

How it works (the extra savings)

Labour's Plan for an improved
Canada Pension Plan



canadianlabour.ca



Canadian Labour Congress

Congrès du travail du Canada

Canada's Finance Ministers agree.

The best way to help today's workers save enough for retirement is by increasing what everybody gets from the Canada Pension Plan (and the Quebec Pension Plan).

The Canadian Labour Congress is proposing a gradual doubling of future CPP benefits. A modest increase in contributions today will produce thousands of dollars a year in extra benefits for workers when they retire.

This represents first-rate retirement savings at a low cost for the 93% of Canadian workers already covered by the CPP.

How workers will benefit:

With labour's plan, a worker who is 28 years old today, who works full-time until age 65 (37 years of expanded contributions) would earn a CPP payment of about \$1,772 each month.* Without labour's plan, that same worker's monthly CPP payment would be about \$886. Likewise, a worker who is 48 years old (17 years of expanded contributions) would earn a monthly CPP payment of about \$814* compared to about \$407 without labour's plan.

** This amount is in addition to whatever that worker has already saved through CPP contributions since age 18, if any, and it shows the effect of labour's plan on future retirement income.*

NEWS FLASH — Anyone can find out how much labour's plan will boost their CPP pension earnings after they turn 65 with the **PENSION CALCULATOR** on the CLC website at canadianlabour.ca.

No matter what your age or income level, check it out.



How we pay for a future DOUBLING OF BENEFITS:

Labour's plan to double future CPP benefits can be paid for by increasing what workers currently save through CPP contributions by 0.43% of pensionable earnings* each year for 7 years.

** Pensionable earnings include all declared earnings above \$3,500 up to \$47,200 (the 2010 cap, established annually by the Canada Revenue Agency).*

For a worker earning \$47,200 or more per year, the initial cost of gradually doubling future CPP benefits works out to about 9 cents an hour, or \$3.57 a week. That's less than the cost of a newspaper subscription.

For a worker earning \$30,000 per year, the initial cost would be about 6 cents an hour, or \$2.27 a week. That's less than the cost of a medium double-double with a donut at Tim Hortons.

Increase in CPP contributions, each year for seven years

SALARY	% increase	\$ increase	cost/week	cost/hour
\$47,200.00	0.43%	\$185.43	\$3.57	9¢
\$41,000.00	0.43%	\$161.07	\$3.10	8¢
\$30,000.00	0.43%	\$117.86	\$2.27	6¢
\$20,000.00	0.43%	\$78.57	\$1.51	4¢
\$10,000.00	0.43%	\$39.29	76¢	2¢

Please note that annual salary here is converted to an hourly rate by dividing it by 52 weeks and then by 40 hours a week or 8 hours a day. This corresponds to 173.3 hours of work per month.



The CPP is the best retirement savings plan for workers:

The CPP is the best way to save for retirement.

The CPP covers 93% of Canadian employed workers (essentially the entire labour force). It is portable from job to job, across provinces and keeps up with the cost of living.

The CPP is financed exclusively by workers and their employers. It operates independently at no cost to government.

It is safe, secure, indexed against inflation and its management costs are lower than those charged by the private financial services institutions on RRSPs.

Over the past year there has been a thorough debate in Canada on retirement security. Now Canadians say it's time for action.

There is no longer any excuse for delaying improvements to the CPP. **Let's get the job done!**

Now help us make it happen!

Help us get those finance ministers moving so they expand the CPP this year.



Join the campaign. Invite your friends.

Let's get the job done!

www.facebook.com/pages/Retirement-Security-For-Everyone