Youth people are also affected

The planned government reforms also penalize young people because young people will inherit a less generous pension system and will support a large part of the costs and higher risks of a system relying on private savings for most of their lives.

The improvement of public pension plans is a more egalitarian solution founded on solidarity between generations.

A collective solution: benefits improvements in public plans

These plans include the Québec Pension Plan (QPP) or, for the rest of Canada, the Canada Pension Plan (CPP), the Old Age Security Pension and the Guaranteed Income Supplement.

For the QPP:
- It is funded, in equal parts, by the contributions of employers and those of all people who are engaged in gainful employment.
- It is indexed and also offers disability, surviving spouse (most often women) and orphan pensions. The plan spent in the home with a child under age seven are excluded from the calculation of the pension, and therefore do not decrease it.
- Women (except those under age 25) of all ages contribute less often than men to the QPP and contribute based on a lower salary.
- Presently, this plan replaces about 25% of the salary earned. In 2010, women received, on average, $4,210 and men $6,523 annually.

The public plans function well but are clearly insufficient. They must be progressively improved, notably by:
- Doubling the replacement rate of the salary earned, increasing it from 25 to 50%.
- Immediately increasing the Guaranteed Income Supplement.
- Opposing any cuts in the Old Age Security Pension, whether it is a higher age of eligibility or questioning its universal character.
- Assuring better financing of supplemental retirement plans and greater scrutiny of the Québec Pension Plan.

Retirement concerns us all, NOW!

Written by: Gisèle Bourret

Note: The sources for the data cited in this text are available on the websites of the member organizations of the Intersyndicale des femmes.

The Intersyndicale des femmes is composed of the following organizations:

- Alliance du personnel professionnel et technique de la santé et des services sociaux (APTS) www.aptsq.com
- Centrale des syndicats démocratiques (CSD) www.csd.qc.ca
- Centrale des syndicats du Québec (CSQ) www.csq.ca
- Fédération interprofessionnelle de la santé du Québec (FIQ) www.fiqsante.qc.ca
- Syndicat de la fonction publique et parapublique du Québec (SFPQ) www.sfpq.qc.ca
- Syndicat des professionelles et professionnels du gouvernement du Québec (SPGQ) www.spgq.qc.ca
Feminism more relevant than ever... for egalitarian tomorrows

A decent retirement for all women

At the name of intergenerational equity and women’s right to equality, the Intersyndicale des femmes in collaboration with the women’s movement is demanding a real public debate on income security at retirement.

This debate must take into account:

- the different paths women take in the labour market
- the work they do for free for the well-being of their family and the community, which involves the application of differentiated gender analysis.
- the fact that access to a decent income is a collective responsibility

A generalized offensive against the public pension plans

For several years, our governments, in conjunction with business, right-wing economic institutes and certain thinkers claim that the public pension plans are not viable because of the rapid aging of the population, in particular. However, that aging has been foreseeable for a long time!

For example, the Harper government has raised the eligible age for the Old Age Security Pension (OAS) from age 65 to age 67, which will penalize the least fortunate more.

Individual savings: a miracle solution?

The main remedy proposed is to develop or consolidate the individual savings mechanisms. The governments are proposing Voluntary Retirement Savings Plans (VRSP) that businesses must set up, but to which they are not obliged to contribute.

With salaries that are stagnating, the differences in income are growing and the cost of living always rising, how can we believe that individual savings will allow us to accumulate enough money for retirement? That solution is unfair to women because:

- they contribute half as much to an RRSP as men;
- they have a lower income to that of men for their lifetime. In 2009, the average income of women age 65 and older was $24,896 compared to $38,606 for men and half that income came from public pension plans;
- in 2008, 53% of older women, given their poverty level, received the Guaranteed Income Supplement, compared to 41% of men.

Who benefits from individual savings?

- Ten percent of the richer taxpayers hold nearly 50% of all RRSPs, thus benefiting from half of the 14 billion dollars of tax benefits given by the governments.
- The administration costs for these plans are among the highest in the world, which at the time of retirement, are equal to 37% of the value of the amounts accumulated in the RRSPs, for the benefit of the financial institutions.
- A person who saves is exposed to market risks throughout her life. With an RRSP or a VRSP the risk is assumed by the individual alone, while with the public or collective plans, the risk is shared, and the employers have to do their part. For example, for the same amount invested, the individual savings only makes it possible to obtain about half the annuity that would come from a collective or public plan.

According to Morningstar, the administrative costs are clearly higher in Canada than anywhere else. According to the OECD, these costs (±2%/year) drain 37% of the accumulated savings.

Disturbing disparities in income for women

Given the discriminations and inequalities that they face, women are affected by an improvement in the public pension plans. In 2009, the average income for women aged 65 and older represented about 65% of that of men. This is not surprising because women of all ages earn less than men.

- They hold the less well-paid types of jobs, work more often for minimum wages, are part time, in insecure jobs and without having fringe benefits.
- They assume a large proportion of unpaid work: they interrupt their careers to look after their children, they are called upon, more and more often, to take care of their loved ones with reduced autonomy.

Thus, when the time comes to retire, few women are entitled to a decent pension and the majority of them cannot count on savings accumulated over the course of their lives. When women have savings, they have to last longer, because their life expectancy is longer than that of men.