

**The Royal Canadian Legion**

**Written presentation to**

**Standing Committee on Veterans Affairs (ACVA)**

**5 November 2009**

**Chair and members of the Standing Committee on Veterans Affairs (ACVA).**

**On behalf of the Dominion President of The Royal Canadian Legion, Wilf Edmond, it is a pleasure to appear today at your committee to discuss issues related to Bill C-201, a Private Members' Bill that proposes to amend the Canadian Forces (CF) Superannuation Act and the Royal Canadian Mounted Police (RCMP) Superannuation Act (deletion and deduction from annuity).**

**As you are aware, members of the Canadian Forces and the RCMP were not consulted when the Canada Pension Plan (CPP) was introduced in 1966. They were not asked whether or not they wanted stacked or bridge benefits. It was simply assumed that with the introduction of CPP, CF and RCMP members would decide to reduce the level of their total pension costs by reducing the scope of the CFSA and the RCMPSPA. This was done in a paternalistic manner as CFSA contributions were reduced to offset CPP contributions. Similarly, CF and RCMP members were not fully briefed and even consulted on the outcome of this decision by their employer, namely that CFSA benefits would be offset by their CPP benefits at age 65. Additionally, a ministerial promise was made at that time that pension cutback occurring at age 65 would never be larger than the actual CFSA/RCMPSPA and CPP payments at age 65.**

**We are aware that this approach was consistent with what took place in the Public Service and we are also aware that CF and RCMP members and Public Servants can collect reduced CPP benefits starting at age 60. However, this assumes that employees retire from the work force for a set period of time. We are aware that Public Servants can easily qualify for 8 weeks on unpaid leave (LWOP) as part of their bargaining agreements, and can thus start collecting CPP at age 60 and then return to work, collecting both a government salary and their CPP, which more than offsets any CPP reduction at age 65. This is not the case for CF and RCMP members. They generally retire at age 60 or before. The reality is that for those CF & RCMP members that start collecting early CPP benefits at age 60, the pay back will be negative within 7 years of collecting CPP benefits.**

**CF and RCMP members are not Public Servants. They must retire before age 65. They do not have bargaining agents like Public Servants. They pay into Employment Insurance but are unable to collect any benefits related to this program. As a result of the offset of CPP benefits at age 65, some annuitants end up receiving a reduced CFSA/ CPP annuity because of the bridge arrangement between CFSA/RCMPSA benefits and CPP, notwithstanding the ministerial promise to the contrary. During the time that CF and RCMP members were contributing to both the CFSA/RCMPSA and the CPP, the two Superannuation (pension) funds accumulated a very**

**large surplus which was used by the government to pay down the national debt rather than meeting the needs of those that made these voluntary payments. We are also being told that the ministerial promise “was beyond the scope of the coordination provisions” between the 2 pension schemes. This is an easy way to explain away a promise: blame the plan, not the promise.**

**There is no question that the men and women of the CF and RCMP serve their country at the risk of their life. They often sacrifice their health. Their contributions to Superannuation funds were used by the government not to provide them direct benefits but to pay down the national debt. They were not consulted on whether or not they would favour stacked or bridge benefits for CPP and CFSA/RCMPSA disbursements, their over contributions to the CFSA and RCMPSA resulted in a large surplus which was not used to provide direct benefits. They were given a ministerial promise which “was not a promise.” In other words, they have been treated unfairly. This is an issue of simple fairness and recognition of the unique contributions of the CF and the RCMP members.**

**We are not asking for retroactivity. We are simply advocating for justice and fairness through the elimination of the offset of CPP benefits starting now.**