



Canadian Labour Congress

Congrès du travail du Canada

Georgetti criticizes Flaherty announcement on pension reform: Says CPP remains far better option than private plans

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OTTAWA – Ken Georgetti, president of the Canadian Labour Congress, says he is astonished and disappointed with federal Finance Minister Jim Flaherty's remarks which appear to favour new private sector pension plans rather than improving the Canada and Quebec Pension Plans.

"Everybody knows that the best way to ensure the retirement security of Canadians is to enhance the CPP," Georgetti says. "There is overwhelming evidence that the private sector, voluntary system of saving for retirement has failed us for over 40 years and won't work now."

Georgetti was responding to comments made by minister Flaherty and to a letter he sent to provincial and territorial finance ministers prior to their meeting in Kananaskis, Alberta on December 19-20. Flaherty is recommending pooled and privately administered retirement plans but says little about enhancing the CPP, which finance ministers have been discussing for more than a year.

"Minister Flaherty asked the provinces to consult with citizens and they did. The overwhelming response from Canadians was that enhancing the CPP was the best plan. So what the does minister do? He caves in to the bank and insurance industry and proposes a voluntary plan that will allow banks to continue charging the highest management fees in the world. Those banks must have some lobby."

Georgetti adds that when finance ministers last met, in June 2010, a majority of them were in support of improving the CPP. He is calling on them to continue their support of that option when they meet this weekend. "What has changed in the economy since June when the ministers said they approved of enhancements to the CPP? Canadians will want to see leadership from the ministers. They must tell Flaherty to stick with the CPP."

See how private sector management undercut the investment savings of Canadians:

<http://www.canadianlabour.ca/action-center/retirement-security-everyone/straight-talk-rrsp-and-mutual-fund-management-fees>

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