

CUPE NATIONAL CONVENTION PENSION FORUM - OCTOBER 29, 2011

Moderator - Kathy Remus - CUPE Staff

Panellists - Don Smith - Partner for Western Compensation Consulting Firm.

Leanne MacMillan - Researcher CUPE N.S. / Co-ordinator CUPE CPP Campaign.

Jim Cohane - CEO for Healthcare of Ontario Pension Plan (HOOPP).

Murray Gold - Serves as an Advisor to numerous pension plans.

Moderator Kathy Remus asked the panellists to discuss or focus on two issues. The first being the state of public pensions and secondly, how CUPE can make retirement a national issue?

Murray Gold - Mr. Gold felt pensions should be a social service similar to Medicare, where everyone has access. Pensions are different they are not mandatory. Public Plans are cheaper and models of success. However they are increasingly becoming objects of resentment especially when underfunded. Mr. Gold hopes we are going through a phase and things will improve over time.

Don Smith - Mr. Smith pointed out the environment has changed over the years but many pension plans have not. He referred to three changes that have occurred.

1 - Life expectancy - When most plans were established life expectancy was lower. Over the past fifty years life expectancy has increased by ten years. This has put a strain on pension plans as more benefits are paid out.

2 - Role of employers - Originally employers provided everything, sponsorship, guarantee, etc... Today new models are emerging shifting cost and risk to employees, i.e. D.C. plans.

3 - Economic environment - Lower interest rates have put a strain on many plans. Interest rates are at an all time low translating into low returns for pension plans. Mr. Smith fears interest rates will remain low for now causing the cost of plan to increase with lower returns. In closing he felt the biggest challenge to public plans is the demise of private plans.

Leanne MacMillan - Sister Leanne primarily spoke regarding the CPP campaign and her disappointment with P.M. Harper's decision to establish the PRPP rather than an enhanced CPP. Leanne encouraged everyone to continue the fight to keep CPP on the agenda. She believes six of the ten Premiers are still in favour of the CPP improvements and with a new Premier in Alberta perhaps their position may change.

Jim Cohane - Mr. Cohane stated Canada is facing a retirement crisis. The solutions being proposed are mainly D.C. plans which shift the cost and risk from employers to employees.

- D.B. plans are best for individuals.

- D.B. plans have lower costs.
- D.C. plans have higher cost and pay out less.
- D.C. plans have really no plan at retirement.
- D.B. plans have clear plan.

Most people have no expertise to make proper investment decisions. D.C. plan member may outlive their money.

The panellists were then asked to participate in a one minute round quickly sharing their final thoughts or message.

Leanne MacMillan - Improve CPP

Jim Cohane - Public sector Plans will survive

Don Smith - Public plans are a huge success, build on the CPP.

Murray Gold - Think of pensions likes Medicare, must be mandatory and universal.

There was a short period open for delegates to comment or ask questions. Most of the comments were focused on the CPP and the hope an enhanced CPP can be achieved.

In closing I felt the forum was interesting and helpful. I hope this report is of interest to our members. I should point out my report is based on my notes and observations and feel this is an accurate account of the discussion.

Lane MacLaren

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