

June 4, 2020

The Honourable Bill Morneau, PC, MP  
Minister of Finance  
House of Commons  
Ottawa, ON  
K1A 0A6



Dear Minister:

I am writing on behalf of the 390,000 members of the National Union of Public and General Employees (NUPGE) regarding the difficulties that the COVID-19 pandemic has created for many pension plans.

The steps that the federal government has taken to date to reduce the impact of the COVID-19 pandemic on workers and retirees are very welcome. Income support programs have helped millions of Canadians make ends meet.

However, the scale and duration of the crisis mean that additional measures may be needed to protect pension plans. In addition, as we begin to plan for what will happen as we emerge from the crisis, attention needs to be given to changes to our retirement income system to make it more secure.

An immediate concern is that, as a result of the drop in the value of investments, pension plans may be forced to sell assets at fire-sale prices. Pension plans that are forced to take this step will likely be left with substantial pension deficits that will be very difficult to eliminate.

For that reason, NUPGE strongly supports the suggestion that the federal government provide interest-free loans to pension plans. Federal loans should be available to federally or provincially registered plans for up to 12 months of pension payments. Both public and private sector plans should be eligible.

Sincerely,

Bert Blundon  
Secretary-Treasurer

cc: Larry Brown, President  
National Executive Board

