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LEON E. BENOIT, M.P. VEGREVILLE-WAINWRIGHT

OTTAWA 26 September 2012

Via email:

Dear :

Thank you for your recent email regarding pension reform. The truth of the matter is, the numbers put forward by the Canadian Taxpayer Federation – and repeated by the media - are not accurate. Our Conservative Party has already made *many* changes in terms of MP salaries, pensions and budgets. In fact, salaries and budgets were frozen in 2009 and the recent federal budget contained significant cuts to the latter.

In terms of reforming MP pensions my colleagues and I managed to make considerable changes to the system while we were in Opposition, saving taxpayers millions of dollars. Starting in 1993, my colleagues and I pushed for changes in the pension plan for MPs. We did manage to push the Liberal government to reduce its contribution from \$6 to \$3.60 (for every \$1 contributed by individual members). The government also changed the eligibility for pension pay-out from simply six years of service to the minimum age of 55, and ended the practice of "double-dipping".

Now that we are in a majority government position, we are continuing to make substantial changes to this system. We are committed to respecting our pension obligations.

We are proposing to adjust the Public Service Pension Plan so that public service employee contributions equal, over time, those of the employer (50/50), up from the current ratio of 37:63. Of course, this would mean that comparable changes to the contribution rates would *also* be made to the pension plans for the Canadian Forces, the Royal Canadian Mounted Police, **and Parliamentarians**.

In addition, we have proposed that for those employees who join the federal public service starting in 2013, the normal age of retirement will be raised from 60 to 65. Again, adjustments will also be made to the pension plan for Parliamentarians.

As MPs we are certainly not immune to the changes being made in order to ensure Canada's fiscal stability over the long term, and the issue of pensions is only one of the areas where significant modifications are being made.

I appreciate the chance to clarify the situation. All the best,