

Second Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Mr. Dennis Smook
Constituency of La Verendrye

Vol. LXX No. 2 - 6 p.m., Monday, April 3, 2017

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

Member	Constituency	Political Affiliation
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CLARKE, Eileen, Hon.	Agassiz	PC
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LAGIMODIERE, Alan	Selkirk	PC
LAMOUREUX, Cindy	Burrows	Lib.
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SCHULER, Ron, Hon.	St. Paul	PC
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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Monday, April 3, 2017

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Dennis Smook
(La Verendrye)**

**VICE-CHAIRPERSON – Mrs. Colleen Mayer
(St. Vital)**

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Messrs. Friesen, Schuler, Wishart

*Messrs. Allum, Johnson, Ms. Klassen,
Mr. Lindsey, Mrs. Mayer, Messrs. Smook,
Swan, Teitsma*

PUBLIC PRESENTERS:

*Bill 3–The Pooled Registered Pension Plans
(Manitoba) Act*

*Mr. Ron Sanderson, Canadian Life and Health
Insurance Association*

*Ms. Stefanie Keller, Financial Planning
Standards Council*

*Mr. Jonathan Alward, Canadian Federation of
Independent Business*

*Mr. Gary Senft, Great-West Life Assurance
Company*

Mr. Donald MacDonald, Investors Group

*Bill 2–The Securities Amendment Act
(Reciprocal Enforcement)*

*Mr. Gary Senft, Great-West Life Assurance
Company*

Mr. Donald MacDonald, Investors Group

MATTERS UNDER CONSIDERATION:

*Bill 2–The Securities Amendment Act
(Reciprocal Enforcement)*

*Bill 3–The Pooled Registered Pension Plans
(Manitoba) Act*

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Mr. Chairperson: Good evening. Will the Standing Committee on Social and Economic Development please come to order.

This meeting has been called to consider the following bills: Bill 2, The Securities Amendment Act (Reciprocal Enforcement); Bill 3, The Pooled Registered Pension Plans (Manitoba) Act.

We have a number of presenters registered to speak tonight, as noted on the list of presenters before you. We also have one more to add to both bills, Donald MacDonald. So, if you want to add that to your—both 2 and 3, from—representing the Investors Group.

On the topic of determining the order of public presentations, I will note that we have one out-of-town presenter in attendance, marked with an 'asterik' on the list. With this consideration in mind, in what order does the committee wish to hear the presentations?

Mr. James Allum (Fort Garry-Riverview): I think we want to hear from the out-of-town individuals first, and then proceed accordingly.

Mr. Chairperson: Agreed? [*Agreed*]

We will hear from the out-of-town presenter first.

How long does the committee wish to sit this evening?

Mr. Allum: Of course, until we're finished the business, but we're hopeful that we can be done expeditiously.

Mr. Chairperson: Before we proceed with presentations, we do have a number of items and points of information to consider.

First of all, if there's anyone else in the audience who would like to make a presentation this evening, please register with staff at the entrance of the room.

Also, for the information of all presenters, while written versions of presentations are not required, if you're going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak with our staff.

As well, in accordance with our rules, a time limit of 10 minutes has been allotted to—for presentations with another five minutes allowed for questions from committee members.

If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called the second time, they will be removed from the presenters list.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee. The proceeds of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I have to say the person—I have first to say the person's name. That is the sign for the Hansard recorder to turn the mics on and off.

Thank you for your patience.

We will now proceed with public presentations.

Bill 3—The Pooled Registered Pension Plans (Manitoba) Act

Mr. Chairperson: We will start with Bill 3.

Ron Sanderson, Canadian Life and Health Insurance Association, do you have written materials for us, Mr. Sanderson?

Mr. Ron Sanderson (Canadian Life and Health Insurance Association): I do, Mr. Chairman, if the page is available.

Mr. Chairperson: Please proceed when you are ready.

Mr. Sanderson: Thank you very much, Mr. Chairman.

My name is Ron Sanderson. I am the director—Policyholder Taxation and Pensions for the Canadian Life and Health Insurance Association, and I am pleased to speak this evening in support of Bill 3, The Pooled Registered Pension Plans (Manitoba) Act.

I believe committee members now have our material, so let me touch on the high points.

The CLHIA is a voluntary non-profit association with member companies accounting for 99 per cent of Canada's life and health insurance business. Our members provide life insurance, disability, income protection and supplementary health benefits such as prescription drug and dental coverage to Manitobans.

Plus, CLHIA are the primary service providers to workplace pensions and retirement savings plans in Canada. Our members focus on plans for employees in small- and medium-size workplaces.

Pooled registered pension plans, PRPPs, are simple, standardized, multi-employer, defined contribution plans. They are designed to apply throughout Canada. Rather than incorporating PRPPs into existing pension statutes at the federal and provincial levels, a new, purpose-built legislative and regulatory framework has been developed. Bill 3 is intended to adopt this new framework for PRPPs, in Manitoba, giving workers without a pension plan access to a simple, transparent, low-cost and portable pension option.

Recent enhancements to the Canada Pension Plan are an important improvement in multi-pillar pension system, but those changes will be phased in gradually over 40 years. And CPP is just one part of that system. Old Age Security and the Guaranteed Income Supplement provide the foundation for retirement income. CPP provides the next element. Workplace pensions, RRSPs and the PRPP, where it has been implemented, provide a third. Tax-free savings accounts, non-registered savings, business ownership and real estate, both your home and investment properties, provide further sources of retirement income.

When all of these sources are combined, current retirees often have more disposable income in retirement than they had when they were younger and raising a family. Research by McKinsey and Company indicates that 83 per cent of working Canadians are on track to replace an appropriate degree of preretirement income when they retire, but it isn't clear that future retirees will be as lucky.

CLHIA has identified three distinct cohorts that are at risk of inadequate income in retirement. The first are single elderly seniors. These are typically widowed women who did not work outside of the home, and therefore have no CPP or employment pension entitlement in their own right. Upon death of a spouse, the deceased's OAS benefits disappear and the survivor's benefits under the CPP and any workplace pension are reduced. Unfortunately, the survivors are typically not reduced by the same degree. Manitoba has recognized that adjustment of the CPP survivor's benefit or of OAS and/or GIS may be appropriate to help these individuals.

* (18:10)

The second target group are those who don't save, other than through CPP, and the third are middle and higher income individuals who do not have access to a workplace retirement plan and therefore would benefit from the reduced fees associated with PRPP.

PRPPs are intended to address these latter two groups and bridge the gap between traditional pensions and group RRSPs. PRPPs are simple for employees and for employers. Regulated expert financial institutions will administer the plans. Employers will simply deduct and remit employee contributions, just as they do for CPP, employment insurance, group benefits and taxes.

PRPPs allow consumers, including the self-employed, to save in the workplace where it's easiest to do so. Employees will be automatically enrolled, but they can opt out. PRPPs offer a small choice of prudently managed investments including a default option, eliminating the decision paralysis caused by too much choice.

PRPPs are efficient. They offer wholesale costs to consumers who might otherwise pay higher retail fees. Employers may make matching contributions, but they're not required to do so, allowing more flexibility than employers have with traditional pensions, and this can be incredibly important when you're in challenging economic circumstances, especially for small businesses.

As pension plans, savings within PRPPs are dedicated to providing retirement income and won't be used for other purposes. This is a key challenge for RRSPs where it is simply too easy to draw funds for a vacation, a large flat-screen TV—reduces their effectiveness for retirement savings. And PRPPs are portable between employers, between suppliers, and between jurisdictions.

Bill 3 builds on a common legislative template that has been adopted federally and from BC to Nova Scotia, with other provinces expected to join. Consistency and scale arising from that common framework are important in keeping costs for consumers as low as possible, so Manitoba's adoption of PRPPs has national impact.

There's one refinement to Bill 3 that we would encourage, and it is one that has been adopted in Quebec in what they call a voluntary retirement savings plan, or VRSP. Quebec recognizes the value of encouraging workers to participate in low-cost retirement plans and, consequently, requires employers to offer a plan.

It could be a traditional pension, a group RRSP, a tax-free savings account, or a PRPP. Employees don't have to participate, but they must have access to a plan in the workplace.

Quebec has phased in this requirement, deferring it for the smallest workplaces. We think that strategy makes sense and we encourage Manitoba to follow Quebec's lead.

Thank you, and I'd be happy to respond to your questions.

Mr. Chairperson: Thank you for your presentation, Mr. Sanderson.

Do members of the committee have questions for the presenter?

Hon. Cameron Friesen (Minister of Finance): Thank you, Ron, and thank you for being present tonight to give a presentation on this bill for your industry association. I appreciate your comments that you made this evening.

I wanted to ask you, based on your—how you noted that there are categories of Canadians—that is clear from research and evidence—are not saving adequately for their retirement.

What can your association do to help promote the availability of this new tool and the use of PRPPs in jurisdictions?

Mr. Sanderson: Thank you very much, Minister.

The insurance industry plays a significant role in delivering other forms of benefits to workplaces: group health and dental, supplementary medical. This is one more arrow in the quiver that we would present to employers on an ongoing basis. Just as we currently deal with retail plans for those individuals, we currently administer about 80 per cent of the workplace savings plans, or our members do, I should say, across this country. This is just one more tool. It's a lower cost option. It's a simpler option. That's going to appeal to Joe's garage, and Joe's garage are the people we need to meet.

Mr. James Allum (Fort Garry-Riverview): And, Mr. Sanderson, thank you so much for coming out tonight. We appreciate your comments about the workplace pension that you—how you ended your presentation to us. We've made the same point with the minister in debate.

Did you have a chance to speak with the minister about this before this legislation was tabled?
[interjection]

Mr. Chairperson: Mr. Sanderson.

Mr. Sanderson: I'm sorry.

Personally, I have not. I suspect representatives of our industry may have, but I'm not aware of those particular meetings.

Mr. Chairperson: Seeing as there's no further questions, I want to thank the presenter for his presentation.

And I will now call on Stefanie Keller from the Financial Planning Standards Council.

Do you have any written materials for distribution to the committee?

You may proceed with your presentation whenever you're ready.

Ms. Stefanie Keller (Financial Planning Standards Council): Good evening, everyone. Thank you so much for inviting us here. I'm very happy to be a part of this discussion. I think it's phenomenal that the Province of Manitoba has taken leadership on this, and the impact is just going to be fantastic, both from a financial planning standpoint, but also from a community standpoint as well.

I am the public policy ambassador for the province of Manitoba for the Financial Planning Standards Council of Canada. There's approximately 17,000 certified financial planners and FPSC level 1 certificates. We are a professional organization ensuring that the planners that are providing the advice to the clients have met the standards and the rigorous requirements to obtain the designations.

I'd like to thank the Province and commend them for looking to take action on to enhance the retirement savings and security for Manitobans. Given that it is enacted for federally regulated sectors in four other provinces, I agree it's important for Manitoba to be a leader in this capacity.

Speaking from a financial planning perspective, the pros of this particular program would be lowering the burden on governments, such as income supplements, social assistance and whatnot; transferring more responsibility to employers and individuals; increasing employee retention for businesses; allowing employers to offer pension plans at a lower administration cost; less flexibility or providing a more disciplined saving strategy for employees; gives employees who choose to work and support small business, in particular, the opportunity to participate in a pension plan in

addition to their CPP contributions; the employer's tax deductible PRPP contributions are excluded from the salaried compensation of employees and are not subject to employee insurance premiums or CPP contributions, resulting in more favourable tax treatments than RRSPs, which have been the typical vehicle that a lot of employees of small businesses have used to save for their retirement, in addition to their TFSAs.

Some of the drawbacks or the challenges with the PRPPs would be, again, less flexibility for the employees. They can't access the funds prior to their retirement except under specific conditions. Another challenge would be for the self-employed, as they often pay themselves via dividend income or a combination of salary and dividends and will often income split with their other shareholders based on what's best from a tax perspective, thus creating a lower income. PRPPs are based on RRSP contribution room, which is income-based, thus being a challenge. Given that many self-employed individuals are showing lower incomes and a loss often during the early years in business, this would put them at a disadvantage in terms of accumulating RRSP room and cash flowing the contributions for their employees' PRPPs.

Couple of suggestions—again, speaking to our first presenter this evening, was to implement a similar model to Quebec, where PRPPs are mandatory for employers with a specified number of full-time employees—example, 10—that don't have a pension plan. PRPPs should become mandatory for employees with at least two years of service and optional within the first two years. This protects a lot of our small-business owners, as they often have high turnover in staff, and if they've made the contributions and there's a high attrition of the staff, it's not as favourable for the small-business owners.

*(18:20)

Also, allow business start-ups—if it does become mandatory, allow the business start-ups to have a grace period of five years to start up their business so that they have the option of offering the PRPPs instead of making them mandatory. When small businesses are in the growth or start-up phase, it's often difficult for them to try in cash flow—even CPP remittances and worker's compensation and some of the other things. So having another thing on top of it may be a challenge for the small business or self-employed.

In terms of the support, the administrators, of course, are to be held at the high standard of care, and the offer-office of superintendent of financial institutions has a clear process for setting up the PRPPs to simplify the process and to address the logistics of administering the plan.

From a strategic standpoint, it's important to have the advice to go along with the program or the products. Often, when I'm meeting with clients that have a defined contribution pension plan where there is employee and employer contributions, they don't receive a lot of guidance in terms of how their money should be invested or how much they are going to have in retirement. So it gives them a sense of concern for their future. So providing that support from a financial planning standpoint is essential to the success of these types of programs, and having qualified, ethical certified financial planning professionals that have the knowledge and the 'professionalism' to be able to provide that advice to them is critical in helping the people achieve their retirement goals and overall financial wellness.

Unfortunately, many consumers in Manitoba are not getting the qualified financial advice that they think that they are. The current regulatory environment allows anyone to call themselves a financial planner regardless of qualifications or oversight. There are steps being taken in other provinces, notably Ontario, to close this regulatory gap and increase standards for all financial planners. More specifically, the expert committee that was appointed by the government of Ontario to look at the regulation of financial planners and advisers recommended, in its final report last month, that the title of financial planner be restricted to all financial planners in Ontario be required to meet minimum proficiency requirements and be overseen and accountable for their conduct and their recommendations.

Restricting financial planning title and regulating other confusing or misleading titles would go a long way to helping consumers make better choices about their financial health, the products that they want to invest in or participate in and providing the professional support for the implementation of the plans like the PRPPs for Manitobans. Thank you.

Mr. Chairperson: Thank you for your presentation, Ms. Keller.

Mr. Friesen: Thank you, Stefanie, for your presentation this evening. I've met with CFP before,

and we've discussed some of these same issues and the importance of people having good information, having access to good advice. So thank you, and to your industry, for what you do for Canadians to take the fear and mystery and anxiety out of saving adequately for retirement.

One of the soapboxes that I like to climb up on is the need for financial literacy when it comes to understanding what makes for an adequate retirement. That means, you know, individuals understanding what the role of CPP, what the role of OAS workplace pensions, other savings, assets and all these things mean to them.

I wonder if you could just tell us a bit, from your perspective, of how important financial literacy will be for Manitobans when they become aware of these new products and how we get out this in a good conversation with Manitobans. *[interjection]*

Mr. Chairperson: Ms. Keller.

Ms. Keller: Sorry. It's a great question.

That's often the case, when people come to my offices they're just overwhelmed. They're overwhelmed with the amount of choice, they're overwhelmed with the information, they just don't know what to do to make the right choices for themselves long term.

Having conversations and having support systems in place with professionals that can provide them with that information so that they can make an informed decision with all the factors being known is essential.

The other big piece is the—providing that unbiased advice that's not tied to a particular product or a particular company. That's a really, really important piece, because, then, the clients and the individuals or the consumers have the confidence that they know that the advice that they have received is truly in their best interest and the professional is going to help them sort through all of the different options to find out what is best for them and their situation.

Mr. Allum: Ms. Keller, thank you so much for coming out tonight as well, and especially on such a beautiful Manitoba evening, one of the first of the spring, and hope there are many, many more.

It sounds to me that you had a chance to consult with the minister prior to this bill being tabled. *[interjection]*

Mr. Chairperson: Ms. Keller.

Ms. Keller: Sorry. Yes, so, we were very fortunate to come in last time—last year, and we had a great meeting, and he was extremely receptive and very engaged in the financial literacy piece. And we've shared it on a national level that Manitoba was so receptive and so engaged in the process, and it actually made me very proud. I'm on national calls with other public policy ambassadors across Canada, and to have Manitoba being mentioned right at the top, it was a very proud moment, and it's really, really nice to see Manitoba taking the leadership. So, I congratulate all of you for taking that lead.

Mr. Allum: Thank you for that.

So, when—I'm assuming that you made your suggestions to the minister during your meeting, but he apparently disagreed. Do you have any memory of what his response was to the very good suggestions that you made? *[interjection]*

Mr. Chairperson: Ms. Keller.

Ms. Keller: Sorry. I would say that we are in the early stages. He just wanted to get more information on, actually, the committee that was sitting in Ontario, which just released their statements, literally a couple of weeks ago. It was last month. And I think it was more around getting more information, because this is fairly new in the process than, necessarily, disagreement.

Mr. Allum: You're saying that the P-PPRPs were as new in the conversation, yet we have a federal government and four other provinces that have already undertaken them, so we're kind of slow to join the group, wouldn't you agree?

Ms. Keller: Specifically around the PRPPs, I wouldn't say that we would be slow, because there are a number of other provinces that are lagging behind us in terms of the financial literacy, which would be related but separate. I found the minister to be extremely receptive in that respect to that conversation and, in fact, reaching out to the Financial Planning Standards Council and giving us the opportunity to come to the table with this.

Mr. Allum: That's in respect of financial literacy. I understand, then, that the conversation, PRPPs didn't—PPRPs—*[interjection]*

Mr. Chairperson: Ms. Keller.

Ms. Keller: PRPPs was not part of the discussion on our last meeting.

Mr. Chairperson: We thank you for your presentation, Ms. Keller. Our time has expired for questions and, once again, thank you very much.

I will now call on the next presenter, Jonathan Alward.

I'd just like to ask the committee—unfortunately, I jumped the gun here and I went to another presenter from the same bill, No. 3. I should have gone to Bill 2, but if that's okay, we'll hear from Mr. Alward if that's in agreement with the committee? *[Agreed]*

Mr. Alward, so if you could—do you have any written materials for us?

Mr. Jonathan Alward (Canadian Federation of Independent Business): I do.

Mr. Chairperson: If you could get them distributed, and we will then proceed with your presentation.

* (18:30)

You could proceed with your presentation as soon as you are ready.

You can proceed when ready.

Mr. Alward: Good evening, everyone, and on behalf of the Canadian Federation of Independent Business, or CFIB, as most know us here, thanks for allowing me to present tonight on Bill 3, specifically, The Pooled Registered Pension Plans (Manitoba) Act.

For those of you who don't know—who I haven't met yet around the table, my name's Jonathan Alward, and I'm the Manitoba director of provincial affairs for CFIB. And at CFIB we are passionate about small business. Because of their massive contributions to our economy, employment and our communities, we believe that small businesses deserve a strong voice in government decisions. CFIB—excuse me—CFIB provides a reasonable, credible and effective way for small businesses to participate in the political process, just like big businesses and unions do.

Across the country, CFIB represents approximately 109,000 independently owned and operated businesses, including 4,800 right here in Manitoba, and we're strictly non-partisan, non-for-profit organization, and our members are

located in every corner of the province and in sectors that very closely mirror the province's own economy.

Our policy positions are set by direct feedback from our members through accurate and regular surveys, which operate under a one-member, one-vote system. So it is with great confidence that I can present on behalf of our 4,800 members and express their strong support of Bill 3.

CFIB commends the Manitoba government for bringing Bill 3 forward to make pooled registered pension plans, or PRPPs, here for referenced as after, available for all Manitobans, not just those who are working in Manitoba, in federally regulated industries or in—for employers.

CFIB was a vocal supporter of the federal government's introduction of PRPPs and the provinces who have followed by implementing similar legislation for employers and employees not covered by the federal government's legislation, including British Columbia, Alberta, Saskatchewan, Ontario, Quebec with VRSPs and Nova Scotia. And CFIB's support should not be surprising. PRPP legislation signals that governments are listening to the needs of small business and are aware of the realities of running a small business.

In Manitoba, there are significant—there is a significant need, still, for PRPP legislation to help ensure that employers and employees can save enough for retirement, echoing what was said here earlier tonight, certainly. But small businesses are the backbone of Manitoba's economy in employing over—well over 250,000 Manitoba—Manitobans. Small, medium-sized firms account one quarter of the province's GDP and 98 per cent of all registered business.

And saving for retirement is still a real concern for our members and for this segment of the population. Close to 73 per cent of small-business owners in Manitoba do not have retirement plans for themselves or their employers, and most do not so because they cannot afford them or it's difficult to access the current retirement savings options. Only 15 per cent of Manitoba small businesses are able to offer retirement savings plans to both themselves and their employees.

That is why this PRPP legislation is a welcome addition, so long as it remains voluntary, simple to administer and is a lower cost retirement option for small-business owners, their employees and those who are self-employed.

For those businesses that do not offer retirement savings plans for their employees, 47 per cent, or nearly half, do not do so because the existing plans were deemed too expensive. A further 28 per cent, or nearly a third, were concerned that the financial risk or exposure to their business would be too great. This is why it's not surprising, as recent information shows, that 51 per cent of small-business owners and nearly 60 per cent of all Canadians cannot afford to save more for retirement.

Importantly, a significant number of business owners cited complicated administration and a lack of understanding for reasons they had not yet established retirement savings plans for their employees. Forty per cent believe that such plans were too complicated or burdensome to administer, and nearly a quarter did not know where to start the process by setting up those plans. Just 20 per cent of business owners had no interest in having a retirement savings plans for their employees.

We believe that PRPPs are better and, frankly, a more effective option than mandatory CPP expansion. We were disappointed with the recent decisions by Canadian finance ministers across the board to institute mandatory CPP premium increases for the next five years, in Canada, beginning in 2019—obviously, outside of Quebec. CFIB strongly opposed these changes as they do not address the affordability and flexibility concerns of Canadian small-business owners and their employees. In fact, in Manitoba, 81 per cent of small-business owners agreed that there were better ways to help Canadians save for retirement than to simply expand the CPP.

We're also concerned that these increasing payroll taxes, like CPP and EI, will do very little to encourage employment investment in our provincial economy. Furthermore, these CPP changes will take nearly 40 years before the full increase of the benefits is available to those who are participating in them.

In contrast, PRPPs will be an excellent addition towards our retirement savings options for small-business owners and their employees. Unlike company RRSPs, PRPPs are not subject to payroll taxes and the administration fees are lower—or expected to be lower, so small firms will be able to set aside more money for employee retirement plans. As PRPP can be available in multiple groups at one time, they can be provided to small businesses at affordable prices compared to the existing alternatives. Administration fees are—with a provider

are minimized, and the administrative burden facing the employer is as well. PRPPs are much less daunting for the employers to enroll in. And, furthermore, despite the minimal administrative burden, PRPPs remain flexible for their employees who are contributing to them and can be transferred, as others have said here, to other employees as their career progresses.

In fact, when asked what features of PRPPs were attractive, there were four principle aspects that carried a strong and roughly equal weight among Manitoba's small-business owners. The first of which was having no payroll taxes on contributions, with 56 per cent. Keeping administrative costs low—for example, management fees; 55 per cent believe that that was a compelling reason. Giving employers the choice of whether or not to contribute to the employee's PRPP or VRSP were 55 per cent. And keeping the amount of paperwork to enroll the employees at a minimum was also supported by 54 per cent of our small-business members.

Given these survey findings and their respective existing PRPP principles that address employer concerns, it's important that Manitoba follows the established federal legislation and ensure that PRPPs remain voluntary for employers, be offered at a low cost and come with minimal associated paperwork.

Despite access to PRPPs in federally regulated industries in Manitoba, too many small-business owners and employees still remain unaware of what PRPPs are and how they can benefit Manitoba's small businesses and their employees.

When Manitoba small-business owners were asked whether they would consider offering a PRPP in their business, only 30 per cent responded yes. However, if you look at the survey in your paperwork, it's important to remember that more than one third of the respondents did not know whether or not they would or would not support the RRSPs. This is presumably because of a lack of awareness for the cost and benefits of PRPPs that would be available to them. Therefore, it's reasonable to expect that a majority of small-business owners would offer PRPPs if they believe—if they become available for all Manitobans.

It's our belief that small-business owners and employees need additional options to help save for retirement, that respect the realities of operating a small business in Manitoba. We strongly believe that PRPPs would accomplish this goal, and we urge the committee members here this evening to consider

CFIB's fact-based evidence and implement this legislation.

As the big voice for small business in Manitoba, CFIB will continue to be a strong advocate for PRPPs, and we look forward to continue educating our 4,800 members on the benefits of these retirement savings options once, hopefully, Bill 3 receives royal assent with the support of everyone here.

CFIB again commends the government for introducing this legislation, and we're confident that a strong majority of Manitobans, small-business owners and their employees will as well. Thank you.

Mr. Chairperson: Thank you for your presentation, Mr. Alward.

Mr. Friesen: Thank you, Jonathan, for being at committee tonight and representing the views of CFIB. I appreciate some of the—or all of your comments tonight when it comes to the PRPPs.

I wanted to just ask you a question about the administrative simplicity of these products. You mentioned it yourself, I know a number—I know a lot of people who run small business, and, in small business, you're everything. You're HR. You're inventory. You're accounts receivable, accounts payable. You're public relations. You're doing everything. You're solving parking problems in front of your business.

* (18:40)

How important, in the opinion of CFIB, is the fact that employer—employers can see these as relatively simple tools to put in place? What significance do you think that will have for people in practice, those individuals that you represent?

Mr. Alward: Look, based on the survey results that are in the documentation, it's as important as managing other costs associated, for example, the exemption from having a payroll tax on it.

From my colleagues that I've spoken with in other provinces, they've all echoed the same thing. They're not just more affordable, in terms of saving hours and hours of doing paperwork; it's making them more accessible to small-business owners that are already don't have enough time to do so.

Mr. Allum: Mr. Alward, nice to see you again. It was nice to meet with you a month or so ago and I'm pleased that you came to see us.

I want to get your reaction to the presentations that we've had in which both of the previous presenters, reputable organizations both, said that Manitoba should follow the Quebec model with mandatory provisions.

Why is it that you don't agree with them?

Mr. Alward: Thank you for the comment, Mr. Allum.

To be completely honest, we surveyed our members based on the federal legislation that had come forward. They were very supportive of such legislation. Our colleagues in Quebec were asked, obviously, their provincial legislation that is, for all intents and purposes, very, very similar.

I don't know exactly whether or not they would support one or the other, but they've echoed their extreme support for this legislation being presented here this evening.

Mr. Allum: Thank you. You've referred several times to the survey data, and just for the record I want to make sure that I understand it correctly. Am I right in reading this note that the information on figure 2 which purports to talk about what prevents you from having a retirement savings plan? This survey was undertaken in 2010. That is seven years ago, and that, in fact, 208 out of 4,800 Manitoba businesses responded.

Is that—do I have that right?

Mr. Alward: I'm not sure what the number of business members would have been at the time. I wasn't with CFIB.

This chart was very consistent federally, so it's very reasonable to expect that the numbers are consistent and very accurate, first and foremost. But we included the graph, even though it's several years old, to illustrate the driving mechanisms of why such legislation is important, and if you look at the information in here that is more current, those carry the same principles.

If you look at, for example, why do small-business owners prefer PRPPs—I believe it was figure 3—they correspond very well for the reasons mentioned in figure 2.

Mr. Allum: So, just for the record, and I just want to be clear here, figure 3 is dated May 17th to June 21st, 2012—that's five years ago. Figure 2, as I said, was seven years ago, figure 1 was five years ago and figure 4 is five years ago as well.

Wouldn't it be incumbent upon your organization to do more recent surveying than rather than presenting to committee information which is clearly dated?

Mr. Alward: Thank you for the comment, but to respond quite firmly, we did this survey data at a very relevant time, when the federal government was bringing forward such legislation. It's unfortunate that it's taken so long for Manitoba to join, as other provinces have much sooner. I expect that this will still be very consistent for small-business owners, if not more so, as they've learned much more about PRPPs since then.

Mr. Chairperson: Thank you for your presentation, Mr. Alward. I will now—thank you again, and—*[interjection]*

Our next two presenters to the committee are both presenting on both bills. Would it be the wish of the committee to have them present to both bills as they come up, or should we alternate them?

Mr. Allum: It's certainly fine by us if it meets with the agreement of the committee.

Mr. Chairperson: Agreed? *[Agreed]*

Bill 2—The Securities Amendment Act (Reciprocal Enforcement)

Mr. Chairperson: I will now call on Gary Senft *[phonetic]*, and if I'm pronouncing your—mispronouncing your name, please let—

Mr. Gary Senft (Great-West Life Assurance Company): It's fine; thank you very much. It's Gary Senft.

So, Mr. Chairman, committee members and members of the public, pleased to be here tonight.

Mr. Chairperson: I'd just like to put on the record that you will be presenting to Bill 2 first and then Bill 3.

Do you have any written presentations for—?

Mr. Senft: No, I do not.

Mr. Chairperson: Okay, then, you're free to present as soon as you're ready.

Mr. Senft: So my name is Gary Senft. I'm the vice-president of public policy and regulatory affairs for Great-West Life, London Life, Canada Life. Pleasure to be here with you this evening.

On the security side, I'll be very brief. It's Bill 2, it might be viewed as a technical bill. It provides for

reciprocal enforcements with other jurisdictions, you know, of—on the security side of matters.

We just simply wanted to say we agree with the bill. We support the bill as just being an efficient portion of administrative process. So we welcome the bill as being suitable, and some other jurisdictions have or will likely be moving in this direction as well. One's always concerned with natural justice when you have an order that, you know, is brought in automatically. But the bill does provide for a hearing—a public hearing if the person wants to bring that forward in the jurisdiction.

So, from our perspective, we have no, you know, concerns to raise at this time, and we just would indicate our support of Bill 2. Thank you.

Mr. Chairperson: Thank you for your presentation, Mr. Senft.

Hon. Cameron Friesen (Minister of Finance): Thank you for presenting this evening, appreciate your views on this legislation.

As you say, it's largely a technical measure but one that will be significant and have benefit on all sides of this—considering all sides of this issue. So appreciate your comments tonight.

Mr. Chairperson: Thank you.

Mr. James Allum (Fort Garry-Riverview): Thank you, Mr. Senft, for coming out tonight, much appreciated, and I can just put on the record that we don't have any great objections to this particular bill either. We have other concerns with the government in relation to the securities industry, but not here.

But could you tell us just how is it that consumers will be aware of the information about an order being done in one province and then replicated here in Manitoba? How would your average citizen in Manitoba have any knowledge of that?

Mr. Senft: That would be a question, you know, better asked of the people in the securities administration, you know, process itself. You know, the jurisdictions share information. They work on memorandums of understanding. They share information perhaps more than they have historically. So as between jurisdictions I think it's really, you know, that is the method of doing it, and someone could speak better to, you know, making that more transparent or not.

Mr. Allum: So I take it from that that you would support greater transparency in that regard then?

Mr. Senft: Yes, with respect to enforcement, we don't have a concern with more transparency on enforcement matters. They're public record, you know, once they're—the order is actually, you know, carried out in any event.

Mr. Allum: Yes, I thank you for that. But I meant in relation to communicating that enforcement to members of the public who might not otherwise know.

Mr. Senft: I believe the orders are already public. So I don't think there's a concern from our perspective with that.

Mr. Chairperson: We thank you for your presentation, Mr. Senft.

The honourable Mr. Friesen. No sorry, no. You're done.

Okay, now we'll now proceed to Bill 3.

Bill 3—The Pooled Registered Pension Plans (Manitoba) Act *(Continued)*

Mr. Chairperson: So, if you're ready to go, Mr. Senft, you can proceed.

Mr. Gary Senft (Great-West Life Assurance Company): With respect to Bill 3, the pooled registered pension plan, I'm here really just as a Manitoba company. I think most of our members here and members of the public will be familiar with our company and—headquartered across the street.

Financial services are, you know, part of what we do. Our mission is to help improve the financial, physical and mental well-being of Canadians and the PRPPs really speaks to the issue of financial security and income preparedness, so it's another product that's available and we're pleased to see this province proceed with bringing it forward.

My colleague in the industry—we are a member of the Canadian Life and Health Insurance Association as well. He's provided you with a written presentation that gets into a bit more details with respect to the plan itself and certain recommendations. We support the CLHIA and its presentation as well. And I think, really, I'm really here simply to mention our support as a company and our support for the CLHIA and its presentation as well. Thank you.

* (18:50)

Hon. Cameron Friesen (Minister of Finance): Thank you, Gary, for being present here tonight to speak on this issue as well. Appreciate your views.

I was reading recently that, in respect of TFSA's, there was information that came forward to say that it was actually very stunning to see how quickly Canadians warmed up to this idea of this totally new product that was available to them. I saw some statistics that indicated that, within two years, more than 50 per cent of Canadians had opened a TFSA.

I think about this PRPP in Manitoba as new kid on the block, and I think about—I ask the same question to you, and that is: what should we be doing as a province to accelerate the familiarity that Manitobans have with this new product? How do we do that well?

Mr. Senft: Yes, well, you know, the—in the industry of companies, you know, often work through advisers, and, as was mentioned by another one of the speakers tonight, you know, Manitoban jurisdictions generally have a very strong financial advisory service. And so working with financial advisers as a company in respect of training on the product is something that, you know, we engage in, and then the advisers themselves are out there to, you know, bring forward products. I think that was well represented by the comments of a previous speaker tonight. And, you know, that is the right way to do it and get it out there, for sure.

Mr. James Allum (Fort Garry-Riverview): We appreciate the fact that you support the idea of mandatory participation for employers. We think that's a very good idea too. It's—found it unfortunate that the minister does not agree with us on that—or you, for that matter.

But can you give us a sense—because I assume you're connected to the industry across the country, what's been the uptake on PRPPs across the country?
[interjection]

Mr. Chairperson: Mr. Senft.

Mr. Senft: I'm sorry. The PRPP is a relatively new product, so I don't have statistics on the uptake specifically available to me tonight. The Quebec version of it, you mentioned with the mandatory plan, we do encourage that as another means to work at it behaviourally. When someone is engaged in a plan, you know, they generally stand—stick with it a little bit more. So the Quebec version, you know, is appreciated, but, again, that's something Manitoba

could always consider once it gets a bit more experienced with the bill and the product itself as well.

Mr. Allum: So, for the record, you didn't have—don't have any statistics with you tonight; I appreciate that. Where would one find those statistics to see what kind of uptake there has been on PRPPs across the country.

Mr. Senft: The CLHIA would, over time, have statistics on the take-up of that. I think it may be a little early in the game, but, you know, they would generally have information available, I believe.

Mr. Chairperson: Thank you for your presentation.

**Bill 2—The Securities Amendment Act
(Reciprocal Enforcement)**
(Continued)

Mr. Chairperson: Seeing no more presenters, I will now call upon our next presenter for Bill 2, Donald MacDonald from Investors Group.

Do you have any present—any handouts for the committee?

Mr. Donald MacDonald (Investors Group): Good evening, and, no, I do not have written presentations.

Mr. Chairperson: Then you may proceed when you are ready.

Mr. MacDonald: My name is Donald MacDonald. I'm senior vice-president and general counsel of Investors Group. Investors Group, as you undoubtedly know, is proudly headquartered in Winnipeg. We are in our 91st year of operation, and we offer a broad range of financial services and products. Currently, we manage in excess of \$80 billion on behalf of Canadians.

We are—with our range of products and services, we are primarily engaged in the securities industry, and, with respect to The Securities Amendment Act, we are here to speak in favour of it.

As a participant in the industry, it is in the interests of all registrants that there be a strong enforcement regime in Canada. We are fortunate with the Manitoba Securities Commission. They are a very good member of the Canadian Securities Administrators, and, with the amendment, that will permit the reciprocal enforcement of orders granted in other jurisdictions, that will create some more efficiency. It will provide additional protection for the public in Canada as well as Manitoba, because, as you may be aware, this is legislation that is

contemplated in other jurisdictions. It will be efficient, and it will be in the public interest of Manitobans and Canadians. So we speak strongly in favour of the amendment.

Hon. Cameron Friesen (Minister of Finance): Thank you, Donald, for being here this evening and sharing your views on this legislation. As you've said, as well, it's about efficiency and it's going to be cost-effective. It will serve the public. And also, as you mentioned, it's going to—it'll collapse that period of time that used to exist where we would do that formal process of having that hearing and recognizing that decision, and now we simply acknowledge the decision. So I agree with you that it will—it's a good measure, all in all. Appreciate you being here tonight.

Mr. Chairperson: Mr. MacDonald, did you have any comments back on that, or?

Mr. MacDonald: Thank you. No, I appreciate the minister's comments.

Mr. James Allum (Fort Garry-Riverview): Thank you, Mr. MacDonald, for being here tonight.

We, as I said earlier, don't have any particular objections to Bill 2. In some ways it would be an extension of the passport system, it seems to me, in some manner.

Does your organization support a national securities regulator?

Mr. MacDonald: Our organization supports a harmonization of securities regulation across Canada. To be a truly national regulator, all jurisdictions must participate. And that has been our public position in the past, and that is currently our position. We will work with whatever system, of course, is adopted.

Mr. Chairperson: We'd like to thank you for your presentation, Mr. MacDonald.

**Bill 3—The Pooled Registered Pension Plans
(Manitoba) Act**
(Continued)

Mr. Chairperson: We'd like to move now to Bill 3. Mr. MacDonald, you may proceed when ready.

Mr. Donald MacDonald (Investors Group): As I indicated, we are a participant in a financial services industry, broad range of services and products, including securities insurance. We believe in holistic financial planning. We believe in financial literacy.

We are strong supporters of the initiatives over many years in Manitoba in the financial literacy area.

Our organization has more certified financial planners than any other organization in Canada, over 1,700. So we are in favour of the range of products to serve all Canadians, all Manitobans. Certainly, PRPPs service a segment of the population in the investing public that may be underserved. So we view this as a very positive move by Manitoba.

We speak in support of the presentation of Mr. Sanderson on behalf of CLHIA.

Hon. Cameron Friesen (Minister of Finance): Thanks, Donald, for your comments on this bill, as well. Your comments line up, of course, with others that were made tonight, talking about this being one more arrow in the quiver, and you're right in saying that there is a segment, that the research shows, of Canadians who are inadequately saving. This can be one more vehicle available to them in order to more adequately prepare for their own retirements.

I think it's equally important to note, as well, I noticed that subsequent to our meetings in Vancouver on CPP enhancement, that there was, in the general public, a view that somehow the CPP enhancement would help them right now. And, of course, that's not the case. These changes that are proposed and are being agreed to by provinces are there to help that next generation of income earner in respect of CPP—all the more reason to double our efforts on products such as this one.

So I appreciate you being here. I'd invite your comments back on that in whatever way you'd want to give them.

Mr. MacDonald: Thank you, Minister.

We agree that PRPP is, of course, an additional quiver in both for a financial planner to raise with a client who may be eligible for PRPP, but also to point out the other options that are available to them. So this is certainly an additional product that will hopefully serve a segment of the public that requires it.

Mr. James Allum (Fort Garry-Riverview): Thank you. I appreciate you presenting on both bills tonight and appreciate you doing it so efficiently, as well—and I might add, to all our presenters, for their efficient presentation.

Did you have a chance to consult with the Finance Minister prior to this bill being tabled on this particular bill?

* (19:00)

Mr. MacDonald: No, I did not personally, and I don't believe anyone at Investors Group did as well.

Mr. Allum: But you do—if I understood you correctly—supported Mr. Sanderson's suggestions and recommendations that he made in an earlier presentation, so you would—your organization would also support movement toward a mandatory participation of employers?

Mr. MacDonald: Correct. Our organization is in support of the CLHI position on this. We did have an 'awareness'.

Mr. Allum: You would think it would strengthen the bill for an amendment in that regard to be tabled?

Mr. MacDonald: Personally, I have not explored that with my company. We are in support of the CLHI position, and it's all I can speak to.

Mr. Chairperson: Seeing as no other questions, we'd like to thank you for your presentations, Mr. MacDonald.

That concludes the list of presenters I have before me.

Are there any other persons in attendance who wish to make a presentation?

Seeing none, that concludes public presentations.

* * *

Mr. Chairperson: In what order does the committee wish to proceed with clause-by-clause consideration of these bills?

Mr. Allum: I would suggest numerical order, Mr. Chair.

Mr. Chairperson: So it is. It will be Bill 2 first.

During the consideration of a bill, the preamble, the enacting clause, and the title are postponed until all other clauses have been considered in proper order. Also, if there is agreement from the committee, the chair will call clauses in blocks that conform to pages with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? [*Agreed*]

**Bill 2—The Securities Amendment Act
(Reciprocal Enforcement)**

(*Continued*)

Mr. Chairperson: We will now proceed with Bill 2.

Does the minister responsible for Bill 2 have an opening statement?

Hon. Cameron Friesen (Minister of Finance): I'm pleased to present on Bill 2 this evening, which is proposing these amendments to The Securities Amendment Act. I want to thank our presenters this evening for being present at this committee, and we know that ensuring a fair and transparent market in Manitoba, as well as protecting investors, is essential to the securities act.

The amendments, as have been noted tonight, are intended to streamline activity and co-operation among Canadian securities regulators. Currently under legislation, if an individual is found to breach the rules in another province, Manitoba has to conduct a separate hearing that is costly; it is time consuming; it eats up resources. I would convey to this committee that, every year, Manitoba implements no small number of these—25 to 30 of these kinds of orders through a hearing procedure. I believe that this last year was 35 of these kind of reciprocal orders. And for each of those, there needs to be notice given, there needs to be a hearing convened, and you need to have people available to do that.

The proposed amendments would allow Manitoba this automatic reciprocation of enforcement orders from other provinces. You don't need a hearing to do it. It would prevent individuals who have been disciplined for their actions from other markets from trying to set up in Manitoba. That serves as a protection to the public, as has been noted tonight. Similar legislation has been passed in Alberta, Nova Scotia, New Brunswick and Quebec. The legislation is proposed as security regulators in provinces of Ontario and British Columbia have also recommended the same course.

As stated in our government's recent speech from the throne, we're committed to protecting investors and consumers by strengthening securities legislation. This legislative change would do exactly that by protecting investors and improving the system.

Thank you for hearing this bill this evening.

Mr. Chairperson: We thank the minister for his statement.

Does the critic from the official opposition have an opening statement?

Mr. James Allum (Fort Garry-Riverview): Well, as I said on a few occasions tonight, we certainly support the intent of the bill to synchronize provincial securities laws and in making the securities market more accountable and more efficient from coast to coast to coast in this country. Our government was proudly behind the creation of the passport system that has served this province and this country very well.

You may understand we do have concerns about where the government might go with the securities industry, going forward. It's very important to Manitoba; it employs a lot of Manitobans.

So while we have no particular objection to this bill, we certainly will be holding the government to account for any further actions that they take in this regard.

Mr. Chairperson: We thank the critic for his statement.

Clauses 1 and 2—pass; clause 3—pass; enacting clause—pass; title—pass. Bill be reported.

**Bill 3—The Pooled Registered Pension Plans
(Manitoba) Act
(Continued)**

Mr. Chairperson: We will now move on to Bill 3, the clause by clause.

Does the minister responsible for Bill 3 have an opening statement?

Hon. Cameron Friesen (Minister of Finance): I wanted to note for this committee that over two thirds of private sector workers in Manitoba are not covered by a registered pension plan. Department of Finance Canada has examined whether families nearing retirement are adequately prepared for retirement based on household income and wealth data from a recent survey of financial security from Stats Canada. And families are considered to be, in some cases, at risk of undersaving for retirement, and while Canada's retirement income system has served Canadians well for many years, we know that, looking ahead, there are many individuals who are not saving adequately for their own retirement, as has been noted tonight at this committee, and I thank the presenters for having been here this evening and conveying their opinion to us.

This is a one more arrow in a quiver of what will comprise an individual's adequate saving for retirement. It's a good opportunity and one that we are happy to bring to Manitoba should

this legislation pass. It is—it would enable the creation of new options for Manitobans to save, for employers to offer plans to their employees and for the self-employed, and it has features of an RRSP in a defined contribution registered plan. The PRPP contributions are voluntary, but benefits are locked in and can only be used for retirement income. The two main advantages, of course, is that contributions are pooled and they can achieve lower management and administrative costs than a traditional, conventional, old style of workplace pension for a small employer. And the second advantage, of course, is that PRPPs provide an alternative for smaller employers and self-employed people who don't have access to those larger traditional pension plans.

This framework would also allow but not require employers to make contributions for their employees. If the employer chooses to offer the PRPP, then employees are mandatorily enrolled in the plan, but they have an opt-out provision should they choose to exercise it within the first 60 days, and, of course, employees who are enrolled can choose to set their contribution levels wherever they would like them to be and adapt those to their life circumstances.

The Manitoba legislation follows as closely as possible the approach set out in the corresponding federal legislation. This is important to say in this context. There's been some conversation in this committee hearing about the Quebec model. It was in the consideration of the Province after studying the various models, it would be—we thought it best to take the approach taken by other provinces, the one that aligns best with the federal legislation and an approach in legislation similar to the one followed through by British Columbia. It provides the most alignment with the federal administration. It creates the most simplicity, and we think that there is advantage in that.

* (19:10)

The Manitoba legislation mirrors the federal, as I said, and as much as possible, the Manitoba pension benefits act. A co-ordinated approach to licensing and supervision of PRPPs means fewer resources are necessary by administrators and 'regularies'—regulators to keep the costs of these products low. Once the legislation's passed, Manitoba would join other jurisdictions with PRPP legislation, including Quebec, Saskatchewan, BC, Nova Scotia and, most recently, Ontario as a signatory to the multilateral agreement with the federal government, and that

allows PRPP administrators to operate in Manitoba if they are federally licensed and if the PRPP is federally registered.

There are advantages to having the licensing, registration, and regulatory supervision of PRPPs administered by the federal superintendent of pensions. However, as the legislation notes, issues related to the application of Manitoba law in areas such as pension unlocking, spousal entitlement to a joint life annuity, survivor entitlements, as well as garnishment for maintenance enforcement, those things are reviewable by the Manitoba superintendent of pensions to make sure that they are consistent with The Pension Benefits Act.

There were national consultations conducted as PRPPs were developed. There was support from a wide range of stakeholders for the legislation, but I would want to say for the record that we did extensively consult here in the province of Manitoba and I would want to correct the record and say we did meet with Investors Group, as well as Wawanesa, Great-West Life, Abacus, Canadian Federation of Independent Business, Manitoba Association of Senior Centres, Canadian Life and Health Insurance Association, Manitoba Chamber of Commerce, Winnipeg Chamber of Commerce, Canadian Taxpayers Federation, and we received letters from hundreds of individuals and small businesses on CPP and retirement planning, including MGEU and the federation of labour, as well as many national and local advocacy organizations.

It's nice to see the conversion of members opposite who first opposed this legislation when they were in government, first of all, saying that they would not go there, and now they say that we somehow have not gone far enough. So it's nice to see the total swing in the other direction and I'm hoping that they'll land right in the centre where we think that this balanced approach would put us as a province.

Thank you, Mr. Chair.

Mr. Chairperson: We thank the minister for his statement.

Does the critic from the official opposition have an opening statement?

Mr. James Allum (Fort Garry-Riverview): Thank you, Mr. Chair, and in fact I do. I appreciate that. I would have advised the Finance Minister to stick to

his script there rather than going off-script, but there we go.

We do have—I would say that we'd have concerns about this particular bill despite what the Finance Minister just said. Testimony tonight by very good presentations indicated that there was little or no consultation and when these folks were being consulted. In fact, there was—appeared to be talking to someone about something else entirely.

It also seems very clear that three of the four presenters here tonight indicated that Manitoba should follow the mandatory Quebec model, and it's disappointing that the Finance Minister, if he was talking to them about this particular issue, wasn't listening at the time.

We also understand that there's been little to no uptake on these programs across the country, and so, you know, I'm not sure why the Finance Minister wants to bet on a last-place horse, but if he does, that's his prerogative.

And then, finally, I would just add that the Finance Minister indicated about what we may have said in government or what we didn't say in government. In fact, we had established the simplified money purchase plan which had proven to be simpler than any other plan, including the PRPPs put on the table tonight. It certainly proved to be as cost-effective and also more secure. The SMPP offered the security of a guaranteed retired income and the protection of provincial pension legislation.

We want to make it clear that our concerns with the government in relation to pensions are primarily what appears to be an upcoming attack on public pensions with little or no consultation with labour to date. So we'll probably not be supporting this bill. Again, I put the Finance Minister on notice that we'll be looking to protect the pensions of hard-working Manitobans today, tomorrow, and for a long time to come.

Mr. Chairperson: We thank the member for his statement.

Clause 1—pass; clause 2—pass; clauses 3 and 4—pass; clauses 5 and 6—pass; clause 7—pass; clause 8—pass; clause 9—pass; clauses 10 and 11—pass; clause 12—pass.

Shall clause 13 pass?

Mr. Andrew Swan (Minto): Yes, if I could just ask the Finance Minister a question about this clause before we go to a vote. It deals with the division of

these benefits and the breakdown of a relationship. And I may have a past professional bias, having worked with pension plans, both federal and provincial RRSPs. This section provides that there will be a division on breakdown of relationship unless there's a waiver or other agreement. There will be regulations coming forward. Can I just get the minister to confirm on the record that those regulations will provide both a clear understanding of the information that parties who are splitting up entitled to receive, and the necessary forms to allow them either to opt in or opt out of the division without having to incur a lot more legal expense or trouble.

Mr. Friesen: The member can have the assurance of knowing that there is no change contemplated through this legislation that is in any way departing with the requirements in The Pension Benefits Act right now. There is no change whatsoever, and so the exact rules that are in place for the dissolution of a union and the rules that apply in terms of how that

works out for pension are the exact rules that would be followed through PRPP.

Mr. Swan: Okay. I thank the minister for that confirmation.

Mr. Chairperson: Clause 13–pass; clause 14–pass; clauses 15 and 16–pass; clauses 17 and 18–pass; clause 19–pass; clauses 20 and 21–pass; clause 22–pass; clauses 23 through 25–pass; clauses 26 and 27–pass; enacting clause–pass; title–pass. Bill be reported.

The hour being 7:20, what is the will of the committee?

Some Honourable Members: Rise.

Mr. Chairperson: Committee rise? All in favour?
[Agreed]

COMMITTEE ROSE AT: 7:20 p.m.

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