

May 9, 2011

The Hon. Jim Flaherty
Minister of Finance
House of Commons Centre Block Building - Room 435-S
Ottawa, ON K1A 0A6

Dear Minister:

Re: CALU's Views on the Federal/Provincial Review of Retirement Income Adequacy

I am writing on behalf of the Conference for Advanced Life Underwriting (CALU). CALU was formed to meet the needs of Advocis members who specialize in advanced applications of life insurance and related financial services, including such areas as employee benefits, wealth accumulation, retirement planning, estate planning and business succession planning.

Advocis is the trade name for The Financial Advisors Association of Canada (TFAAC), which is the largest voluntary professional membership association of financial advisors in Canada, representing more than 10,000 advisors across Canada. Advocis members provide comprehensive financial and retirement planning, employee benefits planning, wealth management, estate and tax planning, risk management products and advice to millions of Canadians.

CALU has observed with great interest the continuing debate over the merits of Canada's current retirement system. The discussion has now evolved to focus on the relative merits of various options designed to increase participation and contribution levels in federally sponsored retirement savings programs. CALU members have a wealth of experience in this field, providing financial and retirement planning advice to small- and medium-size business owners, employees and the self-employed, and have a unique perspective on how the federal and provincial governments can best address the identified issues.

We are therefore pleased to provide you with our recommendations relating to improving retirement income savings for Canadians along with a background paper ("Backgrounder") outlining our positions in more detail. As noted in the accompanying material, our recommendations focus on the employee population that appears to be most "at risk" of having insufficient retirement income. This group would have the following attributes:

- non-unionized;
- self-employed or working for small- to medium-size companies without an employer-sponsored Registered Pension Plan (RPP);

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- earning between \$40,000 - \$100,000 per year; and
- not making sufficient contributions to Registered Retirement Savings Plans (RRSPs) or taking advantage of other savings and investment programs.

This represents a significant and potentially growing percentage of Canadians that need to take more pro-active steps to ensure they can maintain a comfortable lifestyle in retirement.

We thank you for your time in considering our submission and would request a meeting with you at your convenience to discuss this important topic.

Yours truly,

Susan St. Amand, CFP, CLU, CH.F.C., TEP
Chair, Conference for Advanced Life Underwriting

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