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## Canada's MPs and their well-padded pensions

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**T**wo words come to mind when a taxpayer's attention is drawn to the fattened pension scheme with which members of Parliament have endowed themselves at our expense: daylight robbery!

A scandalous situation that has persisted for years in plain sight was recently high-lighted by the Canadian Taxpayers Federation. The group pointed out that for every dollar MPs themselves put into their pension fund, another \$23.30 is added from the public purse. The MP pension fund steadily grows by 10.4 per cent a year, not because of interest or investment income earned, but because the additional money is simply added from the government's general revenues.

An MP who lasts six years in office is guaranteed a \$40,000 annual pension starting at age 55. The longer the time served and the higher the office held, the fatter the pension. After 15 years, the base pension climbs to \$75,000. Cabinet ministers and party leaders can collect up to \$150,000 a year - the amount currently being paid to forcibly retired Bloc Québécois leader Gilles Duceppe.

The inequity of this is shown in a comparison to what ordinary Canadians pay and receive in the way of pensions. The federation calculates that an ordinary Canadian would have to save \$129,000 a year for six years to get the same pension benefit as an MP or, if contributing at the rate that MPs do, would have to pony up for 29 years to receive an equivalent benefit.

While the MP pension plan grew at its guaranteed 10.4 per cent during the 2008 re-cession, the Canada Pension Plan, on which ordinary folk rely, lost

nearly 19 per cent of its assets. Quebec's pension fund shrank by a quarter of its value. What this amounts to is, as CTF president Gregory Thomas put it, is «a ripoff on a massive scale.»

When pressed on it, Finance Minister Jim Flaherty weaseled that it wasn't up to him to say whether the situation is deplorable. But then so did Nycole Turmel, interim leader of the NDP, a party that is otherwise quick to pounce on fat-cat ripoffs of the common folk.

Governments at all levels are finding their employee-pension burden unsustainable and are planning cutbacks in their contributions to pension plans.

The taxpayers federation should be thanked for making it clear precisely where the cutting should start.

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