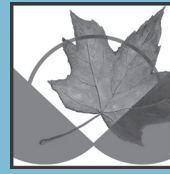


Election 2016 UNSPUN



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MANITOBA OFFICE

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Manitoba's Pension Record

Pensions and the retirement security concerns of Canadians have been in the news in a big way in recent years.

With two-thirds of Canadian workers not covered by a workplace pension plan and a majority of citizens not contributing to RRSPs (almost \$1 trillion in unused contribution room) many look to governments to show leadership on this looming pan-Canadian public policy issue. In both the Canadian Pension Plan (CPP) and Old Age Security (OAS) debates, Manitoba's voice has been both clear and strong in favour of the interests and well-being of workers and their families.

Since 2008, the Manitoba government has been a strong supporter of labour's call for an expanded Canada Pension Plan to assist the almost 12 million Canadian workers who have no workplace pension of any type and little prospect of their employer providing one. This file remains current as Finance Ministers most recently discussed the issue at their December 2015 meeting in Ottawa.

Manitoba strongly opposed the former Harper government's decision to move eligibility for Old Age Security (OAS) from 65 to 67 years, to be phased in over a period of years commencing in 2023. The new Trudeau government has said they will re-

turn eligibility for OAS to 65 years. At the same time as it is necessary to raise the floor for the growing number of workers who do not have workplace pensions, it has also become important to defend the position of those workers who do have pensions.

1. The current government has set the bar high for the management of provincial employees' public pensions. Its record warrants careful review as it can show all parties a reasonable approach to administering employee pensions: In their second term in office the NDP took steps to stabilize provincial pension plans by establishing a \$1.5 billion fund dedicated to supporting unfunded obligations. In subsequent provincial budgets Manitoba for the first time since the 1960's began making bi-weekly contributions for all newly hired staff, followed by contributions on behalf of all existing employees. These were prudent and needed policy moves.

2. In 2001 Bill 48 was adopted at the request of the City of Winnipeg and all its civic unions, creating the jointly trustee'd Civic Employees' Pension Plan (CEPP). The City achieved certainty in this significant area of its operations and workers gained shared governance over their pension plan.

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3. In both 2005 and 2010 Manitoba's Pension Benefits Act was amended including provisions to make Pension Committees mandatory for all plans with more than 50 members.

Disclosure requirements to all plan members were strengthened and the rights of part-time workers to participate in plans were enhanced. New rules regarding plan surpluses increased the voice of plan members and immediate vesting rights were established in the Act.

All of the above changes added rights to workers in the operation and management of their individual pension plans.

4. In the aftermath of the global recession when all pension plans experienced challenges the Manitoba government extended solvency relief to both public sector and private plans (2008, 2009 and 2012).

5. In 2010 the provincial government approved a \$156,000 annual contribution (for 10 years) to fund the United Way of Winnipeg Pension Plan's solvency deficiency, providing stability and security for the 54 participating member agencies.

6. In 2007 the provincial government extended solvency funding relief to the Tolko Industries pension plan assisting Steelworkers and Unifor members in this important northern industry.

7. In 2009 the provincial government extended permanent exemption for solvency funding requirements to the Healthcare Employees Pension Plan (HEPP).

In subsequent bargaining with the Manitoba Nurses Union agreement was reached for modest contribution hikes to fund the establishment of a Cost of Living Account (COLA) from which payments can be made effective April, 2018.

8. Budget 2015 allocated an additional \$100 million to stabilize the Teachers Retirement Allowances Fund (TRAF). This was on top of the 2008 decision to establish an irrevocable trust account to deal with past funding problems.

9. In 2010 the Province established a Defined Contribution pension plan for Manitoba's 7,000 child care workers, with the government agreeing to fund the employer-required 4 percent contribution rate.

The Manitoba record, while strong, has not been perfect and there remain many pension challenges within a number of plans. Having said this, over the past 16 years, Manitoba has opted to honour past promises and to look for co-operative solutions to all challenges outlined above. This is very different than the approach of some other jurisdictions, most notably New Brunswick, PEI, Quebec and the federal scene under the former Harper government.

The elimination of seniors' poverty has been called Canada's greatest success story. But the poverty rate for seniors is starting to creep up again and this trend will only worsen unless changes are made to widen and protect workers' access to retirement income.

The current provincial government has advocated for all workers' legitimate entitlement to dignity in retirement through participation in viable pension arrangements: that push needs to continue regardless of which party takes power in April.

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[UNSPUN is the 2016 provincial election commentary from the Canadian Centre for Policy Alternatives Manitoba](#)

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