

RESOLUTION 2006/10

REVIEW OF FORMULA FOR PRIVATE PENSIONS AND ANNUITIES by BPW Montreal

WHEREAS women constitute a large segment of the senior population in Canada, making up 57% of all Canadians over 65 and 51% of those between 55 and 64;¹

AND WHEREAS the poverty rate for senior women in Canada is almost double that of men – 19.1% in 2003 compared to 10.2% for senior men,² and the largest group of poor seniors is single, widowed or divorced (“unattached”) women over 65 living alone – almost half (41% in 2003) live below the poverty line;³

AND WHEREAS in 2003 some 258,000 seniors in Canada were living under Statistics Canada’s Low Income Cut-offs (LICOs), of which 154,000 were women;⁴

AND WHEREAS the average earnings of employed women are substantially lower than average earnings of men⁵, so women are therefore less able to pay into pension or RRSP funds;

AND WHEREAS older women tend to have lower retirement incomes because their wages while employed were inferior to men’s;

AND WHEREAS women live longer than men, although that gap is narrowing;⁶

AND WHEREAS the formula for determining private pension and annuity amounts has not been reviewed and revised for a long time, and tends to be gender-based, resulting in monthly amounts that are lower for women compared to men;

AND WHEREAS Government of Canada pension plans increasingly use gender-neutral calculations;

THEREFORE BE IT RESOLVED that BPW Canada urges the Government of Canada to carry out a review of all legislation and regulations governing private pension plans and annuities, to ensure that such plans and annuities use gender-neutral formulas in calculating monthly benefits.

BACKGROUND REVIEW OF FORMULA FOR PRIVATE PENSIONS AND ANNUITIES (2006/10)

Implementation:

¹ Statistics Canada, Population by sex and age group. <http://www40.statcan.ca/l01/cst01/demo31c.htm>

² Statistics Canada Table 202-0802 – Cat. no. 75-202-XIE. Persons in low income before tax, by prevalence in percent. www.statscan.ca/english/Pgdb/famil41a.htm

³ Ibid.

⁴ National Advisory Council on Aging. *Seniors on the margins: Aging in Poverty in Canada*. Government of Canada, 2005.

⁵ The Montreal Gazette.

⁶ Statistics Canada, Life expectancy at birth. <http://www40.statcan.ca/l01/cst01/health26.htm>

Resource person:

Sources:

BPW Canada Position Statement. *Incomes for Senior Women in Canada*, 2006.

Women Elders in Action (WE*ACT). *Pensions in Canada: Policy Reform because Women Matter* Vancouver, BC, 2005. Available at: http://www.411seniors.bc.ca/Contentpages/we_act.htm. Accessed March 15, 2006.

National Advisory Council on Aging. *Seniors on the margins: Aging in Poverty in Canada*. Government of Canada, 2005. Available at: http://www.411seniors.bc.ca/Contentpages/we_act.htm. Accessed March 15, 2006.

Statistics Canada

- Population by sex and age group. Available at: <http://www40.statcan.ca/l01/cst01/demo31c.htm>. Accessed March 15, 2006.
- Persons in low income before tax, by prevalence in percent. Available at: www.statscan.ca/english/Pgdb/famil41a.htm. Accessed March 15, 2006.
- Life expectancy at birth. Available at: <http://www40.statcan.ca/l01/cst01/health26.htm>. Accessed March 15, 2006/

