CGP Adopts Position Paper: A Good Pension for All Canadians

I. Our Goals at a Glance

A Pension System That Works for Everyone

Canada's retirement system is failing the people it was built to serve. The combined maximum CPP and OAS payment leaves the average Canadian retiree with a net pension replacement rate of just 45% of their working income — among the lowest in the developed world and well below the OECD average of 63%. In Austria, long-term contributors receive 87% of their average lifetime net income in retirement. In the Netherlands, 96%. Canada is not a poor country. There is no excuse for this.

The Common Good Party is committed to a fundamental reform of Canada's retirement system — one that delivers genuine security to every Canadian who has worked and contributed, not merely a floor that keeps seniors out of destitution while forcing them to choose between medication and groceries.

Our goal: every Canadian who has contributed throughout their working life should retire with access to at least 75% of their average lifetime net income — consistent with the standard achieved in nearly half of OECD member states, and a realistic target for a country of Canada's wealth.

A Universal Pension Fund — Everyone Contributes, Everyone Benefits

We are committed to a universal pension fund into which all working Canadians contribute. This means members of parliament, the self-employed, board members, and executives — not just salaried employees. Those who set pension policy should live under it. Those who benefit most from the Canadian economy should contribute proportionally to the retirement security of the people who built it.

Quebec administers its own Quebec Pension Plan and will be engaged as a full partner in any national reform. No reform will proceed without meaningful consultation with Quebec and the provinces.

No Working Yourself Into the Ground

We reject any increase in the retirement age. A Canadian who has contributed for 40 years has earned the right to retire with dignity, without penalty and without being told to wait longer. Retirement should be a reward for a lifetime of work, not a moving target.

A Poverty-Proof Minimum Pension

No Canadian who has worked and contributed throughout their life should retire into poverty. We will establish a minimum pension tiered according to years of contribution, ensuring that those with lower lifetime earnings are protected. This is not charity. It is the return on a lifetime of participation in the Canadian economy.

The federal government currently contributes approximately 2% of GDP to pension support. We commit to raising that contribution progressively to at least 3% of GDP, funded in part through the Citizen Dividend generated by the public ownership of Canada's Strategic Five industries — so that the wealth Canadians generate throughout their working lives continues to support them in retirement.

We say: Pensions, not tax breaks for the wealthy.

Better Than Any Private Plan

No private pension plan, RRSP, or investment product offers the security, predictability, and value of a well-funded universal public pension. When retirement savings flow into financial markets, banks and insurance companies take their cut. The risk falls on the individual. The CGP rejects the privatization of retirement security. A pension is a right earned through work, not a financial product to be sold.

Tax Relief for Modest Pensions

Canadians who have contributed throughout their working lives and retire on a modest income should not face a significant tax burden on that income. We will raise the pension income tax exemption threshold so that seniors receiving below-average pensions keep more of what they have earned, without fear of clawbacks or complex eligibility assessments.

Good Wages and Productivity Secure Pensions

A sustainable pension system rests on a productive, well-paid workforce. This is why the CGP's broader economic program — breaking up the oligopolies that suppress wages, investing in infrastructure, backing small and medium enterprises, and building the trades workforce Canada needs — is not separate from pension reform. It is the foundation of it. Canadians are not only living longer; they are becoming more productive. A pension system built on that productivity, rather than on financial speculation, is both affordable and durable.

Our Pension Concept in Detail

The CGP calls for a pension reform in Canada that secures the living standard of working Canadians and prevents poverty in old age. Our concept is modelled on the Austrian pension system and on the foundational principle that a pension should replace a meaningful share of lifetime earnings — not merely prevent destitution.

We are committed to the following specific objectives:

Guarantee a net replacement rate of at least 75% of average lifetime net earnings for all full-career contributors. This is already the standard in nearly half of all OECD member states. It is achievable. It is affordable. And it is what Canadians who have worked their entire lives have a right to expect.

Establish a universal working income insurance. All working Canadians will contribute to and receive benefits from a single pension system under the same rules — salaried employees, the self-employed, corporate executives, members of parliament, and, over time, those currently in separate public sector pension arrangements. The principle is straightforward: those who benefit from the Canadian economy contribute to the retirement security of everyone who built it. The contribution ceiling will be raised meaningfully, but pension accrual above a defined threshold will increase on a degressive basis, so that higher earners contribute more without receiving disproportionately higher benefits. The system remains pay-as-you-go. The gap between contributions and pension obligations will be funded through general federal revenues, supplemented by the Citizen Dividend.

Raise minimum pensions above the poverty line. Mini-pensions — the inadequate payments that currently condemn low-income workers to poverty in old age — will be replaced by a genuine minimum pension tiered according to years of contribution and adjusted annually to remain above the poverty threshold. This protection applies to those whose retirement income depends primarily on their public pension and who do not have substantial other income sources. In regions with particularly high housing costs, additional housing supplements will be provided.

Simplify the pension formula. The current CPP benefit calculation, based on complex contribution records, averaging periods, and enhancement phases that most Canadians cannot meaningfully interpret, will be replaced by a transparent, individually legible pension account. Every contributor will be able to see clearly what they have earned and what they can expect. Transparency is not a luxury — it is a basic condition of trust in any public institution.

Transition arrangements. The shift to a new universal system will take several years and will be implemented in phases. Acquired entitlements under the existing CPP, QPP, and OAS system will be protected and carried forward through a structured transition process. New accrual under the reformed system will begin from the date of implementation. There will be a period of parallel operation between the old and new systems, managed carefully to ensure no contributor loses entitlements they have already earned.

On private and workplace pensions. The CGP does not prohibit private retirement savings. RRSPs and employer pension plans remain available as voluntary supplements. However, the CGP rejects the policy direction of successive governments that has treated private savings vehicles as a substitute for, rather than a supplement to, a strong public pension. Salary sacrifice arrangements that reduce pensionable earnings and therefore reduce public pension entitlements and contribution revenues should be reviewed and, where they undermine the public system, reformed. Private savings vehicles that have been marketed as pension solutions — including products that have delivered poor returns while generating significant fees for financial institutions — will no longer receive preferential tax treatment as though they were equivalent to a public pension. A pension earned through decades of work and contribution is categorically different from a financial product. Policy should reflect that difference.

III. The Facts Behind the Reform

The CGP's pension reform concept is a proposal for broad democratic debate. We welcome engagement from labour unions, seniors' organizations, provincial governments, pension experts, and all Canadians who have a stake in the outcome — which is to say, all Canadians.

The case for reform rests on facts that are not in serious dispute:

Canada's pension replacement rate is among the lowest in the developed world. At 45% of average net lifetime earnings, Canada ranks well below the OECD average of 63% and far behind comparable wealthy nations. This is not an inevitable result of demographics or economics. It is the result of policy choices that can be changed.

Seniors' poverty is rising, not falling. Food banks recorded nearly 2.2 million visits in a single month — double the figure of six years earlier — with seniors among those forced to choose between medication and groceries. In British Columbia, roughly a quarter of seniors live on approximately $2,000 a month, with many spending close to 70% of their income on rent alone. OAS indexing rose just 0.1% for the April to June 2026 quarter — a measure that badly understates the actual cost increases seniors face in rent, food, and healthcare. This is not a fringe problem. It is a systemic failure.

The three-pillar model has failed. The assumption that CPP, employer pensions, and private savings would together provide retirement security for most Canadians has not been borne out. Workplace pension coverage has declined steadily. Private savings vehicles have delivered uneven returns and generated significant wealth for financial intermediaries. The burden of retirement risk has been shifted onto individuals who were never equipped to bear it. The CGP's position is that this shift was a mistake and must be reversed.

The affordability argument against reform does not hold up. Federal pension expenditure as a share of GDP has not grown out of control — it has been managed through benefit restraint that has imposed real hardship on real people. Canada is a wealthy, productive country. The question is not whether we can afford a pension system that works. The question is whether we are willing to make the policy choices required to build one.

A universal system is fairer and more efficient. The current patchwork of CPP, OAS, GIS, provincial supplements, public sector pensions, and private vehicles creates a system in which politicians, senior public servants, and corporate executives retire on pensions two to three times more generous than those available to the workers who funded the economy that made those careers possible. This is not a sustainable or defensible arrangement. A single universal system, to which all contribute and from which all benefit under the same rules, is both fairer and administratively simpler.

Public opinion is clear and consistent. Surveys conducted over decades show stable and overwhelming support for the principles the CGP is advancing:

— Over 80% of Canadians oppose any reduction in pension benefits.
— Over 70% oppose any further increase in the retirement age.
— Over 50% want a pension that replaces at least 75% of their working income.
— Over 95% want a pension system that prevents poverty in old age.
— Over 75% want a single pension system to which all workers, including politicians and executives, contribute equally.

The CGP commits to beginning the legislative groundwork for universal pension reform in its first term, with a phased implementation plan developed in full consultation with Canadians, the provinces, labour organizations, and pension experts.

Every Canadian who works deserves to retire with dignity.
That is not an aspiration. It is a commitment.