

CUPE MANITOBA

RE: MANITOBA PENSION BENEFITS ACT SUBMISSION

Executive Summary

The Canadian Union of Public Employees Manitoba (CUPE MB) is pleased to provide feedback on the publications presented by government in January 2018, entitled Consultation Paper: The Pension Benefits Act Review, and Recommendations for Reforms to the Pension Benefits Act.

We are concerned that the current review of the Pension Benefit Act appears to be putting the financial interests of employers ahead of the needs of plan members. This was not the spirit of the Pension Benefit Act when it was adopted in 1975.

Defined benefit pension plans with mandatory membership are the most secure and efficient means by which to provide income security in retirement for Canadians. That's why we supported the expansion of the Canadian Pension Plan, and why we continue to advocate for defined benefit pension plans in our workplaces. We also strongly support continued mandatory pension plan membership.

Our submission contains a list of 13 key recommendations in response to the numerous discussion topics outlined by the Consultation Paper, The Pension Benefits Act Review, and the Recommendations for Reforms to the Pensions Benefits Act. The full recommendations can be found in our submission.

Summary of Recommendations

- 1. *Promote and support defined benefit pension plans.*** Defined Benefit pensions plans have proven over time to provide the greatest degree of retirement security for workers.
- 2. *Put plan members first.*** Any changes to the Pension Benefit Act should be done with the interests of plan members in mind.
- 3. *Jointly sponsored plans where agreed to by all parties.***
- 4. *Target Benefit from inception, where contributions are collectively bargained, and plans are union run.*** TB plans should only be allowed when designed as TB from inception. TB plans should be used to improve retirement security – as an improvement over RRSP or DC plans, not as a step down from a DB plan.
- 5. *Caution on single-employer target benefit plans.***
- 6. *No “shared-risk” plans in Manitoba.***

7. ***No retroactive conversion. A promise is a promise.*** Employers must honour their commitments to workers and retirees who were promised a specific DB pension benefit in retirement.
8. ***No “one size fits all” approach to solvency relief.*** Any relief should generally be determined on a case by-base basis.
9. ***Maintain status quo for solvency funding rules for public sector pension plans.*** Whatever new solvency rules the government adopts, these rules should not apply to public sector plans
10. ***Insure workers pensions.***
11. ***Maintain strict rules over unlocking of funds.***
12. ***Maintain mandatory pension plan membership.***
13. ***Maintain PBA rules which govern the division of pension assets in a relationship breakdown.***

We urge government to place pension plan members – workers and retirees – at the centre of all decisions that are made with regarding to changes to the *Pension Benefit Act*. It appears to us that the changes being contemplated are, for the most part, focused exclusively on the desires of plan sponsors, and not enough on plan members.

We urge you to remember that for every plan sponsor who asks government to make a change to help their bottom line, there are thousands of Manitoba workers and retirees whose lives are dependent on government holding plan sponsors responsible for making good on the promises made to the people who worked for them. Retired workers cannot take their years of labour back. Employers should not be allowed to take their pension promise away.