



Honourable Joe Oliver
Minister of Finance - Canada
Department of Finance,
140 O'Connor Street,
Ottawa, Ontario. K1A 0G5

April 2, 2014

Honourable Sir:

SUBJECT: Extension of the age for mandatory withdrawal of RRSPs

You are aware of the critical issues facing retirement savings in Canada. A number of factors contribute to this situation including the increasingly longevity of pensioners, rapidly declining coverage of Canadian employees in workplace pension plans, and an inadequate proportion of Canadians contributing to private retirement savings vehicles such as RRSPs.

As federal finances round the corner into surplus position, the Municipal Retirees Organization Ontario would like to propose one small but simple measure which will help the situation to some extent: increase to age 75 - from the current age of 71 - the age at which contributions to RRSPs must cease and withdrawals must begin.

We see a number of advantages to this measure:

- it is simple; all the channels for RRSP savings, conversion to RRIFs, and annuities already exist; only a Government of Canada fiat to change the mandatory withdrawal age is required
- Canadians are living longer; greater savings and a longer period of savings will help seniors to ensure that their retirement savings last through their old age
- The average age of retirement is rising. In large measure this is due to the realization by many Canadians that they need to work longer to save more
- Consistent with the observations above is your Government's change in the age of eligibility for Old Age security
- Government revenue would merely be postponed. The increase in RRSP savings would ultimately be subject to income tax

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- The change reinforces the Government's preferred approach that those who are able to save should take responsibility for their own retirement income
- It would undoubtedly be popular with the large proportion of retirees who continue to work part-time in order to postpone their reliance on RRSP savings

We hope that the Department of Finance will give this idea careful consideration and would be pleased to express support for such a change to our 17,000 members.

Sincerely,

William Harford, President, Municipal Retirees Organization Ontario

About the Municipal Retirees Organization Ontario

The Municipal Retirees Organization Ontario (MROO) was created as a not-for-profit corporation in 1977. We speak on behalf of 130,000 Ontario Municipal Employees Retirement System (OMERS) pensioners and provide services to nearly 17,000 members. MROO is the largest OMERS retiree organization and the only one with membership open to retirees from all walks of local government life - former union, non-union and management employees of municipalities, police forces, fire departments, libraries, hydro commissions, school boards, health units, and other employers in the OMERS pension plan.

Our board consists of elected directors from nine zones across the province. We are an independent, non-partisan organization formed to voice the interests of OMERS retirees to OMERS and governments of all levels, to represent our membership in legislative matters that affect retirees, and provide services that benefit our members. Our advocacy focuses on the OMERS pension plan and retirement income adequacy, as well as improved home health care support for seniors. MROO offers its members health, dental, life, home, and auto insurance coverage; scholarships for members' relatives; and ongoing communication on retirement issues.

For more information, please visit www.mroo.org

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