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MPs urged to give up 'platinum-plated' pensions

By Meagan Fitzpatrick, [CBC News](#)

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322



The Canadian Taxpayers Federation has an ongoing campaign about the MP pension fund and said Wednesday that MPs have their snouts in the pension trough. (Sean Kilpatrick/Canadian Press)

The Canadian Taxpayers Federation says MPs have the best pension fund "on the planet" and it's time for them to lead by example and shut it down.

"This is a ripoff on a massive scale," CTF federal director Gregory Thomas said at a news conference on Parliament Hill.

The advocacy group says that officially, for every dollar that MPs pay into their own pension fund, taxpayers contribute \$5. But the CTF says in reality, taxpayers pay closer to \$23. That figure takes into account the guaranteed 10.4 per cent interest rate on the fund, which Thomas says means that taxpayers are on the hook for more than they realize.

The 10.4 per cent interest rate is guaranteed in law and because the fund is not invested in the markets, it's not subject to the same fluctuations as most Canadians' pensions.

"This outrageous rate means they've basically got the best performing pension over 10 years on the planet," said Thomas, adding that it has outperformed the Canada Pension Plan by 60 per cent over the last 10 years.

The CTF says that the interest rate return means taxpayers are paying an additional \$248,668 into the fund, per MP, on top of the dollar contribution.

\$102 million to MP pensions each year

When you combine the dollar contribution and the guaranteed interest rate return, taxpayers contribute a total of \$102 million to the fund every year, while MPs hand over about \$4.5 million, according to the CTF's calculations.

MPs are eligible for the pension after serving at least six years in the House of Commons and can start collecting it when they turn 55.

Thirty-nine MPs who were elected in 2006 will become eligible for the MP pension plan on Monday, and the CTF says they will be eligible for a collective \$1.9 million in annual pensions starting in 2015.

Thomas said Prime Minister Stephen Harper and his government have some tough decisions to make in the coming months in order to keep its promise of balancing the budget in the years ahead.

"There's no way the prime minister and these MPs can do what they need to do to balance the budget and control spending if they've got their own snouts in the pension trough. They need to lead by example," said Thomas. "They need to put Canada ahead of their own personal bank balance."

The CTF, which released a report Wednesday detailing the pensions that current MPs will be entitled to, wants Parliament to put an end to the fund completely. Thomas said the "platinum-plated" pension fund should be shut down.

Instead, they could set up an optional dollar-for-dollar matching defined contribution plan.

But he says the \$23 that taxpayers currently give to the fund for every MP-contributed dollar is "outrageous" and "it can't be defended by anyone."

Harper says MP pensions will be looked at

The CTF says that as the government looks for savings, it shouldn't even think of tampering with the pension plan for public servants unless it is willing to look at its own.

"There's no way they can do anything about pensions unless they start in their own backyard," said Thomas.

In an interview earlier this week with the CBC's Peter Mansbridge, Harper was asked about the government's plans for pensions.

Harper said his government has already made changes to bring the public service pension system more in line with private sector plans and that while it is looking at the pension issue, "we haven't taken any final decisions."

"As you know, it also raises the issue of pensions of parliamentarians, and that issue will have to be looked at at the same time," he said.

Finance Minister Jim Flaherty said Wednesday that he expects the discussion around MP pensions to continue.

"I think we have to be reasonable in all of our remuneration schemes, including salary, benefits and pensions, and that applies to all of us who are in the world of public service, whether we're politicians or employed by the government of Canada as public servants or elsewhere," he said.

Flaherty said, however, that it's not up to him to decide what is "reasonable."

"I'm sure that we will have different views expressed about what is reasonable and what isn't," he said. "It's not for me as a single member of Parliament to make that determination."

Those comments gave the CTF some encouragement, and Thomas said the group is hopeful it will see progress with its campaign.