

CITIZENS CENTRE POLICY REPORT

Published by the Citizens Centre for Freedom and Democracy Fall 2003

IT'S TIME TO REPLACE THE CANADA PENSION PLAN



**If Albertans start growing their own provincial
pension system now, they will reap
big future benefits**



The purpose of pensions is people, not politics

by Link Byfield

It's not a new idea, but it's an idea whose time has come—Alberta should opt out of the Canada Pension Plan (CPP) and establish its own provincial alternative.

The reasons are quite simple: Albertans would have a better pension plan at a lower cost, which they would manage themselves, not entrust to Ottawa. The plan would be more sustainable, accountable, and affordable. It could be tailored to the priorities of Albertans, and would help restore legitimate provincial responsibilities as outlined in the constitution.

You'd think that any discussion of something as boring as the Canada Pension Plan would be pretty calm and collected. Perhaps even a bit of a snoozer. But not if you suggest that Alberta set a new direction by creating its own alternative; in that case just watch the nation's regional resentments boil over.

The best way to take the political heat and high blood pressure out of the discussion is to begin with a very basic and sensible question: why do people have pension plans at all? The practical reason, of course, is to provide themselves with as much income as possible after they retire, at the lowest possible cost during their working years.

If this is the rationale for pensions, there is not the slightest economic doubt that Albertans should create their own provincial plan, and the sooner the better. At present it would yield an annual saving of about \$500 per household.

If, however, the purpose of a pension plan is not practical but political—not retirement income but national unity, Canadian identity, federal control and regional wealth transfer—then Alberta should not opt out. It should not even be allowed to.

Fortunately, our ancestors were quite clear-headed on this point. Pensions, like all public social programs, are the responsibility of provincial legislatures. The Fathers of Confederation gave Ottawa no social mandate whatever except insofar as the provinces allow. Provinces may decide (as nine of them did with pensions in 1966) to throw in together with Ottawa. And they may change their minds (as the CPP statute allows) and go it alone, as Quebec has done all along.

If Albertans do opt out, however, they will be bombarded with federal propaganda urging them to stay with the CPP. There will be nonstop television ads featuring Canada geese, cowboys on horses, visible minority women in downtown Calgary, and legions of children singing and blowing dandelions. “The



Canada Pension Plan,” a friendly federal voice will intone, “Good things happen when Canadians work together.”

When this great artillery barrage begins, let's not forget some fundamental realities. The Canada Pension Plan has always been a badly designed, poorly managed arrangement of political convenience between nine provinces looking for more money from Ottawa and a national government operating on a borrowed

constitutional mandate. It is a one-size-fits-all attempt to let Ottawa do something that provinces, working individually or in regional groups, could do better for themselves.

Instead of being intimidated, Albertans should lead all Canadians in a new and more promising direction. They should start to restore the kind of Confederation our forebears envisioned when they took their few scattered wilderness colonies and fashioned from them a modern federal nation. ■

How an Alberta Pension Plan would benefit Albertans

- Pension costs could be immediately reduced by 14% or more, yielding an annual savings of about \$500 per household.
- Billions of dollars paid into the CPP each year would remain under provincial control.
- Albertans could choose for themselves whether to pay lower premiums for the same coverage, pay the same premiums for even higher coverage or pay the same premiums for the same coverage and bank the surplus to reduce future liability.
- An APP would help restore legitimate provincial responsibilities as outlined in the constitution.
- The infrastructure necessary to manage an APP could do double duty should Alberta decide to collect its own income tax.
- By increasing its independence from Ottawa, Alberta would clarify the constitutional distinction between federal and provincial responsibilities. Its action could have a cascading effect vis-a-vis senate reform and other aspects of the Alberta Agenda. ■

Why Alberta should opt out of the Canada Pension Plan and start its own

It has been five years since former Alberta Treasurer Stockwell Day first floated the idea of an Alberta Pension Plan (APP) to replace the Canada Pension Plan (CPP). But for Albertans an APP should be seen as much more than a tempest in one ambitious politician's teacup. For instance, William Robson, best known as a senior policy analyst with the Toronto-based C.D. Howe Institute, studied the concept in 1999 and found an APP would provide significant immediate and long term benefits to Albertans. It is the position of the Citizens Centre that his findings should encourage the government of Alberta to adopt an APP as soon as possible. Other groups have endorsed it as well. These include a province-wide advocacy group called the Alberta Residents League, as well as a growing number of counties and organizations.*

The mathematical argument alone is quite compelling. In 2001, Albertans paid \$1.1 billion more into the CPP than they received back in benefits. Granted, the money remains with the CPP, but the surplus remains under the control of a government that is not always focused on the needs of Albertans. Moreover, since Mr. Robson's study was released, CPP premiums have taken an even bigger bite out of employee and employer incomes. Needless to say, as more money flows to Ottawa,

interest in starting an APP has grown.

But before arguing the case for a made-in-Alberta retirement plan it will be helpful to review how the CPP actually works. The CPP only covers earnings up to about

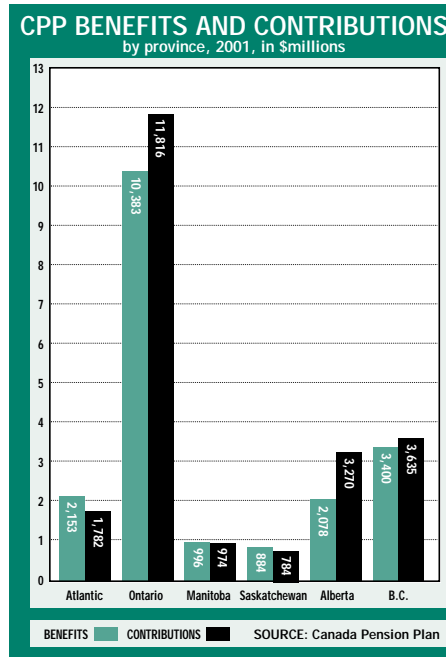
the national average wage (\$39,900 in 2003, but the figure changes each year.). Its benefits have three components:

Pension benefits for those over 65 (although there is provision to begin collecting pension benefits at 60 years of age). Upon retirement, it is designed to pay a maximum pension of about 25% of covered earnings. Such payments account for roughly 70% of CPP payouts.

Disability benefits. Disability benefits are paid to those under 65 who cannot work because of a physical or mental disability that is "severe and prolonged". Since 1997, applicants for the disability pension must have paid into the CPP for four of the last six years to receive a benefit. Disability benefits are higher than retirement

benefits and can include payment for dependent children. Once a recipient reaches 65, the disability pension is replaced by the retirement pension. These amount to about 14% of CPP payouts.

Death and survivor benefits. A one-time death benefit is paid to the estate of a deceased person who has contributed to CPP for at least three years. In addition, monthly survivor benefits are paid to the spouse or common-law partner and dependent children. These account for 16% of all CPP benefits. 🌱



*Municipal Districts of Foothills, Willow Creek, Ranchlands, Pincher Creek, Cardston and Taber. Counties of Lethbridge, Warner, Forty Mile, Cypress, Vulcan and Newell. Western Stock Growers' Association, Red Deer Chamber of Commerce.

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Albertans need an APP because Ottawa hasn't fixed the CPP's built-in flaws

However well-intentioned prime minister Lester Pearson's Liberal government may have been when it established the CPP, the plan his cabinet approved contained one fatal flaw. The CPP was established as a pay-as-you-go system. Except for a small buffer of investments, premiums deducted from workers' paychecks were immediately paid out to those receiving benefits. Had the Liberals set up a genuine pension or insurance system, a contributor's payments would have been invested in various interest-bearing funds and the earnings used to help pay for benefits.

Ottawa chose pay-as-you-go because, unlike a private retirement fund, it did not require the amassing of large pools of investment capital. During the 1960s growth in wages was higher than the growth in interest rates, which made a pay-as-you-go plan sensible, but only if one assumed the state of affairs that existed at that time in history would continue indefinitely. Unfortunately, the growth in wages during the '50s and '60s turned out to be an anomaly. The birth rate throughout the late 1940s and 1950s had been exceptionally high, which meant that by the late '60s each retired Canadian could be supported by the payroll deductions from eight employed people.

The weakness of a pay-as-you-go cash-flow model is revealed as soon as the number of contributors begins to shrink relative to the number of recipients. Contributions are forced ever-higher as fewer contributors must support an increasing number of recipients, and contributors are promised a return on their contributions (that is, a pension when they retire) which can only be fulfilled by finding ever more contributors. That is why such schemes, also known as pyramid schemes or "Ponzi" scams, are illegal in the private sector. They are unsustainable.

But governments can take liberties not allowed to ordinary citizens, and politicians are seldom noted for looking very far into the future. Which perhaps explains why the framers of the CPP decided to ignore the problem—and continued to ignore it while Canada's retirement-age population mushroomed and its birth rate steadily declined.

But even the most massive powers of denial cannot resist reality forever. By 1998 only 5.1 wage earners supported each pension collector, and with the massive baby boomer generation scheduled to retire over the next two decades even politicians had to admit their plan had become unsustainable. That year's actuarial report showed that the difference between the present value of the CPP's commitment to the generations already preparing to retire and its actual investments—its unfunded liability—amounted to \$460 billion. In 1993 alone CPP expenditures were \$5.1 billion more than contributions. The plan's small investment revenues were simply not enough to cover its operating

deficit. And with the inadequate investment fund being reduced each year to offset the plan's deficit, experts warned that the CPP would implode by 2015. That is, the government would be unable to pay benefits owed out of the premiums coming in without recourse to the by-then depleted investment fund.

Throughout the 1990s, debate ensued over how best to fix the CPP. Some argued for higher premiums to ensure the fund could pay for all those expected to retire over the next fifty years. Others advocated a privatized plan in which all Canadians would be required to set aside a percentage of their earnings in their own pension savings accounts that would then be managed as private pension plans. The Alberta government asked for more transparency in the CPP, a lower intergenerational transfer of wealth, and a stronger ratio between an individual's contributions to the plan and his or her eventual payout.

How the Canada Pension Plan started

Canada's constitution assigns responsibility for social welfare to provincial governments. However, when the federal government was created in 1867 by the provinces (then British colonies), social programs of the sort we have today did not exist. Provincial social programs began in the early 1900s, and by the 1960s there was a widespread attitude (except in Quebec) that major social programs could be run more effectively by Ottawa.

Lester Pearson's Liberal government established the Canada Pension Plan in 1966 by an Act of Parliament, with the agreement of the provinces. All except Quebec joined the new national plan, with the proviso that on three years' notice any province could opt out and set up its own alternative.

Quebec chose from the beginning to have its own plan, called the Quebec Pension Plan (QPP). It offers benefits and premiums comparable to the federal government plan. Under the QPP, premiums are paid to the provincial government, which invests the money and pays out the benefits.

Other provinces let the federal government step into the social program field in the 1960s because they thought national programs would prove more efficient, and also because Ottawa bribed the provinces with their own money by agreeing to loan them the funds in the CPP's cash reserve at low interest. In March 2002 at the end of the fiscal year, the amount in the fund loaned out to provinces was \$28.3 billion. ■

Government leaders (the Liberals, led by Prime Minister Jean Chretien, were once again in power) initially sought refuge in soothing pronouncements. But by the mid-1990s the spectre of the CPP's imminent collapse could no longer be ignored. Most Canadians under the age of 40 understood they would pay much more into the CPP than they would ever receive. And many had begun to worry that the CPP would go broke before they collected anything at all. ❏

The big CPP clean-up of 1998

When the politicians finally understood that rising payouts could not be sustained by a shrinking number of workers, the federal government substantially revised the CPP in 1998. Premiums were increased annually through 2003, and benefits were slightly reduced. Under the new scheme, Ottawa now says, the current 9.9% deduction will be enough to keep the plan paying out benefits at the current level until 2067. (In fact, the federal government's chief actuary—an actuary is an expert in insurance risks and premiums—estimates that a 9.8% deduction would be sufficient to cover the projected pay-outs.)

At the new contribution rate, the CPP now produces a significant annual surplus. That surplus is invested by a new government-appointed Canada Pension Plan Investment Board (CPPIB). Until January 2003, the CPP's assets consisted of three components: the Account, which was a three-month operating balance; the Fund, which held federal bonds and 20-year loans to the provinces; and assets invested by the investment board. In 2003, amendments to the CPP Act moved the Account to the CPP Investment Board which can transfer money to the federal government to cover the required payouts. Eventually all assets will be invested by the Board. The latest actuarial report issued by the federal government in 2001, projected assets of \$142 billion by 2010 and \$1,578 billion by 2050.

Skepticism remains

Having miscalculated so often and so badly before, the federal government met with considerable skepticism when it proposed its CPP revisions in 1997. Many in the actuarial community predicted that the rate increases, steep though they were, were not steep enough to maintain the promised level of benefits.

Among the doubters was Bernard Dussault, the federal government's Chief Actuary. In September 1998 he was fired by the federal superintendent of financial institutions, under the authority of then-finance minister Paul Martin. Mr. Dussault said he was fired because his boss objected to his opinion that the rates should be raised at least to 10% of employee earnings. He also thought that he should be allowed to provide the provinces with his own opinion of the CPP's financial health. The government later paid him \$364,000 for wrongful dismissal.

Most observers say the new board has invested wisely and has not been subjected to political coercion. The CPP Fund stood at \$55.6 billion in March 2003. It suffered a \$4.1-billion loss (21%) on its stock-market investments in the equity market melt-down of 2002, but its larger holdings of longer-term bonds and deposits reduced the CPP Investment Fund's net loss that year to \$1.1 billion.

But William Robson of the C.D. Howe Institute, among others, says that while the CPP so far appears to be performing according to plan, the original concerns have not been fully addressed. For instance, although the CPP will rely increasingly upon the future contributions of immigrants, a recent report from the Canadian Labour and Business Centre says that new Canadians are having a harder time finding employment and are earning less than did their predecessors. Obviously, these factors could affect future CPP pay-outs.

Another permanent hazard is the integrity of future Investment Fund boards. Under the wrong prime minister, its decisions could easily be driven more by political than economic considerations. ❏

Why an Alberta Pension Plan?

As mentioned earlier, Stockwell Day was an ardent supporter of the idea of an Alberta Pension Plan in 1998. But he was not the first.

Jim Dinning, Mr. Day's predecessor as provincial treasurer, mentioned the idea in 1993. And individual Tory MLAs had pushed for the government to investigate the idea even earlier.

Mr. Day proposed his plan when Parliament began considering serious hikes in the CPP premium in 1997. The Alberta government threatened then to withdraw from the national plan and set up its own. Alberta wanted contributors to be able to invest their premiums in private pension plans so that returns would be greater. But the provincial government eventually signed on to the revised CPP. No studies were released and no reasons given for the change in attitude.

Not all Albertans agreed the government had done the right thing. The Alberta Chamber of Commerce called the CPP a "pyramid scheme" in 1998 and urged the provincial government to consult with Albertans on all options, including a provincially controlled pension plan. The Alberta Chamber was reflecting the frustration of its 22,000 members, both employers and self-employed people who were tired of premium hikes, the penalty the revised CPP places on younger contributors, and the increasing uncertainty about the plan's long-term viability and political autonomy.

In the fall of 1999, as the federal and provincial governments were about to begin another review of the plan, Mr. Day again suggested that Alberta would consider setting up its own pension plan. This time he asked his bureaucrats to investigate the possibilities, and at a one-day meeting he consulted with outside pension experts. Mr. Day found the session encouraging but admitted that some concerns had

been raised, most notably the high costs of setting up and administering the plan. Some experts wondered how the province would cover its portion of the unfunded liability and questioned how a provincial plan would affect portability of benefits for those who moved out of province.

But the experts' initial concerns were proven overblown. For instance, Albertans will have to pick up their share of the CPP's unfunded liability one way or the other, so in this regard an APP would be no worse. On the other hand, Albertans would also be entitled to their share of the CPP's assets, a share that by 1997 amounted to \$4.3 billion. Second, portability of benefits could be handled in the same way as is already being done between the CPP and the QPP.

The only concrete outcome from Mr. Day's meeting with the experts was that its ambiguous conclusions prompted him to commission William Robson to do an independent assessment of a pension plan designed and operated specifically for Alberta. 🌱

The Robson Report

Mr. Robson's report, *Cost-Effective Pensions for Albertans: The Economics of an Alberta Pension Plan*, argued strongly that a provincial pension plan offers real advantages. Based on Alberta's demographic profile as compared to the rest of Canada—a younger workforce and a higher proportion of young children yet to enter the workforce—an APP could be established providing the same benefits as the CPP with significantly lower premiums. The APP would require a contribution of 8.4%, instead of the 9.8% the federal government calculates is required to keep the plan viable. That's a 14% reduction in premiums. If one takes the 9.9% actually deducted by the CPP, an APP rate of 8.4% would translate into a 15% reduction to the premiums.

For the purposes of analysis, Mr. Robson assumed the plan would provide all the same benefits as the CPP. He also assumed that Alberta's historic advantages—higher than average earnings and a lower rate of death and disability benefits paid out—would gradually disappear over the 100-year projection period. His calculations also included an assumption that Alberta's start-up administrative costs would be five times higher than the CPP but would stabilize at twice

the cost of the federal plan.

Moreover, Mr. Robson took a hard look at both worst-case and best-case scenarios. His worst case scenario assumed the province's future economy would not perform as well as anticipated (he assumed lower contributions than occurred during the recession-wracked 1980s). He also reversed Alberta's historic demographic advantage (a negative trend unlikely to occur in the short- to medium-term), and he allowed administration costs of the APP to skyrocket.

But even then the APP premium would be only 9.1%, a rate that is still 8% lower than the CPP's 9.9%. In his best-case scenario, in which the three factors all improved above the present, the APP premium would be 7.8%, fully 21% less than Albertans now pay for the CPP.

The Robson report also dealt with the question of administrative costs, one of the concerns expressed by Mr. Day's experts. The province would have to collect payroll premiums and self-employment contributions, as well as a system for paying benefits and tracking records.

Mr. Robson acknowledges that start-up costs would be high but notes that Alberta already has some infrastructure in place to administer a number of benefit programs for seniors. In addition, under an APP the province could realize considerable savings by coordinating disability benefits with Workers' Compensation programs as Quebec has done. Moreover, a program starting from scratch could gain efficiency by taking advantage of the latest technology.

But even if the province's administrative costs turned out to be twice as high as Mr. Robson's worst projection, the province's premium rate would still be lower than the CPP. It should also be noted that the CPP's own administrative costs per person have increased steadily, 10.7% over the previous year in 2002 alone. 🌱

The longer Alberta delays, the less the savings will be

When Mr. Robson wrote his report in 1999, he noted that delaying the decision to pull out of the CPP would increase the premium rate required to keep the plan sustainable. Each year's delay in implementation of the

How the CPP works

Under the plan, a percentage of an employee's salary or wages is deducted monthly by the employer and remitted to the federal government. Employers are required to match each employee's contribution, in effect doubling the amount each employee pays.

For example, the full 2003 deduction is 9.9% of an employee's earnings. The employee pays 4.95% and the employer pays 4.95%. Self-employed people must pay the entire cost themselves.

As a result, the CPP not only reduces the take-home pay of an employee by almost 5%, it increases his employer's payroll cost by another 5%. Each increase in CPP premiums (and they have increased 18 times since it began) widens the gap between what employers pay and what employees actually take home. From 1966 to 1986 the combined contribution rate remained at 3.6%. The CPP's creators assured Canadians the combined rate would never go above 5.25%. (*Restoring Faith in the Future Through Real Pension Reform*, Canadian Taxpayers Federation, 1998)

APP results in an increase of .03 of a percentage point in the premium. If it were implemented in 2004, he wrote, the contribution rate would have to be 8.5 instead of 8.4.

Obviously, the Alberta government did not act on the Robson report. Nevertheless, the issue surfaced again in January 2001 with the publication in the *National Post* of the now-famous “firewall letter” to Ralph Klein.

Written by Alliance Party leader Stephen Harper, then head of the National Citizen’s Coalition, Alberta Senator-elect Ted Morton and four others, the letter argued that Albertans would benefit if the premier used all the means in his power to weaken the influence and authority of the federal government in Alberta. The six proposed that Alberta create its own pension plan, its own provincial police force and collect its own personal income tax. The group also wanted the province to reassert its control over health care and to force Senate reform back onto the national constitutional agenda. That letter prompted much discussion and re-ignited interest in the APP. The points it raised are now generally referred to as the Alberta Agenda. 📌

Advantages of an APP for Albertans

In 2001, two years before the last of the premium hikes took effect, Albertans sent \$3.2 billion to Ottawa as contributions to the CPP, and received slightly less than \$2.1 billion in benefits. If the province established its own plan, that \$3.2 billion, which today would likely be somewhere in the range of \$4 billion, would be invested by an Alberta-based board and be available to cover the cost of present and future pensions for Albertans.

- According to the 1999 Robson report, Albertans would save 14%, or perhaps more, on their contributions if Alberta took over the plan. But Mr. Robson argues that the savings would in reality be even higher. Under an actuarially fair system, a premium of 5.8% of covered earnings would return the same benefits now being received under the CPP’s 9.9% premium. The gap, therefore, represents a 4% tax on earnings. Even if an APP charged 8.3%, as it might do in order to build up a cushion to handle unfunded future population growth, the

“tax” portion of the premium would be reduced to about 2.5 percentage points.

- With an APP, Albertans would have three options. They could pay lower premiums for the same benefits, or pay the same premiums as now for higher benefits, or pay the same premiums as now and bank the difference to reduce future liability.
- The Alberta government could invest in the long-term viability of the plan by kick-starting the APP fund with a capital infusion that would help offset the unfunded liability and further reduce the premiums an APP would charge.
- The APP would signal to Ottawa that Albertans are serious about managing their own lives and are working to restore the legitimate provincial powers as outlined in the constitution.
- The infrastructure and database required to manage the APP would make a great starting point should the province decide to move ahead with provincial personal income tax collection. 📌

National factors to consider

The loss of Alberta’s contributions would almost certainly cause CPP premiums in other provinces to rise above 10%. However, nothing would prevent other provinces from setting up pension plans of their own, then following up with family- and employment-positive policies to make their plans more affordable.

With both Quebeckers and Albertans (one-third of Canadians) out of the CPP, the CPP could no longer be considered a national program. The new state of affairs would seriously impair the tendency of many Canadian elites to define their country in terms of its social programs. But that could be considered a step forward, not backward, by the many Canadians who prefer to define their country in light of its long-term history and its long-held principles of justice and individual liberty.

No rules are in place to govern the division of CPP Investment Fund assets between Alberta and a reluctant federal government. In all likelihood, Alberta would have to proceed with its own plan before the asset question was resolved. 📌

Anyone who has paid into the plan can apply for the pension when they turn 60. If one applies at 60, instead of waiting until age 65, benefits will be proportionately reduced. The benefits also vary according to the amount contributed and the number of contribution years. The pension benefit is indexed to inflation. Those now retired who began paying into it in the 1960s and ‘70s will receive far more in benefits than they would have in a funded plan and certainly more than they paid in contributions. Today’s younger workers, by contrast, will receive far less.

In fact, those early CPP recipients from the late 1960s

and early ‘70s were the only big winners the program will ever have. For example, an employee who paid into the CPP from 1966 (when it began) until retirement at the end of 1975, would have paid \$21,556.80 in premiums to the plan. (Half of that amount would have been paid on his behalf by the employer.) If he collected CPP for 10 years until 1985 his benefits would have totalled \$32,825.28, a 52% return on investment. By contrast, in 1998 the federal Chief Actuary estimated that Canadians born that year (1998) would only receive a 1.8% return on their CPP contributions. 📌

What happens if Alberta notifies Ottawa it's opting out

First, the Alberta government would establish an Alberta pension plan by an act of the Legislature.

Then, following the operating regulations under the Canada Pension Plan Act, the province would formally notify the federal Minister of Human Resources Development that it will withdraw from the CPP three years hence, and in the meantime will be setting up its own comparable provincial alternative.

Once the province has given notice of its intention to withdraw, negotiations would take place between the federal and provincial governments. Many issues would need to be resolved since no other province has ever withdrawn before. (Quebec established its own plan right at the beginning so there was never a need to disentangle its program from the federal program.)

The negotiators will have to work out what share of assets in the new CPP Investment Fund should be remitted to Alberta, among other issues. But what should not be forgotten is that the longer Alberta waits to start the process, the more protracted these negotiations will likely be. As CPP funds grow due to larger contributions and better returns on investment, the federal government will perhaps be increasingly reluctant to divide the assets.

Once the APP is established, Albertans who have paid into the plan will receive their pensions from the Alberta government no matter where they live upon retirement. Canadians from other provinces who retire here will continue to receive their pensions from the CPP or QPP.

The current rules governing the CPP and QPP state that anyone who paid into both plans should apply to Quebec if retiring there, and to Ottawa if retiring in any other province. But no matter where the application is made, the total contributions to both plans are used to calculate benefits and only one cheque is sent to the retiree. It should be assumed that these same rules would apply if Alberta creates its own plan. 🇨🇦

Conclusion

No economic or legal obstacle prevents Albertans from setting up a pension plan that is almost certain to be significantly better than the one operated by the federal government. Even based on Mr. Robson's middle-ground scenario, the current level of savings to Albertans each year would now be in the order of \$500 million annually. Moreover, some \$4 billion a year that now goes to the federal government would be invested in a fund managed by Albertans and available to meet the province's pension obligations.

If the APP is going to become a reality, however, it will have to overcome a number of significant political obstacles, including the complacency of a government that assumes it will be elected whether it acts or not, the inertia typical of all government bureaucracies, and a lack of public awareness of the subject.

Furthermore, since opting out of the CPP would deliver the first serious challenge to the assumptions which were imposed on the federation forty years ago, proponents of an APP can anticipate that much of the opposition will be driven by emotion rather than reason. Albertans can expect extremist voices elsewhere in the country to accuse them of breaking up the nation, fostering separatism and being greedy. Since their province has enjoyed higher economic performance than other regions, it will be argued that Alberta has a moral obligation to continue subsidizing the CPP forever.

But something detractors fail to realize, is that Alberta built its continuing prosperity on establishing and protecting an environment conducive to business and friendly to families. Withdrawing from the CPP and establishing an APP simply continues to build on this heritage. The expectation that Albertans should do anything else, is patently unreasonable and should be resisted.

In the true spirit of Confederation, Alberta should establish its own secure replacement to the CPP. 🇨🇦

**Alberta
Residents
League**



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LESS OTTAWA.**

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