



**Written Submission for the Pre-Budget Consultations  
in Advance of the 2021 Budget**

**Submitted By: CARP  
August 2020**

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## **Recommendations**

### **SAFETY AND SECURITY FOR OLDER ADULTS REQUIRING LONG-TERM CARE**

**Recommendation 1:** That the government include long-term care under Federal government legislation, either under the Canada Health Act or its own Act.

**Recommendation 2:** That the government facilitate the creation of national standards for care, together with provincial and territorial governments.

**Recommendation 3:** That the government ensure that funding—to be provided as part of the policy of consistent long-term care provision in Canada—is conditionally provided if and where provincial and territorial governments are able to meet or exceed the national standards.

**Recommendation 4:** That the government establish a citizen oversight panel to ensure that national standards for care are achieved and maintained.

**Recommendation 5:** That the government increase financial supports for ageing in place, such as amending the Home Accessibility Tax Credit from a \$10,000 per dwelling tax credit to a per person basis.

### **FINANCIAL SECURITY**

**Recommendation 6:** That the government follow through with its election commitment to boost Old Age Security by 10% for people 75 and older.

**Recommendation 7:** That the government follow through with its election commitment to increase the Canada Pension Plan Survivor Benefit by 25% for people 65 and older—from 60% to 75%.

**Recommendation 8:** That the government protect pensioners by amending the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* to give pensioners 'super-priority' status.

**Recommendation 9:** That the government protect pensioners by creating a pension insurance program that insures 100% of pension liabilities.

**Recommendation 10:** That the government eliminate (or re-examine) current mandatory RRIF withdrawal rules to better protect the middle class.

**Recommendation 11:** That the government improve investor protection by making the Ombudsman for Banking Services and Investments (OBSI) the single, unified and binding dispute resolution body for banking and investment services.

## **SUPPORT FOR CAREGIVERS**

**Recommendation 12:** That the government make the Canada Caregiver Tax Credit a refundable tax credit, or a rebate, to ensure all caregivers are treated equally and are able to obtain financial relief.

**Recommendation 13:** That the government allow a drop-out provision of the Canada Pension Plan (CPP) for full-time caregivers who have left the workforce due to their caregiving responsibilities, to ensure that they are not penalized under CPP for taking time out of the workforce.

## **DEMENTIA CARE**

**Recommendation 14:** That the government ensure funding is made available to support a successful implementation of *A Dementia Strategy for Canada: Together We Aspire* (the Strategy).

**Recommendation 15:** That the government ensure increased and sustainable funding for the Strategy.

**Recommendation 16:** That the government support coordinated dementia-friendly care in home, community, hospital and long-term care facilities.

**Recommendation 17:** That the government increase funding for adult day programs and social supports for persons with dementia and their caregivers.

## **PREVENTIVE HEALTH CARE**

**Recommendation 18:** That the government commit to preventive care by fully funding three leading vaccines for all adults over age 65, especially those in congregate settings like nursing homes: high-dose flu, the new (and more effective) shingles vaccine and pneumococcal vaccine.

**Recommendation 19:** That the government adopt and implement universal, comprehensive and evidence-based pharmacare.

## **CARP PRE-BUDGET FEDERAL SUBMISSION - AUGUST 2020**

CARP (formerly the Canadian Association of Retired Persons) is a not-for-profit, non-partisan organization, with over 320,000 members in every province and territory across Canada. We fight to ensure that all older adults can live in dignity and with respect, regardless of economic, familial or health challenges.

COVID-19 has undermined the fundamental principles of aging well, including the financial security, health and wellbeing of seniors during a pandemic.

To that end, CARP's recommendations for Federal Budget 2021 fall under five broad categories: safety and security for older adults requiring long-term care, financial security, support for caregivers, dementia care and preventive health care.

### **1. SAFETY AND SECURITY FOR OLDER ADULTS REQUIRING LONG-TERM CARE**

Long-term care is a term used to describe the highest level of health care services provided to a patient outside of an acute care facility, be it in an institution or provided in the patient's domicile. CARP is calling for long-term care to be included under Federal government legislation, either under the Canada Health Act or to have its own Act.

In a recent national poll, 86% of Canadians said they were in favour of bringing long-term care facilities under the Canada Health Act. Only 2% of Canadians opposed this idea<sup>1</sup>. As part of this legislative framework, CARP is calling on the government to:

- o Seek expert consultation and facilitate the creation of national standards for care, together with provincial and territorial governments.
- o Ensure that funding—to be provided as part of the policy of consistent long-term care provision in Canada—is conditionally provided if and where provincial and territorial governments are able to meet or exceed the national standards.
- o Establish a citizen oversight panel to ensure that the service quality is achieved and maintained. This panel would provide an annual report to Canadians on the state of Canada's long-term care system.
- o Increase financial supports for ageing in place, such as amending the Home Accessibility Tax Credit from a \$10,000 per dwelling tax credit to a per person basis.

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<sup>1</sup> <https://nupge.ca/content/support-ltc-CHA>

## **2. FINANCIAL SECURITY**

### **A. Support low-income seniors by boosting Old Age Security and the Canada Pension Plan Survivor's benefit**

The statistics are clear: Canadians are living longer than ever before. At age 65, there is a 72% chance that one half of a couple will live to age 85; a 45% chance that one will live to 90 and a 10% chance that one will live to 100. This unprecedented longevity impacts programs like CPP and OAS. Moreover, retirement insecurity runs high among seniors with historically low interest rates and some of the highest investment costs in the world.

Unlike other countries, Canada does not mandate that employers provide pensions for their employees. This means that CPP and OAS are particularly critical to keeping seniors out of poverty. CARP encourages the government to:

- o Follow through with its election commitment to boost Old Age Security by 10% for people 75 and older.
- o Follow through with its election commitment to increase the Canada Pension Plan Survivor Benefit by 25% for people 65 and older—from 60% to 75%.

### **B. Protect pensioners by granting unfunded pension liabilities super-priority status**

Financial security and health care are inextricably linked insofar as financial capacity is a key determinant of outcomes in health. When we erode these values and we do not protect people's pensions, we put them in a precarious situation. 1.3 million Canadians with corporate-defined benefit pension plans are potentially at risk of having their pensions slashed. Retirees from Sears, Nortel, Wabush Mines, Royal Oak Mines, Indalex, and others have suffered pension losses.

In Canada, only Ontario offers some protection through the Pension Benefit Guarantee Fund, but that is only a "bottom-up" protection of \$18,000 annually. CARP calls on the government to:

- o Amend the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* to give pensioners 'super-priority' status, ranking them ahead of other creditors when it comes to who gets compensated first.
- o Create a pension insurance program that insures 100% of the pension liability.

### **C. Eliminate mandatory RRIF withdrawals to better protect the middle class**

CARP members are concerned that the coronavirus pandemic will have long-lasting financial repercussions, putting their retirement savings at risk. This issue is compounded by increased longevity, lower rates of return, declines in personal savings rates, and reduced access to workplace pension plans.

When individuals are forced to draw down on their savings, they risk outliving their funds; many seniors depend on their RRIF to provide sustained income throughout their later years. Moreover, the number of seniors who work past 71 (and are thus punitively taxed by forced RRIF withdrawals) has increased from 15% in 1995 to 24% in 2015. CARP calls on the government to:

- o Eliminate (or re-examine) current mandatory RRIF withdrawal rules to better reflect this reality, and consider greater deferrals of RRIF withdrawals while seniors are still working.

#### **D. Improve Investor Protections for all Canadians**

A government task force recently published a consultation report which proposed, among other things, to give the Canadian Ombudsman for Banking Services and Investments (OBSI) binding authority to impose its compensation recommendations on the investment industry. CARP fundamentally agrees with this conclusion.

Although low settlements occur in a relatively small percentage of overall cases, such settlements are unfortunately common for larger recommendations—especially those above \$40,000. Such low settlements can be financially devastating and are, in part, a consequence of OBSI's inability to compel firms to pay the recommended amounts. CARP calls on the government to:

- o Make OBSI the single, unified and binding dispute resolution body for banking and investment services.
- o Increase OBSI's loss award limit to \$500,000.

### **3. SUPPORT FOR CAREGIVERS**

The vast majority of home care needs in Canada could not be met without the support of unpaid family caregivers who, according to a recent University of Alberta study, save our health care system an estimated \$66 billion annually. Right now, caregivers are entitled to a Family Caregiver Tax Credit. This tax credit is non-refundable, and therefore only benefits those who pay taxes. Those who are most in need of relief—individuals who have given up their employment income to provide care—receive no benefit.

Moreover, a majority of caregivers are female and between the ages of 45-64 (44%). Women in this demographic tend to outlive their spouses, often forego employment to provide care, and face a greater likelihood of financial insecurity in retirement—in many cases even poverty. CARP calls on the government to:

- o Make the Canada Caregiver Tax Credit a refundable tax credit, or a rebate, to ensure all caregivers, who are overwhelmingly women, are treated equally and are able to obtain financial relief.
- o Allow a drop-out provision of the Canada Pension Plan (CPP) for full-time caregivers who have left the workforce due to their caregiving responsibilities, to ensure that they are not penalized under CPP for taking time out of the workforce.

#### **4. DEMENTIA CARE**

In 2019, the Minister of Health announced the release of *A Dementia Strategy for Canada: Together We Aspire* (the Strategy), with a 5-year \$50 million funding commitment. This Strategy was a critical first step in advancing prevention and treatment therapies, and improving the quality of life of people living with dementia and their caregivers in Canada. CARP calls on the government to:

- o Ensure funding is made available to support a successful implementation of the Strategy.
- o Ensure increased and sustainable funding for the Strategy.
- o Support coordinated dementia-friendly care in home, community, hospital and nursing facilities.
- o Increase funding for adult day programs and social supports for persons with dementia and their caregivers.

#### **5. PREVENTIVE HEALTH CARE**

Seniors are hyper-concerned about any potential weakening of their immune systems due to the associated heightened risk of severe outcomes should they contract COVID-19. Moreover, as initial information suggested that COVID-19 was a precursor to an advanced pneumonia-type response, this has created serious concern within the older adult community.

PHAC has previously reported that they anticipate that less than 10% of older adults are fully up-to-date on their vaccines, and a follow-up survey to individuals showed that number may even be closer to 3%. CARP calls on the government to:

- o Commit to preventive care by fully funding three leading vaccines for all adults over age 65, especially those in congregate settings like nursing homes: high-dose flu, the new (and more effective) shingles vaccine and pneumococcal vaccine.
- o Adopt and implement universal, comprehensive and evidence-based pharmacare. As laid out in the report of the Advisory Council on the Implementation of National Pharmacare, \$3.5 billion is needed by 2022 to roll out the first stage of universal, public pharmacare. This stage would provide access to a national formulary of essential medicines by January 2022.

Respectfully submitted.