

Update on the Regina Civic Pension Plan

A report from your Employees' Bargaining Committee

March 31, 2011

Why does the City Manager keep insisting that the sky is falling?

Like Chicken Little, the City Manager has been making alarming statements about the Regina Civic Pension Plan. Here's one: "In very simple terms, there are two options to fix this situation – employees and employers can pay more money into the plan, or the future benefits in the plan must be reduced."

Those are certainly two options, but they are not the only two options. To date, the employers in the plan seem to want to make the plan fail, instead of examining other options:

- In October 2010, the actuary said that employees and employers had to pay increased rates to keep the plan afloat.
- The employees, through the Civic Pension and Benefits Committee, ratified the rate increase in mid-December so that the employees and the employers could continue bargaining to make changes to the plan that would secure its long term health.
- To date, the employers have not ratified the increase, so the money the actuary said is REQUIRED to keep the plan healthy has not been paid – and the plan's health is jeopardized.
- In the City Manager's – and the Employers' – opinion, the plan is near death, but they do not apparently want to get a second opinion.
- Your pension bargaining committee wants a different actuary to analyze the plan's health, but that can't happen because **the Plan's administrator refuses to provide the data** an actuary needs to formulate a second opinion.

Why don't the employers and the City Manager want to get a second opinion about your pension plan's health?

In another alarming statement, the City Manager said: “The increase in contribution rates...is significant – about a 33 per cent increase in the pension deduction...off your paycheque.”

Very technically, this statement is correct: if you’re currently paying 9.42 per cent and the increased rate is 12.38 per cent, you would pay an additional 2.96 percent ... which is, in fact, almost 33 per cent of 9.42 per cent.

But isn’t it way more dramatic and alarming to say you will be paying 33 per cent more than to say your contribution will increase by 2.96 per cent?

Why does the City Manager want you to be more alarmed than you already are about the cost of your pension plan?

The City Manager: “We have heard many of you state that our rates are already too high – for many of you this increase is not affordable.”

We agree our contribution rates are high. That’s why your Pension Bargaining Committee wants the employers to get back to the bargaining table. We want the increased rates to be as short lived as possible, so we need to have meaningful discussions with the decision makers about how we can achieve that without killing the plan.

Why is the City Manager NOT reminding you that your Pension Bargaining Committee also believes the rates are too high?

The City Manager: “Prior to the Civic Pension and Benefits Committee’s decision in favour of a rate increase.....”

In fact, it is the Plan’s actuary that said a rate increase was necessary. The Plan Bylaw tells us that what the actuary says, goes.

Your Pension Bargaining Committee recommended that the Civic Pension and Benefits Committee approve the rate increase to ensure the plan’s health **while we bargain other changes to the plan.**

Why does the City Manager seem to be trying to make you believe that your Civic Pension and Benefits Committee is irresponsible and misguided?

The City Manager: “Under our proposed plan, rates and benefits would be consistent with those of other organizations, such as ...the health care sector in Saskatchewan.”

Really? We suggest that the City Manager take a closer look at the pension plan that covers over 26,000 health care workers and make sure that he isn't blowing smoke. Maybe he should look at other multi-employer pension plans and municipal pension plans across Canada.

Your Pension Bargaining Committee would like to have the Committee's actuary do those comparisons – too bad we can't get the data for the actuary to do that.

Why does the City Manager want you to believe that your plan is vastly superior to every other plan in the province?

City Manager: “...further negotiations with the Committee on plan re-design are not expected to be productive.”

Maybe this group of employers hasn't done much bargaining. Maybe they don't understand that “productive” doesn't mean accepting their proposals without question.

Your Pension Bargaining Committee keeps asking the employers to return to the bargaining table to **NEGOTIATE** changes to the plan.

The employers keep telling us that the only proposal that is worth considering is theirs.

Who decided that the only good proposal is the employers' proposal? Who decided to stop talking to your Pension Bargaining Committee?

City Manager: “We have not shared [the employers'] proposal with you, out of respect for the process and negotiations with the Committee.”

Your bargaining committee has a pretty different understanding of “respect” than the City Manager. He and his “Leadership” team have put a lot of energy and resources into subverting the process: from the City Manager's letter mailed to everyone in December, to the four meetings held shortly after that, to the City Manager's most recent letter, their effort has consistently been to derail the process and convince you that their way is the only way.

If the employers and the City Manager expended as much energy and as many resources participating in the negotiating process they claim to respect, a jointly crafted solution to the problem would likely be well in hand by now.

Why won't the employers use their considerable resources to work on bargaining solutions rather than on creating panic?

Why hasn't the City Manager mentioned anywhere that the rates of return on your pension plan investments in 2010 were better than expected?

Why hasn't the City Manager mentioned the changes to the law governing pension plans being considered by the Superintendent of pensions? Or that those changes would help the plan's financial situation?

Why doesn't the City Manager want you to know that the sky isn't falling!

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