



May 10, 2005

The Honourable Gregory F. Selinger
Minister of Finance
450 Broadway
Winnipeg, Manitoba R3C 0V8

Dear Minister:

RE: Pension Equity in Exempting from Seizure Registered Retirement Savings Plans

I write to urge you to work together with your federal, provincial and territorial counterparts to exempt from seizure Registered Retirement Savings Plans (RRSPs).

The Canadian Bar Association is a national association representing over 34,000 jurists, including lawyers, law teachers and students across Canada. The Association's primary objectives include improvement in the law and in the administration of justice.

Retirement Income programs should provide internal fairness for those who rely more heavily on RRSPs for their retirement income, for example, self-employed professionals and owners of small-and medium-sized businesses. Currently these private retirement savings are subject to execution and seizure for creditor claims, while Registered Pension Plans (RPPs) are not. There is also additional inequity as certain insurance-based RRSP products may be exempt from execution and seizure while other products are not, resulting in a serious risk of confusion for consumers of these products.

Consistent treatment of RRSPs with RPPs has been recommended by the Uniform Law Conference of Canada. The government of Saskatchewan has accepted these recommendations and has enacted the *Registered Plan (Retirement Income) Exemption Act*, which serves to provide an equality of protection that should be afforded to holders of RRSPs. It should be noted that these exemptions are not absolute, as the Saskatchewan legislation specifically provides for the continued ability to enforce family maintenance orders.

I reiterate that this is not an issue that is unique to CBA members. It is also of keen interest to other professional organizations, such as those representing doctors, accountants, engineers, those individuals who own small businesses and also those employees who are



without any or adequate RPPs and who must provide for or supplement their expected retirement income through RRSPs. Equitable treatment of all forms of pension plans is what is called for.

The CBA urges that all levels of government offer exemption from seizure for RRSPs comparable to those already in place for RPPs.

Yours truly,

(Original signed by Susan T. McGrath)

Susan T. McGrath

- cc The Honourable Gord Mackintosh
Minister of Justice and Attorney General - Manitoba
- cc Veronica L. Jackson, President, Manitoba Bar Association