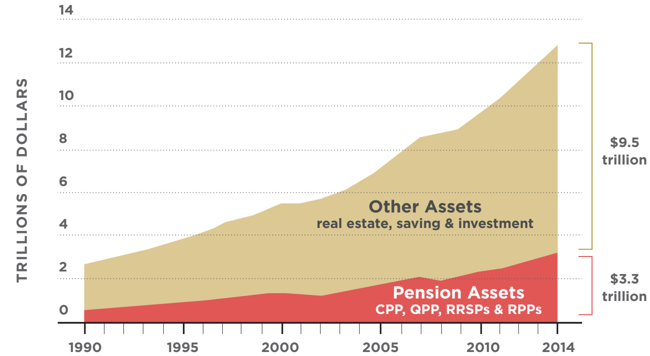
Five Myths Behind the Push to Expand the **Canada Pension Plan**

MYTH 1

CANADIANS ARE NOT SAVING ENOUGH FOR RETIREMENT

The evidence shows most Canadians are well prepared for retirement and claims to the contrary ignore the ample resources outside the formal pension system available to Canadians when they retire.

Pension assets are only a portion of the assets available to Canadians upon retirement

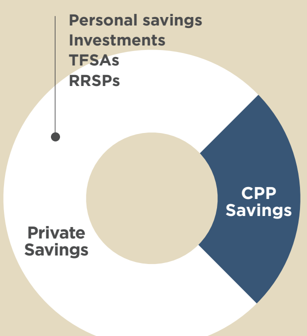


MYTH 2

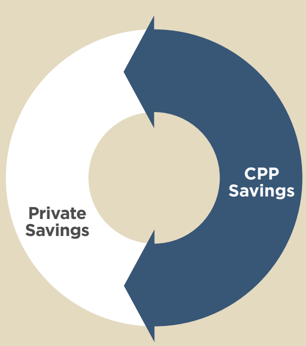
HIGHER CPP CONTRIBUTIONS WILL INCREASE OVERALL RETIREMENT SAVINGS

Forcing Canadians to contribute more to the CPP will reduce their private voluntary savings (in RRSPs, TSFAs, and other investments) resulting in little or no increase in total savings.

Increasing mandatory CPP contributions will reduce private voluntary savings, leaving total savings unchanged



TOTAL SAVINGS BEFORE CPP EXPANSION



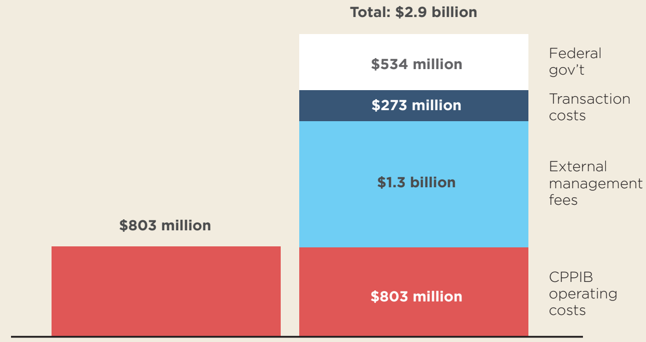
TOTAL SAVINGS AFTER CPP EXPANSION

MYTH 3

THE CPP IS A LOW COST PENSION PLAN

The total investment and administration cost of running the CPP ($2.9 billion) is much higher than the operating expenses of the Canada Pension Plan Investment Board ($803 million), the organization that manages the CPP's investments.

The total cost of running the CPP is much higher than what's reported

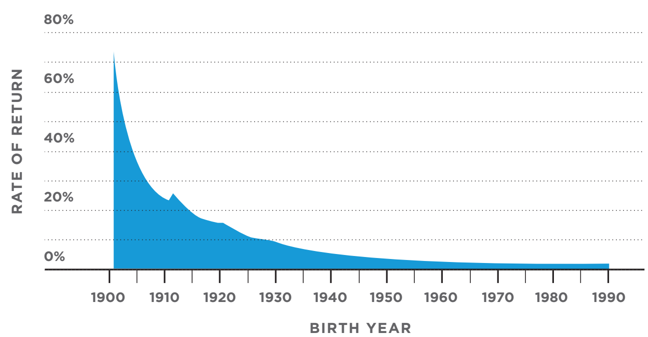


MYTH 4

THE CPP PRODUCES EXCELLENT RETURNS FOR INDIVIDUAL CONTRIBUTORS

The CPP actually provides a meager rate of return (after inflation) of just 3% or less annually for Canadians born after 1956 and 2.1% for those born after 1971.

Canadian workers receive very different rates of return from the CPP depending on when they were born (and retire)

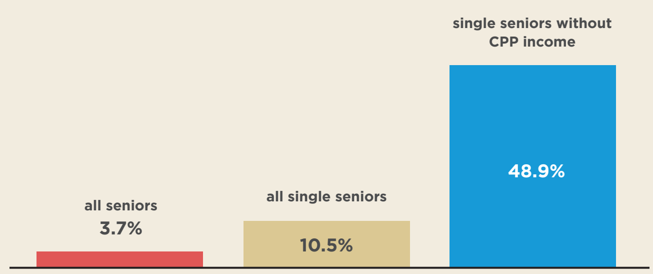


MYTH 5

EXPANDING THE CPP WILL HELP FINANCIALLY VULNERABLE SENIORS

Canada's most financially vulnerable seniors, including single seniors living alone with a limited work history, will gain little or nothing from an expanded CPP partly because many have not contributed to the CPP and therefore will not receive additional CPP retirement benefits.

Single seniors living alone are Canada's most financially vulnerable and unlikely to be helped by CPP expansion



PERCENTAGE OF SENIORS LIVING IN LOW-INCOME, 2013