally registered pension plans.

Old Age Security

(First pillar)

Background

The universality of OAS was eliminated in 1989 when the notorious clawback was introduced. The taxation changes announced in the 2000 Federal Budget have at last relatively stabilized the effect of the clawback because its threshold is now fully indexed with the Consumer Price Index (CPI). Nevertheless, the clawback still exists. As of April 1, 2004, the threshold was increased to \$59,790, which means that OAS benefits are reduced by 15% of any individual's net income in excess of that threshold for that year. The maximum monthly OAS benefit was \$463.39, and the net income at which seniors are no longer entitled to receive any OAS benefit was: \$96,843.

FSNA position

FSNA members and pensioners in general have always considered that the clawback is a tax aimed specifically at seniors and that it should be abolished. In 1996, the government planned to replace the OAS, by 2001, by the Seniors Benefit but, mostly as a result of pressures from seniors' groups, it shelved this project.

Questions to be asked of candidates

- 1- What is your Party's position on the OAS as a pillar in the pension income security net?
- 2- Would you support a return to universality of OAS by abolishing the clawback?
- 3- What are some changes that you will contemplate given that the "baby boomers" are retiring and will be eligible to receive OAS and GIS?

Responses from the leaders of Political Parties

- **Liberal Party of Canada:**

Position taken from party platform

The Liberal Party promises to:

- Increase the incomes of Canada's least wealthy seniors by increasing the GIS base to reflect the fact that wage growth has exceeded inflation. Once fully implemented, the improvement will result in an increase of roughly 7% to the income of GIS recipients. This increase will be in addition to the quarterly inflation adjustments of the GIS.

- **Conservative Party of Canada:**

Position not stated in party platform.

- **New Democratic Party of Canada:**

Position not stated in party platform.

- **Bloc Québécois :**
Sécurité de la vieillesse

Le Bloc Québécois est d'avis que les régimes de pension du Canada et du Québec sont des instruments indispensables de protection du revenu des personnes âgées. Cependant, au cours des dernières années, le Bloc Québécois a constaté que les aînés sont parmi les membres de notre société qui ont été les plus affectés par les coupures que le gouvernement fédéral a faites dans les paiements de transfert.

Ainsi, en 2001, 61,5 % des personnes âgées seules, des femmes en majorité, vivaient sous le seuil de faible revenu et plus de 57 % des revenus des aînés provenaient des programmes gouvernementaux. Le Bloc Québécois croit qu'il est de son devoir de s'assurer que les personnes âgées sont protégées contre la pauvreté.

À cet égard, le Bloc Québécois a vigoureusement dénoncé les irrégularités du programme fédéral du Supplément de revenu garanti qui assure un revenu additionnel aux personnes âgées à faible revenu. L'incurie du gouvernement libéral dans la gestion du programme était telle qu'en 2001, plus de 68 000 aînés du Québec, parmi ceux qui en ont le plus besoin, étaient toujours privés de revenus pouvant atteindre jusqu'à 6600 \$ par année.

Une vaste opération mise en place par le Bloc Québécois a jusqu'à maintenant permis de retracer environ 25 000 de ces personnes. Cet effort représente environ 100 millions \$ de plus, redistribués aux personnes les plus démunies de notre société.

Le Bloc Québécois compte poursuivre ses efforts en vue de s'assurer que les personnes âgées touchent leur part du Supplément de revenu garanti. De plus, notre formation exige que le gouvernement fédéral rembourse les 3,2 milliards \$ qu'il leur a subtilisés au cours des dernières années. Puis, le Bloc Québécois veillera à ce que les pensions de vieillesse et le Supplément de revenu garanti soient totalement indexés en fonction du coût de la vie.

Enfin, afin de préserver les programme de la SV et du SRG, le Bloc Québécois croit que le gouvernement fédéral devra investir massivement et ce n'est pas l'argent qui manque. Le problème réside dans la façon dont cet argent est dépensé et du fait que le gouvernement évite un débat public quant au surplus. Par exemple, en cinq ans, les dépenses de fonctionnement du gouvernement fédéral ont augmenté de 39 %, soit quatre fois plus vite que l'inflation. Cependant, afin d'éviter tout débat au Parlement sur l'utilisation de cet argent, le gouvernement fédéral a sous-estimé l'ampleur des surplus budgétaires dans une proportion de plus en plus grande, atteignant même 493% en 2001-02.

De 1997-98 à 2003-04, le gouvernement fédéral a dégagé des surplus de 54,1 milliards \$ qu'il a affectés au remboursement de la dette, et ce, après avoir annoncé 110 milliards \$ de nouvelles dépenses et de réductions d'impôts. L'argent est là. C'est la volonté politique de l'utiliser à bon escient qui manque.

Canada Pension Plan/Quebec Pension Plan

(Second Pillar)

Background

The CPP and the QPP were implemented in 1966 as contributory pension plans covering all workers in Canada. The plans are in fact more than simple pension plans as they include provisions for disability, survivor, and children benefits. All benefits are fully indexed for inflation. These plans have very much of a contractual nature in that both benefits and contributions depend on the level of contributory earnings over the contributory period.

The CPP is managed by the Government of Canada on behalf of the provinces and any changes thereto must be approved by at least seven provinces (including Quebec) covering at least two thirds of the total Canadian population. The QPP is managed by the Government of Quebec, which has exclusive rights to amend the QPP. However, the CPP requires that any distinct provincial plan be similar to the CPP, which explains why the two plans are kept almost identical.

In 1998, the CPP and the QPP were amended to ensure that they would rest on a sound, stable, and affordable financial basis over the short, medium, and long terms (100 years). Nevertheless, there are still many Canadians, especially younger

Canadians, who feel that the CPP/QPP will no longer provide the promised benefits when they retire. Many Canadians are sceptical about the government's projections on the future viability of the Plan.

FSNA Position

FSNA has always pressed for the stability and viability of the CPP/QPP and has maintained that changes brought to the Plan must not in any way negatively impact on current plan pensioners. The CPP/QPP must remain as one of the pillars of the Retirement Income Security Programs.

While some Canadians remain sceptical as to the continuing viability of the CPP/QPP, FSNA believes that the actions taken in 1998 to gradually increase contribution rates until they reached 9.9% in 2003 have ensured the financial stability of this program for the long-term future.

Questions to be asked of candidates

Non-applicable at this time.

Responses from the leaders of Political Parties

- **Liberal Party of Canada:**
Position not stated in party platform.

- **Conservative Party of Canada:**
Position not stated in party platform.

- **New Democratic Party of Canada:**
Position taken from party platform

The New Democratic Party promises to:

- Improve access to the CPP/QPP for women by expanding the current "drop-out" provision for childcare to include other unpaid care, such as that for senior family members.
- Put an ethical screen on CPP investment funds to prevent directing investments of public money into firms that pollute, exploit labour, trade in arms, or engage in other unscrupulous practices that offend Canadian values.
- Direct public savings in the CPP into investments in sustainable technologies and industries to support national and community economic development.

- **Bloc Québécois :**
(See response under **Old Age Security**)

Registered Retirement Savings Plans and Registered Pension Plans

(Third Pillar)

Background

RRSPs and RPPs are utilized by many Canadians as a third pillar of their Pension Income Security Net. In 1997, the government reduced from 71 to 69 the ultimate age at which RRSPs and RPPs must be converted into taxable income.

FSNA Position

The Canadian population is aging (due to lower fertility and death rates) and that more Canadians have accordingly longer periods in retirement. FSNA's position is that the age of converting the RRSPs and RPPs should be reverted to 71 and that the pattern in which funds are withdrawn from RRIFs should be reviewed to ensure that these programs continue to meet the needs of Canada's aging population.

Question to be asked of candidates

1- Does your Party agree or disagree with this position and what are the reasons?

Responses from the leaders of the Political Parties

- **Liberal Party of Canada:**
Position not stated in party platform.
- **Conservative Party of Canada:**
Position taken from party platform

The Conservative Party promises to introduce a new Registered Lifetime Savings Plan that allows Canadians to withdraw their money tax-free.

The Registered Retirement Savings Plan is a very popular savings and investment option for many Canadians. But one of its limitations is that while putting money in your RRSP saves you taxes when you invest, you can pay even higher taxes when you withdraw your investments. When retirees withdraw from their RRSPs, they not only pay tax, but often have significant portions of their old age security benefits clawed back. The Registered Lifetime Savings Plan (RLSP) – would add flexibility to savers and complement the current RRSP program. The RLSP is effectively the mirror image of the RRSP. Contributions get no deduction, but withdrawals are not taxed. Canadians could contribute up to \$5000 per year to a Registered Lifetime Savings Plan.

- **New Democratic Party of Canada:**

Position not stated in party platform.

- **Bloc Québécois :**

âgées la liberté de décision quant à la conversion de leur REER et de leur RPA avant 71 ans.

ISSUE

Fair Tax System

Background information

Pursuant to the 2000 federal budget, steps were taken to fully index the taxable income thresholds. FSNA had been recommending this change for a number of years. Nevertheless, the tax system still has too many loopholes that favour certain groups or individuals. On the other hand, the OAS clawback continues to be an unfair tax specifically aimed at older Canadians.

FSNA position

FSNA maintains that the tax system is overly complex and should be simplified yet remain progressive. A complex taxation system favours those who can afford to hire tax experts to advise on ways of reducing or avoiding taxation.

Questions to be asked of candidates

- 1- What is your Party's overall position on taxation?
- 2- How would you simplify the tax structure?
- 3- What are some of the loopholes in the current taxation system that you would correct?

Responses from the leaders of the Political Parties

- **Liberal Party of Canada:**
Position not stated in party platform.
- **Conservative Party of Canada:**
Position taken from party platform

The Conservative Party promises to raise thresholds for all tax brackets. It will phase out the 22 percent tax bracket on taxable income between \$35K and \$70K. All other brackets will be raised at one percent above the inflation rate. A taxpayer earning \$50,000 per year will save about \$1,000 per year on his or her taxes when the cut is fully implemented.

- **New Democratic Party of Canada:**

Position taken from party platform.

The New Democratic Party promises to:

- guarantee full indexing of tax brackets and credits, so that Canadians don't receive hidden tax increases as wages and salaries rise.
- ensure all Canadians who make less than \$15,000 a year pay no federal income tax.
- remove the GST from family essentials, starting with children's clothing and medicine, school supplies, books, magazines, women's hygiene products, and medical equipment.
- implement a US-style inheritance tax on inheritances of more than \$1 million, exempting in-family transfers of small businesses and family farms.
- treat income from capital gains the same as all employment income while retaining exemptions for the sale of principal residences and profits from family farms and small businesses.

- **Bloc Québécois :**

Not stated.

ISSUE

Policy on an Aging Society

Background information

Seniors were promised in the 1995 and 1996 federal budgets that they would be consulted in the development of the government policy on aging. A Task Force on Aging was even established in 1994-1995 and a coalition of seniors established under the leadership of FSNA, the Coalition of Seniors for Social Equity (COSSE) representatives met with the Task Force. The Task Force disappeared before publishing any report and the Government never tabled its promised paper on an aging population.

The Government has since then been approaching the whole matter of income security for older Canadians in a secretive fashion. The 1996 federal budget announced the establishment by 2001 of a Seniors' Benefit Program and certain changes to the RRSPs without addressing their implications on the other parts of the Retirement Income Security System. The proposed Seniors Benefit was repealed in 1998 mostly as a result of pressure from seniors' groups. During the 1997 election campaign, a number of promises were made in relation to health care, including the introduction of a Pharmacare system. None of this has yet seen the day. In 1997, however, the Government announced and implemented effective January 1, 1998 favourable changes to the CPP.

The management of income security matters concerning older Canadians could obviously be more properly coordinated. Some programs are implemented or modified without due consideration to other programs and requirements. The need for a coordinated, comprehensive policy on aging has become more pronounced than ever before.

In 2000, as a result of the activities around the International Year of the Older Persons, the Congress of National Seniors Organizations (CNSO) was established. The CNSO has been pressing for the government to ensure that all Canadians have the right to age with dignity and in security. This will require the coordinated efforts of all levels of governments and will not be possible without the establishment of a comprehensive policy on aging.

FSNA Position

As far back as 1994, in meetings with federal Ministers and in discussions relating to all of the federal budgets since that date, FSNA and its partners from COSSE, have requested that a comprehensive government policy on an aging society be developed and implemented. In fact, COSSE recommended that such a policy be

established as a continuing legacy of the International Year of Older Persons (IYOP) in 1999. Although the “Health Budget” (1999 Federal Budget) introduced the health information highway, there is still no coordinated comprehensive policy on aging.

Except for a token initiative, the re-introduction of the New Horizons program, the 2004 federal budget did not include any provisions to improve housing or community living for older Canadians.

Questions to be asked of candidates

- 1- Does your Party support the development and implementation of a comprehensive and co-ordinated policy on aging?
- 2- If so, what would be the main principles of such a policy?
- 3- If not, why not? How then would your Party ensure that the needs and requirements of an aging society would be met?

Responses from the leaders of Political Parties

- **Liberal Party of Canada:**

Position taken from party platform

The Liberal Party promises to:

- Co-ordinate the focus on senior’s programs to ensure the greatest overall benefit and ease of access for seniors.
- Create a Secretariat for Seniors.

- **Conservative Party of Canada:**

Position not stated in party platform.

- **New Democratic Party of Canada:**

Position not stated in party platform.

- **Bloc Québécois :**

En 1992, le gouvernement du Québec a adopté une législation par laquelle il a créé le Conseil des aînés dont le mandat est de conseiller le gouvernement du Québec sur tous les aspects portant sur la vie des aînés. En 2001, le gouvernement du Québec a annoncé son plan d’action *Le Québec et ses aînés: engagés dans l’action*.

Engagements et perspectives 2001- 2004 qui vise répondre aux besoins spécifiques des aînés. Dans le cadre de ce plan d’action, 4,5 millions de dollars sont investis sur

trois ans et servent à financer dix-sept tables régionales de concertation des aînés, des projets communautaires ainsi que des travaux portant sur la qualité des services offerts par les résidences privées. Nous estimons que ces mesures sont adéquates pour répondre aux besoins des aînés québécois et nous ne sommes pas, à priori, favorables à la mise en place d'une politique canadienne qui viendrait dédoubler, voire contrecarrer ce qui se fait déjà au Québec.