



January 5, 2016

The Honourable William Morneau  
Minister of Finance  
Department of Finance Canada  
90 Elgin St  
Ottawa ON K1A 0G5

Dear Minister:

Re: Stalled Progress on CPP Enhancement

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On behalf of the 18,000 members of the Municipal Retirees Organization Ontario, I recently wrote to congratulate you on your appointment as Minister of Finance and to hope that the Canada Pension Plan will be amended as soon as possible to increase the maximum pension to at least 40% of the YMP/E on a fully funded, phased in basis.

Within days, we heard that your meeting with provincial Ministers of Finance had yielded no progress on this file and that the matter appears to have been shelved. MROO would like to express our dismay at this lack of progress.

We trust that the media reports misrepresented your position and that your department continues to examine the impact of various options for action.

We do understand that reform of the currently inadequate CPP requires support from at least seven provinces representing at least two-thirds of Canada's population. We also understand that millions in today's Canadian labour force have no work place pension. These millions are at great risk of a poor and dissatisfied old age unless governments act now to update the pension upon which they will depend. Surely the provinces must also realize that the impact of doing nothing will be severe not only for tomorrow's pensioners but also for the federal OAS and GIS programs as well as for all old age support programs at the provincial level. Fortunately, the government of Ontario is one which does recognize the urgency of CPP reform.

We trust that your government would not consider either a defined contribution program or a program without an employer contribution. Slow growth is projected to be the new normal, so there will never be a time when employers gleefully welcome an expanded CPP. While employers protest and governments stall, however, millions of Canada's future pensioners each year fall further behind the defined CPP pension benefits they will need. Time is being wasted.

Several legitimate options are undoubtedly worth exploring by your department and with your recalcitrant provincial counterparts. MROO would be very pleased to provide feedback and support as you do so. Please do not hesitate to contact us.

Sincerely,



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William Harford, President