



Manitoba Pension Benefit Act Submission

Consultation Paper: The Pension Benefits Act Review, and Recommendations for Reforms to the Pension Benefits Act.

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Canadian Union of Public Employees

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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*.

The Canadian Union of Public Employees is Canada's largest union, with 650,000 members across Canada, and over 25,000 members in Manitoba from across the broader public sector. CUPE Manitoba members work in health care facilities, personal care homes, school divisions, municipal services, social services, child care centres, public utilities, libraries, family emergency services, and post-secondary education.

CUPE MB members work as full-time, part-time, temporary/term and casual employees, for all kinds of employers. We represent workers directly employed by various levels of government, crown corporations, government agencies, school divisions, post-secondary institutions, not-for-profit agencies, and private industry. We represent workers under diverse range of pension arrangements, and others who still have yet to achieve pensions in their workplaces.

As a union CUPE has always made negotiating workplace pensions a top priority. In Manitoba we are proud to report that 92% of CUPE members have a pension plan in their workplace, and another 7% have a workplace RRSP plan or another form of retirement savings. These pensions were earned at the bargaining table, and at times on picket lines, and these pensions were often paid for by members sacrificing wages and other benefits. Understandably, our members take their pensions very seriously. For many of our members their pension plan promise is their most valuable asset – even amongst home owners. For workers a pension plan is the difference between retirement with dignity and immiserating poverty in old-age. They have every reason to take their pension plans very seriously.

CUPE represents members in multi-employer plans like the Health Employees Pension Plan, the Municipal Employees Pension Plan, the Civil Service Superannuation, The Winnipeg Civic Employees' Pension Plan, The Manitoba School Boards Association Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba, the Community Agency Retirement Plan, Pension Plan for the Employees of Manitoba Catholic Schools Group Services Inc, and the Multi-Sector Pension Plan.

CUPE also represents members across Manitoba in single employer plans. Such plans include the University of Manitoba Pension Plan, the Workers Compensation Board of Manitoba Retirement Plan, The Winnipeg School Division Pension Fund for Employees Other Than Teachers, the Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division, the Pine Creek School Division Pension Plan, the Swan Valley School Division Pension Plan, and the Extendicare Registered Pension Plan.

Our Union has a breadth of experience across the country with a diverse array of pension issues and considers any potential legislation and regulation through that wide and interconnected lens.

CUPE's Top Priority is Retirement Security for Working Families

We believe it is important to remember that Manitoba's Pension Benefit Act was developed as part of a wave of legislation across the country that sought to bring fairness, transparency, and security to workers with respect to their workplace pensions.

Introducing the original legislation in 1975, Premier Schreyer noted the following amongst reasons for the legislation¹;

- “some employees have not received the benefits they were promised because the assets of the plan were inadequate to provide the benefits, and certain numbers of employers were either unwilling or unable to make additional payments in order to assure that the actuarial promise could be fulfilled.”
- “to ensure that each pension plan becomes able to pay the benefits which have been promised”
- “In all situations the employers, or groups of employers, are required to make the payments needed to finance the benefits promised under the plan.”

While the legislation also addressed issues such as vesting rights, financial transparency, and rules around transferring pension funds, time and again the fundamental issue was ensuring that pension promises made would be kept.

Any consideration of changes to the Pension Benefits Act must ensure that the pension promise made to workers and retirees is at the centre of any reform. Any changes which place the desires of employers for “flexibility” ahead of a legal framework to guarantee the pension promise made to workers/retirees would fundamentally undermine the purpose and spirit of the Pension Benefits Act and return us to an age when old age for workers meant retiring in poverty after a lifetime of labour.

CUPE Manitoba will actively oppose any changes to Manitoba's pension legislation which seeks to transfer risk away from employers, and place that risk onto the shoulders of workers and retirees.

It should come as no surprise that CUPE advocates for defined benefit pension plans as the best mechanism to ensure working families can retire with dignity and security. The nature of these plans provides guarantees that defined contribution and target benefit plans simply cannot provide. It must be stressed that the adoption of defined contribution or target benefit plans do not, in any way, reduce risk – they only transfer that risk away from plan sponsors and onto the backs of individual workers and retirees.

¹ Hansard, *The Legislative Assembly of Manitoba*, 2:30 o'clock, Wednesday, June 11, 1975.

A recent study by CCPA Manitoba, authored by pension specialist Hugh McKenzie, succinctly outlines that DB plans have lower fees, better returns, and lower overall risk than defined contribution (DC) plans, and consistently outperform DC plans on a comparable basis. Because DB plans pool longevity and asset risk, DB plans do a better job in protecting pension plans and benefits for plan members.

Given this reality, we are disappointed that many of the changes to the Pensions Benefit Act being contemplated appear to be designed to undermine and dismantle existing defined benefit pension plans, particularly in the public sector, and replace them with target benefit or shared risk plans that provide no guarantees to workers in retirement. Given all the advantages that DB plans provide, this government should be looking for ways to expand DB coverage to those not currently covered, rather than contemplating changes which reduce retirement security for workers and retirees.

We are particularly aggrieved that retroactive conversion of a DB into a target benefit plan is being raised for consideration. Under no circumstances should any employer be allowed to retroactively walk away from the pension promise they have already made to workers. In earning pensionable service, a worker has already made good on their end of the bargain with the employer. Their labour was exchanged for wages and a pension that was always said to be “guaranteed”. If the employer, years or decades later, can walk away from these pension promises, the employer is effectively expropriating significant portions of a past compensation back from their workers and retirees. Of course, these workers cannot have their labour retroactively returned to them. This deal-breaking is why C-27 is so wrong in principle. Canadians overwhelmingly reject the idea that employers should be allowed to walk away from past pension promises. Even if government can get away with legalizing such behaviour by amending a statute, this does not make it right.

Manitoba workers, of course, do not have the ability to walk away consequence-free from the mortgage, rent, car or student loans payments they are obligated to make. Workers held up their end of the bargain, and there are legal systems in place to enforce this. Employers also continue to fully meet their obligations to bondholders and other creditors. It is a disappointing political choice for the government to rule that pensions promises to workers are not real promises, when we live in a province where people deeply believe that a “deal is a deal”.

CUPE Perspective on Alternative Plan Designs

The two documents provided as part of this consultation consider three alternative types of plan design: Jointly Sponsored Pension Plans (JSPP’s), Target Benefit Pension Plans (TBP) and Shared Risk Pension Plans (SRPP). Traditionally these plans are quite different in design and outcomes, and thus deserve commentary individually.

Jointly Sponsored Pension Plans

As noted in *Recommendations to Reforms to the Pension Benefit Act*, JSPP's are jointly employer-employee trustee contributory defined benefit pension plans. Unlike other plan designs which claim to be "shared risk" but legally all risk has been transferred to workers/retirees, JSPP's truly do share the risk between employer(s) and members of the plan. When funding shortfalls exist, both employers and plan members are responsible for funding the shortfall through increased contributions. Unlike Target Benefit or Shared Risk plans, Jointly Sponsored plans are defined benefit plans – accrued benefits can only be reduced on windup if underfunded.

CUPE is very familiar with these styles of plans and have been actively involved in their governance and success across Canada. While CUPE's preference in general is a defined benefit pension model where employer plan sponsors are the guarantor, we do recognize that in general, jointly sponsored pension plans are vastly superior to target benefit and the so-called shared-risk plans that are being considered. We are disappointed that the Consultation Paper ignored the JSPP – an option which at least maintains the promise to deliver a defined benefit to workers and retirees, while exclusively promoting Target Benefit/Shared Risk plans as options for Manitoba.

Target Benefit Pension Plans

The questions being raised in the *Consultation Paper* indicates that this government is contemplating creating a path forward for defined benefit pension plans to be converted to target benefit pension plans – possibly retroactively. CUPE Manitoba opposes such direction in the strongest possible terms. Government should be looking to expand defined benefit coverage, for all the reasons outlined above, not undo the pension promise made to workers and retirees.

It should be noted that CUPE is not fundamentally opposed to target benefit pension plans – but we argue that they should only operate in specifically defined circumstances, and certainly not in the broad terms the *Recommendations* and *Consultation Paper* is considering. CUPE is a party to, and sponsor of, two very large, Ontario-regulated multi-employer pension plans that function as target-benefit pension plans. Our brother and sister unions in construction, retail, and light manufacturing also have a history with these plans across Canada. Generally, the history of these plans is one of success.

However, these traditional target benefit plans have worked under very specific circumstances.

- *Established as Target Benefit.* Successful TB plans are established as target benefit plans – not the result of conversion from defined benefit plan – and provide improved outcomes over defined contribution pension plans and RRSPs.
- *Worker Controlled.* TB plans should be wholly or significantly governed by the side of the table which bears the risk: plans members through their unions.

- *Collectively Bargained Contributions.* Workers that govern their plans, through their unions, must be free to collectively bargain contribution rates to the pension as they do other conditions of employment.
- *Multi-Employer.* Successful TB plans are multi-employer, which drastically reduces the risk to the plan in case a single employer stops operating
- *Small or Transient work places.* TB plans may be appropriate for workers in transient or smaller workplaces where a traditional defined benefit plan is not possible.

It should be noted that the existing Multi-Unit Pension Plans in Manitoba includes many of these aspects.

CUPE Manitoba would not support amendments to the Pension Benefit Act which would allow for a new variety of target benefit pension plans that allowed for any of the following:

- *Non-unionized environments.* For target benefit plans to function effectively there must be a mechanism for contribution rates to increase, and collective bargaining provides this venue. Without collective bargaining to raise contribution rates the only solution to any financial problem – even short term – is to reduce benefits for current plan members and retirees.
- *Employer governance.* Successful target benefit plans require that governance be majority – if not exclusively – in the hands of workers through their unions. The central role of unions in these plans ensures that stable benefits are the top priority, and that benefit reductions are only a last resort after all other options have been explored, and that the interests of members are respected in the process.
- *Defined Benefit Conversion.* Target benefit plans should be considered in situations where the only other alternatives are defined contribution plans and RRSPs. They are not a substitute for defined benefit pension plans and should not be considered as a replacement for existing DB plans.

CUPE MB is concerned with the significantly larger risk plan members face in single employer target benefit plans versus multi-employer TB plans. As has been noted above, a large part of what provides security in traditional TB plans is the multi-employer nature of these plans. Single employer TB plans create a whole new dimension of risk for TB plan members, as a single employer ceasing operations in Manitoba could leave an underfunded pension plans in its wake. If the government does decide to go down this path serious consideration will need to be given to what role government might play to mitigate this risk. Manitobans have been justifiably outraged following the closure of Sears where retirees and workers are likely to see their pensions reduced by 20% or more. If this plan had been a TB, and Sears had never been required to make solvency payments, the reduction would be much larger.

In general, CUPE Manitoba supports target benefit provision **only** if they are used to upgrade members' pension security and to increase pension coverage overall. The establishment of target benefit plans designed to replace existing defined benefit plans, and degrade retirement security, will not accomplish this goal.

Shared Risk Pension Plans

First, CUPE has consistently and strongly disagreed with the characterization of the New Brunswick style TB plan as a "Shared Risk" plan. The use of the term "shared risk" has been used in a deliberate and misleading way. While originally the term was devised to describe the shared nature of risk between current plan members and retired plan members, it has been repeatedly misreported that these plans share risk between plan members and employers. The actual design of these plans ensures that all risk lies with plan member/retirees, and employers carry virtually no risk. As the *Recommendations* document recognizes, there remains three ongoing legal challenges against the government of New Brunswick for unilaterally converting public sector DB plans into SRPP.

It should be noted that the so-called New Brunswick style "Shared Risk Pension Plan" are fundamentally different from the traditional target benefit plans. These SRPP's are single employer and very tightly regulated by prescriptive regulations and funding policies. The latitude for risk bearers (plan members) to make real decisions about benefit and contribution levels is severely limited by these policies. Instead, third-party technocrats design the plans within the narrow confines of the legislation and pre-program virtually all decisions about plan design. This effectively sidelines the influence of workers and unions to make the decisions that TB plan trustees have traditionally made.

Under these plans benefits are funded extremely conservatively to meet the stochastic testing required by law. Members pay a high contribution rate for a very low level of "base benefits" to meet these requirements and have no latitude to change this arrangement. CUPE has been critical of basing a regulatory system on complex stochastic modeling which independent research has proven to be highly dependent on input variables. Different, but still acceptable, actuarial inputs can result in dramatically different results throwing into question the usefulness of these models at the centre of a regulatory system. CUPE Manitoba opposes the sidelining of trade unions from their traditional role as decision makers in what are, essentially, target benefit plans.

CUPE Manitoba does not believe there should be any role for so-called New Brunswick style "Shared Risk" pension plans in Manitoba.

CUPE's General Perspective on Solvency Funding

Any discussion of solvency funding rules must start from acknowledging the fact that solvency funding rules were originally instituted to protect plan members by better securing their benefits. Though the system is not perfect, solvency funding has better secured members benefits, particularly for private sector employers facing a genuine risk of insolvency. Therefore, any measure that introduces any form of "relief" to an employer's solvency funding obligation necessarily reduces the security of members' pension benefits. The more relief that is provided to employers, the less secure plan members benefits become.

CUPE Manitoba is concerned that the factors driving the *Consultation Paper* options are only the concerns of the employer sponsors of defined benefit (DB) pension benefit plans. Low interest rates and the ensuing solvency special payment obligations are not new concerns. But these are not the concerns (typically) raised by trade unions, members or retirees, where the first instinct is to prioritize better protection of promised DB pensions.

Missing from this *Consultation Paper* are the chief concerns of the members and beneficiaries of defined benefit pension plans: protection of benefits and ensuring the pension promise is delivered. The balance of the review makes clear that these concerns are being compromised in favour of the cost and volatility concerns raised by employers.

We submit that it is inappropriate to solely prioritize the concerns of one stakeholder in the pension system in Manitoba, particularly when the proposed options effectively transfer risks to other stakeholders in the system. CUPE MB believes a more balanced approach would have been a better way to finding mutually-acceptable solutions.

This being said, CUPE does appreciate the ongoing challenges that some employers face with funding for solvency in a low interest rate environment. From bargaining tables, we know that these rules, which were crafted to better protect plan members, can have the unintended consequence of putting more pressure on pension plans, employers and, subsequently, plan members in many cases. We therefore believe that a review of solvency funding rules is appropriate. But government must only institute changes cautiously and after full consideration and discussion with all impacted stakeholders. Employers should only be able to avail themselves of such changes with the consent of those who would be losing a measure of benefit security: plan members.

CUPE also recognizes that the pension landscape in Manitoba is complex (single/multi-employer, public/private sector, large/small scale, jointly trusted/union trustee/employer run). There will be no single approach to solvency funding that will appropriately or adequately cover all scenarios. In general, the nature of the employer must be considered when crafting solvency rules. And plan members must always consent to any lessening of an employer's solvency funding obligations.

In general, CUPE takes the position that solvency funding relief should conform to the following principles:

- No “one size fits all” approach. Given the different realities discussed above, one solution should not be imposed on all DB plans;
- Outside of the broader public-sector plans discussed below, any relief should generally be determined on a case-by-case basis;
- All new solvency relief or exemption measures should require the consent from plan members and retirees. Trade unions, where they exist, can speak for their members for the purposes of this consent. A consent process must be robust and based on positive consent of plan members; and
- The provincial government should implement a province-wide pension insurance system to provide additional pension security if solvency funding rules are relaxed.

In our view, there is no need for a wholesale elimination of solvency funding across all sectors, when a case-by-case, consent-based approach provides the ability to provide relief based on the particular needs of a given plan.

CUPE’s Perspective on Public Sector Solvency Funding

The *Consultation Paper* generally doesn’t differentiate between public sector pension plans and private sector pension plans. We are unsure whether this means that there is an intention to treat all DB plans the same, or whether government intends to maintain the existing solvency exemptions for various public sector plans that were first adopted by government in 2010, which CUPE MB supported.

CUPE’s view has generally been that solvency funding obligations are not necessary for most public sector employers. Solvency funding rules were instituted to protect against employer insolvency, and most public sector employers face very low – or negligible – risk of insolvency. In the event that a public sector DB plan was wound up, it is highly unlikely that the plan sponsor would not be able to meet its obligations to members. For many of these employers, solvency funding simply imposes funding rules and financial obligations that ultimately do not add measurable security to these public workers’ benefits. These employer obligations ultimately come to bargaining tables, either directly through pension bargaining or indirectly through wage or other benefit bargaining.

Going forward, we would make the following recommendations with respect to public sector plans:

- The broader public sector plans that are currently permanently exempt should continue to be permanently exempt from the requirement to solvency fund. Though the *Consultation Paper* does not suggest a planned change for these plans, it is also not explicitly clear that this exemption will continue. This point should be clarified, and these plans should be permanently exempted;
- If there are other public sector plans which have not yet been identified in regulation where employers face a low or negligible risk of insolvency, these plans should be similarly permanently exempted from solvency funding with the consent of workers (speaking through trade unions) and retirees;
- In the Recommendation document, the government is contemplating a “trade-off” that reduces solvency funding rules but mandates the creation of a solvency reserve account. In CUPE’s view, the fact that government has already permanently exempted the broader public sector from solvency funding demonstrates the government’s belief that solvency funding does not provide much real security for employers with low or negligible risk of insolvency. Therefore, there should be no need for these plans to be involved in such a trade-off and saddled with new funding obligations – whether they be solvency reserve accounts or alternative enhancements to going concern funding as outlined in the *Consultation Paper*. To avoid the unintended consequence of putting more pressure on employers, the government should clearly exempt public sector plans from any new funding requirements that arise from the general review; and
- Public sector employers should continue to be responsible for fully funding benefits on wind up.

Locking-In Provisions

The retirement system in Canada, in one form or another, is predicated on providing preferential tax status in order to encourage citizens to set aside income today, whether through CPP, a workplace pension or RRSP’s, to support themselves in retirement. As a society we have agreed that the collective cost today, lost tax revenue to pay for public programs and/or necessity to raise government revenue elsewhere, is worth it because of the long-term benefit. Because of the preferential tax treatment that retirement savings provided, we have set aside rules to help ensure that funds intended for retirement are used in retirement except in very limited situations. We support this as a broad public policy for the good of society.

Additionally, we are also of the opinion that an individual worker is almost always better off if they leave their retirement income locked-in until retirement. This is especially true to pension benefits. Unlocking locked-in retirement funds can be very dangerous, potentially leaving workers in poverty in their later years.

We are disappointed that government is considering such a broad allowance for unlocking provisions for Locked-In Retirement Accounts (LIRA) and Life Income Funds (LIF). While we recognize that there may be legitimate life emergencies that may warrant some limited unlocking of funds, we have to take into account that any withdrawal today may only shift that hardship to old age – especially when we consider the loss of potential investment income. We would also suggest that the average worker is not in the financial position, or has the investment and financial planning knowledge, to mitigate these withdrawals.

We would suggest that rather than contemplating opening locked-in retirement funds to deal with short-term emergencies, that government should reconsider if there are ways it can assist citizens in such dire circumstances.

If government is to make any changes to allow unlocking of LIRA's or LIF's, we would urge that a strong threshold be set for determining the existence of true financial hardship, and that labour would have to be a part of the determination of what constitutes financial hardship. We would also encourage government to set a low cap for fund unlocking, and that a clear path for workers to be able to "buy-back" any lost retirement investments.

Compulsory Plan Membership

It is evidently clear that voluntary retirement savings programs have not met the needs of Canadians. While only 13% of tax filers in Canada earn more than \$80,000 annually, contributions from these individuals account for more than 60% of all RRSP contributions. Mandatory pension plans, whether government or workplace-based, have proven time and again to be the only vehicle to ensure working families can retire with security and dignity.

Manitoba should not be entertaining any changes to the Pension Benefits Act which would back away from mandatory plan membership. In fact, it concerns us that government is even raising this for consideration. There has been a national consensus on the need for Canadians to save more for retirement, and that RRSPs and other private voluntary measures have failed to deliver for Canadians, which led to the current expansion of the Canadian Pension Plan.

Rather than contemplating measures which would reduce pension coverage, this government should concentrate on improving pension coverage. In particular, we call on this government to work with the Federal government and other provincial governments to address the inequities which exist in the enhanced CPP for parents who take time off to raise children, and workers who become severely and chronically disabled. Further, we urge this government to work with the Federal government and other Provinces by further increasing the CPP replacement rate, raising the ceiling on pensionable earnings, and further enhancing the portion of employee contributions that are tax-deductible.

Divisions of Pension on Relationship Breakdown

Under the existing PBA, pensions administrators must divide the pension or pension benefited accumulated during marriage or common law relationship on a 50/50 basis whenever there is a court order under the Family Property Act or a written agreement regarding the division of family property. While Manitoba may have been alone in placing additional protections in our PBA, we did so for good reason – to protect spouses in their retirement. We should not go back to a time when, whether because of lack of information, poor guidance, or desperation, one spouse gave up a lifetime of pension benefits to meet a much smaller, short-term financial need.

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 and do so far more efficiently than alternative plan designs. The Manitoba government should focus on finding ways to promote and support the expansion of defined benefit pension plans in Manitoba.

2. Put plan members first.

Any changes to the Pension Benefit Act should be done with the interests of plan members in mind. The PBA was created to protect plan members and ensure pensions promises made to them were kept. As a whole, it seems to us that the proposed/contemplated changes are designed with the interests of pension plan sponsors, rather than plan members themselves. We urge government to act within the original spirit of the legislation – to protect pension plan members.

3. Jointly sponsored plans where agreed to be all parties.

CUPE MB is open to the creation of legislated framework for Jointly Sponsored style defined benefit pension plans. We would caution, however, that the conversion of a traditional DB plan to a JSPP should only be allowed with the agreement of all parties.

4. Target Benefit from inception, where contributions are collectively bargained, and plans are union run.

While CUPE MB does not fundamentally oppose adoption of legislation allowing Target Benefit plans – Manitoba's Multi-Unit Pension Plans are essentially TB plans - any new legislation should ensure that TB plans are restricted to the unionized environment where contributions can be collectively bargained, that TB plans should be controlled by workers through their union(s), and 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.*

CUPE MB is concerned about the suitability of TB pension plans in the single employer environment, as opposed to the traditional multi-employer environment, given the increased risk of plan wind up with little if any notice. If the Manitoba government does go down this path we would urge the need for greater consultation, and the necessity for government to play a role to mitigate this risk to plan members.

6. *No “shared-risk” in Manitoba.*

CUPE MB is fundamentally opposed to the development of the so-called “Shared-Risk” pension model for Manitoba. The nature of these plans results in high contribution rates for a relatively low level of benefits. The regulatory system, which is based on complex stochastic modelling, is highly dependent on variable inputs. Such system sidelines trade unions from their traditional role as decisionmakers in what are, essentially, target benefit plans.

7. *No retroactive conversion. A promise is a promise.*

CUPE MB is fundamentally opposed to the retroactive conversion of a DB promise into an unsecured TB or Shared-Risk plan. 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. All new solvency relief or exemptions measures should require the consent of plan members and retirees. Trade Unions, where they exist, can speak for their members for this consent. A consent process must be robust and based on positive consent of plan members.

9. *Maintain status quo for solvency funding rules for public sector pension plans.*

CUPE MB believes that whatever new solvency rules the government adopts, these rules should not apply to public sector plans. The existing framework for public sector plan solvency works well in Manitoba and there is no need to deviate from current practice.

10. *Insure workers pensions.*

Implement a province-wide pension insurance system to provide additional pension security to plan members if solvency funding rules are relaxed.

11. Maintain strict rules over unlocking of funds.

Funds invested in pension plans are meant to support workers in retirement. We strongly caution the government against adopting rules which could have long term negative impacts on workers ability to retire with dignity. Instead we urge the government to look at other ways it can assist citizens going through short-term hardship.

12. Maintain mandatory pension plan membership.

Voluntary savings plans have repeatedly been shown on a societal level to be an ineffective way to save for retirement.

13. Maintain PBA rules which govern the division of pension assets in a relationship breakdown.

The rules were brought in for a reason – spouses without pensions, largely women – were being left in poverty in retirement after their spouses walked away with their pensions intact. We see no need to change the current system.

Conclusion

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.