



## **RESOLUTION against two-tiered pensions, in defence of defined-benefit pensions**

The CAPE Constitution states that the objectives of the Association include (excerpt):

- Obtain the best achievable levels of compensation, and terms and conditions of employment for all its members.
- Promote and protect the rights and interests of members in matters related to their employment and their relationship with their employer.

Labour law requires that federal public service pensions (a key aspect of the conditions of our employment) is not negotiable during collective bargaining. This means that, in order to promote and protect members' rights and interests and to obtain the best achievable conditions of employment in the pensions arena, CAPE must act politically; that is, outside of collective bargaining, and outside of labour relations narrowly defined.

Recently, pensions have come under attack, in mainstream media and at the bargaining table for workers outside the federal public service. In its most recent round of bargaining with the Canadian Union of Postal Workers, Canada Post sought to replace defined-benefit pensions, in which members receive a predictable and stable pension during retirement based on a stable fund, with defined-contribution pensions, a system favouring market investment of pension funds and in which plan members receive a variable pension based on the "performance" of the pension fund. The so-called "gold-plated" pension is a defined benefit pension plan.

Reasons to oppose defined-contribution pensions include lack of members' control over investment practices, and lack of predictability of the pension. In seeking to shift to new pension plans, the employer often sells the change by proposing a phasing-in approach, sometimes offering a trade-off. This means that new members/hires are enrolled in a less stable, lower value plan. Effectively, the interests of some members are placed above those of others. Recent examples include UNIFOR/General Motors and Canadian Union of Postal Workers/Canada Post.

CAPE should defend the interests of all of its members, taking all possible action to defend our pension benefits.



BE IT RESOLVED THAT CAPE:

- Opposes two-tiered pensions.
- Opposes defined contribution pensions.
- Undertakes a campaign aimed at educating and raising awareness among members and the public, working with other federal public sector bargaining agents as appropriate, in defence of defined-benefit pensions and highlighting the potential impact of any changes proposed in the future.
- Pressures the federal government through lobbying, petitions, public meetings, rallies, etc. to maintain and defend defined-benefit pensions for all, and to make pensions a collective bargaining item for the federal public service.

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