

Sign the Petition to Protect Pensions - Jan 2017

Bill C-27 has been introduced in Parliament by the Minister of Finance without notice or consultation. The bill proposes to amend the *Pension Benefits Standards Act* to allow certain private-sector employers and Crown Corporations to shift away from “Defined Benefit” pension plans and into much less-secure “Target Benefit” (TB) plans. If passed, this bill opens the door to a disturbing trend of shifting all the risk of pension plans onto workers and retirees. While this bill does not propose any changes to the “Public Service Superannuation Plan”, which covers Guild members employed at Coast Guard and DND, the legislation sets a dangerous precedent and could encourage similar attacks in the future on employees in every jurisdiction in Canada, including the public service.

The reliance of TB plans on “market performance” provides a much lower level of security and predictability than Defined Benefit plans and introduces significant risks to retirement income. TB plans remove the ability of retirees to predict the monthly income that will be available to meet their living expenses.

Retirees need to know that their benefits are secure. By introducing market volatility risks, Bill C-27 removes that certainty. By permitting the conversion of Defined Benefit pension plans to TB plans, the bill invites employers to abandon pension promises to their retirees. Even if employers offer individuals the option to remain in a Defined Benefit plan, employers will be able to do all they can to convince current employees to transfer over to TB plans which will jeopardize the security and sustainability of any remaining Defined Benefit plan.

The ability of unions to advance the interest of our members is also uncertain under Bill C-27 as the role of unions is unclear regarding decisions to surrender Defined Benefits. In the event that the matter leads to a labour dispute resulting in an impasse, Bill C-27 may introduce opportunities for employers to exert pressure on workers to surrender pension rights.

The controversy over TB plans continues to make headlines in New Brunswick years after similar TB legislation introduced there in 2012 allowed significant pension reductions and decreased pension security for provincial employees. That matter is still before the courts and is the subject of numerous legal challenges and class-action lawsuits.

The Guild is an active participant in the “Canadian Coalition for Retirement Security”. The Coalition consists of 22 organizations and represents over 6 million Canadians. The Coalition advocates not only for public service and private sector employers to honour their commitment to existing pension provisions, but also for improved retirement security for all Canadians.

The Guild supports the Coalition’s position to urge the government not to bow to corporate business pressures that are in favour of moving away from Defined Benefit plans in order to increase profits for those in the financial sector who would manage the new TB plans.

The deadline is March 31st, 2017 to sign the petition to oppose Bill C-27 at the LINK below:

[Sign the Petition to Protect Pensions](#) - click here