INTRODUCTION

Bill 9 (aka the Public Sector Pension Plans Amendment Act, 2014) is the latest attempt by the Alberta government to slash services to vulnerable Albertans.

In a nutshell, it is a massive overhaul of retirement income for public employees, including front line workers at hospitals, schools, and universities.

Bill 9 was introduced with no negotiation or meaningful discussion with the thousands of Albertans affected by these drastic changes.

After a massive public backlash, the government retreated—for now. Public hearings on Bill 9 are now scheduled to begin in June 2014.

RADICAL CHANGES ACROSS THE BOARD

Bill 9 is breath-taking in its scope. It makes sweeping changes to many parts of every single public sector pension plan in Alberta.

Here is just a sample of the proposals in Bill 9:

- Early retirement will be put out of reach for almost all workers.
- Guaranteed cost-of-living adjustments will be cancelled.
- Retirement income payments will be cut by up to 25 per cent (for benefits accrued after 2015)
- A cap on contributions—a move that guarantees cuts to existing retirement income in some years.

“The Alberta government should be setting the standard for fair treatment of retirees, not leading the race to the bottom.”

Jerry Dias, Unifor national president

SCHEDULE OF PUBLIC HEARINGS*

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*To participate in the public hearings to defend your pension, call the Clerk of the Standing Committee on Alberta’s Economic Future at 780-427-1350 by June 12 (hearings 1-3) or June 20 (hearings 4-7).
BAD MATH LEADS TO BAD POLICY

One falsehood about public sector pensions underpins Bill 9: that government workers’ pension plans are losing money and not sustainable in the long run. The Alberta government claims there is a 7.5-billion dollar “unfunded liability”.

The government is wrong. Like any long-term fund, you have to look at the life of the plan. There is already a strategy in place to re-balance the pension fund by 2021, and it’s working. There is no long-term pension liability.

MYTH vs FACT

Myth: “My pension is safe because I’m close to retirement.”

Fact: The majority of the proposals in Bill 9 include accrued benefits—pensions that have already been paid for over decades in the workforce.

Myth: “Public sector pension costs are out of control.”

Fact: A plan is already in place to balance the pension plan by 2021. Keep in mind that 50% of the pension costs are borne by the employee. Only half of the ongoing contributions are made by the Alberta government.

Myth: “Public sector pensions are ‘gold-plated.’”

Fact: $14,000 per year is what the average public sector retiree draws from her pension. Half of her lifetime contributions were made by her.

Myth: “Unions always oppose changes to their members’ pension plans.”

Fact: Unions always oppose radical changes imposed on their members, especially those done without negotiation and fact-based discussion. Asking for a say in the overhaul of pensions for 200,000 Albertans isn’t a lot to ask for. Front line government employees have worked a lifetime for their retirement, and they deserve a fair hearing.

Myth: “The Auditor General has called for changes to public sector pension plans.”

Fact: Not Bill 9’s changes. In fact, the Auditor General has endorsed an approach that includes negotiations with unions—something entirely absent from the process so far. He has also found that Bill 9’s proposals do not guarantee a sustainable pension plan for public employees.

With files from the Alberta Federation of Labour.

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