



Department of Finance
Canada

Deputy Minister

Ottawa, Canada
K1A 0G5

Ministère des Finances
Canada

Sous-ministre



OCT 21 2013

2013FIN397255

Mr Jean-Denis Fréchette
Parliamentary Budget Officer
Ottawa, ON K1A 0A9

Dear Mr Fréchette:

Thank you for your correspondence of September 19, 2013 regarding Private Member's Bill C-513: *An Act to promote and strengthen the Canadian retirement income system*. You requested that my Department share:

- The analytical framework used to prepare a cost estimate of this proposed legislative amendment, or similar proposals;
- The supporting data used to prepare any cost estimates; and,
- A description of the key underlying assumptions used to prepare any cost estimates.

Bill C-513 proposes to create rights for a retirement income system that promotes the goals of adequacy, transparency, affordability, equity, flexibility, security and accessibility for Canadians. Accordingly, fiscal impacts are not readily quantifiable.

Nonetheless, since the Bill would essentially establish an unrestricted right to accumulate pension income, it could have significant revenue cost implications. This is because it would effectively eliminate the Government's ability to maintain or establish reasonable limits on tax-deferred pension and retirement savings. The Bill could thereby significantly increase deferrals of tax on retirement savings, with a corresponding increase in government revenue costs.

Thank you for writing to me on this important issue.

Yours sincerely,

Michael Horgan

- c. Rick Stewart, Assistant Secretary to the Cabinet, Privacy Council, Liaison Secretariat for Macroeconomic Policy

Canada