

**Second Session - Thirty-Ninth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Social and Economic Development**

*Chairperson*  
*Mr. Rob Altemeyer*  
*Constituency of Wolseley*

**Vol. LX No. 9 – 6 p.m., Tuesday, July 22, 2008**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT**

**Tuesday, July 22, 2008**

**TIME – 6 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Rob Altemeyer  
(Wolseley)**

**VICE-CHAIRPERSON – Ms. Marilyn Brick (St. Norbert)**

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

Hon. Messrs. Bjornson, Chomiak, Struthers

Messrs. Altemeyer, Borotsik, Ms. Brick, Messrs. Briese, Derkach, Mses. Howard, Marcelino, Mr. Schuler

*Substitutions:*

Mr. Fauschou for Mr. Derkach at 11:15 p.m.

Mr. Dewar for Hon. Mr. Chomiak at 11:30 p.m.

**APPEARING:**

Mr. Kevin Lamoureux, MLA for Inkster

**WITNESSES:**

Ms. Patricia Gendreau, Private Citizen  
 Mr. Marcel Gauthier, Private Citizen  
 Mr. Roger Legal, Private Citizen  
 Mr. Guy Gagnon, Private Citizen  
 Mr. Denis Clément, Private Citizen  
 Ms. Jean M. Taillefer, Private Citizen  
 Ms. Norma Lacroix-Gagné, Éducatrices et  
 Éducateurs manitobains à la retraite  
 Mr. Antoine Gagné, Private Citizen  
 Mr. Denis Bisson, Private Citizen  
 Mr. Lucien Loh, Private Citizen  
 Mr. Alfred Phaneuf, Private Citizen  
 Mr. Raymond Bisson, Private Citizen  
 Ms. Huguette Rempel, Private Citizen  
 Mr. Al Nickel, Private Citizen  
 Mr. David McAuley, Private Citizen  
 Ms. Pat Isaak, Manitoba Teachers' Society  
 Ms. Mariette Ferré, Private Citizen  
 Mr. Tom Ulrich, Private Citizen  
 Mr. Richard Benoit, Private Citizen  
 Ms. Anne Monk, Private Citizen  
 Ms. Karen Boughton, Private Citizen

Mr. Keith Boughton, Private Citizen  
 Mr. Wayne Hughes, Private Citizen  
 Mr. Dan Turner, River East Transcona Teachers'  
 Association

**WRITTEN SUBMISSIONS:**

Gary Lally, Private Citizen  
 Marilyn Huska, Private Citizen  
 Bill Cann, Private Citizen  
 Matt Kawchuk, Private Citizen  
 Steve Pawlychyn, Private Citizen  
 Frank Basiuk, Private Citizen  
 Frances Fraser, Private Citizen  
 W.A. Fraser, Private Citizen  
 James Reginald Schmall, Private Citizen  
 Maurice Noel, Private Citizen  
 Frances Kogan, Private Citizen  
 Mary Chalmers, Private Citizen  
 Victoria Olchowecki, Private Citizen  
 Pat Trotter, Private Citizen  
 Beverley Finlayson, Private Citizen  
 Robert Finlayson, Private Citizen  
 Donna and Vance Birnie, Private Citizens  
 Georges Druwe, Private Citizen  
 Irene Legg, Private Citizen  
 Sharon Orr, Private Citizen  
 Muriel Gamey, Private Citizen  
 Syl Didur, Private Citizen  
 Dorothy Strachan, Private Citizen  
 Ian Heather, Private Citizen  
 Astrid Michal Kuprowski  
 Hélène McCarthy, Private Citizen  
 Kristina Ellis, Private Citizen  
 Tony Balian, Private Citizen  
 Karen Boughton, Private Citizen  
 John Carroll, Private Citizen  
 Tom Ulrich, Private Citizen  
 Pat Isaak, Manitoba Teachers' Society  
 Mariette Ferré, Private Citizen  
 Anne Monk, Private Citizen

**MATTERS UNDER CONSIDERATION:**

Bill 45–The Teachers' Pensions Amendment Act

\* \* \*

**Mr. Chairperson:** Good evening. Will the Standing Committee on Social and Economic Development

please come to order. Your first item of business this evening is the election of a Vice-Chairperson. Are there any nominations?

**Ms. Jennifer Howard (Fort Rouge):** I'd like to nominate Ms. Brick.

**Mr. Chairperson:** Ms. Brick has been nominated. Are there any other nominations? Seeing none, Ms. Brick is appointed as Vice-Chair of the committee.

This meeting has been called to consider Bill 45, The Teachers' Pensions Amendment Act. We have a number of presenters registered to speak this evening listed on the sheet before you and posted on the board at the entrance of the room.

It was announced that this committee would sit tonight until midnight. It has also been announced that this committee will meet again to consider this bill on the following occasions: tomorrow night from 6 p.m., starting at 6 p.m., and Thursday, July 24, starting at 10 a.m.

The committee has previously agreed to hear out-of-town presenters first. I will also note for the committee that the House leaders have previously agreed that we will hear all French presentations on Bill 45 at tonight's meeting, and we will begin with those presenters very soon.

Before we proceed with those presentations, though, we do have a number of items and points of information to consider. I thank the members of the public who are here in advance for allowing us to get through these procedures before getting to the presentations.

First of all, if there is anyone else in the audience who would like to make a presentation this evening, please register with the staffperson at the entrance of the room right there at the table. Also, for the information of all presenters, while written versions of presentations are not required, if you are going to accompany your presentation with written materials we ask that you provide 20 copies, and, once again, staff in the room at the front table can help you with this.

As well, I would like to inform presenters that in accordance with our rules a time limit of 10 minutes has been allotted for presentations with another five minutes allowed for questions from committee members. Also, in accordance with our rules, if a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name

is called a second time, they will be removed from the presenters' list.

Now, we have had a request from two presenters and I need the committee's direction in this regard. Laurena Leskiw and Deanna Dolff, who are numbers 223 and 214 on the master list, are travelling together from Brandon. Ms. Leskiw is in the midst of medical procedures and can only attend tomorrow's meeting. Due to this, they have asked that their names not be called today and that they be allowed to present tomorrow. What is the will of the committee? *[Agreed]* Thank you very much. We shall, then, not see their names should we reach them tonight.

Shall we call on them to speak at the beginning of the meeting or at another time, for tomorrow? *[interjection]* Okay, very good. It is agreed that at the beginning of tomorrow night's meeting, they will be given the opportunity to speak. Very good. Thank you for that, committee members.

\* (18:10)

Written submissions on Bill 45 have been received from the following persons and distributed to committee members. For the purposes of *Hansard* which is recording all of the things said tonight, I will need to read these names into the official record. They are: Gary Lally, Marilyn Huska, Bill Cann, Matt Kawchuk, Steve Pawlychyn, Frank Basiuk, Frances Fraser, W. A. Fraser, James Reginald Schmall, Maurice Noel, Frances Kogan, Mary Chalmers, Victoria Olchowecki, Pat Trotter, Beverley Finlayson, Robert Finlayson, Donna and Vance Birnie, Georges Druwe, Irene Legg, Sharon Orr, Muriel Gamey, Syl Didur, Dorothy Strachan, Ian Heather and, an additional name just submitted moments ago, Astrid Kuprowski, which is No. 204 on the master list. So if committee members want to mark Astrid Kuprowski as having turned in a written submission, they may certainly do so.

Now, does the committee agree to have these documents as submitted appear in the *Hansard* transcript of this evening? *[Agreed]*

Thank you for that.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking at committee. The proceedings of our meetings are recorded, as I just mentioned, in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA on the committee or a presenter, I have to first say that person's name. This is to signal the people in

the *Hansard* office for the *Hansard* recorder to turn the appropriate mikes on and off. So we thank you in advance for your patience and understanding with that process.

Now, as agreed previously by the House leaders, we will now proceed with our French presentations. I would like to inform all in attendance, committee members and members of the public, that simultaneous translation is being provided this evening. I believe all committee members now do have headsets. Does any member of the committee not have a headset? Very good.

I would also like to indicate that members of the public who would like to acquire a headset for tonight, that is also possible. They are available, again, at the entrance to the room. You will be required to sign for it for use for this evening and then return it at the end of tonight's proceedings or when you choose to leave.

I'd also like to remind members and presenters that, because of the simultaneous translation, we will need to proceed, shall we say, "gracefully" in our presentations. I would ask people to speak perhaps a little bit slower than I am right now and a little bit slower than usual, and to make sure for committee members and presenters that you are speaking directly into the microphone so that our hardworking translators will have as easy a time as possible to provide this important service. We thank you for that.

I will also just say that while, despite my bilingual wife's best efforts, my Francophone pronunciations are not quite what they should be, and if I mispronounce anyone's name tonight, it is certainly not my intention, and you should feel free to correct me when you come to the podium.

That said, I believe we can now move to calling the presenters. As is with our normal practice, we will call out-of-town Francophone presenters first and then move to urban Francophone presenters.

So the first out-of town Francophone presenter on our list this evening is No. 5, Patricia Gendreau. Thank you for coming here this evening. Do you have copies of your presentation for the committee?

**Ms. Patricia Gendreau (Private Citizen):** I believe—a thought, one moment. They were sent to Mr. Yarish, and if copies are not made, perhaps he could make them, please.

**Mr. Chairperson:** Most certainly. We'll make sure that every member of the committee receives a written copy. Please, begin your presentation.

**Ms. Gendreau:** Membres distingués du comité, chers collègues.

A l'époque de mon grand-père, lorsqu'on avait une entente verbale, seule une poignée de mains scellait la transaction; c'était un fait accompli. Aujourd'hui, je suis debout devant ce comité car une rupture, une modification et oui, une injustice importante a été faite par le Nouveau parti démocratique. L'allocation envers le coût de la vie telle qu'entendue et cotisée ne se fait pas payer.

Ayant enseigné 25 ans durant les années 1979 à 2006, et étant membre des Enseignants du Manitoba à la retraite, je tiens à souligner que je ne suis pas d'accord avec le Projet de loi 45.

Je suis désolée d'être obligée à venir ici pour déclarer l'injustice et le manque d'intégrité auprès des enseignants à la retraite pratiqués par le Nouveau parti démocratique. Une grande injustice qui a débuté avec de nombreuses rencontres sabotées par votre parti et ensuite par un plébiscite manigancé par le Manitoba Teachers' Society et notre présent gouvernement ne laissant à peine assez de temps aux enseignants retraités de répondre adéquatement.

Les première et deuxième lectures du Projet de loi 45 furent exécutées avec grand empressement le 9 juin 2008, laissant l'impression qu'on ne voulait pas avoir la présence des enseignants qui s'y opposaient. J'ai fait partie de la délégation des enseignants à la retraite qui figurait dans la galerie de la législature le 10 juin et à ma surprise, la discussion du Projet de loi 45 n'y figurait pas.

Comme les autres enseignants ici présents et ceux qui feront une présentation durant ces audiences publiques, j'ai payé ma juste part pour une allocation pour le coût de la vie. Je vous demande de me rendre ce qui m'est dû.

L'allocation pour le coût de la vie n'est pas un privilège mais un droit acquis pour lequel les enseignants du Manitoba ont cotisé en surplus. Je vous invite aujourd'hui à faire la bonne chose et à corriger ce manque d'équité et cette injustice.

Merci.

#### **Translation**

*Distinguished members of the committee, esteemed colleagues.*

*In the time of my grandfather, when you made a verbal agreement, a handshake alone sealed the transaction. It was a fait accompli. Today, I stand before this committee because a rupture, a change and, yes, a significant injustice has been committed by the New Democratic Party. The cost-of-living allowance as agreed upon and contributed to is not being paid.*

*Having taught for 25 years throughout the years 1979 to 2006, and as a member of the Retired Teachers' Association of Manitoba, I want to emphasize that I am not in agreement with Bill 45.*

*I regret being obliged to come here to point out the injustice and lack of integrity toward retired teachers being practised by the NDP. A great injustice that began with numerous meetings that were sabotaged by your party and then by a plebiscite manipulated by the Manitoba Teachers' Society and our current government, leaving hardly enough time for retired teachers to respond properly.*

*First and second reading of Bill 45 were carried out with great haste on June 9, 2008, leaving the impression that the presence of teachers who opposed it was not wanted. I was part of the delegation of retired teachers in the gallery of the Legislature on June 10, and to my surprise there was no discussion of Bill 45.*

*Like the other teachers present here and those who will be making presentations during these public hearings, I paid my fair share for a cost-of-living allowance, and I ask that you give me what I am owed.*

*The cost-of-living allowance is not a privilege but an acquired right for which Manitoba's teachers made additional contributions. I call upon you today to do the right thing and to correct this inequity and this injustice. Thank you.*

**Mr. Chairperson:** Thank you very much for your presentation.

I should have mentioned earlier two things. We have a translation device available at the microphone for any presenters who may wish to hear questions asked by committee members in English for a French translation for them. So if there are members of the committee who would like to ask a question, if you would like to use that device, please feel free.

At this time I'll also mention that should anyone approach their 10-minute limit, I will provide a one-

minute warning when you are one minute away from your allotted maximum.

That said, are there any questions for our presenter?

**Mr. Ron Schuler (Springfield):** Madame, thank you very much for your presentation. We appreciate the fact that you have been very involved in this process up until here. You mentioned about the introduction of Bill 45; it was very hasty the way it was introduced. In fact, initially we were approached if not—would it be possible to pass the bill still in the last sitting and we said absolutely not. We felt that the legislation did not have the fullness of having people debate it. Certainly we didn't have time. I would hasten to say I don't think holding a committee in the middle of summer is also a fair airing of the bill. In the years I've been here, and that's about 10 years, I've never seen this before.

That having been said, there's something that you raised, and I heard it a lot last night and funny we hear it right away first thing. You said, an agreement was broken. You called it an injustice and you said, I've paid for this. Yet we've heard from the other side that, in fact, that was not the case, that in no point in time was a COLA guaranteed, that that was actually misinformation.

I think the committee finds itself wondering because really, if you believe that you're entitled to it, where did you come to that belief? Is it in legislation? Is it there somewhere? Could you reflect for us? How was it that you believe so strongly that you are entitled to a COLA because we heard that all last night and the first presenter again today. I think that's important because that's what we're hearing consistently.

**Ms. Gendreau:** I can respond just like this. Okay.

\* (18:20)

**Mr. Chairperson:** You can do it in French.

**Ms. Gendreau:** Oui, okay.

De ma mémoire, je me souviens qu'à un moment donné, c'était demandé aux enseignants de donner un peu plus d'argent, de payer un peu plus pour le coût de la vie. Ça c'était au sujet de notre pension. Je me souviens aussi que ceci a été respecté entre les années 1975 et 1999. On respectait. On donnait le coût de la vie juste aux professeurs. En 1999, malheureusement, même si on avait payé plus pour le coût de la vie, les choses changeaient. Et c'est ça

que je crois être l'injustice. Quand on dit quelque chose, quand on promet quelque chose, le gouvernement nous avait bien encouragés de payer plus pour le coût de la vie. Et maintenant ça devient changé, et pourquoi?

Bien, on peut dire qu'il y a eu des problèmes. À un moment donné, les professeurs qui étaient en retraite et les professeurs qui travaillaient, on avait plus de professeurs en retraite que ceux qui travaillaient.

Aussi, malheureusement, l'argent que nous autres avons versé dans ce COLA-là a été investi par le gouvernement et je crois qu'il y a eu un manque de gérance. Moi, je ne suis pas ici pour accuser les gens. Je veux juste que ceci soit rectifié. Parce que maintenant le COLA existe seulement pour les professeurs si on a de l'argent pour—s'il y a de l'argent disponible, au lieu, c'est l'argent qui doit nous être donné.

C'est tout ce que je peux vous dire. Je ne sais pas si c'est clair.

#### **Translation**

*To my recollection, I recall that at a certain point teachers were asked to give a little bit more money, to pay a little bit more for cost of living. That was in regard to our pension. I also recall that this was respected from the years 1975 to 1999; that is, fair cost of living was provided to teachers. In 1999, unfortunately, even if we had paid more for the cost of living, things changed and that's what I believe is the injustice. When you say something, when you promise something, the government had encouraged us to pay more for the cost of living and now this has changed. Why?*

*Well, we can say there were problems. At a certain point, retired teachers and working teachers, there were more retired teachers than working ones.*

*Also, unfortunately, the money that we paid into this COLA was invested by the government and, I believe, was badly managed. I'm not here to accuse anybody. I simply want this to be rectified because now the COLA exists only for teachers if there is money available, whereas it is money that should be given to us. That's all I can tell you.*

*I don't know whether that's clear.*

**Mr. Schuler:** Merci, madame.

I guess what is so frustrating for this committee is we sense that there is a lot of confusion. I suspect

there will be others that will come forward and say, well, actually, she wasn't right; there was no guarantee. There seems to be a lot of confusion of what was guaranteed, how much was guaranteed, when it was guaranteed for, and probably holding committee meetings in the middle of the summer is not going to help deal with the confusion. We see that this issue has been bungled from the start, and this is clearly not going to solve it. That is a real concern for this committee and we really appreciate the fact that you've come forward. I think everybody who's spoken so far has spoken on both sides with great integrity. I think we have a lot of confusion on both sides of what was actually committed to and what is the obligation of the government. I don't even know if the government has it straight.

I appreciate you coming forward and laying out your concerns for the committee. We really appreciate it. Merci.

**Mr. Chairperson:** Thank you for your time with us this evening, Ms. Gendreau. Time for questions has expired, of five minutes.

Our next out-of-town and Francophone presenter, No. 6, Marcel Gauthier. Copies of your presentation have just been distributed to committee members. We thank you for that, sir. You may begin.

**Mr. Marcel Gauthier (Private Citizen):** Bonsoir. Honorables ministres, M. Bjornson, ministre—j'oublie les noms. M. Schuler, distingués membres du comité, chers collègues, merci de m'avoir accordé l'opportunité de vous adresser la parole aujourd'hui. Je m'appelle Marcel Gauthier. Je suis né au Manitoba. J'ai fait mes études secondaires au Manitoba ainsi que mes études postsecondaires. J'ai œuvré dans les écoles publiques du Manitoba durant une période de 31 ans, de 1975 à 2006. Si je parle français et anglais aujourd'hui c'est parce que j'étais dans les écoles du Manitoba.

Je ne vais pas vous répéter toute la rhétorique des pours et des contres du Projet de loi 45. Vous la connaissez très bien. Je vais par contre vous ramener à la mémoire quelques événements particuliers qui ont précédé les élections de 1999 lorsque le présent gouvernement a été élu en sa première assemblée majoritaire depuis 10 ans. Lors des nombreuses manifestations des enseignants et des enseignantes pour opposer des projets du gouvernement, soit les journées Filmon ou le Projet de loi 72, l'honorable Gary Doer et M. Tim Sale ainsi que de nombreux membres du Nouveau parti démocratique se

montraient toujours en appui avec les enseignants et leur causes. Les membres du Nouveau parti démocratique promettaient la justice, non seulement aux enseignants mais aussi à la population du Manitoba.

Vous, les membres du Nouveau parti démocratique en êtes maintenant à votre troisième mandat majoritaire. Avez-vous oublié les promesses que vous nous aviez faites? Êtes-vous si sûres dans vos postes que vous allez trahir les gens qui vous ont appuyés et qui vous ont élus?

Le Projet de loi 45 est une injustice aux enseignants à la retraite, une injustice surprenante promulguée par un parti qui se dit juste et honnête. Je vous incite donc à défaire ce projet de loi et à prendre les démarches nécessaires pour remettre aux enseignants à la retraite les allocations pour le coût de la vie pour lesquelles ils ont payé. Merci.

#### **Translation**

*Good evening, honourable ministers, Mr. Bjornson, minister—I forget the names. Mr. Schuler, distinguished members of the committee, esteemed colleagues. Thank you for having given me the opportunity to speak to you today. My name is Marcel Gauthier. I was born in Manitoba. I completed my secondary studies in Manitoba as well as my post-secondary studies. I worked in the public schools of Manitoba for 31 years from 1975 to 2006. If I speak French and English today, it's because I was in Manitoba's schools.*

*I'm not going to repeat to you all the rhetoric of the pros and cons of Bill 45; you know it very well. However, I do want to remind you of certain specific events that preceded the elections of 1999 when the current government was elected with its first majority in 10 years. At the time of numerous demonstrations by teachers in opposition to various government projects, be it Filmon days or Bill 72, the honourable Gary Doer and Mr. Tim Sale, as well as many members of the NDP always showed their support for the teachers and their causes. The members of the NDP promised justice not only for the teachers but also for the population of Manitoba. You, the members of the NDP, are now in your third majority mandate. Have you forgotten the promises that you made to us? Are you so secure in your positions that you are going to betray the people who supported you and who elected you?*

*Bill 45 is an injustice to retired teachers, a surprising injustice, promulgated by a party that*

*claims to be fair and honest. I therefore urge you to undo Bill 45 and to take the necessary measures to return retired teachers the cost-of-living allowances for which they have paid. Thank you.*

**Mr. Chairperson:** Thank you very much, monsieur.

Questions.

**Mr. Schuler:** Monsieur, merci, for your presentation. We appreciate the fact that you've waited for as long as you have, very patiently, and have brought forward a presentation that I think is good for the committee to hear. It really does come down to that this is probably less an issue of active teachers and retired teachers but rather the role government played and politicians played over the last 25 years when it comes to teachers' pensions.

I think probably what we need now—and we heard that yesterday from other presenters—is leadership, leadership from a political level, to deal with this issue, and you certainly have raised that. You talk again and you mention betrayal and injustice. Unfortunately, what we have here is a field of broken dreams if there has been commitment made, commitment made, commitment made, and not lived up to.

Certainly, I, as one of the committee members, and I know the committee agrees with me, this has become just an unfortunate pattern from yesterday to today, and I believe this is something that should be solved at the political level.

I ask you to reflect on it, and, once again, I would try a little bit more of my French on you, but you would probably not understand it so I will leave it at that. Merci, for coming to committee.

**Mr. Chairperson:** Monsieur Gauthier, if you would like to make a response, you can.

**Mr. Gauthier:** Trust me, I would understand your French.

Not to say that when we spend many hours doing presentations, opposing Filmon days as well as Bill 72, you understand there was also a question of leadership at that time. So I'm not saying that the NDP is entirely in wrong or that the PCs would be doing a much better job now. It's just that whoever's in power needs to be aware of what the population needs, what the population expects, and if they want to get re-elected, they need to pay heed to that.

**Mr. Rick Borotsik (Brandon West):** Merci, Monsieur Gauthier. I also will not embarrass you or



myself with my French, but I do thank you for being here.

I have a couple of questions. First of all, you are well aware that up until 1999, the retired teachers did receive full COLA.

**Mr. Gauthier:** The COLA being paid to them was taken right out of the capital funds of the fund, and the fund had been improperly managed, I believe.

**Mr. Borotsik:** Fair ball, but, certainly, I do believe the government of the day did feel that it was necessary that retired teachers have the full benefit of full COLA in order to maintain their lifestyle.

I have a question about the plebiscite. The plebiscite was handled by MTS and the government. I ask two questions very quickly. One is did you vote in the plebiscite, and when the ballot was sent out, was it sent out in both French and English and were the directions given in French as well?

**Mr. Gauthier:** It was bilingual and I responded in French. I responded the day after I received it. I was informed by many of my colleagues who were busy doing work, visiting family, who were not necessarily close to their home at that time, that they were not able to respond in time. Their ballot was spoiled because it didn't come in time. So I feel that the whole plebiscite thing was a waste.

**Mr. Kevin Lamoureux (Inkster):** I just thank the presenter. I, too, was at that rally back in the '90s. Actually, I sat beside Mr. Doer and actually was able to follow right beside their big, huge, red apple. You might recall that.

\* (18:30)

Having said that, you make reference to a feeling that you had in terms of, that they were supportive of the needs of the teachers, or was there something more specific that you can look back on as to dealing with the teachers' pensions? Did the NDP ever deal with that specific issue in opposition and make commitments?

**Mr. Gauthier:** Pensions were not referred to directly as it was not the subject being handled at that time. The events I mention is in November of 1998. We were on the steps of the Legislature, and I remember standing beside Mr. Doer holding up the banner for the Manitoba Teachers' Society banner. I was a very active member at that time. I remember Mr. Doer standing up and promising that if he were the government in charge at that time, there would be no such thing as a Filmon day. There would be no such

thing as major cutbacks to education, budgets and on and on and on, left, right and centre.

Sadly enough, the Filmon days did go ahead and it did impact upon our pensions today. But that's not what we are discussing today. But in answer to your question, yes, it was bilingual, yes, I respond in French.

**Mr. Chairperson:** Time for questions has expired. We thank you for your time with us here this evening.

Our next Francophone and rural presenter potentially is Roger Legal. Good evening, sir. Do you have copies? The committee will receive copies, so you may begin when you're ready.

Oh, sorry, excuse me, Mr. Schuler?

**Mr. Schuler:** Number 36.

**Mr. Chairperson:** Number 36 on page 4. Are we all on the same page, so to speak? Sir, you may begin.

**Mr. Roger Legal (Private Citizen):** Merci.

Mesdames et messieurs, merci pour l'occasion de vous adresser la parole. Cela nous permettra peut-être de faire corriger la malheureuse situation dans laquelle le gouvernement s'est embourbé. J'espère seulement que cet exercice est honnête, que le gouvernement écoute de façon attentive et qu'il est ouvert à l'idée de redresser les iniquités flagrantes qui se trouvent dans le Projet de loi 45. Si l'exercice est tenu pour la forme seulement ou par obligation, eh bien là, c'est l'insulte qui s'ajoute à l'injure. Et puisqu'on frôle déjà la supercherie, que dire au sujet de cet infâme plébiscite de mai dernier? Cet exercice ressemblait étrangement à de la machination mesquine, méprisante et honteuse. Nous avançons en âge un peu, mais nous n'avons pas encore perdu toutes nos facultés. Ne nous prenez pas pour des valises.

Passons au problème lui-même. Clairement, l'intention des parties prenantes à l'entente original était que les enseignants à la retraite profitent du COLA le plus élevé possible, soit 100 pour cent. Pour illustrer que l'entente avait été faite de bonne foi, le maximum avait été fixé à 100 pour cent et, en effet, ce maximum a été accordé à de nombreuses reprises.

En somme, le gouvernement de l'époque avait établi des provisions décentes dans la loi. Ce sont ces provisions décentes que le gouvernement actuel se propose maintenant de dénaturer. Il devrait plutôt

amender la loi pour garantir le 100 pour cent à tous les ans. Ce n'est vraiment pas édifiant de s'en prendre ainsi à un groupe de personnes et surtout de diriger ce sale coup contre ceux et celles qui se sont dépensés pour éduquer la jeunesse. Vous conviendrez avec moi qu'éduquer la jeunesse, c'est le meilleur investissement qu'une société puisse faire. Ne serait-il pas dans l'ordre de s'assurer que les gens qui ont donné d'eux-mêmes à cette tâche puissent profiter d'une retraite raisonnable, d'un repos bien mérité en toute quiétude? Ce que vous proposez au contraire est ingrat et indécent. Disons-le clairement, ce n'est pas seulement disgracieux, c'est honteux.

On s'indigne lorsque l'on entend que des personnes crasses ont profité de la vulnérabilité de leurs parents âgés pour les déposséder de leurs biens et pour abuser d'eux. Pourtant, ce que vous proposez de faire ressemble étrangement au scénario que je viens de décrire. De plus, vous le faites à grande échelle, auprès de toute une tranche de retraités et vous le faites sans gêne, au grand jour. C'est tellement honteux que j'en éprouve de la pitié pour vous.

Passons pour un moment du bâton à la carotte; ça sera plus doux, plus paisible et plus édifiant aussi. Peut-être que le gouvernement sera plus sensible à des arguments invitant à l'émulation des temps plus glorieux. Je me suis récemment procuré la biographie de l'honorable Laurent Desjardins habilement écrit par Bernard Bocquel, que je salue au passage. Lui, Laurent Desjardins, le mérite bien le titre d'honorable. Quand on se plonge dans la lecture de ce livre, on revit, entre autres, les beaux moments du tandem Schreyer-Desjardins des années soixante-dix.

Le gouvernement de l'époque, inspiré de ses chefs, a su, par exemple, adopter des mesures réparatrices envers la minorité de langue officielle de la province. Il l'a fait avant même de se faire tirer l'oreille par la Cour suprême du Canada. Ces redressements, le gouvernement Schreyer les a adoptés non pas parce qu'il s'était préalablement engagé à le faire, mais simplement parce que c'était décent, c'était la chose à faire.

La Loi 113 rétablissant le droit à l'enseignement en français à 100 pour cent du temps a été adoptée un peu plus d'un an seulement après l'arrivée au pouvoir du premier gouvernement néo-démocrate du Manitoba. Ça, c'était du savoir-faire; ça, c'était de la grâce; ça, c'était de la classe; ça, c'était de la justice; ça, c'était du respect.

Qu'est-ce qui en est de l'équipe ministérielle actuelle? Je ne saurais prétendre la connaître beaucoup. J'ai une assez bonne opinion du premier ministre Doer, sans le connaître personnellement. Je ne connais pas le ministre de l'Éducation Bjornson à part du fait qu'il s'est mis les pieds dans les plats quelques fois dernièrement, spécialement dans le cas des fermetures d'écoles et plus particulièrement celle de l'École Provencher. Par ailleurs, je crois connaître plutôt bien les ministres Selinger et Lemieux pour qui j'ai énormément de respect. Comment peuvent-ils rester muets dans un cas d'injustice aussi flagrante? Je n'y comprends rien.

S'il s'agit du principe de la solidarité ministérielle, il me semble que celle-ci est étirée au-delà de l'élasticité maximum. La solidarité ministérielle ne doit pas obliger au silence en cas d'injustice et de trahison.

\* (18:40)

Laurent Desjardins ne restait pas muet en telles circonstances. Dans le cas de la prise en charge de l'assurance automobile par le gouvernement, par exemple, les agents privés allaient perdre leurs chemises selon le premier plan avancé par le gouvernement. Laurent Desjardins ne pouvait pas laisser cette injustice se produire. Il s'est battu bec et ongles au sein du caucus contre les Sid Green et les Cy Gonick pour modifier le plan afin que les agents privés soient traités de façon juste et correcte. Schreyer a appuyé Desjardins dans ce bras de fer de manière à ce que toutes les parties impliquées sortent gagnantes. Sid Green, le plus farouche antagoniste de Laurent Desjardins dans cette affaire admet candidement en rétrospective, et c'est indiqué dans le livre de Laurent Desjardins, que la décision poussée par Desjardins avait été la bonne.

Je vais conclure maintenant. J'ai passablement louangé le premier gouvernement néo-démocrate d'Ed Schreyer qui avait gouverné à base de justice et de magnanimité. Le gouvernement néo-démocrate actuel, on ne lui demande pas la magnanimité de l'époque glorieuse des Schreyer et Desjardins. On lui demande simplement de faire preuve de justice.

Merci pour votre attention.

### *Translation*

*Ladies and Gentlemen, thank you for the opportunity to speak to you. Perhaps this will allow us to correct the unfortunate situation in which the Government of Manitoba has gotten itself stuck. I only hope that this exercise is honest, that the government is listening*

*attentively, and that it is open to the idea of resolving the flagrant iniquity to be found in Bill 45.*

*If this exercise is carried out strictly for the sake of form or because it is obligatory, then this is adding insult to injury. Since we are coming close to talking about trickery, what can we say about that infamous plebiscite of last May? That exercise looked strangely like petty, contemptible and shameful machination. We may be getting older but we have not lost all our faculties yet. Don't take us for fools.*

*Let's talk about the problem itself. Clearly the intention of the parties to the original agreement was that retired teachers would benefit from the highest COLA possible, which is 100 percent. To illustrate that this agreement had been made in good faith, the maximum was set at 100 percent, and as a matter of fact, that maximum was granted many times. Overall, the government of the day had established decent provisions in the act. It is those decent provisions that the current government is now proposing to distort. Instead it should change the law to guarantee 100 percent every year. It's really not edifying to go after a group of people like that and particularly to strike this low blow at those who have given of themselves educating our youth. You will agree with me that educating young people is the best investment that a society can make. Wouldn't it be in order to ensure that the people who have given of themselves for this work can benefit from a reasonable retirement, a well-deserved rest in tranquillity? What you are proposing is ungrateful and indecent. Let's put it clearly, not only is it disgraceful, it's shameful.*

*We are indignant when we hear of unscrupulous people taking advantage of the vulnerability of their elderly relatives to dispossess them of their property and abuse them. But what you are proposing to do strangely resembles the scenario that I have just described. Moreover, you are doing it on a large scale to a whole group of retired people and are doing it shamelessly in broad daylight. It is so disgraceful that I feel pity for you.*

*Let's switch a moment from the stick to the carrot; this will be gentler, calmer and more edifying as well. Maybe the government will be more receptive to arguments that invite it to emulate more glorious times. I recently obtained the biography of the honourable Laurent Desjardins, skilfully written by Bernard Bocquel, whom I salute in passing. Laurent Desjardins well deserves the title of honourable. In reading this book you relive, among other things, the*

*great days of the Schreyer-Desjardins duo during the '70s.*

*The government of the day, inspired by its leader, was so enlightened, for example, as to adopt reparatory measures in relation to the official language minority of this province. It did so even before having its ear pulled by the Supreme Court of Canada. This redress was undertaken by the Schreyer government, not because it had previously agreed to do so, but simply because it was right; it was the thing to do.*

*Bill 113, which re-established the right to instruction in French 100 percent of the time was adopted just a little over a year after the arrival of the first NDP government in Manitoba. That was know-how, that was grace, that was class, that was justice, that was respect.*

*What about the current Cabinet team? I can't say that I'm well acquainted with it. I have a fairly good opinion of Premier Doer although I do not know him personally. I do not know the Minister of Education, Mr. Bjornson, except that he has put his foot in it a few times lately, especially over school closures and particularly over the closing of Provencher School. Other than that, I think I know Ministers Selinger and Lemieux rather well and I have enormous respect for them. How can they remain silent in a case of such flagrant injustice? I do not understand.*

*If it's a matter of the principle of ministerial solidarity, I think it's being stretched beyond its maximum elasticity. Ministerial solidarity should not require silence in cases of injustice and betrayal.*

*Laurent Desjardins did not remain silent in such circumstances. With the government takeover of automobile insurance, for example, private agents were going to lose their shirts under the first plan put forward by government. Laurent Desjardins could not allow this injustice to occur. He fought tooth and nail within caucus against the Sid Greens and the Cy Gonicks to have the plan modified so that private agents would be treated fairly and properly. Schreyer supported Desjardins in this arm-wrestling match so that all parties involved came out winners. Sid Green, Laurent Desjardins' fiercest opponent in this, candidly admitted in retrospect, and this is indicated in the Desjardins biography, that the decision promoted by Desjardins was the right one.*

*I will conclude now. I have given considerable praise to the first NDP government of Ed Schreyer, which governed on the basis of justice and magnanimity.*

*From the current NDP government, we're not asking for the magnanimity of the glorious era of Schreyer and Desjardins; we are simply asking that it demonstrate fairness.*

*Thank you for your attention.*

**Mr. Chairperson:** Merci, monsieur.

Questions for the presenter?

**Mr. Schuler:** Merci, Monsieur Legal. We certainly appreciate the fact that you've come to committee and with quite a bit of passion have put forward a really good case for your side. I wrote down a few notes. You talked about is this an honest process; is this committee just being held for form. You talk about the plebiscite being mean and shameful, and you asked, don't make fools of us. That's always a frightening thing when voters come forward and say, don't start making fools of us, because that's a serious threat, and you say about the right thing to do.

Back to the honest process. We're here in the middle of summer, sitting until midnight, three nights in row, swatting mosquitoes. I guess we can all decide if that's an honest process. I spoke to the other presenter, and really this is something that over 25 years politicians of all ages and of all stripes have kind of allowed to happen, all before my showing up here. I'm one of the newer MLAs. But it is probably time for political leadership to stand up and deal with this issue. The Prime Minister, who probably wasn't born when the residency issue happened with the First Nations, got up and apologized for it and has done something.

Could you reflect for us, what do you feel it would take to resolve this issue, that we don't have two wonderful and well-respected professional organizations coming forward and having to plead their case until midnight, night after night after night. What would you like to see?

**Mr. Legal:** Merci. Pour les détails techniques je ne prétends pas être au courant de tout ce tralala. Je m'en remettrai au porte-parole officiel des éducatrices et éducateurs Francophones du Manitoba pour donner ces détails et je ne pense pas que c'est dans le contexte d'audiences publiques que vous aurez forcément ces choses-là. Si j'étais parmi vous à titre de consultant, je vous demanderais de faire venir quelques personnes clefs au-delà de celles qui se présentent volontiers ici pour vous dire précisément quelles sont les attentes. Notamment, s'il y avait une représentation de la Manitoba Teachers' Society et de

RTAM qui inclut les ÉMR, je pense qu'il y aurait moyen d'arriver à quelque chose de raisonnable.

Maintenant ce que je comprends qui rend le reste des choses difficile, c'est que le gouvernement a comme fait un pacte avec la MTS à l'insu de RTAM et des ÉMR, ce qui compliquerait passablement la chose advenant qu'ils voudraient avoir recours à un procédé comme celui que je suggère.

### **Translation**

*When it comes to the technical details, I don't claim to be knowledgeable about all that stuff. I will rely on the official spokesperson for the Francophone educators of Manitoba to provide those details, and I don't think it is in the context of public hearings that you will necessarily get those things. If I were with you as a consultant, I would ask you to bring in a few key people other than those who are coming here voluntarily to tell you exactly what the expectations are. Specifically, if there was representation from the Manitoba Teachers' Society and RTAM, which includes the ÉMR, I think that there would be a way to arrive at something reasonable. But what I understand that makes the rest difficult is that the government has entered into a sort of pact with the MTS without the knowledge of RTAM and the ÉMR, which would definitely complicate things if they wanted to have recourse to a procedure like the one I suggest.*

**Mr. Chairperson:** Merci. Are there any other questions? Seeing none, merci beaucoup, Monsieur Legal.

For committee members, I believe the next out-of-town and Francophone presenter is on page 10, No. 108, Monsieur Guy Gagnon.

Good evening, sir. The committee members have copies of your presentation, so you may begin whenever you like.

**Mr. Guy Gagnon (Private Citizen):** Alors, bonsoir. Permettez-moi tout d'abord de me présenter et de vous donner un aperçu historique de mes expériences professionnelles, afin de vous démontrer ma crédibilité dans la matière concernant le Projet de loi 45 sur les amendements proposés à l'acte des éducateurs et des éducatrices.

Je suis Guy Gagnon, un enseignant nouvellement retraité depuis juin 2007. Je demeure à Sainte-Agathe, une petite communauté francophone, à 40 kilomètres au sud de Winnipeg.

J'ai complété mes études universitaires au Collège de Saint-Boniface ainsi qu'à l'Université du Manitoba. Ma carrière en éducation s'est étendue sur 34 ans; c'est-à-dire de septembre 1973 à juin 2007. J'ai enseigné tous les niveaux de la septième à la douzième année tout d'abord à l'École Précieux-Sang, anciennement du conseil scolaire Norwood et maintenant dans la nouvelle division scolaire Riel comprenant aussi les écoles qui faisaient partie de Saint-Vital et Saint-Boniface.

En 1994, je suis passé à la Division scolaire franco-manitobaine. Ma carrière a continué au Collège Louis-Riel. En 1996, je me suis engagé à venir en aide aux élèves ayant des difficultés académiques mais qui brillaient par leur intelligence mécanique. Mes années passées au Programme alternatif au Collège Louis-Riel et, en 2002, à l'École régionale de Saint-Jean-Baptiste, m'ont été particulièrement enrichissantes.

Mon engagement en éducation ne s'est pas limité à la salle de classe. De 1982 à 1986, j'étais commissaire d'école dans l'ancienne division scolaire francophone de la Rivière Rouge. J'ai témoigné et été impliqué à des changements importants dans le domaine d'éducation durant cette époque, entre autres, l'agencement de la neuvième année au secondaire et l'introduction du système de crédits scolaires que nous connaissons dans nos secondaires aujourd'hui. En plus, les discussions et pourparlers allaient bon train en ce qui concernait l'éventuelle amalgamation des écoles du conseil scolaire Rivière Rouge à la DSFM.

Aujourd'hui, je continue d'œuvrer dans un domaine qui m'a toujours passionné. J'enseigne des cours de francisation à de jeunes parents de familles exogames déterminés d'apprendre le français pour venir en aide à leurs enfants inscrits à l'école franco-manitobaine de Sainte-Agathe.

Donc comme vous pouvez voir, chers membres de ce comité législatif, je possède une expérience adéquate en éducation qui me permet de vous parler et de partager avec vous mes graves préoccupations concernant certaines des recommandations du rapport Sale qui feront partie du Projet de loi 45.

Je passe maintenant à la rentrée en matière. Durant mes 34 années comme enseignant, je me suis toujours engagé, intéressé et impliqué aux affaires de mon association professionnelle, la Manitoba Teachers' Society. Par le biais de mon association locale, initialement la Norwood Teachers' Association et ensuite l'Association des éducateurs et

éducatrices franco-manitobains, l'AÉFM, la préoccupation autant professionnelle que financière et personnelle envers le membership était toujours primordiale.

Je ne peux compter le nombre d'heures personnelles, au loin des membres de ma famille, souvent des réunions qui dépassaient minuit, passées en réunion concernant soit les négociations salariales; les bénéfices marginaux à nos membres; la formation professionnelle; les diverses initiatives parrainées par la Manitoba Teachers' Society, et j'en passe.

En plus, j'ai toujours cru et appuyé à 100 pour cent les recommandations des cadres administratifs de la Manitoba Teachers' Society en ce qui a trait aux augmentations de nos cotisations professionnelles. C'était simple : ces augmentations, comme on a référé tantôt, nous garantissaient un régime de pension suffisant lorsque viendrait le temps de la retraite. Il était entendu que l'indexation en fonction du coût de la vie faisait partie de l'équation afin de s'assurer que mon régime de pension serait protégé des ravages de l'inflation. D'ailleurs, presque 17 pour cent de mes contributions mensuelles, lorsque j'étais enseignant, est allé dans le compte de redressement justement pour nous donner une augmentation en fonction du coût de la vie à chaque année.

\* (18:50)

J'avais connu particulièrement dans les années 1980 des années où l'inflation battait son plein; où les taux hypothécaires moyennaient, comme on s'en souviendra, les 10, 12, 18 pour cent et plus. Mes cotisations augmentaient, mais j'étais confiant que mon avenir financier, une fois à la retraite, serait assuré.

Nous sommes maintenant en 2008. Je suis à la retraite depuis un peu plus d'un an seulement. Et quelle année ai-je connu comme retraité. Imaginez ma stupéfaction de voir et d'entendre ma propre association professionnelle, la MTS, que j'ai appuyé corps et âme pendant 34 ans, en collaboration, en pacte, comme a dit le présentateur juste avant moi, M. Legal, en collaboration avec un gouvernement néo-démocrate que j'ai toujours appuyé politiquement et que je croyais être un allié sans pareil de l'éducation au Manitoba et des éducateurs et éducatrices en particulier. Imaginez ma grande surprise et ma déception de voir et de témoigner ces deux alliés maintenant devenus les durs, les instigateurs d'un mouvement pour nier les bénéfices financiers de 11 000 hommes et femmes qui ont

œuvré en éducation dans cette province une bonne partie sinon toute leur vie professionnelle.

Au début de ce long et ardu processus, récit, je ne pouvais pas croire que mon association agirait de la sorte. D'ailleurs j'ai voté pour l'actuelle présidente de la Manitoba Teachers' Society, Mme Pat Isaak, lorsqu'elle s'est présentée à ce poste, car elle me donnait l'impression d'une personne intègre et juste qui pouvait réconcilier les différends entre individu et organisme. Je croyais aussi que les membres du gouvernement Doer et plus particulièrement le ministre de l'Éducation, M. Peter Bjornson, ancien éducateur lui-même, auraient été plus sensibilisés aux droits et à la sauvegarde économique de Manitobains et Manitobaines ayant œuvré en éducation et qui se sont engagés à la formation académique, personnelle et sociale de notre belle jeunesse manitobaine.

Hélas. Il était évident que les responsables de la MTS et de ce gouvernement n'avaient aucune intention de respecter les droits des ces 11 000 anciennes éducatrices et éducateurs en ce qui concerne la pleine indexation au coût de la vie de leur régime des retraités, un régime, je répète, où chaque enseignant a connu des augmentations substantielles dans ses cotisations dans les années passées afin d'obtenir cette indexation à 100 pour cent.

M. Tim Sale a rédigé son rapport. La grande recommandation : que pour les 10 prochaines années on se limite à une indexation ne dépassant pas les deux tiers du coût de la vie et, bien sûr—

### **Translation**

*Good evening. First, allow me to introduce myself and to give you a brief summary of my professional experience so as to demonstrate my credibility on the topic of Bill 45 amending The Teachers' Pensions Act.*

*My name is Guy Gagnon. I am a teacher, newly retired since June, 2007. I am living in Ste. Agathe, a small Francophone community 40 kilometres south of Winnipeg. I completed my university studies at St. Boniface College and at the University of Manitoba. My career in education spanned 34 years from September, 1973 to June, 2007. I have taught at all levels from grade 7 to grade 12, first at École Précieux-Sang, formerly in the Norwood School Division and now part of the new Riel school division, which also includes schools that were part of St. Vital and St. Boniface.*

*In 1994 I went over to the Division scolaire franco-manitobaine. I continued my career at Collège Louis-Riel. In 1996 I committed to helping students who had academic difficulties but who shone in mechanical ability. The years I spent in the alternative program at Collège Louis-Riel, and in 2002 at the St. Jean Baptiste regional school, were particularly enriching for me.*

*My commitment to education has not been limited to the classroom. From 1982 to 1986 I was a school trustee in the former Red River school division. I witnessed and participated in important changes in the field of education during that time, including the inclusion of grade 9 in the secondary level and the introduction of the academic credits that we now use in our secondary schools. As well, discussions and negotiations concerning the amalgamation of the Red River school division with the DSFM were well underway.*

*Today, I continue to work in a field I have always loved. I teach French to young parents of exogamous families determined to learn French so as to help their children who are enrolled at the Franco-Manitoban school in Ste. Agathe. As you can see, members of the committee, I have sufficient experience in education to speak to you and share with you my serious concerns about some of the recommendations of the Sale report which will be part of Bill 45.*

*I will now get into the subject. During my 34 years of teaching I was always committed to, interested in and involved in the business of my professional association, the Manitoba Teachers' Society. Through my local association, initially the Norwood Teachers' association and then the Association des éducateurs et éducatrices franco-manitobains, the AÉFM, my concern for its membership professionally as well as financially and personally, always was paramount. I cannot count the number of hours of personal time that I spent away from my family in meetings past midnight over salary negotiations, fringe benefits for our members, professional development, and various initiatives sponsored by the Manitoba Teachers' Society and others.*

*Moreover, I always believed in and supported 100 percent recommendations from the MTS administration concerning increases to our contributions. It was simple: those increases, as stated earlier, guaranteed us a sufficient pension at retirement. It was understood that indexation based*

*on the cost of living was part of the equation to ensure that my pension would be protected from the ravages of inflation. Almost 17 percent of my monthly contributions when I was a teacher went to the pension adjustment account, precisely to give us a cost-of-living increase each year.*

*In the 1980s I experienced years where inflation was at its worst, where you'll recall that mortgage rates averaged 10, 12, 18 percent and more. My contributions increased, but I trusted that my financial future, once I retired, would be secure.*

*Now it's 2008. I have been retired for just a little over a year now, and what a year I've had as a retiree. Imagine my shock when I heard and saw my own professional association, the MTS, the association that I supported body and soul for 34 years, in collaboration—in a pact, as Mr. Legal, the speaker before me, put it—with an NDP government that I have also always supported politically and which I thought was an unparalleled ally of education in Manitoba, and of teachers in particular. Imagine my astonishment and my disappointment when I saw those two allies turn tough and become the instigators of a movement to deny financial benefits to 11,000 men and women who worked in education in this province for a good part, if not all, of their professional lives.*

*At the beginning of this long and difficult process, this story, I couldn't believe that my association would act that way. Indeed, I voted for the current president of the MTS, Mrs. Pat Isaak, when she ran for election because I had the impression she was a person of integrity and fairness who could reconcile differences between individuals and the organization. I also thought that the members of the Doer government, and, in particular, the Minister of Education (Mr. Bjornson), who is a former teacher himself, would be more sensitive to the rights and the financial security of Manitobans who worked in the field of education and who committed themselves to the academic, personal and social development of our fine Manitoba youth.*

*Unfortunately, it was obvious that the MTS leadership and this government had no intention of respecting the rights of those 11,000 former teachers concerning the full indexation of their pension plan to the cost of living, a plan, I repeat, for which each teacher made substantial increases in contributions in the past so as to obtain 100 percent indexing.*

*Mr. Sale has written his report. The big recommendation is that for the next 10 years we be*

*limited to indexing that does not go over two-thirds of the cost of living and, of course—*

**Mr. Chairperson:** Monsieur, une minute. [One minute, sir.]

**Mr. Gagnon:** —à condition que les marchés financiers soient suffisamment performants.

Le gouvernement Doer n'a pas le droit moral d'aller de l'avant en donnant suite par le biais du Projet de loi 45 aux recommandations du rapport Sale, particulièrement en ce qui concerne l'indexation.

Autre constatation alarmante : après l'énorme publicité pour inciter les 15 000 enseignants dans les salles de classe présentement, seulement 39 pour cent se sont avérés de leur droit de vote. Pourquoi?

En conclusion, chers membres de ce comité, j'aimerais tout simplement faire la recommandation suivante : laissez tomber en troisième lecture ce Projet de loi 45 qui vise à repousser à jamais une partie importante de la population électorale. Je suis loin d'être expert en ce qui concerne le régime de pension. Il y a plusieurs bonnes recommandations dans le rapport, mais celle sur l'indexation n'est ni juste ni équitable. Une indexation limitée à deux tiers du coût de la vie n'est pas un pas dans la bonne direction.

Et enfin, retournez à la table de discussion et négociez une entente qui est juste pour tous et chacun. Vous le devez aux milliers de femmes et d'hommes qui sont à la retraite et qui ont travaillé tellement envers la jeunesse. Permettez les trois partenaires dans cette discussion, la MTS, la RTAM et la province d'arriver ensemble à des solutions qui seront justes et à long terme. Il n'est pas juste d'exclure 11 000 membres de la Manitoba Teachers' Society qui sont d'anciens éducateurs.

Je tiens enfin à remercier les responsables de ce comité législatif qui m'ont permis de faire ma présentation en français. C'est important et apprécié de tous les membres du chapitre francophone des enseignants à la retraite, les Éducateurs et éducatrices manitobains retraités, les ÉMR.

Merci.

#### **Translation**

*—on condition that the financial markets are performing sufficiently. The Doer government does not have the moral right to implement the*

*recommendations of the Sale report through Bill 45, particularly concerning indexation.*

*Another alarming observation: after the enormous publicity urging the 15,000 teachers currently in the classrooms to vote, only 39 percent availed themselves of their right to vote. Why?*

*In conclusion, members of the committee, I simply would like to make this recommendation: at third reading, abandon Bill 45, which will forever alienate a significant portion of the electorate. I am far from being an expert on pensions. There are several good recommendations in the Sale report, but the one on indexation is neither fair nor equitable.*

*Lastly, go back to the discussion table and negotiate an agreement that is fair to all. You owe this to the thousands of men and women who are retired and who worked tirelessly for young people. Allow the three partners in this discussion, MTS, RTAM and the Province, together to come up with solutions that are fair and that will be for the long term. It is not fair to exclude 11,000 members of the Manitoba Teachers Society who are former teachers.*

*Finally, I want to thank those in charge of this legislative committee who have allowed me to make my presentation in French. It's important and it's appreciated by all the members of the French chapter of the Retired Teachers Association, the ÉMR.*

*Thank you.*

**Mr. Chairperson:** Merci, monsieur. We do have a little bit of time left for questions.

**Mr. Schuler:** Well, thank you very much. Mr. Chairperson, it's not up to you to hand out time; that's by agreement, but I do have some questions and that is my right at committee.

Merci, Monsieur Gagnon, for your time for coming here and certainly a lot of passion. You know what, you leave me a little bit distressed. I mean, I listened to what you had to say and, you know, one of the things you mentioned is the denying of benefits, those who have paid increasing amounts and many other things that you've said and very passionate and with great credibility.

But you do give us sort of that branch of hope when you say, you know, let's put this aside and negotiate a fair approach. Do you feel that is the right way to go and what could you give to the committee that perhaps could encourage members opposite, the

government members, that there is another option of dealing with this? You know, I quoted Winston Churchill who said, it's better to jaw-jaw than war-war. Should we be trying to find some kind of a mediation approach through this rather than the kinds of things that we've been hearing over the last two nights? Can you give us a little bit of reflection?

Again, merci, for your coming out to committee.

**Mr. Gagnon:** Mon seul commentaire serait le suivant, et puis c'est réitérer un peu ce que les gens avant moi ont dit, abandonnons le Projet de loi 45. Retournons à la table de discussion, négocions une entente qui est juste et équitable avec les trois partenaires. Et les trois partenaires c'est L'association des enseignants à la retraite, c'est la Manitoba Teachers' Society et c'est la province du Manitoba par le biais du ministère de l'Éducation, par le biais du ministre de l'Éducation.

Et si ma présentation ce soir en a brassé quelques-uns, tant mieux, c'était ça l'intention.

#### **Translation**

*My only comment would be this, and it reiterates somewhat what other people before me have said. Let's abandon Bill 45. Let's go back to the discussion table and let's negotiate an agreement that will be fair and equitable with all three partners. And the three partners are the Retired Teachers' Association of Manitoba, the Manitoba Teachers' Society and the Province of Manitoba through the Department of Education through the Minister of Education.*

*And if my presentation tonight shook any of you up, well, that's good; that's what I intended.*

**Mr. Lamoureux:** One quick question is that if you were the Minister of Education and you had these two professional organizations at odds, would you still move ahead with the legislation or would you try to force some sort of an agreement before bringing in legislation if you were the minister?

**Mr. Gagnon:** J'ai siégé pendant plusieurs années à un comité de négociation. J'ai siégé à un moment donné à titre de commissaire d'école et j'ai déjà siégé à titre d'éducateur. À chaque fois qu'on se rencontrait pour négocier l'entente salariale, il y avait des différences d'opinion. Il y avait des prises de position qui étaient dures, mais à la fin de la journée on arrivait à des compromis et on arrivait à une entente. J'ose espérer qu'on peut arriver au même genre d'entente en ce qui concerne ce fameux projet de loi.



**Translation**

*I sat for several years on a negotiation committee. At one point I sat as a school trustee and I have also sat as an educator. Each time we met for salary negotiations, there were differences of opinion. Strong positions were taken, but at the end of the day, we came up with compromises and reached an agreement. I dare hope that we can arrive at the same kind of agreement about this bill.*

**Mr. Chairperson:** Seeing no further questions, the committee thanks you for your time.

**Mr. Gagnon:** Merci beaucoup.

\* (19:00)

**Mr. Chairperson:** One quick notice, the translator who is working very hard tonight had kindly offered to translate our English into French for anyone who needed it. I've noticed no one so far has used the device. I'm wondering if perhaps we can ask the translators to provide that service, should anyone request it. They're doing a tough job already tonight.

So the service is available, but we'll just let the translators know we appreciate their efforts. English to French at the moment doesn't seem to be required by the presenters tonight, so we can use that as necessary. Thank you. *[interjection]* They translated that for me, I'm told.

Our next rural and Francophone presenter, No. 109, Denis Clément.

**Mr. Denis Clément (Private Citizen):** Bonsoir.

**Mr. Chairperson:** Bonsoir, monsieur.

**Mr. Clément:** Bonsoir, Monsieur le Président. Bonsoir, membres du comité. Bonsoir, Monsieur le Ministre.

Je voulais dire à la traductrice ou au traducteur qu'à un moment donné je vais peut-être dévier de mon discours. Okay.

Monsieur le Président, membres du comité, je vous remercie à l'avance pour m'avoir permis de faire une présentation devant vous. Si je le fais, c'est avec la conviction que vous prendrez le temps de réfléchir avant de procéder avec le Projet de loi 45.

Je m'appelle Denis Clément, natif d'Aubigny, un petit village au sud de Winnipeg sur les bords de la rivière Rouge. J'y habite depuis bientôt 22 ans. Mon épouse Lorraine et moi avons quatre enfants dont une qui enseigne présentement à l'École Héritage à Saint-Pierre-Jolys.

J'ai complété mes études universitaires au Collège de Saint-Boniface et aussi à l'Université du Manitoba détenant une Maîtrise en administration scolaire. En 1976, après sept années de travail dans le domaine de signalisation pour les chemins de fer nationaux du Canada, je débute ma carrière d'enseignant au secondaire au Collège Saint-Jean-Baptiste.

J'ai occupé une variété de postes dont enseignant au secondaire, conceptualisateur de programmes pour le ministère, directeur de l'école élémentaire de Saint-Pierre-Jolys et directeur adjoint au Collège Louis-Riel pendant neuf ans.

J'ai donné 30 ans de ma vie au service des jeunes et j'en suis très fier. Pendant mes 30 années en éducation, j'ai fait beaucoup de bénévolat. Je fus président de la Société franco-manitobaine en 1988 et 1989 et j'ai travaillé fort pour faire respecter les droits des Franco-Manitobains. D'ailleurs j'ai rencontré ces gens, et je les ai rencontrés pour justement ces droits-là. J'ai même rencontré la personne qui n'est pas encore pendue ici dans cette belle grande salle, okay, pour faire respecter les droits des Franco-Manitobains. Certains ont été très accueillants. Certains autres, pas trop, mais je laisse ça à mon bon collègue Roger Legal d'écrire l'histoire de tout ça.

Je continue. J'ai œuvré aussi 18 ans au sein des caisses populaires du Manitoba et je fus président de la Caisse Provencher qui avait un actif à cette époque-là de 130 millions de dollars. Présentement, je suis président du centre communautaire et culturel d'Aubigny. Ce que je tiens à vous dire, ma communauté, mes gens, je les ai à cœur.

Si je suis ici aujourd'hui, c'est que j'ai toujours lutté pour les conditions de travail qui répondent aux besoins des enseignants et, à mon avis, lorsqu'on parle de retraite, je crois que nos membres sont en droit de se retirer avec dignité, sans avoir à craindre que l'inflation va ronger leurs pensions jusqu'au point d'être proche du seuil de la pauvreté ou même jusqu'à perdre une bonne partie du pouvoir d'achat.

Je me suis impliqué beaucoup au niveau local de la MTS. J'ai siégé au-delà de vingt années, d'ailleurs c'est vingt-trois ans, sur les comités de négociation pour l'Association des enseignants de la Division scolaire de la rivière Rouge et pour l'Association des enseignants et des enseignantes de la Division scolaire franco-manitobaine. Pour ce qui est de la création de la Division scolaire franco-manitobaine, nous avons travaillé à la fusion de neuf ententes

collectives et à la mise en œuvre de la première entente collective pour cette division scolaire.

Alors, si on est capable de fusionner neuf ententes collectives pour une division scolaire, on est capable, sûrement, seulement deux ou trois organismes et le gouvernement, d'en faire autant pour les pensions, à mon avis.

Permettez-moi de souligner que j'ai été président de l'Association des enseignantes et enseignants de la Division scolaire de la rivière Rouge en plus de siéger à divers sous-comités. J'ai participé à certaines activités de la MTS telles les Brandon seminars. Je pense que j'ai passé huit mois de ma vie à Brandon pour ça pendant de nombreuses années pour mieux contribuer au mieux-être de mes collègues. Ce sont d'innombrables heures voire même des semaines et des mois au service gratuit des miens pour que ceux et celles qui sont éducatrices et éducateurs, aient des conditions de travail à la hauteur de cette profession. Alors, la Manitoba Teachers' Society, je la tiens à cœur; et en retour, je m'attends à rien de moins que cet appui de la part de la MTS pour tous ceux et celles qui sont ou seront à la retraite quand c'est ça qu'ils méritent.

Aujourd'hui je continue d'œuvrer dans un domaine qui m'a toujours passionné. Depuis novembre 2006, je suis un commissaire d'école représentant la région sud à la Commission scolaire franco-manitobaine. Encore, je me préoccupe des conditions de tous les intervenants en éducation car c'est seulement en répondant aux besoins de chacune et chacun, que nous pourrons assurer le projet éducatif de nos jeunes.

Donc comme vous pouvez voir, chers membres du comité législatif, je possède une expérience variée en éducation et ce à tous les niveaux, qui me permet de vous parler et de partager avec vous mes graves préoccupations concernant certaines des recommandations du rapport Sale qui feront partie du Projet de loi 45.

Comme éducateur, j'ai toujours cru et appuyé à 100 pour cent les recommandations des cadres administratifs de la MTS en ce qui a trait aux augmentations de nos cotisations professionnelles. Il va de soi que ces augmentations nous garantissaient un régime de pension suffisant lorsque viendrait le temps de la retraite. Nous avons compris que l'indexation en fonction du coût de la vie faisait partie de l'équation afin de s'assurer que mon régime de pension serait protégé des ravages de l'inflation.

D'ailleurs presque 16,6 pour cent de mes contributions mensuelles devait aller dans un compte de redressement justement pour nous donner une augmentation en fonction du coût de la vie à chaque année. Ça c'est vital pour tout régime de pension surtout lorsque le coût de la vie frise les trois pour cent. De fait je crois que le coût de la vie est vraiment supérieur à trois pour cent. Allez à Foodland, allez à Safeway, allez à Super Valu, et puis on dirait que les prix ont augmenté plus que trois pour cent. Je ne le sais pas mais avec 100 \$ tu peux sortir du magasin avec tout dans les deux mains. C'est ça que c'est.

Mais imaginons maintenant un régime de pension ou de rente mensuelle s'il ne tient pas compte du coût de la vie ou en prend compte partiellement. Il n'est pas rare de voir un enseignant à la retraite pour une période de 20 ans et même plus. Selon ce que vous proposez, il serait possible qu'une personne retraitée, même si on lui donne 66 pour cent du coût de la vie, pourrait, selon la situation économique du jour, perdre 10, 20 pour cent ou même beaucoup plus de son pouvoir d'achat. Ça c'est beaucoup, ça. Si quelqu'un vit jusqu'à 95 ans il va falloir manger beaucoup de hot-dog. Cela équivaut à la perte de la qualité de vie pour beaucoup de retraités, des problèmes financiers. Imaginons un régime que vous nous proposez qui paye seulement selon l'habileté du gouvernement à pouvoir payer. Ce projet de loi est fautif à cet égard car il nous propose notre propre perte et vous nous demandez de vous appuyer. C'est un non-sens et nos gens à la retraite ne méritent pas ce traitement.

Je vois d'autres problèmes surgir à cause de ce genre de décision. À long terme, les jeunes dynamiques ne voudront pas se lancer en éducation à cause que l'on peut leur enlever des acquis et ils iront là où il y aura de meilleures perspectives de travail. Les plans de pension représentent un incitatif pour les gens qui se cherchent un travail. D'autre part, les gens vont devoir enseigner plus longtemps, ce qui privera l'entrée dans la profession d'une jeunesse dynamique et enthousiaste. Ce que nous désirons, est un COLA ou une formule très proche à cela et non seulement pour une période de dix ans mais pour la vie des retraités. Je pense que c'est ça qu'on veut. Un COLA pour la vie des retraités parce que moi j'ai l'intention de vivre longtemps encore, mais pas quémander. Je suis à la retraite depuis un peu plus de deux ans.

\* (19:10)

Ce qui m'attriste est de constater que la Manitoba Teachers' Society, l'Association des enseignants et enseignantes francophones du Manitoba et votre gouvernement qui ensemble sont censés défendre les aspirations des enseignants, faites le contraire. Ce que vous nous donnez comme message, c'est merci pour le beau travail, mais à chaque année, vous allez devoir accepter un peu moins. J'aurais compris si les gens qui seraient du patronat ou d'un parti politique de droite avait proposé ce projet de loi. Mais non, les renards sont dans notre poulailler et les renards sont nos propres gens. Souvenez-vous qu'un jour vous aussi serez à la retraite et il se peut qu'on vous coupe ce qu'on vous avait promis.

### **Translation**

*Good evening, Mr. Chairman and members of the committee, Mr. Minister. I wanted to tell the translator that I may deviate from my speech at some point. Okay.*

*Mr. Chairman and members of the committee, first, I thank you for the opportunity to make a presentation before you. I'm doing so with the conviction that you will take the time to think before proceeding with Bill 45.*

*I am Denis Clément. I'm a native of Aubigny, a small town south of Winnipeg on the Red River. I have lived there for nearly 22 years. My wife Lorraine and I have four children, one of whom is currently teaching at École Héritage in St. Pierre Jolys. I completed my university studies at St. Boniface College, also at the University of Manitoba, with a Masters in Educational Administration. In 1976, after working seven years for CN in the area of signals, I began my career as a secondary school teacher at Collège Saint-Jean-Baptiste. I held a variety of positions including secondary school teacher, program designer for the department, principal of the elementary school at St. Pierre Jolys, and vice-principal of Collège Louis-Riel for nine years. I gave 30 years of my life to the service of young people, and I'm very proud of that.*

*During my 30 years in education, I did a great deal of volunteer work. I was the president of the Société franco-manitobaine in 1988 and 1989, and I worked hard to ensure respect for the rights of Franco-Manitobans. I met with these people about those rights. I even met the person whose portrait has not yet been hung here in this big, beautiful room in order to ensure respect for the rights of Franco-Manitobans. Some of these people were very*

*welcoming, others not so much, but I will let my good colleague, Roger Legal, describe the full history of that. I'll continue.*

*I also worked for 18 years with the caisses populaires. I was president of the Provencher caisse which at the time had assets of \$130 million. Currently, I am president of the Aubigny cultural and community centre. I want you to know that my community and my people really matter to me.*

*I'm here today because I've always struggled for working conditions that met the needs of teachers, and, in my opinion, when you talk about retirement, I think that our members are entitled to retire with dignity without having to fear that inflation is going to eat away at their pensions to the point where they're near the poverty line or even to the point where they lose a good portion of their purchasing power. I've participated a lot at the local level with MTS. I sat for over 20 years, 23 years in fact, on negotiation committees for the Red River School Division teachers' association and the Franco-Manitoban School Division teachers' association.*

*With regard to the creation of the Franco-Manitoban School Division, we worked on the merging of nine collective agreements and the implementation of the first collective agreement for that school division. So if it's possible to merge nine collective agreements within one school division, surely we can, with just two or three organizations and the government, do as much in the area of pensions, in my opinion.*

*I might mention that I was president of the Red River School Division teachers' association in addition to sitting on various subcommittees. I participated in certain MTS activities such as the Brandon seminars. I think I spent eight months of my life in Brandon over many years for that to better contribute to the welfare of my colleagues, innumerable hours, even weeks and months of unpaid service so that our educators would have working conditions worthy of this profession. So the Manitoba Teachers' Society matters to me and I expect nothing less than the same level of support from MTS for those who are or will be retired, when that is what they deserve.*

*Today I continue to work in an area that has always been of great interest to me. Since November of 2006, I am a school trustee representing the southern region of the Franco-Manitoban School Board. Once again I am concerned with conditions for all intervenors in education because it is only by meeting the needs of all that we will be able to ensure the education of our young people. So as you*

can see, members of the legislative committee, I have varied education experience at all levels which enables me to speak to you and share with you my serious concerns about certain of the recommendations of the Sale report which will become part of Bill 45.

As an educator, I've always believed in and supported 100 percent the recommendations of the MTS administration concerning increases in our professional contributions. It goes without saying that these increases guaranteed us a sufficient pension when our retirement came. We understood that indexation to the cost of living was part of the equation and this would protect the pension plan from the ravages of inflation. Moreover, about 16.6 percent of my monthly contributions were to go to an adjustment account precisely to give us an increase based on cost of living each year. That is vital for any pension system, especially when the cost of living is going up by around 3 percent. In fact, I believe the cost-of-living increase is actually higher than 3 percent. Go to Foodland, go to Super Valu or Safeway, and it seems prices have risen by more than 3 percent. I don't know, but with \$100, you can leave the store carrying everything in your two hands. That's the way it is.

Now let's imagine a pension system in which monthly payments don't take account of the cost of living or only partially take account of it. It's not unusual to see a teacher who's been retired for 20 years or even longer. Based on what you are proposing, it is possible that the retired person, even if this person receives 66 percent of the cost of living could, depending on the economic situation of the day, lose 10 percent, 20 percent or even much more of his or her buying power. That's a lot. If people live to be 95 years old, they are going to have to eat a lot of hot dogs. This is the equivalent of a loss of quality of life for many retired people, and financial problems.

Let's imagine a system you propose which pays only based on the ability of the government to pay. This bill is faulty in this respect because it proposes our own perdition to us and we are asked to support it. This is nonsense, our retirees do not deserve that treatment. I foresee other problems arising because of this decision. In the long term, young, energetic people are not going to go into education because they can lose what they have gained, and they'll go where the work prospects are better.

Pension plans represent an incentive for people who are looking for work. Also, people are going to have

to teach longer, which will prevent young, dynamic people from entering the profession. What we want is a COLA or a formula that is very similar to that, not just for a period of 10 years but for the lifetime of retirees. I think that's what we want, a COLA for the lifetime of the retired persons because I, personally, intend to live a long time yet, but not to go begging. I have been retired for a little over two years.

It saddens me to see that the Manitoba Teachers' Society, the Francophone teachers' association of Manitoba and your government, which together are supposed to defend the aspirations of teachers, are doing the opposite. The message you are giving us is, thanks for the good work but each year you'll have to accept a little less.

I would have understood if people from management or a right-wing political party had proposed this bill, but, no, the foxes are in our henhouse and the foxes are our own people. Remember, you too will be retired someday and could be cut off from what was promised to you.

**Mr. Chairperson:** Monsieur, une minute. You have one minute.

**Mr. Clément:** Okay.

Pour moi ce n'est pas tellement un problème. Je suis encore en mesure de travailler à MacDo et à A&W ou conduire une machine agricole pour les fermiers du coin pour renflouer mes coffres. Mais vous les présidents de la MTS et des AÉFM et de ce comité, allez-vous pouvoir faire cela et êtes-vous en train de vous organiser pour recevoir plus de pension tout en vous assurant que les retraités actuels en reçoivent moins? Quelle anomalie et quel manque de justice sociale.

Maintenant très brièvement sur les plébiscites. Un plébiscite qui demande à la majorité de voter sur les droits de la minorité est un non-sens, et une injustice sociale et morale. Nous les Francophones du Canada et du Manitoba savons ça et pouvons vous en dire long sur ça.

Maintenant il y a une question qui s'impose et c'est la question suivante, et puis je vais arrêter là. Quelle est la formule qui protège en grande partie les pensions de nos retraités tout en donnant aux gens du gouvernement et de TRAF une certaine flexibilité d'action? C'est ça la question, et je crois qu'il y a une ouverture de la part de RTAM et de votre gouvernement et de MTS pour en arriver à ça.

Merci pour le temps que vous m'avez accordé. Thank you very much. Merci.

**Translation**

*For me this isn't such a problem. I'm still able to work at McDonald's or A&W or drive agricultural machinery to make ends meet, but as for you presidents of MTS and AÉFM and members of this committee, will you be able to do that and are you organizing so as to receive higher pensions while making sure current retirees receive less? What an anomaly and what a lack of social justice.*

*Now, very briefly on plebiscites. A plebiscite that asks the majority to vote on the rights of the minority is meaningless, and is a social and moral injustice. We Francophones of Canada and Manitoba know that and could tell you about it at length.*

*Now, there's one question that must be asked, and then I will stop there. What is the formula that largely protects the pensions of our retirees while providing government and TRAF a certain flexibility of action? That is the question, and I believe there is openness on the part of RTAM, your government and MTS to get there.*

*Thank you for the time that you have given me. Thank you very much. Merci.*

**Mr. Chairperson:** Merci, monsieur.

Questions for the presenter?

**Mr. Schuler:** Yes. Merci, Monsieur Clément—

**Mr. Clément:** Clément. Il y a un erreur sur la feuille. *[There's an error on the sheet.]* There's a typographical error. A lot of people think I'm a former quarterback for the Winnipeg Blue Bombers and things like that, but I'm not that guy. If I was, I wouldn't be here.

**Mr. Schuler:** Thank you for pointing out the typographical error. We apologize for that.

Monsieur, you came up with a term, and we've heard it before, but it's the right one. It's, how does a person retire with dignity? That's, I think, the goal that RTAM and retired teachers are looking for, and you brought up that great analogy.

I mean, sitting on one side are probably some of the brightest, best negotiators. As a former school trustee, I went up against some of the negotiators from MTS, and they're good; they're bright; they're outstanding negotiators, I know, maybe not the individuals there right now. On the retired teachers'

side are probably also individuals that I would have negotiated with, or our board did, and outstanding negotiators. All of you, whether you're active or retired teachers, are our brightest that our province has. So I sit here and I wonder, how have we come to this? We have the best and the brightest, and here we sit, in the middle of summer, till midnight.

Reflect for us. Take a moment and give this committee some of your wisdom and knowledge. Lay it out for us very clearly, and please do it in the language of your heritage, of your background. Please do it in French and with clarity. Give us some of your wisdom where you would like to see this committee go forward, and I look forward to hearing your comments.

**Mr. Clément:** Well, I'm going to say this in one way. I know these people who are here. Many of them I know. And these people, if they've got time, they dedicate many hours to their communities. If you would ask for a show of hands of the people here who do some volunteer work—let's do it. How many of you do?

Now if they don't have to fend for money—

**Mr. Chairperson:** Monsieur, sorry, just for the purposes of *Hansard*, if you could speak into the microphone. Repeat what you were saying; that would be fine.

**Mr. Clément:** I said, please raise your hands, all those who do volunteer work here; please, right now, and I will raise my two hands. People who don't have to fend for their money, this province gets it back a hundredfold. They get it back. So you invest in them; you get it back one way in taxes and things like that. They buy things. You know, it's as simple as that. If people don't have dollars to purchase things, they won't. So what suffers is the economy. The economy, if the wealth is shared, things happen. If it's not, things will not happen. It's as simple as that. Give these people the chance to keep their earning power. They're not asking to become millionaires. They just don't want to be eating wieners and beans three meals a day.

It's not a problem for me. Like I told you, I can drive a combine, I can drive a tractor, I can go work at A&W, I can do contract work, but sooner or later I won't be able to do that because in 20 years from now, and my purchasing power has gone down the tubes, what can I do? Is that clear?

**Mr. Schuler:** Thank you for that incredibly passionate response to my question. Is this a French

community thing? I mean, the passion is just refreshing, by the way. I love it. We certainly appreciate your example today.

You've done negotiations. There's a room full of negotiators. I feel like I'm a minority here, a former school trustee. All of you at some point in time would have been involved in negotiations. Is there not a way to negotiate our way to something that everybody would walk away and feel that they won in this one, that they got something that they were looking for?

**Mr. Clément:** Oui, il s'agit de s'asseoir avec nous et puis avec tous les intervenants, MTS, et le gouvernement parce que le gouvernement joue un rôle important. Ça prend des sous, ça prend des sous. C'est indéniable. Mais comme je vous ai dit toute à l'heure, les sous vont revenir parce que les gens réinvestissent dans la province. Alors moi je crois que si le gouvernement fournit des sous et puis s'il y a de l'imagination de la part de tous nous autres, ont va arriver avec de quoi. Mais seulement que moi je ne siège pas au comité de négo. J'en ai pas toutes les données, alors c'est très difficile pour moi de dire comment vous devez négocier quand je n'ai pas toutes les données.

Mais ça vous demande de vous aider et puis j'en connais des personnes là-dedans très capables d'aider. On va être là et puis on va faire de bonnes suggestions. Et puis on ne veut pas aussi mettre le gouvernement en banqueroute. Je ne pense pas que c'est notre but. Si on met le gouvernement en banqueroute c'est bon à rien non plus.

### **Translation**

*Yes. You need to sit down with us and with all parties concerned, MTS, and the government, because the government plays an important role. It takes money; it takes money. That's undeniable, but as I said before, the money will come back because people reinvest in the province. So I think that if the government provides the money and all the rest of us use some imagination, we will arrive at something. But I don't sit on the negotiation committee. I don't have all the data so it's very difficult for me to say how you should negotiate when I don't have all the data. But you need to help each other; I know people who are very capable at this who can assist you, who will be there to give you good suggestions. And we don't want to bankrupt the government. I don't think that's our goal. Making the government bankrupt will get us nowhere either.*

**Mr. Chairperson:** Merci beaucoup, Mr. Clément.

**Mr. Clément:** Bienvenue.

**Mr. Chairperson:** For the committee's information, for our next presenter we have been informed that speaker No. 22, Jean M. Taillefer, is, in fact, a rural presenter so we will call him up next. So, No. 22, Jean Taillefer.

**Mr. Jean M. Taillefer (Private Citizen):** Merci.

**Mr. Chairperson:** Merci, monsieur. I see you have written copies. Excellent. The staff will distribute that to committee members.

**Mr. Taillefer:** Well, I added a few things.

**Mr. Chairperson:** Thank you very much for that. You may begin.

**Mr. Taillefer:** Okay. Members of the committee, Monsieur le Ministre, collègues, before I get into my presentation, I would just like to have a small preamble.

To place my presentation in context, I would like to indicate that I was a teacher in two school divisions for eight years during the late '60s and early '70s. During this period, I was president of the Seine River Teachers' Association. In 1976, I was hired as a consultant by the Department of Education.

Pendant 25 ans comme fonctionnaire j'ai choisi de continuer à cotiser au plan de pension de TRAF en solidarité avec mes collègues enseignants. Maintenant je me vois pénalisé ainsi que plusieurs collègues du ministère de l'Éducation qui ont pris cette même décision.

En 1978, à l'époque où j'ai fait ce choix, et je dis bien que c'était un choix, on m'a clairement indiqué que la pension TRAF était indexée au coût de la vie et qu'elle le serait à l'avenir. Maintenant pour des raisons administratives, je le dis bien, et politiques, Tim Sale propose de changer les règlements et le gouvernement veut donner suite à ces recommandations malsaines. J'ai un peu honte d'avoir appuyé le gouvernement au pouvoir pendant de nombreuses années. Le changement proposé, je veux vous donner une analogie, le changement proposé est semblable à un arbitre qui dirait aux joueurs à la fin du match de hockey que seulement trois des cinq buts qu'ils ont marqués vont compter parce que les règlements ont été changés durant le match et que maintenant les buts marqués par les défenseurs ne sont plus acceptables. Vous voyez l'absurdité de cette situation. C'est seulement un jeu.

Mais dans le cas de notre pension, des gens ont pris des décisions à portée légale, et je dis bien légale, après avoir reçu de l'information du plan de pension TRAF et de la MTS.

\* (19:20)

Ainsi les changements proposés viennent contredire les déclarations émises par ces deux organismes lorsque j'ai pris ma décision de demeurer avec TRAF plutôt que de choisir le plan du gouvernement manitobain, superannuation. Les propositions inacceptables de Tim Sale, plutôt—excusez, les propositions mettent fin de façon arbitraire à un contrat entre TRAF et moi ainsi que plusieurs autres personnes qui ont continué de payer dans ce plan en solidarité avec leurs confrères enseignants. Si on avait su que le gouvernement manitobain n'avait aucune intention de tenir parole—et je dis gouvernement manitobain, je parle du gouvernement manitobain dans son sens large—n'avait aucune intention de tenir parole, nous aurions sans doute choisi un autre plan de pension. Nous aimerions vérifier nos options légales, mais c'est très coûteux. Nous préférierions que ce gouvernement reprenne ses sens et procède à trouver un moyen de tenir sa parole.

Les seuls résultats, si la trahison se réalise, seraient de voir de nos anciens enseignants vivre dans la misère et aussi de voir plusieurs enseignants à la retraite qui ont appuyé le parti des syndicats dans le passé ne plus le faire à l'avenir.

Rappelez-vous M. Doer et collègues que nous aurons beaucoup plus de temps disponible lors de la prochaine campagne électorale, ayant moins d'argent à dépenser sur des nécessités bien méritées.

Merci beaucoup de votre attention.

### **Translation**

*For 25 years as a civil servant I chose to continue to contribute to the TRAF pension plan in solidarity with my teacher colleagues. Now, I find myself penalized as do a number of my colleagues from the Department of Education who made the same decision as I did.*

*In 1978, at the time when I made that choice—and I am emphasizing that it was a choice—it was clearly indicated to me that the TRAF pension was indexed to the cost of living and would be in the future. Now, for administrative, I emphasize, and political reasons, Tim Sale is proposing to change the rules and the government wants to follow through on these*

*unhealthy recommendations. I am rather ashamed of having supported the government in power for many years. The change that is proposed—and I'd like to provide an analogy—the change proposed is similar to a referee saying to the players at the end of a hockey game that only three of the five goals scored are going to count, because the rules were changed during the game and now the goals scored by the defence will no longer be acceptable. You can see the absurdity of that situation, but that's just a game. In the case of our pension, people made decisions having legal effect, and I'm emphasizing legal, after having received information from the TRAF pension fund and from MTS. So, the changes proposed contradict the statements issued by these two organizations at the time that I made my decision to remain with TRAF rather than choosing the government of Manitoba superannuation fund. The unacceptable proposals by Tim Sale, rather—pardon me, the proposals arbitrarily terminate a contract between TRAF and me and many other people who continued to pay into this plan in solidarity with their teaching colleagues. Had we known that the government of Manitoba had no intention of keeping its word—and I'm referring to the government of Manitoba in the broad sense—had we known that they were not going to keep their word, we would doubtless have chosen another pension plan.*

*We would like to look into our legal options, but that is very expensive. We would prefer that this government return to its senses and proceed to find a way to keep its word. The sole result, if the betrayal occurs, will be that many former teachers will be living in hardship. Also many retired teachers who supported the union party in the past will no longer do so in the future. Remember, Mr. Doer and colleagues, that we are going to have a great deal more free time during the next election campaign, with less money to spend on well-deserved necessities.*

*Thank you very much for listening.*

### **English**

Do you have any questions?

**Mr. Chairperson:** Merci beaucoup, Monsieur Taillefer.

Questions?

**Mr. Schuler:** Merci, Monsieur Taillefer. Interesting analogy with hockey, and then you mentioned: But hockey is a game, this is life. And there is a big

difference between having a hockey goal denied and affecting a lot of lives.

You've said that there has to be a way for government to keep its word. We've heard that quite a bit from a lot of individuals, whether it was tacit or overt or whatever, but it was basically conveyed to them that COLA was there, whether it was the full or a part of, but that there was a certain guarantee. You have a lot of experience. Share some of that experience, perhaps, with this committee, with the minister who's at the head of table. There are senior civil servants here. How would you like to see this proceeded with to get us out of what is clearly a mess? How would you like to see us proceed?

**Mr. Taillefer:** Merci. I just want to say one thing. In my situation, I had a choice. I had a choice, and I made a decision based on information that was given to me, which I feel is the equivalent of a contract. I just wanted to make this thing straight.

The second point: I have also taught at le Collège universitaire de Saint-Boniface, which has a plan which is the University of Manitoba plan. In this case, it's a defined contribution plan. What I find interesting about the defined contribution plan rather than the defined benefit plan is that the moment the employee puts one dollar, the government or the institution or the company puts a dollar, and at the end of my time as an employee, I will get the full amount that I put in, and the company or the government has put in. In the case of this situation, it has not happened. Government has not put a dollar for a dollar. The City has, the government has not. Let me tell you, you want to rectify the situation, start putting a dollar for every dollar that teachers put in their pension fund. Okay? *[interjection]*

**Mr. Chairperson:** Order. I must remind members of the public, passion and freedom of speech is celebrated here. Presenters, however, are the only ones who can present directly to committee. We do not allow applause or booing or any other commentary in the Chamber, and the same rules apply here in committee. I appreciate that not everyone knows that, but for your information we would ask to refrain from that for the rest of this evening.

I have Mr. Borotsik, and then the honourable minister.

**Mr. Borotsik:** Again, thank you for your most passionate speech. I was most interested in your comment, and you touched on it just recently in your

little discussion point. You had a choice between a civil service pension and the TRAF pension. You decided to pay more on an annual basis for the PAA account and you said, and I quote, I think, that you were told that there would be a COLA clause included in that pension. I have a question. Who told you that? Did you have a pension adviser? Did you go to the MTS and have them tell you or was it government at that time?

**Mr. Taillefer:** At that time it was government. It was the human resources people who brought me and told me exactly my options, and it was the human resource people at the Department of Education who gave me the information based on information, no doubt, coming from the MTS and TRAF.

**Mr. Chairperson:** Mr. Borotsik, quickly if you can.

**Mr. Borotsik:** One just supplemental question. Did they suggest at that time that your better alternative would be the full COLA advantage in the TRAF pension or did they give you the choice? Or did they actually sort of guide you towards that COLA pension?

**Mr. Taillefer:** At that time, I was given the highlights of both plans. Superannuation did have certain advantages that TRAF didn't have. For instance, well I won't go into detail, but there were advantages for Superannuation. There were advantages as the COLA clause was one advantage that TRAF had, but I would say they were about equivalent. But most of the teachers, for a number of reasons, like I said, in solidarity with their fellow teachers, also they might be returning to the profession in 10 years so it was easier to stay with TRAF for a number of reasons. But what was clear at that time, we were told, and I'm not the only one because there was at least 20 other people in the Department of Education who chose that, it was clear that the COLA was to be extended until the end of—the lights went out in my case.

**Mr. Chairperson:** Honourable Minister Bjornson, briefly, again, if you can.

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Thank you, Mr. Taillefer, for your presentation.

I just wanted to clarify something when you talked about the fact that government hadn't put in a dollar for every dollar that the pension contributors had put in. Certainly I recall being on the floor of the MTS AGM and advocating for the unfunded liability



to be addressed by government. That was one of the priorities that we had had back in the 1990's that had not been done until we came into government, and we came up with a plan to address that liability. Certainly that was part of our \$1.5 billion in addition to over \$300 million that has already gone into that fund to address that unfunded liability. There was potential for that unfunded liability to go to over \$8 billion with the current amount of retirees and the pension liability that was anticipated. So I just wanted to clarify that. We have indeed been contributing to the pension fund for the main account.

\* (19:30)

**Mr. Chairperson:** Monsieur Taillefer, if you wish.

**Mr. Taillefer:** Oui. Could I just react? I totally agree and I applaud you for that, but what I would suggest is that \$1.5 billion goes directly into the fund and that 16 percent of it go into PAA. Then I would really applaud you tremendously.

**Mr. Chairperson:** Thank you very much, Monsieur Taillefer. Time has expired. Order. Thank you.

By my read of the list, Monsieur Taillefer was the last rural Francophone presenter that we had. I would like to ask the room, though, is there anyone else both wishing to speak in French and from rural Manitoba who has not yet had a chance to do so? Seeing no hands, we will revert to page 1 and begin—*[interjection]* Order. Just for the benefit of all committee members, we have translation involved and side conversations really need to be kept to a minimum tonight, and I think we all know why. We are dealing in two official languages and they each need to be respected. Keep the side conversations to a minimum.

Our next presenter, potentially French and rural Manitoba, or, sorry, in urban Winnipeg now, Norma Lacroix-Gagné. I see you have copies of your presentation. Thank you for that.

Madame Lacroix-Gagné, you may begin when you are ready.

**Ms. Norma Lacroix-Gagné (Éducatrices et Éducateurs manitobains à la retraite):** You'll have to excuse, my voice is not very good tonight.

Monsieur le Ministre, mesdames et messieurs du comité, comme vous voyez, je suis bilingue et ma présentation écrite sous vos yeux est dans les deux langues officielles du Canada et du Manitoba.

J'aimerais d'abord vous parler un peu de ma vie.

J'ai enseigné 23 ans et je suis restée à la maison 14 ans pour mes quatre enfants. Mon mari, Eugène Lacroix, a compris l'importance des REER et, pendant des années, a emprunté l'argent nécessaire pour acheter le maximum des REER permis pour nous deux. Malheureusement, Eugène est décédé avant de pouvoir bénéficier de ses REER. J'en ai hérité et cela me permet aujourd'hui une vie plus confortable dans ma retraite. Croyez-moi que je vivrais une pauvre retraite si je devais me fier seulement sur ma pension d'enseignante.

Je dois ajouter que ce fut une occasion heureuse pour moi quand j'ai rencontré Antoine Gagné, un enseignant à la retraite, lors d'une rencontre de la section francophone de la RTAM. Je suis maintenant présidente de la section francophone de la RTAM, les Éducatrices et Éducateurs manitobains à la retraite, que l'on dit ÉMR. Je représente ce soir les 179 personnes dans notre section, dont 96 sont membres actifs.

Je ne comprends pas, et les enseignants francophones retraités de la section des ÉMR ne comprennent pas, pourquoi vous avez choisi de prendre position contre les éducatrices et éducateurs de cette province, ceux et celles qui ont dédié leur vie à vous et vos enfants, et aux enfants du Manitoba.

Je veux parler ce soir au sujet du plébiscite. Vous savez que seulement 44 pour cent des personnes ont voté. La question se pose : avec une échéance si courte, est-ce que le gouvernement voulait vraiment une réponse honnête à sa question?

Savez-vous que de nombreux enseignants à la retraite n'ont pas reçu un bulletin de vote? Que d'autres enseignants retraités n'ont pas pu retourner leur bulletin de vote, faute de temps? J'en connais qui étaient absents : soit en visite chez des amis; à garder leurs petits-enfants; ou à donner un coup de main dans la famille. Voilà ce que les personnes retraitées font. Comment devaient-ils savoir qu'un plébiscite arriverait dans la boîte à lettres pendant leur absence? Et que l'échéance serait dépassée avant leur retour?

Malgré tout ça, 48 pour cent de tous les votes ont été pour le "Non." Ce qui veut dire qu'un bon nombre d'enseignants actifs ont dû voter non, eux aussi. Imaginez quel aurait été le pourcentage pour le "Non" si tous les enseignants à la retraite avaient eu

la chance de faire compter leur vote. Quel faux pas politique.

Je veux parler aussi du Projet de loi 45, la Loi modifiant la Loi sur la pension de retraite des enseignants. Le paragraphe 10 modifie la description de l'élément I de la formule pour déterminer le redressement de la pension mensuelle. Les calculs seront faits selon deux formules, a) et b), et l'on devra choisir le calcul qui est inférieur, de zéro à 5,33 pour cent, mais sans dépasser les deux tiers de l'indice des prix à la consommation, et cela seulement s'il y a des fonds dans le compte de redressement des pensions.

Le minimum offert est exactement ce que nous recevons depuis quelques années, tel le 0,71 pour cent pour 2008; et le maximum offert est un tiers de moins que ce que la loi actuelle nous permet d'espérer. Oui, vous nous enlevez même l'espoir que notre dollar pourrait maintenir sa valeur.

Le Projet de loi 45 semble nous donner, pour les prochains dix ans, deux tiers de l'augmentation en pourcentage de l'indice canadien des prix à la consommation, mais avec un maximum de 5,33 pour cent. Est-ce que cela nous est garanti? Non. Car le gouvernement se garde le droit de nous donner le minimum de zéro pour cent.

Après 2018, le gouvernement semble offrir aux enseignants retraités, y inclus ceux et celles ici ce soir qui seront encore vivants en dix ans, la pleine augmentation en pourcentage de l'indice canadien des prix à la consommation. Est-ce que cela est une garantie? Encore, non, car le gouvernement continue à se garder le droit de donner le minimum de zéro pour cent.

Dans la section 9 du Projet de loi 45, les paragraphes 49(4) et (5) modifient le financement du compte de redressement des pensions pour que ce compte puisse recevoir de meilleurs taux d'intérêt. Bravo pour cette excellente initiative, car le financement actuel est plutôt piteux. Cela aurait dû être en vigueur depuis longtemps déjà.

C'est dommage que la section 9 détermine aussi que le surplus dans le compte de redressement ne pourra être utilisé pour améliorer notre COLA avant 2018, que ce surplus sera utilisé seulement après 2017. Cela exclut notre génération de ce bénéfice. Pourquoi? Est-ce cela que vous appelez la justice?

Le paragraphe 49(6.1) indique que les intérêts accumulés dans le compte de redressement peuvent être inclus pour déterminer le pourcentage du COLA,

mais toujours selon la formule injuste de zéro à 66 pour cent de l'indice canadien des prix à la consommation du paragraphe 10(7). Je vous demande, si les intérêts le permettent, pourquoi limiter l'augmentation en fonction du coût de la vie à 66 pour cent?

Je veux parler en dernier lieu du paragraphe 52, qui nomme le gouvernement et la MTS comme membres du groupe de travail sur la Caisse de retraite des enseignants. Nous n'y voyons aucune mention de la RTAM. Et pourtant la RTAM, c'est nous, les enseignants à la retraite de notre province. Oui, c'est notre plan de pension et c'est notre argent. C'est nous qui avons travaillé toutes ces années. C'est nous qui avons placé notre argent dans le plan de pension. Pourquoi n'avons-nous pas le droit à une représentation égale dans ce groupe de travail consultatif? Pourquoi ne pouvons-nous pas participer aux décisions prises dans l'administration de notre propre argent?

Si vous étiez dans notre position, est-ce que vous accepteriez ça? N'avez-vous pas honte de nous dicter cela?

\*(19:40)

Pour ajouter l'insulte à l'injustice, vous nous coupez le droit de parole jusqu'en 2018. Et nous qui avons 70 ans ou plus, est-ce que nous serons encore capables de parler en dix ans? Est-ce cela la justice de notre gouvernement?

L'honorable Ministre de l'Éducation (M. Bjornson) dit vouloir améliorer notre plan de pension. Alors, s'il vous plaît, Monsieur le Ministre, nous vous prions de vraiment l'améliorer. Nous vous prions de réfléchir au Projet de loi 45, d'avoir le courage de le réviser et d'y apporter les amendements et les solutions à long terme qui rendront justice aux enseignants. C'est possible, avec cran et bonne volonté, d'en faire un projet de loi qui sera bon pour les enseignants retraités actuels et futurs.

Je vous remercie de votre attention.

### **Translation**

*Mr. Minister, ladies and gentlemen of the committee, as you can see, I am bilingual and my written presentation in front of you is in both official languages of Canada and of Manitoba.*

*I would like to start by talking a little about my life.*

*I taught for 23 years and stayed home for 14 years for my four children. My husband, Eugène Lacroix,*

*understood the importance of RRSPs and for years borrowed the necessary money to buy the maximum RRSP permitted for us both. Unfortunately, Eugène died before being able to benefit from his RRSPs. I inherited them and this allows me a more comfortable retirement today. Believe me, I would be living poorly in retirement if I had to rely only on my teacher's pension.*

*I must add that it was a happy occasion for me when I met Antoine Gagné, a retired teacher, at a meeting of the French chapter of RTAM. I am now president of the French chapter of RTAM. That is the *Éducateurs manitobains à la retraite*, also known as the *ÉMR*, and tonight I represent the 179 persons in our chapter, of whom 96 are active members.*

*I don't understand, and the retired Francophone teachers of the *ÉMR* chapter don't understand, why you have chosen to take a position against the teachers of this province, those who have dedicated their lives to you and your children and to the children of Manitoba.*

*I want to speak tonight about the plebiscite. You know that only 44 percent of the people voted. The question arises, with such a short time frame, did the government really want an honest answer to its question?*

*Did you know that many retired teachers did not receive a ballot and that other retired teachers were not able to return their ballot for lack of time? I know some who were away visiting friends, babysitting their grandchildren, or giving a helping hand in their families. That's what retired people do. How were they to know that a plebiscite would arrive in their mailboxes during their absence and that the deadline would have passed before they returned home?*

*In spite of all that, 48 percent of all votes received said no which means that a good number of active teachers must also have voted no. Imagine what would have been the percentage for the no if all retired teachers had had the chance to have their ballots counted. What a political faux pas.*

*I also want to speak of Bill 45, *The Teachers' Pensions Amendment Act*. Section 10 modifies a description of element 1 in the formula to determine the monthly pension adjustments. The calculations will be done based on two formulas, a and b. The lower calculation must be chosen from zero percent to 5.33 percent, but without going higher than two-thirds of the consumer price index, and then only if*

*there are sufficient funds in the pension adjustment account. The minimum offered is exactly what we have been receiving for a few years such as the 0.71 percent for 2008, and the maximum offered is one-third less than what the current act allows us to hope for. Yes, you are taking away even the hope that our dollar could maintain its value.*

*Bill 45 seems to give us, over the next 10 years, two-thirds of the percentage increase of the Canadian consumer price index but with a maximum of 5.33 percent. Is this guaranteed to us? No, because the government reserves the right to give us the minimum of zero percent.*

*After 2018, the government seems to offer to retired teachers, including those who are here tonight who will still be alive in 10 years, the full percentage increase of the Canadian consumer price index. Is this a guarantee? No, because the government continues to reserve the right to give the minimum of zero percent.*

*In section 9 of Bill 45, subsections 49(4) and (5) modify the financing of the pension adjustment account to enable this account to receive a better rate of interest. Bravo for this excellent initiative as the current method of financing is rather pathetic. This should have been in place a long time ago. It's unfortunate that section 9 also determines that the surplus in the pension adjustment account cannot be used to improve our COLA before 2018, that this surplus will only be used after 2017. This excludes our generation from receiving this benefit. Why? Is this what you call justice?*

*Subsection 49(6.1) indicates that the interest accumulated in the adjustment account may be included to determine the percentage of the COLA, but always according the unfair formula of zero percent to 66 percent of the Canadian consumer price index as in subsection 10(7). I ask you, if the interest permits it, why limit the cost of living increase to 66 percent?*

*Lastly, I want to speak of subsection 52 which names the government and MTS as members of the *Teachers' Pension Task Force*. We see no mention of RTAM, and yet RTAM is we, the retired teachers of our province. Yes, it is our pension plan and it is our money. We are the ones who worked all those years. We are the ones who put our money into the pension plan. Why do we not have the right of equal representation on this task force? Why can we not participate in the decisions taken in the administration of our own money? If you were in our*

*position, would you accept this? Aren't you ashamed to dictate this to us? To add insult to injury, you take away our right to speak until 2018, and for those of us who are 70 years of age and older, will we even be able to speak in 10 years? Is that our government's justice?*

*The honourable Minister of Education (Mr. Bjornson) says his aim is to improve our pension plan. Well, then, sir, we ask you truly to improve it. We ask you to reflect on Bill 45, to have the courage to revise it and bring the amendments and long-term solutions that will render justice to teachers. It is possible, with guts and good will, to make a bill that will be good for current and future retired teachers.*

*I thank you for your attention.*

**Mr. Chairperson:** Merci beaucoup, Madame Lacroix-Gagné.

Questions?

**Mr. Schuler:** Thank you very much, Madame Lacroix-Gagné.

You mentioned in here that we have to have courage to revise Bill 45, and I would certainly hope there would be the courage around this table, as much courage as you have to come to committee and make a presentation. We really appreciate it. You've laid out your presentation in a very credible way, and you've waited a long time and we appreciate that you're here.

You raise a lot of good issues in your presentation. As we go through committee, I'm sure we'll have the opportunity to go through it again. Far be it from someone like myself to correct you, and you mentioned in one of your things what a political mistake in regard to the plebiscite. I would say just what a mistake, never mind political mistake. I mean, what a mistake. Disenfranchising people is always a mistake, whether it's political or otherwise. It was very unfortunate. Again, it was non-binding.

You've had a lot of experience in education. You've had a lot of life experience. Can you give this committee—the minister is here, senior bureaucrats are here, public servants. Can you give us what you would like to see happen after these hearings are done. Share with us where you would like to see us go going forward.

**Ms. Lacroix-Gagné:** I think the important thing is to have courage. I think the important thing is to have an open mind, and for all three parties to take a good

look at this and make sure that it is satisfactory to all three parties.

**Mr. Lamoureux:** First, I must compliment you on your presentation. In 18 years, I don't think I've ever had a presentation where it's transcribed in both English and French, and you even distinguish them in two different colours which made it easy to follow.

Having said that, as the president of the French chapter, you make reference that there's just under 180, 179 members. It's a difficult question, but if you give it your best guesstimate, if you will, in terms of what percentage of that 179 would be your best guess in terms of actually that would have voted. Do you have any sense of what it would have been?

**Ms. Lacroix-Gagné:** This has not been discussed among our members. I do know a number of them have e-mailed me to say, I'm sorry, I was away for two weeks and the whole thing happened while I was gone.

**Mr. Chairperson:** Mr. Lamoureux, a very quick follow-up.

**Mr. Lamoureux:** A quick follow-up. Did you ever have the opportunity to then meet with your membership before the actual people cast their vote?

**Ms. Lacroix-Gagné:** I did not. However, being the Francophone section of RTAM, we are not in one local area like most others, like all the others. We have people all over the province. We communicate, primarily, by Internet, and we have newsletters two, three times a year. Well, actually, it's what I call report from the president. I just communicate with the members to tell them mostly what's happening with us. Whenever there's political action necessary, there's a lot of communication going on. Otherwise, we're a social group and we enjoy each other's company.

**Mr. Borotsik:** A very short question, no preamble. Thank you very much for your presentation, Madame Lacroix-Gagné.

You keep mentioning three organizations: MTS, the government and RTAM. You mentioned in your presentation, you'd like all three organizations to get together and try to work this difficulty out. However, I've been told that MTS actually represents all of the teachers, including the retired teachers. They say that they speak for RTAM. Do you believe that?

**Ms. Lacroix-Gagné:** They like to believe that. Actually, I was an active member of MTS and I was

an active member of the AÉFM, the French section of MTS. I worked on committees. I represented my school, Neil Campbell in River East, at MTS local for quite a few years when I was teaching at Neil Campbell School in the immersion program. It was always interesting. I helped at the AÉFM conferences. I was on that committee. I really felt like I belonged to them. As a matter of fact, this morning, inadvertently, I put on the t-shirt that said AÉFM. I looked, and I said, oh, my goodness. Because we have not heard from these people at all, I don't know where they're at and they don't seem to want to know where we're at.

**Mr. Chairperson:** Thank you for your time with us this evening. Merci beaucoup.

**Ms. Lacroix-Gagné:** Bonsoir.

**Mr. Chairperson:** Bonsoir.

Our next presenter, Francophone No. 21, Antoine Gagné. Is Antoine Gagné here this evening? Do you have—oh, you have written copies. Excellent. Thank you.

Mr. Gagné, you may begin when you are ready.

**Mr. Antoine Gagné (Private Citizen):** Monsieur le Ministre, mesdames et messieurs du comité, bonsoir. Je m'appelle Antoine Gagné, un citoyen du Manitoba. J'ai grandi dans le village de Saint-Georges, vous le connaissez peut-être, sur la rivière Winnipeg, près de Powerview et Pine Falls.

Ma première année d'enseignement à 19 ans fut dans la petite école de Mud Falls avec 18 élèves, de la première à la huitième année. Au fil des années, j'ai étudié pour avoir un Bac es arts à L'Université d'Alberta en 1967 un Bac en éducation au CUSB et une Maîtrise en éducation au CUSB, aussi en 1988. J'ai eu une famille—cinq enfants qui sont maintenant d'excellents citoyens.

J'ai enseigné pour 37 ans. La grande partie de mon enseignement a été dans la Division scolaire de Saint-Boniface, maintenant la Division scolaire de Louis-Riel, en terminant ma carrière dans la DSFM. Par contre, j'ai enseigné 12 ans en dehors du Manitoba : cinq ans dans les Territoires du Nord-Ouest, cinq ans au Sénégal, Afrique de l'Ouest et deux ans à Hong Kong. Ensuite, j'ai contribué une énorme somme pour payer les douze ans de contributions qui manquaient pour combler ma pension. Je suis à la retraite depuis 1995.

*Madam Vice-Chairperson in the Chair*

Je suis ici ce soir pour vous demander comment le gouvernement du Manitoba a pu commettre de si graves erreurs depuis le gouvernement de Ed Schreyer, et quand je suis rentré j'ai bien vu l'honorable Ed Schreyer; et vous demande de donner justice aux enseignants à la retraite.

En 1977, le gouvernement de M. Schreyer nous a donné un bon plan de pension. Depuis lors, le gouvernement et la MTS nous ont assurés que nous avions le meilleur plan de pension possible et que nous aurions une bonne retraite. Pourtant depuis 1995 la valeur d'achat de mon dollar a baissé à 88,9 pour cent. Et le futur, comme vous le savez, ne promet pas de s'améliorer.

\* (19:50)

Quand j'étais enseignant actif, un bon montant de mon salaire mensuel allait vers ma pension. Les rapports et les chiffres me disaient que 16,6 pour cent—et ça je l'ai trouvé dans The Teachers' Pensions Act—de ce montant allait dans un compte de redressement des pensions pour m'assurer une pleine augmentation annuelle selon l'indice canadien des prix à la consommation. Donc, seulement 83,4 pour cent de ma contribution allait vers ma pension de base. J'ai sacrifié ma pension de base pour avoir le bénéfice d'un plein COLA. Ce n'est pas arrivé. Depuis quelques années déjà, je reçois zéro et une fraction en pourcentage de l'indice canadien des prix à la consommation comme augmentation annuelle. Par exemple, cette année j'ai reçu 0,71 de l'IPC, et je continue à vivre avec une pension de base à 83,4 pour cent de mes contributions.

Maintenant j'apprends que le gouvernement veut réduire le maximum possible du COLA de 100 pour cent à 66 pour me mettre en ligne avec les retraités civils. Ne savez-vous pas que les employés civils ont contribué seulement 10,2 pour cent de leur pension vers un compte de redressement des pensions? Ça je l'ai tiré de superannuation report 2008. Ne savez-vous pas que les employés civils ont gardé 89,8 pour cent pour leur pension de base? Comment se fait-il que le compte de redressement des employés civils a les fonds nécessaires pour leur donner une augmentation annuelle de 66 pour cent de l'indice canadien des prix à la consommation?

Alors, Monsieur le Ministre, où est la justice dans tout cela?

Je demande au gouvernement de trouver une solution à long terme au problème du compte de redressement pour assurer un meilleur COLA aux

enseignants à la retraite et aux futurs enseignants à la retraite. Merci.

**Translation**

*Mr. Minister, ladies and gentlemen of the committee, good evening.*

*My name is Antoine Gagné. I am a citizen of Manitoba. I grew up in the village of St. George. Maybe you know that village. It's on the Winnipeg River close to Powerview and Pine Falls.*

*My first year of teaching, at the age of 19, was in the little school at Mud Falls with 18 students from grade one to grade eight. Over the years I studied to get a Bachelor of Arts at the University of Alberta in 1967, a Bachelor of Education at St. Boniface College, then a Master's of Education at St. Boniface College in 1988. I had a family of five children, who are now excellent citizens. I taught for 37 years. The majority of my teaching years were spent in the St. Boniface school division, which is now the Louis Riel School Division. I finished my career with the DSFM. I also taught 12 years outside of Manitoba; five years in the Northwest Territories, five years in Senegal, West Africa, and two years in Hong Kong.*

*Afterwards, I contributed an enormous sum to pay for the 12 years of contributions that were missing to maximize my pension. I have been retired since 1995.*

*I am here tonight to ask you how the government of Manitoba could have made such serious mistakes since the government of Ed Schreyer, and when I came into this room I saw the Honourable Ed Schreyer. I ask you to give justice to the teachers who are retired.*

*In 1977, Mr. Schreyer's government gave us a good pension plan. Since then the government and the MTS have assured us that we had the best pension plan possible and that we would have a good retirement. But since 1995 the purchasing power of my dollar has decreased to 88.9 percent and the future, as you know, does not promise any improvement. When I was a teacher, a good portion of my monthly salary went toward my pension. The reports and the numbers I was given informed me that 16.6 percent of this amount—and I found this in The Teachers' Pensions Act—was going into a pension adjustment account to ensure me a full annual increase based on the Canadian CPI. So only 83.4 percent of my contribution was going toward my basic pension. I sacrificed my basic pension so*

*that I would have the benefit of a full COLA. This did not happen.*

*For some years already, I have received zero and a fraction of the percentage of the CPI as an annual increase. For example, this year I received 0.71 percent of the CPI. I continue to live on a basic pension that is 83.4 percent of my contributions. Now I learn that the government wants to decrease the maximum possible COLA from 100 percent to 66 percent to put me in line with civil service retirees. Do you not know that civil servants only contributed 10.2 percent of their pension toward a pension adjustment account? I got this from the 2008 superannuation report. Do you not know that civil servants retained 89.8 percent for their basic pension? How is it that the civil service pension adjustment account has the necessary funds to give an annual increase of 66 percent of the CPI? Where is the justice in all that, Mr. Minister?*

*I am asking the government to find a long-term solution to the problem with the pension adjustment account in order to ensure a better COLA for retired teachers and future retired teachers. Thank you.*

**Madam Vice-Chairperson:** Thank you.

Questions for the presenter?

**Mr. Schuler:** Thank you very much, Monsieur Gagné, merci.

Again, you raise an issue that I've certainly picked up on, and I know most members of the committee if not all have, and that is sort of the impression that was given to retired teachers. I'm quoting you here: Reports given were to assure me. And I think that's what we are hearing consistently throughout yesterday and today, that there was an assurance given to active teachers at that time that there would be, like you said, one of the best pensions, and that there would be a cost of living.

Now you've heard a lot over the last couple of hours and if you were here yesterday. From your experience, your life experience, you've travelled abroad, you've obviously collected a lot of experience, where do you think we should go from here? You mentioned in your presentation that the minister should be looking for a long-term solution? What would you like to see part of that long-term solution? Give the committee some help.

**Mr. Gagné:** Continue your talks with the three parties. In September, however, something has to happen. You should defeat that, troisième lecture

*[third reading]*. Well, not to lose hope and try to get something that we'll be proud to give our children. Thank you.

**Mr. Borotsik:** A couple of things. You had mentioned, Mr. Gagné, that you had bought back 12 years of your pension at a substantial amount, and I can appreciate that when you are buying back that amount of pension.

When you bought that back, you sat down with advisers. They told you how much it was going to cost to buy back. That gave you some idea as to what your defined benefit would be at the end of your teaching career. When you did that, was COLA ever mentioned? Did they talk about the CPI and the possibility of having a COLA clause at that point?

**Mr. Gagné:** No, that was in 1973 that I bought back and, no, I had no mention of COLA. All I know is that I paid a good amount at the bank for many years.

**Mr. Borotsik:** You mentioned what you would like to see happen is that all three parties, and we continually put RTAM in there as one of the major components which they are; 11,000 retired teachers, in my opinion, is a fairly major component. You would like to sit down and talk about alternatives, as I understand.

One of those alternatives, I assume, is looking at the numbers and looking at what the PAA account is, how much money it's going to generate with respect to the new investment alternatives that you have under this act.

*Mr. Chairperson in the Chair*

Is it your opinion that you and your members of RTAM would consider something less than 100 percent, perhaps a guarantee of something less than that 100 percent?

**Mr. Gagné:** I'm just one member and, personally, 100 percent is what we need. Thank you.

**Mr. Chairperson:** Merci beaucoup.

**Mr. Gagné:** Merci.

**Mr. Chairperson:** Our next presenter, No. 23, Hélène McCarthy. *[interjection]* Could you please just say your name for the record.

**Ms. Lacroix-Gagné:** I'm Norma Lacroix-Gagné. I received a phone call from Hélène just before I left. She said she phoned Rick and she's ill tonight and cannot be here.

**Mr. Chairperson:** Okay. Thank you very much for that. I've been informed by the Clerk we have now written copies for all committee members. Is it the will of the committee to accept this for the official *Hansard* record? *[Agreed]* Thank you very much. Hélène McCarthy's submission will now be considered a written submission and she can be taken from the list.

Number 24, Monsieur Albert Dubé. Albert Dubé? Seeing no one, he will be dropped to the bottom of the list.

Number 29, Denis Bisson. Denis Bisson? Bonsoir, monsieur.

**Mr. Denis Bisson (Private Citizen):** Bonsoir.

**Mr. Chairperson:** Excellent, I see you have written copies. Thank you very much for that. Monsieur Bisson, you may begin when you're ready.

**Mr. Denis Bisson:** Okay.

Chers membres du comité, je vous remercie d'avoir accepté de nous écouter ce soir. Je me présente devant vous ce soir en toute solidarité avec mon association des enseignants et enseignantes à la retraite, la RTAM. Mon épouse et moi, sommes tous les deux à la retraite et sommes membres de RTAM.

Nous sommes d'accord avec plusieurs des recommandations du rapport Sale. Par contre nous ne sommes pas d'accord avec les trois recommandations suivantes :

Premièrement, que nous soyons limités à 67 pour cent du montant du coût de la vie.

Deuxièmement, que les augmentations au coût de la vie seront limitées aux fonds disponibles dans le compte de redressement des pensions.

Troisièmement, que le débat au sujet des fonds disponibles dans le compte de redressement sera impossible pour une période de 10 ans.

Je ne sais pas, j'espère être en aussi bonne santé dans 10 ans que je suis maintenant. Je ne suis pas certain.

Pour ce qui en est du 67 pour cent du coût de la vie, nous avons une entente avec le gouvernement depuis 1977. J'ai entendu d'autres chiffres, en 1975, et puis pour moi c'était en 1977 qu'on a fait un accord qu'on allait donner notre argent. Pourquoi le gouvernement veut-il changer cela sans l'accord des enseignants et enseignantes à la retraite? Est-ce que c'est par peur que les fonds dans le compte de

redressement soient insuffisants? Pourquoi le gouvernement n'ajoute-t-il pas des sommes dans ce compte? Pour le troisième point que j'ai soulevé, nous croyons que 10 ans sans possibilité de retour est très long.

\* (20:00)

Dans le rapport Sale, demandé par le gouvernement, il y a de bonnes recommandations avec lesquelles nous sommes en accord. Que nous puissions bénéficier des intérêts accrus du compte de redressement des pensions est très bien, à notre avis. Nous sommes aussi en accord avec les moyennes de 3 ans des intérêts reçues.

Nous croyons que le gouvernement a déjà fait des pas importants dans la bonne direction de quatre façons : premièrement, en mettant 1,5 milliards dans le fonds de pension; deuxièmement, en augmentant la contribution des enseignants et enseignantes par 1,1 pour cent; troisièmement, en mettant le même montant d'argent que les nouveaux enseignants et nouvelles enseignantes; quatrièmement, en nommant un représentant des enseignants et enseignantes à la retraite au comité de TRAF.

Nous avons confiance que ce gouvernement allait compléter le travail commencé. Manque-t-il de courage afin de bien terminer son travail? Nous ne sommes pas la seule province que a été confrontée avec ce problème. Pourtant, selon notre source d'information, chaque gouvernement provincial a trouvé une solution acceptable. Nous avons un gouvernement qui veut que justice soit faite pour tous les travailleurs et travailleuses.

Nous sommes dans une période de prospérité dans notre pays. Il y a un bon retour pour les investissements, et, entre parenthèses, mon aviseur financier et plusieurs aviseurs financiers disent toujours que la moyenne c'est huit pour cent de rendement, si c'est bien investi.

### **Translation**

*Members of the committee, I want to thank you for agreeing to listen to us tonight. I am here tonight in solidarity with my association of retired teachers, the RTAM. My wife and I are both retired and are members of RTAM. We agree with several of the recommendations of the Sale report, but we are not in agreement with the three following recommendations: first of all, that we be limited to 67 percent of COLA; secondly, that the increases in COLA be limited to funds available in the pension adjustment account; thirdly, that there be no*

*possibility of debate about the funds available in the pension adjustment account for a period of 10 years. I don't know; I really hope to be in as good health in 10 years as I am right now, but that's not certain.*

*But as for the 67 percent of COLA, we had had an agreement with the government since 1977. I have heard other numbers like 1975, but for me it was 1977 when we made an agreement that they would give us the money. Why does the government want to change that without the agreement of the teachers who are retired? Is it out of fear that the funds in the pension adjustment account will be insufficient? Why doesn't the government add money to this account?*

*As for the third point that I raised, we think that 10 years without any possibility of revisiting it is a very long time. In the Sale report requested by the government, there are some very good recommendations and we agree with those. For example, that we be able to benefit from the accrued interest of the pension adjustment account is very good, in our opinion. We also agree with the three-year averaging on interest received.*

*We believe that the government has already taken important steps in the right direction in four respects : First of all, by putting 1.5 billion dollars in the pension fund; secondly, by increasing teachers' contributions by 1.1 percent; thirdly, by putting in the same amount of money as new teachers; fourthly, by appointing a retired teachers representative to the TRAF committee. We were confident that this government would complete the work that had been started. Does it lack the courage to finish the work?*

*We are not the only province that has had to face this problem. However, according to our source of information, each provincial government has found an acceptable solution. We have a government that wants fairness for all workers. We are in a period of prosperity in our country. There's a good return on investments, and by the way, my financial advisor and many other advisors always say that the average return is 8 percent if it's properly invested.*

### **English**

I could repeat that in English because I suppose that's not translated.

**An Honourable Member:** It's translated.

**Mr. Denis Bisson:** Okay.

Il y a eu un bon retour pour les investissements. Pourquoi les enseignants et enseignantes ne peuvent-ils pas bénéficier de cette période de croissance?



Nous croyons qu'il est possible que les changements souhaités par les enseignants et enseignantes soient faites avant que le projet de loi soit présenté en Chambre, en troisième lecture, c'est-à-dire.

Je veux partir d'ici ce soir avec optimisme. J'espère après avoir entendu plusieurs d'entre nous qu'il y aura des changements apportés au Projet de loi 45. Je compte sur vous pour le faire. J'ose espérer que les enseignants et enseignantes pourront trouver un appui des membres de ce gouvernement.

Merci beaucoup.

### **Translation**

*There has been a good return on investments. Why can't the teachers benefit from this period of growth? We believe that it is possible for those changes desired by the teachers to be made before Bill 45 returns to the House for third reading.*

*I want to leave tonight with optimism. I hope that after you have heard many of us, changes will be made to Bill 45. I'm counting on you to do that. I dare hope that teachers will be able to find support from the members of this government.*

*Thank you very much.*

**Mr. Chairperson:** Merci beaucoup, Monsieur Bisson.

Questions?

**Mr. Schuler:** Well, thank you very much, Monsieur Bisson. Merci.

I appreciate the fact that you have come to committee and made the presentation, and you ended off on a very positive note. You said you have optimism. You have optimism that the government will finish the job, and, again, I think it's very clear this is not something that's been created in the last six months or eight years. It's been a wave that's been coming at us for some time and here we are.

I've asked many other presenters and I will ask you this as well. Clearly, there has to be some kind of a negotiation. Clearly, there has to be some kind of a compromise to move forward, or the government can proceed with Bill 45 and chips lay where they may and that's it.

However, if they were to decide to go back and say, okay, listen, maybe there's room for compromise, what would you like to see and how would you suggest the minister and the committee proceed, because eventually we'll go line by line.

There'll be amendments brought forward or whatever.

How would you like to see us proceed, that all parties, professional organization—I've spoken about MTS and, as a trustee, I've negotiated against them. They're magnificent negotiators, as are you. How would you like to see this proceed?

**Mr. Denis Bisson:** Well, I'd like to see 125 percent for the cost of living, but I know that's impossible so I think that I would accept that part, the 100 percent, and then look at what's in the PAA. Is it well invested? I'd heard five years ago a member of TRAF say, we're heading for trouble, five years ago approximately. I don't know if I should mention the name but maybe I should. I think Tom Ulrich had said—I think it's five years—that the PAA account was in trouble.

If the negotiations haven't happened yet, they should happen before the third reading. The three have to get together in my opinion; otherwise, 10 years, a lot of us will not be here, as other members mentioned, or it will be impossible for us to sit down and discuss this.

**Mr. Chairperson:** Seeing no further questions, the committee thanks you for your presentation. Merci beaucoup.

The next name we call is No. 35, Albert Vermette. Is Albert Vermette here this evening? Seeing no one, his name will be dropped to the bottom of the list.

The ensuing name, No. 62, Denise Girouard. Denise Girouard. I hope I'm pronouncing that almost correctly. No one here. All right, they're on the list, they've just been dropped to the bottom.

Number 67, Lucien Loh. Bonsoir, monsieur. Thank you for the written copies of your presentation. Monsieur Loh, you may begin when you're ready.

**Mr. Lucien Loh (Private Citizen):** Monsieur le Président, mesdames et messieurs.

Je prends la liberté de désapprouver le Projet de loi 45, car je m'inquiète du pouvoir d'achat de ma pension. Le projet de loi limite, pendant 10 ans, 10 longues années, l'augmentation de notre pension à un maximum de deux tiers de l'augmentation du coût de la vie. Cette limitation n'est pas équitable. Car, en 1977, la province du Manitoba et MTS étaient d'accord, après de longues négociations, à une

majoration jusqu'à un maximum de 100 pour cent en fonction du coût de la vie. Suite à cet accord, nous, les enseignants, avons contribué à cette fin plus que les fonctionnaires. Les fonctionnaires ont contribué 10,2 pour cent de leur pension envers l'augmentation du coût de la vie, mais les enseignants ont contribué 16,6 pour cent de leur pension. En vertu de cet accord et de cette plus grande contribution de notre part, nous devrions recevoir jusqu'à 100 pour cent de l'augmentation du coût de la vie.

La pension du Canada et la pension de vieillesse sont plus généreuses. Si l'on peut être généreux à l'échelon fédéral, j'espère qu'à l'échelon provincial, on puisse l'être pareillement.

Le soutien pour le plébiscite est de 52 pour cent pour le oui et 48 pour cent pour le non. La victoire des votes en faveur est donc bien douteuse.

\* (20:10)

Le Projet de loi 45 impose un moratoire de 10 ans pendant lequel on ne peut plus revenir sur cette question. Au début des années 1980, le taux de l'inflation était de 12 pour cent et plus. À ce moment-là je payais l'hypothèque à 20 pour cent. Je venais d'acheter une maison à ce moment-là. Si l'on perd un tiers chaque année, on perd beaucoup en 10 ans. En plus, moi, je suis un octogénaire. Il y a beaucoup d'enseignants retraités qui sont de cet âge ou même plus. Cela veut dire que durant notre vie nous ne pourrions plus discuter à nouveau cette question.

En vue des raisons que je viens de mentionner, je me permets d'appuyer, non pas le Projet de loi 45, mais la position qu'a prise l'association des enseignants à la retraite du Manitoba, Monsieur le Président.

### **Translation**

*Mr. Chairman, ladies and gentlemen, I am taking the liberty of disapproving of Bill 45 because I'm concerned over the purchasing power of my pension. The bill limits for a 10-year period, 10 long years, the increase of our pensions to a maximum of two-thirds of the increase in the cost of living. That limitation is not fair, for in 1977, the province of Manitoba and MTS agreed after lengthy negotiations on an adjustment up to a maximum of 100 percent of the increase in the cost of living.*

*As a result of that agreement, we teachers contributed to that end more than civil servants did.*

*Civil servants contributed 10.2 percent of their pension toward the cost-of-living increase, but teachers contributed 16.6 percent of their pension. Under that agreement and due to this higher contribution on our part, we should receive up to 100 percent of the cost-of-living increase. Canada Pension and the old age pension are more generous. If it's possible to be generous at the federal level, I hope that it also is at the provincial level. Support for the plebiscite is 52 percent in favour and 48 percent against. The victory of the votes in favour is therefore quite questionable. Bill 45 imposes a 10-year moratorium, during which time this issue cannot be revisited.*

*At the beginning of the 1980s, the rate of inflation was 12 percent and more. At that time, I was paying a mortgage of 20 percent. I had just bought a house at that time. If we lose one-third each year, we lose a great deal over 10 years. Moreover, I am an octogenarian. There are many retired teachers who are that age or even older, which means that during our lifetimes, we will no longer be able to discuss this question again.*

*In the light of the reasons that I have just mentioned, I will support not Bill 45, but rather the position that has been taken by the Retired Teachers' Association of Manitoba, Mr. Chairman.*

**Mr. Chairperson:** Merci beaucoup, Monsieur Loh.

**Mr. Schuler:** Merci, Monsieur Loh, and we appreciate the fact that you took the time to come out and present to committee and you kept yourself very succinct.

I want to focus on the 10-year moratorium. There seems to have been a lot of discussion, and it's probably one of the areas that I haven't focussed on because I felt there were other areas to focus on. Why do you think the government would put a moratorium? And, just for the record, if the government in two years wants to go back, the government just has to change the legislation and we can go back and talk about it. The government has the right to reverse itself. So it's not as if this is then cast in stone and God puts a seal on it and then for 10 years nothing can be done. The government can deal with it, but why do you think the government put a 10-year moratorium on?

**Mr. Loh:** Il ne faut pas me le demander. Il faut le demander au gouvernement. C'est le gouvernement qui a imposé 10 ans. Ce n'est pas moi.

**Translation**

*You shouldn't ask me that. You need to ask the government that. It is the government that imposed the 10 years, not I.*

**Mr. Schuler:** Well, the problem is they just won't answer any of the questions. So I have no choice but to ask you, see? We're sort of like in a quandary here. I mean, I'm just basically asking you to reflect if you would have some idea why you would think—I mean, they're certainly not telling us why. What do you think might have precipitated them putting a 10-year moratorium on discussing it?

**Mr. Loh:** Encore je répète, il faut demander au gouvernement. Je ne sais pas pourquoi le gouvernement a imposé 10 ans de moratoire.

Est-ce que j'ai répondu à votre question, monsieur?

**Translation**

*Once again, I repeat, you need to ask the government. I don't know why the government has imposed 10 years of moratorium.*

*Have I answered your question, sir?*

**Mr. Schuler:** It's almost like sitting in committee with the minister. Thank you. Merci.

**Mr. Loh:** Merci beaucoup, monsieur.

**Mr. Chairperson:** Merci beaucoup, monsieur. Bonsoir.

Our next presenter, No. 75, Patricia Dubé. Patricia Dubé, here this evening? Seeing no one, she will be dropped to the bottom of the list.

Our next Francophone potential presenter, No. 77, Alfred Phaneuf. Bonsoir, monsieur.

**Mr. Alfred Phaneuf (Private Citizen):** Bonsoir.

**Mr. Chairperson:** I understand we have written copies of your presentation, so you may begin.

**Mr. Phaneuf:** Merci.

Chers membres du comité, je viens par la présente m'inscrire en toute solidarité avec les nombreux enseignants et enseignantes manitobains à la retraite qui sont en désaccord avec la loi 45 et qui appuient avec ferveur les membres du comité du RTAM.

Maintenant que vous connaissez ma position, permettez-moi de me présenter. J'ai dédié 32 années de ma vie à une profession dévouée à l'apprentissage de nos enfants et de nos jeunes adultes. Comme enseignant, j'ai eu l'occasion d'enseigner les enfants de la quatrième année jusqu'au Secondaire 4. J'ai vécu l'expérience des jeunes en difficulté comme orthopédagogue, conseiller en orientation, enseignant dans une classe avec des élèves en difficulté d'apprentissage. J'ai aussi passé du temps dans l'administration comme directeur d'une école rurale de la maternelle à la huitième année, coordinateur des services spéciaux, directeur général adjoint du personnel divisionnaire et directeur général adjoint responsable pour les programmes spéciaux. J'ai aussi enseigné des cours de psychologie d'apprentissage aux étudiants du Collège universitaire de Saint-Boniface. Maintenant je suis à la retraite et je reçois ma pension de TRAF.

Comme vous le savez, dans l'administration il y a un certain montant de politique et des décisions à prendre qui vont avoir un effet sur plusieurs personnes, surtout au temps des budgets. Mais nos décisions comme administrateurs avaient toujours à cœur le bien-être de nos enfants et pour cette raison je vous implore d'avoir à cœur le bien-être des enseignants à la retraite et de ne pas appuyer la position du gouvernement.

Nous étions un groupe dévoué et maintenant avec la loi, la possibilité de la loi 45, nous serons un groupe défavorisé. Pouvez-vous me dire qui, avec deux cents de bon sens, acceptera un contrat de dix ans avec la clause : Je te payerai deux tiers de ton salaire si j'ai l'argent. Voici ce que la loi 45 nous propose. Pendant des années, 16,6 pour cent des contributions mensuelles pour notre pension est allé dans le compte de redressement PAA spécifiquement pour nous donner l'augmentation en fonction du coût de la vie à chaque année. Vous défalquez sur le montant à payer. Ne pas recevoir notre juste part est injuste et peut-être même un vol. Vous devez protéger notre COLA.

Voici d'autres raisons pour appuyer notre COLA :

Il faut suivre l'indice canadien des prix à la consommation. Sans cette augmentation notre pension est en déficit. Regardez le prix d'essence qui affecte tous les produits et les activités ayant du transport.

Le COLA des Manitobains en comparaison avec le restant du pays est au fond du paquet.

Il y a la question de justesse et morale en ce qui concerne les règles du jeu. Une entente est une entente.

Le rapport Sale qui fait un effort pour résoudre la situation du gouvernement n'adresse pas les besoins des enseignants à la retraite. Le manque d'action par le gouvernement qui était conscient du problème, aussi l'absence d'une garantie de bénéfices pour le futur ne reconnaît pas que les enseignants ont payé pour ce bénéfice et n'ont rien reçu.

Le plébiscite sur la loi 45 indique que 48 pour cent n'étaient pas d'accord.

Vous êtes, chers membres du comité, un groupe de la population qui a gagné. Ceux qui gagnent savent qu'ils ne sont pas infaillibles. Ils assument leurs faiblesses tout en tirant profit de leurs forces. Faiblesse est pour un appui à la loi 45 et la force c'est d'être contre la loi 45.

Nous voulons une solution juste et équitable pour les enseignants à la retraite.

Je vous remercie pour le temps que vous m'avez accordé et j'espère que vous pouvez donner une suite favorable à nos demandes.

### **Translation**

*Thank you.*

*Members of the committee, I am here to register my total solidarity with the many retired Manitoba teachers who disagree with Bill 45 and who fervently support the members of the RTAM committee.*

*Now that you know my position, allow me to introduce myself. I dedicated 32 years of my life to a profession devoted to teaching our children and young adults. As a teacher, I had occasion to teach children from grade four to senior four. I experienced young people in difficulties as a reading clinician, guidance counsellor, and classroom teacher of students with learning difficulties. I also spent time in administration as a principal of a rural K to 8 school, co-ordinator of special services, assistant executive director of divisional personnel, and assistant executive director responsible for special programs. I also taught psychology of learning courses to students of the Collège universitaire de Saint-Boniface. Now, I am retired and I am receiving my pension from TRAF.*

*As you know, in administration there is a certain amount of politics and decisions to be made that will affect many people, particularly at the time of*

*budgets. Our decisions as administrators always were concerned with the well-being of our children, and for that reason I implore you to have at heart the well-being of retired teachers and not to support the position of government.*

*We were a dedicated group, and now with the possibility of Bill 45, we will become a disadvantaged group. Can you tell me who, with two grains of sense, would accept a 10-year contract with a clause saying, I will pay you two-thirds of your salary if I have the money. That's what Bill 45 is proposing to us. For years, 16.6 percent of our monthly contributions for our pension went to the pension adjustment account, specifically to give us the annual cost-of-living increase. You are defaulting on the amount to be paid. Not to receive our fair share is unjust and, perhaps, even theft. You must protect our COLA.*

*Here are other reasons to support our COLA. We need to follow the Canadian Consumer Price Index. Without this increase, our pension is in a deficit. Look at the price of gasoline, which is affecting all products and activities involving transportation. Manitobans' COLA, in comparison with that of the rest of the country, is at the bottom of the heap. There is a question of justice and morality with regard to the rules of the game. An agreement is an agreement.*

*The Sale report, which makes an effort to resolve the situation of the government, does not address the needs of retired teachers. The lack of action by a government that was aware of the problem, and the absence of a guarantee of benefits for the future, doesn't recognize that the teachers paid for this benefit and have received nothing for it.*

*The plebiscite on Bill 45 indicates that 48 percent did not agree. You the members of this committee, are a group of the population that won. Those who win know that they are not infallible. They accept their weaknesses while taking advantage of their strengths. Weakness is a vote to support Bill 45 and strength lies in voting against Bill 45. We want a fair and equitable solution for retired teachers.*

*I thank you for the time that you have given me and I hope that you can deal favourably with my request.*

**Mr. Chairperson:** Merci beaucoup, Mr. Phaneuf.

Questions?

**Mr. Schuler:** Yes, and merci, Monsieur Phaneuf, for coming to committee and making your presentation.

We appreciate it very much. You made some interesting quotes. I love quoting back things to people after they've said them. You went from devoted to disadvantaged, and that's quite a statement to make for individuals who have served our families and our communities, have made Manitoba and, in fact, Canada as strong as it is through education, and to go from devoted to disadvantaged is quite a statement.

You also focus in on the 10 years, and it was quite well put that nobody with two grains of intelligence—of good sense, two grains of good sense would accept a 10-year deal that says, perhaps, maybe, sort of, we'll give you between zero and two-thirds cost of living.

Reflect for us on this. Clearly, it's something that's been coming up a lot in presentations. I asked the other gentleman, but what would be the rationale for putting in a 10-year agreement? I'm not asking you to act like the minister. I'm just asking you for your professional advice. Why, possibly, would a government put a 10-year moratorium on and somehow expect that everybody would accept it?

\* (20:20)

It's something that I've been grappling with right from day one and it seems to be something that comes up over and over again. I'm just asking you for a reflection on it, and maybe you can enlighten the committee on why you think the government would have gone there.

**Mr. Phaneuf:** As I mentioned, a person with not too much capacities could not understand the reason for 10 years and two-thirds of the wages for—only if they had the money. I don't understand the reason for it either. I couldn't elaborate more than that. What we're looking for is a real COLA, not the diet COLA.

**Mr. Schuler:** You've heard a lot of the questions that I've asked you for a lot of the answers, where should we be going from here? Like, where do we go forward from here? I've been in a lot of committees and I've actually seen ministers stop committee, and anytime the minister wants a recess, we'd be prepared to give it. By the way, as the opposition, we'd give a 15, 20, two-hour recess. I've actually seen ministers and their staff go out with groups and settle an issue that had to be settled so that this kind of stuff wouldn't happen at committee.

What would you like to see going forward? How are we going to deal with this on a go-forward basis?

**Mr. Phaneuf:** Well, I hope the three members, MTS, government and the RTAM could meet and go over the Sale report because I believe there are some good points in the Sale report. It's just to review the parts that don't make sense for the people that are retired and that will be retiring. So, hopefully, they can negotiate together and review the report and make some drastic changes on the clauses that we do not agree with.

**Mr. Chairperson:** Merci beaucoup.

Oh, Mr. Borotsik?

**Mr. Borotsik:** I wasn't going to, Mr. Chairman, but I couldn't pass this up. My colleague keeps asking the question as to why 10 years? As I understand, if there's a surplus in the PAA account over the next 10 years, that surplus stays there, and then in 10 years the account will be reviewed to see at that time what level of COLA would be paid out. So I would suggest that this is looking down the road for younger, current teachers that are already in the system, that perhaps they would receive the full COLA at that time. If that is the case— and I don't know because, as my colleague from Springfield has suggested, we're not getting all of the answers from the minister—do you think that, in fact, is fair, that those teachers now receiving pension are going to do so at a detriment to look after, perhaps, others that come after you?

**Mr. Phaneuf:** I believe what should be fair is for all teachers that are retired and that will be retiring to receive the full COLA starting immediately and in 10 years time also.

**Mr. Chairperson:** Merci beaucoup.

**Mr. Phaneuf:** Thank you.

**Mr. Chairperson:** Bonsoir.

Our next presenter and potentially our last Francophone presenter tonight, Raymond Bisson. Just before Monsieur Bisson begins, if there is anyone else who would like to present en français, please indicate so to our staff at the front of the room.

Do you have copies of your presentation? Excellent. Monsieur, you may begin when you are ready.

**Mr. Raymond Bisson (Private Citizen):** Honorable ministre, Monsieur le Président, membres du comité, chers collègues.

Je vais vous faire grâce de mes antécédents sauf pour vous dire que j'ai œuvré durant de nombreuses années en éducation dans plusieurs postes, soit comme enseignant, comme conseiller en orientation au ministère de l'Éducation, à la direction d'école et aussi à titre de directeur général de deux divisions scolaires. J'ai aussi eu l'occasion de travailler en Europe pendant trois ans comme représentant d'une division scolaire ici avec le ministère de la Défense Nationale, et je crois qu'au niveau de ma participation à la communauté franco-manitobaine, j'ai tenté d'y accorder le mieux que j'avais. J'ai été très impliqué. Je me suis même lancé au niveau national pour développer, faciliter le développement de la francophonie au niveau national.

Un dernier brin d'information—

### **Translation**

*Honourable Minister, Mr. Chairman, members of the committee, dear colleagues, I will spare you the details of my background except to tell you that I worked many years in education in several positions: as a teacher, a learning consultant with the Department of Education, a school principal, and also as the superintendent of two school divisions. I also had the opportunity to work in Europe for three years as a representative of a school division here with the Department of National Defence, and I believe that when it came to participation in the Francophone community of Manitoba, I tried to give the best that I could. I was very involved. I even contributed at the national level to facilitating the development of Francophonie nationally.*

*A last bit of information—*

### **English**

—just a little bit of information to keep you awake tonight wondering where I really come from, where I was born, and that's to keep you awake after midnight, not before. I was born in Dunrea, Manitoba. Some of you may not know where that is.

Membres du comité, je me présente devant votre comité pour exprimer mon opposition au Projet de loi 45 de la province du Manitoba. Il serait redondant pour moi d'intervenir au sujet de l'historique et du manque de respect de la part des gouvernements antécédents et du présent quant aux intentions premières du bien-fondé d'un projet de loi visant à accorder un régime de pension approprié à un groupe de professionnels enseignants. N'oublions pas que ce manque de respect et d'intégrité de la part des gouvernements date d'au-delà d'une trentaine

d'années, et que les retraités ont subi un manque à gagner pour ce même nombre d'années.

Mes interventions sont fondées sur deux principes fondamentaux, dont la justice et le respect, des principes largement énoncés par les gouvernements de nos jours, des principes avec lesquels les gouvernements de notre province auraient dû et auraient pu être les chefs de file à respecter, à administrer et surtout à poser les gestes nécessaires pour que cette entente édictée par la loi législative de l'époque puisse bénéficier la clientèle visée et non le groupe redevable, soit les gouvernements de la province.

Il est de toute évidence que, par des truchements législatifs et administratifs, les intentions fondamentales et premières du projet de loi ont été écartées au bénéfice des fonds de réserve des gouvernements. Pour leur part, les retraités, c'est-à-dire les contribuables, ont été la cible de cette injustice, habilement répartie sur nombre d'années afin que les gouvernements n'assument aucunement leur pleine juste part et qu'un plan de pension diminué soit et demeure le fardeau des retraités. Les chiffres rendent justice à mes revendications.

Mes attentes de votre comité sont de taille. Votre responsabilité est sans équivoque. Il incombe de faire les recommandations au gouvernement dans un esprit de justesse et de justice, et ce, à la lumière des faits de nos revendications et face à l'impasse créée par un sondage non concluant, qui, pour toutes fins pratiques, vient brouiller l'évidence des faits. Vos recommandations suite à nos interventions peuvent servir à établir cet équilibre pour la mise en œuvre d'un régime d'allocation du coût de la vie, respectueux et conforme aux intentions premières et ainsi apporter un ordre de parité avec les diverses ententes collectives en cours du gouvernement provincial.

Le gouvernement provincial, pour sa part, a une responsabilité encore supérieure afin d'être à la hauteur de sa tâche en ce qui concerne le respect de l'entente. Si injustice a eu lieu, il lui incombe d'apporter les rectifications nécessaires et d'offrir pleine transparence dans un esprit de justesse et de respect.

Les enseignants retraités, pour leur part, ont respecté leurs obligations vis-à-vis les responsabilités exigées par leur profession choisie. Ils et elles se sont très bien acquittés de leurs devoirs de formation de la jeunesse au cours des décennies. De plus, ils ont respecté la conclusion législative de l'entente

touchant le régime de pension en y apportant leur contribution financière tel qu'établi dès le départ. Le moindre que l'on puisse s'attendre de nos représentants élus d'aujourd'hui est de respecter les ententes conclues.

\* (20:30)

En sommaire, je me permets de dire que le gouvernement d'aujourd'hui maintient son imputabilité et sa crédibilité jusqu'au moment où il refuse de reconnaître et de corriger ses propres injustices.

Mesdames et messieurs, je vous remercie d'avoir écouté mes commentaires.

### **Translation**

*Members of the committee, I am here before you to express my opposition to Bill 45 of the province of Manitoba. It would be redundant for me to intervene on the history and the lack of respect on the part of former governments and of the present one regarding the original intention of a bill whose aim was to give an appropriate pension plan to a group of professional teachers.*

*Let's not forget that this lack of respect and integrity on the part of governments goes back more than 30 years and retirees have been subjected to a shortfall for as many years. My interventions are based on two fundamental principles, those of justice and respect.*

*Those principles are widely invoked by governments these days, principles on which the government of our province could and should have been leaders by respecting them, administering them and, above all, taking the action needed so that this agreement enacted into the law at the time could benefit the targeted clientele and not those who are accountable, that is the government of the province. Obviously, through legislative and administrative means, the original intent of the bill has been set aside for the benefit of government reserve funds.*

*For their part, retirees, that is to say taxpayers, have been the target of this injustice, cunningly spread over many years so that no government had to assume its fair share and so that a diminished pension plan would become and would remain the retirees' burden. The figures clearly support what I'm saying.*

*I expect a good deal of your committee. Your responsibility is unequivocal. It is up to you to provide recommendations to the government in a*

*spirit of fairness and justice in the light of the facts of our claims in the face of the impasse created by an inconclusive survey that for all practical purposes has clouded the factual evidence.*

*Following our interventions, your recommendations can serve to establish a balance for the implementation of a COLA that respects and conforms to the original intentions and brings about parity with the various collective agreements that are in effect within the provincial government. The provincial government, for its part, has a still greater responsibility when it comes to respecting the agreement. If an injustice occurred, the government must take the necessary corrective measures and provide full transparency in a spirit of fairness and respect.*

*Retired teachers have respected the obligations imposed by their chosen profession. They have carried out their duty to train youth over the past decades very well. They have also respected the conclusion of the pension plan agreement by paying their financial contribution as established at the outset. The least we can expect of our elected representatives today is that they respect those agreements.*

*In summary, I want to say that today's government maintains its accountability and its credibility up to the moment when it refuses to recognize and to correct its own injustices. Ladies and gentlemen, thank you for listening to my comments.*

**Mr. Chairperson:** Merci beaucoup, Monsieur Bisson.

Questions.

**Mr. Schuler:** Monsieur Bisson, merci, for taking the time in coming out and making a presentation to this committee. You raise a lot of very important points, and I have to say, you know, I've listened to you and so many of the others over last night and today, and I'm actually humbled at the kind of stature of individual that's come forward. We have individuals that have taught internationally, that have had impact on lives around the world, and come here. You made it very clear. It's about showing respect. I'm going to ask you one question, and I'd like to ask a second one. I take it from what you've seen so far, whether it's in the legislation, plebiscite, the discussions that have taken place that up until now, none of that has shown you or what you believe in, respect.

**Mr. Raymond Bisson:** Ce n'est pas transparent. It is not transparent. The information that we have does

not show very clearly that the retirees have been treated the way the intention of the law has been legislated in the past, originally. and I'll—

Je crois qu'il est très important de signaler cela. Mes deux principes fondamentaux étaient le respect et aussi la justice que l'on doit accorder aux intentions premières de cette législation qui a eu lieu. Je crois qu'on l'a entendu assez souvent ce soir. Je n'étais pas ici hier soir. Mais je crois qu'on l'a entendu assez souvent ce soir, le mot injustice—le mot manque de respect, le mot manque de réaliser les intentions premières d'une entente.

Si je peux continuer une minute. Si quelque chose est brisé on ne peut tarder pour tenter de le réparer. Je crois qu'être obligé d'avoir des audiences publiques de cette façon et d'avoir un sondage qui est non concluant, je crois que nous avons et vous avez devant vous une situation qui n'est pas appropriée pour tout le monde.

#### **Translation**

*I believe that it is very important to point this out. My two fundamental principles were respect and justice that must be applied to the original intent of this legislation. I think that we've heard this quite often tonight. I wasn't here last night but I think tonight that we have often heard the term injustice, lack of respect, failure to fulfil the original intent of an agreement.*

*If I may continue a minute: If something is broken, you can't delay in trying to fix it. I think being obliged to hold public hearings this way and to have a survey that was inconclusive, I think we have, and you have before you, a situation that is inappropriate for everybody.*

#### **English**

If it ain't broken, don't fix it. It's broken. Okay?

**Mr. Chairperson:** Mr. Schuler, you've got a supplemental?

**Mr. Schuler:** Yes. Monsieur, in front of us, this committee, has an individual, you've worked for DND. You've travelled the world, obviously, an individual of high standing not just in Manitoba but in Canada and abroad. What just floors me after all of this is—I'll repeat myself over and over again—I mean, two eminent organizations, MTS, who I used to negotiate against as a school trustee, an outstanding professional group of individuals.

You know what? Through all our negotiations, never personal, always standing up for what they believed in, for what they believed was right, respect and justice. I look, and I've listened to a lot of the retired teachers. I've met with the organization. We've heard you and seen what you've all accomplished. And how did we come to this? How did we get to this point that we're so far apart? Basically, we're looking at the same group of people, our best, our brightest. Just reflect on that. Maybe I'm showing a little bit of frustration, but I can't believe we've gotten to this point. I will point to the minister and a lack of leadership. I would be willing, as the lead critic for the opposition, to say let's take half an hour, and if they want to start negotiations now and have a talk, we'll sit down. We'll wait for half an hour. We'll give an hour. We've done it before in other committees, but, my goodness, how did we get to this point?

**Mr. Raymond Bisson:** I don't really have an answer for that, but I feel the same frustration as you do and probably most of the people in this room tonight feel the very same frustration that you and I feel. How did we get there? We're there. How do we get out of it? That's the solution we have to find.

**Floor Comment:** How do we get out?

**Mr. Raymond Bisson:** How do we get out? I think we have to sit down. I think it's been mentioned before tonight that there are three groups. There's MTS. We've all been members of MTS. We're now members of RTAM, and there's the government. I challenge the government to show leadership and to bring these parties together, to sit down with all transparency possible and to say, here is the issue that we have in front of us. How do we find a solution to this issue? In a very civilized, understanding, transparent way, how do we do this? And I think the three groups—and I ask the government to show leadership—will be able to find a solution that will be acceptable to all three.

So what I ask you, personally, is to proceed in that direction before anything else is done, before you go to third reading. Have the people sit down and work it out, iron it out and fix it.

**Mr. Chairperson:** Merci beaucoup, Monsieur Bisson. Time has expired for questions. Bonsoir.

**Mr. Raymond Bisson:** Merci.

**Mr. Chairperson:** I will ask one more time, if there is anyone else here tonight who has not already



presented who wishes to do so en français, now would be the time.

**Mr. Borotsik:** Mr. Chairperson, just, if I may, to the Government House Leader (Mr. Chomiak), I have to commend the committee and the Chairperson and the Clerk for organizing the Francophone delegation to be allowed here at a specific time to make their positions known in their language. I think it went extremely well, and it just proves to the fact that this process of committee hearings can, in fact, be handled in a much more humane fashion as opposed to having people sit for 30 and 40 hours before making presentations.

So I would ask that the Government House Leader and certainly the Opposition House Leader (Mr. Hawranik) over the next little while use this example as a very positive example of how, perhaps, logistics in future committees can be handled. So I do thank you for that.

**Mr. Chairperson:** We thank the honourable member for those comments.

Given that there are no more Francophone presenters coming forward, is it the will of the committee to allow the translators to leave for the evening? *[Agreed]*

**Ms. Howard:** I would just add, Mr. Chair, certainly with our great thanks to the translators. It's not an easy job and I think they've done a great, great job, an excellent job, and made it able for us to understand and also able for people to communicate. So, with our thanks, we send them home and wish them a good night.

**Mr. Chairperson:** Duly noted, and thank you for those comments as well.

**Floor Comment:** Mr. Chairperson, I would like—

**Mr. Chairperson:** Sorry. Just say your name, please.

**Ms. Lacroix-Gagné:** Norma Lacroix-Gagné.

I would like, on behalf of all the éducateurs manitobains and all the Francophone retired teachers, to thank the committee as well. It was excellent and we thank you from the bottom of our heart.

**Mr. Chairperson:** And there we go clapping again. Well, I'll overlook it just this once. *[interjection]* The Clerk has just kindly reminded me, people can turn in their headsets as they leave the room, or else we'll have to call you.

We will now, as per the committee's previous agreement last night—I say this primarily for anyone who wasn't here last night, for your benefit—the committee had agreed to hear rural presenters first, to hear as many of them as we could last night before the Francophone speeches this evening.

So we will now revert to rural speakers which we did not complete last night. I have two notes for those following on the master list. No. 50, Jean Todd: The committee agreed last night to agree not to see that person's name until tomorrow. They are an out-of-town presenter, but we are overlooking their name for tonight, as we did last night.

\* (20:40)

Also, No. 68, I have a note here. You can see there is an asterisk and a cross next to Jacqueline Mireault's name. She was, in fact, called and should have been dropped to the bottom of the list. It's just a typo. So that person is an out-of-town presenter who is at the bottom of the list. They should be at No. 237, if you wish to make note of that. So No. 68 is out-of-town but was called last night and should be on your sheets tonight as presenter No. 237.

Proceeding from that point, the next out-of-town presenter that I have on my list is near the top of page 12, No. 130, Carolyn Lintott. Is Carolyn Lintott with us here this evening? Seeing no one, Carolyn Lintott, calling a third time.

**Mr. Schuler:** I believe, if you would go back and check in *Hansard*, she had herself removed as an out-of-town presenter, if you remember that. So actually, she should not be dropped, just she should not have an asterisk next to her name. She was here patiently yesterday, and I believe it was at the end of the day she said remove the asterisk.

**Mr. Chairperson:** I've heard confirmation from the Clerk of that. Just for the official record, is the committee willing to make an amendment or not see her name this evening? *[Agreed]* So she has not been called once and leave is granted. *[interjection]* Yes, she'll be called later if we get to it as an in-town presenter if we get that far in the list tonight. Thank you for that.

So then No. 133 is the next out-of-town potential presenter, Jean Anderson. Is Jean Anderson here? Seeing no one, will be dropped to the bottom of the list.

No. 134, Huguette Rempel. Thank you for being here with us this evening. You have copies I see.

Thank you for that. Ms. Rempel, you can begin whenever you're ready.

**Ms. Huguette Rempel (Private Citizen):** Mr. Chairperson, honourable minister, members of the committee, my name is Huguette Rempel. I'm here tonight representing the Manitoba members of Alpha Delta Kappa, which is an international sorority for women educators. I am former chair of the government's education advisory board, not the Education Department's advisory board but the government's advisory board, past president of the River East School Division and, just before I retired, received a signal honour from the Manitoba Teachers' Society of having been made a lifetime member, which finds me in a rather unique position tonight in that, as far as I can tell so far, I'm the only member of MTS to speak against Bill 45.

There have been two historically irrefutable events that have unfortunately been either denied, ignored or revised during discussions leading up to this Bill 45. Let me point them out.

First, when the teachers' pension plan was first implemented, it was clearly agreed from the outset, and this goes now way back, that contributions from the government would match those of the teachers, as most pension plans do. Hence, our teachers' real, tangible contributions were deposited into the Retirement Allowances Fund where they could be invested, yield returns on these investments and grow. However, for the past 40 years, the government's contributions vary unwisely and, as I'll point out in a moment, by their own admission, never went into the fund, but simply remained an unfunded liability. That is only a promise that the funds would be available when needed from general revenues. As an aside, never showed up in the official budget.

If I were to manage my money like that when I'm budgeting, I would be forever going to a piggy bank to rely on covering my expenses. You know what? There's not enough in the piggy bank.

So half of the potential earnings of the fund could never materialize. The money was not there to yield any returns and, of course, problems developed with regard to funding the pension plan. Now the typical measures that were taken to rectify all of this over the years has been to increase active teachers' contributions and/or to cut the level of retired teachers' cost-of-living allowance as if the inevitable shortfall were the teachers' fault. However, given the increase of numbers of teachers retiring in the last number of years, this has been very predictably and

very much predicted remarkably unsuccessful at resolving the problem. The problem being that the government's share was an unfunded liability and, so, we have come to the dire situation we face today.

Look at the Ontario's teachers' pension plan. There the government's equal share of contributions went directly into the plan right from the start and, oh, how it grew. Someone, yesterday, intimated that that plan was in trouble. My brother sat on the board of the Ontario teachers' pension plan and he assures me that they have many options to solve that problem and they all come down to lots of money.

Permit me now to quote from the 2008 Manitoba Budget Address, and I quote: Mr. Speaker, we are proud of the progress we have made addressing the province's debt, particularly, the unfunded pension liabilities. Oh, this is the government speaking. Over 40 years ago, the Manitoba government stopped funding the employer's share of the pensions for teachers, rather than let the pension liability grow unchecked. Isn't that kind of an admission of an error? It gives the more positive option. We started making current service pension contributions again this past year, and we funded 75 percent of the unfunded liability of the teachers' retirement fund.

All I can say is, way to go guys. However, what about the money that should have earned over the years? What about the other 25 percent that we could put into the pension allowance account? So it sounds good, but you know what? It could be better.

This begs the question, of course, what of the other 25 percent that could fulfil their legal obligations, and they are legal? Is there now to be a 10 or more year moratorium on that? Go figure. You make a mistake for 40 years and then you intend to extend it another 10. Whoop.

\* (20:50)

Second point. With regard to the pension adjustment or COLA plan, I quote now from page 9, recommendation 3 of the Sale report: The appropriate goal for COLA is two-thirds CPI capped at 8 percent CPI. Indeed, this is what the PAA was designed to provide in the first place. This will largely mirror the Civil Service Superannuation Plan which currently provides for COLA up to two-thirds of CPI subject to available funding.

Now, to put it in the simplest of terms, this is simply not true. Redundancy there, purposely done. Back in 1977, the Conservative government wanted The Teachers' Pensions Act to mirror The Civil

Service Superannuation Act, but that was unacceptable to the Manitoba Teachers' Society for many reasons. I'm sure that, you know, if you're interested, we could write them down for you, but the matter was resolved as follows and this is what's important.

**Mr. Chairperson:** One minute remaining.

**Ms. Rempel:** MTS agreed to a higher level of contribution than was being paid by the civil servants whose COLA was capped at two-thirds in order to provide a full annual COLA. Moreover, and you heard this before, they agreed to a further trade-off. They undertook to fund by themselves their own long-term disability plan.

Since 1977, governments in Manitoba have had a duly negotiated, formal and legal obligation to see that the COLA commitments are met but which they have not honoured. The Retired Teachers' Association of Manitoba has been requesting that the original intent of the Pension Adjustment Account be honoured and that it be sufficiently funded to accomplish that intent.

We don't want to say the responsibility for paying Peter belongs to Paul while Nero—

**Mr. Chairperson:** Ms. Rempel, I regret to say the 10 minutes and a bit more is past. With leave of the committee, the remains—

**Ms. Rempel:** I will just finish the sentence.

**Mr. Chairperson:** With leave of the committee, the remains of your presentation could be accepted into the written record.

**Ms. Rempel:** You're most gracious.

**Mr. Leonard Derkach (Russell):** Mr. Chair, I'd ask leave of the committee to allow the presenter to complete her presentation. There are approximately three short paragraphs left and I'm sure that we could all benefit from listening to her presentation.

**Ms. Howard:** I think that would be acceptable given that the time for her presentation would come out of the question time.

**Mr. Chairperson:** Agreement of the committee that additional time for presenting would come out of the time for questions and answers afterward? *[Agreed]* Thank you very much, committee members.

Please continue.

**Ms. Rempel:** Thank you for your graciousness.

So, typically, when problems have arisen and they certainly have, the government has intransigently refused to revisit appropriate funding for the teachers' pension plan. And what typically happened? Well, active teachers' contributions were increased and/or retired teachers' cost-of-living allowances were decreased. In other words, the government has reneged on the contract and teachers have paid extra to save the day.

I believe we're doing it again. The inadequate funding recommendations of Bill 45 amount to asking both active and retired teachers again to bear the brunt of the underfunding of the teachers' pension fund and the Pension Adjustment Account which is the result of years of inaction by the government.

An impossible situation? We don't think so, not this time. Instead of this Bill 45 which comprises an unacceptable temporary patch job coupled with a 10-year moratorium, let's continue the discussions together to achieve more significant lump-sum funding from the government along with a long-term plan to fix the COLA problem. It can be done, but not with this Bill 45. Thank you very much.

**Mr. Chairperson:** Thank you for your presentation. We have approximately three and a half minutes remaining for questions.

**Mr. Schuler:** Yes, thank you, Ms. Rempel, for coming forward. As a former alumni of River East School Division, nice to see you here. I'm going to go to your last paragraph and you say, let's continue the discussions together, and then the last sentence, along with the long-term plan to fix the COLA problem.

Could you reflect for us—and you've heard a lot of the questions and I'm trying to save time here—how do we go forward? What kind of ideas do you have that could help us solve this problem going forward?

**Ms. Rempel:** I anticipated the question. My druthers would be abort this bill and start getting some good facts together with reasonable people, and hey, it can be done. The government has a huge majority. This may not be possible, unfortunately. The members of the opposition have to get their act together. We can help you.

**Mr. Borotsik:** Thank you, Ms. Rempel. I really appreciated your presentation. You'd indicated that you're a life member of MTS—

**Floor Comment:** Yes, I am and I'm proud of it.

**Mr. Borotsik:** I appreciate that. That takes an awful lot of effort and a lot of time and a lot of energy on your part.

It used to be, and I'm sure you'd agree with me, that MTS would stand up for their members against government, that they did, as a matter of fact, in 1977, not take what was originally proposed to them. Why is it, in your opinion, right now, MTS is, in fact, going in concert with government and not standing up for the teachers, whether it be active or whether they be retired? Why the shift? You were there when you used to fight government as opposed to consort with government.

**Mr. Chairperson:** Ms. Rempel, brief if you can.

**Ms. Rempel:** Mr. Borotsik, I have been retired for quite some time. I've been at arm's length with what goes on although I'm still a member technically. It would be politically very not expedient for me to start laying blame because then I'd be joining the game, and I don't like the game. So, I'm sorry, but not only can I not answer your questions but even in private, I don't think I would try.

**Mr. Chairperson:** Thank you for your time with us this evening, Ms. Rempel.

Our next presenter, No. 136, Sherilyn Bambridge. Is Sherilyn Bambridge here this evening? Will be dropped to the bottom of the list.

Number 138, Doug Kinney. Is Doug Kinney here this evening? Seeing no one, their name will be dropped to the bottom of the list. No. 40—

Committee members, bear with me here. Order. Everyone needs to be able to hear the names. Gentlemen, some of you were teachers. No. 140, Emile Peloquin. Is Emile Peloquin here this evening? No?

Number 141, Doreen Peloquin. Not seeing anyone, their names will both be dropped to the bottom of the list.

Number 144, Anne McGregor. Is Anne McGregor here this evening? Seeing no one, dropped to the bottom of the list.

Number 147, the Reverend Jane Bramadat. Calling the Reverend Jane Bramadat. Seeing no one, the reverend's name is dropped to the bottom of the list.

Number 152, Leonard Dyeck. It might be a typo. It could be Leonard Dyck. *[interjection]* Dueck. Of course. Okay, a typo the other way. Leonard Dueck.

Seeing no one, their name will be dropped to the bottom of the list.

Number 163 is our next potential rural presenter, Gwen Hogue. Is Gwen Hogue here this evening? Her name will be dropped to the bottom of the list.

Number 165, James Dewart. No. 165, James Dewart. Seeing no one, dropped to the bottom of the list.

Number 169, Al Nickel. Mr. Nickel, thank you for joining us this evening. I see you have copies of your presentation, excellent. Mr. Nickel, you may begin when you're ready.

\* (21:00)

**Mr. Al Nickel (Private Citizen):** Honourable elected members of the Province of Manitoba, ladies and gentlemen. Anticipating the questions at the end of my presentation, I will say at this point that my presentation does contain a solution, and it also explains how we got where we are. I want to just, by way of intro, as to who I am, just to say that my wife, Sharon and I were dedicated, devoted teachers for a combined period of 71 years.

I am very certain that the shame and embarrassment of the proceedings of this week are not lost on you. We have here the spectacle of your retired teachers appearing before you during the evening and late night hours to make a case to gather something that for their whole careers they believed they had fully paid for. They feel betrayed.

After giving the best and most energetic years of their lives towards the education of our youth, we find ourselves in this degrading position of having to persuade you, our elected officials, of our right to a fair COLA. I might add that most of you are our juniors and were no doubt taught by ourselves. You are where you are in large measure by the quality of the education that you received from us. I submit to you that if you were being completely honest you would have to agree that you were taught and guided by some exemplary teachers. How can you not feel humiliated and embarrassed by your government's agenda to deny us our pensions indexed to COLA?

Even as we sit here there are teachers spending their summers planning how they might teach your children in a yet better manner just like we did when you were of school age. We are told that in recent years up to 40 percent of our starting teachers resign within the first five years. They find the job too onerous, too demanding, expectations too high.

There is something very wrong with this picture. How many professions can you name whose members bear a greater responsibility to the next generation or carry a heavier workload or are more noble and honourable? As you know, the simple matter of conveying knowledge is minute when you weigh the responsibility of moulding the character, ensuring emotional maturity, teaching responsibility to the next generation.

Many of you are or were teachers. Why then are we here at all? Even to attempt to deny your retired teachers what is rightfully theirs, they having paid the full price, is very disgraceful. What have you done in your lifetime that is more demeaning than this? As your former teachers, we hope this exercise absolutely tops the list for you. Those of you who were teachers will know that there was a common flaw within the profession. Most teachers were so preoccupied with their assignments that there was little attention paid to pensions, pension funds management, government-shared agreements, et cetera. So, yes, we paid our dues but most of us paid too little attention to our government-shared pension agreements. Now your government sees an opportunity to deny its teachers a fair COLA, something you yourselves as MLAs get. Shame on you.

Now let me explain what is most scandalous of all. The solution is so incredibly simple. You, Mr. Bjornson, as Minister of Education, learned upon opening your portfolio that there was an issue about retired teachers and their COLA. How do you proceed? You start by educating yourself.

Number (1), call in those MTS members and civil servants who were involved during negotiations with the government of the day during the 1980s and 1990s. Call in people like Tom Ulrich, Dick Marshall, Aubrey Asper, Terry Clifford, others that I can't remember and the civil servants who they negotiated with. They would give you a history of the matter complete with documentation. (2) Bring in the current MTS and RTAM executive. (3) Do not tell the current MTS executive that current teachers will need to pay for retired teacher COLAs. That is an effective way to alienate the two groups against each other, which you succeeded in doing. Shame on you. (4) Your government has found ways to give you, as MLAs, COLA, even retroactively, I believe. You get two-thirds. We paid for full COLA. I've clearly recalled those conversations in the 1980s. (5) Do not take the ear of the current MTS president and dialogue, leaving out RTAM executive members,

when discussing RTAM members' pensions and planning an ill-advised plebiscite. The solution needed to be inclusive.

What to do with current MTS president, Ms. Isaak? She should have known better than to dialogue with you about retired members' pensions without RTAM members present. She acted as if we didn't exist. She successfully created a huge gulf between two generations of teachers by telling active teachers that they would have to pay for the previous generation's COLAs. Her fearmongering tactics and exaggerated financial misinformation has understandably panicked the younger active teachers. What greater harm can a president do than to divide two generations of our profession? This was a most despicable and thoughtless act. Shame on her. A previous member said, on the first day, the first speaker: Can an MTS president be impeached? That was an important question. I hope the answer is yes.

That same member, earlier, asked—same time: Can the whole MTS executive be impeached? Since this executive did not stop their president's reckless and careless actions, yes, they need to be held accountable as well.

This exercise is degrading and dishonourable. We have had very poor leadership from both yourself, Mr. Minister—I wish you could hear what I'm saying. I'm talking to you at this point. We've had very poor leadership from you at this point, as well as from the current MTS president. Regrettably, you two found each other, united and created a most deplorable situation for all teachers, both current and past.

At this late hour, your honour, Mr. Peter Bjornson, you could still take the four steps I have listed and forthrightly come up with a good solution. You still could salvage this matter. You still have an opportunity to demonstrate your good management skills. You still have time, Mr. Minister, to do the right thing, just as all good teachers, which I assume you were also, have done throughout their careers. I urge you to revisit this matter, implement a paradigm shift, engage your creative minds to achieve a respectful solution. Place Bill 45 in the garbage.

**Mr. Chairperson:** Thank you, Mr. Nickel.

Questions?

**Mr. Schuler:** Thank you very much, Mr. Nickel. I see it was also signed by Sharon Nickel, and if you would convey our thanks to her as well.

The presenter is absolutely correct. He answered the questions I was going to ask anyway. I have sat at various committee meetings where we've given the minister opportunity to take some committee time and sit down with groups. It happened with the Minister of Labour, the Member for St. Vital, Nancy Allan. We did that on two different occasions. I can remember when it was Minister Barrett, Becky Barrett, we gave that same opportunity.

Minister, this isn't what you thought this was going to be. I mean, I listened to this presentation and this isn't where we thought things were going to be going in these two evenings. I would extend to this minister the opportunity, if you wanted to take a break from committee and maybe sit down with the various groups and have a discussion. Certainly, on this side of the committee, we would be prepared to give a half hour, 45-minute recess. But this is not healthy. Professional groups coming forward with these kinds of presentations, I've heard it before; it's not good. Yet everybody has the right to express themselves, has the right to put on the table their feelings, and this is real feelings, and I appreciate that, and the committee understands that. If the minister would like to take a half hour recess, we would be prepared to give a half hour recess. But, in the meantime, thank you for your presentation.

What we want to do is hear from the public. To the minister, you're hearing it. I hope you're not anymore thrilled hearing what we're hearing than I am because this is not good for education, what we're going through. This is not what I thought this was going to be. I don't think it's a good thing.

\* (21:10)

**Mr. Chairperson:** Mr. Nickel, you can comment on that if you want to. I didn't hear a question, but you certainly may contribute if you want.

**Mr. Nickel:** Thank you for hearing my report.

**Mr. Lamoureux:** I have one question. You have a different type of a presentation. You talk in terms of what you would do as a minister. In terms of the committee and the way the committee works, we get 10 minutes of presentation and then five minutes of questions and answers. There are three individuals, in my mind, that I would love dearly to be able to ask a lot of questions to, that being Mr. Ulrich, from what I understand is a man of great knowledge, the representative of MTS and the representative of the retired teachers.

Do you feel it would be of valuable service to this committee to allow for those three individuals to be asked whatever questions and not have that time limit, so that we can get a better understanding of the situation? Do you think that would be a wise decision of this minister and, particularly, to allow that to happen?

**Mr. Nickel:** There are some presenters that can enlighten this committee greatly, far more than I can. Definitely, Mr. Tom Ulrich would be one such person. Absolutely.

**Mr. Chairperson:** Thank you for your time with us this evening.

Our next presenter's name to be called is No. 170, Wayne Stinson. Is Wayne Stinson here this evening? Seeing no one, we drop them to the bottom of the list.

Number 171, Dawn McBain. Is Dawn McBain here this evening? Seeing no one, they are dropped to the bottom of the list.

Number 175, Lucille Gosselin. Lucille Gosselin. Seeing no one, her name is dropped to the bottom of the list.

Number 176, David McAuley. David McAuley is present. I see you have copies. Thank you very much for that, sir. Mr. McAuley, you may begin whenever you're ready.

**Mr. David McAuley (Private Citizen):** Thank you very much. Good evening members of the committee. I really appreciate the opportunity, after driving twice from the Whiteshell, to speak this evening. Mr. Schuler almost shot that down, and you always feel that what you have to say is important. I know from attending meetings with the MTS in executive positions back in the '70s and '80s, that's not always so. I also know as a teacher that it's important to watch your class and see if any of them have made eye contact with the speaker that you went ahead and tried to bring in and get them educated.

**Floor Comment:** Louder, please.

**Mr. McAuley:** I'm sorry. I can move that. I should know better.

Going back to this, to explain myself, I understood at first that I was going to be asked to explain from my perspective how the COLA-TRAF issue affected me and my family. I, now, having attended the hearings, am reminded of one of our

teaching premises that the head can only absorb what the butt can endure.

I appreciate the opportunity tonight to be here before the hour of midnight because I got home last night at 1:34 after driving back. That aside, I want to ask that *Hansard* will record everything I had my wife, who is also a teacher, prepare with me, but I want to deviate from it in a couple of places, and so I beg your indulgence on that.

I taught in Manitoba schools for almost four decades. It's a common joke with my grandson that it took me 54 years to get out of public school. However, many of those years were with the assignment of 50 percent because I chose to teach industrial arts since 1980, and that's often a half-time course daily in rural divisions, so you wind up being a half-time teacher. So, as I'll point out later, my pension is very small. Right now I'll just follow a little bit.

I was in three different divisions, and in each one I became the employee benefits chairman during the 1970s and '80s. Whether that was a good idea or not, at the time I felt I acted in good faith, attended the proper meetings and took back the proper information to all of my teachers.

To my horror, I found out in the late '80s that I had been a victim of the difference between rhetoric and political expediency, and candid, open sharing of information was, in fact, really misinformation designed to put off things that should have been done.

In my mind, MTS existed to serve the best interests of three groups of teachers: those currently under contract, those who had retired from the profession and those teachers training and still wishing to enter the profession.

The years of the '70s and '80s contain many of the seeds of the mess of our pension plan, as you have heard. The priority of not rocking the boat, even during the years of higher inflation and increased salaries, when governments of the day were funding pensions only as a monthly expense, meant any budget for an adequate COLA fell by the wayside for those teachers retiring.

In return for our agreement to fund our own disability insurance, the COLA formula would be worked out, we felt, in that it would differ from the City of Winnipeg and government employees who gave up, as we gave up, one-third of COLA so that we could have—I'll pull that back. Those employees

accepted two-thirds of COLA so that they could have their total disability paid by the employees. They had no deduction. This is not a minor detail.

The different agreement reached was not as teachers envisioned. The government allowed us to vote for new higher deductions for the COLA fund, and the words PAA came in. We didn't know what they meant exactly but it sounded good and it was pension adjustment. But, as you have heard, in the last 10 years that means pension adjustment near to zero.

I think it's important at this point to point out that this was all negotiated by the government and my representative, and, in part, I was the deliverer of the message. I didn't sit down with the government but we took it back to our divisions.

It would be important to note, I think for all members, that the MTS representatives who appeared last night from far out in the country, et cetera, were paid a rather healthy mileage fee and a per diem to attend and present their we're for the act. I would believe and I'd like a show of hands behind me of how many had to pay their own expenses to come as members of RTAM. Thank you.

This is where I should skip because I put in something personally about myself, and I better cut that out because this isn't about myself. This is about feeling betrayed by my own organization that I worked for for 25 years.

\* (21:20)

Today I stand here in a unique position of having a pension that started the same year as my wife's pension in the year 1998. At that time my pension represented 61 percent of our total income, hers making up the 38-plus percent. By 2008 her fully-indexed pension now represents 43 percent of our pension income while my share's dropped to 57 and the calculations using what has happened over the last 10 years show that I can become the minor contributor of pension funds in my family approximately nine years from now, and it's not going to feel really good, because my wife stayed home and we raised the three kids with her doing the major part of that for 15 years.

There seem to be to me about three facets to this problem: (1) The lack of adequate COLA for retired teachers during the past decade; (2) The main PAA accounts are in disarray from years of inability to change with the times because of the legislation act having to be opened to do so; and (3) the heavy

handed, do-what-I-say approach, ending in a non-binding plebiscite where 22 percent yes from 26,000 teachers, active and non-active, led to some sort of result, non-binding, perhaps to this statement which has been alleged: The government can pass anything they want.

My father, a farmer of 79 years, constantly reminded me that a camel was a horse designed by a committee. The newspapers are full of I'm sorries for injustices of former generations and while all these are well deserved, the teachers, our profession in Manitoba, deserve no less than an apology and a vote of the necessary funds to rectify a definite injustice.

I was just in high school when a former principal of Rutherglen School in McAuley, Mr. (Curly) Clarence Heapy, was asked by my ball coach while I stood in the batter's box how he liked retirement. He replied: I'm just having difficulty learning how to be poor and happy at the same time.

He was umping a ball game, a task he cherished, but on a hot July day in a tournament, we all felt for the person who had been working for the extras to which he had become accustomed and expected his retirement to provide. Please don't let the teachers and my family lose another \$15,000-plus of purchasing power over the lifetime of the so-called Sale solution. I ask you to do your best to improve our situation so that my comments to future teachers won't reflect Mr. Heapy's statement of over 50 years ago.

I attached an appendix not knowing if I could get through that. Appendix 1 from me says Misinformation Abounds. For example, I had to supplement my low retirement pension by substituting for a period of 12 years. Any retiree, and some of these people will confirm that who needs to supplement—

**Mr. Chairperson:** Order. I'm sorry, Mr. McAuley. The 10 minutes has expired.

**Mr. McAuley:** That's it. Fine, I'm sorry. That's fine.

**Mr. Chairperson:** It's okay. It just happened. With leave of the committee we could do a previous arrangement or move to questions now.

**Some Honourable Members:** Let him finish.

**Mr. Chairperson:** Just to be clear, the committee will hear the rest of your presentation and it will come out of the five minutes of question and answer time as before. Please proceed.

**Mr. McAuley:** Thank you very much. Appendix 1 is titled Misinformation Abounds. For example, any retiree such as myself who wants to work in a school to supplement their low pension would never speak against the MTS in a school staff room or to an MTS executive if they wished to keep their source of income in the field for which they were trained.

We heard last night that five in a staff room all agreed, and someone else questioned perhaps they didn't vote that way when it got to be a secret vote. I don't know, but I do know that division and I worked in the neighbouring division. I think that all of us have felt betrayed. Some solutions might exist. Speaker 101 introduced it last night and got a laugh, but when I talked to her after, I would like to call my suggestion a grandmothering and grandfathering reparation. Oxford defines the definition of reparation: make amends or compensation.

Number (1) The teachers that are burned most by the COLA shortfall in '98 to '08 are here trying to present. Could they not be compensated by a one-time fund that would raise their pension so that any minimal COLA that happened after that would be on the reasonable sum they had expected? That would be grandfathering it to bring a pension that should have been there at full COLA into play if you pass the bill and it has such an amendment. This voted compensation would be one-time, and I guess it would then close for 10 years and the government might look at it in 10 years. I don't like the idea, but it might work. We could bring many of the grass-roots people back because the people who ran this and organized it haven't really done anything but hurt a lot of very responsible hardworking teachers. (2) Active teachers from the date the bill is passed—if they so desire and they are MTS members who have better standing than we do—if they choose from the date the bill is passed, should be able to go ahead with their up to two-thirds. That will not affect any of us as badly if we get what we lost in the last year, 10 years, the teachers who are retired now. So there is a way to cut the cost of the funding.

Now, all three theys, and that's my final thought, they need to get a quick electronics lesson from a qualified teacher. I know I'm qualified, but I don't mean me. But in the case of electronics, as I experienced it in 1980 teaching it to the youngsters, they always have their only foe as the problem, being where the electrons go. Let's get people from the three theys together on the same side of the boulder with their shoulders to it. We've recognized the problem. It's an injustice. The solution is to try to



lead to retirement with dignity. Let's see how three groups of people could do what you were saying in half an hour. But sometimes it wouldn't be the people who set up Bill 45. It would be the people who are sitting here and have no active representation on MTS and can't get a word in edgewise.

We thank the committee, and I'm sorry I ran overtime. If you have questions, I'll try, but I've said my piece.

**Mr. Chairperson:** We have one minute for question and answer combined. So keep it brief, please.

**Mr. Schuler:** First of all, I just want to say thank you very much, Mr. McAuley, for coming back twice. I'm sure in part it was because of all these great portraits and also because you really feel—

**Mr. McAuley:** I'm sitting under Mr. Schreyer's portrait.

**Mr. Schuler:** I'm sure you came back because you really are passionate about this and, just on the statement: government can pass anything they want, I'm not too sure government should necessarily pass just anything. Thank you for being here.

**Mr. Chairperson:** Thank you for your time.

Our next potential rural presenter, No. 177, Clarice Gilchrist. Is Clarice Gilchrist here this evening? Seeing no one, the name is dropped to the bottom of the list.

Number 179, Dale Lund. Is Dale Lund here this evening? Seeing no one, the name is dropped to the bottom of the list.

Number 182, Lyle Beattie. Lyle Beattie here this evening? No. Seeing no one, drop their name to the bottom of the list.

Number 183, Margaret Hamilton. Is Margaret Hamilton here this evening? Seeing no one, the name is dropped.

Number 185, Shirley Case. Is Shirley Case here this evening? Seeing no one, the name is dropped to the bottom of the list.

Number 187, Gail Sanderson. Calling Gail Sanderson. Seeing no one, the name is dropped to the bottom of the list.

Next rural presenter, No. 202, on page 18 near the top, Kenneth B. Tully. Is Kenneth B. Tully here this evening? Seeing no one, their name is dropped to the bottom of the list.

Number 203, Kristina Ellis. Kristina Ellis?—  
[interjection]

Please, just introduce yourself for the sake of the record.

\* (21:30)

**Ms. Pat Isaak (Manitoba Teachers' Society):** Thank you. I'm Pat Isaak. Kristina was not able to be here tonight, but I do have a written presentation to submit on her behalf, with your permission.

**Mr. Chairperson:** Very good. With the committee's leave, we'll accept that as part of the written record. Is there agreement? [Agreed] Thank you for that. Kristina Ellis, No. 203, is now a written presentation and can be removed from your speaking list.

If you go to the end of the current list, past the rural presenters of last night, members of the committee, you'll find No. 260, a new, out-of-town presenter, Bill Heather. Is Bill Heather here this evening? Not seeing anyone present, we will drop their name to the bottom of the list.

This concludes the first round of calling the names of rural presenters, so as agreed at the committee, we will now revert back to page 1 to the start of the list once again and proceed to call the remaining names which will be urban. The first spot is Pat Isaak.

#### Point of Order

**Mr. Lamoureux:** Mr. Chairperson, on a point of order. The reason why I raise it is because I know we've attempted this in the past, and I think that if we were to look at what's happened in past committees where we have a substantial piece of legislation before the committee, we have afforded the opportunity to ask some of those that are making presentation virtually an extended period of time.

I think that there are two or possibly three individuals that would be of great benefit if this committee would allow for members, all members, but I would suggest at least a much better opportunity to ask questions. So I rise on a point of order only because one of those presenters that is before us now is the president of MTS, and I think that it would be beneficial for all those present, in particular, members that have questions, to be able to ask the questions that are very important in regard to Bill 45, ultimately believing it's in the public's best interest. So I would ask if you as the Chair would canvass to see if we would recognize what we've

done in the past and allow for more questions and answers, given this particular presenter. Thank you.

**Mr. Chairperson:** I will make a ruling. It's not a point of order what you have raised, but, of course, the committee could grant leave along the lines of what you have proposed if it wishes to do so. So I will ask the committee. If there's anyone wants to speak to that, they may, or I'll just ask the committee, or—Mr. Schuler?

**Mr. Schuler:** This is not precedent setting. I think we have a bill in front of us, and clearly, there are divisions within the organizations. The next speaker represents a very integral and important component of what we're discussing here, and I know I've got a whole bunch of questions that I would like to ask and certainly would appreciate if we would be given a little bit of latitude in regard to this particular speaker so that we could get a little bit more information for the committee.

**Ms. Howard:** I appreciate the request, but I do think it's more fair to be consistent. Everybody here has been given the same amount of time. I think that everyone who appears before the committee has a lot to offer, and I think because we have been running the committee in that way and my understanding was that previously there was a similar request for another witness which was denied, I think we will deny leave for this request as well.

**Mr. Chairperson:** Leave has been denied, so we will proceed.

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**Mr. Derkach:** Mr. Chair, I thought we would have an opportunity to at least make comment on the request so that before members of the government wade into the debate and deny leave but a precedent in this committee has been where we have had members of a political party who have been given latitude because of their knowledge on an issue to not only be asked questions but to extend their presentations.

These are former members of a political party, and I believe that when you have an organization that is the significance of either whether it's the Retired Teachers' Association or the Manitoba Teachers' Society, that that latitude should also be extended with respect to that kind of an organization. I guess I appeal to what Ms. Howard has just put on the record and indicate that because this committee has set a precedent in the past, that that precedent should be

honoured even this evening when we are talking to a major head of an organization such as the MTS.

**Mr. Chairperson:** We certainly appreciate the comments made. The question has been put to the committee to grant leave and leave has been denied. So, with that said, we will proceed to hear the next presenter.

**Mr. Derkach:** Point of order.

#### Point of Order

**Mr. Chairperson:** Mr. Derkach, on a point of order.

**Mr. Derkach:** On a point of order, Mr. Chair, I do want it noted for the public record that leave has been denied by the government.

**Mr. Chairperson:** On the same point of order, Mr. Schuler?

**Mr. Schuler:** Yeah, I think it's unfortunate, because certainly we, as a committee, have a lot of questions we'd like to ask of this particular speaker. I think it diminishes what we're trying to do here and probably goes to a lot of the presentations that we've heard until this point in time where people have said, you know, we hope this isn't just a sham, that you're holding this in the middle of summer so that nobody listens and this just all goes away for the government. We are sitting here for a reason, we are taking this serious.

The next speaker has an integral role and is very important to the deliberations of this committee, but I guess the fear of most of the presenters is that this is just an opportunity of government to rush through this as quickly as possible, that the committee is just one of those irrelevant speed bumps on the way to getting legislation passed. I'm disappointed in that and again, really, we are an incredibly small minority in opposition. With 36 members, the government can, as the quote was, pass whatever they want. I guess that's where we stand and that's unfortunate for this committee.

**Mr. Chairperson:** Mr. Chomiak, on the same point of order.

**Hon. Dave Chomiak (Minister of Justice and Attorney General):** Yes, Mr. Chairperson, I don't think members have a point of order. Most of—in fact, everything we're doing tonight has been negotiated and discussed. We don't make up rules in the middle of committee to make political points. We try to work this collectively.

We've agreed to this meeting, we've agreed to these hours, we agreed to these dates with the members of the opposition in the middle of summer in order to allow people to present. Now we're moving along to allow committee members to present and I think we ought to afford the people who've come out here on this date in the middle of summer, as the member keeps mentioning, to present their cases before us. There are dozens of people who've been here last night and tonight and tomorrow night and the next night. Let's hear them. We can talk all we want anytime we want. They're here to present. Let them present. Let's move on with presentations.

**Mr. Chairperson:** I think I've heard enough to make a ruling. It is not a point of order which has been raised, so I will rule the point of order out of order.

#### Point of Order

**Mr. Chairperson:** Mr. Derkach, on a new point of order?

**Mr. Derkach:** Mr. Chair, on a new point of order. I regret to do this, but Mr. Chomiak knows very well that it was government-led negotiations that led to the sitting of this committee during the mid-summer months, not something that was led by an opposition. We did not sign on it.

Secondly, Mr. Chair, Mr. Chomiak is also wrong about setting time frames for presentations in the middle of a committee meeting because it was a former NDP MLA who was granted time to give extra presentation in this committee and rightfully so. I don't deny that that shouldn't have been done. But, for Mr. Chomiak to put on the record that in fact, the rules were agreed to beforehand and should not be departed from is certainly erroneous because those rules were, in fact, broken in another committee hearing and in fact, a member was given time to present, and extended time to present. That is the purpose of a committee. That is the purpose of a committee. The committee can, in fact, depart from those rules of running a committee if it so chooses. That has the power.

So, Mr. Chomiak, in terms of your statements, you're a little erroneous in that regard.

**Mr. Chairperson:** A point of order, just for everyone's benefit, is a legitimate tool to be used to point out a breach of the rules or something that I, as Chair, have missed. This is not a point of order. It is a dispute over the facts, which is fine, but it's not a point of order.

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\* (21:40)

**Mr. Chairperson:** So we will now proceed to hear from Pat Isaak, our first presenter on the list from Winnipeg. I see you have copies. Thank you for that. You may proceed when you are ready.

**Ms. Isaak:** Thank you, Mr. Chair. You are receiving a copy of a printed submission. I'm not going to work off of that copy. I am instead going to use my time to respond to some of the issues that have been raised in these hearings. I will however, submit that for the record.

My name is Pat Isaak. I'm the president of the Manitoba Teachers' Society. I wish to express my gratitude to the committee for hearing our views on this issue. The issue at hand is a financial one. I understand and empathize with all of the emotional arguments that are made about pensions, but pensions are a financial issue. I have been on the record many times as saying that pension plans are a balancing act which I believe they are. Pensions are about money in and money out and those two things have to balance.

You heard several presenters last night say that they either don't understand or don't wish to talk about the numbers. Well, I do, because numbers are what got us here and numbers are the only things that are going to get us out. But if you will permit me for a moment, much has also been said about my personal motivation about this issue. I do, in fact, have a very personal connection to this pension plan. My father was a class 3 teacher and paid into this plan for 34 years. He took what he considered to be early retirement in 1985 at the age of 64 and he lived on his pension for 19 years until he passed away four years ago. My mother, who just turned 85 last week, now lives on the two-thirds survivor benefit of his class 3 pension.

So is this issue important to me? You bet it is, but what motivates me is not standing still. What motivates me is making it better. That's what the Manitoba Teachers' Society has been attempting to do for the past five years. The only thing that will make this pension better for my mom today, better for me tomorrow, and better for all my colleagues, is to make the numbers balance.

There was much said last night about promises, guarantees, expectations and entitlements. These terms have been tossed around interchangeably but their meanings in the context of the issue before you

are critical. There is no guarantee of COLA in The Teacher's Pensions Act. There never has been. There were promises made about COLA that never should have been made. Those promises created expectations in the minds of active teachers, expectations that could not have been met. Those expectations came to be seen as entitlements and therein lies the disillusionment of many of the retired teachers that you've heard from.

Many people over the last two evenings have said they felt as though MTS let them down. They're right. I feel personally disappointed and professionally embarrassed that an organization, my organization and my father's organization, knew that what they were doing in the 1980's and 1980's was wrong and was unsustainable and they did it anyway.

I can't begin to explain those actions, I wasn't there. What I can say is this. The easiest course of action for the current executive of the Manitoba Teachers' Society would be to leave everything in place that our predecessors put in place and we are simply not prepared to do that.

Much has also been said about misinformation. It's important that you distinguish between misinformation and information that people don't want to hear. Throughout this process, MTS has provided information. It has angered many people. It has caused a great deal of dissent but we have provided the facts and the numbers. I think I heard one presenter say last night that dissent is good. The bottom line is that our pension plan is underfunded and our pension plan has been underfunded for 20 years.

I want to address the issue of surplus because it was raised a few times. Pension plans experience actuarial surplus and deficits over time, and ours is no different. But actuarial surpluses are not money in the bank. Over the course of two decades, our actuarial surpluses were spent, sometimes on benefit improvements, sometimes on COLA. Those were real benefit improvements that should have been paid for with real contribution dollars and that wasn't done.

In essence, and I know this is difficult for many people to hear, but most of our retirees are, in fact, receiving benefits that they were never asked to pay for. I say they were never asked to pay for a reason. Many retired teachers have spoken with me over the past few years, and what they've said is this: I would have gladly paid more money into my pension plan when I was teaching, but nobody ever asked me to.

And that is a real shame. They should have been asked. They should have been given the real financial picture of their pension plan, both the money that needed to come in and the money that was going out. And they should have been afforded the opportunity to make decisions about those contributions. They were not afforded those opportunities.

A final comment about surplus. I heard last night, and I quote: Pat Isaak said that all the account A surplus should go to active teachers. That's not accurate. What I have said is this: the surplus in account A should remain in account A. To rob the basic benefit to pay COLA is wrong on every conceivable level and it is something that the society will never agree to. Any discussion, however, about surplus, I have to tell you, is a moot point. Our plan doesn't have a surplus. Our plan has been in a deficit for the last two evaluation cycles.

I want to comment on something that the very first presenter said last night. Mr. Paterson said: allow retired teachers to get what they paid for. If the current provincial executive of the Manitoba Teachers' Society took that stand, we would be even less popular with RTAM than we are now. The fact is, and I have said this before, most retired teachers are getting more in benefits than they paid for. Let me explain the numbers. This pension plan was built for people like my dad and many of the people who you've heard. It was built to pay 35 years. Retire between 60 and 65. Draw a pension for 15 years. Two in, one out. What people do now is they pay in for 30 years and draw out for 30 years. That's one in, one out. You are going to run out of money pretty quickly if you draw out at that rate.

What happened over the course of 20 years is that the lines between money moving in and money moving out kept changing. We found ourselves with a plan that saw teachers, conceivably, drawing a benefit longer than they paid in. All the focus was on the benefit side of the balance sheet, and there was no attention paid to the contribution side for 25 years. That was not the deal.

What active teachers are asking is this: Why did this happen and why do I now have to pay so much more for the same benefit? Difficult questions. I can answer those questions, but I can't answer this one: if, as the RTAM president stated last night, we paid for a full COLA, what happened to the money? Because there isn't money for a full COLA.

**Mr. Chairperson:** One minute.

**Ms. Isaak:** There was some mention of mismanagement. There has never been mismanagement of our pension fund. There have been some short-sighted decisions about the plan, but the money has never been mismanaged.

I want to conclude by addressing the issue of talking. I have heard repeated comments, we need to get rid of Bill 45 and get back to the table and talk. I'm happy to talk about this pension plan. The people on my executive know that nobody likes to talk about pensions more than I do, anytime, any place, with anyone as long as it takes. In fact, that's what we've been doing for years. As my father would say, we can talk till the cows come home, but while we are talking, our plan sits idle and not one thin dime will flow into this plan while people are sitting around the table talking.

What our plan needs is money. Active teachers have said that they will pay more. Government has said that they will pay more. Bill 45 allows us both to do that and to move on, and I encourage you to do that.

Thank you very much for your time.

\* (21:50)

**Mr. Chairperson:** Thank you for the presentation.

I have a speakers' list started.

**Hon. Stan Struthers (Minister of Conservation):** Thank you for your presentation. I'm concerned that the impression is being left—and you touched on this a little bit when you talked about negotiations that have taken place. It's been suggested by some friends of ours across the table that we can get together for half an hour; we can all huddle in the hallway and somehow solve this.

Can you describe for me a bit some of the negotiations that have taken place? What have we gained through those negotiations?

**Ms. Isaak:** Thank you. There have been numerous discussions. I have been involved in Pension Task Force discussions going back probably about a decade, and we have discussed this, most specifically the COLA issue probably, though, for about the last five years.

In fact, five years ago was when the teachers decided to put the request for the 2 percent contribution increase on the table. There was considerable discussion about that and at that time the two-thirds maximum on the COLA was also a

part of that package, if you will, of discussions. In fact, it was the two-thirds max at that time, similar to what it is today, that effectively killed that deal.

So we have had lots of discussions. We have been trying to come back for the last five years, but I have to be honest. Frankly, we could go back and talk for five more years. Mr. Schuler, with all due respect to you and to Winston Churchill, it maybe better to jaw-jaw than war-war but somebody needs to pay-pay. At the end of the day, someone needs to pay for these benefits, and we can talk about that for as long as anybody in this room likes; somebody needs to pay for those benefits.

Our members are saying, even though we won't get more of a benefit, we are prepared to pay a higher contribution rate. In essence, what they are doing is they're catching up to the benefit improvements that were made 20 years ago. That's in essence what they will be doing. An offshoot of that, of course, is that a portion of that money will go to improve the COLA, and that's a good thing.

**Mr. Chairperson:** I have a speakers' list, but we only have two and a half minutes left, if Mr. Schuler or Lamoureux or Borotsik—we'll get through as much as we can.

**Mr. Schuler:** Thank you very much, Madam President. You've been here all yesterday evening and today, and you've sat with great credibility and integrity. A lot of things that have been said probably haven't been the easiest on you, and I give you a lot of credit for sitting here and for listening to it. I can only imagine how tough it's been for you. My standing offer—and I know we haven't had the time—I still owe you a latte at Starbucks, and I still want to ensure that you get that. I really do appreciate the way that you have handled this issue. I mean, it's a tough one on both sides. We know that.

I have two questions for you and I'll roll it into one. Pam Stinson had sort of mentioned that if we were to go to 100 percent funded COLA without enduring a major increase, it was estimated at \$3,000 that every teacher would have to contribute over and above what they do right now. It was at \$3,000 every teacher, every year, and also bringing the cost of a 30 percent COLA to about \$1 billion that the government would have to put in every year; that also, again, every year. So, if you could just sort of address those, and, anyway, I appreciate you spending time here and listening to all the presentations.

**Ms. Isaak:** Thank you for that.

In answer to the first part of your question, the \$3,000 would be, yes, per teacher, per year. The cost of funding, the last time we sort of did an actuarial analysis of that was, I think, in 2002. At that time, a 3 percent COLA was estimated to be \$940 million. So if you factor in that about 500 teachers have retired every year, it would probably be considerably more than a billion dollars. That would be to fund the COLA for those people who are retired at that time. The additional incremental cost, then, would be for the additional retirees to prefund every year.

But it is not simply the mathematical equation of taking 3 percent times the pension times one year. It's 3 percent times that pension compounded over the life of that retiree. So, it wouldn't necessarily be a billion dollars each and every year, but it certainly would be—well, I don't know the math on that, but the \$3,000 is per teacher per year in addition to their present contributions.

**Mr. Chairperson:** Regrettably, we have reached the five-minute limit, so the committee thanks you for your time with us this evening.

**Ms. Isaak:** Thank you.

**Mr. Chairperson:** Our next presenter, No. 3 on the list, Mariette—Mr. Lamoureux?

#### Point of Order

**Mr. Lamoureux:** Mr. Chairperson, I just have to, you know, on a point of order. I have a list of 10 questions that I would have loved the opportunity to have been able to ask this presenter. I find that it's unfortunate. I think this is the first time in two evenings we had a government member pose a question which took half the questions and answers and it was a Cabinet minister.

I guess I'm just somewhat offended to the degree in which I just feel that I'm not being allowed to ask, what I believe is in the public's best interest, a series of questions to someone that played a critical role in the reason why we have Bill 45 here today. If the committee members were sympathetic to what it is that I've just said, maybe they'll afford me leave to ask my questions.

**Mr. Chairperson:** Leave has been requested of the committee. Mr. Schuler, you have a comment on this regard?

**Mr. Schuler:** On the same point of order, I think it's shameful that NDP Cabinet ministers would, all of a

sudden, wake up and have a question presented to a presenter. I think, you know what, there are members here who have sat here, you know, diligently throughout this whole process, who have legitimate questions. The speaker has a lot of information. This particular individual has a lot to offer to the committee and we should have afforded a little bit more time. She's an, you know, one of the leaders of a very important organization in this province and to cut her short like that and then have an NDP Cabinet minister take time away, I think, is absolutely disgraceful.

**Mr. Chairperson:** Leave has been requested of the committee to allow additional time—order. Mr. Schuler, order. Mr. Chomiak? There's one conversation going on right now and that's the microphone that's on. Sorry to say this, but at the moment it's all about me.

Leave has been requested of the committee. Does the committee grant leave?

**Some Honourable Members:** Yes.

**Some Honourable Members:** No.

**Mr. Chairperson:** Leave has been denied.

\* \* \*

**Mr. Chairperson:** We will now proceed with Mariette Ferré. Apologies in advance. I think I have probably pronounced your last name incorrectly. I see you have copies of your presentation, though. Thank you for that.

Just before you begin, what is the correct pronunciation of your name?

**Ms. Mariette Ferré (Private Citizen):** You did very well. It's Mariette Ferré.

**Mr. Chairperson:** Wow. I did not do very well at all.

**Ms. Ferré:** Close enough.

**Mr. Chairperson:** Thank you very much, Mme Ferré. You may begin when you're ready.

\* (22:00)

**Ms. Ferré:** Thank you. Good evening, Mr. Chairperson, honourable minister, members of the legislative committee, teacher colleagues, collègues des éducateurs francophones du Manitoba. [*colleagues of the Francophone teachers of Manitoba*]

As a retired teacher, I'm here today to enter into the public record my strong opposition to Bill 45. It is extremely disconcerting to have to present concerns about a situation that never ought to have arisen. If the government and the Manitoba Teachers' Society had been committed to fairness and equality, all 32,145 members of the teachers' pension plan would not be here today. Those numbers come from page 3 of TRAF annual report, 2007.

In my career as a teacher and in my last 22 years in education as a staff officer of the Teachers' Society, I relied on the MTS to represent with integrity the interests of all members of the teachers' pension plan, of which I am a member. I am very chagrined to witness that this is no longer occurring. As a result, the economic well-being of all teachers will continue to be at risk.

As ably demonstrated by RTAM, the Sale report and the entire process leading to Bill 45 has been flawed and inappropriate from the outset. Firstly, why does the Sale report omit important historical information? The report is completely silent about the very significant history of the 1977 agreement between the government of Manitoba and the MTS.

I recall, as a teacher in my early career, I agreed to and fully supported the Manitoba Teachers' Society recommendation and subsequent agreement with government in 1977—there is an error in my brief; it is 1977—to: increase our pension contributions to a much higher amount than civil servants were paying in exchange for guarantee of a full COLA protection to a maximum of 5 percent to 6 percent; remove the disability pension benefits and survivor benefits; provide for future retirees a full COLA provided sufficient funds were available within a Pension Adjustment Account, and we were informed that the account was funded to provide a COLA of 5 percent to 6 percent per year.

Effective in 1977, teachers who had already previously retired received a COLA of 5.8 percent which in that year was 98.1 percent of the CPI. I understood that we would have to pay for our own disability insurance. Being blessed, or perhaps cursed, with a social conscience and a strong commitment to the well-being of the teacher collective, I never begrudged the fact that the 1977 deal ensured cost-of-living for teachers already retired at that time. As part of a collective, I endorsed totally the concept that retired teachers had a right to economic well-being in their senior years.

Secondly, why did the government avoid seeking the expertise of experienced, knowledgeable and credible specialists in plan design and administration? Why did the government choose a political appointee, therefore ensuring further politicization of the process? Mr. Tim Sale, a respected member of the Legislature and of the NDP was clearly a political appointee of the government. He did not have the pension background, experience or credibility to deal with the complex task to which he was assigned.

Government chose to take the political route. Government knew that active and retired teachers have been engaged in a dispute for some time now. So what better way to heighten the dispute than to select strategies that fuel the conflict? What better way to take the heat off the government and let the teachers fight among themselves? Government could then sit back, enjoy watching the dispute escalate and not have to attend to any of its obligations as plan sponsor.

Thirdly, from whom did Mr. Sale obtain the mandate referred to on page 2 of his report at the outset of the process to request the actuary to design a plan for two-thirds COLA? Was the mandate negotiated in advance? Is there information that is not being shared with 32,145 plan members?

Fourthly, the recommendations of the report that have been entrenched in Bill 45 do not present a fair and equitable funding model for COLA either for current retirees or for future retirees. Tinkering with the formula will, in all likelihood, never guarantee a COLA anywhere close to two-thirds of the CPI.

The net effects of the Sale report, and others have commented on that: to reduce potential benefits for current and future retirees; to cause entrenchment of an inter-generational conflict and fuel the hard feelings that all disputes foster; to discourage any discussions for the next 10 years.

The process undertaken by the government and the MTS, including the plebiscite, were flawed from the outset. I am really, really chagrined to have to say to you here today that in written publications that I've read subsequent to the Sale report, MTS claimed to represent all teachers, provided information that was misleading or incorrect, that contained partial truths, that totally omitted historical facts about the COLA issue and promised that a yes to the COLA vote would result in doubling retired teachers COLA in 2008 without indicating that the doubling would

provide a paltry increase less than two-thirds of the CPI in 2008.

Active teachers were led falsely to believe that recommendations of the Sale report, if legislated, would resolve the problems for all active and retired members in the long term. All of that is false. Both the government and the MTS claimed moral victory following publication of the results of the supposedly non-binding plebiscite purportedly funded with taxpayers' dollars. The society on its Web site claimed that the majority of members of the teachers' plan support the Sale recommendations. I say to you today, 5,848 teachers who voted yes represent only 18 percent of the 32,145 plan members who should all have received ballots. To claim moral victory under such circumstances is unethical. How can we believe we are part of democracy under such circumstances?

I'll comment briefly on section 49, access to surplus funds in the pension plan. After 2018, any surpluses that may accumulate in the Pension Adjustment Account during any year of the 10-year period are to be reserved for use after the end of that period. Bill 45 provides that regulations will be determined by the TRAF board with the approval of the Lieutenant-Governor-in-Council.

I wish to remind the legislative committee that the TRAF board is currently constituted of three MTS member representatives and four government representatives. One of those appointments may be at the whim of government to be a retired teacher. According to Bill 45, regulations can thus be passed without transparency and without recourse for those who might be negatively affected. If the TRAF board is authorized to propose these changes in regulations, then RTAM must also have official representation on that board.

In respect to surpluses in the PAA, I remind the legislative committee that all surpluses earned in the teachers' pension plan are earned on the dollars invested by the collective contributions of active and retired teachers and should belong to all of us. That is a fact that needs to be recognized in all future discussions about COLA and in future pension reform, which, I believe everybody agrees, is needed.

Section 52, the Pension Task Force is referred to in proposed amendments to the act. The provision allows that the task force make recommendations to the—

**Mr. Chairperson:** One minute remaining.

**Ms. Ferré:** —Lieutenant-Governor-in-Council respecting contribution rates. The Bill 45 amendment does not specify a composition of the force other than to state that there are representatives from government and from the society. Given the awful experiences of recent pension reform processes and the abysmal treatment of RTAM representatives, we can foresee that all future pension reforms will be politicized. The Pension Task Force ought to be included in the act with provision for composition, mandate, powers, duties, responsibilities and conflict of interest guidelines. In addition, membership must also include credible and experienced pension specialists on all teacher plan governing bodies. As retired teachers in recent years, we have collectively witnessed the devastating effects of increased politicization of governance of our plan.

**Mr. Chairperson:** Order. I'm afraid we've reach the 10-minute mark. Mr. Schuler.

**An Honourable Member:** Leave.

**Mr. Chairperson:** The committee is willing, it sounds like, to grant leave in lieu of question time. Thank you for that, committee members. Please proceed.

\* (22:10)

**Ms. Ferré:** In my previous capacity as staff officer of the MTS, I had the privilege of providing support to a group representing active and retired women teachers who in January 2000, with the society's support, filed in the Court of Queen's Bench a declaration that provisions of The Teachers' Pensions Act were in contravention of the Manitoba Human Rights Code and the Canadian Charter of Rights and Freedoms.

The issue before the court was to obtain the right to purchase pension service for periods of maternity leave. For over 20 years prior to 2000, successive governments continued to deny women this right. In order to avoid a court battle that would ultimately have been a major embarrassment to the government, Bill 45, an act to amend The Teachers' Pensions Act, 2000, was enacted by the NDP government in 2000. The only substantive amendment made to The Teachers' Pensions Act since 1985 was enacted as a result of a legal action initiated to force the government of Manitoba to respect the human rights of women teachers.

It now appears that we may have to go to the courts to encourage governments to respect the human rights of all retired teachers. In my view, if



Bill 45 is passed into legislation, a human rights violation will be entrenched in a Manitoba statute. We need to ensure that that does not happen. I beg of you, Bill 45 must be withdrawn. It's time to implement fair and equitable provisions for funding of COLA and of the teachers' pension plan.

Thank you. I'm surprised by the emotion.

**Mr. Chairperson:** Well, it's more than fine, ma'am. Questions. Mr. Borotsik, then Mr. Schuler.

**Mr. Borotsik:** Very briefly, wow, this presentation is absolutely a knockout, and I am going to work my way through all these, but I can assure you, yours will be on the top of the list, and I will go through it. I just have a question.

You've got in your presentation 32,145 eligible voters where 25,616 ballots were sent out. There's 7,000 difference there. Can you please explain to me where the differential is for the 7,000?

**Ms. Ferré:** I gave you the wrong page number. At page 1 of the TRAF annual report '07, those are the '07 numbers. That's all I had available. So the active teachers 14,987, the retired 11,139, the deferred 6,019. So what's missing? Missing from the vote would be the deferred pensions. Those would be the teachers who have monies in the pension plan who have left to work for other employers or who have maybe retired a few years before they were entitled to do so to follow a spouse, that kind of thing. Maybe they're short on service and then have to wait till later to have the right to get their pension.

**Mr. Schuler:** Thank you, Mme Ferré. I thank you very much for your presentation and for waiting so patiently. I would suggest to you this is not a presentation. This is akin to a Cabinet briefing document. There is so much in here, and I will take some time and read through it.

I did want to, just pull out, you made one comment in here that the government basically sat by and, instead of living up to its obligations as a plan sponsor, seemed to, you put, enjoy watching the dispute escalate. Even the president of MTS, which made it very clear that this is a money issue and governments have to step up, and we certainly appreciate your presentation. I think you articulated that very well, as have others, that there has to be leadership on behalf of the government on this. Thank you for your presentation.

**Mr. Chairperson:** Thank you once again for your time with us this evening.

I do have a note for the committee members. We have received a written submission, an e-mail in fact, in place of presenter No. 228, that is Mr. Tony Balian. So if you care to make a note that Tony Balian has now sent in a written submission, and is there leave of the committee to accept that as the official recording of our deliberations? *[Agreed]* Thank you very much for that; 228 so noted.

Up next, No. 4, Tom Ulrich. I see you have written copies. Thank you for that. You may begin when you are ready.

**Mr. Tom Ulrich (Private Citizen):** Thank you, Mr. Chairperson, honourable minister, members of the committee. I'm not going to attempt to read my brief. As you pick it up you will notice it is well beyond what 10 minutes would allow. I will, however, speak to it briefly in the hopes of highlighting some of the information.

I am surprised and disappointed to be here. I had never contemplated in my life I would have to come before a legislative committee to vehemently oppose legislation that had been agreed to between the Teachers' Society and the government of Manitoba.

Bill 45 is unfortunately the most regressive piece of pension legislation affecting teachers that has ever been tabled in the legislative Chamber of Manitoba. It does not do what it pretends to do. It does not bring about any resolution to the problems of paying COLA to retired teachers. Unfortunately, what it does do is to create and legislate intergenerational conflict between members of the pension plan for teachers. In the hearings to date, you have certainly had that adequately demonstrated to you, that it hasn't brought about any resolution. It has been more effective in its ability to divide and conquer.

I obviously come from a different time and place. The MTS that I worked for, for over a quarter of a century, was dedicated to representing the concerns of all teachers, active and retired, in a fair and equitable fashion. In the late '70s when we were discussing with active teachers the problems of the pension plan, it was underfunded at that time. There was no guarantee of COLA.

The discussions we had with active teachers, it was never once raised that those retired teachers had not paid their fair share. They paid what they were allowed to pay. There was no question about the fact that those teachers—and just of interest, there is a younger group of teachers that are now teaching in Manitoba. They weren't concerned as much about

their own pensions as they were about the financial stability of their retired colleagues.

Government, at that time, also took a very different stance than it is taking today. In the early '70s, the government of Manitoba, recognizing that there was a real problem with the cost of inflation on the pensions of retired teachers, of their own volition passed legislation to grant cost-of-living adjustments to the full effect of the consumer price index, retroactive for each teacher to the date of retirement. At that time, some teachers saw their pensions doubled or greater. They understood that this was a problem, not of teachers' creation, nor necessarily, at that time, of government's creation. Those of you who lived through the '70s recall it was a time of serious inflation, but government acted to do something about it. Recognizing this was a long-term problem, they called together representatives of the society, the government and actuarial expertise to try to find a long-term solution and in 1976 created the Pension Task Force. I was pleased for some 23 years to be a member of that task force.

It wasn't easy slogging to find a solution. Teachers had to give up something. Teachers had to pay more. Teachers had to accept that their benefit structure would be different than it was for the civil service. Initially, the government was insisting on a two-thirds COLA, because that's what they were prepared to do for the civil service. That was not acceptable to the Teachers' Society nor to the teachers at large. As a result, a deal was struck that provided a Pension Adjustment Account that would, in fact, provide a reasonable COLA.

It's quite correct in terms of what has been said. There was never a guarantee of full COLA. What there was a guarantee of was that there would be a reasonable COLA that would be funded at a level that would be able to pay a cost-of-living adjustment equal to or slightly greater than the inflation assumption used by the actuary.

\* (22:20)

In 1978, that inflation assumption was 4.5 percent and, as you have heard already, the fund was initially established to be able to pay between 5 percent and 6 percent. How do I know that? Well, I was there, and I believe I am now the only person left in Manitoba who was there throughout those discussions. But you don't have to take my word for it. George Strang, who so ably represented teachers, was prone to put things down in writing and, attached to the back of my brief is the article he

wrote in the September '77 issue of *the Manitoba Teacher*, an article, by the way, that was vetted with government. They agreed that that correctly and adequately expressed the agreement that had been reached, and you've already seen other people comment on what he said at that time.

We've heard a lot about misinformation and misrepresentation and there's a lot of it going around, and I don't think any one party is the owner of all of that misinformation or misrepresentation. I've seen it coming from the society, I've seen it coming from RTAM, I've seen it coming in the Sale report and the comments of the minister and especially from the media. But the reality is pensions are a very complex issue. I've spent a lot of my life working in the area, and I don't claim to understand everything there is to understand about it, but I have learned a bit. Unfortunately, misinformation has been used to prejudice peoples' minds against an acceptable resolution. Too many people have accepted as fact information they believe they have heard. I'd just like to touch on a few of those.

I've already talked about the 1977 deal and its outcome and the information that has been presented by the Teachers' Society. The information that has been commented on by RTAM in terms of guarantees is a misunderstanding of the deal. If you want to know what the deal was, go back and listen to what George Strang wrote. There has been misrepresentation about what RTAM has been asking for. I'm not actively engaged with RTAM on an ongoing basis, but I do receive their information and I know what they have been asking for is that the initial deal be re-established and honoured, not that there be some backing off, some breach of a commitment that was made to teachers at that time. They said—because you've got to remember, use of a PAA is funding cost-of-living adjustments through intergenerational transfers. It's not money in and money out, but it does have to add up. But they said: we will assure the current generation of retired teachers that they will receive adequate COLAs, and we will hope that our colleagues in the future will do the same for us. Maybe they were naïve.

You've heard the number mentioned that it will cost \$3,000 per teacher per year to provide a reasonable COLA. Well, I can tell you, quite frankly, from my knowledge of what it would cost to fix the Pension Adjustment Account, that's a number pulled out of the air. If there was that kind of money available I could guarantee more than a full COLA with it with reasonable investments.

But what does Bill 45 do? Over the past four or five years COLA has ranked between 20 percent and 40 percent of CPI with an average of only 29 percent. What does 45 do? It will raise that to between 40 percent and 50 percent of CPI. Two-thirds of CPI is a magic goal that will not likely ever been achieved during this so-called 10-year period. They talk about a 5.33 percent maximum. That is absolutely ludicrous. To get a 5.33 percent cost-of-living adjustment would require three years of investment return in excess of 30 percent per year. I don't think that's going to happen, and if we see a resurgence of inflation, as has been suggested, we will see poor investment returns and higher costs.

Solutions are possible but they all involve more money, and I agree with the Teachers' Society, it is unfair to ask the active teachers to pay the load for all of that neglect over the last 24 years. I disagree with them as to who is responsible for the neglect. They have chosen to blame the history of their own organization and their retired colleagues. Their retired colleagues had absolutely no say in that decision.

**Mr. Chairperson:** The 10 minutes has expired. With committee's leave, we can continue. *[Agreed]* Leave has been granted as per previous. This time will now come out of the five minutes of question and answer.

**Mr. Ulrich:** Thank you.

**Mr. Chairperson:** Mr. Ulrich, you may continue.

**Mr. Ulrich:** Here are the things that are possible. Number 1, the actual earnings of the PAA should be restored to it. Over the past five years, the PAA has earned \$40 million in excess of what it's been credited, all of which has been credited to account A in addition to the ordinary earnings of account A. That, in fairness, should be returned. In the future, the PAA should be credited with what it actually earns. That was, by the way, done for the civil service plan some years ago. I'm not sure why the government has been so resistant to doing that for the teachers' pension plan.

You need to provide the Pension Adjustment Account with a share of excess investment earnings. I have suggested in my brief that be one-third. There is no possible moral justification for the excess earnings being used to benefit only about 45 percent of the members, that being the active teachers. They should certainly get their fair share plus, because the risk is still with them.

We need to establish appropriate funding targets and we need to establish an appropriate share of that funding target to be met by teacher contributions, and government needs to accept responsibility for its neglect over the past quarter century.

If less than a full COLA is possible, let's look at creative ways of making sure that those who earn the least get the best protection. Maybe a little social readjustment is possible as we look through this. What you have here does not do either active or retired teachers any favours. They both deserve better in Bill 45. Thank you.

**Mr. Chairperson:** Thank you for your comments. We have—*[interjection]* Order. Thank you. We have a little less than three minutes remaining for questions. Mr. Schuler, followed by Mr. Lamoureux.

**Mr. Schuler:** Thank you very much, Mr. Ulrich. We've heard your name bandied about since yesterday, and I can see why. We have another Cabinet briefing document and I will make sure I take it home and read through it.

**Mr. Ulrich:** I'm the horse you heard about.

**Mr. Schuler:** You're the horse we heard about. And Ms. Ferré, the same thing, her presentation. That's what's so unfortunate for us sitting at this committee, is I suggested half an hour that the minister could go outside and I was mocked by the Minister Stan Struthers for suggesting half an hour, and you're given all of 10 minutes. You're the one guy who actually was there and knows what he's talking about, and we're allowed in total 15 minutes. I mean, that is what's so frustrating about this entire process. *[interjection]*

**Mr. Chairperson:** Order. Mr. Schuler has the floor.

**Mr. Schuler:** I just want to say thank you for the presentation. Certainly I will be reading up on this. It's just very unfortunate. You should have been one of the individuals that should have been brought in front of this committee and been given an hour to lay out what had happened and where this was going, as should have the president of MTS.

We are short-changing this committee. We are short-changing what we're trying to do here as legislators and we are short-changing Manitobans who are being affected by this, and that's very unfortunate.

Thank you for coming and living by those concerns. Appreciate it.

**Mr. Chairperson:** Mr. Ulrich, if you want to comment on that, I didn't hear a question, but you may comment if you like, or we can move to the next question.

**Mr. Ulrich:** I would just say thank you for your comments. I would be glad, if anybody has a follow-up question that they want to contact me on personally, to discuss this matter with anybody, anytime, anywhere.

**Mr. Chairperson:** Mr. Lamoureux, briefly.

**Mr. Lamoureux:** Mr. Ulrich, have you ever had the opportunity or requested by the Minister of Education (Mr. Bjornson) to sit down and to share your experience with respect to Bill 45, or have you met with the Minister of Education in the last four months, and, if so, can you give just in a capsule your opinion on that?

**Mr. Chairperson:** Mr. Ulrich, again, briefly, if you can.

**Mr. Ulrich:** No.

**Mr. Chairperson:** That's brief. That's top marks for brief.

Mr. Lamoureux, brief follow-up.

**Mr. Lamoureux:** Do you believe that a compromise is, in fact, achievable that would reunite MTS and RTAM?

\* (22:30)

**Mr. Ulrich:** At the point things are at, that is going to be extremely difficult. We must remember the primary responsibility for this pension plan and any public-sector pension plan in Manitoba rests with the government. It is up to them to find a solution. They legislated the problem. They avoided their responsibility over 24 years, and there's a lot of blame to go around on that one, but the reality is, it is now their responsibility to come up with a fix.

There are a lot of people who could help them discuss that fix, but they can't rely on a false plebiscite to try to claim victory with a 17 percent or 18 percent of the total membership return. That's so ludicrous it's a denial of basic democracy.

**Mr. Chairperson:** Thank you, Mr. Ulrich. Time has expired.

Our next presenter is No. 7, Richard R. Benoit. Is Richard Benoit here? Thank you, sir. Do you have copies of your presentation or just an oral presentation this evening?

**Mr. Richard Benoit (Private Citizen):** No. Since everything's going to be recorded, I didn't feel that I had to type it.

**Mr. Chairperson:** That's more than fine. You may proceed when you're ready.

**Mr. Benoit:** Today I wish to express to you my deep and sincere opposition to Bill 45 and especially the proposed amendments to The Teachers' Pensions Act, in particular, the fact that, in general, it tends to implement the famous or infamous Sale report regarding teachers' pensions.

With a few exceptions, I categorically oppose this report and this proposed bill because it does not address the question of a long-term funding solution and/or a plan for long-term funding, therefore flawing the entire process and not addressing the foundation fundamental for a sound, long-range plan. This plan is not, in my opinion, a long-range plan. It is, as we Catholics would call it, a period of purgatory for retirees during the next 10 years with, however, not even the promise of a certain paradise at the end of this grilling period of deprivation.

What I am still more concerned with, however, is the plebiscite process. According to dictionaries, a plebiscite and referendum almost have the same definition. I can't, for time purposes, go into the exact differences so I will use both. Basically, being very interested in politics and history, I cannot help but remember the Québec referenda of 1980 and 1995 and, in particular, the latter one. In some ways, the Québec separatist government of the time showed more respect to the total population than our plebiscite did in regard to retired teachers and the Sale report.

Firstly, a reasonable amount of time was provided for discussion and information to the whole population by both the yes and the no sides in Québec. Our plebiscite was a UPS or Purolator type, one which provided an extremely short venue for reflection and dissemination of information. The Minister of Education (Mr. Bjornson), in fact, told the RTAM board of directors at a meeting summoned by him in February 2008 that all three parties—MTS, the government, and RTAM—would have to agree to the Sale report or no action would be taken.

Secondly, both yes and no groups in Québec were allotted the same budget to disseminate their beliefs and opinions regarding separation, therefore attempting to a degree of giving both sides a

balanced degree of funding. In the case of the plebiscite on the Sale report, we have two organizations: the MTS with an annual budget of millions of dollars, including a \$500,000 political action fund, I'm told. Money was therefore available to reach its membership and with letters, radio ads, newspaper ads, and many other forms of publicity. RTAM, on the other side, with its annual budget of approximately \$200,000, could only afford one mailing to its membership costing approximately \$6,000. Is this providing a fair playing field? The answer is clear and obvious in my mind: no.

Other factors also attempted to ensure a semblance of democracy. There was little of this in regard to our plebiscite, as we remember the plebiscite regarding the Sale report was nothing but democratic. With the Québec referendum, separation was very close. The vote in favour of not separating from Canada was quite similar to our plebiscite. Had the percentage been reversed, Québec would probably no longer be part of Canada, and a long period of national uncertainty and chaos would have resulted.

In view of the above, the federal government, with Mr. Dion as Minister of Intergovernmental Affairs, passed the Clarity Act, which clearly outlines for future federal governments what a clear majority would be. It provides clear parameters for both the federal and provincial governments in regard to what a clear majority is. This, it must be said, has been accepted by most members of Parliament, except the Bloc Québécois.

I firmly believe that instead of deliberating Bill 45 the government should work on a Manitoba clarity bill regarding future plebiscites, referenda in Manitoba. Surely that clarity act would state that 52-48 is not—I repeat, is not—a clear mandate for the government to go forth with Bill 45. In fact, the 52-48 vote is a moral victory for all retired teachers who oppose the Sale report. It is a call for further study and discussions regarding COLA, not the passage of Bill 45. There is not a clear majority.

As RTAM received complaints from some members and other non-member retired teachers about slow mail delivery of the plebiscite package, RTAM has surveyed its members living out of province in Canada and the United States about possible late receipts of ballots. RTAM has written the chairperson of the Pension Task Force asking how many ballots were received after the May 26 deadline by BDO Dunwoody. We have had no reply.

Our survey is not completed. However, to date, 54 percent of the 652 surveys have been returned. So far, preliminary results show a significant number have indicated slow mail delivery and believe they may have received ballots too late in the plebiscite-voting process for a returned ballot to be received before the deadline. A total of 236 have declared such to us. One hundred and forty-nine declared late receipt of ballots, mailed them, but thought that they would not have arrived before the deadline. Sixty-six declared late receipt of ballots but did not mail them as they thought the ballot would not arrive in time for the deadline, and 21 expressed concern that their ballots would not have arrived on time. Of those respondees, 194 volunteered their vote; 188 voted no and six voted yes; 10 declared they did not receive a ballot.

These retirees may have been disenfranchised. Some have expressed great annoyance. The numbers are sufficient to make the slim majority slimmer. It certainly casts doubt on the integrity of the plebiscite process and vote results. Of the other respondees who did not indicate late receipt of ballots and who volunteered their votes, there was a similar overwhelming no vote. This sizable no vote cannot be ignored.

So, therefore, one can also not help but wonder why 6,000 members of the TRAF plan were disenfranchised. This would certainly not have occurred had there been a clarity act. It would have avoided this outrageous act.

Therefore, in conclusion, I wish to emphasize that the plebiscite process was flawed deeply, flawed for many reasons which I have listed. The interpretation of the results are still more erroneous, results that some call a clear majority.

In fact, the process continues. The hearings are set in the evenings, 6 to 12. For people of 75, 80 and 85—and there were many last night with canes, and so on and so forth—is that a reasonable time to call hearings?

The process is continuing. Let's come down to earth and be realistic. There is no clear majority. On the contrary, it is a very questionable one at the most. We definitely need a clarity act to ensure that our province is operating in a clear, unbiased, rational way. After the clarity bill, then let us review the whole process and start anew, or, better still, how about working to find solutions for the long term, trying to lead to a just and equitable solution that is acceptable by all and dropping Bill 45? No one

should be forced to accept a total package, and instead we should all move to an acceptable solution by all parties.

Will you opt for the road not taken and make all the difference, or will you implement Bill 45 and sacrifice the present generation of retirees? Well, one element is very clear. The Retired Teachers' Association of Manitoba has chosen the road not taken—

**Mr. Chairperson:** One minute remaining.

**Mr. Benoit:** —and will pursue it regardless of what is decided before September 15, 2008, and we will continue our march for justice and equity until it is obtained. Thank you.

\* (22:40)

**Mr. Chairperson:** Thank you, Mr. Benoit. Questions?

**Mr. Schuler:** Thank you very much, Mr. Benoit. I know you've been a very hardworking and active member of RTAM, and we appreciate the fact that you've been out for two days and have been waiting your opportunity to have your say. Again, your comments are very telling. I think there is a lot of frustration and a lot of concern of the way that the plebiscite was handled.

You didn't mention, amongst other things, one of the things that I've asked is, how much did it cost? The minister has guaranteed for the longest time that he was going to try to find that for me and hasn't seemed to be able to get his finger on that item yet on his desk. As soon as he does I'll make sure I have a good look at that. That's the problem with this; is that it was done so shoddily and it was meant to serve a political means.

We certainly appreciate your comments and all the hard work you've put into this for your organization. We hope that the government is listening to you and to the other retired teachers, and even to the Manitoba Teachers' Society, which, you know, they've also indicated that a lot of this is something that the government has to solve. Appreciate you coming out.

**Mr. Benoit:** Thank you.

**Mr. Lamoureux:** A small point. You had indicated—I know the deadline was May 26, 12 noon, that the votes had to be in. You indicated that you put in a request for how many ballots were submitted after that deadline and I understand you haven't received—

and I suspect that if the Minister of Education (Mr. Bjornson) was able to, I'm sure he'd probably be able to tell us how many were. I suspect the minister probably knows. Please let me know if, in fact, you do not get those in the future. I think it's a valid question that should be answered.

**Mr. Benoit:** I think it is certainly a valid question and we have received no answer.

**Mr. Chairperson:** For the record, I just need to say your name before you speak, so they know who's talking when. Please go ahead.

**Mr. Benoit:** I'm sorry—I think it is a valid question and we have received no answer.

**Mr. Derkach:** Thank you for your presentation, Mr. Benoit. I have a question with regard to the consultations that, perhaps, did or did not take place between your organization, RTAM, and Mr. Ulrich. Has Mr. Ulrich ever been consulted by RTAM or by yourself with regard to his expertise and knowledge on the whole issue of COLA and the pension act, and his views on Bill 45?

**Mr. Benoit:** Yes, that's a good question. I've been on the RTAM executive for only two years. I can say that, in the last two years that I've been on the executive, Mr. Ulrich has attended our two annual meetings and has certainly spoken to clarify many items. Therefore, has RTAM asked him to come and speak to the executive alone, or just with us, in the last two years? The answer is no.

**Mr. Chairperson:** Mr. Derkach, a very quick follow-up.

**Mr. Derkach:** Yeah, with a quick follow-up. Mr. Benoit, here's an individual, in Mr. Ulrich, who has incredible experience when it comes to dealing with the pension fund. I think his record shows that his experience is something that would benefit the Manitoba Teachers' Society and also the government.

Do you have any idea why the Manitoba Teachers' Society or the present government would not consult with Mr. Ulrich in terms of trying to resolve an issue which, I think, is a numbers issue, and which, I think, has to go beyond politics and to the welfare of the people who are either in the teaching field today or who are retired?

**Mr. Benoit:** Firstly, I would like to agree with you that Mr. Ulrich is a very knowledgeable person and a great resource person for our province in regard to teachers' pensions. Now, why the MTS, and why the government of Manitoba has not consulted him—or if

they have, I don't know. If they haven't, then that question, Mr. Derkach, should be asked to both the government and the Manitoba Teachers' Society.

**Mr. Chairperson:** We don't have time for an additional question. I'm sorry. Thank you very much for your time before us.

**Mr. Benoit:** Thank you.

**Mr. Chairperson:** Now calling Anne Monk, No. 8 on our list. Is Anne Monk with us here this evening? I see you have copies with you. We thank you for that.

**Ms. Anne Monk (Private Citizen):** I might be a little over 10 minutes.

**Mr. Chairperson:** You may begin when you're ready.

**Ms. Monk:** Mr. Chairperson, honourable Minister, committee members. I'm a retired teacher and a director of the RTAM board currently serving as vice-president, pension committee chairperson, and Pension Task Force representative. Formerly, for 10 years from 1987 to 1997, I served on the TRAF board holding positions as vice-chairperson, investment committee member and for a period as acting chairperson of the board and the investment committee.

Retired teachers have been failed. They find they have been failed by a system they thought was in place to look after their affairs. Today, they continue to be failed by Bill 45. It's as if we've been in a game of musical chairs and when the music has stopped, the retired teachers have been left without a chair.

What do retired teachers want? A fair, equitable and just resolution of the long-standing COLA problem. The Minister of Education (Mr. Bjornson) and the president of MTS have declared the Sale report and Bill 45 a fair and equitable solution to the COLA problem. These declarations do not make it so.

Slogans, sound bites and tactics have abounded, but RTAM has done its own analysis with our professional advisers. We find that Bill 45 is an unfair and inequitable resolution of the COLA problem.

What is the fundamental problem with Bill 45? The bottom line is that COLA is still underfunded. RTAM's suggested options for more significant long-term funding resolutions have been ignored. Instead, we have gotten a funding approach that is

minimalist, piecemeal, narrow in scope and unbalanced.

The minister has also said Bill 45 is the government's best effort. We can only conclude this is it, no more. Why, after 20 years of unheeded warnings, can we not have a fair and long-term fix?

Why is no long-term resolution unfair? First, we paid in good faith for inflation protection. Individual teachers have paid directly for COLA protection throughout the length of their careers. Our modelling shows that, for example, my contributions and earnings for COLA protection were ballpark \$35,000. Others have paid significantly more. Where's our return? This is what we mean. Mr. Sale has said it is untrue when we say we paid for a COLA, but he dismisses what we mean.

We weren't told we were paying for someone else. Now when it's time for our COLA, we're told there isn't enough money. You have taken our money and not fulfilled your obligations to us. Some say you have stolen our money.

Second, Bill 45 is tantamount to asking the current generations of retired teachers to bear the brunt of past underfunding and inaction, and now the underfunding continues. An implied social contract is being broken. This sacrificing of a generation of retirees is unjust and unacceptable.

Some people have asked, either naively or disingenuously, where was the TRAF board? During my tenure, TRAF did its job, administered the plan according to the act and forwarded actuarial reports with COLA warnings to those responsible for act changes, the government and MTS. The sponsors of the plan took no action.

A further unfairness has emerged in the recent plebiscite. Fifteen thousand actives voting on the COLA of 11,000 retirees, who are most directly and immediately affected by changes to the COLA provisions and do not have the ability to make adjustments, as active teachers do, is offensive.

\*(22:50)

Why is Bill 45 funding inadequate? We have supported the change in the method of interest crediting to the better-of method. It is a helpful piece, but it does not provide a long-term funding fix. In the absence of more significant funding measures, it is minimalist and piecemeal funding, mere tinkering, resulting in a minimalist outcome for retired teachers. How minimalist is the funding? Mr. Sale

said his funding recommendations would result in a two-thirds COLA in the first year. Not achieved.

Does this not lead to questions about the credibility of the Sale analysis? The achievement of a two-thirds COLA is very uncertain and is very dependent on low inflation and high investment returns. Only a 52 percent of CPI COLA on average annually is projected by the actuary. With respect to the reserve account, one of our professional advisers has called the concept shocking. No contribution increase makes the recommendations too narrow in scope. The continuation of the subsidy of the actives' contribution shortfall and the MTS prohibition on the use of surplus for the COLA problem makes this unbalanced.

How does the government have the temerity to support prohibition of the use of surplus by retired teachers when there is a scheduled transfer at the civil service of \$145 million to their indexing account?

What is needed? More significant lump sum funding and/or a long-term funding plan. The Sale report offers no credible plan for this. Too few options were considered. There appears to have been intransigence and in-the-box thinking by the plan's sponsors. A multitude of options are available, many examples used by other provinces. For example, B.C. has a memorandum of agreement with a transition period for achievement of a financial plan. Nova Scotia has a memorandum of agreement with objectives, principles and implementation policies and mechanisms. A new COLA plan for retirees tied to funding levels was agreed upon but existing retirees were left on the old plan. The government put in \$142 million. Where's the plan for Manitoba?

What does RTAM propose? RTAM believes that the fairest thing to do is implement the better-of method only untied to other recommendations. We think this is reasonable. After all, the better-of is using, in part, earnings on our past contributions and is a catch-up bridging measure to adjust for the fact that the COLA account assets have been undercredited, especially in recent years. Then we propose there be a commitment to good-faith discussions on long-term funding.

No movement toward a fair and long-term solution will lead many of us to conclude that we should go the two-tier route. If this is what active teachers want, go ahead and conclude this deal with them, but strike a different deal with us. Fix the underfunding of the actives and give us our

proportional share of the surplus or give us our money back.

What is wrong with this province? It is a lack of good-faith leadership by the government and MTS. The government is letting its financial self-interest bias it against its obligations as a plan sponsor. It has been getting away for years with inaction by following the technicalities of the COLA provisions in the act. The technical continues in the Sale report. However, parts of the analysis and argumentation are based on specious premises and historical revisionism. The foundation of the report must be questioned. Some of our advisers have called the report amateurish. I cannot help but believe that we have been disrespected and patronized.

Yes, this is a complex matter, but, to use a favourite quotation of my father by John Kenneth Galbraith, complexity is a technique to avoid simple truths. The simple truth is retired teachers have a moral case, and we are justified in our sense of injustice.

**Mr. Chairperson:** One minute remaining.

**Ms. Monk:** You have a moral obligation as sponsor of the plan. Where are your moral compasses? It is time to fulfil your moral obligations by doing the right thing for 11,000 retired teachers. Governments in civil societies respect and perform to their commitments.

A final comment. If you insist on enforcing your authority on us on the basis of a 52 percent yes and a 48 percent no vote, especially when the integrity of the vote must be questioned, as some out-of-province retirees believe they have been disenfranchised by slow mail delivery, do not expect us to think you have any moral authority in doing so. After this vote you cannot ignore the legitimate interests of retired teachers.

Thank you for allowing me time to present my views.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Schuler:** Ms. Monk, first of all, thank you very much for staying here all of last night and tonight and waiting your opportunity to have your say. I know you've been very, very active on this issue and have worked very hard on behalf of retired teachers.

If I can just take 30 seconds and also thank you for being a great teacher of mine years ago at Elmwood High School. I guess I would say I can thank you in part for me having the opportunity to



become a member of the Legislature, or members opposite can blame you. It depends on which side you come from.

There are just some things that jump out at you. On page 5 you put: where are your moral compasses, and I guess that's very telling. It's a very sombre presentation that you made and it's hard-hitting, but I think it gets to the point. It's probably time for the government to pull the groups together respectfully and use a moral compass. When we come out of this, the minister who is sitting at the end of the table and has been listening, we hope he hears you, and appreciate that you came out and for all of the work that you've done. Perhaps the government is hearing.

**Mr. Lamoureux:** Quick question. On page 4 you are saying that maybe what we need to do is have proposed that there be a commitment to good faith, discussions on long-term funding. Who would you envision sitting around the table to try to deal with the issue of long-term funding?

**Ms. Monk:** Well, there is the Pension Task Force. I see no reason why the representatives of the government, MTS and I would include RTAM, why intelligent, reasonable people cannot sit down and operate in good faith and come to a just and fair resolution on this issue.

**Mr. Lamoureux:** Do you feel that there is adequate representation on that particular board from the Retired Teachers' Association?

**Ms. Monk:** Well, we have been given a chance to sit at the meetings, and we haven't been given a vote. We don't have a voice. We don't have a formal vote. No, I do not believe that we are full partners, and I think on an issue like this we should be regarded as full partners in the discussions.

**Mr. Lamoureux:** Finally, the plebiscite itself, you make reference to it at the very end. If you were to just provide a very short opinion in terms of the value of the plebiscite to the process, how would you do that in, like, 30 words or less if possible.

**Ms. Monk:** Well, I don't know the value of the plebiscite. I think that the government and MTS were probably looking for confirmation of their approach on Bill 45 and, despite the fact that there's a slim majority, I would say the massive no vote, which was probably unexpected, was a repudiation essentially of the approach. I would say it's only logical to conclude that the 48 percent no vote was largely composed of retired teachers. I do not believe that this large constituency can be ignored as a result

of this vote. It has given credibility and support not only to retired teachers but to the positions of RTAM and the approach of RTAM.

**Mr. Chairperson:** Thank you very much for your time with us this evening.

Next presenter, No. 9, Karen Boughton. Thank you for bringing copies of your presentation with you. You may begin when you're ready.

\* (23:00)

**Ms. Karen Boughton (Private Citizen):** Thank you. Mr. Chairperson, Mr. Bjornson, and members of the committee. I stand here tonight to say I am very unhappy with what is happening to us as retired teachers. It is a sad day in Manitoba when the legislative committee hearings for seniors in Manitoba have to be held from 6 till midnight. That I consider to be abuse. We all know about the crime in this city. How do you account for putting people in their 70s, 80s, and 90s in danger? How do you account for putting the same people at risk when they probably have difficulty driving at night, and their very limited resources, due to the lack of COLA over the last nine years, have to pay for extra transportation in order to attend and have their presentations heard?

On the same note, what about the people who have to come from out-of-town, pay their gas, probably accommodation and extra meals, with the same kind of COLA?

*Madam Vice-Chairperson in the Chair*

One more thing before I get to my topic. Where in the world is the care for seniors that was printed about in the 55-plus section of the *Free Press* on Monday, June 30, when, quote: the Manitoba government has also pledged to do its part to expose and reduce the incidence of elder abuse when Healthy Living Minister Kerri Irvin-Ross voiced its support for Elder Abuse Awareness Day on June 9, saying, Elder Abuse Awareness Day is an appropriate time to promote respectful, intergenerational relationships. In order to develop more age-friendly communities in Manitoba, we must all recognize that elder abuse happens and work together to develop solutions to address it.

I guess those were pleasant words to say because the same day her government was passing the first reading of Bill 45. When I attempted to speak to someone from MSOS publication, I got pretty much

the same rhetoric. We decided we would not support the retired teachers.

We also have half-truths and non-truths. One example, the *Free Press* of July 17: MLA public hearings on a plan to give retirees a pension hike. At issue is a bill that offers retired teachers a cost-of-living increase worth two-thirds of inflation. That's not enough to lift the retirees out of poverty, say officials of the Retired Teachers' Association of Manitoba, a group that has lobbied relentlessly for pension improvements. However, the Manitoba Teachers' Society says the cost-of-living hike doubled what was on offer previously and represents sustainable, long-term solution to the pension kafuffle.

What's wrong with this article? This bill does not offer any increase. This bill strips one-third of the benefits we have paid for our portion. It reduces our COLA from a full COLA we have paid for and are not receiving, to two-thirds COLA that we had disagreed with back in the 1980s and paid more than 60 percent more to fund a full COLA. The difficulty came when the government and MTS did not attend to the fund that should have been put in place by the government when the actuaries warned them of this fund needing attention.

Yes, we paid our share of that money. That money now sits in account A and I understand that it is quite a large sum. I've decided not to say the words. We believe that half of that is ours and our COLA sits in the notional PAA account. So it's all in the same bag.

The two-thirds that is being promoted by government, MTS and the press will not be met, even in the first year, if we had endorsed this report. Instead of the 0.71, we would receive 1.44 of the CPI, and that is not near the two-thirds that we were promised, even in the first year. Neither is the fund sustainable as both the government and MTS keep saying. The true fact is there is no long-term funding put in place and that's what RTAM has been requesting.

The correct part of this article is that there are many retired teachers living below the poverty level because the government and MTS named in The Teachers' Pensions Act have not attended to their part of the fund and are paying as you go.

I could say a lot more about that article, but I don't wish to take the time. But we as senior, retired teachers have been totally without a voice that can be

heard in the media or anywhere else, and just try and get a letter from a retired teacher published in any media.

I agree we have been relentless. Would you people not be the same when you find you cannot access the thousands of dollars that have been taken from you, that was put away for your old age? I have been called relentless myself. I have been told I say things rather plainly and pointedly, and I agree. This is my senior years' financial stake that I have paid for and that I am talking about.

I'm not going to give you the details of my teaching because it takes time, but I will tell you that at one time my superintendent asked me if I would count the hours I spent as a resource teacher because he wanted to know if I should be taken off recess duty. I counted them, what I put in in a day and what I had been doing and what I would probably be doing for the rest of the year. I added up those hours. I divided them by eight, because eight's a working day, and when I got finished, I would have two to three weeks a year off. Mine isn't the only story like that. There're thousands of them.

I would like to say some things about the retired teachers' representation. We are given nominal representation on the Pension Task Force; nominal, as we have seen, on the plebiscite issue; also on the TRAF board—the representative is appointed each year—and we're not even mentioned in Bill 45.

*Mr. Chairperson in the Chair*

I have been in the Legislature when Heather Stefanson, Education critic—it was 2006 and 2007—endeavoured to put a bill through the Legislature giving RTAM one permanent representative on the TRAF board, and the government would listen to the reading and then they would talk the time out. This year, Ron Schuler, Education critic, again attempted to have one permanent member on the TRAF board, and, again, the government would filibuster until the time was out.

Does this not seem actually serving abuse to seniors who are intimately involved with what is being done as much on their behalf as on the behalf of active teachers? When the legislation for The Teachers' Pensions Act was written, retired teachers had no organization, so they couldn't be mentioned in that bill.

**Mr. Chairperson:** One minute remaining.

**Ms. Boughton:** All right. We are organized now and we can be put in the bill, but we're still not mentioned.

I wanted to talk about the plebiscite. I think it has already been talked about, but I do think that we do need more representation. As has been said here, we should be able to sit down and talk together, and if we had that representation, possibly we could do that.

I wanted to say that the active teachers, roughly 15,000 in all, versus the roughly 11,000 teachers who were given the opportunity of voting. Now, consider the massive resources that MTS has had to devote to their plebiscite campaign. Alongside that, the retired teachers were only able to send one letter and then simply it was talking to members and members to members.

\* (23:10)

**Mr. Chairperson:** Order. I'm afraid we've reached the 10-minute mark, but leave of the committee as per normal? *[Agreed]* Thank you. Please continue.

**Ms. Boughton:** I would like to say in conclusion: a government is known by how it treats the most vulnerable. I would like to leave it there. I have left out a lot of my presentation. Thank you.

**Mr. Chairperson:** Thank you, Ms. Boughton. Questions.

**Mr. Schuler:** Before I begin the question, can we accept the rest of her presentation as read and it be placed in the record? I mean, it's quite extensive and unfortunately there just wasn't enough time. Could we have leave for that?

**Mr. Chairperson:** Leave has been requested. *[Agreed]* Thank you for that. Question.

**Mr. Schuler:** Just so you know what that means, the entire report will be put into the *Hansard*.

On your last page, you put a sentence in, and you know, these are really troubling. We're all human beings at this table, and when I read these kinds of things, it really troubles me. I was mentioning to one of your colleagues in the hallway, I went home last night and it wasn't easy getting to sleep right away because I do carry my job home. I do take what I do seriously.

You put in here: My government is abusing me and other seniors. That's a very strong statement to make, and we've heard it a lot over the last two days. It bothers me. I mean, it bothers me on a very human

level, and you know, we're alumni from the same school division. I have teachers in the gallery here who impacted me and served me well. I'm here, and I can thank my teachers in large part because of that.

So I want to thank you for coming out, for making the presentation, for the hard work you've done on behalf of your organization. I know it's been tough on you, and would you like to reflect on that statement? My government is abusing me and other seniors. I'll allow you to reflect on that if you'd like.

**Ms. Boughton:** Because we are finding it more and more difficult each year, each week, as we see prices go up, and where do we go? Can we stay in our own home? Can we afford dental bills? Can we be able to do this?

We had a grandson pop in on us the other day. Our grandsons are 24 and 26. This young fellow who's had a bad accident came in on one foot at 1:30 last Tuesday morning, needed his car fixed before he went back, got it fixed and picked up the phone: the bill's more than I thought it would be. Can you help? We should be able to help, at our age, for the work we have done, without having to ponder. We had to look at each other and think this out, as people married 55 years do. You tell by the look what's going on and, finally, we—yeah, we can do this. But we shouldn't have to struggle with that. We've both been professionals. We've both worked hard, and I feel I was promised a COLA that's going down, down, down, and where do I go from here?

At the same time, I look at the representatives we have in government and it hurts me to come here and dump on you. It does, because I consider you fine people. You are trying to do a job, and it's tough going. It really hurts to feel that we have to have a conflict over this and I wanted you to know that.

**Mr. Chairperson:** Thank you for your time with us this evening.

**Ms. Boughton:** I have a presentation from my brother, John Carroll, who is ill and wasn't able to come. Can I leave it with you?

**Mr. Chairperson:** Thank you for that. With the committee's willingness, we will add this to the official record and copies will be provided to each member. Is there leave? *[Agreed]* It's No. 93 on the list. John Carroll can now be crossed off as a speaker. It's now a written submission.

Mr. Lamoureux, on a—

**Mr. Lamoureux:** Just, I guess, committee business. There were two presenters: the Manitoba Teachers' Society's and Mr. Ulrich's presentation. I'm wondering; there would probably be value to also put those into *Hansard* because I know they didn't read their presentation nowhere near its entirety. If the leave of the committee would be to have those put into *Hansard* also for public record, I think it would be important.

**Mr. Chairperson:** Is there leave of the committee? *[Agreed]* Thank you for that as well.

#### Committee Substitution

**Mr. Chairperson:** Also, very briefly, we have a substitution. I'd like to make the following membership substitution effective immediately for the Standing Committee on Social and Economic Development meeting of July 22, 2008. For the PC caucus, Mr. Fauschou now sitting in for Mr. Derkach. Very good.

\* \* \*

**Mr. Chairperson:** Mr. Schuler, on a—

**Mr. Schuler:** Can you just read the two names of the individuals who will also be read into the record? It was Mr. Ulrich and Mr.—

**Mr. Chairperson:** And Pat Isaak was the other one, I understood.

**Mr. Schuler:** I'm sorry. Okay. Thank you. That's really good. I didn't quite catch it.

**Mr. Chairperson:** Good. Thank you for all of that everyone.

Next potential presenter, Keith Boughton.

**Mr. Schuler:** Can I just, while Mr. Boughton is making his way—

**Mr. Chairperson:** You may, Mr. Schuler.

**Mr. Schuler:** Thank you. Could we have Madame Ferré's presentation also read into the record? I mean, she put a lot of work into it, and I think I mentioned it looked more like a Cabinet brief than a presentation. Could we also have hers read into the record as being presented?

**Mr. Chairperson:** Is there leave to have that presentation, as well, accepted? *[Agreed]*

Thank you, Mr. Boughton, for both your patience and for bringing copies of your presentation. You may begin.

**Mr. Keith Boughton (Private Citizen):** Mr. Chairperson, members of the committee. I've been a teacher, a principal and clergyman now for about 45 years. That sort of says something of my background, and you've heard from my wife just recently, like the last speaker. She's been on the RTAM board for two years and we've been immersed in RTAM business. So I'm fairly well up to date on how it goes.

This is a moral issue; it's a justice issue, and I think you probably could make a real case for a legal issue. That, of course, a lawyer would have to decide.

Justice or, shall I say, lack of justice, is at the heart of this matter. In the movie *Smokey and the Bandit*, Burt Reynolds and his friend are being pursued by the U.S. federal marshal, and the marshal's car was being demolished piece by piece, and the marshal states, what we have here is a total disrespect for the law. Well, law and justice are supposed to go together and most often they do.

However, for today's retired teachers who entered into full co-operation with the government in 1977 when The Teachers' Pensions Act was constituted, they are now discovering to their sorrow that they paid good money for a full COLA. They are now seeing their hard-earned money siphoned off; first, to help pay the COLA of earlier retired teachers, and, secondly, I put it this way, stockpiled for retired teachers 10 years from now. Since 1977, logically, the number of retired teachers has increased. If we say starting in 1977 until that act was put into effect, there were no retired teachers in this respect, it's the starting point. It's a bright, shiny new pact between government and teachers to work together.

Now, jump from that day to today. There are approximately two-thirds, two-fifths to three-fifths relationship between retired teachers and active teachers moving toward equality in numbers. Schools are closing. Fewer teachers are being hired and I think as the costs go up, probably classes will get bigger. I see it presently as being 50-50.

\* (23:20)

It seems that the government and the Manitoba Teachers' Society have not caught on to this fractional representation. The government and MTS have the ability to have X number of representatives on the various committees and boards. The retired teachers, nearly 11,000 of them or so, whatever the

number, are given one speaking representative. The president of the RTAM board can be there, but only one can speak on the TRAF board, one retired teachers' representative, and that's by appointment and not their own.

It's time for a change. It's time to reconstitute the act of 1977 so that the business of retired teachers is discussed, whatever committee or board it's on, that they are equally represented and have equal voice. Up to this point, they do not have. The act of 1977 was written for that day and time. It was a good act. Now, in 2008, it's time the act was updated to bring the reality and justice of this time.

Now, what has this to do with the plebiscite? If there had been equal representation at all boards, committees, equal government and MTS and retired teachers, I very much doubt we'd even be here this evening. This matter would have been worked out in a fair and equal manner with all three parties involved. Instead, the government and MTS have simply been giving retired teachers lip service only. Times are changing. It is time for the act to be updated fairly and equally to deal with today's reality. Is this being done in this new Bill 45, I wonder, or is it still back in the 1977 time with the government and MTS as the only players in the game?

The plebiscite shows a result of 52 percent in favour, 48 percent opposed. Now, that to me, as sort of an onlooker because my wife has been involved, is surprising. I would have expected the result to have been 75 percent in favour and about 25 percent against. I would have expected the active teachers to be mainly unaware and uninformed and taking most things for granted as far as their COLA and pension are concerned over this year and the next ten years, but, obviously, that's not the case. Was it that there are more active and retired teachers actually being more attentive to what's going on and being up to date and affecting this vote? Whatever the case, the vote 52 percent for and 48 percent against, it's not enough of a margin for a clear majority. It's not enough for the government to be saying yes toward this bill; it can be covered by that vote of 52 percent. The changes that retired teachers are speaking about as they present this bill and as they object to this bill, should be heard.

Amazing, though, amazing, so little time given for votes to be returned, forms sent out in the province, beyond to other provinces and even further afield, and the further you send them, the longer you

should have the reply deadline. It would seem that this was not sufficiently thought out. It would seem also, as you've heard many times now in the last several days, that a number of teachers sent their votes in my snail mail, as Peter Warren would call it. Those votes just didn't make it and these people then were disenfranchised.

Fifty-two percent in favour, 48 percent against. In a usual election, 50.1 percent would carry the day, or if 66 percent is required for a majority, then that's it. So, of course, 52 percent is why this result is proceeding. However, I would believe that the 48 percent opposed, considering all the barriers that they experienced, are telling us that this is a very iffy result. To me it would say, and does say, let's have another look at this matter. Let's slow it down and bring both sides together in equality and discuss it in a fair and just way.

I've heard through last night, and again tonight, the idea from people speaking, time after time, working together, but that's not happening. That's not happening, and it should be. Fifty-two percent for and 48 percent against. Is this result sufficient substance to penalize today's retired teachers for the next 10 years in terms of COLA?

You at the table, members of this Legislature, know as well as we do. We were speaking and we know that there will be no real improvement in COLA. There is no guarantee set down. The government has made no effort to go into long-term planning, and I think really they must see this as important if this fund is to continue over a period of years. Fifty-two percent, 48 percent against, is this result enough to deny today's retired teachers equality and justice? Fifty-two percent and 48 percent against, is this enough to deny today's retired teachers use of their own contributed money?

This system that is in effect today no longer works—52 percent for and 48 percent against. I say let's get equal representation all the way around, get together, work together and fix it, and start doing that now. Thank you, Mr. Chairperson.

**Mr. Chairperson:** Ten minutes on the dot. Well done, sir. Questions?

**Mr. Schuler:** Thank you very much, Mr. Boughton. I'd like to thank you for coming forward. I know you've been very active on this issue as well, and your presentation, like all of those seemingly before, raise very serious issues. Someone asked me, they said, do you ever get bored? I mean, it's always the

same thing, over and over again, and I have to tell you, it's not. Everybody brings something new to the table, and it's very telling.

I'm going to just quote one sentence out of your presentation and it really is—again, I find it disturbing. I'm just going to read it to the committee: this is senior abuse on a grand scale as well as a trip down the road toward poverty, where some have already travelled in this province due to lack of the COLA they paid for. Now that's a very strong statement. I don't think there's anybody who's sitting at this committee that isn't affected by that kind of a statement. I want you to know that, as we move forward, certainly I, myself, as one legislator, will be having that in the back of my mind.

Again, we appreciate you coming out, waiting hour after hour, day after day, for your opportunity to present. If you want to just reflect on that for the committee, I'm sure we would appreciate it.

**Mr. Boughton:** Actually, when I was told I had one minute left, I started missing a few things out, and my wife had already spoken on that so there was no need to repeat it from one family. Everybody's really up in terms of abuse these days. A lot of it's real, yes, and some of it isn't real, and you have to sort of figure out one from the other. I'm not a very high ideal person to be speaking about abuse. Where things are wrong, let's correct them, but let's not see it where it isn't happening.

But yes, I think especially, say, with class 1 teachers and the low salaries they had, and now retired and no real chance for a lot of them to add anything to it. I think, yes, there is abuse there.

**Mr. Chairperson:** Thank you, sir, for your time with us this evening.

**Mr. Boughton:** Thank you.

\* (23:30)

**Mr. Chairperson:** Another quick substitution. I'd like to make the following membership substitution effective immediately for the Standing Committee on Social and Economic Development meeting on July 22, 2008: For the NDP caucus, Mr. Dewar, Selkirk, for Mr. Chomiak.

That done, we now call Wayne Hughes. I see you have copies.

**Mr. Wayne Hughes (Private Citizen):** I do.

**Mr. Chairperson:** Thank you for that. Mr. Hughes, you may begin when you're ready.

**Mr. Hughes:** Thank you, Mr. Chairperson, Mr. Minister, committee members. Rather than read my introduction, I'd just like to suggest that if there's one thing this committee has shown me is that I would perhaps now prefer to be a rural member or a French-speaking member, and my rear end is particularly telling me that.

One thing you do need to know is that I am a retired teacher and both my children are teachers. So I am speaking to you from the point of view of both the present plan and the future of the plan. I don't want to take money from my children, but I do feel that I have some legitimate areas to claim as part of my retirement.

A little over three years ago, my presentation to the Legislature on Bill 48 focused around the adequate COLA funding and the representation of retirees on the TRAF board. Unfortunately, both of these issues are not solidified and, as well, a number of new developments do not particularly bode well for the future of the teacher pension plan.

Over the past three years, I have become increasingly involved with RTAM, first as a member of the pension committee and later as a member of the RTAM board. The learning curve has been particularly steep, learning about our pension plan. It has also been somewhat of a roller coaster ride, going from hope to disappointment to frustration and, finally, to anger. The amount of political posturing, lack of integrity, the omission of information, as well as misinformation that's been talked about substantially, the blaming and the lack of respect for retired teachers has been absolutely astounding.

When we, retired teachers, both as an organization and as individuals, say no to something that will give us more money, one would think that a reasonable person, a logical person might say, perhaps we should look at this proposal and see if there's something that might be wrong with it. But no, that isn't what happened. Instead, retired teachers have been told to accept all or nothing. They've been called to meetings and told that they will be blamed. They've been left out of discussions and then told that it'd be a hurried plebiscite which wouldn't be binding, and finally, be shown a piece of legislation that is apparently on the fast track with committee hearings at a time when many people are not available. Little wonder that retired teachers are

upset, yet they are consistent in their opposition to the actions of both the government and their former organization, MTS.

The approach of RTAM has been consistent and supported by its members. It is time for an equitable solution to the COLA problem. Bill 45 does not accomplish a fair resolution. It is time for long-term funding solutions, or at least a plan for long-term funding solutions. Bill 45 does not accomplish that. In fact, it reverts back to the original plan after 10 years. I would call that no plan at all. It is time for ensuring that the current generation of retired teachers are not sacrificed. Twenty-plus years of inaction, or insufficient action, is certainly enough. Our RTAM concerns have been well known. Ten years is too long, especially if it means no opportunity to discuss long-term funding. The two-thirds COLA cap is unfair when we paid 60 percent. We don't need to go into that more.

Here's a new one. The composition of the Pension Task Force is a concern and I'll be talking later about that. Creation of a reserve account is really a red herring. Come now, you know there's not going to be any money for a reserve account in the PAA. Delaying attention to a contribution increase to address the underfunding of active teachers' future pension promise is really inadequate.

Bill 45 has 14 amendments but only three of these amendments are a result of the Sale report. Why then was it so important to accept all or nothing? Equally important are the recommendations in the Sale report that are not included in Bill 45. The five-year review suggested in the Sale report is not part of the bill. That was recommendation No. 6. There is no provision for creating a PAA in the provincial share of the fund, recommendation No. 7. Bill 45 does not address the insufficient contribution range mentioned in recommendation No. 2. Rather than address the problem, the bill sets out a process that seems to be far too political and lacking in expert advice that I'll talk about later.

The point of these omissions is that the Sale and the government requirement of accepting the total package was not necessary and was obviously only a tactic to get RTAM to submit to the power of the government and MTS. Shame on you.

When RTAM didn't endorse the total package and the blaming of RTAM didn't work, there was more planning and strategizing by MTS and the

government. So now we have a meeting of the Pension Task Force to inform RTAM that there will be a plebiscite; no discussion, no input, no opportunity to give the information to the members, decisions to exclude certain members that we've already heard of, tight time lines. I won't go into it any more, but an advertising campaign that would make you proud of. In terms of utilizing professional staff at MTS, half-page ads in the newspaper, ballots couriered out but still too late to mail back, professional services being hired to conduct the services, and all of this paid for by the government.

The result you've already heard: 497 votes difference. We believe that the majority was so slim that the government has no moral authority to proceed. Unfortunately, with this steamroller coalition of government and MTS, most likely a vote of 50 percent plus one vote would be enough for them to have acted.

The remainder of the presentation looks at the concerns I have about the Pension Task Force. Recommendation No. 8 of the Sale report spoke of the need to explore the possibility of making changes to the pension plan through regulation instead of requiring approval of the Legislature. When Mr. Sale presented this recommendation to the RTAM board, he was quite emphatic that it would be for minor changes, and, in addition, he stated that there would be ample discussion on those areas that would be suitable for regulation.

Bill 45 grants the significant power to the Pension Task Force which will allow it to recommend contribution increases. Why is this a problem? When I saw that particular amendment, I wondered what was the written or defined mandate of the Pension Task Force. So I e-mailed TRAF saying: I would be interested in receiving any information you have on the Pension Task Force. This would include their mandate, composition, representation and reporting structure. I'd also appreciate a list of current members. I did receive a prompt reply indicating that my request was forwarded to the government and MTS. I then received a second reply from TRAF saying that I could make my request at the Minister of Education's (Mr. Bjornson) office.

Apparently, no one at TRAF, MTS or in the civil service wanted to answer this particular query. Why? After two e-mails to the minister's office, I received a reply.

**Mr. Chairperson:** One minute remaining.

**Mr. Hughes:** You see the reply there. The key points for me are that the Pension Task Force is not legislated, and it's responsible to no one. The membership varies and has no requirement to include retired teachers who are responsible for about 50 percent of the money.

This ad-hoc committee is going to be a legislated committee with a 10-word definition included in the act, which I've included, impose a very complicated decision-making process that gives effectively a veto to both the government and to MTS. As a plan member, I would hope that the contribution rates would be decided by a group that has a fiduciary responsibility to the plan and make use of expert advice. Why not?

I also wonder if Mr. Sale would consider a change in contribution rates as being minor change suitable for regulation. Again, shame on you.

\* (23:40)

**Mr. Chairperson:** Order. We've reached the 10-minute mark.

**Mr. Hughes:** Thank you for listening.

**Mr. Chairperson:** Sorry, but were you completing—

**Mr. Hughes:** I have. There's a little bit more in there, just a summary. That's okay; you can read it.

**Mr. Chairperson:** All right. Thank you very much for that. Questions?

**Mr. Schuler:** Can we just accept the rest that wasn't read as read into *Hansard*, and it can just show there? *[Agreed]*

*Bill 45 is a very inadequate piece of legislation that is being rammed through and will have long-lasting ramifications on both my pension and the pension of my children. Unless there are significant changes to Bill 45, I suspect you will continue to hear the concerns of retired teachers. As I said at the beginning of this presentation, it is time for a fair and equitable resolution of the COLA problem; it is time for a long-term funding solution or at least a plan for long-term funding; it is time for ensuring that the current generation of retired teachers are not sacrificed. Twenty plus years of inaction or insufficient action is enough.*

**Mr. Schuler:** Thank you very much, Mr. Hughes, and I know you've worked very hard on all of this. You have spent a lot of time in these hallowed

hallways lobbying for something that you believe very passionately about. Because you've been so involved with this—you know, I've asked other presenters—use some of that wisdom and knowledge that you have.

Where would you like to see us go forward, assuming that the government is even open? I'm probably a little too jaded to give you my opinion, but assuming that the government would be open to some kind of a compromise or mediation, where would you like to see this go, and how would you like to see it proceed if it ever did?

**Mr. Hughes:** I wonder why I suspected that that might be a question. You have to meet in order to have discussions. Right from the outset, RTAM has maintained, let's get the parties together. You heard Anne Monk talking about that. Let's discuss and agree on what the problems are. Let's explore the possible solutions. Let's investigate the other jurisdictions regarding the provisions that they have. Let's decide on some processes for a solution, whether it be stepped or not, but let's make some short- and long-term solutions.

What has happened? MTS presidents—you know what? There's been frequent mention of Ms. Isaak. She doesn't deserve all the blame. The previous president is equally to blame. But they have been saying discussions are over and they will not happen. Pension Task Force chairs have said there's no reason to meet. The Pension Task Force chair is, in fact, an employee of the MTS, an employee of the MTS reporting to the president. Isn't that a conflict? Tim Sale refused to discuss the long-term solutions and only found one area to improve the PAA, interest crediting. But there are many other solutions that are available and they wouldn't discuss them. It needs to get back to the discussion table. We need to treat each other with respect and we need to get by this power-mongering that has been going on.

**Mr. Lamoureux:** There have been, actually, a few presenters that have made reference to Mr. Sale. One in particular I thought was getting fairly emotional to the point in which it was the issue of politicization of the process. One might argue that by calling it the Sale report, you try to give distance between the government and the report itself by calling it the Sale report as opposed to the NDP report, so it's an issue, then, of credibility, politicization of the process.

I would ask, in terms of do you believe that Mr. Sale was the most appropriate? If not, who would



you have liked to have seen in an ideal situation in that spot?

**Mr. Hughes:** Thank you. Right at the beginning I said there was hope. When Mr. Sale was appointed, I was hopeful. I know he does have skill in a number of areas. But when I started hearing the reports of how the Pension Task Force hearings were proceeding, and the things that were being discussed but, more importantly, not allowed to be discussed, and the way that some of the recordkeeping was happening, I began to have great concerns about it and realized that this was just another simple political process.

Who should have been appointed? It should have been a person with some expertise in pensions. There are many, many people around. Perhaps it had to come from out of province, from some of those other jurisdictions that have solved the COLA problem. Take Nova Scotia. Take B.C. Those are the kinds of things that most likely should have happened. We spent tons of money on a plebiscite. Why didn't we spend some of that money on bringing in some outside consultants and experts who could help us?

**Mr. Chairperson:** Regrettably, we don't have time for another question and answer. Thank you very much for your time with us this evening, Mr. Hughes.

**Mr. Hughes:** Thank you.

**Mr. Chairperson:** Next name we will call is Dan Turner. Is Dan Turner—there he is, very good. I see you have copies. Thank you for that.

Mr. Turner, you may begin whenever you're ready.

**Mr. Dan Turner (River East Transcona Teachers' Association):** Thank you very much. Members of the committee, I appreciate the opportunity to be with you here this evening.

My name is Dan Turner and I am the president of the River East Transcona Teachers' Association. We are the second largest teachers' association in the province and I represent over 1,800 teachers, hundreds of those retired. On behalf of those 1,800 teachers, I am here today to show my support for Bill 45. I've made an effort in recent months to present the various positions that have come out of both RTAM and MTS to our members. I've spent many days in schools talking with teachers, active and retired and I can most definitely say that the Sale report and Bill 45 has the overwhelming support of

teachers in the River East Transcona Teachers' Association.

It is important to note that RTAM does not speak on behalf of all retired teachers. I have spoken to many retired teachers. Those who have studied the positions of both RTAM and MTS are undoubtedly in support of increasing their COLA, as would be possible through passing Bill 45.

The basic fact is we did not put enough money into the pension plan to pay the current benefit and especially not enough to pay a full COLA. Another important fact is that a guaranteed full COLA has an astronomical cost of over one billion dollars, and that number is simply unreasonable.

So what happens if we were to raid the basic benefit to make changes to the COLA? In a few years, what we won't be able to afford is not a COLA, but the basic benefit itself. Will retired teachers agree to cut their benefits? My guess is no. What will happen is either massive contribution increases for active teachers, cuts in benefits for future retirees and increase in retirement age or some combination of those factors. I hope that as you consider Bill 45 you will think not only about retired teachers but also the thousands of teachers counting on our pension plan into the future. Bill 45 is fair. Bill 45 is reasonable and Bill 45 has the support of 1,800 members of the River East-Transcona Teacher's Association.

In continuation of my presentation, I would like to address some points that were brought up previously in speakers that aren't part of my written presentation, if the committee would so indulge me. One point I would like to mention is that I want my pension to be there for me when I retire, but I'm also at a stage in my life where I have mortgage payments and a young family to raise. Before I came here this evening, I did have the opportunity to tuck in my three kids before bed and, as my wife asked me as I walked out the door, are you serious, a meeting at this time of night? I said, yes. I'm sure that everyone's been there before who's been in that position, so.

But one of the things I want to address is that, while I understand and even sympathize with the disappointment of retired teachers about the COLA, the most important thing to me and my colleagues is our basic pension benefit. It's really unfortunate that teachers in the 1980s and 1990s were told that their COLAs were guaranteed when they were never guaranteed. It's also unfortunate that people making

decisions about the pension plan 20 years ago improved the benefits without paying for those improvements with contribution increases.

\*(23:50)

RTAM has said that they want to take the money from their COLA, from the account that pays the basic benefit. If there's one thing I've learned in the last few months, it is that's a recipe for disaster. I may not get a COLA when I retire, but I've appreciated the fact that my organization has been honest with me about the need to put money aside to supplement my pension. As hard as that is financially at this stage in my life, I'm making my best effort to do that. But I expect everyone to make protecting my basic benefit an absolute priority, and I completely support Bill 45 because it balances that priority with making improvements for retired teachers immediately. Pension plans are about trusts, and I trust that MTS and this government will not let me down.

One of the things I teach my students is how important it is to take responsibility for your actions, especially when you make a mistake. One thing has become very, very clear to me, and that is, people made mistakes, big mistakes. From everything I've read and heard, the people who made those mistakes are not taking responsibility for their actions.

But I came here to talk about honesty and integrity. It's not that I think the numbers and the money aren't important. I followed this issue closely, and I understand completely the financial problems that our pension plan is faced with and what is necessary to improve and protect the financial status of our plan.

What has troubled me more than any of that is how RTAM and its members have personally attacked my elected leaders. The e-mails and the letters that have been published and widely distributed in the past several months are not only disrespectful, they are quite shameful. I would never accept that type of behaviour that I've seen from my students. So I felt compelled to come here and tell you how disappointed I have been to see that that type of behaviour has happened.

One of the things that I'm very proud of is the fact that my elected leaders at the Manitoba Teachers' Society did not engage in that type of behaviour. I'm sorry that financial mistakes were made, and I'm willing to do my part to help make our pension plan secure and sustainable. I hope that this

government does the right thing and passes Bill 45, but there's nothing that I can do to present information to retirees who did not receive information that was correct, ultimately.

I think an important point of note is, we've heard many speakers, just here tonight, talk about the fact that if this bill goes through, their pension or their COLA will be reduced. I think that if I were in that position, I would agree with that. I wouldn't want my pension reduced, but, in fact, this legislation will double the COLA for those retired teachers. I hope that the people listening to my presentation this evening will understand that. This legislation will provide a doubling of their COLA. Any increase to me or not supporting an increase doesn't seem like the right position to take. So any group opposed to doubling their COLA should question their position. I think that that would be the most important thing for an individual in that case to do.

I think that it's important to note that there are some important demographic factors to consider when you look at all the issues surrounding this. Today there are 1.4 active teachers for every retired teacher. Early retirement was a benefit improvement that occurred in the 1990s. Until September 2005, there was no contribution increase to pay for the improvements like early retirement. Twenty-five years ago, a teacher could be expected to teach and contribute to the pension plan for 35 years and collect a pension for 20 years. Today, the average teacher retires at about 57 after working for about 30 years, and because teachers are living longer, they are collecting a pension for 30 years. As a result, teachers are paying in for a shorter period of time and drawing a pension for longer. For nearly two decades, teacher salary increases were below inflation while full COLAs were being paid out to retired teachers. So the money paid out for COLAs was greater than the money coming in. Combine that with increased life expectancy, and the COLA account has been drained.

What would it cost to pay for a full COLA? Active teachers would have to pay about 5 percent of their salary. That's \$3,000 a year more on top of what we're already paying. I know that \$3,000 a year for me buys a lot of diapers, a lot of bread, and a lot of milk.

The other fact of the matter on this issue is that government would have to match that. The total cost of a 3 percent COLA is, as I mentioned before, \$1 million.

**Mr. Chairperson:** One minute remaining.

**Mr. Turner:** This is unfair to active teachers and unaffordable for active teachers and the government. The mistakes that were made over the last 20 years cannot be the sole responsibility of active teachers today.

Again, to reiterate in my final minute, Bill 45 is fair, it is reasonable and it has the support of the 1,800 members of the River East-Transcona Teachers' Association. Thank you for your time this evening.

**Mr. Chairperson:** Thank you for your presentation. Questions.

**Mr. Schuler:** Mr. Turner, thank you for coming to committee. Of course you represent the association where I use to be a school trustee. Great to have one of my alumni here.

**Mr. Turner:** Your name's on my contract, Mr. Schuler.

**Mr. Schuler:** Yeah, I think I signed it. That was a great moment, by the way. Probably one of the nicest things as chairman of the board was to sign the contract of new teachers, right up there when you sit on the podium and you watch grade 12 graduates come down the aisle. I always had a tear in my eye when I saw them and it's always a pleasure to sign new contracts.

We particularly want to thank you for coming and I have great understanding for someone who has to leave their home after they've tucked their family into bed, their children. We certainly appreciate the fact that you've taken the time and with great credibility you presented your case. I certainly appreciate and I think the committee does, that you took this time to come and make the presentation.

With the entire issue, you've probably not had the opportunity to hear as many presenters as others of us have. One of the things that has come forward is that there wasn't enough information, for instance, when the plebiscite was held, that there wasn't enough consultation given, enough chance or opportunity for people to access information.

You mentioned that you went through River East and you tried to present both sides. But are there some legs to that argument that there wasn't enough time for people to get all the information for the plebiscite because of people on holidays, that kind of stuff? It seemed to have been a fairly short window. Could you just reflect on that for the committee?

**Mr. Turner:** I can't speak in regards to the time-line issue. My responsibility as president of the teachers' association, elected by those 1,800 members is, when an issue comes out, my responsibility is to take the issue to my members, to have them look at the sides of the issue that ultimately—there are sides on this issue, without a doubt—present those sides in a fair manner, in a non-biased manner to our members so that they can see the information. We did that, we talked to our members.

When I say that Bill 45 has the support of 1,800 members, not one member that we spoke to in a school upon hearing information from us on all sides of this issue, not one member was opposed to Bill 45. Even to me, it's quite surprising that that level of support was garnered once the issues were understood because there is a lot of information. That's our job as elected leaders, to present that information to our members so that they can make the most educated, logical decision that they are capable of making. I think that we did that.

In terms of the time line, I think we had ample time for us to speak to our members. In other areas, I can't speak for those areas but that may have been. I didn't have the opportunity to hear those speakers who had those concerns.

**Mr. Chairperson:** Mr. Schuler, supplemental?

**Mr. Schuler:** Mr. Turner, you also made a very telling comment. You said that chances are you won't have a COLA when you retire. Is that an issue? Is that a concern for active teachers right now? Again, you're a little bit younger than I am. Pension isn't the biggest thing on the kitchen table discussion. There are other things that are more pressing. But when you do talk to your membership, is COLA an issue for them?

**Mr. Turner:** I think what's important, when I talk to our members about COLA, I think COLA is important. What Bill 45 does is addresses that and puts into place an action plan that has gone through a process where parties—they did meet, they did collaborate and they did come together and come up with a reasonable solution.

One of the comments that we heard here tonight about that was the fact about—and I regularly heard it tonight—getting together and sitting down and coming up with a solution. Well, that did happen. If you don't agree with what comes out of it, it doesn't mean that you get to come back to the table until everyone agrees with what one person says. I mean,

as members of the Legislative Assembly, that's how it works. You get together; you talk about it.

You'll talk about Bill 45 in the House. You'll talk about a whole bunch of bills, and, ultimately, you will sit around that table, and I don't know how often unanimous support of any legislation gets, but that's ultimately what happens in the end. We will see if Bill 45 gets that unanimous support. It will be interesting to see if it does. I'll be definitely interested in hearing what happens on that vote.

**Mr. Chairperson:** Thank you, Mr. Turner. Time for questions has expired.

Just before we rise, I'd like to remind everyone in attendance that this committee will also meet to consider this bill on the following occasions: tomorrow night (Wednesday) starting at 6 p.m.; and then Thursday morning, July 24, starting at 10 a.m.

Finally, in the interest of saving paper, it would be appreciated if committee members could leave behind copies of the bill on the table so they can be re-used.

The hour being 12 midnight, as previously agreed, committee rise.

**COMMITTEE ROSE AT:** 12:01 a.m.

#### **WRITTEN SUBMISSIONS PRESENTED BUT NOT READ**

As a retiree of some 18 years, I continue to be in opposition to the implementation of the Sale report, as well as the plebiscite process and the interpretation of the results.

As an employed Manitoba teacher for some 30 years, I supported the pension fund and then-retirees while expecting similar support in my future retirement years. While paying my fees, I anticipated those following me to give similar support to my retirement years, including the full COLA.

I supported a full COLA while employed. I expect a full COLA in my retirement. My retired colleagues now and in the future expect no less.

I also agree with John Sushelnitsky's letter, *Winnipeg Free Press*, July 18, in which he questions the scheduling of the committee hearings from 6 p.m. to midnight over a three-day period. You have quite possibly eliminated the participation of many retirees between the ages of 65 and 105, participation by the very retirees expecting, and in some cases, very much needing a full COLA. How many seniors can sit for that length of time? What has happened to

research results indicating the limited ability to concentrate on and absorb important information over a prolonged period of time?

In conclusion, I and my colleagues expect a full COLA.

Thank you for the opportunity to be heard/read despite the scheduling of the presentations.

W. Gary Lally, Retired

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As I present this short but sincere plea for fairness, I know that I am to be retired teacher No. 233 to speak to you. It is, therefore, likely that you will have heard all of my arguments before; nonetheless, I shall speak from the heart hoping to persuade you not to pass Bill 45 and therefore relegate me to a future of poverty.

No doubt it has been pointed out to you that retired teachers' pensions have already lost 10 percent of their purchasing power since the year 2000 because of an unfair COLA. I shudder to think of a future pension depending on a possible two-thirds cap on the cost of living that is not guaranteed but is only a maximum if the fund could afford to pay it. As you know, it is not able to do this now and likely will not be able to do in the future as the government and MTS are not providing a source of funds to ensure it. It appears that this two-thirds COLA depends on interest rates staying low, but as I watch economic conditions in the U.S. deteriorate, I am filled with dread. Our neighbours to the south, whom we generally follow into economic boom or bust, are falling deeper and deeper into recession, and the chances of interest rates remaining low are slim to none.

I ask you to be completely honest as you consider yourself in the following circumstance. Imagine that you have retired after a rewarding career on a less-than-luxurious pension of about \$20,000 a year, the average teacher's pension today. Now imagine yourself receiving an offer of two-thirds COLA cap, maybe, if there is enough money in the fund. If not, perhaps no COLA at all. You would accept this situation for up to 10 years.

Sounds good, doesn't it? Honestly, if this were your economic future, would you not be here tonight asking for the full COLA teachers always believed they were paying for? We paid our teacher contributions to TRAF believing that we were protecting our pensions and therefore our future. Can

you see that we are not going away? We, after all, were the ones who taught you to stand up for yourselves when you know an injustice is being done and you are not getting what was promised.

I am asking you tonight not to pass Bill 45. I am asking you to seek further and come up with a better, long-term COLA deal. Thank you for your attention.

Marilyn Huska

\* \* \*

I am a retired public school principal with 30 years of service to the children and parents of our province. Like many of my colleagues, in addition to doing a professional job in the classroom, we also gave unselfishly of our free time to volunteer as coaches in extra-curricular activities ranging from athletics, band, chess, drama, debating, French, improv, leadership training, musicals, poetry, robotics, and sewing, to name but a few. In my case, I coached basketball teams at both the high school and middle school level for over 25 years.

When I reflect on all the extra help periods, co-curricular activities, and coaching of extra-curricular activities in any given school year, the volume of teacher volunteer hours invested in children easily exceeds 3,300 per secondary school. If a school division with 11 secondary schools paid for this volunteer time, it would require at least three full-time teachers in each secondary school and cost the equivalent of 33 extra teachers or approximately \$1,815,000 per year. Furthermore, this does not take into consideration the many hundreds of hours that teachers volunteer for professional development activities and organizations each year.

In my own case, I served for over five years on the executive of the Manitoba School Library and Audio Visual Association, including a term as president. I also served on the executives of the provincial and St. James Assiniboia Council of School Leaders for over seven years and on the executive of the St. James-Assiniboia Teachers' Association.

I think you will agree: the province of Manitoba and parents of public school students need to be extremely appreciative of our teachers' incredible dedication to their students. Every teacher volunteers thousands of hours to help develop the character and citizenship of the students in our charge. These teachers did not seek or expect financial compensation for their significant volunteer service. That is why education and the teaching profession in Canada are so highly regarded throughout the world.

How is it, then, that this well-deserved and time-honoured position of respect is being undermined by the authors of Bill 45? Surely, it is not too much to ask that the government provide adequate funding to ensure that retired teachers' pensions are fully indexed against inflation.

According to Bill 45, instead of treating retired teachers fairly and honourably, the government proposes to condemn them to a life without adequate protection from inflation. Indeed, when Tim Sale developed the original proposals for Bill 45, he refused to make predictions on the investment returns beyond three years. Why does the government insist that Bill 45 must extend for 10 years? Moreover, the financial assumptions upon which Bill 45 were based envisaged a world with stable inflation. Clearly, Mr. Sale and his colleagues did not envisage a world in which the price of oil would jump to \$145 per barrel, of soaring flour and rice costs, nor in which the ravages of the American housing and investment industries would cause much of the western world's economies to slide into recession.

Throughout our careers, retired teachers believed that they had negotiated and paid for a fully indexed pension. In our wildest nightmares, none of us envisaged a financial situation in which our pension dollars would be eroded at the rate of approximately 11 percent every decade. Many single women teachers who retired over 20 years ago are now living below the poverty line. This 10-year term will sacrifice an entire generation of retired teachers to inadequate protection from rising inflation. Surely, everyone can agree that this is not a just and fair reward from a society which enjoyed so many years of dedicated service to its children.

If the government is operating in the best interest of teachers, both active and retired, why does it insist on an all-or-nothing strategy in Bill 45, especially over the continued objections of 11,000 retired teachers? Why did it go through an expensive and inconclusive plebiscite when it always had the authority to enact changes to The Teachers' Pensions Act? Why were 6,000 deferred teachers who made contributions to TRAF not even given an opportunity to vote in the plebiscite?

The Retired Teachers' Association of Manitoba has lobbied the government for over three years to provide a written commitment to negotiate a more equitable and long-term solution to the inadequately funded pension plan, especially the cost-of-living

allowance, COLA. This inadequate funding of the PAA account, which generates the COLA, has existed for over 20 years.

Why must Manitoba teachers continue to be satisfied with one of the worst funded pension plans in Canada? Is this the party of social justice, the party that Ed Schreyer and Gary Doer have made the envy of other provinces? If so, what is fundamentally wrong with a negotiated solution that everyone can live with? If there truly is an impasse in negotiations, why not use the time-honoured Manitoba mediation process to resolve this labour dispute?

Bill Cann

\* \* \*

Good evening ladies and gentlemen. Thank you for the opportunity to meet with you and to share my views and concerns about Bill 45.

Before I begin, I would like to preface my remarks with a brief introduction.

My name is Matt Kawchuk and I currently reside in Brandon. I am a retired teacher who devoted 39 years of service to education as a classroom teacher and principal of schools in southwestern Manitoba from 1954 to 1993.

My professional career began with teaching a multi-grades class of 41 grades 7-9 students at the Oakwood Union School in Oak Lake in 1954. After four years at Oak Lake I moved to Russell and taught mathematics, physics and physical education at the senior high level for four years, and then was appointed vice-principal of the new Major Pratt Collegiate and subsequently became the principal of it for the last four years of a total of 12 years in Russell. In 1970 I accepted the principalship of Virden Collegiate Institute in Virden which had a grades 9-12 student enrolment of 705 and a staff of 37 teachers. In 1988 I accepted the principalship of the K-12 Elkhorn School in Elkhorn for my final five years of teaching.

After 39 years of a diverse and challenging career I retired in 1993. Currently I am the recipient of a TRAF pension, Canada pension and the Old Age Security pension. Unlike the Canada and the OAS pensions which are indexed regularly to counter the effects of inflation the TRAF pension has been diminishing in value in the past number of years. The annual inflation rate has been higher than the annual pension increment. It appears that the present Manitoba government does not deem the retired

teachers of Manitoba worthy of a fair cost-of-living increase in their TRAF pension.

I well remember that in 1977 the Manitoba Teachers' Society under the leadership of George Strang negotiated with the government, and a full cost-of-living increase was enacted in legislation by former Premier Ed Schreyer. This feature in the teachers' pension plan was at a cost to each teacher.

At the same time, the Teachers' Society declined the free government disability plan and formed its own disability plan funded by teachers in exchange for a full COLA. This resulted in the teachers paying 60 percent more into their pension plan so that they would receive full cost-of-living pension increases upon retirement. For a number of years the retirees did benefit. For example, when I retired my TRAF pension was indexed annually by a full COLA for several years. However, the increases in the past three years were 0.2, 0.4 and 0.65 percent, respectively. This is far below the annual rate of inflation.

Meanwhile, the civil servants received full COLA and they had their disability plan offered to them at no cost.

If the proposed Bill 45 were to be enacted, it will limit the amount of COLA to a maximum of two-thirds of CPI and to an inflation cap of 5.33 percent on an affordable basis for the next 10 years. Simply said, the annual increases of the TRAF pension will be below the actual rate of inflation for another 10 years without any opportunity to renegotiate. For many retirees, and perhaps for myself as well, this would be the situation for the balance of their lives. I deem this to be a simple case of discrimination and abuse of a specific group of the elderly, namely, the retired teachers of Manitoba, of which I am a member.

Ladies and gentlemen, you can see why I support RTAM's opposition to Bill 45 which implements the Sale report package of COLA and COLA funding recommendations. In essence, it would deny the retired teachers a fair annual COLA for which they prepaid during their working years.

On the other hand, the Manitoba government is proposing to index the pensions of the members of Legislature to a full COLA by Bill 37. I ask, where is the justice? If pensions of the members of the Manitoba Legislature are worthy of being fully indexed against annual inflation and affordable, then shouldn't the TRAF pensions of the retired teachers

of Manitoba be treated in a similar fashion? I'm sure you will agree that the retired teachers deserve better treatment than what Bill 45 proposes to do, don't you?

Something that I soon learned in teaching and as an administrator is that if you treat people with wisdom and empathy, people will treat you with respect and have confidence in you. I trust that you will demonstrate wisdom and empathy toward the retired teachers' pension dilemma, and that you will act in an ethical and just manner when the time comes to vote on Bill 45.

Thank you for this opportunity to share these personal concerns and views with you.

Matt Kawchuk, B.Sc, B.Ed.

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I oppose Bill 45 based on the recommendations in the Sale report for the following reasons.

As a teacher, I contributed for 33 years to TRAF. The information that I received over the years was that I would receive a reasonable pension with a COLA.

Because the Manitoba government was party to the fiscal blunders and inaction that transpired in and since the 1970's, I find myself in a position where I either have to dip into my savings or return to work to bridge the increasing costs of living.

The recommendation in the Sale report, which limits my COLA to two-thirds CPI (only if "somebody" determines that there are sufficient funds), is UNACCEPTABLE. After contributing for 33 years, there is no guarantee of annual security just to keep abreast of increasing costs.

If this bill is passed, we, the retired teachers of Manitoba, will continue to live in financial insecurity; some of our members, especially female teachers will live in near poverty.

Steve Pawlychyn

\* \* \*

In 1953 when I first started teaching I had pension deductions taken from my pay without any question. I never complained and never thought that there would come a time when I would experience the kind of unfairness as today exists regarding our COLA.

I agree with RTAM'S view that a change needs to be made in the method that the PAA account is funded.

The best would be to have the fund invested in the same account as the general account to get the same rate of interest as that of the general account.

Short of that the interest crediting for the PAA account should be changed to the better of method or total fund returns or fixed income returns whichever is greater.

I also feel that a two-thirds cap on COLA is unfair! I wonder how the members of the Legislature would feel if their COLA was capped at two-thirds.

For too many years retired teachers have depended on the wishes and control of the members of MTS and the government because there was no retired teacher's voice on TRAF. For the last 19 year RTAM has tried to do its part to amend the problem.

Thank for allowing this opportunity to speak.

Frank Basiuk

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As a woman who taught for many years in Manitoba while raising a family of four children, I am appalled at the proposals by Tim Sales for remedying the cost of living features of the Teachers' Pension Act. Mr. Sales, being a former NDP cabinet minister, cannot claim to be unbiased in the views he expresses in his report. Many retired teachers and active teachers are members of the NDP party and we expect the government to find a more immediate solution to the absence of a full COLA than capping it at two-thirds and not guaranteeing even that. Only your government can solve this problem and we are asking you to take immediate steps to provide more money to the PAA portion of the pension and not to wait ten years before doing anything further about this question.

We paid for 100 percent COLA many years ago when we agreed to fund completely our disability insurance payments, which many other employees did not. At that time we were told that we could expect a 100 percent cost of living adjustment to our pensions when we retired and for many years we got that. In later years our cost of living allowance has been much less than the current increase and in the face of ever rising prices many retirees are finding their retirement dollars worth less and less.

The government doesn't appear to have a desire to put forth a solution for the long term. The plebiscite results are no argument to implement the Sales Report. Many retired Manitoba teachers across

Canada were not given time to get their votes recorded and the active teachers were told by the MTS to vote yes without question and many, too busy to research the question thoroughly, probably did so. Furthermore a 48 percent no vote should be a wake-up call to the government. In this regard also many retired teachers feel that the MTS no longer represents us and that we should have our own representatives on the Pensions Board and on any task forces dealing with pensions. Our RTAM representatives should have input on some of the questions arising from this bill and not just having to depend on MTS to represent our interests.

When I phoned the Clerk's office to indicate my desire to speak to the committee considering this bill I was told that there were over 200 names on the list. Then recently I received a call stating that I would have to be at the Legislative Building at 6:00 p.m. on Monday, July 21 and then I would be told when to come in and speak. With only 24 speakers being heard from 6 p.m. to midnight each day that means another trip to Winnipeg if one wants to appear in person. This strikes me as government arrogance. It would appear that the government is discouraging anyone, at least from outside Winnipeg, to speak to this bill. Otherwise why could a schedule not be drawn up so each of us knows exactly when to appear?

It is my sincere hope that the government will reconsider its position on some of the issues mentioned above.

Respectfully submitted: Frances H. Fraser

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When I put my name on the list to speak to the committee considering this bill I fully intended to do so in person. But then we were informed that to get a definite time for our presentation we would have to appear at the Legislature at 6:00 pm. on Monday July 21 and at that time we would be told when we could appear which could be the same day or more likely would be days away. I feel that this is grossly unfair of the government. Surely with all your highly paid administrators in Winnipeg someone could have drawn up a schedule from the names submitted and informed each of us exactly when we were to appear. It would appear to me that the government is not too anxious for anyone, especially anyone outside the perimeter of Winnipeg, to speak to this bill. I personally find this an abominable representation of the democratic process.

As to the bill itself which proposes to change the pensions' act based on a report by Tim Sale, a former NDP cabinet minister, that fact alone says it all. The report doesn't deal with the main problem at all, a problem that has been known for over 20 years. More money has to be put into the PAA account to fund a legitimate COLA and only the government can fix this delinquency. The government has a moral responsibility to protect seniors who have served their province for so many years and who feel that in their retirement years they deserve a fair cost-of-living adjustment to their pensions as retirees in other provinces have and as most government employees enjoy.

I taught in Manitoba for 33 years and distinctly remember that at one point we agreed to fund our disability insurance costs ourselves while many other government employees did not, but had their costs shared by the government. In exchange for this we were told that we could expect a full cost-of-living adjustment to our pensions when we retired and for many years this was the case. Now the Sale report promises nothing and sets a maximum of two-thirds of the cost of living. What we received last year would hardly pay for the gas that a couple of trips to Winnipeg to appear before your committee would require.

The plebiscite in which 48 percent of the respondents voted no was a joke. In the first place many retired teachers did not receive it in time to get their vote in within the short time they were given. Many active teachers had no idea of the ramifications of the question and the MTS, which is supposed to represent retired teachers, as well as active ones, told their members to vote yes without question. Most retirees feel that the MTS no longer represents them fairly and we should have our own representatives on the TRAF board and on any boards or task forces dealing with pensions.

Only the provincial government can remedy this situation and as retired teachers, who have served the youth of this province very well over the years, we appeal to you to take a serious second look at this problem and propose some remedies. Definitely do this immediately, not ten years into the future when many of us will not be around to enjoy the benefits of your ingenuity.

Respectfully submitted,

W. A. Fraser

\* \* \*



I, James Reginald Schmall, attended the Provincial Normal School at Tuxedo in 1955-56 and began my teaching career in September of 1956 and taught in Manitoba for the next 20 years. I left the profession to become an insurance broker in 1976.

The teaching profession was experiencing difficult times in those years with very low salaries; but one of the brightest areas of the profession was their pension plan because we were always promised that the plan was indexed to the Canadian cost of living and would grow with the prosperity of the country. Even though I had suffered through the low salaried era, I decided in 1976 that I would leave my pension in place, so that I would always have something that was sound and invested wisely and would always be there for me in my retirement years.

I didn't start drawing my pension until I turned 65 and depended upon this to provide me with a good quality of life. I was amazed to discover that the pension plan was no longer indexed to the inflation rate of the country. In essence, I have taken a step backward in the last 6 years as I will celebrate my 71st birthday next week. During these 6 years, my pension buying power has eroded and it is no longer possible to maintain the same quality of life that was promised. I have continued to work part time to maintain the same standard. What will happen when I can no longer work?

The government of today has broken faith with the retired teachers of Manitoba. We were promised an indexed pension many years ago—over 50 years when I began my career and the promise has been broken by this government. I ask that you correct this wrong and re-institute the indexed pension for all retired teachers of Manitoba.

Submitted by

James Reginald Schmall

\* \* \*

What is it about trying to fix something that is working well?

This idea of what is offered to the retired teachers with this new legislation is not what it seems.

If we have a look at the 2004, 2005, 2006, 2007 and even 2008 cost of living, we would be losing with the deal of that 66 percent.

What appeared in the paper was biased because the MTS forgot to tell the journalist: "if the funds permit

it". This last sentence was forgotten or deliberately omitted.

I am definitely against the Bill presented.

Maurice Noel, Retired Teacher

\* \* \*

By this time, you have heard these arguments ten-fold. But in case you slept through them, here it is again.

The cost of living keeps going up, stretching the fabric of our pensions to the point of rupture. Gas for cars and for heating has gone up. By fall, electricity costs will receive a heavy increase. Food is more costly and medications for our health continue to increase in price. Various health issues for seniors multiply with age, and hence there are even more increases in costs.

In 1977, civil servants and teachers put 10.2 percent of salary toward pensions. While the civil servants' contribution remains stable, in 1980 teachers increased theirs to 16.1 percent, and shortly after, to 16.6 percent, making that an increase of 60 percent over the civil servants' contribution to COLA. This amount was supposed to offset the difficulties we are experiencing now.

To multiply the indignities to teachers, the RRSP contributions we could make were subtracted from our pensions, allowing very little of the funds to go in that direction. Of course, RRSPs were deducted from our income tax, but pension contributions were not.

Why has the government not developed a plan to solve the COLA problem, when other provincial governments have? Closing the door on improvements, except for very modest ones, and continuing for ten years before addressing it again makes me LOL! By ten years, we may be gone, but others who are active now will face exactly the same issue then. Closing your eyes and ears to the fact that funding is inadequate is not only unfair, when you consider that we have already paid for it, but unacceptable.

We paid for inflation protection. We demand a better COLA deal, and a long-term fix for a fair COLA. You must develop a plan to solve the COLA problem now with better funding for the future.

Thank you,

Frances Kogan, BFA, B.Ed., M.Ed.

\* \* \*

Thank you for allowing me to put my views on the record concerning Bill 45. I am sending this presentation in support of Bill 45. First, I would like to thank the government for introducing this Bill. It is the culmination of significant work by the Manitoba Teachers' Society on behalf of members of the teachers' pension plan, both active and retired. The commitment of this government to address this issue is appreciated.

My name is Mary Chalmers and I have been a teacher for 11 years. I am currently teaching at Ross L. Gray School in Sprague, Manitoba for the Border Land School Division. I am also the President of the Border Land Teachers' Association. It is my belief that in supporting teachers, we build a stronger public education system and our students will do better.

I am in support of Bill 45 as it balances the need to provide retired teachers with a cost of living adjustment with the amount of money that active teachers and the government would be required to pay for it. The proposal could double the cost of living adjustment paid to retired teachers this year. Without this increase, the retired teachers can expect a 0.7 percent. With this plan they can expect a 1.4 percent increase. These amendments must be implemented as a package. It includes the checks and balances that are necessary to ensure the pension plan does not run into further problems in the future.

I understand that this planned increase will come at no additional cost to active teachers, a concern for many of us. Today there are 1.4 active teachers for every retired teacher; any additional costs would be borne by the active teachers. The Retired Teachers' Association of Manitoba has asked for 100 percent COLA, this is simply not feasible. This would mean a 5 percent increase to every active teacher in Manitoba which in actual costs would be about \$3,000 a year more than we are already paying and the government would need to match that amount. This is would be unfair to active teachers and the government.

The simple fact is we need to make sure that the plan is protected and safe for our future. Today the average teacher retires at 57, after working for about 30 years and because teachers are living longer, they are collecting a pension for 30 years. As a result, teachers are paying in for a shorter period and drawing a pension for longer.

Bill 45 provides the necessary checks and balances, which will provide for the feasibility of the COLA in the future. RTAM wants large lump sum payments made to COLA. MTS believes that large lump sum payments and transfers from the basic benefit will put the basic pension at risk for both active and retired teachers.

In addition, there was plebiscite of all active and retired teachers; the vote was 52 percent in favour of this package. This is a majority of active and retired teachers in favour of the changes.

I ask you to implement Bill 45 as it provides an increase today to the retired teachers, and provides the necessary checks and balances to provide for the future of the plan and the future of active teachers.

Thank you.

Mary Chalmers

\* \* \*

As I am unable in person, to present my concerns regarding Bill 45, I do so via this e-mail:

I, Victoria Olchowecki, fully support the Retired Teachers' Association of Manitoba in its opposition to Bill 45.

The Manitoba government's failure to meet its obligations is a disgrace. Retired teachers paid for inflation protection and have a right to expect that the government honour its part in an ethical and just manner.

In my 38 years as an educator, I worked with dedicated and caring teachers. Those now in their 80s and 90s taught at a time when salaries were low and, with time away from teaching to raise families, their pensions today are completely inadequate to meet the increasing cost of living. To deny them full cost-of-living increases is disrespectful of their years of service to the youth of Manitoba and unconscionable on the part of the government. I note that MLA's considered full COLA important enough to grant it to themselves. It is my expectation that the MLA's will give the same consideration to retired teachers.

The plebiscite regarding the Sale report gave me less than a week in which to respond and I do not feel assured that my no vote was received in time to be counted. I live on an island and have found that turn-around time for mail can be as much as three weeks. This puts into question the validity of the vote

results. The time given was not fair, and, like justice, must not only be fair, but must be seen to be fair.

I appreciate the opportunity to express my views. I request that the committee and the MLA's be ethical and just in their final decision.

Sincerely

Victoria Olchowecki

\* \* \*

I am recently a retired teacher and I am concerned that presently there is virtually no COLA available to retired teachers. In reviewing the history of COLA the following information has come to my attention.

Retired teachers have paid for a COLA. Teachers individually have paid tens of thousands of dollars for inflation protection.

Without a guarantee or significant funding measures, the existing generations of retired teachers are being asked to bear the brunt of:

- the inadequate funding since 1977;
- the inattention for 20 years that has caused the COLA problem to be more costly to fix;
- the inaction, despite actuarial warnings, of the two parties named in the Teachers' Pension Act who are responsible – namely the government and the Manitoba Teachers' Society;
- and now the inadequate funding recommendations of the Sale “package” and their implementation in Bill 45.

Our COLA is still underfunded. More significant funding measures—ump sum funding and/or a long-term funding plan—are needed.

RTAM has not been insisting on a 100 percent CPI COLA as the Sale report, MTS and the Government have declared. RTAM has stated that when there is a commitment to long-term funding solutions, RTAM is prepared to discuss reduction in COLA.

I support the RTAM proposal as follows:

1. For fairness and equity in the short term:

That only the better-of method of crediting interest to the PAA (with a three year moving average backdated to 2005), without conditions attached, be enacted now.

2. For fairness and equity in the long-term:

That a commitment, with a memorandum of agreement, be made to resume good faith discussions to deal with long-term funding solutions and/or a plan for long-term funding.

With regards to the plebiscite, the government has no moral authority to proceed with the implementation of the Sale recommendations based on such a slim majority.

I am pleased that I have this opportunity to address my concerns to the special legislative committee on Bill 45 regarding TRAF COLA problems. I trust you will listen to these concerns and be willing to work with RTAM to resume discussions to deal with long-term funding solutions. Thank you for addressing this issue.

Sincerely,

Mrs. Pat Trottier

\* \* \*

I cannot attend the hearing, but would like my submission presented to the hearing.

I enjoyed my years teaching in the Manitoba school system and am now retired.

I am deeply disappointed in Bill 45. A maximum of two-thirds COLA is not what we paid for or were promised.

As well, waiting 10 years before having the problem reviewed will only serve to build resentment and frustration and do nothing to solve the problem.

The government needs to step up and take responsibility for their portion of the agreement.

In order to do this, they need to find a long-term funding solution.

Retired teachers have paid for COLA.

They deserve to receive what they have been promised—100 percent COLA.

I don't think that Bill 45 addresses the future needs of our present day teachers.

We all want qualified, hard working and talented individuals to be in the classrooms, teaching our children and our grandchildren.

This will not happen when young teachers come to realize that Manitoba lags behind other provinces in the benefits receivable upon retirement.

How can we encourage those wanting to enter the profession when we feel that our government, present and past, is treating teachers unfairly?

It is only the government that can make the law that can fix the problem.

After 20 years of waiting it would truly be amazing if this government showed the courage and foresight to work towards a solution to the COLA problem.

Thank you for listening.

Beverley Finlayson

\* \* \*

My name was on the list to make a presentation to the Committee, but I am unable to attend (I can't afford to stay in a hotel until my name is called). I would like my submission presented to the hearing.

I retired in 1998 having taught in Manitoba for 38 years. I was always assured by MTS, TRAF, and the government that was in power that the Manitoba Teachers' Pension was one of the best in Canada. Now I find out that it is the worst in Canada.

I guess they were lying to me. Who am I to believe now?

Having read Bill 45 and the Sale report, I know that they do not fix the problem.

Bill 45 and its amendment only postpone and compound the problems.

Up to two-thirds COLA means we could get zero percent some years. Ten years is far too long.

Why am I worried? My cost of living keeps going up. Food, shelter, transportation, drugs, heat, et cetera, all keep going. The amount that I can purchase now is considerably less than what I could purchase in 1998. In 10 years, what will my wife and I have to do without?

I deserve 100 percent COLA because that is what I was assured that I would get. I deserve 100 percent COLA because I dedicated my life to teaching our young people in Manitoba.

Fix the problem now. Retired teachers deserve to be treated like human being not second-class citizens.

Young people entering the teaching profession in Manitoba need to know now that the Manitoba Teachers' Pension has been fixed. We don't need

them leaving Manitoba to go to another province to get a good pension.

Robert Finlayson, Retired Teacher

\* \* \*

It is with deep concern that we must protest Bill 45. As retired teachers living on a fixed income the COLA is very important to us. We were promised so much more than the government is proposing. A 10-year review is not feasible in these swiftly changing times. There is no adequate or equal representation on the Pension Task Force as retired teachers which is another serious drawback to getting our views and needs aired and addressed. The need for significant new funding and a long-term funding plan to make the PAA self sustaining is imperative and should be addressed ASAP.

Thank you for your time and I hope your consideration.

Donna and Vance Birnie

\* \* \*

I have included my name on the list of presenters but will not be able to attend the hearings. I am sending the following written statement.

I am a retired teacher who has both taught and been in administration in Manitoba schools. I have been closely following the debate surrounding Bill 45. I have read Tim Sale's report and other pertinent information. While I agree with the many arguments teachers have thoughtfully brought forth to justify their position, I do not wish to allude to them here for they have been well made.

It is my view however that one thought bears to be repeated. It is one that educators instil in their students as do parents in their children: responsibility, that basic value of being true to your word, to your commitment. An understanding was achieved in the past relating to COLA. It is only just that if changes must be made to an agreement that both parties must agree to those changes. It seems that government is prepared to enact legislation that has not obtained the assent of both parties. One might argue that government has the power to do so. But I do not think that power is the issue here. The issue is what is the just and fair avenue of problem-solving. It is my hope, even further my conviction, that justice and rational thought will be brought to bear so that both parties in the end can say we have achieved consensus.

I thank you for your kind attention.

Respectfully submitted,

Georges Druwe

\* \* \*

The current impasse between the MTS, government and RTAM regarding the COLA clause in legislation for teachers' salaries is causing great concern, particularly among the retired teachers. In the late 1970's, the always resolute and clear thinking George Strang negotiated the cost-of-living adjustment for teachers in Manitoba. In return the Manitoba Teachers' Society members agreed to solely fund their own long term disability insurance. With these two agreements teachers correctly felt that they were protected against inflation and ill health and this included protection into retirement. Now the present government and the Manitoba Teachers' Society executive have joined forces against retired teachers, calling a plebiscite which would ask teachers, both practicing and retired to accept a lesser COLA than that negotiated and agreed upon years before. The purchasing power of pensions is diminishing. Many of those already in retirement were unable to pursue the academic studies required of them to qualify for higher salaries and pensions.

In addition many women who took years off for child rearing could never achieve maximum pension years. If in addition they were/are single parents the situation is even more grave. The current actions of the Government and MTS are nothing less than elder abuse - directed at people who spent their lives with the youth of this province for the benefit of this province. They did so with the understanding that they had the support of both MTS and the government. Now this plebiscite, in which retired teachers form a minority and cannot be fairly represented, is a betrayal which turns their trust into a sham. There is much anger, frustration and disappointment at the lack of progress in making improvements to the COLA for retired teachers. Why would the MTS and the government try to force an agreement via a plebiscite in the planning of which the RTAM were excluded?

Why not adopt what has been agreed upon and continue to deal with the balance of the problems? In regard to COLA, an enforced "up to two-thirds" agreement for ten years could indeed, in the worst case, mean zero dollars for 10 years. At present the COLA paid to Manitoba teachers both active and retired is among the lowest in Canada. In closing I

cannot improve upon the words of Tom Ulrich, a contemporary of George Strang, and a man who from 1974 until 2004 was actively engaged in bettering the situation for the teachers of Manitoba. I quote: "The Sale report appears to have been an attempt to achieve preconceived objectives using misinformation and unfair restrictions to the scope of solutions as justification for the recommendation."

With these words I close my statement in opposition to Bill 45.

Irene Legg - retired teacher

\* \* \*

First of all thank you to this committee for the opportunity to express my views on this important matter. My name is Sharon Orr and I retired in 2002. I am a member of the Retired Teachers' Association of Manitoba. This e-mail presentation is to convey my concerns about the plebiscite and Bill 45. I fully support the position taken by RTAM in regard to the Sale report and the passing of Bill 45 in its present form.

First I would like to refer to the plebiscite. The fact that RTAM had no input in its planning and implementation seems in my opinion contrary in that Bill 45 deals with pension amendments and has a direct and immediate effect on retired teachers. Also the fact that the media was informed of its results before RTAM reveals another aspect of exclusion. For my part I felt confused that MTS, who in my mind represented my best interests when I was an active teacher, seems to have abandoned me as a retiree and followed another agenda.

In regard to The Teachers' Pension Amendment Act itself I do feel positive that some steps have been taken in light of 20 years of neglect (even after warnings about underfunding). However, I am still concerned about two-thirds funding as I paid for a full COLA. Also a decade is a long time if it means no chance of discussions to ensure significant measures for funding pensions.

As a personal example of how underfunding of COLA has affected me I have gathered some data to show how one important part of our family budget has been impacted. This example literally and concretely illustrates how the cost of living has risen in just one area. Living anywhere, but particularly in Manitoba requires electricity and heat. As previously stated I retired in June, 2002 and instead of using information for a partial year I have compared my income and expenses for electricity and natural gas

for two full years-2003 and 2007. Then I looked at the income from my teachers' pension. The majority of pension increases if any were usually a result of income tax decreases and at the same time these changes were frequently negated by other deductions such as group health. Even though electricity and gas prices continued to rise my teachers' pension did not keep pace. In the foreseeable future these expenditures are to increase even more. Here is the data.

From to 2003 to 2007 electricity charges increased by \$65.97 or 7.83 percent, the natural gas charges increased by \$117.43 or 8.35 percent while during the same time my teacher's pension rose by \$57.75 or 0.03 percent

I want to emphasize that of course this is just one example of a never ending increase in the cost of living. I am asking for a long term solution so that my fellow retirees and I can have a fair, adequate and well deserved pension to enjoy the rest of our retirement.

Respectfully Submitted,

Sharon Orr

\* \* \*

As a retired teacher I am very concerned about the content of Bill 45 and the process that brought it to this stage.

This bill is very unfair to retired teachers. For years teachers made their TRAF contributions believing that all the terms of their pension plan would be fulfilled. For many, living on a pension that is not fully indexed is creating financial and emotional hardship. Now having a proposed bill that legislates that we will never be fully indexed, is truly unjust.

Delaying the implementation of this bill for 10 years does nothing to solve the root problem. For years individuals with financial insights have been asking for changes to be made. They have been ignored. Although the government has the final say in how the problem is resolved, it is critical that the government sit down with all the parties involved and work out a plan for the future. It is absurd that the group with the most to win/lose, (the retired teachers), did not have a vote on the Pension Task Force, and in many situations seemed to be ignored in the ongoing process. It is also inconceivable to think that a democratic government would push through a bill that only had the support of 22 percent of all active and retired teachers. This alone should

cause the government to stop and reconsider its actions.

I sincerely beg you to withdraw this bill, and to sit down with elected representatives from each group: government, active teachers and retired teachers. Together they should bring in people with financial expertise, as needed. Relying on the input of one person (i.e. the Sale report) is not wise for a problem of this complexity.

The people involved in the teaching profession, have played and will continue to play a significant role in the development of our society. Let's ensure that they do not experience unnecessary hardship after giving the best years of their lives to others children.

Sincerely,

Muriel Gamey  
Neepawa, Mb.

\* \* \*

I would like to speak in opposition to Bill 45. I can bombard you with a barrage of facts and figures as to why all retired teachers require a reasonable increase to their annual pension benefits but I won't. I ask of you several questions and if the answer if no to all or most of the questions, I ask that you re-examine your final resolve to Bill 45.

Question one:

Was your annual percentage increase to your wage or pension benefit less than 0.783 percent?

Year	Actual increase	After tax increase
2002	.7%	.6%
2003	1.6%	1.1%
2004	.6%	.4%
2005	.4%	.3%
2006	.7%	.4%
2007	.7%	.4%
<b>6 yr average</b>	<b>.783%</b>	<b>.533%</b>

Question two:

Has the increase of retired teachers' annual pension benefits kept pace with the increased annual cost of living?

Question three:

Could the after tax increase of 0.533 percent to retired teachers' pension benefits continue to cover cost increases to services and utilities in the future?

Gasoline           40 percent  
 Hydro rates       5 percent  
 Housing           60 percent in 5 years

Natural gas, house insurance, MPIC, food, clothing, etc.

If your answer to these three questions is no, then I ask that you reconsider the final resolve to Bill 45, and that you throw in a few more crumbs to those teachers who have done such a fine job of educating you.

Syl Didur

\* \* \*

I wish to submit this information to state my opposition to the legislation in Bill 45 that is being put forward. It is my hope that through this process the common person can have his/her voice heard and that true democracy can take place. So, I ask that you please truly listen to the concerns of the retired teachers in our province. The Retired Teachers' Association in Manitoba does not have the large organization of networking or funds available that the Manitoba Teachers' Society has. Connection to all retired teachers is not easily accessible as not all retired teachers chose to join TRAM upon their retirement making the access to information from within our group difficult. I do believe that when the results from the plebiscite came out, one must look at the results as significant opposition to Bill 45. The fact that the entire process was done so quickly and that many of our retired teachers did not receive the ballots in time to place a vote due to absence at the time indicates to me that done properly, the results against the bill would likely have been greater. On the other hand, MTS with its funds and greater access to its members were able to provide active teachers with the information that they wanted them to hear. How fair is this I ask!

As a retired teacher in Manitoba who has spent my whole teaching career in this province, I believed the government promised me with a full COLA when I retired because all along I paid more for this benefit. I am very disappointed in the solution which is being supported by both MTS and this Government which will not even guarantee me a two-thirds COLA. This legislation states up to two-thirds COLA which could also mean zero! Furthermore this proposal also closes the door to further discussions for a 10 year time period. That would mean that I am locked into this situation for 10 years

with no chance of bettering the situation while my spending dollar slides against inflation. So I ask, who benefits from this plan? Certainly not the retired teachers who paid even more for our COLA than what civil servants pay for their two-thirds and yet teachers are not even guaranteed that a two-thirds COLA will be provided. Retired teachers spent their life working for the children of this province and worked hard for many years and this is the how we are rewarded for our years of service. The money we paid was paid in good faith and now we are to suffer the losses because of Bill 45. With ever-increasing inflation and lower interest rates on savings, this presents a hardship on retired teachers.

I have great concern, particularly for retired women teachers whose pensions are often quite a bit lower than many of their male counterparts. Most of these women are widowed, or married to someone who does not receive a pension and either because of the lower income from their salary class as a teacher or due to the fact that they were removed from the workforce for child bearing years, are receiving a lower pension to begin with. As a part time, class 1 teacher who took years out of the workforce to care for a young family my pension is very small to begin with. To expect us to accept a lower dollar value for our money each year when in fact we paid for a full COLA is totally unacceptable and I wish to ask this government to vote against this legislation which will see the retired teachers of the day being the losers and bearing the brunt of the problem at our expense.

I would like to see more discussion take place on this issue where a solution is arrived at that does not place the burden on retired teachers who are living on a fixed income. Other provinces have dealt with this situation where their retired teachers have been treated fairly and I believe that this government can also come up with a situation that will treat its' retired teachers with the same respect and fairness that they deserve.

Respectfully submitted by,

Dorothy Strachan  
 Retired Teacher - Carman, Manitoba

\* \* \*

I would like to register my concern over the lack of respect the government has shown in respect to the agreement and expectations that teachers of my generation, (now retired seven years) had when we were paying into the pension fund.

Throughout my teaching career the TRAF pension fund was touted as a “top notch” plan with 100 percent COLA protection, and that is what we were paying for. Only in the mid 1990s, I believe, did we start to hear about the concern that the COLA portion was lacking, however this could be fixed with a change in the legislation dealing with the TRAF. This legislation was not forthcoming and now in 2008 the government wants to pass the Sale report which in my opinion is a sale all right where the government is “selling” the retired teachers down the river.

We paid for a full COLA! Now we are being offered, and asked to accept, a guarantee of “up to two thirds (two-thirds) of inflation”. What kind of guarantee is that “up to...”?

Scenario: As a homeowner, I purchase and pay insurance every year that is supposed to provide 100 percent replacement value on structure and contents. A misfortune happens and my house burns down and contents are destroyed. The insurance company, to whom I have paid my premiums faithfully for years says, “We’re only going to cover up to two-thirds of your losses now that you have had this misfortune.”

In my opinion this is a “breach of contract”. The insurance company shirked on our agreement. Similarly the non-payment of a 100 percent COLA to the retired teachers of Manitoba when they have paid for such coverage is also a “breach of contract”!

As retired teachers, on a proposed reduced COLA “up to two-thirds of yearly COLA”, are we going to have the privilege of showing our “teacher’s certificate” or “RTAM card” and benefit from a 33 percent reduction in food purchases at the grocery store or gas purchases at the service station? What about our ever increasing provincial utilities (Hydro 5 percent for power and natural gas regular increases) – Do we get a 33 percent discount on these bills that are provincially controlled?

All during my teaching years, I personally, as did my colleagues, allocated extra funds to TRAF with the expectations that we were going to benefit and be protected against inflation 20 and 30 years or more down the road. Now when we have retired we have been “sold out” by the MTS and our provincial government who are advocating support for the Sale report.

I thank you for listening.

Ian Heather

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I am a retired teacher who provided 37 years of service to the education of the children of this province. I am totally opposed to the passing of Bill 45, which reflects the recommendations of the Sale report and request that the province continue deliberations with the MTS and RTAM to develop a pension proposal that reflects the interests and needs of currently retired and future teachers.

I retired in 1997 fully expecting to receive a pension that would allow me to maintain a comfortable lifestyle. Over my teaching career I fulfilled my end of the pension commitment by faithfully contributing my fair share to the pension fund and was of the belief that my government and professional organization were ensuring that their end of the bargain was being upheld. Much to my surprise, one short year after I retired, I began learning that due to a problem with COLA, my pension would not be increasing at a rate anywhere near yearly cost-of-living increases. Over the past 10 years my ability to maintain my lifestyle has been increasingly challenged.

In the RTAM board response to the Sale October 2007 report and in their subsequent news releases and articles, the RTAM has clearly outlined the reasons why the report's recommendations are not in the best interest of currently retired teachers. I fully endorse their findings. While I will not take the committee's time to restate their findings, I strongly suggest that government and House members give them careful consideration prior to voting on Bill 45.

However, I have other concerns over the present situation and the process that was used to bring us to Bill 45:

1. By moving ahead with the recommendations in the Sale report, without giving significance to the concerns raised by RTAM, leads one to believe that this government has little interest in the needs of currently retired teachers. Their actions do not live up to the observation of a former colleague that "with a government noted for its caring attitude towards workers and its ideology based on fairness and social justice, perhaps teachers will obtain the necessary improvements."
2. The author of the Sale report was a former minister of this government and therefore I have concerns over bias towards government needs as opposed to those who provided dedicated service to this province. Why wasn't a totally independent



person brought in to prepare a report for the government on an issue that affects so many?

3. The initial COLA document, developed and passed under a previous NDP government is being so readily dismissed and not financially supported by the current NDP government. It is little wonder that so many have lost respect and faith in our governments.

4. Teachers paid 60 percent more for COLA than other civil servants and gave up benefits received by other government employees in exchange for a better COLA, only to be expected now to accept the same level or less of COLA.

5. The turn-around time for the recent plebiscite provided inadequate time for retired teachers living out of province or country to return their ballots. The plebiscite occurred before summer break providing opportunity for all active teachers to respond. Given this, it is surprising that the results of the plebiscite were so close.

6. Given the narrow margin by which the plebiscite passed, it is alarming that the government would move so quickly to introduce Bill 45 without taking the opportunity to re-examine their position.

7. Most disheartening to me is the position taken by the MTS and their willingness to "jump into bed" with the government regardless of the concerns expressed by their former members and colleagues. They, along with past and current governments, had the responsibility to ensure that provisions for the COLA passed in the 1970s were being adequately funded. This did not happen. One would have expected that the MTS would have worked co-operatively with the RTAM to present a united front to ensure that the interest and needs of both active and retired teachers were adequately addressed. Instead, the current executive has been too willing to lay the blame on past MTS executives for not responding to warning signs and on retired teachers for receiving what they expected to receive.

I strongly request that this bill be tabled for further study and that the government immediately examine and address the concerns raised by RTAM in their response to the Sale report.

Respectfully submitted,

Astrid Michal (Mickey) Kuprowski

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Monsieur ou madame le/la président/e, messieurs, mesdames, je m'appelle Hélène McCarthy. Je suis professeure à la retraite.

Je suis aussi mère célibataire. Ma fille est encore à mes dépends puisque je l'ai eue à l'âge de 39 ans. Elle fait ses études post-secondaires et travaille autant qu'elle le peut pour payer ses frais de scolarité.

Si je ne me fie qu'à mon plan de pension de la MTS pour vivre et pour appuyer ma fille, cela devient une impossibilité. Lorsque j'ai quitté l'enseignement pour des raisons de santé, mon salaire est passé de 63,000\$ brut à 28,000\$ brut. J'ai dû prendre un autre emploi pour combler le déficit. J'ai maintenant quitté cet emploi, pour des raisons de santé aussi, et comme je n'ai pas encore 60 ans, je ne peux pas recevoir les prestations du Régime de pensions du Canada.

Je me suis dupée de bien des façons en croyant que mon temps de retraite serait enfin un repos sur le plan émotif autant que sur le plan financier. L'an dernier, j'ai dû vendre la maison de mes rêves dans un beau quartier francophone pour aller m'installer plus modestement ailleurs parce que je n'arrivais plus à boucler seule les responsabilités fiscales. Maintenant, je crois qu'il me faudra vendre cette demeure aussi car elle est vieille et elle entraîne des factures toujours croissantes. En plus d'électricité, chauffage, eau, téléphone et taxes foncières, il y a de nombreuses réparations.

Vous n'avez qu'à considérer le prix de l'essence. Faire le plein est passé pour moi (comme pour mes collègues à la retraite) de 60\$ à 80\$. Vous pouvez voir que la meilleure des augmentations que vous m'offrez en fonction du coût de la vie est encore insuffisante pour que je puisse dormir paisiblement la nuit.

Le Projet de loi 45 vient ajouter à mon anxiété et à mes cauchemars. J'ai investi 16,6 percent de mon plan de retraite durant de nombreuses années pour avoir l'assurance d'augmentations en fonction du coût de la vie et j'ai cru en la parole de mon gouvernement et de la MTS.

Je vous prie, en mon nom personnel et au nom de tous ceux qui luttent pour survivre, de rejeter le projet de loi 45 tel qu'il est maintenant écrit, de bien réfléchir et d'avoir le courage d'offrir un projet de loi qui sera équitable et juste pour les enseignants qui sont à la retraite à présent et pour ceux qui le seront dans le futur.

Merci de votre attention

Hélène McCarthy

**Translation**

*Madam/Mr. Chairperson, ladies, gentlemen, My name is Hélène McCarthy. I am a retired teacher.*

*I am also a single mother. My daughter is still a dependent as I had her at the age of 39. She is currently doing post-secondary studies and works as much as she can to pay her tuition.*

*It is impossible for me to rely solely on my MTS pension plan to live and to support my daughter. When I left my position as a teacher for health reasons, my gross earnings dropped from \$63,000 to \$28,000. I had to find another job to make up the difference. I have now left that job as well, also for health reasons, and as I am not yet 60, I am not entitled to receive Canada Pension Plan benefits.*

*I was wrong in many ways to think that my retirement would finally be a time of rest from an emotional and financial perspective. Last year I had to sell the house of my dreams in a beautiful Francophone neighbourhood and move to a more modest house in another area, because I could no longer pay all the expenses on my own. I now think I will have to sell the house I am currently living in as well, because it is old and I'm faced with mounting bills. In addition to utilities, telephone bills and property taxes, there are numerous repairs to be done.*

*One need only consider the cost of gas. The cost of a full tank of gas has increased for me (as it has for my retired colleagues) from \$60 to \$80. You can see that the most generous of increases you are offering based on the cost of living is still not enough to allow me to sleep well at night.*

*Bill 45 has added to my anxiety and nightmares. I invested 16.6 percent of my pension plan for many years in order to be assured increases based on the cost of living and I believed in the word of my government and the MTS.*

*I am asking you, on my own behalf as well as on behalf of all those who are struggling to survive, not to pass Bill 45 as it now stands, to consider the matter carefully and to have the courage to propose a bill that will be fair and equitable for teachers who are currently retired and those who will be retired in the future.*

*Thank you for your attention.*

*Hélène McCarthy*

\* \* \*

My name is Kristina Ellis and I am a grade 1 teacher in the Pembina Trails School Division and a member of the Pembina Trails Teachers' Association executive. I appreciate the opportunity to share my views on the Sale report and the changes to our pension plan that are suggested in Bill 45.

I've been teaching primary French immersion for four years and I must admit that my pension was not on the top of my mind when I started teaching. I knew when I started that I was a member of TRAF and I also knew that MTS looked after decisions about the pension plan. However, specific questions or concerns regarding that pension plan never occurred to me until recently as I became more informed thanks to my involvement in my local association.

I play an active role in my local association and I elect MTS leaders who I trust to make decisions in the best collective interests of teachers and in the case of pensions, in the best interests of both active and retired teachers.

I'm sure you have heard many presentations already on the question of teacher pensions, particularly in relation to the cost-of-living adjustment paid to retired teachers. I will not go into the history of the plan or the reasons for the current situation, which I believe have been agreed upon by everyone. I do, however, want to discuss an issue that has been mentioned repeatedly by RTAM and which I believe is not well understood. That is the question of the new entrant shortfall.

When people talk of the new entrant shortfall, there is often an impression that somehow retired teachers are subsidizing new teachers. The implication is that if only new teachers were putting the money into the plan that they should, we wouldn't be having these problems. I find it disappointing that some people would seek to lay the responsibility for our current funding problems on those who are least responsible, but that is exactly what seems to be happening.

It is true that new teachers are not paying enough for the pension they will receive upon retiring. MTS has tried to rectify this situation by requesting that active teachers be allowed to increase their contributions. Government agreed to a significant increase in 2005. At that time, contributions rose about 18 percent, or

1.1 percent of salary. MTS has repeatedly requested another comparable increase, but government, for reasons I don't understand, has not agreed.

It is good that active teachers are paying more for the pension they will receive, but what about retired teachers? The contribution level most retired teachers paid into their plan was set in 1980. But the benefit levels that were in place at that time were significantly improved over the following 15 years. We saw teachers retiring earlier and receiving better benefits even though they never paid any additional contributions into the plan to cover the cost of these improvements. Unlike active teachers, who are being asked to pay increased contributions, there is no way to ask for additional contributions from retired teachers.

Our plan has a funding shortfall, not a new entrant shortfall. New teachers aren't paying enough, though I hope they soon will be. Retired teachers, on the other hand, never paid enough either, but there is no way they will ever be asked to contribute more funds into the plan and it should not be the responsibility of new teachers to financially make up for funding choices made by now retired teachers almost 30 years ago.

I want to be clear by underlining the fact that when people talk about retired teachers subsidizing active teachers they are talking nonsense. The idea that retired teachers are somehow entitled to use the future basic benefit because of this is both dangerous and risky to the current and future status of the plan.

I recognize the difficult situation retired teachers are in with regard to COLA, but it must not be forgotten that they have enjoyed and continue to enjoy benefits which were improved without a contribution increase to pay for those improvements.

I stated earlier that I elect leaders to make decisions in my best interest and in the best interests of my colleagues, both active and retired. I believe that MTS has done exactly that in supporting the changes in Bill 45. I've been very pleased with the co-operation between MTS and government in the past in making improvements to our pension on issues such as maternity and parental leave, and I ask that the government continue that co-operation with respect to this issue.

Bill 45 is an equitable and evenhanded approach to the current issue. It means a significantly better COLA for retired teachers and protects the basic benefit for everyone. It is balanced and reasonable. I

believe speedy implementation of this legislation is in the best interest of everyone.

Thank you for your time and consideration.

Respectfully submitted,

Kristina Ellis

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I am registered to speak at the hearings regarding Bill 45. I received a telephone call this morning from the Clerk of the Legislature informing me that I had been called on the first evening of hearings.

Unfortunately, I was unable to be present on Monday evening. With today's hearings devoted to presentations in French, I find myself in the position of not being able to attend either the Wednesday evening or the Thursday morning session. I, hereby, request that my objections to Bill 45 be entered into the record by this written submission.

As a retired educator of six years, I find myself in total awe regarding the proposals to the Manitoba Teachers' Pension Act being proposed by Bill 45. I spent the last year as president of our local chapter of retired teachers and have been in communication with RTAM regarding what is transpiring. Twice in the past several years I, along with many of my former colleagues, protested in front of the Manitoba Legislature with the intention of letting the government of the day know of the injustice being served upon Manitoba's retired teachers.

To the best of my knowledge, in 1977 Manitoba teachers negotiated the establishment of the Pension Adjustment Account or PAA to protect pensions from inflation. 16.6 percent of all teachers' contributions were directed to this account and the investment returns were to pay the CPI COLA, and the government was to pay the other 50 percent. For most of the next twenty years, this account was able to pay out full COLA or nearly full COLA. This was accomplished without the government paying in its share of the contributions in a setup known as "unfunded liability"; the government only pays out its share when called on to pay out the pension of a retired teacher. the Manitoba government's recent injection of \$1.9 billion into the pension discussion is merely paying lip service to the issue; the government still has total control of that money and it is doing nothing to solve the problem.

Apparently provinces like British Columbia and Alberta have also had to grapple with these same

issues. Alberta paid out its unfunded liability and have negotiated satisfactory solutions to the issue.

While the Pension Task Force has been established, it has met only sporadically and with no input from the retired teachers of Manitoba. The inclusion of an observer in the last year seems only to pay lip service to the 11,000 retired teachers in Manitoba.

When the PAA account was established in 1977 and CPI COLA was implemented, part of the negotiations with the government of the day involved a trade-off. The government wanted the teachers to accept a two-thirds COLA that they had been able to negotiate with other public-service unions. Instead, Manitoba teachers stood united in its determination to have a full COLA. They agreed to take over the administration of our own disability insurance. In summary, Manitoba teachers paid in increased fees, administrative costs, and premiums for a CPI COLA in a legitimately negotiated agreement with the government of the day.

(Teachers, through TRAF funds bear the total cost of administration.)

For a good many years, I have heard at meetings talking about pensions, that actuaries have been predicting that the teachers' pension plan would be in trouble if changes were not implemented. The changes proposed by Bill 45 will not help the total situation. It will only put it off for 10 years.

Current retirees deserve a fair and equitable resolution to this problem. We, as retirees, paid for an equitable COLA. If the recommendations that are being proposed in Bill 45 are implemented, the current generation of retired teachers, about 11,000, is going to be sacrificed to much lowered standards of living. We are being asked to bear the brunt of the inadequate funding since 1977 and the inattention of 20 years that has caused the COLA problem to be more costly to fix. We, the retired teachers, are being punished for the inaction, despite actuarial warnings, of the two parties named in The Teachers' Pension Act who are responsible—the government and the Manitoba Teachers' Society. Sadly, the retired teachers now find themselves sold out by their former organization that is supporting the woefully inadequate funding recommendations of the Sale "package" and their implementation in Bill 45.

A second issue that I find almost repugnant has to do with the recent plebiscite that was carried out by the government and the Manitoba Teachers' Society. At no time was the organization that speaks out on my

behalf, RTAM, consulted or asked to contribute. The hurried manner in which it was carried out, the limited information provided, the very short voting period, and the fairly large number of retirees who were unable to vote because they were out of province or in the U.S.A., resulted in a travesty vote. The plebiscite results with 52 percent for and 48 percent against can hardly be called a clear majority. How can any government proceed with the implementation of the Sale recommendations based on such a slim majority?

I urge the legislators of Manitoba to reconsider the issues at stake that are being considered with Bill 45 and changes to The Teachers' Pension Act. Eleven-thousand retired teachers paid for what was a legitimately negotiated agreement with the government of the day. The proposals as outlined in Bill 45 will sacrifice the current retired teachers and turn us into second class citizens with vastly diminished buying power.

We gave our careers for the betterment of our province's children and this is our reward.

Tony Balian

\* \* \*

Chairman, Mr. McFadyen, Dr. Gerrard and members of the committee.

I stand here tonight to say I am very unhappy with what is before us as retired teachers. It is a sad day in Manitoba when the Legislative committee hearings for seniors in Manitoba have to be held from 6 p.m. to midnight. That, I consider to be a put down, a type of bullying, and abuse. We all know of the crime in this city—how do you account for putting people in their 70s, 80s and 90s in danger? How do you account for putting the same people at risk when they probably have difficulty driving at night and with their very limited resources due to the lack of COLA over the last nine years—have to pay extra for transportation in order to attend and have their presentation hear? How do you explain to people from out of town with the same financial problems this government has laid upon them to have to drive in with gas prices as they are, and then pay for accommodation and extra meals in order to be heard?

And while I'm on this topic, please someone enlighten me how 400 presenters can be heard in the 18 hours you have allotted.

And one more thing before I get to my topic—where in the world is the care for seniors that was printed about in the 55 Plus section of the *Free Press* on Monday, June 30 when quote, "the Manitoba government also pledge to do its part to expose and reduce the incidence of elder abuse when Healthy Living Minister Kerri Irvin-Ross voiced its support for Elder Abuse Awareness Day on June 9. Saying Elder Abuse Awareness Day is an appropriate time to promote respectful, intergenerational relationship . . . In order to develop more age-friendly communities in Manitoba, we must all recognize that elder abuse happens and work together to develop solutions to address it."

I guess they were just pleasant words to say because the same day her government was passing the first reading of Bill 45.

When I attempted to speak to someone at the MSOS publication I got pretty much the same rhetoric—we decided we would not support the retired teachers.

We also hear the half truths and non-truths. One example, *Free Press*, July 17, ". . . MLAs begin public hearings on a plan to give retirees a pension hike. At issue is a bill that offers retired teachers a cost-of-living increase worth two thirds of inflation. That's not enough to lift many retirees out of poverty, say officials of the Retired Teachers' Association of Manitoba, a group that has lobbied relentlessly for pension improvements . . . However, the Manitoba Teachers' Society says the cost of living hike doubled what was on offer previously and represents sustainable, long-term solution to the pension kerfuffle."

What is wrong with this article? This bill does not offer any increase. This Bill 45 strips one third of the benefits we have paid for our portion—it reduces our COLA from the full COLA we have paid for and are not receiving to two-thirds COLA that we disagreed with back in the 1980s and paid 60 percent more in order to fund a full COLA. The difficulty came when the government and MTS did not attend to the fund that should have been put in place by the government when the actuaries warned them of the fund needing attention. Yes, we paid our share and that money now sits in account A—presently over \$2 billion dollars and half of it is our money. Yet we cannot get any media to listen to the truth—we simply are inundated with this kind of press.

This two thirds that is being promoted by government, MTS and the press will not be met even the first year if we had of endorsed the Sale report.

Instead of the 0.71 we would receive 1.44 of CPI. And that is not near two thirds—even in the first year. Neither is the fund sustainable as both government and MTS keep saying. The true fact is—there is no long-term funding put in place—and that is what RTAM has been requesting.

The correct part in this article is that there are many retired teachers living in poverty because the government and MTS—named in the Teachers Pension Act have not attended to their part of the fund and have chosen to "pay as you go."

I could say a lot more about that article, but I don't wish to take the time. Others will fill in more of the details. But we, as senior retired teachers, have been totally without a voice that can be heard in the media or anywhere else. I agree; we have been relentless. Would not you people be the same when you find you cannot access the thousands of dollars that have been taken from you that was put there for your old age?

I have been called relentless myself. I have been told I say things rather plainly and very pointedly. I agree. This is my senior years financial stake I have paid for that I'm talking about.

Who was I as a teacher? My last years were spent as a resource teacher in the River East Division. I was relentless—as one principal describes me. I had a case load of 120 resource students. I could not see a student who wanted to learn not have the support to do that. I tested (two times a year), planned their programs and still had time to teach some of them. Classroom teachers and paraprofessionals carried out those programs. I reviewed each student once a cycle with the people who worked directly with them. I recorded their progress every cycle. I was once asked by a superintendent to figure how many hours I spent. I worked it out—the hours a day I was using, figured the average number I would certainly put in a year. Divided that by eight for an eight-hour day. When it was tallied I had about two to three weeks a year off. I was only one of many doing the same thing. But I believed the MTS and government would look after the COLA I had paid for when I retired and it would be okay.

I would like to say some things about retired teachers' representation. We are given a nominal representation on the Pension Task Force—nominal as we have seen the plebiscite issue. Also on the TRAF board—the representative is appointed each year. We are not even mentioned in Bill 45.

I have been in the Legislature when Heather Stefanson—Education critic in 2006-07—endeavoured to put a bill through the Legislature giving RTAM one permanent representative on the TRAF board. The government would listen to the reading—then it would talk the time out. It happened more than once. This year Ron Schuler, as Education critic, again attempted to add one RTAM representative to the TRAF board. Again the government would filibuster the time out. Does this not seem actually serving abuse to seniors who are intimately involved with what is being done as much on their behalf as on behalf of active teachers? When the legislation for The Teachers' Pensions Act was written, retired teachers had no organization, so it couldn't be mentioned. However, with Bill 45 we are organized. Why then are we not mentioned in this bill as are MTS and government? Certainly we have paid our designated share of our COLA and should be allowed to sit and be counted.

Now, what I really came here to talk about was the plebiscite. Too bad there are so many government actions that are acting against us and take up time.

Concerning the plebiscite, there are serious concerns about the entire process and the government's decision to legislate the Sale recommendations on the basis of the 52 percent yes vote.

To back up to who put forth the plebiscite, this was supposedly done by the PTF. RTAM is represented on this committee albeit with only one representative with a voice and our president of RTAM. Yet RTAM was not a part of this plebiscite. They were suddenly called to a PTF meeting to be told this plebiscite was being sent to all teachers, active and retired, about 26,000 in all. Government was paying the bill. They were not even given opportunity to have it discussed at the RTAM board.

When the results came back RTAM was not provided with these results until they had been released to the media.

There were 11,271 ballots cast, a 44 percent return; yes votes were 5,848, 52 percent; no votes were 5,351, 48 percent. Difference was 497 votes, a slim majority if that was the whole story. It could not even then be counted as a clear majority as the MTS president has claimed.

We should remember also that there was not too much turnaround time from the time you received the ballot till when it was required to be back, and no late ballots were considered.

The government has no moral majority to proceed with the implementation of the Sale recommendations based on the slim 4 percent majority. A 48 percent no vote must be recognized. This no vote is largely the vote of retired teachers. This is a major constituent group of members of the plan. Legislators cannot ignore it.

Consider the number of active teachers, roughly 15,000 in all versus the roughly 11,000 retired teachers who were given the opportunity of voting. Then consider the massive resources the MTS had to devote to the plebiscite campaign. Alongside that the retired teachers were only able to afford a send letter and other than that were simply able to talk to members. Much of it was word of mouth from members to members. Now to make matters even worse for retired teachers, many are living in other provinces, possibly with their children as some can no longer afford their own homes. Mail today is slow and that even affected some living in Manitoba. These people, when they received their ballots, were not given time in the time span allotted to return their ballot. They were disenfranchised by the government.

Considering the slim majority of 4 percent yes votes, this is really a repudiation of the MTS provincial executive proposals to solve the COLA problem and their support of the Sale recommendations.

Many of the retired teachers found the information confusing. Some probably found the information was geared to a yes vote. The info offered gave no analysis of the impact. The pivoting period was too short to allow for time to be adequately informed. Many who are not yet RTAM members were unaware of anything going on. Many do not have computers to keep abreast of what is going on and did not have access to the Sale report.

Many retired out of province in Canada and some in the United States advised RTAM that they had received their ballots after the deadline. Many have said their vote was no. Slow mail delivery may have also affected some Manitoba residents.

As there was such a slim majority, this disenfranchisement may have critically affected the results of this vote.

It is unfair to retirees, the people most directly affected by the proposed COLA provisions in this Bill 45. They are the ones who do not have the ability to make adjustments in their living expenses as do active teachers.

The time limit does not allow me to describe all the problems with your actions and legislation and the countless ways they are deleteriously affecting one generation of educators, therefore I will summarize as follows: My government is abusing me and other seniors; my professional association is helping my government in its abuse; I support RTAM; And I do not support Bill 45.

Ms. Karen Boughton

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I understand that this bill has now passed the second reading and will be written into legislation in September, unless changes can be made. The amendments in this bill are an implementation of the Sale report "package" and COLA funding recommendations.

RTAM has not endorsed the complete "package" because it does not address the needs of the present retired teachers in Manitoba. This was made clear in February of this year by the RTAM Board and the reasons given for not endorsing the complete package were made very clear. I, like many RTAM members, fully support the RTAM in this decision.

This was followed by the plebiscite put together by the Manitoba Teachers' Society, MTS, and the government with no input from RTAM.

Kindly allow me to briefly review what has occurred with and to the retired teachers of Manitoba.

First of all, we were asked to pay for our COLA or pension indexing by the NDP government and the MTS in 1977. We did not complain; we believed we would be properly looked after with the legislation that ensued. The amount of that payment was deducted from our cheques each month. Neither did we complain when monies were taken from the fund that we as teachers were creating in order to help fund the generation of retired teachers at that time.

Early in the 1980s discussion arose about reducing our COLA to two-thirds or 66.6 percent, as the civil service was doing. We objected to having our COLA reduced from full to two-thirds and, to maintain a full COLA, we agreed to and paid an additional 60 percent. These funds were being deducted from us and used to build a fund in Account A with TRAF.

The government had agreed to match the amount we were paying but they chose to "pay as you go" and therefore did not build a funding program to support their giving. Interest was being earned through wise TRAF investments, but only on the teachers' portion

of the contributions. No interest could be earned on the government's lack of contributions till required.

This was the government's plan to which the Manitoba Teachers' Society agreed. We, as MTS members in those times, supported what the MTS had agreed to and every month our money went into the fund. The government, as the initiator of the plan, neglected to address their responsibilities; they did not match contributions and build a fund.

In the 1980s and 1990s the government and Manitoba Teachers' Society, who were named in The Teachers' Pensions Act, were warned several times by the actuary that this fund could not continue without being addressed and fixed. There would not be enough money to continue the retired teachers' COLA. Yet, neither the government nor the Manitoba Teachers' Society did anything. Today we are seemingly being blamed for their inattention to these warnings. We are the sacrificed generation who are now being asked to pay the price of their lack of insight and action.

We did receive a satisfactory COLA until the government changed in 1999 and the new NDP government under our present Premier, Gary Doer, came into power. No effort was made to address the issue of lack of government funding. Instead, the retired teachers who had paid their share for a full COLA, as well as given support to the prior generation, were almost cut off their COLA. From 1999 to 2007 we have received about 50 percent of what was our right. Each year the COLA decreased.

To add insult to injury—we are told we cannot access our monies in Account A. Our Account A can be used, however, to subsidize the present active teachers who do not pay enough to fund their own benefits. These present active teachers also make almost one-third to one-half more salary than most of us ever earned. Salaries are \$60,000 and \$70,000 per year or more depending on the position, training and years of teaching. Salaries were frozen for many of us for the last years of our teaching careers.

Now we receive an average pension of between \$19,000 to \$22,000 a year. This year the 0.71 COLA will give some about \$100 or less a year for the lower pensioned retirees. For those with pensions of \$20,000 it will pay about \$142 a year.

Could any MLA meet today's heavily rising costs with that little an increase on an already low pension? If so, then why do MLAs accept the full COLA they have given themselves as well as an

ample salary? Is their, or your, work and expertise more valuable than that of former educators, your Manitoba educators with their many years of training, experience, expertise and commitment? We paid for our COLA. Are you paying for yours?

This Bill 45 also states that as well as amending our COLA to two-thirds CPI, it has an inflation cap of 5.33—two-thirds of 8 percent of CPI—on an affordability basis for 10 years. Interest crediting will be the better-of method which may modestly enhance funding of the Pension Adjustment Account. Should any surplus arise, through increased interest rates on investments, that benefit is denied to us too. A reserve account will be established to help smooth the way for the next generation of retired teachers who are now being promised a full COLA.

This bill falls far short of addressing the basic concerns and objectives of this generation of retired teachers. It continues, instead, to create a generation of retired teachers who are being badly abused, bullied and actually sacrificed by their government and by the present executive of the MTS.

The MTS has completely changed 'coats' in the last several years. They do not take responsibility for any retired teachers—present or those soon to be retiring. They do not honestly and justly look at the abuse they are inflicting. This is not the role of their MTS predecessors. Those were people intent on looking after all teachers of the past, present and future, and setting up ways to help them in their senior years as inflation grew. What they have carefully laid down is now being ripped away by this new generation of MTS and by this government.

Leading up to this bill was the plebiscite, brought in by MTS and government acting supposedly as the pension task force. Our representative and our president were invited on short notice to one meeting in May only to be told that a plebiscite would be conducted. We do have representative status but it was completely ignored. The plebiscite, developed arbitrarily by others with no input from RTAM, was sent out and expected to be returned in a set amount of time. Retired teachers visiting or living in other provinces were not allowed sufficient time to return their ballots via Canada Post. The government and MTS abused those teachers by disenfranchising them. Was this the plan of these two governing bodies?

When the 26,000 ballots were sent, 11,271 ballots were cast for a 44 percent return rate. Of those: 5,848 voted for—52 percent; 5,351 voted against—48

percent. A 497 vote difference—with many of the retired teachers' ballots from other provinces not yet returned and not counted when they were returned. That was only one fault of many with this action.

RTAM was not even advised of the outcome of the plebiscite, but got their news on radio. And now we hear both MTS and government saying they have a clear majority to put the Sale report into legislation. What a farce.

I strongly disagree that any majority can be claimed. The development and implementation of this plebiscite were rife with faults and it is shockingly unfair and unjust to retirees.

What is needed now is either a repeal of Bill 45 or else a rewritten bill that includes in its legislation the present generation of retired teachers. If it is to be written—then, as my father would say when he taught me to plough a straight furrow, do it right the first time.

Let us have fairness and equity now, in the short term that only the better-of method for crediting interest to the PAA—with a three-year rolling average backdated to 2005, be given without conditions attached.

Let the government commit to a long-term memorandum of agreement so that we can begin good faith discussions to launch long-term funding solutions.

Let that bill be written so that the retired teachers of today and the next 10 years feel they have been fairly and justly served and can finally be lifted out of the quagmire of the assortment of half truths and lies that have abounded over the past year.

Let us have our turn at using the money we have invested in Account A—the half that is rightfully our share for a fair COLA.

Finally, lift us out of the depths of financial distress we have lived through for the past nine years.

As you know, increases in the cost of living are occurring everywhere: gas at the pump is becoming out of the average person's reach; dental costs are high for those on limited pensions; pharmacy costs are going higher; taxes both for our homes and almost all purchases continue to rise; heating will be a problem for many this winter; cost of clothing, groceries, everyday regular needs are increasing; telephone, television don't creep up any more—they jump; entertainment cost now exceeds our budgets.



Seniors need these things as well as all the other people do, yet without COLA they can be out of reach. My dollar now has the value of about 89 cents. I retired from the position of principal of Churchill High School in 1990 and I am feeling the changes being imposed upon me. I regret having believed my professional association and my provincial government.

I rest my case in the hope that Bill 45 will either be changed for the good of all retired teachers or be taken off the plans to put it into legislation.

John (Jack) W. Carroll

\* \* \*

#### Introduction

As a retired teacher, I am here today to enter into the public record my strong opposition to Bill 45.

It is extremely disconcerting to have to present concerns about a situation that never ought to have arisen. If the government of Manitoba and the Manitoba Teachers' Society had been committed to fairness and equality for all 32,145 members of the teachers' pension plan, we would not have to be here today.

In my career as a teacher and in my last 22 years in education, as a staff officer of the Manitoba Teachers' Society, I relied on the MTS to represent with integrity the interests of all members of the teachers' pension plan of which I am a member. I am very chagrined to witness that this is no longer occurring. As a result, the economic well-being of all teachers will continue to be at risk during their retirement years.

The process leading to Bill 45 was flawed and anti-democratic.

#### The Sale report

As has been ably demonstrated by the Retired Teachers' Association of Manitoba, the Sale report and entire process leading to Bill 45 has been flawed and inappropriate from the outset. While time does not allow me a full review of the Sale report, I will comment on some of the flaws.

Firstly, why does the Sale report omit important historical information? The report is completely silent on the history of COLA provisions from the outset of the creation of the Teachers' Retirement Allowances Fund in 1925. More importantly, the report is completely silent about the very significant

history of the 1977 agreement between the government of Manitoba and the Manitoba Teachers' Society.

I recall as a teacher in early career, I agreed to and fully supported the Manitoba Teachers' Society recommendation and subsequent agreement with government in 1977 to:

- 1) Increase our pension contributions, to a much higher amount than civil servants were paying in exchange for guarantee of a full COLA protection to a maximum of 5 to 6 percent;
- 2) Remove the disability pension benefits and survivor benefits;
- 3) Provide for future retirees a full COLA provided sufficient funds were available within a Pension Adjustment Account. We were informed that the PAA was funded to provide a COLA of 5 to 6 percent per year.
- 4) Effective in 1977, provide to teachers already retired. A COLA of 5.8 percent which was 98.1 percent of CPI. (See attached TRAF Document-Cost of Living Adjustment since 1977.)

I understood that we would have to pay for our own disability insurance.

As quoted in the Manitoba Teachers' Society publication, 1977, George Strang, one of the Staff Officers at the society responsible for the pension portfolio, wrote the following: The present level of contributions is expected to offset the full increase in the cost of living provided the cost of living does not increase more than five to six per cent per year.

(Source: Manitoba Teachers' Society article, 1977 by George Strang, MTS staff officer).

As a young teacher at the time, I was always very interested in pensions. (In the absence of access to free public education my mother who had no opportunities for advanced education and therefore no pension was instrumental in providing the motivation to ensure that I would have a good pension. From my first year of teaching, I paid close attention to all matters affecting the welfare of teachers including pensions.)

Being blessed with a social conscience and a strong commitment to the well being of the teacher collective, I never begrudged the fact that the 1977 deal ensured cost-of-living for teachers already retired at the time. As part of a collective I endorsed totally the concept that retired teachers had a right to

economic well-being in their senior years. My salary at the time was \$21,600.

As young members of MTS, we fully supported these changes. In 1980, we agreed to a subsequent contribution increase. Those are only two examples of important information that has not been included or even considered in the Sale report. In addition, there are numerous examples of inaccurate and misleading information throughout the report.

Secondly, why did the government avoid seeking the expertise of experienced, knowledgeable and credible specialists in plan design and administration? Why did the government choose a political appointee thereby ensuring further politicization of the process?

Mr. Tim Sale, a respected member of the Legislature and the NDP, was clearly a political appointee of the government. He did not have the pension background, experience or credibility to deal with the complex task he was assigned.

Any investigation of this importance should have been conducted by a government-appointed committee or commission of recognized, credible and experienced pension plan designers and administrators, including government and MTS representatives that were present at the discussions in the 60's, 70's and 80's to ensure documentation of accurate historical information.

To that group, I would have added elected representatives of the government, the Manitoba Teachers' Society and the Retired Teachers' Association of Manitoba. In addition, I would have included an actuary recognized by all parties for his or her expertise, experience and credibility in pension plan design and reform.

Instead, government chose to take the political route. Government knew that active and retired teachers were engaged in a dispute. What better way to heighten a dispute than to select strategies that fuel the conflict? What better way to take the heat off the government and let the teachers fight amongst themselves? Government could then sit back; enjoy watching the dispute escalate and not have to attend to any of its obligations as plan sponsor.

Thirdly, from whom did Mr. Sale obtain the mandate referred to on page 2 at the outset of the process—to request the actuary to design a plan for a two-thirds COLA? Was the mandate negotiated in advance? Is

there information that is not being shared with 32,145 plan members? In the Sale report, at page 2, it is stated

“As part of our work, the present Actuary, AON, was asked to model the PAA on the assumption that it adhered to the plan's actuarial design assumptions, and was used to pay no more than two-thirds COLA every year.”

Fourthly, the recommendations of the report that have been entrenched in Bill 45 do not present a fair and equitable funding model for the COLA either for current retirees or for all future retirees. Tinkering with the formula will in all likelihood never generate a COLA anywhere close to two-thirds of CPI. When active teachers eventually get to the point of retirement, they will understand the extent to which they have been duped by the government and by their own union. They will find out through research that they were misinformed. One day, they too will be very angry! And it will be too late!

#### Effects of the Sale report

The net effects of the Sale report recommendations now entrenched in Bill 45 were

- 1) To reduce potential benefits for current and future retirees;
- 2) To cause the entrenchment of an inter-generational conflict and fuel the hard feelings that all disputes foster;
- 3) To discourage any discussions for the next 10 years.

The economic well-being of retired teachers and future retirees is being sacrificed. As a senior citizen, I am deeply concerned.

The process undertaken by the government and the MTS including the plebiscite were flawed from the outset.

In written publications subsequent to the Sale report, the Manitoba Teachers' Society claimed to represent all teachers, provided information that was misleading or incorrect, that contained partial truths, that totally omitted historical facts about the COLA issue, and promised that a yes-to-COLA vote would result in doubling retired teachers COLA in 2008 without indicating that the doubling would provide a paltry increase less than two-thirds of CPI in 2008. Active teachers were led falsely to believe that the

recommendations of the Sale report if legislated would resolve the problems for all active and retired members in the long term. All of those claims are false.

The plebiscite

I was indeed totally puzzled that the Manitoba Teachers' Society was in total support of the Sale recommendations despite the fact that

- 1) The funding problem was not fixed
- 2) The Sale report provides a reduction of benefits for active teachers for absolutely nothing in return
- 3) Current retirees potential benefits are reduced to a two-thirds cap while ensuring that a minor change to the formula ensures that we will never come close to achieving a two-thirds COLA.

This scenario is very frightening. Why is the MTS providing misinformation to the active membership? Why is the MTS pitting active teachers against its senior citizen retired members?

Both the government and the society claimed moral victory following publication of the results of the supposedly non-binding plebiscite purportedly funded with taxpayers' dollars. The Society, on its Web site claimed that "the majority of the members of the teachers' plan support the Sale recommendations". That is blatantly and mathematically incorrect as the following information demonstrates.

Following are key problems of the plebiscite process:

- Deadline dates for casting mail-in ballots were too short for retired teachers living out-of-province.
- Plebiscite materials indicated that only active teachers were entitled to vote. That meant exclusion of teachers on maternity leave, parental and adoptive leave and teachers on unpaid leave who would have been excluded in the ballot mailing sent to only active teachers and retired teachers in receipt of pension.
- The plebiscite made no provision for determining the percentage of active teacher and retired teacher participation.
- Approximately 6,000 teachers on deferred pension were excluded from the vote and thus disenfranchised.

- As evidenced by the results of the plebiscite, thousands of teachers did not vote.
- The total number of eligible voters should have been approximately 32,145 instead of the 25,616 to whom the ballots were purportedly sent. The rate of return was 44 percent. Of those to whom ballots were sent, only 23 percent voted in favour.
- 5,848 teachers who voted yes represent only 18 percent of the 32,145 plan members who should all have received ballots.

(Source: TRAF Annual Report, 2007, (Membership numbers, p.1)

To claim moral victory under such circumstance is unethical. How can we believe that we are part of a democracy under such circumstances? Regrettably, such processes breed cynicism and erode trust among voting taxpayers. The pretence of democracy becomes a sham.

As a result, I am among hundreds of teachers presenting at these hearings in the hope that integrity and justice will prevail.

Bill 45- section 49 (6.2) access to surplus funds in the Pension Adjustment Account, 2008-2017

This provision is also highly objectionable.

After 2018, any surpluses that may accumulate in the Pension Adjustment Account during any year of the 10-year period are to be reserved for use after the end of that period. Any surplus in the account credited to the PAA during the 10-year period or after that may be used only in accordance with the regulations. Bill 45 provides that the regulations will be determined by the TRAF board with the approval of the Lieutenant Governor-in-Council. I wish to remind the legislative committee that the TRAF board is currently constituted of three Manitoba Teachers' Society representatives and four government representatives. Among those four representatives, one of those appointments may, at the whim of government, be a retired teacher.

According to Bill 45, regulations can thus be passed without transparency and without recourse for those who might be negatively affected. If TRAF Board is authorized to propose changes in regulations then RTAM must also have official representation on that board.

In respect to surpluses in the PAA, I remind the legislative committee that all surpluses earned in the

teachers' pension plan are earned on the dollars invested by the collective contributions of active and retired teachers and should belong to all. That is a fact that needs to be recognized in all future discussions about COLA and amendments to The Pensions' Act.

#### Section 52 (1.0.3) Pensions Task Force

The Pensions' Task Force is referred to in proposed amendments to the act. The provision allows that the task force make recommendations to the Lieutenant Governor in Council respecting contribution rates.

The Bill 45 amendment does not specify composition of the Pension Task Force other than to state that there are representatives from government and from the society. Given the awful experiences of recent pension reform processes and the abysmal treatment of RTAM representatives, we can foresee that all future pension reforms will be politicized.

Currently, we are experiencing a total disregard for the rights of retired teachers. Proposed legislation entrenching unfairness and discrimination in the recent process leads me to state that RTAM must be recognized in statute to the same degree as the Manitoba Teachers' Society.

The Pensions' Task Force ought to be included in the act, with provision for composition, mandate, powers, duties and responsibilities and conflict of interest guidelines.

Throughout this recent process, for reasons already outlined in this brief, the Manitoba Teachers' Society has demonstrated that it does not respect the rights of retired teachers nor is it interested in protecting their economic well-being. As a result, we must undertake a tripartite approach ensuring fair and equitable representation from government, the Society and RTAM.

In addition, membership must include credible and experienced pension specialists on all teacher pension plan governing bodies. As retired teachers, in recent years, we have collectively witnessed the devastating effects of increased politicization of governance of our pension plan and its reforms.

Pension plans and politics do not make good bedfellows!

We must get off that slippery slope to ensure the well-being and long-term sustainability of the teachers' pension plan.

The failures and omissions of Bill 45

Use of teachers' fund investment returns :

To deal with the COLA issue a new formula must be developed. Because the formula of the Pension Adjustment Account is based upon crediting the rate of return on mortgage, bond and debenture holdings, retired teachers do not fair and equitable access to investment returns on the entire pension fund.

Surplus revenue on pension fund investments has been used over the years solely to subsidize the contribution rate of active teachers. We have all been informed repeatedly that the current contribution rate for active teachers is not sufficient to meet the future pension commitment for active teachers. In recent years, the society asked for a 2 percent increase in contribution rate. Government granted only 1.1 percent and as a result the basic contribution rate of active teachers is not adequate for their retirement. So the current contribution rate continues to be subsidized by return on investment of monies contributed over the years by active and retired teachers.

Fair and equitable pension reform is required so that return on fund investment is shared equitably between active and retired teachers. That is not currently happening and needs to be changed.

The effects of unreasonable COLAs on retired teacher pensions

Since my retirement in 2004, a mere four years, the purchasing power of my pension dollar is now only 94 cents or 6 percent less than it was at date of retirement due to COLAs less than full CPI. The following table provides illustration of this point. (Source: TRAF Annual Report, 2007)

Year	CPI	COLA GRANTED	percent of CPI
2005	2.1%	4%	19%
2006	2.2%	64	29.1%
2007	1.6%	.63%	39.4%
2008	2.4%	.71%	29.6%

For teachers who have been retired for 10 years, the loss to inflation is in the range of 12 to 13 percent. This is not acceptable.

The 2007 average monthly pension was \$1,693 (gross) for women teachers and \$2,250 (gross) for male teachers.

We currently have the lowest pensions in Canada and a properly funded COLA is absolutely essential to protect us against the ravages of inflation.

If there is no proper funding of COLA, and no access to a reasonable CPI, today's average teacher pensioner will see his or her teacher pension reduced by at least 25 percent in purchasing power prior to reaching the average teacher life expectancy of 81 years. This will cause an ever-increasing number of teachers to endure living significantly below the poverty line.

That is a travesty that must end. Solutions to fund our COLA fairly and equitably are essential now!

#### Representation of retired teachers

As I have outlined in this brief, the Manitoba Teachers' Society's claim to represent retired teachers is not at all demonstrated by the organization's actions in the last few years. We have witnessed ample evidence of ageism and the non-respect of rights of retired teachers who are now senior citizens.

I submit to you today, that we deserve to be treated with dignity, respect and that we must have an equitable place at all discussion tables and statutory bodies where decisions affecting our welfare are taken.

#### A comparison of issues: Bill 45 in July, 2000 – Bill 45 in July 2008

In my previous capacity as staff officer of the Manitoba Teachers Society, I had the privilege of providing support to a group representing active and retired women teachers who in January 2000, with the society's support, filed in the Court of Queen's Bench a declaration that provisions of the Teachers' Pension's Act were in contravention of the Manitoba Human Rights Code and the Canadian Charter of Rights and Freedoms. The issue before the court was to obtain the right to purchase pension service for periods of maternity leave.

For over 20 years prior to 2000, successive governments including the NDP continued to deny women teachers this right. In 2000, Manitoba teachers were the only ones in Canada who did not the right to purchase pension service for periods of maternity leave. Our only recourse was to appeal to the courts to rectify this injustice.

In order to avoid a court battle that would ultimately have been a major embarrassment to the government,

Bill 45, an Act to amend the Teachers' Pensions Act, 2000, was enacted by the NDP government in 2000.

Many teachers struggled to pay the very expensive actuarial cost to purchase past maternity leave service that included a 16.5 percent contribution to the Pension Adjustment Account. Those who are now retiring or nearing retirement will not receive the COLA payments for which they paid at actuarial cost.

The amended Teachers' Pension Act did not redress the lost rights of thousands of retired women teachers who had to resign their positions when they became pregnant. To this day, they have no right to pension service for periods of time during which they ought to have had the right to maternity leave and the right to retain a teaching position. We need to keep in mind the fact that these women now in their 60's and older were subject to discrimination and as a result now also suffer economic hardship due to their small pensions that are not adequately adjusted for CPI. They are the most vulnerable group among retired teachers and the ones who will be most negatively affected by the failure of this Government to legislate provisions for a fair and equitable COLA.

#### Conclusion

The only substantive amendment made to the Teachers' Pension Act since 1985 was enacted as a result of a legal action initiated to force the government of Manitoba to respect the human rights of women teachers. It now appears that we may have to again go to the courts to encourage the government to respect the human rights of all retired teachers. I wish to remind the legislative committee, the government and the Manitoba Teachers' Society that thousands of retired Manitoba teachers now live under the poverty line. This is simply not acceptable and must no longer be tolerated. In my view, if Bill 45 is passed into legislation, a human rights violation will be entrenched in a Manitoba statute. We need to ensure that the human rights of all teachers are respected regardless of our age or gender.

It is time to implement fair and equitable funding of the COLA.

Bill 45 must be withdrawn.

In closing, I thank you for your attention to this presentation and I urge you to undertake to rectify the problems with the Teachers' Pension Plan COLA in a manner that ensures fair and equal treatment of all teachers before and under the law.

**Cost of Living Adjustment  
(COLA)  
Granted each year since 1977**

Year	Retired Members January 1st	Retired Members Entitled to COLA <sup>1</sup>	Relevant % Change in CPI	Adjustment Granted <sup>2</sup>		% of Change in CPI Granted
				% Part	¢ Part	
1977	2,416		5.91	2.90	46	98.1
1978	2,523		9.46	3.50	56	74.0
1979	2,648		8.36	3.00	53	71.8
1980	2,787		9.80	2.70	48	55.1
1981	2,935		11.19	2.75	52	49.2
1982	3,007		12.10	2.76	54	45.6
1983	3,117		9.26	3.55	65	76.7
1984	3,236		4.55	2.25	49	98.9
1985	3,353		3.76	1.89	45	100.0
1986	3,527		4.35	2.18	59	100.0
1987	3,733		4.19	2.09	59	100.0
1988	3,970		4.15	2.08	61	100.0
1989	4,176		4.00	2.00	64	100.0
1990	4,357		5.13	2.57	85	100.0
1991	4,554		5.00	2.50	95	100.0
1992	4,734		3.78	3.66	n/a	96.7
1993	5,008		2.14	2.14	n/a	100.0
1994	5,313		1.70	1.68	n/a	99.0
1995	5,561		0.23	0.23	n/a	100.0
1996	5,866	5,420	1.75	1.75	n/a	100.0
1997	6,159	5,723	2.17	2.17	n/a	100.0
1998	6,552	6,118	0.73	0.73	n/a	100.0
1999	6,860	6,424	1.02	0.78	n/a	76.5
2000	7,252	6,800	2.58	2.00	n/a	77.5
2001	7,643	7,194	3.23	1.77	n/a	54.8
2002	8,110	7,667	0.70	0.70	n/a	100.0
2003	8,556	8,118	3.88	1.68	n/a	43.3
2004	8,993	8,557	2.00	0.54	n/a	27.0
2005	9,503	9,073	2.10	0.40	n/a	19.0
2006	10,043	9,626	2.20	0.64	n/a	29.1
2007	10,562	10,153	1.60	0.63	n/a	39.4
2008	11,088	10,634	2.40	0.71	n/a	29.6

<sup>1</sup> Retired members or beneficiaries receiving Life Annuities resulting from insufficient service, death benefits or Money Purchase Accounts do not receive COLA increases on their annuity payments.

<sup>2</sup> Prior to 1992, COLA was calculated as the sum of:

a) a percentage of basic pension plus previously granted COLAs, and

b) an amount based on cents per month for each year of service to a maximum of 35 years.

# Bill 52 means better pensions for teachers

Teacher pension legislation in Manitoba was significantly improved last June when the Manitoba Legislature passed Bill 52, amending the Teachers' Pensions Act. The pertinent improvements included changes in the cost of living, early retirement and reciprocal pension provisions. To help pay for them, teacher contributions have been increased to cover up to half of the cost.

## Cost of Living Adjustments

Bill 52 has established a separate pension adjustment account within the Teachers' Retirement Allowances Fund to finance increases in pensions to meet increases in the cost of living.

A fixed portion (10.2%) of a teacher's regular contributions to the TRAF will be allocated annually to this account with interest credited semi-annually. Half of all pension adjustments paid after July 1, 1977, to finance increases in pensions resulting from increases in the cost of living will be charged to this account; the other half will be paid by the provincial government.

The adjustment will be calculated on the full increase in the Consumer Price Index for Canada from the end of one calendar year over the end of the immediately preceding calendar year. Adjustments will be limited to the amount of money in the account. Thus, each teacher who retires and each other person who becomes entitled to a pension can expect some increase in pension with every increase in the cost of living. The size of the increase in pension will not necessarily match the increase in the cost of living, depending on how much money is in the account. On the other hand, any surplus in the account may be used to procure other benefits.

The ability of the account to keep up with increases in the cost of living will depend on

- the average rate of increases in the cost of living over significant periods of time in the future;
- the average rate of return on investments from the account; and
- the relationships between the number of active teachers contributing to the fund and the number of persons eligible to receive increases in pensions from the account.

The present level of contributions is expected to offset the full increase in the cost of living provided the cost of living does not increase more than five to six per cent per year.

Half of the adjustment will be applied as a straight percentage of the existing normal form of pension (or its equivalent value where optional forms of pensions have been elected). The other half will be

equalized as a flat dollar rate per year of service based on the average of all pensions granted in the actual year of retirement of the teacher. In this way, smaller pensions will still be increased by a greater overall percentage than larger pensions.

All regular, early retirement, deferred and disability pensions will be adjusted for life by either the full amount that the benefit index warrants or the amount that the fund can pay in a given year. Beneficiaries of deceased teachers will receive two-thirds of the amount the pensioner would have received had he lived.

The waiting period for adjustments has been reduced to 12 months. The first adjustment will be related to the length of time a person was retired during the calendar year on which the adjustment is based. For example, teacher A retiring on June 30 would receive his first adjustment after 12 months. That adjustment would be only half the adjustment received by a person retired for that full calendar year. Thereafter, however, teacher A can expect to receive a full pension adjustment each July.

## Increased Pensions on Early Retirement and Partial Disability

Bill 52 has increased the pensions paid to persons who retire between ages 55 and 60 for reasons other than total disability and to persons who have retired from teaching at any age on account of illness not amounting to total and permanent disability. This improvement is the result of a decrease from one-quarter to one-eighth per cent in the reduction in pension for each complete month that the teacher's actual retirement date precedes the month in which he becomes 60. The change applies to benefits yet to be paid to retired teachers as well as to beneficiaries of deceased teachers.

## Deferred Pensions

If for any reason — other than death or retirement — a teacher 45 years of age or older terminates employment after July 1, 1977, before becoming eligible for an immediate pension and after completing ten years of continuous service to make him eligible for a deferred pension, he shall have no option other than a deferred pension for service after July 1, 1976. For service prior to July 1, 1976, the teacher may continue to elect either a refund of contributions or a deferred pension. The provision is known as a 'lock-in.' It was enacted to comply with the requirements of the Manitoba Pension Benefits Act applicable to almost all pension plans in the province.

## More Say for Teachers

Bill 52 has increased the membership of the TRAF board, which administers the teachers' pension plan, from six to seven. The additional member will be nominated by the Society as a result of another change in the Act which has increased the Society's representation on the board from two to three members.

## Other Changes

Other amendments incorporated in Bill 52:

- allocate \$3,232,000 from the fund to the pension adjustment account to finance the fund's share of the cost-of-living adjustments in July 1977 and to provide an amount equivalent to 10.2 per cent of teacher contributions for the period January-August 1977 towards July 1978 adjustments;
- bring the teaching staff of L'Institut Pédagogique at St. Boniface College under the Act;
- allow the TRAF board to deduct, on request, a wider range of group insurance premiums for pensioners;
- change the eligible investments of the fund to those permissible under the Pension Benefits Act and the Trustee Act;
- extend the maximum investment in common shares from 15 to 25 per cent of the fund;
- clarify paid substitute service as eligible service to qualify for a pension;
- provide credit for World War I service without cost to anyone now on pension; and
- transfer the administration of a special fund for eligible Society employees from the Minister of Finance to the TRAF board.

## Retroactivity in Reciprocal Agreements

The provincial government has agreed to enter into reciprocal agreements with other public-sector pension authorities in Canada for the payment of pensions to persons who transfer or have transferred after July 1, 1973, from teaching in Manitoba to employment with another designated public-sector employer, provided such persons have served after May 31, 1977. The agreements will provide pensions to be funded by transfer of matched contributions with interest to a successor plan within one year of transfer. This would provide full credit for contributions as if they were made to the successor plan from the beginning.

If the contribution rate of the successor plan is lower than the rate of the Manitoba plan, credit will be given for all service and the difference in the contribution rate will be refunded to the teacher. If the contribution rate of the successor plan is higher, pro-rata credit will be given or the teacher may make up the difference to get full credit.

## The Price Tag

To finance part of the costs of the improvements, teacher contributions have been increased from 4.4 to 5.1 per cent of Canada pensionable earnings and from six to seven per cent of salary in excess of Canada pensionable earnings (currently \$9,300). The increases came into effect on September 1, 1977.

Most of the increase in contributions will be allocated to the new pension adjustment account to pay half of the cost of the cost-of-living adjustments. The balance of the increase is to support the fund's share of the other benefit improvements — such as increased pensions on early retirement, partial disability, improved reciprocal agreements, and more deferred pensions that likely will result from the lock-in clause, mentioned above.

## What's Next?

While Bill 52 has gone a long way toward improving the pensions of Manitoba teachers, it has not provided all the improvements advocated by the Society. Consequently, representatives of the Society are continuing their discussions with the provincial task force on superannuation plans. Among the issues yet to be resolved are:

- changes in the manner in which Society representatives on the TRAF board are selected by provincial authorities;
- the procedure to be used to enable the pension adjustment account to pay half of the expected cost-of-living increases in 1978 and subsequent years, including suggested differences in contribution rates between the teachers' fund and the civil service fund for substantially the same benefits;
- ways in which responsibilities for unfunded liabilities are to be allocated in the future, including present liabilities attributable to less-favorable-than-expected experience;

**Teachers interested in further details about the recent changes in teacher pension legislation may contact the editor of THE MANITOBA TEACHER to obtain a copy of Bill 52 and a detailed written explanation of its provisions prepared by George Strang.**

- co-determination by the Society and the province of benefits and assumptions;
- additional financial support and commitments by the provincial government that may be warranted to make up for past deficiencies in government contributions;
- the method by which the provincial government may guarantee a rate of return on investments of the fund; and
- ways of allocating a greater proportion of contributions to the pension adjustment account (such as alternative approaches to refunds, reinstatement provisions and disability benefits).

The Society will also continue to seek:

- a pension formula based on the average salary received by a teacher in the five years in which his salary was the highest;
- reciprocal agreements for everyone who transferred prior to July 1, 1973, and served after May 31, 1977;
- payment of interest on refunds elected on termination;
- pensions for spouses or other eligible survivors, of at least 50 per cent of the pensions of the pertinent deceased pensioners;
- reduction from ten to five years as the minimum qualifying service for all pensions; and
- provision for a wider range of employment or service before or after becoming a teacher to be counted as pensionable service or in determining eligible service for benefits with or without contributions (e.g., sabbatical leave, periods of disability). ●

*George Strang is a member of the staff of the Society's economic welfare department and an expert with respect to teacher pensions in Canada.*

## PENSION CONTRIBUTIONS AND SALARIES

The following shows how the increase in the pension contributions by Manitoba teachers, effective September 1, 1977, affects some teacher salaries.

Gross Income	Present Monthly Contribution	Monthly Contribution Effective Sept. 1	Increase
\$11,500 (approx. class 1 max.)	\$ 45.10	\$ 52.35	\$ 7.25
\$13,500 (class 2 max.)	55.10	64.02	8.93
\$15,500 (class 3 max.)	65.10	75.70	10.60
\$17,000 (average salary)	72.60	84.44	11.84
\$20,500 (class 4 max.)	90.10	104.86	14.76
\$21,600 (class 5 max.)	95.60	111.28	15.68
\$23,000 (class 6 max.)	102.60	119.44	16.84
\$24,300 (class 7 max.)	109.10	127.02	17.92
\$30,000	137.60	160.28	22.68

Since pension contributions are allowable deductions for income tax, the net effect of the increased contributions after tax deductions is somewhat less than the amounts shown.



*(excerpt from Manitoba Teacher, submitted Mariette Ferré)*

Respectfully submitted,

Mariette Ferré

Retired teacher, member of RTAM, 2004-2008  
 Administrative Staff Officer, Manitoba Teachers' Society 1982-2004  
 Teacher, St. Vital School Division, 1978-1982  
 Curriculum consultant, Bureau de l'éducation française, 1975-1978  
 Teacher, St. James School Division, 1971-1975  
 Teacher, Pine Falls School District, 1969-1971

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My name is Pat Isaak and I am the president of the Manitoba Teachers' Society. I want to thank the committee for the opportunity to present our views on the proposed amendments to The Teachers' Pensions Act that are contained in Bill 45.

Let me say first of all that MTS wholeheartedly supports Bill 45 and thanks the government for introducing this bill. The changes being proposed are the culmination of considerable discussion and debate among the members of the teachers' pension plan, both active and retired. Bill 45 represents a significant improvement in the pension benefit paid to our retired members. At the same time, it balances the need to provide a better cost-of-living adjustment with protecting the basic benefit for all active and retired members. We appreciate the willingness of government to deal with a difficult issue in a balanced and fiscally responsible manner.

By this time, you have all been made well aware of the contentious nature of the COLA issue. Without any exaggeration, the Teachers' Society has been working non-stop to find a resolution to this long-standing problem for the last five years. There is no other issue that has been more important to the society's agenda than the COLA problem.

Unfortunately, the pension debate has become not only contentious, but deeply personal. The society regrets that some have taken this approach because as much as pensions, and pension debates can become emotional, they are simply about numbers.

Pension plans are a balancing act. The bottom line with any plan is that the money paid out in benefits

must be balanced with the money paid in through contributions and investment returns. What we are faced with in our plan is an imbalance. The money in is—and has been for more than two decades—out of balance with the benefits being paid out.

A bit of background may be helpful. The teachers' pension plan in Manitoba is a defined benefit plan. In a nutshell, that means that the benefit determined at a person's retirement remains the same, or defined, until that person dies, notwithstanding the options chosen by the person to deal with survivor benefits. Once a person retires, their benefit cannot be reduced, regardless of the financial status of the plan.

Inflation protection is important, and the issue we face today is that the current annual cost-of-living adjustment being paid to retired teachers is inadequate.

With this in mind, let me try to give you a picture of the balancing act that I described earlier.

In 1980 a contribution rate was set for active teachers at the time of approximately 6.5 percent to 7 percent of salary. In 1980, these are the numbers that are important to note:

- There were six active teachers contributing to the plan for every one teacher collecting a benefit;
- The average age at retirement was about 61;
- The average years of service at retirement was about 35 years;
- The basic pension benefit was based on an average of the best seven years of earnings.

For the next 25 years there were demographic changes in our membership and improvements made to the pension benefit in every one of the areas mentioned above. Today:

- There are 1.3 active teachers contributing to the plan for every one teacher collecting a benefit;
- The average age at retirement is about 58;
- The average years of service at retirement is about 28 years;
- The basic pension is based on an average of the best five years of earnings.



What does all this mean?

- It means that today there are fewer teachers contributing to the plan in relation to the number of teachers collecting a pension and receiving annual COLAs;
- It means that teachers are contributing to the plan for fewer years and collecting a pension for longer than they did in 1980;
- It means that the basic pension is based on higher average earnings (seven years to five years) relative to 1980.

Combined with increased life expectancy this means that instead of paying in approximately two years for every year they collect a pension, teachers are now paying in approximately one year.

How does this create an imbalance?

All the improvements to teachers' pensions significantly increased the money being paid out of the plan. But throughout the entire 25-year period, until September, 2005, teachers paid no more money into the plan. In other words, while the money going in remained the same, the money going out was increasing drastically.

In fact, a perfect storm was in the making. Life expectancy was increasing, investment rates were decreasing, the number of teachers paying into the plan was flat while the number of retired teachers was growing.

The logical and reasonable question to ask is why this issue wasn't addressed sooner.

The answer to that question is as complex as it is embarrassing. In order to deal with a 25-year problem, you need to look at a great deal of history. There is not enough time to elaborate on all the issues that were at play in coming to the current problem, but I will attempt to address the most important factors. Here's why.

#### 1. Statutory limitations

The Teachers' Pension Plan is a statute of the Province. Any changes, therefore, require legislation. Unlike other unions, teachers in Manitoba don't deal with their pensions through the collective bargaining

process. We must lobby the government of the day in order to make changes. There were no substantial changes made to the act during the late 1980s and 1990s.

#### 2. The decision-making process

Changes to the teachers' pension plan have traditionally taken place as a result of discussions of the Pension Task Force (PTF), which didn't meet for most of the 1990s.

#### 3. How did the imbalance happen?

Throughout the 1980s and 1990s, the focus of MTS was on making benefit improvements. As the evidence shows, there were significant improvements to pension benefits, but neither MTS nor government paid any attention to how those benefits would be paid for over the long term.

#### 4. What is the specific COLA issue?

Full and close to full COLAs were paid out for a period of almost 20 years. In 1999 the perfect storm was in full force. Despite repeated warnings by the plan's actuary starting in 1984, COLAs were paid out at a rate that far exceeded the money that was paid in to sustain them in the long term.

The real shame of this issue is that it was completely preventable. Had MTS and government paid attention to the actuary's warnings, one of two things would have happened:

- The contribution rate would have been increased to a level that would sustain the COLAs being paid out, and/or
- The COLA benefit would have been reduced to a level that would have matched the contributions coming in.

The bottom line is that, for a period of more than two decades, both plan sponsors, MTS and successive provincial governments, ignored the issues and allowed the COLA to become seriously compromised.

The reality that we now face is that the money required to pay what once was, that is, a full COLA, is just not there. Today, the cost to pay a 3 percent COLA would exceed \$1 billion. Even to guarantee

two-thirds of that amount would cost between \$650 million and \$700.

It is not my intent to appear disrespectful to retired teachers, but that money just isn't available. My colleagues on the MTS provincial executive and I would love nothing more than to stand together with retired teachers and say that we can restore the COLAs of the 1980s and 1990s.

My own mother lives on the survivor benefit of my late father's class 3 pension, and there is nothing that would make me happier than to have her enjoy a bigger annual increase.

But it's not affordable. The only place to get more money for COLA is from active teachers and government, and the amounts required to fill a 25-year hole are just too big.

It serves no useful purpose to dwell on past mistakes. We need to move forward and to do that, we need to make reasoned, balanced and fiscally appropriate decisions. The plan must be put back on track to balance the money in with the money out.

The Manitoba Teachers' Society believes that Bill 45 does exactly what needs to be done.

- It provides an immediate and significant improvement in the COLA paid to beneficiaries;
- It recognizes the need for checks and balances so that the COLA is sustainable;
- It provides a 10-year safety net in the form of the "better of" investment earnings crediting;
- It provides for a review of the implementation after five years;
- It provides for a review of the contribution rate after the 2009 valuation;
- It places a priority on protecting the basic pension benefit.

This last point cannot be overstated. From the outset of this issue, MTS has been absolutely clear about one thing: we will not agree to anything that puts the basic pension benefit at risk. And therein lies the heart of the disagreement between MTS and RTAM.

Over the course of the past several months, there has been much said by both MTS and RTAM about whether or not the implementation of Tim Sale's report on teachers' pensions, as provided for in Bill 45, is beneficial to plan members. There has also been a flurry of misinformation, emotional rhetoric and personal attacks, none of which has been helpful in providing useful and factual information to members who were asked to make a financial decision about the plan.

RTAM has stated publicly many times, including in their official response to the Sale report, that if the money to pay COLA is not forthcoming in the form of a lump sum payment from the teachers and government, then the basic benefit account (account A) should be used as a source of funds to pay COLA.

Let me be perfectly clear. That cannot be allowed to happen. Raiding the basic benefit, which even RTAM acknowledges to be underfunded, to pay COLA, is irresponsible on every conceivable level.

Let me be even clearer. Any government that considers putting teachers' pensions in jeopardy in order to solve the COLA problem will be faced with thousands of outraged teachers.

Twenty-five years ago we made mistakes that resulted in our inability to adequately fund COLA. If we take money from the account that pays the basic benefit to achieve a short-term fix to the COLA problem it will not take very long until it is the basic benefit itself that is in jeopardy.

Short-sightedness is what got us here. If nothing else, we should all have learned some lessons from the past.

At the end of the day this issue is about numbers. Bill 45 is based on sound financial information and what is in the best interests of the long-term sustainability of the pension benefits for both active and retired teachers.

Bill 45, before you today, will put the teachers' pension plan on a solid path toward that sustainability.

Pat Isaak

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I am disappointed to be here today to speak with you about Bill 45. I had never contemplated that I would ever be in a position to be so vehemently opposed to proposed amendments to the Teachers' Pensions Act that have been agreed to by the government of Manitoba and the political leadership of the Manitoba Teachers' Society (MTS). Unfortunately, Bill 45 is the most outrageous attack on current provisions of the Act in its history—provisions that were vigorously pursued by the MTS in the late 70's. I am shocked that either the government or the MTS would countenance such an attack on the pension rights of Manitoba's teachers.

I am very surprised that the Minister would bring forward such amendments. I am informed by the Retired Teachers' Association of Manitoba (RTAM) that the Minister committed to not amending the act as it related to the provision of cost-of-living adjustments without the consent of RTAM. That these amendments, which they so strongly objected to would now be introduced does not speak well of the Minister's honouring his commitments. That the Minister would rely on a plebiscite that was so hastily administered that many retired teachers did not even have an opportunity to vote on it, which denied the opportunity to vote to over 6,000 members of the plan (including teachers on leave this year), which was accompanied by a campaign of misinformation by the MTS, which denied RTAM a reasonable opportunity to provide information on an alternative view on this issue, and despite all that could only find 23 percent of the members polled who would express support for the proposal. To call this a mandate to bring forth legislation is truly farcical.

I am shocked that the MTS would be supporting this legislation. The MTS in the '70s fought hard to assure that their retired colleagues would receive adequate protection against the damaging effects of inflation during their retirement years.

To now find the present day MTS fighting against adequate protection from the ravages of inflation is puzzling indeed, especially when one notes the recent concerns raised by the Governor of the Bank of Canada about the significant potential for a return of substantial increases in the rate of inflation. People like the late George Strang and Bob Gordon, with whom I was privileged to share membership on the original Pension Task Force, must be rolling over in the graves at such a development.

It was a very different world in the late 70's when the act was amended to provide for and fund a mechanism to provide cost-of-living adjustments for teachers on pension. At that time neither the MTS nor any active teacher raised a concern about whether the teachers then on pension had adequately funded the pension plan generally or paid for COLA (they had done neither, though not by choice – that is the consequence of a legislated pension plan, government decides and mandates the amount of contributions). Rather, they committed themselves to increased contributions above that which was paid by the civil service and agreed to decrease other benefits in order to assure their retired colleagues that their retirement income would be protected against the ravages of inflation.

The structure of the PAA was negotiated with an NDP government and the final funding was negotiated with a Conservative government. Both agreed at that time to a differing provision for COLA benefits within the pension plan and differing contributions for teachers as compared with the civil service. When the PAA failed to be able to pay a COLA that was close to being equal to the increase in the CPI, it was active teachers who began to raise concerns about that problem. They were committed to assuring fairness to their retired colleagues in the belief, in retrospect perhaps somewhat naïve, that when it came their turn to receive a pension that future active teachers would share that concern. Perhaps it was just a different time and the MTS had different values – they actually believed they existed to assure the collective well-being of teachers, both active and retired! And, it appears the governments of the day were more prepared to address such concerns in a fair and reasonable fashion.

Historical background to cost-of-living adjustments:

Prior to the 1970s teachers in receipt of pension did not enjoy any protection against the negative impact of inflation on their pensions. In the early '70s the government of the day recognized the extremely negative impact that had on the financial security of retired teachers. As a result the government introduced amendments to The Teachers' Pensions Act to adjust all pensions by the full effect of the consumer price index (CPI) retroactive to each teacher's date of retirement – in some cases this resulted in more than doubling some teachers' pensions. The full cost of these adjustments was borne by the government. Following this initial

adjustment, the government continued to amend the Act annually to make a similar adjustment for each successive year until 1976, in each case with the government bearing the full cost of the pension adjustment.

In 1976 the government came to the realization that it would be extremely expensive for it to continue this practice, so it invited the MTS to join with it in the creation of the Pension Task Force. The mandate of the Task Force was to discuss issues relating to The Teachers' Pensions Act, with special attention to the funding of the Teachers' Retirement Allowances Fund (TRAF) and developing a mechanism for providing future cost-of-living adjustments (COLA). Discussions continued for four years to bring all the issues to conclusion and recommend to the government appropriate amendments to the act to implement the proposed changes. In order to provide for a COLA for 1977 initial amendments were introduced to create the Pension Adjustment Account (PAA), adjust the contribution rate to provide additional funding and transfer sufficient funding from the basic pension account (account A) to finance the first COLA. Discussions continued in the subsequent years to address the issue of ongoing funding for both Account A and the PAA, and to consider other amendments sought by the MTS for pension plan improvements.

In addition to finding mutually acceptable solutions to the outstanding issues, the Task Force also came to an agreement as to principles covering the pension plan for Manitoba's teachers. Among those principles was an acceptance that teachers would accept responsibility for experience deficiencies in Account A arising in the future, that the government would accept responsibility for the unfunded liability disclosed at that time, that teachers would pay contributions and accept benefit provisions that were different from those enjoyed by the civil service under the provisions of the Civil Service Superannuation Act and that pension improvements implemented would normally be passed on to those already retired in respect of future pension payments. The resulting amendments to the Act increased the pension contribution for teachers to a rate in excess of that paid by civil servants, provided that 16 percent of teachers contributions would be allocated to the PAA (not 10 percent as for the civil service), provided a COLA from the PAA that would be based on the ability of the PAA to fund pension adjustments up to the level of the CPI (Canada) for

the previous year (December over December), and eliminated disability pensions and survivor pensions for teachers (despite both of these being retained in the Civil Service Superannuation Act).

Teachers' clear focus in the late '70s was to provide adequate protection against inflation to their retired colleagues. In order to provide that protection, teachers were prepared to reduce other benefits within the Act and make provision for life and disability insurance plans that were largely self-financed to cover the other contingencies they might face (little did they know at the time how expensive that would later become, nor how much they saved the government by eliminating disability pensions. It should also be noted that the government pays the cost of disability insurance for civil servants). They understood that the COLA provisions did not guarantee 100 percent of the CPI increase each year, but that the funding of the PAA would be sufficient to cover slightly more the rate of inflation expected by the Actuary (at the time the Actuary projected inflation at 4.5 percent and the PAA was initially funded to provide for a COLA in the 5-6 percent range).

Over the initial years of its operation the PAA met its objective but unfortunately, CPI did not increase at the rate assumed by the actuary – it was much higher. From 1977 to 1983 the adjustments to pensions were much below the actual rate of increase of the CPI, but above the rate it was expected to be able to pay. Teachers began to grow concerned over the inadequacy of the PAA to provide a reasonable level of COLA but fortunately, with declining rates of increase in the CPI and very high interest rates in the early '80s, by 1984 the level of COLA approximated the increase in the CPI. Over the next 15 years the PAA met teachers' objective of paying a COLA that approximated the increase in the CPI.

Unfortunately, other developments intervened that have created the problem now being faced by retired teachers in receiving completely inadequate protection against inflation after retirement. In 1984 the MTS was successful with a campaign to make full formula pensions available at age 55. The Actuary gave his first warning in 1984 that this benefit improvement needed to be accompanied by a contribution increase, both for account A and the PAA. He correctly predicted that the change would result in teachers retiring much earlier on average requiring pension payments and COLA to be paid for

much longer periods of time. Prior to 1985 the average age at retirement was about 62 – it rapidly dropped to about age 57. That change increased the expected duration of pension payments by 33 percent (20 years instead of 15).

The other change was demographic – life expectancy. In the late '70s the actuary assumed an average life expectancy for teachers of age 77, by the year 2000 life expectancy had increased to 81 – that increased the expected pension payment period by another 20 percent (24 years instead of 20). With the increasing feminization of the profession over the past 30 years that figure is expected to continue to grow. The financial implications for TRAF are substantial and have yet to be adequately addressed, either in respect of account A or the PAA. Unfortunately, Bill 45 addresses neither issue.

In 1984 economic circumstances were difficult. The government was in a period of economic restraint and did not wish to allocate further resources to public sector pension plans. Teachers were being forced to accept minimal salary increases and the MTS was reluctant to impose on them additional pension contributions, especially when both account A and the PAA were disclosing surpluses. As a result it was agreed to defer the issue of adjustments to the pension contribution rate to a future date when hopefully economic circumstances would have improved. Unfortunately, now 24 years later an appropriate contribution level has yet to be resolved.

#### Pension discussion process:

Pension discussions during the balance of the 80's and through the 90's were remarkable only for their lack of success at resolving any substantial issues. Since 2000 progress has continued to be extremely slow at resolving the funding issues facing TRAF. While a partial adjustment to the contribution rate improved the level of funding to Account A, though it is still inadequate, it did little for the PAA. Teachers in receipt of pension have seen the value of their pensions drop by over 10 percent in the last decade. Retired teachers, through RTAM, have become more vocal in expressing their dissatisfaction regarding the threat to their retirement financial security but their concerns have continued to fall on deaf ears. Discussions at the Pension Task Force were infrequent and no evident progress was visible. Finally in 2007 the Minister appointed Mr. Tim Sale, a member of the government, to assist with

the process in an attempt to move towards a resolution to the problem of the PAA.

Having had the opportunity to read the Mr. Sale's report, I find the contents quite disturbing. Being one of the few people remaining who was party to all the discussions that established the PAA, it is very disconcerting to read the misinformation included in the report. In noting that Mr. Sale was a member of the government at the time of his appointment, it cannot be a surprise that he would deliver a report that essentially recommends what the government's objectives have been in relation to the problem of inflation protection for teachers' pensions. That the conclusions were reached with minimal attention paid to researching the history of the PAA and considering alternative approaches to financing is surprising. That the report is based on incorrect information is extremely disappointing.

Since the process of finding a proposed solution to the problem commences with an incorrect premise, the inappropriateness of the conclusions is less surprising. Mr. Sale accepted that the intent of the Pension Adjustment Account was to deliver a two-thirds of the consumer price index (CPI) cost-of-living adjustment (COLA). As a member of the Pension Task Force that negotiated the implementation of the PAA, I can most assuredly tell you that finding is absolutely incorrect. It was certainly the government's objective initially, since they wanted The Teachers' Pensions Act to mirror the Civil Service Superannuation Act, but it was an objective that was totally unacceptable to the Manitoba Teachers' Society at that time. As a result, discussions continued until an acceptable resolution was achieved.

While that solution required substantially higher contributions by teachers than by civil servants and the acceptance of the elimination of disability and survivor benefits that civil servants continued to enjoy, teachers chose to take these actions to provide reasonable protection against inflation for their colleagues in receipt of pension. The agreed funding of the PAA was to provide an annual COLA that would be slightly greater than the Actuary's projected increase in the CPI. In 1978 the Actuary assumed that the annual CPI increase into the future would be 4.5 percent. The initial funding level of the PAA was designed to be able to pay an annual COLA of 5 – 6 percent. Documentation for this expected level of COLA adjustment can be found in

an article written by George Strang published in the Manitoba Teacher in September 1977 (attached)—“The present level of contribution is expected to offset the full increase in the cost of living provided the cost of living does not increase more than five to six per cent per year.”

In fact, during the first few years of the operation of the PAA, it paid more than expected due to the high rates of interest during that period. Instead of relying on the statement made concurrently with the agreement by an MTS staff officer and its chief spokesperson in those discussions, Mr. Sale chose to rely on a comment made a decade later by the actuary in the annual valuation of the PAA. While Mr. Sale acknowledged that the actuary was requested in 1994 to delete this comment from the valuation report, as it was neither historically accurate nor consistent with the clear provisions of The Teachers’ Pensions Act, he did not note that the actuary subsequently acknowledged the inaccuracy of his comment. Instead, Mr. Sale continued to rely on the inaccurate comment as a basis for his finding as to the intended objective of the PAA.

The report then proceeds to justify a reduction in the potential benefit payable from the PAA by arguing about the potential cost of a COLA provision that would guarantee a 100 percent COLA, claiming that is what the Retired Teachers’ Association of Manitoba (RTAM) was seeking. Again, this misinformation is used in order to justify the recommendations.

It is my understanding that RTAM has never requested such a benefit guarantee. What RTAM has been requesting is that the original intent of the PAA be honoured and that it be funded sufficiently to accomplish that intent. It may be of interest to note that such objective is much less costly today than it was in 1977, since the assumed rate of increase in the CPI today is only slightly more than half of what it was in the late '70s. With the objective in mind of restoring the funding of the PAA to achieve its original intent solutions are possible that are not excessively costly to active teachers, who will receive this benefit in the future, nor to the government of Manitoba, who must share one-half the cost of the benefit.

It is truly unfortunate that Mr. Sale chose to accept the MTS position on the use of surplus investment return. Surplus return should belong to all the

members of the plan, not to a select group. To restrict its use to benefit only a portion of the members has no possible moral justification. The only other teacher pension plan that has attempted to provide COLA through use of a PAA, British Columbia, transfers all of the surplus return annually to the PAA, arguing that such allocation benefits all the members.

While in my view such extent of use of surplus to fund a COLA is neither necessary nor appropriate, neither can I agree that none of the surplus return should be used for the benefit of members in receipt of pension. The reality is that the greatest asset that teachers, both active and retired, have to address any funding issues is investment return. Fairness would dictate that a portion of the surplus investment return should be used to support a reasonable COLA—the primary way that a benefit can be provided for members in receipt of pension. Instead of taking a reasonable and fair approach to finding a funding solution for the PAA, Mr. Sale chose to accept the totally morally unjustifiable position of the MTS and explored no alternatives.

Solutions are possible to the funding issues of the PAA if fair and reasonable people sit down to find them. Unfortunately, the process used by Mr. Sale appears not to have sought fair solutions. That he brought forward recommendations that did not even come close to meeting his restricted objective for COLA raises serious questions as to the overall integrity of the report. The report appears to have been an attempt to achieve preconceived objectives using misinformation and unfair restrictions to the scope of solutions as justification for the recommendations. That is truly distressing!

Following completion of the Sale report, feedback was sought from the MTS and RTAM regarding his findings and recommendations. Surprisingly, the MTS endorsed the recommendations, despite their doing little to provide adequate COLA’s and effectively creating an intergenerational conflict. RTAM obviously could not endorse the recommendations since so little was accomplished that would even come close to providing a fair and reasonable COLA provision going forward. The current provisions of the Act have produced a COLA that has ranged from 20 to 40 percent of CPI over the past five years. The proposed amendments would likely provide a COLA of only 35 to 50 percent of expected CPI going forward, but with a provision

that some 10 years in the future things might somehow improve though no additional funding is provided to accomplish that.

Despite a modest increase in COLA (to 54 percent of CPI) during the first year, no additional funding is recommended that would substantially improve the COLA granted in any subsequent year. Retired teachers, having already suffered through 10 years of inadequate COLA's, are being asked to wait another 10 years for the hope of some fairness in their COLA provision to be realized—a entire generation of retired teachers are faced with a lack of financial security in retirement. Somehow, Mr. Sale and the MTS believe that current retirees should be satisfied with a minimal COLA so that a future generation of teachers can enjoy a more adequate COLA when they retire.

Despite the Minister's commitment not to subject retired teachers to a package of amendments with which they did not agree, he and the president of the MTS decided to try and find a way around RTAM's objections. With no consultation with RTAM, the Minister and the MTS devised a devious plebiscite in an attempt to justify proceeding with amendments to implement Mr. Sale's recommendations. Knowing that the active teachers substantially outnumbered the teachers on pension, and knowing that the MTS was in a much better position, both logistically and financially, to campaign for their position, on short notice the plebiscite was administered.

Despite disenfranchising over 6,000 members of TRAF, despite an expensive campaign based on misinformation to engender a yes vote, and despite administering the plebiscite within time lines that prevented many retired teachers from returning their ballots on time, only 52 percent of the ballots returned favoured the proposals. No attempt was made, though it would have been easy to do so, to determine the votes of active teachers as compared with retired teachers. As previously noted, only 23 percent of those who were supposed to have received the ballot voted in favour – and they comprised only about 18 percent of all members of the plan. The Minister and the President of MTS are declaring that to be a victory for the yes side and justification for proceeding to amend the act to implement Mr. Sale's proposals. This expensive and unfair process was simply a means devised by the government and the MTS to get around the legitimate objections of RTAM through surreptitious means.

BILL 45 – What does it accomplish?

The bulk of Bill 45 deals with amendments to the COLA provisions within the pension plan, and it is to that I will address the bulk of my remarks, though one additional amendment also requires some comment.

Section 14 of Bill 45 amends subsection 65 (1) of the act to redefine who, other than teachers as defined in subsection 1(1), may be an eligible employee for purposes of participation in the teachers' pension plan. Two significant changes are incorporated into the amendment. Firstly, it removes the requirement that such employees be designated by the Lieutenant Governor-in-Council and authorizes the Minister to make such designations independently. Secondly, it expands the definition of who may be designated under this subsection to include persons holding a certificate to teach in Manitoba but employed by a school district other than as a teacher. It should be noted that such change is a potential attack on the bargaining certificate of teacher associations. It allows employing school boards to remove certain positions from the collective agreement without having to take responsibility for pension obligations. It also creates the potential for persons with teaching certificates but employed as teaching assistants, bus drivers or custodians to request inclusion in the pension plan.

Currently, the pension obligations of any employees designated under this subsection are the responsibility of the employer, be it the MTS or the Manitoba Association of School Trustees, through the establishment and funding of a trust fund managed by TRAF. In the amendment, no mention is made of who is undertaking the employers' pension obligations for the additional group of designees. I find it strange that the government would invite school boards to remove certain positions from the bargaining units, and I find it shocking that the MTS would support such potential attacks on the bargaining rights of some current members of its local associations. I also find it strange that a government that has claimed to champion openness and accountability would remove more decisions from the public arena.

The sections of Bill 45 dealing with COLA provisions legislates unfairness and intergenerational conflict. It sacrifices a generation of retired teachers to inadequate protection against the ravages of

inflation, while holding out the promise that a future generation will be treated better. Unfortunately, it does not make any provision for funding that will fulfill that future promise. The legislation does open potential for contribution rates to be raised in the future through regulation upon the recommendation of the Pension Task Force. It is strange to delegate under statute such responsibilities to a non-statutory body that has neither structure nor mandate spelled out in legislation, and that has no ability to resolve any disputes that may arise in discussion. The potential for stalemate in future discussions about contribution increases certainly is a potential reality since that has been the experience of the past 25 years.

The potential for conflicts of interest and cronyism are also concerns that cannot be reasonably ignored. Bill 45 decreases current provisions of the Act for a period of 10 years, without any funding provision that would even make the decreased maximum COLA possible. It suggests a ludicrous limit of 5.33 percent on the COLA payable during any year in the next 10 years – for the PAA as currently funded to pay a 5.33 percent COLA in any year would require a rate of investment return averaging in excess of 30 percent for three consecutive years.

Additionally, it suggests that in the unlikely event that the PAA could pay more than a two-thirds of CPI COLA in any year the excess funds cannot be used in any year in the next 10 but must be reserved for the benefit of a future generation of teachers who might retire after 2017. In my view, the legislation as currently drafted is in violation of the Human Rights Act in that it discriminates against a group of older members of the pension plan in favour of younger members who might retire after 2017!

Funding a reasonable COLA – Is it possible?

Solutions are possible to the funding issues of the PAA if fair and reasonable people sit down to find them. It is not reasonable, considering the past 24 years of neglect, to expect the entire COLA to be funded by the contributions of active teachers, though that appears to be the only solution acceptable to the government and MTS. More creative and reasonable approaches must be used to resolve this matter. While I certainly do not claim to have all the answers, this is an issue to which I have devoted considerable attention for many years. Sources of potential funding include the following:

1. Over the past 5 years the actual investment earnings of the PAA have exceeded the credited rate by over 6 percent per year. In fairness these earnings, which have been used to subsidize Account A, should be credited to the PAA. This would provide approximately \$40 million to the PAA.

2. I think it fair that active teachers through their contribution rate support the provision of COLA, as long as the level of contribution is reasonable. I suggest that the level of contribution to the PAA should be sufficient to support a COLA equal to two-thirds of the expected CPI increase—a requirement with which the MTS appears to concur. This would require an increase in the contribution rate, and while I would defer to the Actuary to determine the exact rate, I believe it would require approximately 1.75–2 percent of salary to be allocated to the PAA (the current allocation is about 1.25 percent). (As an aside I would note that any future adjustment to the contribution rate should eliminate the current inequitable distribution that prejudices beginning teachers severely. The contribution rate on earnings up to the yearly maximum pensionable earnings (YMPE) under the Canada Pension Plan should be only 70 percent of the rate on earnings in excess of that amount since the benefit earned on the lower earnings are only 70 percent of the benefits earned on salary on earnings above the YMPE. Currently beginning teachers pay about \$200 per year more than their fair share so that the most highly paid members of the plan can underpay their fair share by about \$800 per year)

3. In any year in which the pension plan earns a rate of return in excess of that assumed by the Actuary as necessary for supporting benefits, a portion of that excess should be credited to the PAA. Since less than one-half of the assets of TRAF are attributable to active teachers, it is demonstrably unfair that they should receive all the benefit of good investment performance. It is also reasonable that retired teachers should share in the provision of excess return to offset the potential for adverse investment experience in some years. Therefore, in my view, it would be fair for one-third of the excess return in any year in which such excess occurs to be credited to the PAA. Applying this provision to the past 5 years would have resulted in an average crediting of \$56 million annually to the PAA. This approach would accomplish two important objectives. Firstly, it would relieve active teachers from having all the funding of the PAA through



intergenerational transfers. Secondly, it would result in retired teachers sharing in the risks of investment performance—difficult years in the investment market would result in lower COLA's.

4. It might also be of interest to explore varying allocations of COLA in those years when less than full CPI COLA can be paid. For example, maybe the first \$1,000 of pension income should receive 100 percent COLA, then second \$1,000 75 percent COLA and the excess something less as the PAA could afford. This would assure those members of the plan most seriously affected by CPI increases better protection against inflation while those who are more able financially would receive less protection. It also has some justification in that the most highly paid members of the plan, who will therefore receive the highest pensions, are so dramatically under-contributing their fair share of pension contributions.

As for the government's share of the cost of funding adequate COLA provisions, they have access to the same sources that teachers do. That would entail some of the funding through direct contribution to their own PAA, with allocation of surplus earnings as provided for in the teachers' share. While the government has not fully funded their future obligations, retired teachers should not be punished for the past fiscal failures of the government. If the government had undertaken full funding, as it requires of every other employer sponsored pension plan in the province, the funding would now be there

to support adequate COLA as well.

One needs to consider the message that Bill 45 sends to retired teachers. The government, and the MTS, are telling retired teachers that their pensions are too rich and more than they are worth so it is necessary to reduce its value through inadequate COLA. Manitoba teachers do have the dubious distinction of receiving the lowest pensions of any provincial teacher group in Canada. The one benefit they thought they enjoyed despite the low pensions was that the value of the pension would be reasonably protected against loss to inflation. Now the government of Manitoba and the MTS are telling them that they are still too well off and therefore their pensions must be further reduced in value by limiting their COLA increases. I cannot think of a more negative message that one could send!

I therefore beg you, if you have any sense of fairness or moral integrity, to withdraw Bill 45 and pursue an actual resolution to the issue of adequate funding for the PAA that will treat all teachers fairly. Bill 45 as currently drafted is poorly thought out, poorly drafted and does very little to resolve the problem it pretends to address. This assures that retired teachers will have to continue their activities in pursuit of fairness. This bill is hopelessly inadequate to do anything other than to promote continued intergenerational conflict and financial insecurity to retired teachers who have dedicated their lives to the education of Manitoba's youth. They deserve better than this!

**Cost of Living Adjustment  
(COLA)  
Granted each year since 1977**

Year	Retired Members January 1st	Retired Members Entitled to COLA <sup>1</sup>	Relevant % Change in CPI	Adjustment Granted <sup>2</sup>		% of Change in CPI Granted
				% Part	¢ Part	
1977	2,416		5.91	2.90	46	98.1
1978	2,523		9.46	3.50	56	74.0
1979	2,648		8.36	3.00	53	71.8
1980	2,787		9.80	2.70	48	55.1
1981	2,935		11.19	2.75	52	49.2
1982	3,007		12.10	2.76	54	45.6
1983	3,117		9.26	3.55	65	76.7
1984	3,236		4.55	2.25	49	98.9
1985	3,353		3.76	1.89	45	100.0
1986	3,527		4.35	2.18	59	100.0
1987	3,733		4.19	2.09	59	100.0
1988	3,970		4.15	2.08	61	100.0
1989	4,176		4.00	2.00	64	100.0
1990	4,357		5.13	2.57	85	100.0
1991	4,554		5.00	2.50	95	100.0
1992	4,734		3.78	3.66	n/a	96.7
1993	5,008		2.14	2.14	n/a	100.0
1994	5,313		1.70	1.68	n/a	99.0
1995	5,561		0.23	0.23	n/a	100.0
1996	5,866	5,420	1.75	1.75	n/a	100.0
1997	6,159	5,723	2.17	2.17	n/a	100.0
1998	6,552	6,118	0.73	0.73	n/a	100.0
1999	6,860	6,424	1.02	0.78	n/a	76.5
2000	7,252	6,800	2.58	2.00	n/a	77.5
2001	7,643	7,194	3.23	1.77	n/a	54.8
2002	8,110	7,667	0.70	0.70	n/a	100.0
2003	8,556	8,118	3.88	1.68	n/a	43.3
2004	8,993	8,557	2.00	0.54	n/a	27.0
2005	9,503	9,073	2.10	0.40	n/a	19.0
2006	10,043	9,626	2.20	0.64	n/a	29.1
2007	10,562	10,153	1.60	0.63	n/a	39.4
2008	11,088	10,634	2.40	0.71	n/a	29.6

<sup>1</sup> Retired members or beneficiaries receiving Life Annuities resulting from insufficient service, death benefits or Money Purchase Accounts do not receive COLA increases on their annuity payments.

<sup>2</sup> Prior to 1992, COLA was calculated as the sum of:  
a) a percentage of basic pension plus previously granted COLAs, and  
b) an amount based on cents per month for each year of service to a maximum of 35 years.

# Bill 52 means better pensions for teachers

Teacher pension legislation in Manitoba was significantly improved last June when the Manitoba Legislature passed Bill 52, amending the Teachers' Pensions Act. The pertinent improvements included changes in the cost of living, early retirement and reciprocal pension provisions. To help pay for them, teacher contributions have been increased to cover up to half of the cost.

## Cost of Living Adjustments

Bill 52 has established a separate pension adjustment account within the Teachers' Retirement Allowances Fund to finance increases in pensions to meet increases in the cost of living.

A fixed portion (10.2%) of a teacher's regular contributions to the TRAF will be allocated annually to this account with interest credited semi-annually. Half of all pension adjustments paid after July 1, 1977, to finance increases in pensions resulting from increases in the cost of living will be charged to this account; the other half will be paid by the provincial government.

The adjustment will be calculated on the full increase in the Consumer Price Index for Canada from the end of one calendar year over the end of the immediately preceding calendar year. Adjustments will be limited to the amount of money in the account. Thus, each teacher who retires and each other person who becomes entitled to a pension can expect some increase in pension with every increase in the cost of living. The size of the increase in pension will not necessarily match the increase in the cost of living, depending on how much money is in the account. On the other hand, any surplus in the account may be used to procure other benefits.

The ability of the account to keep up with increases in the cost of living will depend on

- the average rate of increases in the cost of living over significant periods of time in the future;
- the average rate of return on investments from the account; and
- the relationships between the number of active teachers contributing to the fund and the number of persons eligible to receive increases in pensions from the account.

The present level of contributions is expected to offset the full increase in the cost of living provided the cost of living does not increase more than five to six per cent per year.

Half of the adjustment will be applied as a straight percentage of the existing normal form of pension (or its equivalent value where optional forms of pensions have been elected). The other half will be

equalized as a flat dollar rate per year of service based on the average of all pensions granted in the actual year of retirement of the teacher. In this way, smaller pensions will still be increased by a greater overall percentage than larger pensions.

All regular, early retirement, deferred and disability pensions will be adjusted for life by either the full amount that the benefit index warrants or the amount that the fund can pay in a given year. Beneficiaries of deceased teachers will receive two-thirds of the amount the pensioner would have received had he lived.

The waiting period for adjustments has been reduced to 12 months. The first adjustment will be related to the length of time a person was retired during the calendar year on which the adjustment is based. For example, teacher A retiring on June 30 would receive his first adjustment after 12 months. That adjustment would be only half the adjustment received by a person retired for that full calendar year. Thereafter, however, teacher A can expect to receive a full pension adjustment each July.

## Increased Pensions on Early Retirement and Partial Disability

Bill 52 has increased the pensions paid to persons who retire between ages 55 and 60 for reasons other than total disability and to persons who have retired from teaching at any age on account of illness not amounting to total and permanent disability. This improvement is the result of a decrease from one-quarter to one-eighth per cent in the reduction in pension for each complete month that the teacher's actual retirement date precedes the month in which he becomes 60. The change applies to benefits yet to be paid to retired teachers as well as to beneficiaries of deceased teachers.

## Deferred Pensions

If for any reason — other than death or retirement — a teacher 45 years of age or older terminates employment after July 1, 1977, before becoming eligible for an immediate pension and after completing ten years of continuous service to make him eligible for a deferred pension, he shall have no option other than a deferred pension for service after July 1, 1976. For service prior to July 1, 1976, the teacher may continue to elect either a refund of contributions or a deferred pension. The provision is known as a 'lock-in.' It was enacted to comply with the requirements of the Manitoba Pension Benefits Act applicable to almost all pension plans in the province.

## More Say for Teachers

Bill 52 has increased the membership of the TRAF board, which administers the teachers' pension plan, from six to seven. The additional member will be nominated by the Society as a result of another change in the Act which has increased the Society's representation on the board from two to three members.

## Other Changes

- Other amendments incorporated in Bill 52:
  - allocate \$3,232,000 from the fund to the pension adjustment account to finance the fund's share of the cost-of-living adjustments in July 1977 and to provide an amount equivalent to 10.2 per cent of teacher contributions for the period January-August 1977 towards July 1978 adjustments;
  - bring the teaching staff of L'Institut Pédagogique at St. Boniface College under the Act;
  - allow the TRAF board to deduct, on request, a wider range of group insurance premiums for pensioners;
  - change the eligible investments of the fund to those permissible under the Pension Benefits Act and the Trustee Act;
  - extend the maximum investment in common shares from 15 to 25 per cent of the fund;
  - clarify paid substitute service as eligible service to qualify for a pension;
  - provide credit for World War I service without cost to anyone now on pension; and
  - transfer the administration of a special fund for eligible Society employees from the Minister of Finance to the TRAF board.

## Retroactivity in Reciprocal Agreements

The provincial government has agreed to enter into reciprocal agreements with other public-sector pension authorities in Canada for the payment of pensions to persons who transfer or have transferred after July 1, 1973, from teaching in Manitoba to employment with another designated public-sector employer, provided such persons have served after May 31, 1977. The agreements will provide pensions to be funded by transfer of matched contributions with interest to a successor plan within one year of transfer. This would provide full credit for contributions as if they were made to the successor plan from the beginning.

If the contribution rate of the successor plan is lower than the rate of the Manitoba plan, credit will be given for all service and the difference in the contribution rate will be refunded to the teacher. If the contribution rate of the successor plan is higher, pro-rata credit will be given or the teacher may make up the difference to get full credit.

## The Price Tag

To finance part of the costs of the improvements, teacher contributions have been increased from 4.4 to 5.1 per cent of Canada pensionable earnings and from six to seven per cent of salary in excess of Canada pensionable earnings (currently \$9,300). The increases came into effect on September 1, 1977.

Most of the increase in contributions will be allocated to the new pension adjustment account to pay half of the cost of the cost-of-living adjustments. The balance of the increase is to support the fund's share of the other benefit improvements — such as increased pensions on early retirement, partial disability, improved reciprocal agreements, and more deferred pensions that likely will result from the lock-in clause, mentioned above.

## What's Next?

While Bill 52 has gone a long way toward improving the pensions of Manitoba teachers, it has not provided all the improvements advocated by the Society. Consequently, representatives of the Society are continuing their discussions with the provincial task force on superannuation plans. Among the issues yet to be resolved are:

- changes in the manner in which Society representatives on the TRAF board are selected by provincial authorities;
- the procedure to be used to enable the pension adjustment account to pay half of the expected cost-of-living increases in 1978 and subsequent years, including suggested differences in contribution rates between the teachers' fund and the civil service fund for substantially the same benefits;
- ways in which responsibilities for unfunded liabilities are to be allocated in the future, including present liabilities attributable to less-favorable-than-expected experience;

**Teachers interested in further details about the recent changes in teacher pension legislation may contact the editor of THE MANITOBA TEACHER to obtain a copy of Bill 52 and a detailed written explanation of its provisions prepared by George Strang.**

- co-determination by the Society and the province of benefits and assumptions;
- additional financial support and commitments by the provincial government that may be warranted to make up for past deficiencies in government contributions;
- the method by which the provincial government may guarantee a rate of return on investments of the fund; and
- ways of allocating a greater proportion of contributions to the pension adjustment account (such as alternative approaches to refunds, reinstatement provisions and disability benefits).

The Society will also continue to seek:

- a pension formula based on the average salary received by a teacher in the five years in which his salary was the highest;
- reciprocal agreements for everyone who transferred prior to July 1, 1973, and served after May 31, 1977;
- payment of interest on refunds elected on termination;
- pensions for spouses or other eligible survivors, of at least 50 per cent of the pensions of the pertinent deceased pensioners;
- reduction from ten to five years as the minimum qualifying service for all pensions; and
- provision for a wider range of employment or service before or after becoming a teacher to be counted as pensionable service or in determining eligible service for benefits with or without contributions (e.g., sabbatical leave, periods of disability).

*George Strang is a member of the staff of the Society's economic welfare department and an expert with respect to teacher pensions in Canada.*

## PENSION CONTRIBUTIONS AND SALARIES

The following shows how the increase in the pension contributions by Manitoba teachers, effective September 1, 1977, affects some teacher salaries.

Gross Income	Present	Monthly	Increase
	Monthly Contribution	Contribution Effective Sept. 1	
\$11,500 (approx. class 1 max.)	\$ 45.10	\$ 52.35	\$ 7.25
\$13,500 (class 2 max.)	55.10	64.02	8.93
\$15,500 (class 3 max.)	65.10	75.70	10.60
\$17,000 (average salary)	72.60	84.44	11.84
\$20,500 (class 4 max.)	90.10	104.86	14.76
\$21,600 (class 5 max.)	95.60	111.28	15.68
\$23,000 (class 6 max.)	102.60	119.44	16.84
\$24,300 (class 7 max.)	109.10	127.02	17.92
\$30,000	137.60	160.28	22.68

Since pension contributions are allowable deductions for income tax, the net effect of the increased contributions after tax deductions is somewhat less than the amounts shown.

*(excerpt from Manitoba Teacher, submitted Tom Ulrich)*

Respectfully submitted,

Tom Ulrich

MTS Provincial Executive & Chair, Pensions Committee, 1974-75  
 MTS Staff Officer, 1975-99  
 Member Pension Task Force, 1976-99; chief spokesperson for MTS, 1993-99  
 Member TRAF Board, 1993-99  
 Coordinator, Benefit Programs, 1993-96  
 Assistant General Secretary, 1996-99  
 President & CEO, TRAF, 1999-2004

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Chairperson, Minister, Committee Members:

I am pleased to have the opportunity to present my comments on Bill 45.

I am a retired teacher and a director of the RTAM board, currently serving as vice-president, Pension Committee chairperson and Pension Task Force representative. Formerly, for 10 years from 1987 to 1997, I served on the TRAF board holding positions as vice-chairperson, Investment Committee member and for a period as acting chairperson of the board and the Investment Committee. For a further four years I served as Chairperson of TRAF's investment management subsidiary.

Retired teachers have been failed. They find they have been failed by a system they thought was in place to look after their affairs. Today, they continue to be failed by Bill 45. It's as if we've been in a game of musical chairs and when the music has stopped the retired teachers have been left without a chair.

What do retired teachers want?

A fair, equitable and just resolution of the long-standing COLA problem.

The Minister of Education and the President of MTS have declared the Sale report and Bill 45 a "fair and equitable" solution to the COLA problem.

These declarations do not make it so.

Slogans, sound bites and tactics have been abounded, but RTAM has done its own analysis with our

professional advisors. We find that Bill 45 is an unfair and inequitable resolution of the COLA problem for retired teachers.

(RTAM has provided to the Minister of Education a comprehensive report responding to the Sale report.)

What is the fundamental problem with Bill 45?

The bottom line is that COLA is still underfunded. RTAM's suggested options for more significant long-term funding resolutions have been ignored. Instead, we have gotten a funding approach that is minimalist, piecemeal, narrow in scope and unbalanced.

The minister has also said Bill 45 is the government's "best effort." We can only conclude this is it – no more. Why, after 20 years of unheeded warnings, can we not have a fair and long-term fix?

Why is no long-term resolution unfair?

There are three fundamental factors.

First, we paid in good faith for inflation protection

Individual teachers have paid directly for COLA protection throughout the length of their careers. Our modelling shows that, for example, my contributions and earnings for COLA protection were ballpark \$35,000. Others have paid significantly more. Where's our return? That is what we mean.

Mr. Sale said it is untrue when we say we paid for a COLA, but he dismisses what we mean.

RTAM understands the structure of the COLA funding as described by Mr. Sale – that active teacher contributions support new COLA payments. This is used to disguise the plan flaw. The COLA account was not funded properly in the first place. The COLA contributions by active teachers today are insufficient to support COLA payments to a much greater number of retirees. This is not the fault of actives nor of retirees, but of the government and MTS.

We weren't told we were paying for someone else. Now when it's time for our COLA we're told there isn't enough money. You have taken our money and not fulfilled your obligations to us. Some say you have stolen our money.

Second, Bill 45 is tantamount to asking the current generations of retired teachers to bear the brunt of past underfunding and inaction and now the underfunding continues:

This entails:

- The inadequate funding in the PAA since inception;
- The inaction, despite actuarial warnings, of the two parties responsible—namely the government and MTS;
- The inattention for 20 years that has caused the problem to be more costly to fix.
- And now the consequences resulting from the inadequate Sale funding recommendations.

An implied social contract is being broken. This sacrificing of a generation of retirees is unjust and unacceptable.

Some people have asked, either naively or disingenuously, "where was the TRAF board?" During my tenure, TRAF did its job—administered the plan according to the act and forwarded actuarial reports with COLA warnings to those responsible for act changes—the government and MTS. The sponsors of the plan took no action.

A further unfairness has emerged in the recent plebiscite.

Fifteen thousand actives voting on the COLA of 11,000 retirees, who are most directly and immediately affected by changes to the COLA provisions and do not have the ability to make adjustments, as active teachers do is offensive.

Why is Bill 45 funding inadequate?

We have supported the change in the method of interest crediting to the better of method (crediting to the PAA of the fixed income returns or the total fund returns, whichever is greater). It is a helpful piece.

But it does not provide a long-term funding fix. In the absence of more significant funding measures, it is minimalist and piecemeal funding, mere tinkering, resulting in a minimalist outcome for retired teachers.

How minimalist is the funding?

Mr. Sale said his funding recommendations would result in a two-thirds COLA in the first year. Not achieved. Does this not lead to questions about the credibility of the Sale analysis?

The achievement of a two-thirds COLA is very uncertain and is very dependent on low inflation and high investment returns. Only a 52 percent of CPA

COLA on average annually is projected by the actuary. (See attachment.)

What do we mean when we say the funding is too narrow in scope and unbalanced?

No contribution increase makes the recommendations too narrow in scope.

The continuation of the subsidy of the actives' contribution shortfall and the MTS prohibition on the use of surplus for the COLA problem makes this unbalanced.

How does the government have the temerity to support prohibition of the use of surplus by retired teachers, when there is a scheduled transfer at the civil service of \$145 million to their indexing account?

What is needed?

More significant lump sum funding and/or a long-term funding plan. The Sale report offers no credible plan for this.

Too few options were considered. There appears to have been intransigence and in-the-box thinking by the plan sponsors. A multitude of options are available, many examples used by other provinces.

Take, for example, two provinces—British Columbia and Nova Scotia.

B.C. has provisions for a full COLA on an affordability basis. It has always paid full COLA. It has a memorandum of agreement with a transition period for achievement of a financial plan.

It entails:

- An increased contribution (1 percent) by the province to deal with the unfunded liability;
- An increased contribution (1 percent) by teachers directed to their COLA account;
- Use of actuarial gains and surpluses with criteria specified during the transition period, and more.

Additionally, the B.C. government pays a higher contribution rate than teachers.

Nova Scotia has a memorandum of agreement with objectives principles and implementation policies and mechanisms. A new plan for new retirees, tied to funding levels, was agreed upon but existing retirees were left on the old plan (unless they opted out). The government put in \$142 million.

Where's the plan for Manitoba.

What does RTAM proposed?

RTAM believes that the fairest thing to do is implement the better of method only untied to other recommendations. We think this is reasonable. After all the better of is using, in part, earnings on our past contributions and is a catch-up bridging measure to adjust for the fact that the COLA account assets have been under credited, especially in recent years.

Then, we propose there be a commitment to good faith discussions on long-term funding.

No movement towards a fair and long-term solution will lead many of us to conclude that we should to the two-tier route. If this is what active teachers want, go ahead and conclude this deal with them. But strike a different deal with us. Fix the underfunding of actives and give us our proportional share of the surplus.

Or give us our money back.

What is wrong with this province? It is a lack of good faith leadership by the Government and MTS.

The government is letting its financial self-interest bias it against its obligations as they plan sponsor. It has been getting away for years with inaction b following the technicalities of the COLA provisions in the act.

The technical continues in the Sale report. However, parts of the analysis and argumentation are based on specious premises and historical revisionism. The foundation of the report must be questioned. Some of our advisors have called the report amateurish.

I cannot help but believe that we have been disrespected and patronized.

Yes, this is a complex matter, but to use a favourite quotation of my father by John Kenneth Galbraith, "complexity is a technique to avoid simple truths."

The simple truth is retired teachers have a moral case and we are justified in our sense of injustice. You have a moral obligation as sponsor of the plan. Where are your moral compasses? It is time to fulfill your moral obligations by doing the right thing for 11,000 retired teachers.

Governments in civil societies respect, and perform to, their commitments.

A final comment:

If you insist on enforcing your authority on us on the basis of a plebiscite 52 percent yes and a 48 percent no vote, especially when the integrity of the vote must be questioned, as some out of province retirees believe they have been disenfranchised by slow mail deliver, do not expect us to think you have any moral authority in doing so. After this vote, you cannot ignore the legitimate interests of retired teachers.

Submitted by  
Anne Monk

The Legislative Assembly of Manitoba Debates and Proceedings  
are also available on the Internet at the following address:

**<http://www.gov.mb.ca/legislature/hansard/index.html>**