

Date: June 18, 2014

To/À: All Local Presidents and Recording Secretaries in the Telecommunications Sector

From/De: Jo-Ann Hannah

Re/Ref: Consultations on Target Benefit Pension Plans in the Federal Sector

Greetings,

Kevin Sorenson, Minister of State (Finance) announced on April 24, 2014 that his government will introduce legislation for target benefit pension plans. The legislation will enable Crown Corporations and federally regulated employers to provide target benefit pension plans to their employees. Federally regulated employers include banks, insurance companies, telecommunications, and interprovincial transportation.

Unifor has serious reservations about the federal government's proposed legislation. The Framework on Target Benefit Plans offers nothing to the 12 million Canadian workers without a workplace pension plan. Even worse, the Framework encourages employers to convert good defined benefit pension plans to the more risky target benefit plans. The conversion is not just on a "go forward" basis. All accrued defined benefit pensions could be converted to target benefit plans. This would put the pensions of active plan members as well as pensioners at considerable risk. Our union has, at times, agreed to wage constraints in order to secure the defined benefit pension plan. The proposed legislation could erase that bargaining agreement.

Unifor president Jerry Dias has sent our submission to the Department of Finance. The Unifor submission is attached.

We are inviting Unifor local leadership and members, particularly those members working in federally regulated sectors, to make their own submissions to the Department of Finance. It is critical that our voices are heard on this issue. Below are some key points to include in a submission.

The Department of Finance will be accepting written comments on the Framework on Target Benefit Plans until June 23, 2014. Submissions can be made via email to pensions@fin.gc.ca. Please copy us on your submission: pensionsandbenefits@unifor.org

In solidarity,

Jo-Ann

JH:DL:nmcope343
Encls.

cc: Jerry Dias, Peter Kennedy, Michel Ouimet