

# "Pension Talk"

December 2001

## 2 – How Do We Ensure Accountability?

Pensions are workers' deferred wages. They are wages for our retirement years ahead, which will, in all likelihood, be 20 or more years. So, we must strive to ensure that our workplace pension plans are the very best they can be to ensure retirement with dignity and financial security.

The pension fund helps determine the adequacy of the pension wage paid. The size of the surplus and/or deficit in any pension fund is determined, in large part, by the Administrator – the body in control. The Administrator determines how the fund is invested; how the plan is administered; plan member communications and education. This is why gaining real, on-going control is vital. Gaining control over our pension plan and fund will help us change the status quo and shift the policy direction of our plans and funds is to ensure workers' interests are heard.

To accomplish this, our trustees, local executives and members have work to do. Here are some ways we can ensure accountability and responsibility.

### Trustees

Trustees are the decision-makers. They are the Administrator. They are required to represent plan members. While each Trustee must cast a vote, s/he must do so in the best interest of the plan members.

How do Trustees know what plan members want – or what is in the plan members' best interest?

Accountability to the plan members is the only way for our Trustees to actually represent us. They must talk to us. Two-way communication is essential.

CUPE members require Trustees that:

- 1) Are elected, selected or appointed by CUPE.
- 2) Can be removed from office by CUPE when they no longer represent members.
- 3) Understand the requirements of the job.
- 4) Are expected to:

- a) meet regularly with the local (or appropriate CUPE) executive(s) to:
  - i) report on pension issues;
  - ii) lead discussion on issues that are upcoming at the Board of Trustees table;
  - iii) educate on a broad range of pension matters to facilitate informed discussion of issues;
  - iv) share information about the plan and fund.
- b) report in writing at least once per year to plan members;
- c) attend at least, one time per year, a general membership meeting to report on and discuss pension plan and fund issues;
- d) communicate and share information regularly with CUPE National Advisory Committee, Division Pension Committee and Research pension staff;
- e) take member concerns to the Board of Trustees;
- f) fully understand CUPE pension policy, provincial and federal pension laws, collective agreement provisions on pensions, pension plan text, trust agreement and other related documents;
- g) participate in CUPE Basic and Advanced pension courses.

### Local Executive(s)

(This section refers to local executives, but also can apply to decision-making bodies like bargaining councils and divisions.)

The local executives are elected by the members to represent them. They have a role to play because the pension fund is members' deferred wages and it forms a major component of the employment relationship. We want to take advantage of all

opportunities to ensure the plan provides financial security in retirement.

Pension funds play a significant role in the Canadian and international economy. CUPE leaders responsible for carrying out the union's policy are concerned that members' money is often being used to the broadest interests of workers (see accompanying piece on "The Pension Privatizers: Why Pension Funds Should Avoid Financing Privatization and Public-Private Partnerships". Our pension fund money must not be used against us.

The local executive should aim to:

- 1) Make room on its agenda for the Trustee(s) to
  - i) report on pension issues;
  - ii) discuss upcoming pension issues; and
  - iii) educate on a broad range of pension matters.
- 2) Undertake to be educated on pensions to ensure informed two-way communication on pension matters with the Trustee(s) and members.
- 3) Facilitate distribution of the Trustees' annual report to membership.
- 4) Facilitate at least one annual general membership meeting per year to discuss pension matters and educate members about pensions. This could be in conjunction with a bargaining conference, annual general membership meeting or Division convention.
- 5) Bargain paid time off for Trustees to carry out their accountability duties.
- 6) Ensure transparent and democratic process for the election, selection and removal of our Trustee(s).
- 7) Understand CUPE pension policy, provincial and federal pension laws, collective agreement provisions on pensions, pension plan text, trust agreement and other related documents.
- 8) Work with the Division Pension Committee, National Pension Advisory Committee and

CUPE National Research Branch pension staff.

- 9) Facilitate the delivery of the CUPE pension courses.
- 10) Take members' concerns to the Trustee(s).

### **Membership**

CUPE members have the most at stake when it comes to their pension plan and fund. After all, most members can expect a very long retirement career – 20 or more years. It is essential that the wage paid during this career is the best it can possibly be.

Where the pension fund is invested is also critical. If our pensions are funding initiatives that put us out of work or undermine public services and jobs, then we, the members, lose. Members can be active pension participants by:

- 1) Attending general membership meetings on pensions.
- 2) Understanding CUPE pension policy and ensuring that our Trustees and Executive members follow our policy.
- 3) Asking questions to the Trustees and Local Executives about pension matters.
- 4) Requesting to have delivered and participate in the CUPE Basic pension course.
- 5) Encouraging discussion of pension plan and fund matters at general membership meetings.
- 6) Requesting reports from the Trustee and Local Executive on pension plan matters.
- 7) Getting involved on the Local or Division Pension Committee.
- 8) Asking questions and insist on getting information from your National Pension Advisory Committee member.
- 9) Sharing pension information with other members.
- 10) Making sure that Trustees and Local Executives can't say that members don't care or don't have an interest in their pension plan and fund.