

Albrecht, Christine SBRT:EX

From: Shah, Jesal SBRT:EX
Sent: Thursday, December 10, 2015 2:21 PM
To: Hunter, Jaclynn SBRT:EX
Subject: Follow Ups from Bi-lateral with DM - CPP Info Note UPDATE

Hi Jackie,

We have almost completed the one page briefing. We are waiting to incorporate some comments from the Ministry of Finance regarding the potential for a provincial pension plan as CFIB discusses in the slide deck.

I plan to get you a draft by tomorrow.

Jesal

From: Hunter, Jaclynn SBRT:EX
Sent: Thursday, December 3, 2015 4:28 PM
To: Crofts, Amber SBRT:EX; Shah, Jesal SBRT:EX
Cc: Campbell, Fiona SBRT:EX
Subject: RE: Follow Ups from Bi-lateral with DM

Super, thanks Amber and Jesal.

From: Crofts, Amber SBRT:EX
Sent: Thursday, December 3, 2015 3:53 PM
To: Hunter, Jaclynn SBRT:EX; Shah, Jesal SBRT:EX
Cc: Campbell, Fiona SBRT:EX
Subject: RE: Follow Ups from Bi-lateral with DM

Hi Jackie,
Jesal and met to discuss and he is going to assign Sabba the one-pager on CFIB's CPP concerns.
Please send the PPT once received to Jesal and he'll follow up accordingly.
Thanks,
Amber

From: Hunter, Jaclynn SBRT:EX
Sent: Tuesday, December 1, 2015 3:27 PM
To: Little, Christine SBRT:EX
Cc: Crofts, Amber SBRT:EX; Campbell, Fiona SBRT:EX
Subject: Re: Follow Ups from Bi-lateral with DM

Thanks Christine,

Will leave #1 with Amber (let me know if you need my support on this AC).

Thanks for update on #2.

Yes, look forward to discussing s.13,s.17 item re #3.

s.13,s.17 note will be done on SBB side for #4.

Finally for 5, we will need the CFIB background pls, and will assign someone in RRB to prepare note.

Pls advise on your sense of timing for #4 and #5, thanks.

Jackie

Sent from my iPhone

On Dec 1, 2015, at 3:19 PM, Little, Christine SBRT:EX <Christine.Little@gov.bc.ca> wrote:

Hi – just a couple of things that came up today in my bi-lateral:

1. DMC/DMCSE update on s.13,s.1 – bullets should also include process being used for project management and line of site into OICs for red tape reduction day. I've followed up with Monica to see whether Tim will give an update to both groups or defer the DMCSE since they would otherwise be hearing the same update twice.
2. OICs – have asked Monica to request 30 minutes with PO and provided Tim with bullets – will also attend with him
3. s.13,s.17 – Jackie, can we put on our bi-lateral this week
4. s.13,s.17 – need a one page information note on status of funding request
5. CFIB – need a one page information note on the CPP issue that CFIB has raised – let me know if you need the background presentation

That's it.

Christine Little
Assistant Deputy Minister
Small Business and Red-Tape Reduction
Ministry of Small Business and Red-Tape Reduction
Phone: 250-387-0661

Please visit www.gov.bc.ca/helpcutredtape to share your ideas for reducing red tape:

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MINISTRY OF SMALL BUSINESS AND RED TAPE REDUCTION
AND MINISTER RESPONSIBLE FOR THE LIQUOR DISTRIBUTION BRANCH
INFORMATION NOTE

Cliff #:37248

Date: January 5, 2015

PREPARED FOR: Tim McEwan, Deputy Minister, Ministry of Small Business and Red Tape Reduction and Minister Responsible for the Liquor Distribution Branch

ISSUE: Summary of Canadian Federation of Independent Businesses' (CFIB) presentation on mandatory Canada Pension Plan (CPP) increases

BACKGROUND:

On November 20, 2015, CFIB delivered a presentation to DM Tim McEwan on the subject of potential CPP increases. Previous to that presentation, on July 9, 2015, CFIB sent a letter to all Provincial and Territorial Premiers concerning the potential expansion to CPP.

Information provided in the presentation and letter was based on recent 2015 CFIB surveys of small to medium-sized enterprises (SMEs) and employed Canadians. The purpose of these surveys was to gather information on each of these group's perspectives on CPP increases and retirement savings options.

DISCUSSION:

Key Findings made in presentation:

- By percentage of respondents, the two highest forms of taxation that affect the growth of SMEs are pension plans (74 percent) and corporate taxes (43 percent).
- More than 80 percent of SMEs believed that freezing pension plan premiums, lowering taxes, and reducing EI rates would be effective in strengthening business performance in Canada.
- To enhance future pensions, a majority of SMEs and Canadian workers support the idea of extra voluntary contributions through programs such as personal tax free savings accounts, RRSPs and Pooled Registered Pension Plans over mandatory increases to pension plan contributions.
- More than one-third of employed Canadians felt that mandatory pension hikes would reduce their ability to spend on food and housing and two-thirds of SMEs said they would face increased pressure to reduce or freeze salaries.

CFIB Recommendations:

- (Provincial Audience) Reject calls for mandatory CPP/QPP increases, and oppose any plans to create provincial pension plans (i.e. ORPP);
- (Federal Audience) In the current economic climate, now is not the time to increase CPP/QPP.
- Advocate for greater control of public sector wages, benefits and pensions at all three levels of government.

BC Ministry of Finance Perspective:

Given that CPP expansion is a significant federal priority, Ontario's first choice for making improvements in the retirement income system is through its own Ontario Retirement Pension Plan (ORPP). At this point

BC will be keeping watch on how the ORPP is designed and implemented.

SUMMARY:

According to CFIB, SMEs and employed Canadians are not in favour of mandatory increases to pension plans.

- CFIB urges the ministry to oppose any plans to create its own provincial pension plan.
- s.13,s.17

Attachments:

1. CFIB PowerPoint Presentation to DM Tim McEwan, Nov 20, 2015 – *Canada Pension Plan: Small Business Perspective on Increasing CPP Premiums*
2. CFIB Letter to Provincial and Territorial Premiers on potential expansion of the Canada Pension Plan, July 9, 2015

Contact: Jackie Hunter, Executive Director, Small Business and Regulatory Reform Branches Telephone: (250) 387-1548

Prepared by: Sabba Sall, Senior Policy Analyst, Regulatory Reform Branch
Telephone: (250) 356-9740

Reviewed by				
Dir: JS	ED: JH	ADM: CL	DM:	MIN:

July 9, 2015

Provincial & Territorial Premiers

Dear Premier:

As you are likely aware, the Canadian Federation of Independent Business (CFIB) is a non-profit, non-partisan association that seeks to give independent businesses a greater voice in determining the laws that govern business and the country. With 109,000 members across Canada, we are the largest organization exclusively representing the interests of small-and medium-sized enterprises (SMEs) to all levels of government.

As you and your counterparts prepare for the upcoming Council of the Federation meeting, we would like to take this opportunity to address two issues which are extremely important to small business owners across the country: worries about the potential expansion of the Canada Pension Plan/Quebec Pension Plan (CPP/QPP) and the need to create a modern agreement for internal trade. We would also like to share the results of a public opinion poll done for CFIB by Ipsos-Reid, which was conducted over the past few days to determine Canadians' views on these same topics.

Expansion of the Canada Pension Plan

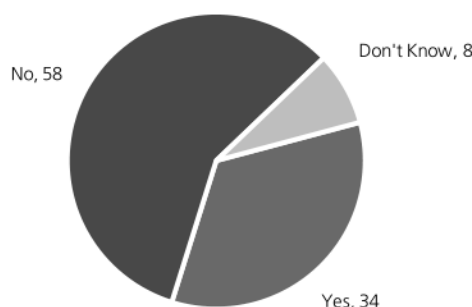
CFIB supports the objective of ensuring Canadians have adequate retirement savings. In fact, we continue to lobby in favour of introducing voluntary Pooled Registered Pension Plans (PRPPs) as an improved retirement savings option for small businesses and their employees. However, as we have shared in the past, the issue of insufficient retirement savings for some Canadians has resulted not from a lack of motivation, but from a lack of disposable income. Furthermore, both small business owners and employed Canadians rank mandatory CPP/QPP increases far below other, voluntary options in terms of preferred savings vehicles.

Our public opinion data from Ipsos-Reid, as well as survey data we have collected from our small business members, show that most Canadians cannot afford to save more for their retirement (58 per cent of employed Canadians and 51 per cent of business owners).

Figure 1:

Currently, can you afford to save more for retirement? (% response)

Employed Canadians



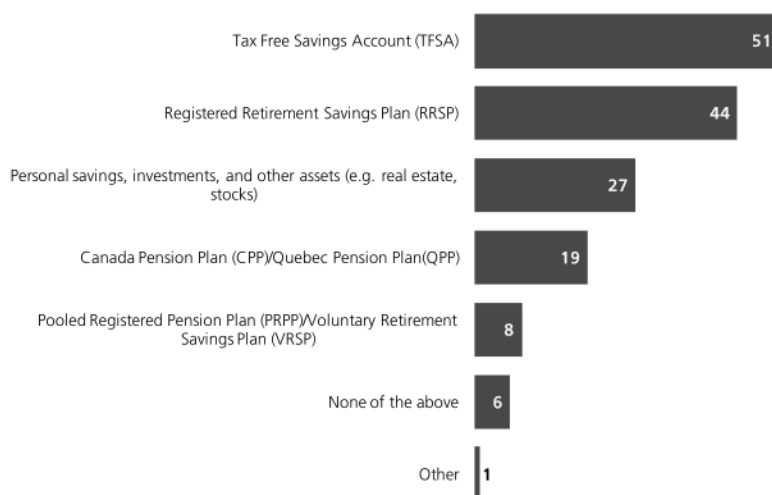
Source: Ipsos-Reid poll conducted for CFIB of 1,150 Employed Canadian adults (age 18+), June 29-July 2, 2015. Results are accurate within +/- 3.3 per cent, 19 times out of 20.

Importantly, if employed Canadians had extra money to save more for retirement, they would choose to invest in RRSPs and TFSAs over other savings vehicles such as the CPP/QPP. Small business employers also favour similarly voluntary savings vehicles if they had the opportunity to contribute more towards the retirement of their employees.

Figure 2:

If you had extra money to put towards your retirement savings, which of the following would you prefer to contribute towards if given a choice? (Select a maximum of three answers, % response)

Employed Canadians



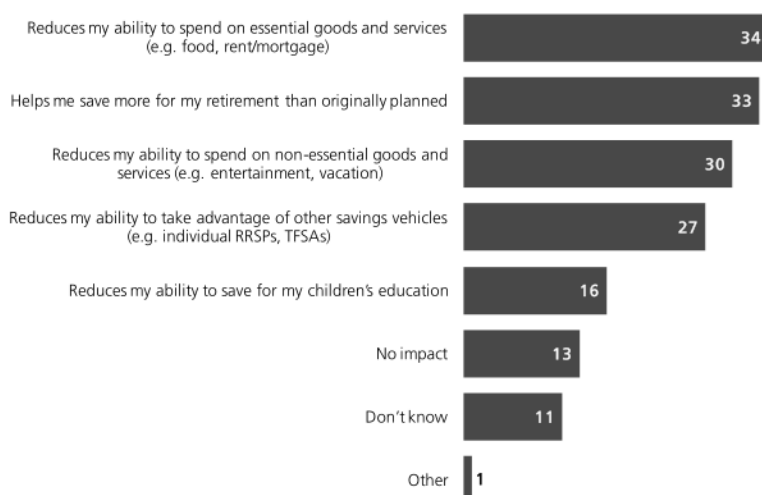
Source: Ipsos-Reid poll conducted for CFIB of 1,150 Employed Canadian adults (age 18+), June 29-July 2, 2015. Results are accurate within +/- 3.3 per cent, 19 times out of 20.

Both employed Canadians and small business owners believe that one of the best ways government can help them save more for retirement is to control government spending and reduce taxes (39 per cent of employed Canadians and 66 per cent of business owners). Mandatory increases in CPP/QPP contributions are the least popular option favoured by employed Canadians and small business owners (18 per cent of employed Canadians and five per cent of business owners). Over a third of employed Canadians express that mandatory CPP/QPP hikes would reduce their ability to spend on essential goods and services such as food and housing, while two thirds of small business owners would face increased pressure to freeze or cut workers' salaries.

Figure 3:

How would an immediate mandatory increase in CPP/QPP contributions for employers and employees (resulting in higher future benefits) affect you? (Select a maximum of three answers, % response)

Employed Canadians



Source: Ipsos-Reid poll conducted for CFIB of 1,150 Employed Canadian adults (age 18+), June 29-July 2, 2015. Results are accurate within +/- 3.3 per cent, 19 times out of 20.

We have enclosed a copy of these results for you.

Given the impact that mandatory CPP/QPP premium increases would have on small businesses and many working Canadians, we strongly urge premiers to oppose such increases. We also strongly oppose mandatory provincial pension plans, such as the Ontario Retirement Pension Plan.

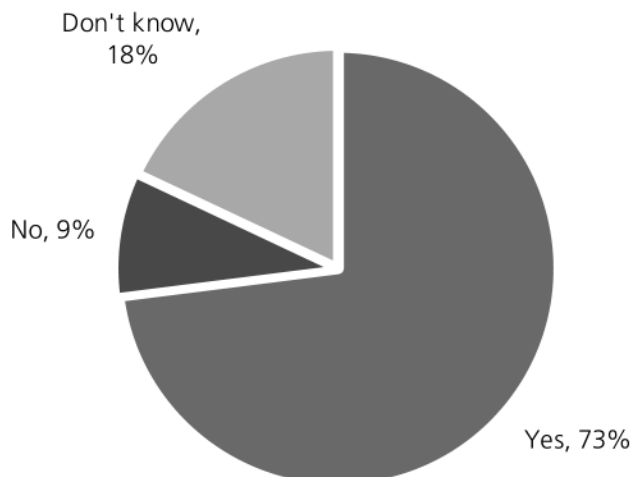
While we ask premiers to outright reject any mandatory increase to payroll taxes, it is our hope that provinces and territories will move forward with expanded voluntary options to improve the ability and options for Canadians and their employers to contribute towards retirement savings. In addition to our strong support for Pooled Registered Pension Plans, earlier CFIB research showed that 77 per cent of small business owners favour the idea of allowing Canadians and their employers to voluntarily contribute extra funds to enhance their own future CPP/QPP benefits. This idea was first proposed by the Federal Liberals and is under consideration by the federal government.

Modernizing internal trade

Just as exporting to other countries is an important economic driver, it is vital that small businesses across the country have fair and open access to markets within Canada. Red tape barriers, such as the lack of mutual recognition of standards and certifications, the need to register separately with authorities in different jurisdictions, and the need to properly understand complex rules that differ in each jurisdiction, all present a productivity drain for small firms and damage our economic performance.

Our members have clearly stated they want the provinces and territories to reduce barriers to the flow of goods and services, with 87 per cent reporting that it should be a priority in a survey conducted last year. Canadians feel much the same way, with 73 per cent of respondents to the public opinion poll conducted by Ipsos-Reid agreeing premiers should commit to reducing barriers to trade within Canada.

Should the Canadian provincial and territorial premiers commit to reducing barriers to the flow of goods and services across provinces and territories?



Source: Ipsos-Reid poll conducted for CFIB of 1,150 Employed Canadian adults (age 18+), June 29-July 2, 2015. Results are accurate within +/- 3.3 per cent, 19 times out of 20.

CFIB was encouraged that the Premiers made a collective commitment to renew the Agreement on Internal Trade (AIT) at the August 2014 Council of the Federation meeting and we are pleased to see that trade ministers and representatives with the Committee on Internal Trade have been moving this commitment forward. It is our hope that this momentum is not lost as barriers to trade represent increased cost and lost opportunities for Canadians businesses.

We ask premiers to continue to show leadership on this file by renewing their commitment to deliver a modern, simple and effective AIT for Canadian small businesses by the current 2016 target. In our view, a successful agreement will cover all goods and services, with any exceptions clearly listed. Mutually recognizing each other's standards should be the default. The agreement should be as simple as possible with an effective dispute resolution mechanism.

On behalf of our members, we hope that your upcoming Council of the Federation meeting will be a productive one. We appreciate the thought and attention you are paying to the issues and concerns of small businesses. We stand ready to help on these or any other issues the Council may be considering.

Sincerely,

Dan Kelly
President & CEO

Laura Jones
Executive Vice-President

Enclosures:

Saving More for Retirement: Employed Canadians and small business owners favour RRSPs and TFSAs over mandatory CPP/QPP increases



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

Powered by Entrepreneurs™

Canada Pension Plan (CPP)

Small Business Perspective on increasing CPP /QPP Premiums

*Presentation to Tim McEwan, Deputy Minister for Small Business
and Red Tape Reduction*

November 20th, 2015

Dan Kelly, President and CEO

Corinne Pohlmann, Senior Vice-President, National Affairs

Richard Truscott, Vice President for BC and Alberta

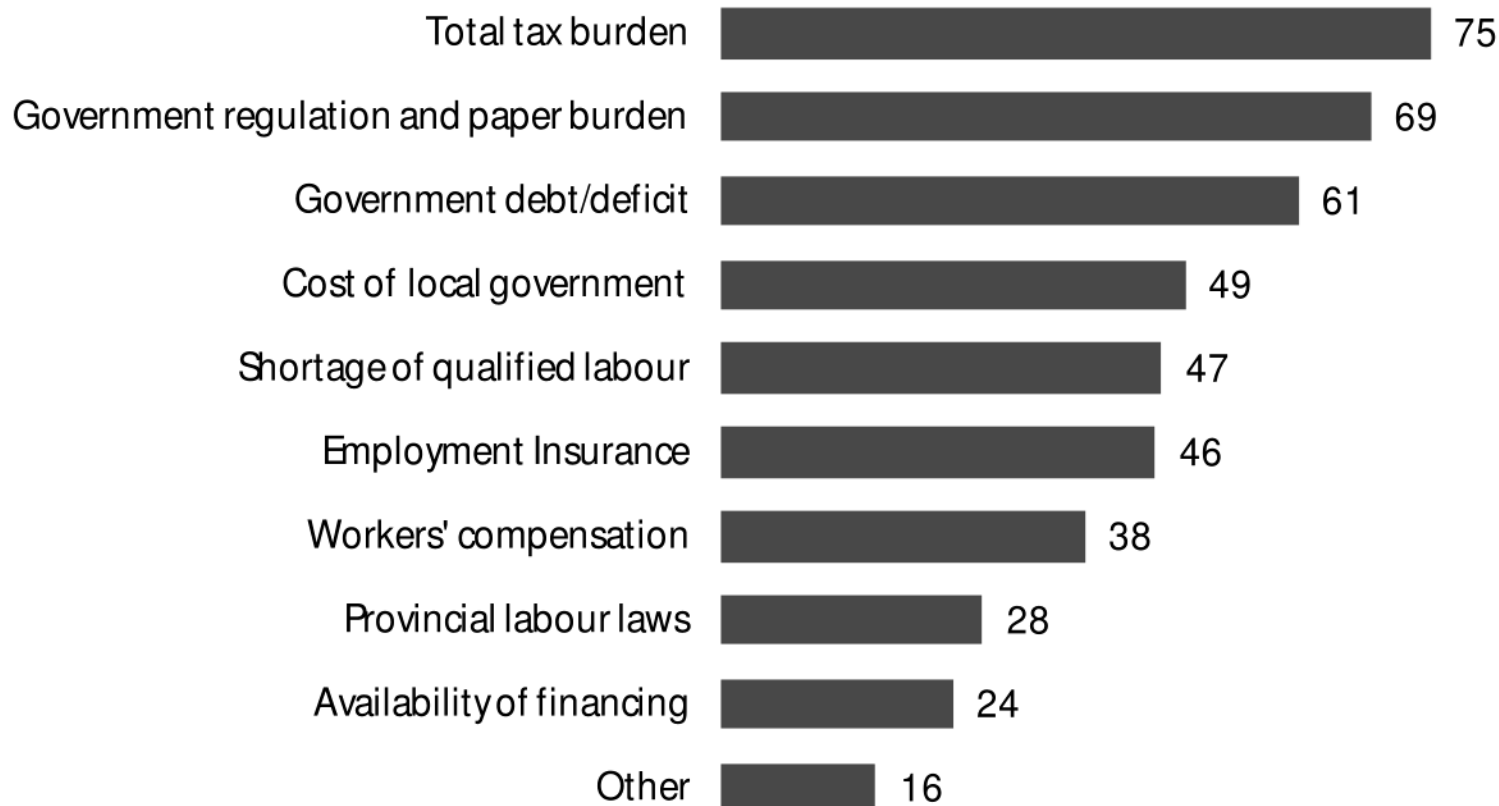
Samantha Howard, Director, B.C.

About CFIB

- Represent independent business
- 109,000 business members across Canada
- Non-partisan, Not-for-profit organization
- Deal with federal, provincial and municipal issues
- Represent all sectors, all regions

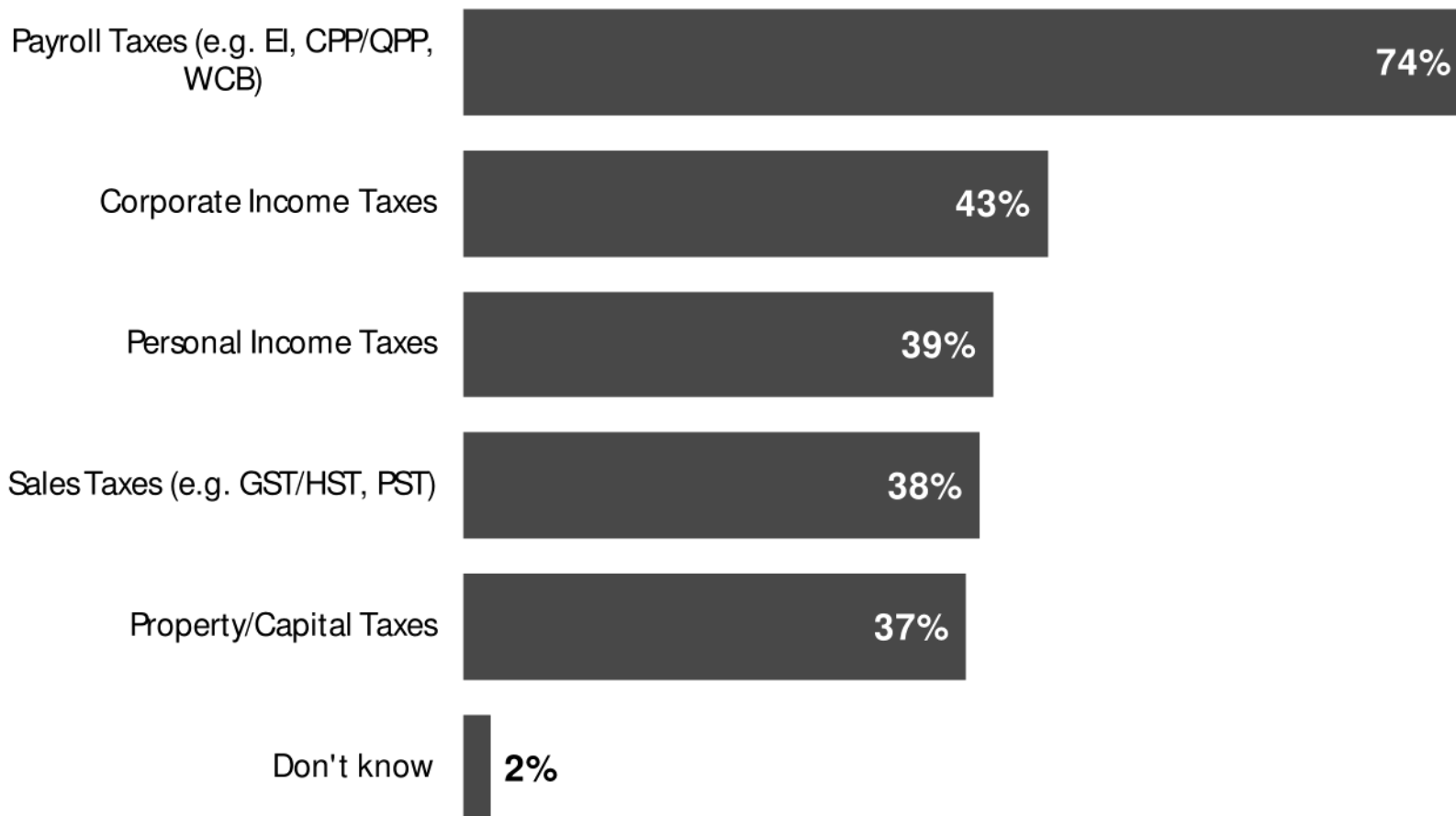
The highest priority issues facing Canadian SMEs

(% response)



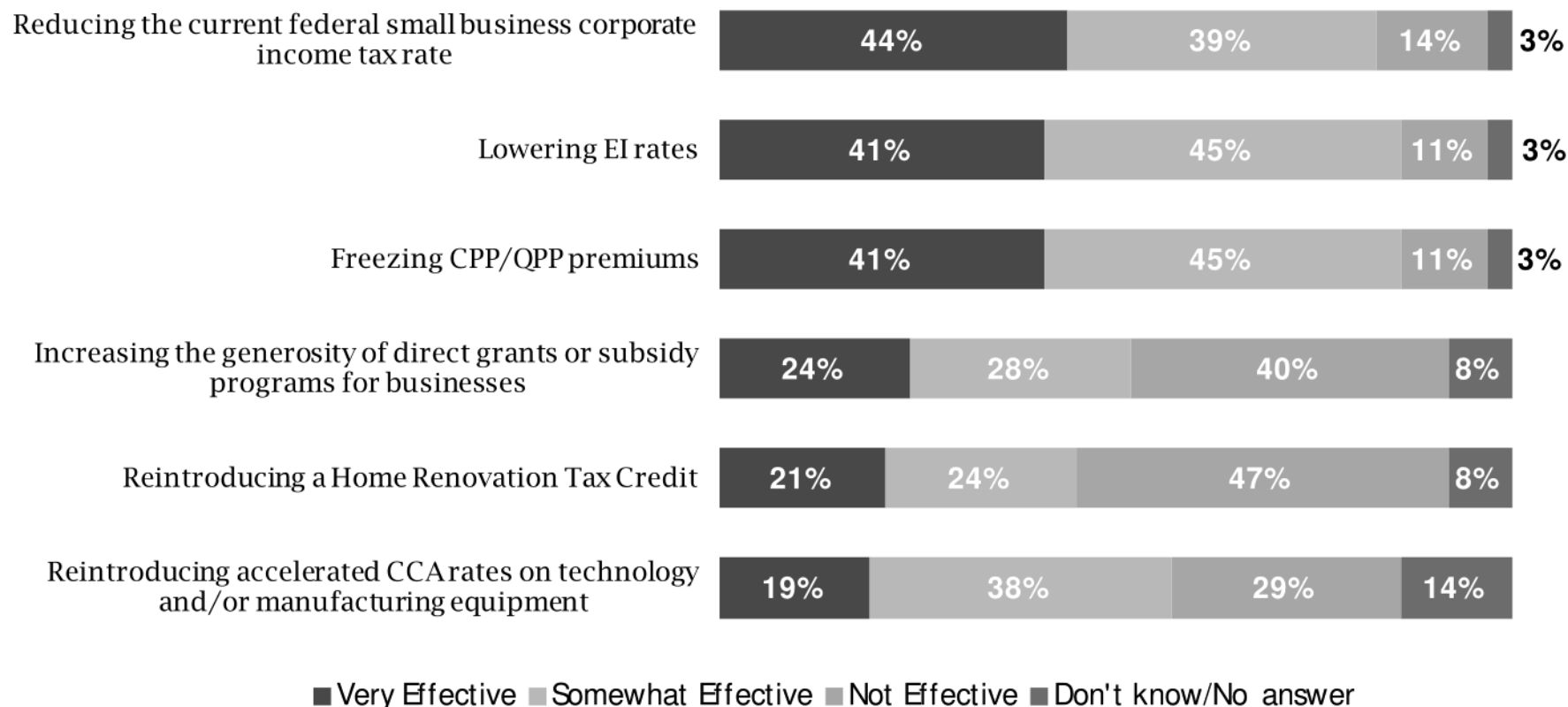
Source: CFIB, Our Members' Opinions survey, January-June 2015,
n=18,385.

Which form of taxation affect the growth of your business the most?



Source: CFIB, 2015 Federal budget and Elections survey, 6,876 responses, November 2014.

How effective would the following measures be at helping to strengthen your business performance?

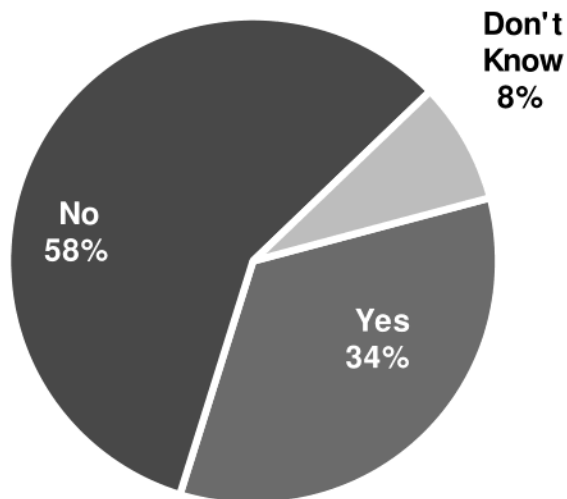


Source: CFIB, 2015 Federal budget and Elections survey, 6,876 responses, November 2014.

Canadians cannot afford to save more for retirement

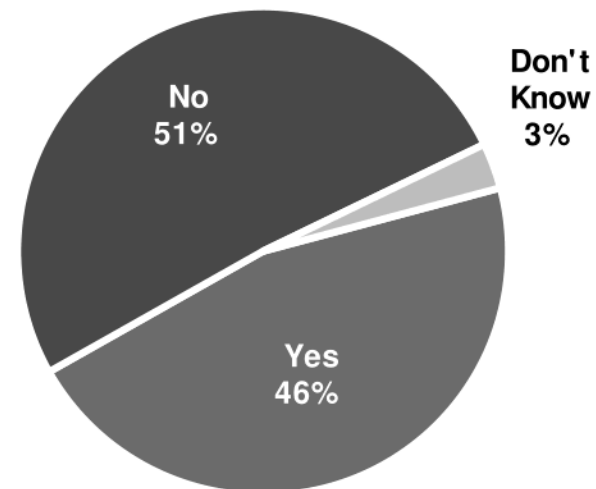
Currently, can you afford to save more for retirement?

Employed Canadians



Source: Ipsos Reid Survey conducted for CFIB, 1,150 responses, July 2015.

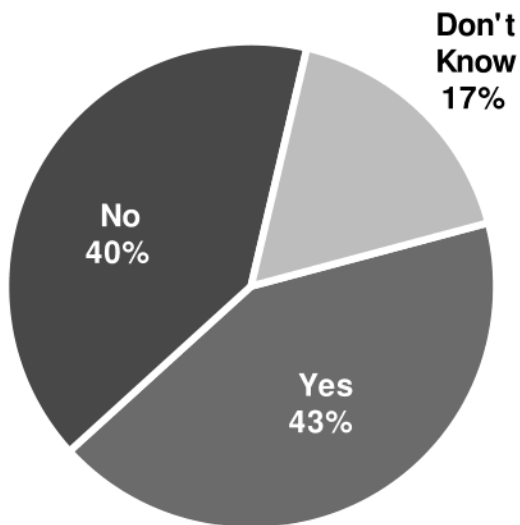
Small business owners



Source: CFIB CPP survey, 7,889 responses, July 2015

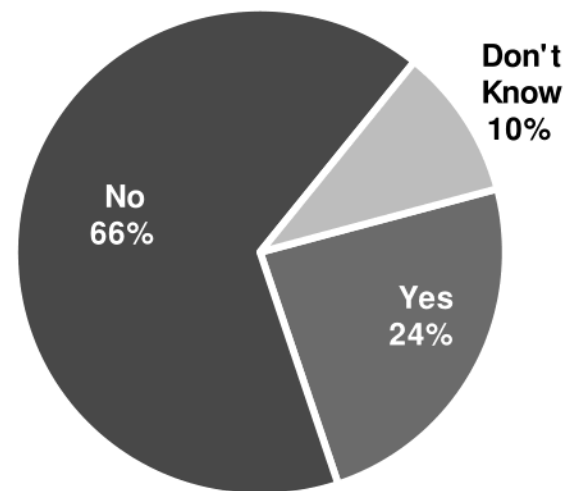
Should governments require Canadians to save more for retirement?

Employed Canadians



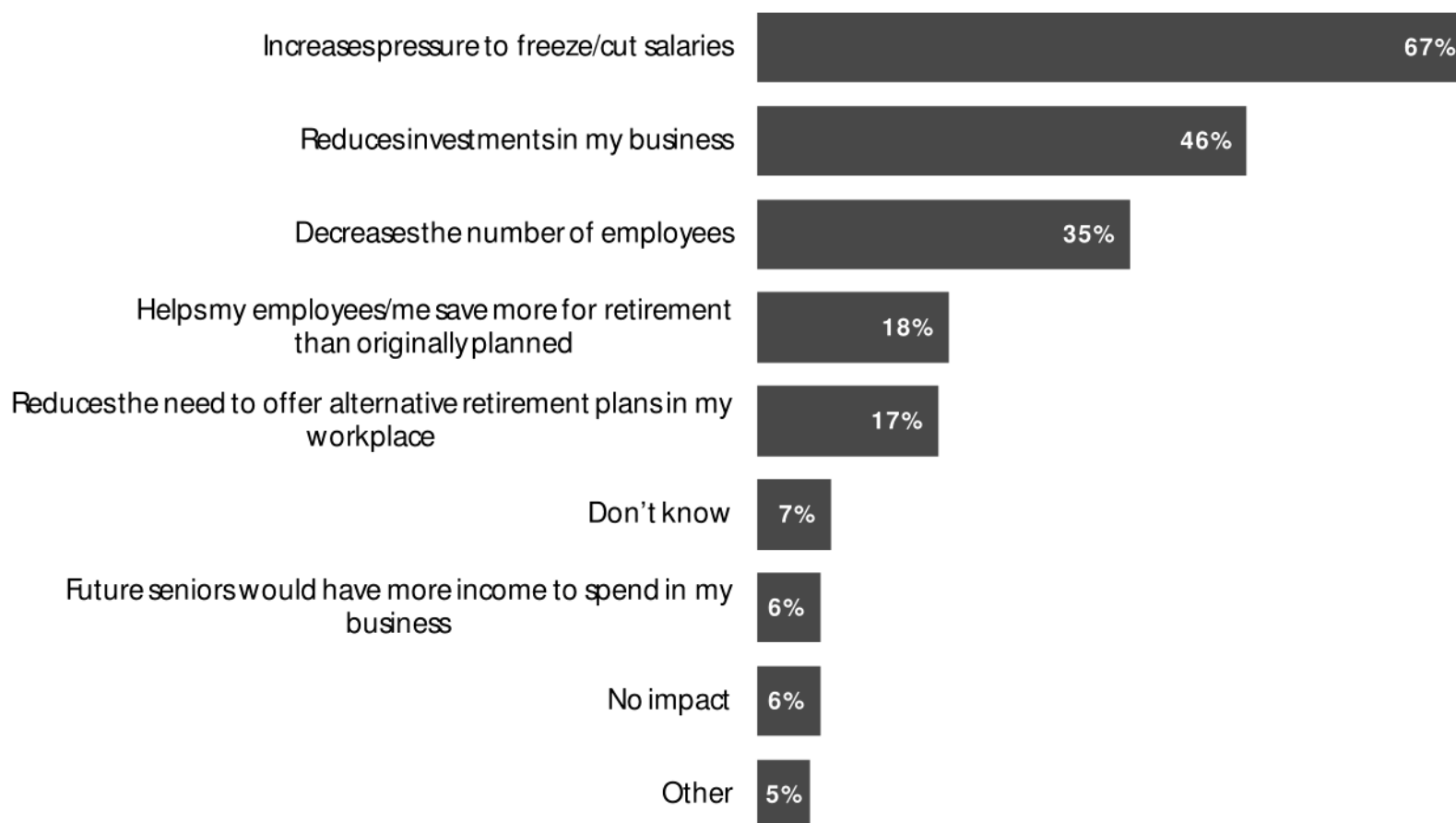
Source: Ipsos Reid Survey conducted for CFIB, 1,150 responses, July 2015.

Small business owners



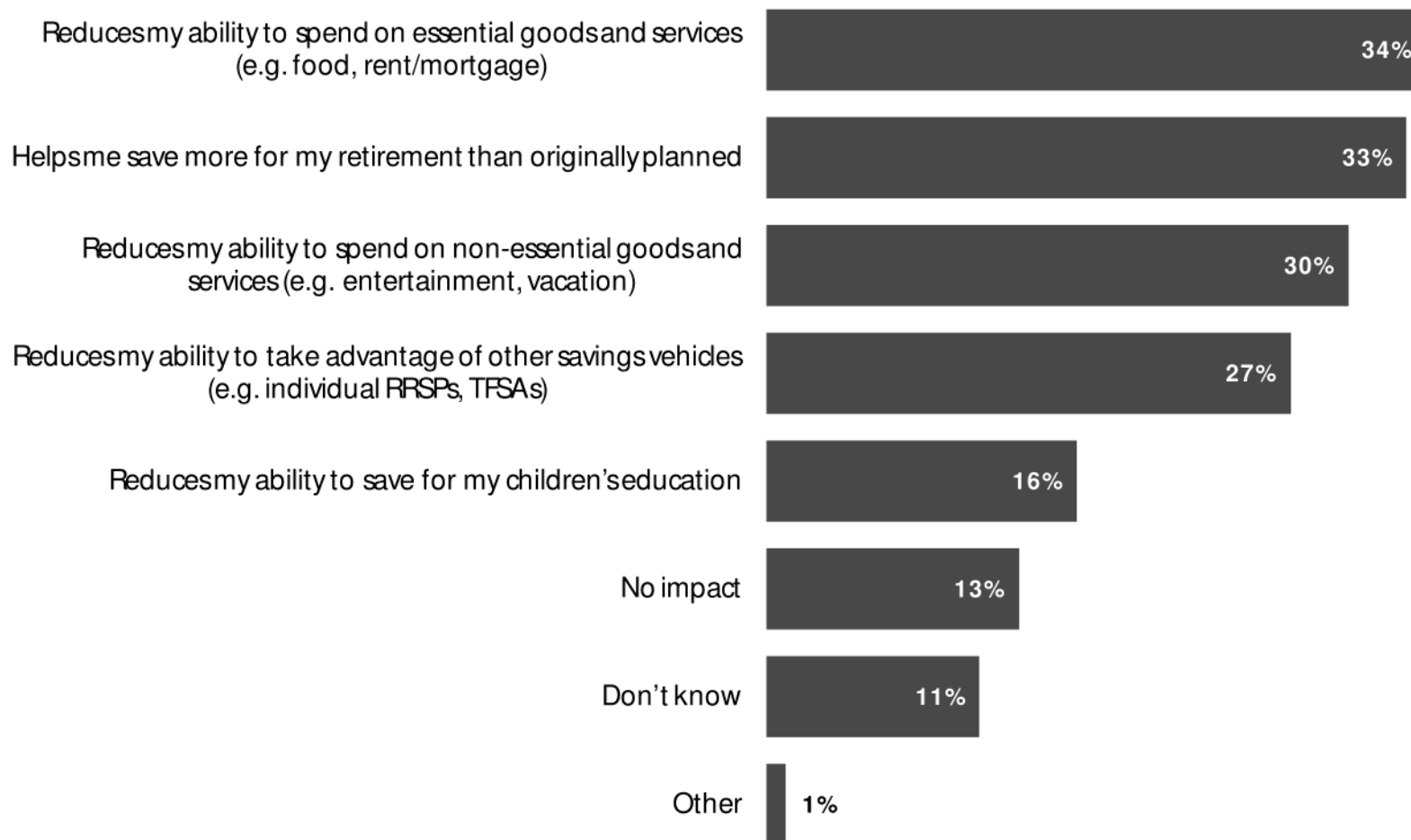
Source: CFIB CPP survey, 7,889 responses, July 2015

Impact of immediate mandatory increase in CPP/QPP premiums - Small business owners



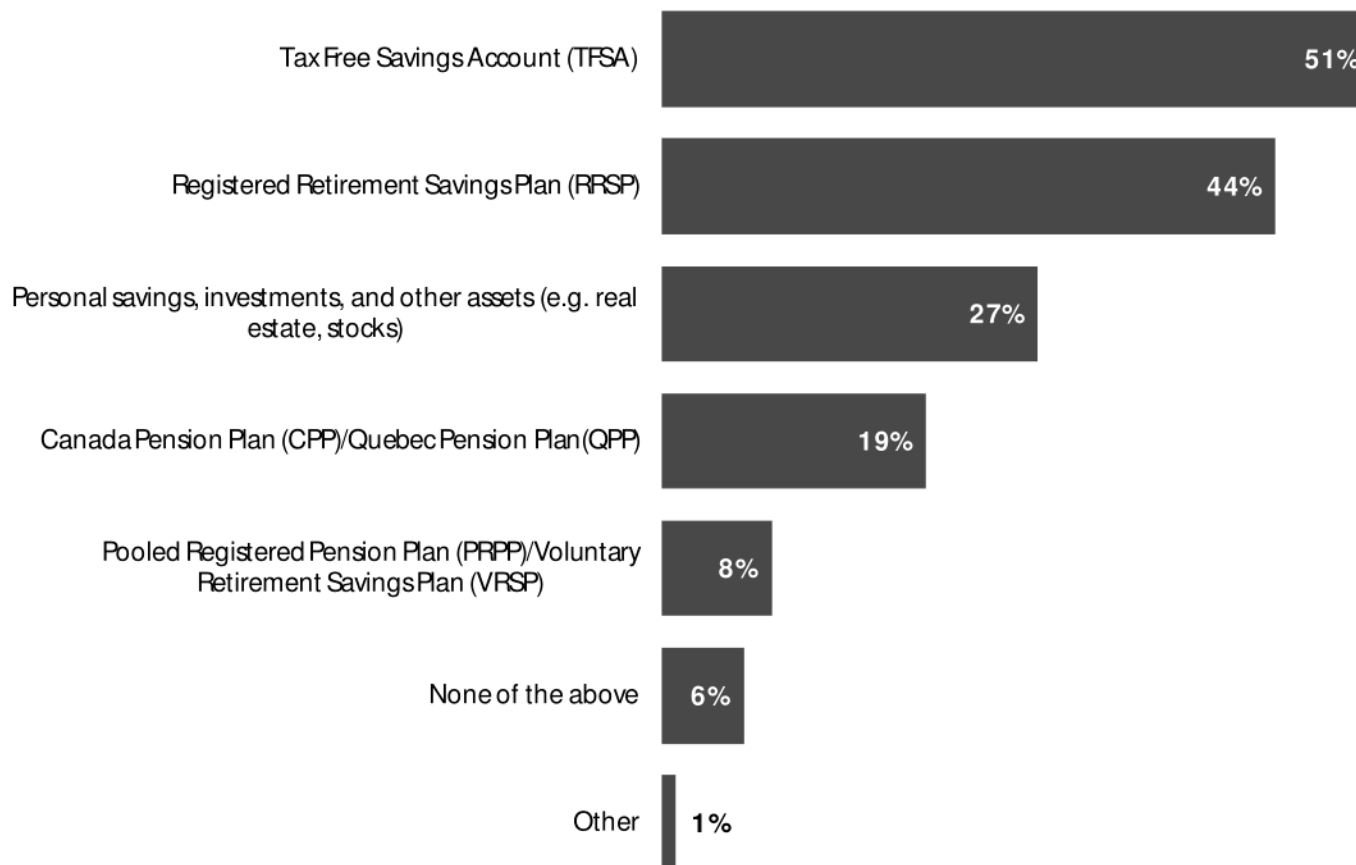
Source: CFIB CPP survey, 7,889 responses, July 2015

Impact of immediate mandatory increase in CPP/QPP premiums- Employed Canadians



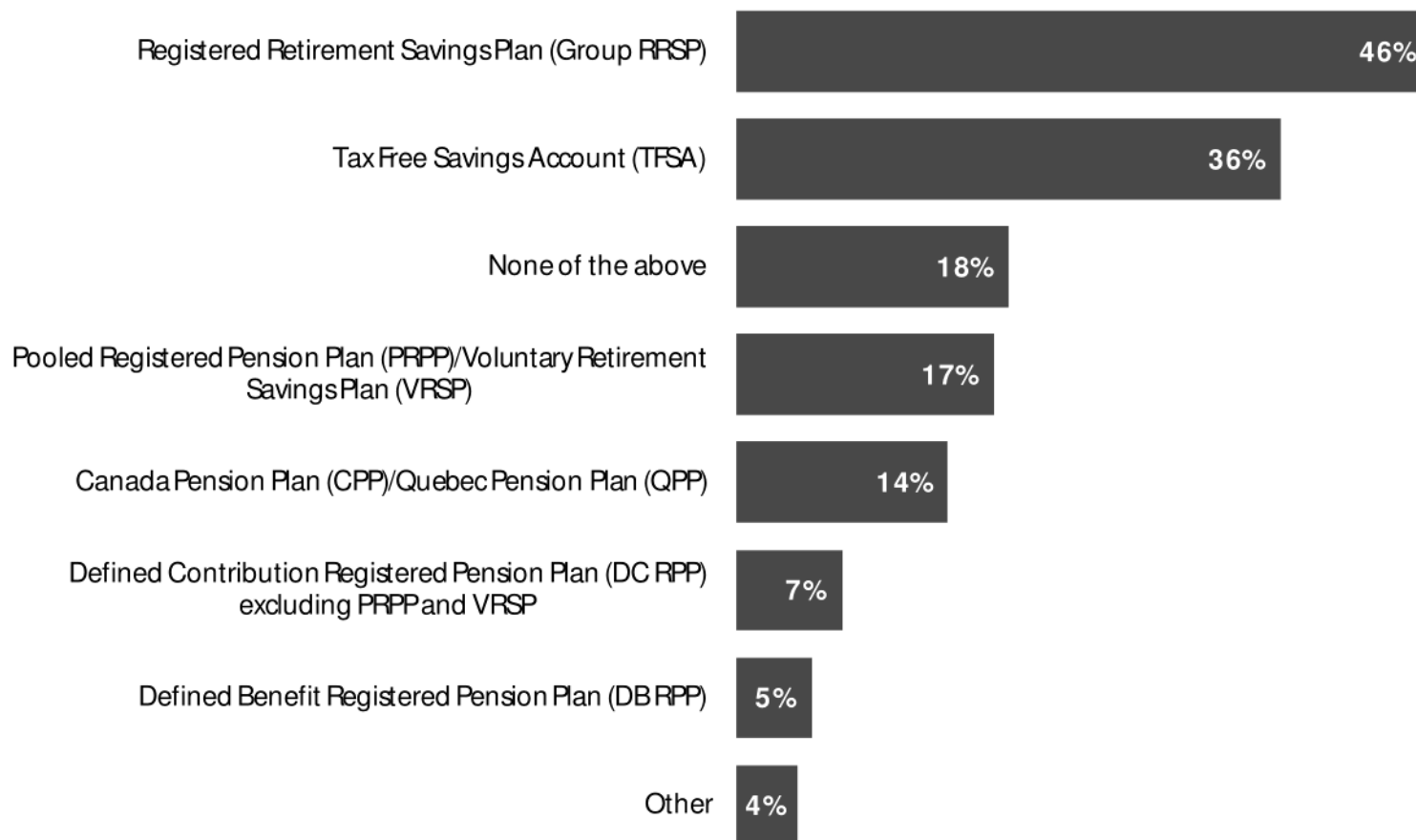
Source: Ipsos Reid Survey conducted for CFIB, 1,150 responses, July 2015.

Preferred Methods of Contribution to Retirement Savings – Employed Canadians



Source: Ipsos Reid Survey conducted for CFIB, 1,150 responses, July 2015.

Preferred Methods of Contribution to Retirement Savings – Small business owners



Source: CFIB CPP survey, 7,889 responses , July 2015

What are the best ways for government to help Canadians save for retirement? (Employed Canadians)

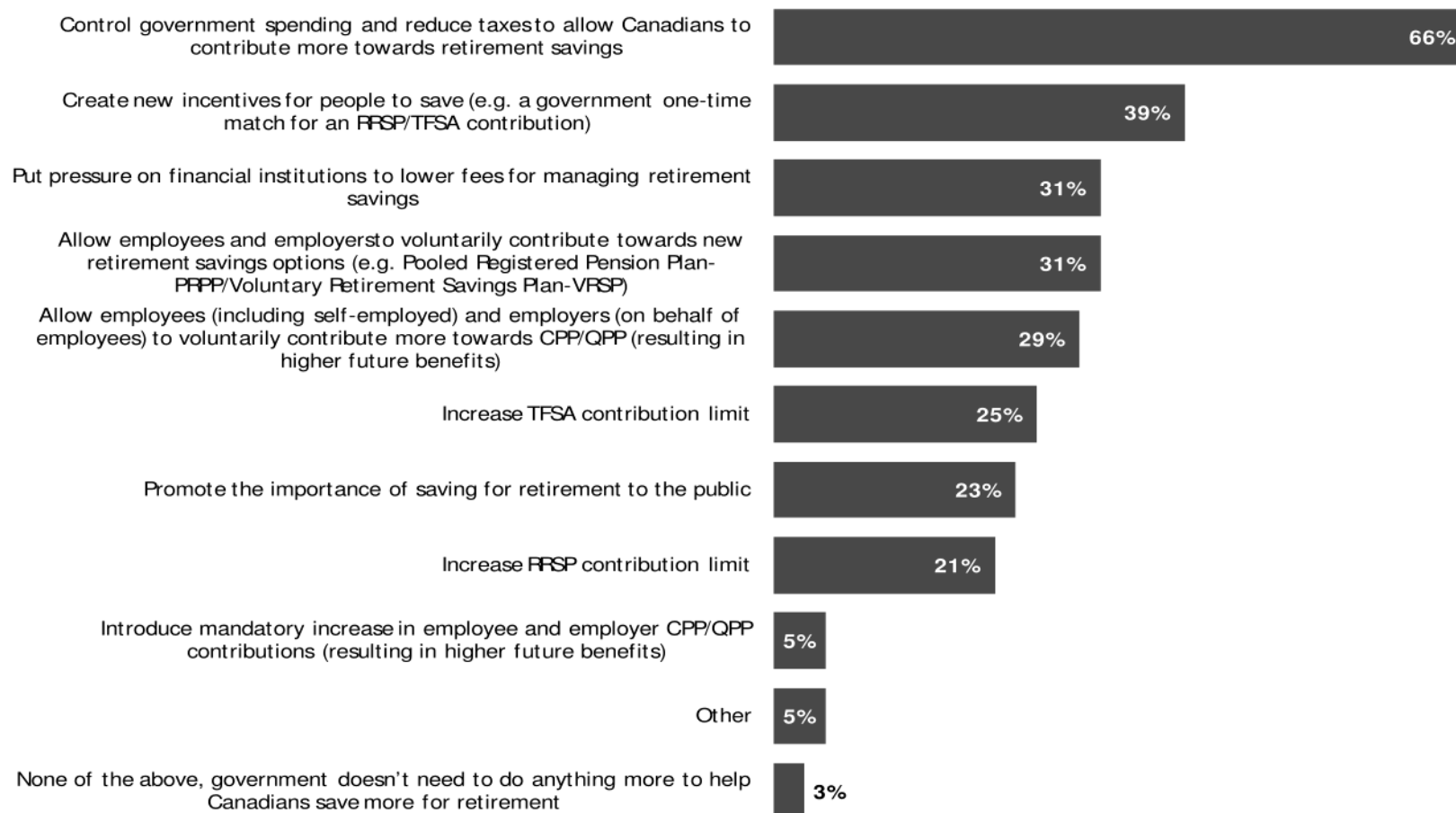
(Select a maximum of three answers)



Source: Ipsos Reid Survey conducted for CFIB, 1,150 responses, July 2015.

What are the best ways for government to help Canadians save for retirement? (Small business owners)

(Select a maximum of three answers)



Source: CFIB CPP survey, 7,889 responses, July 2015

Recommendations

- *(Provincial Audience)* Reject calls for mandatory CPP/QPP increases, and oppose any plans to create provincial pension plans (i.e. ORPP);
- *(Federal Audience)* In the current economic climate, now is not the time to increase CPP/QPP.
- Encourage provincial governments that have not already done so to introduce Pooled Registered Pension Plan (PRPP). Currently, only Saskatchewan, Quebec, British Columbia and Alberta have introduced legislation.
- Advocate for greater control of public sector wages, benefits and pensions at all three levels of government.

Albrecht, Christine SBRT:EX

From: Bennett, Jordan SBRT:EX
Sent: Monday, June 20, 2016 2:18 PM
To: Virtue, Stefan SBRT:EX
Subject: Fw: FYI

Hi Stefan,
Can you please monitor for this release while are in our Sr. Managers meeting? Thanks!
Jordan.

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Hunter, Jaclynn SBRT:EX
Sent: Monday, June 20, 2016 2:14 PM
To: Little, Christine SBRT:EX
Cc: Albrecht, Christine SBRT:EX; Kincross, Sean SBRT:EX; Bennett, Jordan SBRT:EX
Subject: FYI

Just had a call from Derek who was closing the loop on his email to Roundtable folk re: CPP. Just relayed he was following up, and highlighted the responses he had received back (ones you flipped us). I let him know you were back in the office.

On a related note, Finance has advised us that a News Release is going out post-meeting with finance ministers today – we are to flip to Derek when we receive and he will circulate to Roundtable.

Jackie

Jackie Hunter

Executive Director

Small Business Branch

Ministry of Small Business and Red Tape Reduction

p: 250-387-1548 | c: 250-882-0439 | f: 250.952.0137 |

e: Jaclynn.Hunter@gov.bc.ca

Albrecht, Christine SBRT:EX

From: Cybele Negris <cybele@webnames.ca>
Sent: Monday, June 20, 2016 5:33 PM
To: Cummings, Derek SBRT:EX
Cc: Little, Christine SBRT:EX
Subject: Re: CPP

Thanks

s.13,s.17,s.21

On Jun 20, 2016, at 5:04 PM, Cummings, Derek SBRT:EX <Derek.Cummings@gov.bc.ca> wrote:

Attached is a backgrounder with an example of how the incremental enhancement would impact the take-home pay of an individual earning \$54,900 per year.

From: Cummings, Derek SBRT:EX
Sent: Monday, June 20, 2016 4:57 PM
To: 'Cybele Negris'
Subject: RE: CPP

Hi Cybele – meeting of Ministers just wrapped up. Here is the BC news release out of the meeting:

<https://news.gov.bc.ca/releases/2016FIN0025-001092>

Finance ministers reached consensus on an agreement-in-principle to recommend a modest and balanced incremental enhancement to the Canada Pension Plan, starting in 2019 and phased in over seven years until 2025. The proposed enhancement will now be considered by the respective jurisdictions and, if approved, formalized within the coming weeks.

Derek

From: Cybele Negris [<mailto:cybele@webnames.ca>]
Sent: Monday, June 20, 2016 4:53 PM
To: Cummings, Derek SBRT:EX
Subject: Re: CPP

Thanks Derek and please pass along my thanks to the minister
s.13,s.17,s.21

Cybele

On Jun 16, 2016, at 6:03 PM, Cummings, Derek SBRT:EX <Derek.Cummings@gov.bc.ca> wrote:

Hi Cybele,

Minister Oakes asked that I make sure you are aware of the meeting scheduled next week between federal and provincial Finance Ministers to discuss retirement income security and potential pension reforms.

Premier Clark responded to questions about the topic today: "What I heard today was that provinces are willing to be flexible and that certainly the Prime Minister and the federal government want to make sure that this is something that works for small business, that it works for jobs, that it doesn't affect what in the rest of the country is a pretty fragile economy, so that's all very positive news. In terms of what's on the table, that's still being worked through. So you'll get a more definitive comment on Monday."

<http://www.theglobeandmail.com/news/politics/ottawa-seeks-warmer-relations-with-provinces-ahead-of-cpp-reforms/article30497025/>

For your information, this is the message the Ministry of Finance has been responding with to questions on this topic.

- B.C. has consistently called for comprehensive pension reforms that support Canadians as they prepare for retirement.
- The provincial and federal governments have been working together for a number of years to solve the under-savings problem current workers face, and in doing so address the shortfall in retirement income that under-savings is expected to create for future generations of Canadians.
- Part of the answer lies in the development of Pooled Registered Pension Plans. We believe that PRPPs could become an important option for people to save for retirement and provide an additional financial safety net for the approximately two-thirds of B.C. workers – including the self-employed – who don't have access to group pension plans.
- A modest Canada Pension Plan expansion, when economic conditions permit, would make a positive contribution to the retirement income security of future generations of Canadians.
- In looking at reform options, B.C. wants to see consideration given to changes that will have a positive and meaningful impact on the retirement income of middle-income earners, while protecting lower-income earners.

I'll keep you posted if I become aware of any relevant updates.

Regards,

Derek Cummings

Chief of Staff to the Honourable Coralee Oakes

Minister of Small Business, Red Tape Reduction & Minister Responsible for Liquor Distribution Branch

Albrecht, Christine SBRT:EX

From: Bennett, Jordan SBRT:EX
Sent: Tuesday, June 21, 2016 12:43 PM
To: Kincross, Sean SBRT:EX
Subject: Fw: Pension Reform Messaging

Brad underwood

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Bennett, Jordan SBRT:EX
Sent: Monday, June 20, 2016 12:28 PM
To: Virtue, Stefan SBRT:EX
Subject: RE: Pension Reform Messaging

Yes that's fine. As soon as the press release is out we should send it up the line, then I will engage Brad. Thanks Stefan.

Jordan Bennett

Director, Strategic Initiatives | Small Business Branch
Ministry of Small Business and Red-Tape Reduction
7 – 1810 Blanshard Street | Victoria, British Columbia | V8T 4J1
Tel: 250.356.8783 | Email: Jordan.Bennett@gov.bc.ca

From: Virtue, Stefan SBRT:EX
Sent: Monday, June 20, 2016 12:07 PM
To: Bennett, Jordan SBRT:EX
Subject: FW: Pension Reform Messaging

Hi Jordan,

Cynthia has just followed up with me to suggest we engage with Brad Underwood, Director in Intergovernmental Fiscal Relations Branch to get the most up to date info on the CPP talks. 250 356-0566.

There will be a joint press release this afternoon after the IGR Finance Minister's meeting. Perhaps we should wait until the press release before engaging with Brad and his team. What do you think?

Stefan Virtue

Senior Analyst, Small Business Branch
Ministry of Small Business and Red Tape Reduction
Victoria, B.C. 250-387-1193 stefan.virtue@gov.bc.ca

From: Virtue, Stefan SBRT:EX
Sent: Monday, June 20, 2016 11:24 AM
To: Bennett, Jordan SBRT:EX
Subject: RE: Pension Reform Messaging

Cynthia Callahan-Maureen, Senior Advisor, Financial and Corporate Sector Policy Branch at FIN. 250-387-7520.

Stefan Virtue

Senior Analyst, Small Business Branch
Ministry of Small Business and Red Tape Reduction
Victoria, B.C. 250-387-1193 stefan.virtue@gov.bc.ca

From: Bennett, Jordan SBRT:EX
Sent: Monday, June 20, 2016 11:09 AM
To: Virtue, Stefan SBRT:EX
Subject: FW: Pension Reform Messaging

Hi Stefan – can you please find out who the contact in FIN is for CPP reform? Or the area that is monitoring it? Thanks, Jordan.

Jordan Bennett

Director, Strategic Initiatives | Small Business Branch
Ministry of Small Business and Red-Tape Reduction
7 – 1810 Blanshard Street | Victoria, British Columbia | V8T 4J1
Tel: 250.356.8783 | Email: Jordan.Bennett@gov.bc.ca

From: Hunter, Jaclynn SBRT:EX
Sent: Monday, June 20, 2016 10:14 AM
To: Bennett, Jordan SBRT:EX
Subject: FW: Pension Reform Messaging
FYI – can you action please, thanks.

From: Cummings, Derek SBRT:EX
Sent: Monday, June 20, 2016 10:13 AM
To: Anderson, Bill GCPE:EX; Hunter, Jaclynn SBRT:EX
Cc: Jang, Monica SBRT:EX
Subject: RE: Pension Reform Messaging
Morning - can you both ask your counterparts to be kept up to date on any relevant updates from FIN and keep me posted? Thanks

From: Anderson, Bill GCPE:EX
Sent: Thursday, June 16, 2016 11:24 AM
To: Hunter, Jaclynn SBRT:EX; McEwan, Tim SBRT:EX; Cummings, Derek SBRT:EX
Subject: Pension Reform Messaging
Importance: High
From FIN.
Bill Anderson
Director of Communications
Government Communications and Public Engagement
Ministry of Small Business and Red Tape Reduction
Cell: 250.888.3381

Albrecht, Christine SBRT:EX

From: Kincross, Sean SBRT:EX
Sent: Tuesday, June 21, 2016 1:54 PM
To: Little, Christine SBRT:EX
Cc: Hunter, Jaclynn SBRT:EX; Albrecht, Christine SBRT:EX
Subject: RE: CPP comments
Attachments: Small Business CPP COMMENTS.docx

Hello Christine, Attached is what I have been able to gather off of a scan of twitter, WWW, stakeholder newsrooms, and TNO from this morning.

I will update again in the morning if you like.

SEAN R. KINCROSS | Senior Program Manager
Small Business Roundtable Secretariat
Ministry of Small Business and Red Tape Reduction | Province of British Columbia

p: 250.387.9083 | f: 250.952.0113 | e: sean.kincross@gov.bc.ca

From: Little, Christine SBRT:EX
Sent: Tuesday, June 21, 2016 11:14 AM
To: Kincross, Sean SBRT:EX
Cc: Hunter, Jaclynn SBRT:EX; Albrecht, Christine SBRT:EX
Subject: CPP comments

Hi Sean – can you please put a one-pager together of all of the CPP comments/viewpoints from the roundtable and Ministry stakeholders – both e-mails we have received and media comments? Thanks. MCO would like something today.

Just needs to be simple, e.g. The Canadian Federation of Independent Business called increased CPP premiums, beginning in 2019,

s.13,s.17,s.21

Christine Little
Assistant Deputy Minister
Small Business and Red Tape Reduction
Phone: 250-387-0661

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Small Business Roundtable

Canadian Pension Plan: Scan of Small Business Related Comments

ROUNDTABLE MEMBERS:

Cybele Negriz (Vice Chair)

- s.13,s.17,s.21

-

-

-

Mark Startup

- s.13,s.17,s.21

ORGANIZATIONS OF INTEREST:

Canadian Federation of Independent Business (CFIB):

- s.13,s.17,s.21

Chambers of Commerce

- s.13,s.17,s.21

-

Fraser Institute

- s.13,s.17,s.21

-

BC Business Council

- Nothing to date

CPA

- Nothing to date

KPMG

- Nothing to date

Albrecht, Christine SBRT:EX

From: Kincross, Sean SBRT:EX
Sent: Wednesday, June 22, 2016 2:13 PM
To: Little, Christine SBRT:EX
Cc: Hunter, Jaclynn SBRT:EX
Subject: FW: CPP Stakeholder Scan
Attachments: CPP Stakeholder Discussions - for SBRT - 2016-06-22.docx

Hello Christine,

Here is an additional backgrounder from the Ministry of Finance to augment the summary I provided yesterday. Let me know if you want me to work with it a bit more before you share with Derek.

SEAN R. KINCROSS | Senior Program Manager
Small Business Roundtable Secretariat
Ministry of Small Business and Red Tape Reduction | Province of British Columbia

p: 250.387.9083 | f: 250.952.0113 | e: sean.kincross@gov.bc.ca

From: Underwood, Brad FIN:EX
Sent: Wednesday, June 22, 2016 12:57 PM
To: Kincross, Sean SBRT:EX
Cc: Bennett, Jordan SBRT:EX
Subject: RE: CPP Stakeholder Scan

Here is a summary. Obviously a pretty wide range of stakeholders that are interested in the subject of CPP expansion.

As I indicated there is a lot of rhetoric, lobbying/advocacy and misinformation that exists in the pension debate.

We have spent a significant amount of time analyzing the impacts of a CPP expansion on businesses and employers, both from an operational/labour cost perspective and from a broader economic impact/consumption perspective.

There are also interesting perspectives from within the pension/negotiating body of literature that look at paying for pension arrangements from a total compensation perspective (employers) versus a deferred wages perspective (employees).

Brad Underwood

Director, Intergovernmental Fiscal Relations
Policy and Legislation Division
BC Ministry of Finance
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From: Kincross, Sean SBRT:EX
Sent: Tuesday, June 21, 2016 1:09 PM
To: Underwood, Brad FIN:EX
Cc: Bennett, Jordan SBRT:EX
Subject: CPP Stakeholder Scan
Importance: High

Good Afternoon Brad,

My colleague Jordan Bennett provided me your contact information as you may have some content to help me fulfill a time-sensitive request to conduct a scan of stakeholders of interest to our Ministry to capture their comments related to the recent CPP announcement.

If you have a running summary of feedback received to date for the following stakeholders I would greatly appreciate it if you could share it with me as I have been asked to provide to send it up by the end of the day.

Canadian Federation of Independent Business (CFIB):
Certified Professional Accountants
Chambers of Commerce and Boards of Trade
BC Business Council
KPMG
Fraser Institute

Thanks in advance!

SEAN R. KINCROSS | Senior Program Manager
Small Business Roundtable Secretariat
Ministry of Small Business and Red Tape Reduction | Province of British Columbia

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CPP Stakeholder Discussions

1. Canadian Federation of Independent Business.

- By far the most vocal and active lobby. Minister, DM and staff have met with CFIB representatives on numerous occasions over the past several years, sometimes more than once a year. Occasionally, their issue has singularly been focussed on CPP, but more often CPP is embedded in a range of issues that they wish to discuss related to pre-budget public consultations, or just general groupings of issues they want to raise.
- s.13,s.17
-

2. Canadian Association of Retired Persons (CARP)

- DM, ADM and staff have met with CARP representatives on a number of occasions over the past several years (less than CFIB, but still numerous).
- s.13,s.17
- In some aspects, the approach that CARP has taken with impact calculations has been helpful to our analysis.

3. Canadian Life and Health Insurance Association

- Staff have met with CLHIA representatives a few times over the past several years.
- Generally speaking this group has not been particularly supportive of CPP expansion, as some elements of their membership might experience some adaptation impacts related to a CPP expansion (disability and health insurance providers).
- The public positioning of CLHIA has shifted somewhat over the past year towards being more supportive of action on retirement income security. They recently signed an open letter to the FPT Finance Ministers from a coalition of 15 organizations (including many provincial chambers of commerce, Gen Squeeze, investment industry associations, etc.), that supported action on retirement income security using a multi-faceted approach.
(https://www.clhia.ca/domino/html/clhia/clhia_lp4w_lnd_webstation.nsf/page/63DBDA0497A52F2585257FC3005CFD3D)

4. Canadian Labour Congress

- Minister, DM, ADM and staff have met with CLC representatives on a few occasions over the past several years.

- The CLC is a strong pro-CPP advocate. They constructed their own CPP expansion option proposal which was designed to double the CPP benefits, funded through equal contributions by employers and employees.
- The calculations and analysis supporting the CLC proposal were sound and the advocacy campaign that surrounded it was well-financed and organized. The recent media and advertising campaign by the CLC is evidence of this (<https://www.abetterplanforall.ca/>)
- s.13,s.17

- The CLC proposal has become the de-facto position of the labour movement.

5. BC Federation of Labour

- Minister, DM, ADM and staff have met with the BC Fed on CPP and other labour issues on a few occasions over the past several years.

6. Fraser Institute

- BC Finance has not met with representatives from the Fraser Institute on the issue of CPP.
- s.13,s.17

7. BC Business Council

- Staff have met with BC Business Council staff (Jock Finlayson) on a few occasions to discuss public policy issues that they have written about (CPP and income inequality). Generally speaking, the BCBC seems to be relatively objective and neutral with respect to the idea of CPP expansion.
- These discussions have generally been informative two-way dialogues.
- BC Business Council regularly makes submissions to pre-budget public consultation hearings, but the issues they raise generally do not focus on CPP.

8. Canadian Institute of Actuaries (CIA)

- Staff have met with representatives from the CIA on a few occasions to discuss pension and CPP issues.
- The CIA frequently writes very objective, well-researched and well-constructed reports and public position papers on the subjects of pension reform and CPP expansion which are analyzed by BC Finance Officials.

9. The Canadian Payroll Association (CPA) has made public statements about CPP expansion in the past, but not frequently, and BC Finance has not met with them over the past several years.

10. From time-to-time, BC Finance will hear from groups such as the Pension Investment Association of Canada (PIAC), the Association of Canadian Pension Management (ACPM), the Investment Industry Association of Canada (IIAC) on issues related to pension reform, but this is mostly in respect of regulatory reforms in terms of pension standards that affect the pension industry and not CPP.
11. No contact from KPMG, Chambers of Commerce/Boards of Trade, or the Certified Professional Accountants on CPP. Although the Canadian Chamber of Commerce did write a position paper on CPP expansion recently, that was objective and well-constructed. These groups do make submissions to pre-budget public consultation hearings, but their issues are not CPP-related.

Albrecht, Christine SBRT:EX

From: Hunter, Jaclynn SBRT:EX
Sent: Thursday, June 23, 2016 1:56 PM
To: Kincross, Sean SBRT:EX
Subject: FW: KM_CPP ENHANCEMENT AGREEMENT June 20 2016 (3) (2).docx
Attachments: KM_CPP ENHANCEMENT AGREEMENT June 20 2016 (3) (2).docx

As discussed, thanks.

From: Little, Christine SBRT:EX
Sent: Thursday, June 23, 2016 1:52 PM
To: Hunter, Jaclynn SBRT:EX
Subject: FW: KM_CPP ENHANCEMENT AGREEMENT June 20 2016 (3) (2).docx

Hi – as discussed – note last bullet.

Christine Little
Assistant Deputy Minister
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Phone: 250-387-0661

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From: Cummings, Derek SBRT:EX
Sent: Thursday, June 23, 2016 10:04 AM
To: Little, Christine SBRT:EX
Subject: FW: KM_CPP ENHANCEMENT AGREEMENT June 20 2016 (3) (2).docx

CPP ENHANCEMENT AGREEMENT

KEY MESSAGES – MINISTRY OF FINANCE

June 21, 2016

- Finance ministers reached consensus on an agreement-in-principle to recommend a modest and balanced incremental enhancement to the Canada Pension Plan, starting in 2019 and phased in over seven years until 2025.
- Like most jurisdictions, B.C. has consistently said we are open to a modest expansion of CPP when economic conditions permit.
- While economies across Canada continue to face challenges from the global economic downturn, this proposal appears to be affordable and appropriate, as the modest increases in contribution rates will be phased in over seven years starting in 2019.
- Starting in 2019 CPP contributions for a typical B.C. worker earning the average Canadian wage of approximately \$55,000 would initially increase by an additional \$7 per month, rising to an additional \$34 per month in 2025.
- This is a reasonable and appropriate change that balances improving the retirement income security of Canadian workers in the future with the need to recognize the additional cost to workers and employers.
- We have also worked to make Pooled Registered Pension Plans available to workers and businesses in British Columbia. This represents a further tool to support the retirement income of British Columbians and help address the ongoing concern of under-saving among a portion of the workforce.
- All governments reviewed a range of proposals --
s.16
The agreement reached by finance ministers is a compromise that phases in the cost of the changes in a way that helps employees and employers, while also helping make retirement income more secure for the next generation of Canadian workers.
- Provincial governments will now review the proposed enhancement and discuss the changes with interested business and labour organizations.

BACKGROUND

Under the agreement-in-principle, starting in 2019 CPP contributions for a typical worker earning the average Canadian wage of approximately \$55,000 would initially increase by an additional \$7 per month, and thereafter according to the following schedule. Employers would match these contributions. This individual's maximum annual benefits under the CPP would increase by about one-third, to \$17,478 from \$13,110 (2016 dollars).