

Canada's Actuaries Call for Discussions on Retirement Age

Ottawa, April 15, 2019—It's time for governments and Canadian workers to talk about updating retirement ages in Canada's social security safety net, say members of the Canadian Institute of Actuaries (CIA) in a statement released today.

"Canadians are living longer than ever, and many are choosing to work beyond age 65," says **John Dark, FCIA**, President of the CIA. "It makes sense to update our country's retirement income programs to reflect this fact."

Full Canada Pension Plan/Quebec Pension Plan (CPP/QPP) retirement benefits are currently paid at 65 years, with early retirement and reduced benefits possible at age 60, and deferred retirement with increased benefits as late as age 70. The CIA's proposal recommends deferring these ages to 67, 62, and 75, respectively, giving Canadians the opportunity to accrue more savings and ultimately receive higher benefits at a deferred age.

Similar changes are recommended for Old Age Security (OAS), increasing the age a retiree can start to receive benefits from between 65 and 70 to between 67 and 75. Additionally, sponsors of registered pension plans would be able to set a target retirement date of age 67 instead of 65, and individuals would be able to defer receipt of their RRSP income until age 75 instead of 71.

These changes mean Canadians could decide to take their retirement benefits later to receive higher lifetime retirement income.

The CIA's proposal comes at a time when Canada's population is living longer, private sector pensions are eroding, and Canada's economy continues to run in a low interest rate environment. "In addition to the financial benefit of receiving higher lifetime retirement income, our proposal provides financial protection for retirees against the cost of living longer and the significant erosion of savings from the effects of inflation," says **Jacques Tremblay, FCIA**, one of the statement's lead authors.

Many industries are also experiencing or expect to see labour-force shortages in the future. "Allowing later retirement ages in our retirement income programs means people can have more flexibility to work to a later age," says **Joe Nunes, FCIA**, the other lead author of the statement. "This gives Canadians a way to improve their retirement income security with the added benefit of easing the stresses on our labour force."

Actuaries are tasked with ensuring the financial sustainability of pension plans in Canada, and the CIA includes more than 1,700 members working in this area. With this expertise, actuaries are well placed to help legislators and decision makers ensure the financial security of all Canadians.

“Our proposal is a starting point for discussion. We would welcome the opportunity to help governments review the country’s retirement programs and decide what changes work best for all Canadians,” says **Mr. Dark**.

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Visit cia-ica.ca/retirement to download the CIA’s full statement, *Retire Later for Greater Benefits: Updating today’s retirement programs for tomorrow’s retirement realities* and an infographic summary.

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About the CIA

The Canadian Institute of Actuaries is the national, bilingual organization and voice of the actuarial profession in Canada. Our members are dedicated to providing actuarial services and advice of the highest quality. The Institute holds the duty of the profession to the public above the needs of the profession and its members. Visit us at:

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John Dark, FCIA, is President of the Canadian Institute of Actuaries. He has been a practising actuary since 1979, and is Actuary, Business Opportunities at Co-operators Life. John holds a bachelor of mathematics degree from the University of Waterloo actuarial science and computer science honours co-op program.



Joe Nunes, FCIA, is Founder and Executive Chairman of Actuarial Solutions, designing and supporting pension and health benefits programs for small and midsize employers in Canada. Joe is Chair of the Canadian Institute of Actuaries' Pension Practice Committee. He holds a BMath from the University of Waterloo.

Jacques Tremblay, FCIA, is a Partner with the Actuarial Practice of Oliver Wyman and an Appointed Actuary. Jacques is a past president of the Canadian Institute of Actuaries (CIA) and current Chair of the CIA International Affairs Council. He holds a BSc in actuarial science from Université Laval.

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