

Pension reform vital to maintaining Canadians' standard of living

October 1 2010

As baby boomers retire in greater numbers, serious doubts continue to be raised about the ability of the retirement income system to provide adequate replacement wages for the next generation of Canadians. According to a new study conducted by a Concordia University researcher for the Institute for Research on Public Policy, our country can learn valuable policy lessons from recent pension reforms in Norway, Sweden, New Zealand and the United Kingdom.

Patrik Marier, Canada Research Chair in Comparative Public Policy and a professor in the Concordia Department of Political Science, argues the poverty rate among Canada's elderly risks rising again unless political leaders reform our current retirement income system.

"A significant proportion of today's middle-income earners could face a decline in their living standards when they retire," Marier warns. "But [pension](#) reforms in other countries provide examples of the directions in which Canada might consider moving."

In Norway, for example, employers have to top up the public scheme with modest occupational pension coverage. This resulted in 600 000 workers gaining new coverage at a low cost to the state. New Zealand and the U.K. opted for automatic enrolment with opt-out provisions for workers. Employers there have to contribute if workers do. In addition, New Zealand provided [financial education](#) and incentives encouraging workers to sign-up.

Marier also suggests Ottawa look to the birthplace of our Medicare plan, Saskatchewan, for another example of innovative social policy. Marier says a version of the Saskatchewan Pension Plan could be successful if adopted across Canada with [financial incentives](#) and a higher contribution ceiling. The Saskatchewan Pension Plan was adopted in 1986 so homemakers and others could have a retirement income.

Provided by Concordia University

Citation: Pension reform vital to maintaining Canadians' standard of living (2010, October 1) retrieved 2 May 2024 from

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