



Ontario Public Health Association

l'Association pour la santé publique de l'Ontario

Established/Établi 1949

**Presentation to the Ontario  
Legislature's  
Standing Committee on  
Social Policy**

***Bill 56 - An Act to Require the  
Establishment of the Ontario  
Retirement Pension Plan***

**March 31, 2015**

## Opening Remarks

Thank you for the opportunity to appear before your committee. With me today is Ms. Caroline Wai, an OPHA member, volunteer, and Co-Chair of our Health Equity Workgroup.

Our non-profit, non-partisan association brings together people committed to improving people's health. Many of our members are on the front lines of community and public health and see on a daily basis the health impacts of those that are marginalized and living in poverty.

OPHA recognizes that strengthening Ontario's retirement income system can offer both economic and health benefits. Having an adequate income is one of the most significant factors for ensuring good health. An adequate income allows for affordable housing, nutritious food, dental care and other necessities that support one's overall health and wellbeing.

This new pension system can be an important building block for strengthening Ontario's income support system, especially, if it includes features such as:

- mandatory participation for those without a comparable pension plan;
- a predictable stream of income through a defined benefit program;
- indexed benefits to inflation;
- portability as people change jobs;
- survivor benefits to a surviving spouse; and
- administration by an arm's length non-for-profit entity with a strong governance structure.

Given the strong links between income and health, OPHA recommends that your committee assess the health impacts of this new legislation prior to its adoption and implementation. Our members, for example, are seeing many disturbing workplace and societal trends that effect health and need to be taken into account to ensure this new plan can be responsive. Allow me to highlight a few of these developments:

- there is an increasing number of people experiencing precarious employment; this can range from full-time employees who receive a wage, but no benefits, work variable hours and are unlikely to be employed by the same firm in the future to those that are temporary, part-time, casual, contract or self-employed as they are unable to find work elsewhere;
- young people trying to enter the workforce, newcomers as well those 55-65 years old seem disproportionately effected by precarious employment;
- we're seeing escalating housing costs in major urban centres; and
- an increasing numbers of Ontarians living in poverty who can't afford nutritious food and other necessities; for example, our members are seeing more seniors with limited access to oral health services ending up in hospitals as the only way to get the needed treatment.

These and other developments have created increasing economic disparities within Ontario. It would be unfortunate if this new plan exacerbated rather than mitigated these factors. We ask you to consider the following:

- How can those who hold part-time or contract positions and move from job to job as employment disappears benefit from this plan?
- How can we reduce the burden on those who are earning a low wage where even a minimal wage deduction to support a pension contribution can make a real difference in one's ability to secure life's necessities, including dental and vision care?
- What aspects will prevent employers from favouring contract and part-time work, reducing hours or positions to limit their expenses and the number of those that may be eligible for the new plan? Or having employers eliminate existing plans that offer better benefits?
- How can we ensure this new plan does not exacerbate the growing gap in incomes and economic disparities and further marginalize disadvantaged groups in our province?

OPHA recommends that a two to four year review period be required after the plan is implemented to determine whether there have been any unintended consequences that negatively affect people's health and whether modifications to the plan are needed.

We believe that increasing people's income security in their retirement will be beneficial for people's health as well as the economy. An article in today's Toronto Star for example references a 2012 study showing that good pensions fund healthy communities. The study found that seniors with defined benefit plans are confident consumers spending most of their retirement revenue in their communities. A predictable revenue stream allows them to better plan their affairs.<sup>1</sup>

We ask that the Committee see this initiative as but one piece of an income support system as there will be those that are left out. Other supports will be needed to reduce the effects of poverty and as well as support healthy aging.

OPHA welcomes the opportunity to work with legislators to create positive change. Strengthening income support, for example through better pension plans, can help improve health and wellbeing, reduce disparities and health care costs and create a fairer society.

Thank you for the opportunity to convey the ideas and concerns of our association. I have provided some background information that explains the critical links between income and health.

Pegeen Walsh  
Executive Director, OPHA

## Background

### The Links Between Income and Health

- Over 50% of one's health status is attributed to factors outside the health care system, to the social determinants of health – income, education and early childhood development to name but a few. In 2009, the Senate Sub-Committee on Population Health noted that, “poor health outcomes are more likely among: children and families living in poverty; the working poor; the unemployed/ underemployed; those with limited education and/or low literacy; Aboriginal and remote populations; newcomers; persons suffering from social exclusion; the homeless; and those who have difficulty securing affordable housing.”<sup>2</sup>
- Experts have concluded that more gains can be made in improving health through decreasing economic disparities than investing in health care.<sup>3</sup> For example, if all Ontarians had the same health as Ontarians with higher income, an estimated 318,000 fewer people would be in fair or poor health... and there would be an estimated 3,373 fewer deaths each year among Ontarians living in metropolitan areas.<sup>4</sup>
- A December 2014 OECD Report on Inequality and Growth noted that, “when income inequality rises, economic growth falls (and) tackling inequality can make our societies fairer and our economies stronger.” It concluded that “policies that can limit or reverse inequality may not only make societies fairer, but also wealthier.”<sup>5</sup> A 2012 Conference Board of Canada report on this topic went further by noting that income inequality has increased over the last 20 years; this reality “can diminish economic growth”... “undermine social cohesion” and raises “questions about fairness and social justice.”<sup>6</sup>
- As former TD Bank President Ed Clark has concluded, the growing income gap is not just unfair, but corrosive to society.<sup>7</sup> Less apparent is how it is also contributing to increased health care costs. Research has also found that high levels of income inequality threatens the health of everyone, not just the poor: countries with higher levels of inequality suffered from higher levels of health and social problems across all income levels, including lower life expectancies, higher levels of infant mortality and higher levels of obesity.<sup>8</sup>
- “More equal income distribution has proven to be one of the best predictors of better overall health of a society.”<sup>9</sup>

## About OPHA

Created in 1949, the Ontario Public Health Association (OPHA) is a non-partisan, non-profit organization that brings together a broad spectrum of groups and individuals concerned about people's health. OPHA's members come from various backgrounds and sectors - from the various disciplines in public health, health care, academic, non-profit to the private sector. They are united by OPHA's mission of providing leadership on issues affecting the public's health and strengthening the impact of people, who are active in public and community health throughout Ontario. This mission is achieved through professional development, information and analysis on issues effecting community and public health, access to multidisciplinary networks, advocacy on health public policy and the provision of expertise and consultation.

OPHA members have been leading change in their communities on a wide range of issues - tobacco control, poverty reduction, diabetes prevention, increased access to oral health care, immunization, supporting children and families, food security, climate change and designing walkable communities, among others.

**www.opha.on.ca**  
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## References

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