

May 5, 2011

The Right Honorable Stephen Harper, PC, MP
Prime Minister

Dear Mr. Prime Minister,

Please accept our sincere congratulations on winning the first majority government in Canada since 2000 and the first majority Conservative government since 1988. We look forward to supporting many taxpayer-friendly initiatives that were part of your platform.

During the election you talked about how your government - as a minority - had to work with other parties to get things done for Canadians. As such we would like to propose you and to the Leader of the Opposition, Jack Layton, set the tone of this new Parliament by cooperating to reform MP pensions. We believe this would dramatically improve the respect, credibility and sincerity of yourself and Parliament as a whole.

Why MP pensions as your first cooperative move for this new Parliament?

The Canadian Taxpayers Federation (CTF) estimates that defeated and retired MPs from the May 2, 2011 General Election will cost taxpayers nearly \$112 million dollars in pension payments over their lifetime. Their pensions are paid for with taxpayers contributing \$4 for every \$1 that MPs do. This is completely divorced from the reality facing the vast majority of Canadians.

We hope you still feel as you once did about MP pensions. As a successful Reform Party candidate in 1993, you were elected on the promise of scrapping these gold-plated pensions. As the leader of a party dedicated to reducing taxes and controlling public spending, we expect that you understand the duplicity of such a rich and extravagant pension plan. As the leader of a party commanding a majority of seats in both the House of Commons and the Senate, you have an opportunity to set the agenda and tone of the next Parliament.

Reform of gold-plated MP pensions has been a long-standing priority of our 70,000 supporters across the country. Our efforts have resulted in provincial governments recognizing the double standard and instituting meaningful reforms that received wide public support. Due to a CTF campaign and the support of Albertans, newly elected Premier Ralph Klein eliminated the MLA pension in 1992. We also saw success in B.C., Saskatchewan and Ontario where parties of different stripes brought their MLA pensions in line with public expectations.

Canadian Taxpayers Federation
512-130 Albert St.
Ottawa, ON K1P 5G4
613-234-5443

Specifically, we would like to see MP pension reform include: 1) replacing the four-to-one taxpayer-to-politician ratio for contributions with a dollar-for-dollar matching contribution towards a RRSP-style defined-contribution plan, and 2) raising the age of eligibility from 55 to match the CPP eligibility.

It's easy to say that your party is willing to work across the aisle to move important issues forward, but you have an opportunity here to actually demonstrate your willingness to do so. We are sending the same message to the Leader of the Opposition, Jack Layton.

Let's start something new today. Enact a specific, concrete action in cooperation with other parties that demonstrates sincerity of purpose and commitment to do politics different in our great country.

We look forward to your response and working with you in the next Parliament.

Yours truly,



Derek Fildebrandt
Acting Federal Director
Canadian Taxpayers Federation