

CARP Targeted Benefits Pension Poll Report May 16, 2014

Key Findings

The vast majority of CARP members have pensions, two thirds are DB plans and just less than half public sector DB plans. The minority agree the proposed Target Benefit Plans (TBPs) are a good idea, and half think they are not, mainly because employers will convert existing DB plans or because no one will offer TBPs. Currently, members think DB plans and RRSPs are the best options for saving for retirement, and very few think TBPs belong in this category.

In the case of an underperforming TBP, most members would rather increase their contributions than see benefits reduced. In any even, all members believe it is very important that promised pension benefits be delivered to retirees. Very few think of CPP as a “payroll tax”, with most seeing it as a voluntary, member-owned plan.

Members like the Ontario Retirement Pension Plan (ORPP) and agree other provinces should offer similar plans. Many who like the ORPP think CPP should be expanded at the same time as supplementary plans are offered. The opposition’s lack of support for the ORPP sways a significant minority of votes to the provincial Liberals from the PCs.

Electoral Preference

While the Liberals are far in first place, both they and the Conservatives have increased their vote share recently at the expense of the NDP.

Detailed Findings

The vast majority of members have pensions (79%) and two thirds have DB pensions (66%), of which about two thirds are public sector plans (41% of total).

What kind of pension plan do you have, if any?

	Nov 2013	May 2014
TOTAL PENSION PLAN	81%	79%
TOTAL DB PENSION PLAN	65%	66%
Public sector DB plan	42%	41%
Private sector DB plan	23%	25%
DC plan	8%	7%
OTHER	7%	6%
NO PENSION PLAN	19%	21%

One half of members disagree TBPs are a “good plan” (54%), while fewer than one third think them a good plan (30%).

The federal government has introduced Targeted Benefit Plans (TBPs) as an alternative to DB plans for federally regulated industries. The TBP is a shared-risk version of a Defined Contribution (DC) plan, where responsibility for achieving target benefits is shared by employers and employees. If markets fall, benefits can be reduced or contributions raised. Do you agree or disagree this a good plan?

AGREE	30%
Agree strongly	7%
Agree	23%
DISAGREE	54%
Disagree	31%
Disagree strongly	23%
DON'T KNOW	16%

Members are most likely to think DB plans will be converted to TBPs (33%) or that no one will offer TBPs to start with (26%). Few think employers without plans will offer TBPs (12%).

What do you think will be the most likely outcome of offering TBPs?

DB plans will be converted to TBPs	33%
Few employers will adopt TBPs	26%
Employers with no plans will offer TBPs now	12%
Won't make any difference	9%
OTHER/DON'T KNOW	20%

Members are equally likely to prefer DB plans (28%) or RRSPs (24%) as savings vehicles for retirement, followed by TFSAs and the CPP we have today ((16% and 13%, respectively).

Which of the following currently offers Canadians the best opportunity for saving for retirement?

DB plans	28%
RRSPs	24%
TFSAs	16%
Current CPP	13%
Private savings/investments	6%
PRPPs	3%
DC plans	3%
TBPs	1%
OTHER/DON'T KNOW	5%

Two thirds of members (66%) would opt for increased contributions over reduced benefits in the trade-off implicit in a TBP. Few will opt for a reduction in payout (9%).

In a TBP, if benefits are threatened by poor market conditions, benefit levels can be reduced or contributions raised. If you were faced with the choice of seeing benefits reduced or paying higher contributions, which would you have preferred?

Higher contributions	66%
Reduced benefits	9%
OTHER/DON'T KNOW	26%

Virtually all members think it important that promised pension benefits are delivered (91%), and fully two thirds think it “extremely important” (65%).

The government says TBPs will offer employees a workplace pension plan with a predictable return in retirement. Critics say TBPs will be used by employers who offer DB pensions to downgrade their plans to save their organizations money. How important is it that retirees who have paid into DB pensions continue to receive the benefits they were promised?

IMPORTANT	91%
Extremely important	65%
Very important	17%
important	9%
NOT IMPORTANT	54%
Not important	2%
Not at all important	1%
DON'T KNOW	5%

More than half of members describe CPP as retirement savings paid into by employees (56%), or just “retirement insurance” (29%). Very few describe CPP as a payroll tax (5%).

How would you describe CPP?

Retirement savings plan paid into by employees	56%
Retirement insurance	29%
Payroll tax paid by employers	5%
Social assistance	3%
Something else	6%
DON'T KNOW	2%

Two thirds of members think the proposed Ontario Retirement Pension Plan (ORPP) is a good idea (64%).

The government of Ontario has created a supplementary provincial pension plan, based on the CPP, with the aim of replacing an additional 15% of pre-retirement income, and supported equally by mandatory employer and employee contributions amounting to 1.9% of income each. It will be managed by a professional board like other public pension plans. Do you agree or disagree this a good plan?

AGREE	64%
Agree strongly	21%
Agree	43%
DISAGREE	22%
Disagree	10%
Disagree strongly	12%
DON'T KNOW	14%

Seven-in-ten agree the other provinces should offer supplementary retirement plans if the federal government continues to balk on CPP (70%).

Do you agree the provinces should form supplementary provincial pension plans as the federal government continues to refuse to enhance CPP?

AGREE	70%
Agree strongly	29%
Agree	41%
DISAGREE	24%
Disagree	12%
Disagree strongly	12%
DON'T KNOW	7%

Six-in-ten members think it's a good thing Ontario is offering the ORPP now (60%), with the caveat that CPP should be expanded instead (30%) or as well (25%). Others just say it's about time (15%).

The supplementary pension plan offered by the Ontario government is an idea that CARP has advocated for years. What is your reaction to this plan being offered now?

GOOD IDEA	60%
Good idea - expand CPP instead	30%
Good idea - expand CPP as well	25%
It's about time	15%
Just another tax	8%
Will hurt jobs	7%
Good idea - regardless of CPP	5%
Other provinces should follow suit	4%
Not necessary	3%
OTHER	3%

Among Ontario members, 6-in-10 will not vote Progressive Conservative in the coming provincial election because PC leader Tim Hudak has refused to support the ORPP (61%), and one tenth have specifically switched their vote because of this policy (11%).

The opposition Progressive Conservatives in Ontario have already said they will not support this supplementary pension plan. How will this affect your vote in the next Ontario election? (ONTARIO RESIDENTS ONLY)

NEVER GOING TO VOTE PC	50%
Will vote Liberal	31%
Will vote NDP	6%
DK who will vote for	13%
WAS GOING TO VOTE PC - NOT NOW	11%
Will vote Liberal	4%
Will vote NDP	1%
DK who will vote for	6%
WILL STILL VOTE PC	13%
WON'T CHANGE VOTE	21%

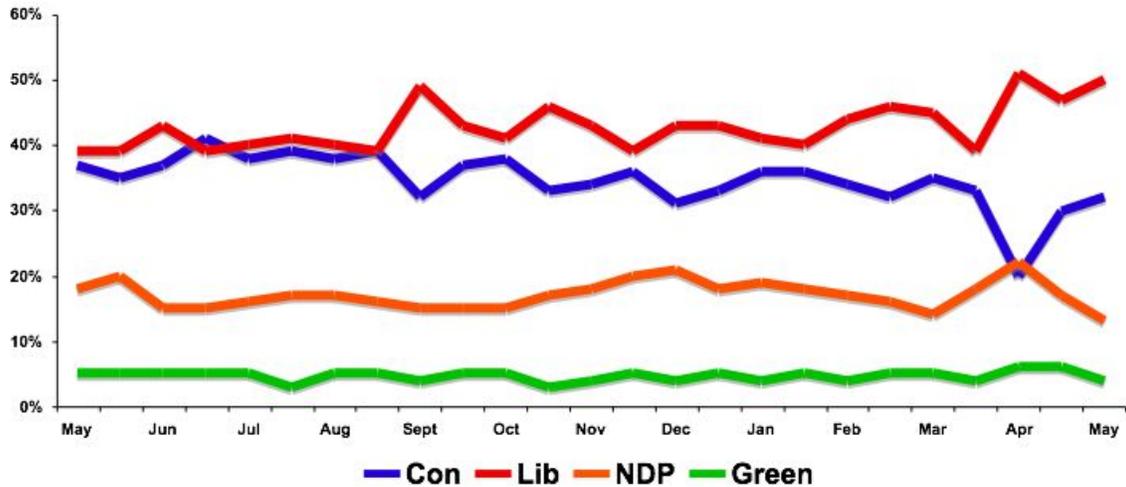
There is a split in opinion on whether the ORPP should eventually be rolled into CPP (42%) or remain separate (38%).

The Ontario government has said the Ontario pension plan can be integrated into CPP at a later date. Do you think provincial pension plans should be folded into CPP if the opportunity arises, or should they stay separate from CPP?

Integrate into CPP	42%
Keep separate	38%
OTHER/DON'T KNOW	20%

Electoral Preference

Both the Liberals (50%) and the Conservatives (32%) have increased their vote share at the expense of the third place NDP (13%).



More than 2100 CARP Poll™ online panel members responded to this poll between May 4 and 7, 2014. The margin of error for a probability sample this size is about plus or minus 2%, 19 times out of 20