

## **A Timely Lesson**

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As has been amply demonstrated by the extensive impacts of the COVID-19 pandemic on workers and families, Canadians need a backup plan to compensate for income interruptions due to illness or job loss. The problem with the current Canada Pension Plan (CPP) arrangement is that a large pool of funds, contributed by working Canadians and their employers, sits out of reach until retirement.

CHP Canada has a Better Solution for Canadians. The Personal Income Security Account would replace the CPP and offer some unique advantages. These would offset the current dilemma faced by many working Canadians – loss of income from their labour without access to immediate emergency funding.

A CHP Canada government would introduce a Personal Income Security Account (PISA) for all new employees entering the workforce for the first time. The PISA would be vested in an individual account. It would provide income security during periods of unemployment or sickness, while at the same time creating a savings and investment vehicle for retirement. Employees would maintain control of their PISA.

In the event of some unforeseen circumstance, like unemployment or illness (due to the current pandemic, for instance), the individual could immediately withdraw funds from his or her account. There would be a maximum withdrawal allowed (e.g. 10-15%) per year so the account would never be completely depleted, but would continue to grow. After having reached this maximum, the individual could access government assistance, such as Employment Insurance (EI), if qualified.

The ability to draw from the PISA would help workers and business owners who are experiencing the stress of trying to provide for their families while their working income is lost. Some of the extravagant initiatives announced by the federal government on March 18 would not have been necessary if the PISA program had been in effect.

These promised funds announced by the Prime Minister will not even become reality until after Parliament is recalled for an emergency session, procedures are established, and bureaucrats enjoined to assess and process the requests. Finance Minister Bill Morneau has estimated that this will take 2-3 weeks.<sup>1</sup> Under the PISA, Canadians would be able to immediately access needed funds. And, very importantly, this would not increase Canada's national debt.

To learn more about the PISA and CHP Canada's other Better Solutions for Canadians, go to [CHP.ca](http://CHP.ca). Questions and comments<sup>2</sup> are always welcome.

### **Footnotes**

<sup>1</sup> [www.cbc.ca/player/play/1713188419812](http://www.cbc.ca/player/play/1713188419812)

<sup>2</sup> [www.facebook.com/CHP.ca.Canada/](https://www.facebook.com/CHP.ca.Canada/)

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