

# New Brunswick Task Force on Protecting Pensions

## Purpose

The goal of the New Brunswick Task Force on Protecting Pensions is to promote the establishment and continuation of appropriate and affordable pension protection for New Brunswick residents.

This goal includes ensuring the provincial government has the right rules and regulations in place to offer New Brunswick residents the best protection possible for their hard-earned pension savings and to ensure pension plans are both sustainable and affordable.

## Background

The last comprehensive review of pension legislation and regulation in Canada took place in the 1980s following the National Pension Conference. This resulted in a federal/provincial consensus regarding the establishment of pension benefit standards acts as well as an updated framework for tax assisted retirement savings plans. This process was considered successful as the rate of poverty among Canada's senior citizens declined sharply during the following two decades.

*Recent global volatility in financial markets has negatively impacted the stability of pension plans. Several provinces, including New Brunswick, have begun reviewing how to strengthen their risk management practices so that pension plans are sustainable and affordable in the future.*



## The root causes of pension instability

There appear to be four main causes behind emerging pension challenges:

- Life expectancy is increasing rapidly throughout Canada;
- Investment markets have become much more volatile and investment instruments have also become much more diverse;
- The economic cycle has become increasingly volatile; and
- There has been a shift in employment from advanced countries like Canada to lesser-developed emerging economies.

## New Risk Management, Risk Sharing and Regulatory Environment

Given the underlying causes affecting the stability of pension plans, the Task Force will examine new forms of risk management practices and regulatory structures adopted by other jurisdictions. The Task Force will also examine briefs submitted to it that promote and protect pension coverage.

The Task Force will evaluate these concepts and other concepts suggested in briefs to determine if they can be adapted in New Brunswick.

The Task Force will bring forward recommendations to the provincial government to:

- Encourage effective and affordable pension-plan risk management and risk-sharing procedures by plan participants;
- Have in place appropriate principles and rules protecting employees, employers and pensioners; and
- Ensure that the long-term sustainability of pension commitments made to New Brunswickers is honoured and protected.

## The Consultation Process and Timetable



The Task Force is looking for written input from pension plan members and their organizations, pension plan sponsors and their organizations, as well as professional and business organizations and associations involved with pension plans.

Written briefs should be submitted to the Task Force by e-mail to: [pensions-retraite@gnb.ca](mailto:pensions-retraite@gnb.ca). Submissions may be posted on the Task Force's website for public review in the language(s) submitted.

**The Task Force requests that all written briefs be submitted no later than Monday, September 19, 2011.**

The Task Force intends to issue an interim report in the fall of 2011.

Following its release, the Task Force plans to provide an opportunity for stakeholder feedback. The Task Force may also directly contact those who submitted briefs to ask that they elaborate on the issues raised.

The Task Force expects to review and evaluate the feedback it receives and issue its final report in the spring of 2012.