



Legislative Assembly of Alberta

The 28th Legislature  
Second Session

Standing Committee  
on  
Alberta's Economic Future

Bill 9, Public Sector Pension Plans Amendment Act, 2014  
Bill 10, Employment Pension (Private Sector) Plans Amendment Act, 2014  
Public Input Meeting in Edmonton

Monday, June 16, 2014  
6 p.m.

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**Legislative Assembly of Alberta  
The 28th Legislature  
Second Session**

**Standing Committee on Alberta's Economic Future**

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## Standing Committee on Alberta's Economic Future

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6 p.m.

Monday, June 16, 2014

[Mr. Amery in the chair]

**Location: Edmonton**

**The Chair:** Good evening, ladies and gentlemen. I would like to welcome all members, staff, and guests in attendance at today's meeting of the Standing Committee on Alberta's Economic Future.

I would like to call this meeting to order and ask that members and committee support staff at the table introduce themselves for the record, and please indicate if you are attending as a substitute for a committee member. I understand that Mr. Luan and Mr. Lemke are joining us via teleconference.

I will start. I'm Moe Amery, MLA for Calgary-East and chair of this committee.

**Mr. Fox:** I'm Rod Fox. I'm the MLA for Lacombe-Ponoka and deputy chair of this committee.

**Mr. Quadri:** Sohail Quadri, MLA, Edmonton-Mill Woods.

**Mr. Rogers:** George Rogers, MLA, Leduc-Beaumont.

**Ms Kubinec:** Maureen Kubinec, MLA, Barrhead-Morinville-Westlock.

**Ms Pastoor:** Good evening, everyone. Bridget Pastoor, MLA, Lethbridge-East.

**Mr. Eggen:** Good evening. My name is David Eggen. I'm the MLA for Edmonton-Calder with the NDP.

**Mrs. Sarich:** Good evening and welcome. Janice Sarich, MLA, Edmonton-Decore.

**Mr. Rowe:** Good evening. Bruce Rowe, MLA for Olds-Didsbury-Three Hills.

**Dr. Massolin:** Good evening. Philip Massolin, manager of research services.

**Mr. Tyrell:** Good evening. Chris Tyrell, committee clerk.

**Mr. Luan:** Good evening. Jason Luan, MLA, Calgary-Hawkwood.

**Mr. Lemke:** Good evening. Ken Lemke, Stony Plain.

**The Chair:** Thank you very much.

Anybody else on the phone? Great. Thank you.

Ladies and gentlemen, just a few housekeeping items to address before we turn to the business at hand. The microphone consoles are operated by the *Hansard* staff. Please keep cellphones, iPhones, BlackBerrys off the table as these may interfere with the audiofeed.

Ladies and gentlemen, this is a public meeting on Bill 9 and Bill 10. I'd like to welcome all of you. By way of background, on May 5, 2014, the Legislative Assembly passed motions referring Bill 9, Public Sector Pension Plans Amendment Act, 2014, and Bill 10, Employment Pension (Private Sector) Plans Amendment Act, 2014, to the Standing Committee on Alberta's Economic Future for review. The committee began its review by meeting for three full days with pension experts and stakeholders. The committee is now conducting public meetings in seven locations around the province and has also invited interested Albertans to send in written submissions by August 15, 2014.

We look forward to hearing from those who will be presenting this evening. The meeting will conclude at 10 p.m. or earlier, depending on the number of presenters we hear from this evening.

Just a few housekeeping items to address before we begin the presentations. Each presenter will have a maximum of three minutes to make their presentations, and we will be using a timer to help us keep to our schedule. Presentation time will be followed by time for questions from the committee members. Should any presenter wish to follow up with additional information regarding his or her presentation, they may follow up in writing through the committee's office.

Audio of committee proceedings is streamed live on the Internet and recorded by *Alberta Hansard*. The *Hansard* transcript for this evening's meeting will be available on the Legislative Assembly of Alberta website later this week, and written documents will also be made available to the public.

Ladies and gentlemen, with these very few brief comments, we will begin with our first presenter of the evening. I would like to call on Mr. Mackenzie, please.

Please introduce yourself for the record, sir.

**Alex Mackenzie**

**Mr. Mackenzie:** I'm Alex Mackenzie. I'm a member of LAPP. My wife and I are both members of LAPP, so the unfunded liability concerns us. But why so many changes? The plan has been around for more than 50 years. Wouldn't a bit of fine-tuning have been sufficient?

One of the changes could be considered livable. That's taking the 35-year cap off. The others are unacceptable. Target benefits with no minimum payout: after 35 or 40 years of working for your employer, you could get told, "Our investments aren't doing too well; you're not going to get much of a pension."

Waiving the cost-of-living increase: if it happened several years in a row or if you were very fortunate and lived to be 90, like they're forecasting, which sounds a touch optimistic, your pension income could well drop below the poverty line. They also mention drawing out for 25 years after paying in for 32, but many of us are gone by our mid or late 70s, so we're only drawing out for 10 or 15 years.

A worker to retiree ratio of 12 to 8 is stated, and in our union it's closer to 12 to 3. I ask you to take another look at the numbers you've used to figure out how large the deficit is. If it shrinks, maybe bills 9 and 10 aren't necessary. If changes do need to be made, could they please be negotiated changes?

That's about all I have to say.

**The Chair:** Well, thank you very much.

Any questions?

**Mr. Eggen:** Well, thank you, Alex, for your presentation. I'm sure you've been following the developments with bills 9 and 10 very closely. I guess the big issue I'm wondering about is: do people in the workplace think that the pension is unsustainable, or do they recognize that, in fact, amortized over a 50- or 60-year period, it is indeed very solvent and that there is no crisis?

**Mr. Mackenzie:** I think the biggest thing they are concerned about is if their pension is going to be big enough to live on. I'm not so sure they really check so much about the deficit, just that the bottom line is: are they going to be able to survive when they finally do retire?

**Mr. Eggen:** Yeah. Absolutely.

**The Chair:** Any other questions for Mr. Mackenzie?

Well, thank you very much, sir. I appreciate that.

**Mr. Mackenzie:** Okay. Thank you.

**Trudy Thomson**

**Mrs. Thomson:** Hello. I'm Trudy Thomson. I am actually a lab tech working out of Red Deer but currently working in Edmonton, so this seemed to be the best place to come. I have been a member of the LAPP since, I hate to say, 1977, but I have never worked full-time or have not worked full-time very much of that. I think you'll hear lots of figures and lots of facts from people about why we shouldn't make changes for morale or for the economy.

I'm going to tell you my story. I left work in the mid-90s, when health care and pensions were under attack everywhere. They said that pensions weren't sustainable, that health care wasn't sustainable. I walked away. I cashed in my pension, rolled it into a registered income fund. At that time you only got your portion – you didn't get the employer's portion – so it wasn't a big amount. Well, life changes, and work-life balance got better, so I came back. I've been back working now probably almost 15 years again, and in about, I think, 2010 I decided that I was going to buy back those years of pension because there was a potential to get the 85 factor. There was a potential to get a decent retirement, so I bought back 15 years of pension, which was an approximate cost of \$150,000.

Then I hear that the 85 factor might go away. What I wanted was a good job, good benefits, security, and I thought: "You know, I've done my part. I've taken care of my family. It's just not right." There's a promise out there from our employers, from the government. We negotiate these things, and I think we deserve to be treated fairly. I think: how can I tell my adult children, "Go get a good job, get a job with pension and benefits, but you might not have it at the end, or you might not have what you think you have"?

Also, as a health care organization and for other people who work in the public sector, some of our jobs are very physically demanding, and some of them are very mentally demanding. I think that pushing people to stay in the workforce longer than maybe they should because they don't feel financially secure is not a very good idea. I think that there should be choice. If you've put in your time and you've paid into your pension, there should be a choice to walk away when you feel it's the best for you and the best for your environment at work.

I think that's about it.

**The Chair:** Thank you. You're right on time.

Any questions for Trudy?

**Mr. Eggen:** Thank you for your presentation. It reminds me of one of my constituents. He phoned me a couple of weeks ago and said that he bought back two years of his pension. He calculated that the changes in Bill 9 would cost him about \$6,000. You've paid \$150,000 in there. Have you made a calculation of how much – I mean, it's a great illustration that these pensions are our money, actually. It's not like it's something given to us – it's part of your wage – and in your case you actually dished out the cash. Have you figured out how much you might lose?

6:10

**Mrs. Thomson:** I did do the calculations. As I said, I started paying in 1977, so there are not a lot of years' difference for me to get to the 85 or to stay till 65 because I worked part-time. But it was at least \$100 a month, which was significant. It was more the

fact, you know, that there was a potential to maybe leave work at 61. But to stay that extra four years and work shift work – and I have worked in transfusion medicine, where it's high stress – just the fact of having to push yourself that much further and to work night shift and work call, it just didn't seem like it was right.

**Mr. Eggen:** Thank you.

**The Chair:** Thank you.

Mrs. Sarich.

**Mrs. Sarich:** Thank you very much, and thank you, Trudy, for your presentation. Just very quickly, when you said that you used the calculator, was that the calculator online?

**Mrs. Thomson:** Yes.

**Mrs. Sarich:** Okay. Thank you for that.

**Mrs. Thomson:** The truthaboutAlbertapensions.ca?

**Mrs. Sarich:** Yes, that piece.

**Mrs. Thomson:** Yeah.

**Mrs. Sarich:** Had you sat down with your pension representative to walk through what the changes would mean specifically for you?

**Mrs. Thomson:** No, I had not.

**Mrs. Sarich:** Okay. Is there any interest that you would do something like that?

**Mrs. Thomson:** I probably would. I'm still several years out. I have gone to a workshop with LAPP, and in calculating all your options, they don't usually want to spend the time to give you that information until you're closer to retirement.

**Mrs. Sarich:** Thank you.

**The Chair:** Thank you.

Thank you very much, Trudy. I appreciate that.

**John Bruce**

**Mr. Bruce:** Hello. My name is John Bruce. I've worked with the public service since 1990. I started out as an entry-level forest officer. I worked my way up the ranks through the department which is now known as ESRD.

This committee was struck because Mr. Horner heard some concerns from stakeholders about some of the provisions in these bills and decided that he should briefly hit the pause button and refer to you, this all-party committee, to consider the matter and comment. Mr. Horner explained that these proposed changes will only affect benefits earned from January 1, 2016, and on. He also states that the most valuable aspects of my pension will remain the same. In so many words, he states that my defined benefit pension, which was promised to me, will remain intact, that, really, the changes proposed will only modify add-ons or ancillary benefits.

One of those add-ons he mentions is the 55-85 factor – years of service – to a 60-90 factor. In other words, it seems he views early retirement being age 55 in his definition, and that would redefine everything. For those that plan their retirement based on a promise for the last 24 years such as I, I'll have to toe the line or be penalized.

Regarding his statement that the most valuable aspects of my pension will remain the same, I would argue that Mr. Horner is wrong. Since he never consulted me on what I value the most in my pension, how can he know what I most value and what will remain the same? It may surprise Mr. Horner that the thing I value most about my pension is that I will live long enough to enjoy some of it. Under his proposed change to that minor add-on, I'll end up working a minimum of 2.5 extra years. Right now I'm pretty close to it. And then if I do that, I'll get a reduction to my pension of about 12 and a half per cent. If I put on an extra five years, I'll get an unreduced pension. So for all that time I should have been collecting pension, I won't be getting anything, but I'll be putting in time.

Six years ago I had head and neck cancer. I've been off three times on long-term disability, and I've fought my way back into this job.

**The Chair:** Thank you, John.

**Mr. Bruce:** I've submitted a paper so that you can read all my comments on it.

**The Chair:** Okay. That's the right thing to do.  
Any questions for John? Mrs. Sarich.

**Mrs. Sarich:** Thank you. Thank you for your presentation this evening. You put before the committee some figures from your perspective. I would like to know: had you made an appointment with your pension representative to walk through what the changes would mean specifically for yourself? I'm just curious about that.

**Mr. Bruce:** No. There's no point if I'm not around to enjoy it. That's the stress of working a couple of extra years that I may not be able to make.

**Mrs. Sarich:** Okay. Thank you.

**The Chair:** Thank you.  
Any other questions for John? Mr. Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. Forgive me, but your last name – may I call you John?

**Mr. Bruce:** Yeah.

**Mr. Rogers:** It seems to me that your major concern, particularly from your point of view, with your health issues and so on, is the loss of the 85 factor as it stands today and the fact that you're looking at, as you said, a minimum of another two and a half years of work. It would sound on the surface that for most people that may or may not be a big deal, but you're saying that for someone like yourself and anybody else with some similar challenges, obviously, that's a major reduction in the benefits for you.

**Mr. Bruce:** No. I'm not worried about the money. I'm worried about the time.

**Mr. Rogers:** No. The ability is what I'm talking about, not specifically the dollars. It's just the ability to step away, maybe gather your . . .

**Mr. Bruce:** It's about choice, right?

**Mr. Rogers:** Right.

**Mr. Bruce:** You know, I had many choices. I had opportunities to

leave the public sector because I was offered many jobs along the way. I would have taken those opportunities had I known that I was going to be sitting here today having this discussion.

**Mr. Rogers:** Fair enough. Thank you.

**The Chair:** Thank you very much.

Thanks, John.

Wayne Sorenson, please. Introduce yourself for the record, please.

**Wayne Sorenson**

**Mr. Sorenson:** Thank you, Mr. Chairman and standing committee members. My name is Wayne Sorenson. I represent the members of Seniors United Now, and I appreciate the chance to talk to you today.

One of the things that caught my eye was the press release on Bill 10, and it clearly stated how important retirement planning is and that pension promises made must be kept. Do you remember when our parents told us that, folks? When you make a promise, you had better keep that promise. Remember that the three most important things that government employees work for are salaries, benefits, and pensions. They've paid for these pensions. They've earned these pensions. These pensions were part of the pay package.

The original pension promises that were made but were broken were reducing the calculation from 2 per cent to 1.4 per cent of the highest average 5 years of earnings – folks, that's a 30 per cent reduction that that promise has ended up being – and the cost of living: we're supposed to get 100 per cent of the consumer price index. It's knocked down to 60 per cent. That's a 40 per cent reduction in a promise that we were promised.

The whole pension issue is the result of the Hon. Doug Horner stating that we have a \$7.4 billion deficit, yet when I read the magazine from the local authorities pension plan, they state that our pensions are healthy and that they're getting healthier. What's going on here? Is somebody not telling the truth? You know what? This is the truth, folks. I checked with the Alberta Investment Management Corporation – Leo de Bever heads it up; you folks know who Leo is – and guess what? In the year 2012 our pension money earned \$2.2 billion. In 2013 they made 12.5 per cent to 14 per cent. That equates to a \$3 billion profit. The Alberta government paid off the management pension plan just with the stroke of a pen for \$1.9 billion. Janice, when you add that up, that comes pretty close to \$7.4 billion. Here's a news flash, folks: there is no unfunded liability.

Bill 9's regressive legislation has a provision that can cap the limit of government contributions. This could have a negative effect on current and future pensioners' incomes. The mayor of Calgary has even expressed concern about this 90 factor, workers having to work five years longer. He's clearly stated that he's going to lose 40 per cent of his bus drivers. The counties and the MDs have all stressed the same thing.

One very important item that I want you to hang on to, folks, is that the Ontario health care workers pension plan's manager states that for every dollar that a pensioner receives, 10 cents of that dollar comes from the pensioner through payments. [Mr. Sorenson's speaking time expired]

6:20

**The Chair:** Thank you, Mr. Sorenson.

**Mr. Sorenson:** Okay. You will get my full written report, okay?

**The Chair:** Yes. Absolutely.

**Mr. Sorenson:** Or we all go on social assistance, and the government pays 100 per cent.

**The Chair:** We have a couple of questions for you. Mr. Eggen.

**Mr. Eggen:** Okay. Thanks. Wayne, I'm glad you came back. I'm curious to know, since you're working with Seniors United Now – obviously, this situation is not tenable, nor do we think so. The expert opinion panels that we had come through last week: the only people that said that pensions were in crisis were the ones that wanted to reduce them, right? Do you have any sort of contingency plans with Seniors United Now to pursue this further if we do in fact persist with these very difficult bills?

**Mr. Sorenson:** Well, Seniors United Now would love to be part of the equation. Previously our society met with Doug Horner. We had asked Doug, "Could we be part of this whole process?" Doug Horner told us: "No. You are currently represented by the local authorities pension plan, and no, you're not invited to the table." I would love to be invited to the table.

**Mr. Eggen:** Right. Thank you.

**The Chair:** Another question. Mrs. Sarich.

**Mrs. Sarich:** Yes. Thank you very much, Wayne, for your presentation this evening. I just wanted to ask: has your group had a meeting with LAPP?

**Mr. Sorenson:** No. We haven't met with LAPP, but we know and what I've read is that – I get the feeling that they want to change LAPP. You know, the government wants to deal with this on their own. My understanding is that they're looking for new – what would you call it? – membership and so on in LAPP. So I don't know where that situation is going.

**The Chair:** Thanks, Wayne. Thank you very much for your presentation.

Jonathan Sharek, please introduce yourself for the record. You have three minutes to make your presentation, sir.

#### **Jonathan Sharek**

**Mr. Sharek:** Good evening to the members of the committee. Thank you for allowing me to speak tonight. My name is Jonathan Sharek. I would describe myself as someone who's observant and engaged when it comes to civic participation. I'm highly involved in my professional organization. I've been president of a riding association. I've managed a successful campaign in the most recent Alberta general election.

I've seen the committee's agenda from two weeks ago and went over the list of experts and stakeholders that offered detailed testimony on pension background. However, tonight I'd just simply like to offer my impression of the proposed changes as an Albertan.

I was born in Edmonton in 1978, the very same day that the LRT started operation in the booming capital. Alberta had recently created the heritage savings trust fund, would soon be hosting the Commonwealth Games, and would soon have two major oil sands operations, when Syncrude finished the construction of the Mildred Lake plant later that year.

As a young person growing up in the province, it became apparent that Alberta is a very advantaged jurisdiction. I marvelled at the amazing success of one of its NHL teams. I

noticed the proud and prosperous agricultural industries. I saw the edges of the cities grow as they developed industrial bases necessary to support the burgeoning energy sector. As my family travelled to different parts of Canada, some of them with lobsters, I noticed that we were the only province not to have a sales tax. Through the magic of syndication I was amazed to find out that the absolute best comedy show, *SCTV*, had somehow been produced in Edmonton for a time, at ITV studios. I would just say that as a five-year-old, when you recognize your hometown locations in your favourite television comedy show, it's a big event.

It became abundantly clear to me that Alberta had and has very fortunate circumstances. Bills 9 and 10 don't seem to fit those circumstances. They suggest harsh measures that would take control out of the pension plans from the employees that pay into them. Changes to plans need to be negotiated in good faith with both parties. The major fault with bills 9 and 10 is that they would give the provincial government too much power to alter pension plans unilaterally.

The great building of this province, which I feel like I experienced at least at the tail end of my childhood, saw an increase in security, stability, and standard of living for Alberta's citizens. The disappointment of my adult years has been seeing the aspects of this great foundation dismantled as if the process were going in reverse. Alberta employees who have been contributing to these pension plans need to be able to rely on the agreements and benefits that are in place. The government must look for other solutions as these bills would cause huge disruptions and hardship to the modest pensions needed by so many Albertans.

**The Chair:** Thank you, Jonathan.

Any questions for Jonathan? Mr. Eggen.

**Mr. Eggen:** Thanks. You made mention of the interference by the government in negotiating a contract between the employer and the employee. The government puts in cap rates or whatever limitations they put in. What do you think is a negative effect of that if we go ahead with Bill 9 and Bill 10?

**Mr. Sharek:** You've heard me reference some very early days of Alberta, the Loughheed days, when the enemy was a distant central government. I see the possibility of the government assuming control of pension changes as being along those lines, a distant centralized government that acts unilaterally.

**Mr. Eggen:** Thanks.

**The Chair:** Thank you very much.

Any other questions?

Great. Thank you, Jonathan.

**Mr. Sharek:** Thank you.

**The Chair:** I believe we have been joined by Mr. Stier on the phone. Mr. Stier, would you like to introduce yourself for the record?

**Mr. Stier:** Thank you, Mr. Chairman. It's Pat Stier, Livingstone-Macleod. Sorry for the delay in responding.

**The Chair:** Great. Thank you very much.

#### **Andrew Robert Turner**

**Dr. Turner:** Thank you, Mr. Amery. Thank you to the committee for organizing this and having us here. I also want to express my



appreciation to all presenters that have gone before me, and I know there are many more to come after. It's a great demonstration of Albertans' involvement in their political life, and I want to see more of it.

My name is Dr. Bob Turner. I'm a hematologist and oncologist. I've been a taxpayer in this province for 37 years, as has my wife. We are both covered by a government pension, one through the LAPP and the other through the university's pension. I guess one of my great claims to fame during that 37 years as a teacher of medicine was that I taught Raj hematology a long time ago, and I think he still remembers some of it.

I want to talk tonight – and I know you heard from at least one of the authors of this book, *The Third Rail*. I think this government needs to take what these people are saying very seriously. *The Third Rail* has a lot of truths in it. I would really hope that bills 9 and 10 are going to be scrapped and that something more like the hybrid plan that they're suggesting is going to come through.

I've got three points to make. One is that we need to deal with pensions equitably. The second is that we need to basically protect our citizens from the predation of investment bankers, and by that I mean that we cannot allow a defined contribution pension to go ahead without some sort of pooling of resources. I would use the example of an ETF versus a mutual fund. I think that our pensions should be run more like an ETF, with very low administration fees, than a mutual fund, where we're paying 2 or 3 per cent administration, and that's cutting into our pension earnings.

In terms of equity, basically, I want to see all pensioners dealt with the same way, so MLAs' pensions or whatever you call what you get, your severance pay, the people that work for AHS and got severance – those people say that they didn't get a pension, but they got a heck of a lot bigger pension than I did for 37 years of service. As I said, a dollar is a dollar, and all of us who work for government should be treated the same way. We should all be valued the same way.

I guess an important point on that is that this is not government . . . [Dr. Turner's speaking time expired]

**The Chair:** Thank you. But you're going to send us your presentation, the written submission.

Any questions for the doctor?

6:30

**Mr. Eggen:** If you could just finish your couple of sentences there. I was just so interested.

**Dr. Turner:** Well, what I'm disturbed about in the buildup to bills 9 and 10 is that it appears to be the taxpayers versus the employees, and I would remind this committee that all those so-called employees are actually taxpayers, and they are voters. Rather than setting up sort of a competition between the two, we should be looking at trying to work it out the best way for all.

**Mr. Eggen:** Thanks.

**Ms Kubinec:** I just wondered if you were aware that MLAs do not get a pension.

**Dr. Turner:** Well, again, I mean, we don't have time to go through . . .

**Ms Kubinec:** We get an RSP contribution that we match. Just for the record, MLAs do not get a pension.

**Dr. Turner:** You get some tax-free benefits and travel and other things that I'm not eligible for.

**The Chair:** Any other questions? We have 52 seconds left.

Thank you very much, sir.

I'd like to call on Terrie Wispinski. Please introduce yourself for the record.

### Terrie Wispinski

**Ms Wispinski:** Good evening. My name is Terrie Wispinski. I would like to thank the committee for the opportunity to speak regarding Bill 9. I began my career 25 years ago at the office of the Chief Medical Examiner in the toxicology department. I came with a scientific background, and I was trained as a medical lab technologist with experience in chemistry. Our job at the ME's office is to investigate sudden and unexplained death and determine if it's natural, homicide, or suicide. We don't always know what we're going to find. Our job is very specialized. It can be very difficult, and it's very important and vital to the justice system, but most of all we help families find closure in the loss of their loved ones. It's a very interesting job, but is it unpleasant at times? You bet it is. Grieving is one of the hardest things we have to deal with in our life.

I am part of the government services in local 12. I really like what I do, and a big part of why I have stayed, despite lower wages compared to the private labs, is the benefits and, most importantly, the pension. I am getting near my 85 factor, and the thought of my last five years being possibly reduced by penalties is something that I might consider. I have a lot of knowledge built up that I've learned by being part of this job, and I hope I can continue, finish my last five years doing it, without moving to the private sector.

My biggest concern with the bill is the recruitment and retention of the current and fine skilled employees that we have at this time. We need to attract the young ones. They want money. They may not come. Right now they may not care about their benefits or the pension, but we need to attract them somehow. The people that have worked for us for five years, very important. They know the value of benefits and pensions, but they, too – it's an expensive world out there, and everyone needs to earn as much as they can. The older workers – and I fall into that category – have lots of knowledge and experience, but we are not happy with all these changes that have come to us in the last 18 months. Many people are contemplating leaving. If these changes go forward, they probably won't stay, and I think that's a big problem. We can't lose that knowledge until we get the rest of the group up to par with what's ahead.

Why should we worry? In the last five years I've noticed the skill and education of our employees has gone way up, and we need to keep them. We can't lose them. I also get a sense that many of the public servants are very discouraged by all these changes. They have lost trust in their employer. The effects over the past several years go unrecognized . . . [Ms Wispinski's speaking time expired]

**The Chair:** Thank you.

Any questions? Mrs. Sarich.

**Mrs. Sarich:** Thank you very much for your presentation, and we would welcome your written document if you'd like to submit it as something for us to have a look at. The question I have is: had you contemplated an opportunity to sit down with your pension representative to assess what the impact of any of the changes would mean for you specifically?

**Ms Wispinski:** I haven't, but I'm pretty sure that I know what they are already. I have not met with anyone yet. I'm hoping Bill 9 does not go ahead so that I don't have to.

**Mrs. Sarich:** Maybe it's something to take a look at. From my perspective as a standing committee member I guess I'd be interested if you had taken that step during this course of time that we're doing these public consultations and then could speak to what the impact would really mean for you.

**Ms Wispinski:** It's a good idea, actually. Yes. I'll consider that.

**Mrs. Sarich:** Thank you.

**Ms Wispinski:** Thank you.

**The Chair:** Mr. Eggen.

**Mr. Eggen:** Thanks. Ms Wispinski, I've got one more question for you. You mentioned the effect of Bill 9 on people leaving in their last few years of work. Do you see that anecdotally happening?

**Ms Wispinski:** I'm hearing a lot.

**Mr. Eggen:** Yeah.

**Ms Wispinski:** This is sort of an aside. I have been on our bargaining committee, and I've travelled the province. I've listened to a lot of people, and that's coming up a lot. They're worried about the penalties in those last five years. They feel that it is of no value for them to stay. Our technologies group: there are jobs for us in the private sector, lots of them, and they still have some time left to work.

**Mr. Eggen:** Absolutely.

I remember teaching your son just when you started this job.

**Ms Wispinski:** Yes. I know.

**Mr. Eggen:** That's very interesting. Thank you.

**Ms Wispinski:** All right. Thank you.

**The Chair:** Thank you very much.

#### **Kenneth Smith**

**Mr. Smith:** My name is Kenneth Smith. I'm the former president of the Alberta Society for Pension Reform. I've spent a number of years studying these pension plans. My topic is: changes to the public service pension plans are long overdue.

It seems that the Alberta government is determined to make changes to our public service pension plans. Current suggestions do not address the real problems with these plans. Public service employees deserve a decent retirement. As a condition of employment they have contributed to two pension plans during their public service careers. Their contributions and their employer contributions have always been considered a part of their total wage package. The employees' pensions are not an added benefit but a costly benefit that public service employees paid for. The real problem with these pension plans is that they are not equitable. Lower paid plan members receive a much smaller percentage of their preretirement income than higher paid plan members receive. This inequity goes back to the 1990s.

In 2001 I wrote a paper regarding the inequities in these pension plans. A copy was given to the *Edmonton Journal*. The *Edmonton Journal* published an article titled Pensioner Discovers Flaw in Provincial Pension Plans. The *Journal* hired a pension expert to review my findings, and I would like to quote him. "The government should accept that the (employee pension) plan is not

really fair in its present form and it should give high priority to exploring changes to make it fair . . . This guy (Smith) is right." The expert goes on to say that there should be some equity between benefits and contributions. I've attached the article for you.

I would like to suggest that the government consider a 1.7 per cent per year of service pension benefit. This would provide every plan member with 30 years of service with a pension equal to 51 per cent of their preretirement income. All plan members would contribute the same percentage of their salary for the public service pension. All plan members would be treated as equals. Our current pension plans are not connected to Canada pension. The two-step formula does not work.

I can't help but feel that the current financial problems with our pension plans are the result of the last major legislative change that occurred in 1992. The Alberta government did not want the media to find out about these changes. Consequently, the information that plan members received was rather sketchy, to say the least. Somehow we lost our government pension guarantee. The legislation and the changes that followed completely changed the landscape of our pensions. I have attached a letter outlining the 1992 legislative changes to my submission. [Mr. Smith's speaking time expired]

**The Chair:** Thank you, sir.

**Mr. Smith:** That's all I had to say anyway. Thank you very much.

**The Chair:** Thank you.

**Mr. Smith:** I do have 20 copies here. This is not my submission.

**The Chair:** Okay.

**Mr. Smith:** I was told that I was supposed to bring 20 copies of my presentation, so here they are.

**The Chair:** Any questions for Mr. Smith?

**Mr. Smith:** I do plan to follow up with a submission.

**The Chair:** Mr. Eggen.

**6:40**

**Mr. Eggen:** Thanks. That was really good. I can't wait to read your other articles.

So you're suggesting that the inequity in the distribution of pensions has resulted in a deficit that the government is claiming they have now?

**Mr. Smith:** No, I'm not. I'm saying that the pensions are not equitable.

**Mr. Eggen:** Okay.

**Mr. Smith:** This plan member gets a higher percentage of his salary than this guy. I feel, personally, that those at the very top are probably getting the gravy; those at the bottom are getting next to nothing. And if there's an unfunded liability and a problem, I think it's because there are too many people at the top taking all the bucks, and those at the bottom aren't getting their share. A lot of people retire after 30 years and end up taking welfare to make ends meet. Did you know that? It's a fact.

**Mr. Eggen:** Thank you so much.

**The Chair:** Thank you, Mr. Smith.

**Mr. Smith:** Anybody else? Come on. Give me another one.

**The Chair:** Any other questions?  
Great. Thank you very much.

**Mr. Smith:** Okay. Thank you.

### Donna Wilson

**Dr. Wilson:** Thank you very much for letting me speak to you today. I'm Donna Wilson. I'm a professor, and I'm sort of distinguished in that I sat through the three days when you were in this room hearing from experts and the stakeholders, and what struck me was that aging and retirement trends, that are very relevant to pension legislation, were not featured. This is my area of research. The two-page report has references and the details. I'm going to quickly go over them.

I want to make six points. Population aging is not new or recently discovered. Population aging was noted back in the 1920s and, certainly, after World War II, with the baby boomers, the recognition of what it would do. Most pensions were designed over the years when population aging was already clearly apparent.

Life expectancy, if you're born today, is wonderful. You will live to be about 81 years. The reality is that 20 per cent of the deaths in Canada are among people who are under the age of 65. So there's a wonderful promise there, but not all of us reach that.

The second point is that population aging is actually defined as a rising median age. If you remember your stats, that's half younger and half over a point in time. The median age in Alberta is 36.5 years, which makes Alberta the youngest province in Canada. Similarly, the percentage of Albertans that are age 65 and over is 11.1, which, again, places Alberta as the youngest province. That is not changing. It's young people who are moving to Alberta for jobs, and then they have children. Last year there were almost 34,000 births in Alberta. Alberta is a young province.

Now, while most of us believe we're going to grow old and retire, only 25 per cent of eligible Canadians each year maximize their RSP contributions. Saving for retirement is also very low, and oftentimes all a person has when they retire is a house, their home. That is their chief, if not sole, asset. Unfortunately, in Alberta only just under 27 per cent of the 2.3 million Alberta workers, according to the 2014 workforce, have an employment pension to augment their income. About three-quarters of current Alberta workers will rely on CPP and OAS, which at the maximum is \$18,703 a year. When you look at the low-income cutoffs and the fact that the median income for retirees in Canada in 2012 was \$23,100, we've got a lot of people that are going to have very little money, especially when many of the workers retire in Alberta without an employment pension plan. [Dr. Wilson's speaking time expired.]

Thank you.

**The Chair:** Thank you very much.

**Mr. Eggen:** If you could just finish that thought, I would be very grateful.

**Dr. Wilson:** Okay. The reality is that retirement rates have been going up since 1996 without pension reform. People are working longer. Many retired people work, and health and health services utilization really depends on your income.

**Mr. Eggen:** I know you were here last week. It became apparent to me that there is a pension crisis in this province, but as you say, it's the people that don't have a pension and aren't saving for it

and the lack of a provision for us to properly encourage people to have those savings. Does anything come to mind of what we could do for that 70 per cent of the population that doesn't have a pension?

**Dr. Wilson:** Well, it strikes me, just very briefly, that other places are doing things about pensions, including Ontario, where they're trying to set it up where more and more people have an employment pension. Certainly, CPP could be higher, but again encouraging people and making it possible for more people to pay in and have an employment pension is absolutely critical as opposed to downplaying and reducing the pension for people that are there.

**Mr. Eggen:** Thank you.

**The Chair:** Mrs. Sarich.

**Mrs. Sarich:** Thank you. Thank you very much for your presentation. I'm noting in your conclusion – I'm reading it as a recommendation, actually. It says that unless there is interest by the government in increased employment pension coverage, a large portion, roughly three-quarters, of Alberta workers will have no employment pension to rely on. I thank you for that because it's a hidden truth. It's a hidden truth about what's happening in this province.

Thank you.

**Dr. Wilson:** Thank you.

**The Chair:** Thank you very much.

### Peggy Morton

**Ms Morton:** Thank you. My name is Peggy Morton. I'm a retired health care worker and an LAPP pensioner. I won't repeat the overwhelming evidence you've already heard that Bill 9 will destabilize public-sector pensions, not solve the problem. Instead, I want to focus on the need to provide the right to security and retirement for all Albertans, including defined benefit pensions for all. I think the discussion on pensions has to begin with the understanding and the acceptance that pensions are a right.

Retirement security affects us all. Savings plans are a sham and retrogressive. They force workers to pool their savings into becoming social capital, which can then be stolen and misused by the international financial oligarchy. No retirement benefit is guaranteed through a savings plan. The Alberta government must support and expand the Canada pension plan as a first step to security and retirement for all.

Concrete proposals to strengthen public-sector pension plans are also needed. At the top of the list, with a broad benefit to society, is to stop privatizing public services and social programs and restore privatized services as public enterprises, and you could start with the labs in Edmonton, which will take 3,000 workers out of the public sector. Aside from other things, privatization divides the workers and weakens defined benefit pension plans. If the number of provincial government workers in the pension plan had kept pace with population growth in Alberta, there would be 48,000 unionized provincial government employees, not 22,000. Not only would more workers have security in retirement, but with more active plan members, pension plans would be stabilized, and there would probably be no deficit.

Providing active workers with public-employment security and increasing the number of full-time equivalent jobs where workers want full-time work are also ways to strengthen the pension plans.

For example, many health care workers in my union were not even enrolled in the pension plan either because their FTE was too small and often deliberately designed that way or because they could not survive on their part-time wages and therefore could not enrol themselves in the pension plan. Enrolment is also delayed because of the use of temporary or casual positions for what is or at least should be permanent work.

Bill 10 would allow employers retroactively to destroy defined benefit plans and turn them into target savings plans. The opposite should be done. Private-sector employers, especially the biggest ones, should be required to have all their employees enrolled within a provincial or federal defined benefit pension plan. The public and private defined benefit pension plans should be guaranteed with a percentage claim on the annual provincial social product.

6:50

**The Chair:** Thank you very much.

Mr. Eggen.

**Mr. Eggen:** Thank you. That was a very good presentation. I think you've hit on something that I started to realize last week as well. An attack on these public pension plans is really an extension of the reduction of the public service workforce. So if you don't have people coming in to contribute to the pension plan, then you have to make adjustments. Am I wrong to presume that the whole pension is in jeopardy, in fact, because of the reductions in the workforce?

**Ms Morton:** Yeah. I mean, it's extremely shocking to me that the government didn't even ask what responsibility it had in the whole question of stabilizing or destabilizing pensions, when it had eliminated so many jobs in the public sector and privatized them and handed them over. So you now have workers making lower wages with no pension benefits and all the advantage going to private monopoly interests. You know, this has been a way to destabilize the plan, and it should be reversed. Instead, this would have brought benefits to society while the proposals that were made in bills 9 and 10 are actually detrimental to the whole society.

**Mr. Eggen:** Thank you.

**The Chair:** Thank you.

Any other questions?

Thank you very much.

**Suzanne MacDonald**

**Mrs. MacDonald:** Hi. My name is Suzanne MacDonald, and I've been a registered nurse for 36 years now and three more for my training. I have worked, basically, most of my career on a busy cardiovascular unit now at the Mazankowski Heart Institute. I can certainly tell you that I'm on my feet most of the day and care for very sick patients. I work 12-hour day shifts and night shifts on a rotating schedule. After my shift I'm exhausted and basically collapse when I get home. My whole body aches. I have developed osteoarthritis in both knees, and already I have undergone a total right knee replacement. This work is physically demanding on my body and that of my colleagues. I am 56 years old, and in a few years I will be qualified for a full, unreduced pension upon retirement by achieving factor 85.

I'm here today because I'm concerned about the changes that are being proposed to my public-sector pension. I'd like to bring up two points. There is talk that you will be increasing the full pension qualifier to factor 90 or make us work till we're 65 to

receive the full benefits. Anything before that, you would apply penalties for retiring early; in other words, benefits would be clawed back.

It would be physically impossible for me to continue to work past 60. Nursing is physically demanding. If I can't do it, many other nurses can't either, now and in the future. There are other professions that have heavy demands on bodies – policeman, fireman – not only nursing.

I have worked hard to stay in my job so that I could benefit from a decent pension plan on retirement. If you make the proposed changes, I will be looking at a significantly reduced pension because now you're going to consider me as early retirement instead of fully qualified. I have contributed a significant amount of each paycheque towards my pension plan for years. I want to look forward to a decent living in my retirement and retire at an age where I can enjoy it.

Second point. A good pension is an attractive benefit for someone considering employment. It is a great recruiting tool to attract high-quality workers. Why jeopardize this? Keep the pension as a defined benefit plan. It is essential that the plan stay attractive so that members keep contributing. The longevity of the plan needs this.

I'm asking you to defeat bills 9 and 10, to put them away for good. Allow the governing boards to continue their work with public-sector pensions. Representatives of the front-line public employees have proposals to reform pension plans. I ask you to just listen to their proposals and to vote no to the bills.

**The Chair:** Thank you, Suzanne.

Mr. Rogers, please.

**Mr. Rogers:** Thank you, Mr. Chairman. Suzanne, I want to thank you for your presentation. You've certainly given us quite a bit of food for thought.

I'd just like to pick up on something that you raised and maybe ask you to expand a little bit. I know that before these two bills were referred to this committee, one of the proposed changes that the ministry had come forward with was to keep the 85 factor for some of the groups you mentioned – firemen, police, and front-line workers – recognizing the strength and strain required in some of those jobs.

**Mrs. MacDonald:** But not nurses.

**Mr. Rogers:** That's my point. I thought I heard you say: don't change anything. But if we were going to make changes and we were making exceptions for those other professions, are you suggesting that nursing, because of some of the nature of your work, should be included? Could you expand on that a little bit?

**Mrs. MacDonald:** I guess I didn't realize that for firemen or policemen it read that they were going to stay at factor 85. I didn't realize that. I was using them as an example because they're not going to be able to do that extra five years either. Like nurses', their bodies are falling apart. My colleagues, you know, are limping and things like that.

Sorry. I lost track of your question.

**Mr. Rogers:** I just wanted you to equate nursing to those other professions like firemen and police and so on because the proposals were there at the end.

**Mrs. MacDonald:** Yeah. You're on your feet all day.

**Mr. Rogers:** I mean, this will likely all change once it gets back

to the House, and that's the purpose of what we're doing here, to hear other opinions.

**Mrs. MacDonald:** Right. Okay.

**Mr. Rogers:** But it was suggested just before it came here that we would keep those other professions at the 85 factor.

I guess I've used all the time, but you get my point.

**The Chair:** Thank you, Mr. Rogers. Your question was too long.

**Mr. Rogers:** Thank you.

**Mrs. MacDonald:** Thank you.

**The Chair:** Thank you very much.

#### Guy Quenneville

**Mr. Quenneville:** Good evening. My name is Guy Quenneville. Thank you for the one and only opportunity which has been afforded to me as a member of the PSPP to provide my input on proposed retirement changes that would not only impact me but my family for the rest of our lives. I'm a social worker working in child intervention, a high-stress job in government, working to protect some of Alberta's most vulnerable. I work in poor conditions, in high-workload, high-stress, and low-support environments. I can't even begin to tell you the extremely sordid real-life stories I'm forced to experience on the job, stories that you could never come up with in your darkest imagination.

I might be a paid employee of the government of Alberta, but as my wife would tell you, my job costs me much more, well beyond my normal weekly working hours. Yet I and my fellow colleagues have taken up the challenge on behalf of Alberta's children and their families. We soldier on. The true definition of public service is in our blood. We could choose different jobs for ourselves where the money is better, where the conditions don't take such a toll, but we can't let go of our sense of duty, our responsibility to carry out our very necessary work. One important consideration that has helped ease the sting of the job and the personal costs to our physical and mental health has been our retirement, yet Bill 9 takes this away from us.

Our occupation is not nearly as high profile as police, ambulance, or firefighter, who appear to have the sympathies of the decision-makers and may continue to enjoy early retirement. However, let me point out to this committee that some front-line workers are also exposed to ongoing trauma, but unlike our high-profile friends, in my line of work we can be continually exposed to the ongoing trauma of others and have to work with them, in some cases, for years to come. We deserve the option, which not all of us use, of early retirement to provide a light at the end of the tunnel after years of this kind of work.

Don't kill early retirement. At least give us young folks a chance to enjoy some of the benefits that those senior to us have enjoyed. To not do so would be an insult to the younger generation, a legacy where we're leaving less for them than what we have been able to enjoy ourselves. Make no mistake. Bill 9 will kill the last remaining incentive that keeps in place long-serving employees with their broad institutional memory, that helps get the job done, experience that could never be captured or replicated in a manual or software package.

With that, I welcome any questions this committee might have.

**The Chair:** Thanks, Guy.

Any questions? Mrs. Sarich.

**Mrs. Sarich:** Thank you very much, Guy, for your presentation and your candour about your profession and, likewise, many who have presented before you about their working circumstances. It's very important for us to understand. You're part of the PSPP, correct?

**Mr. Quenneville:** Correct.

7:00

**Mrs. Sarich:** It's my understanding – and I'm just trying to find out what you have done and trying to understand what the pension change impact would mean for you – that the PSPP has a calculator on their website. Had you explored that to share any insight with the committee as to what some of the changes would mean directly for you?

**Mr. Quenneville:** Yes, I have.

**Mrs. Sarich:** Oh, great.

**Mr. Quenneville:** It's been helpful. I've also read bills 9 and 10 as well.

**Mrs. Sarich:** What is it that you learned by using that calculator in your situation?

**Mr. Quenneville:** I would have significantly less pension than if, let's say, I was older and, you know, I was getting closer to my 85 factor. I think that, really, what I got out of it was that I was going to get less in the end. I think the problem with Bill 9 is that there is a precalculation, then there is a postcalculation, and then those two numbers will end up adding up to your pension. So even though Mr. Horner says that I wouldn't lose anything that I've put into it, what he's not telling you is that there's also a post-2015 calculation that will also contribute to the calculation of your overall pension, and that will bring it down.

**Mrs. Sarich:** Thank you.

**The Chair:** Thank you.

**Mr. Eggen:** So, in your view, there is a direct effect on people that are close to pension or collecting their pension as well because that calculation is taking place later on. Is what you're trying to say?

**Mr. Quenneville:** Yes. You're not going to lose anything, you know, in terms of what you contributed, but as complicated as pension might be, there's that postcalculation that's going to actually drag your total value down. I'm not eligible for retirement until the year 2030, but these bills have certainly caused my wife and me a lot of concern, and when we forecast . . .

**The Chair:** Thank you. Thank you very much, Guy.

**Mr. Eggen:** Thanks a lot.

**Mr. Quenneville:** Thank you very much.

#### Noland Derkson

**Mr. Derkson:** Good evening. My name is Noland Derkson. I'm going to talk wearing two hats. The first hat is as a paramedic here in the city of Edmonton; the second hat will be as a citizen of Alberta.

First of all, as a paramedic I hope your colleague the hon. Mr. Rick Fraser has informed you guys of the knowledge transfer and what that is, the transfer of knowledge from a senior employee

down to a junior employee, and the catastrophic loss to the public services from losing all these senior members when they are considering retiring early, before the changes take effect. Mayor Nenshi in Calgary brought that to the attention of everybody, and I'm sure the mayor of Montreal has just found out that this is not just a false kind of threat as approximately 100 paramedics retired in a very, very short amount of time. So when we talk about knowledge transfer and the loss of that and the degradation of public services, otherwise known as the backbone of society – the world that I want to live in, the Alberta that I want to live in has a strong public service and a strong base for these public services. Paramedics will retire. I've talked to numerous colleagues who will retire early, and we will lose these senior, senior men and women.

Also, losing the 85 factor: don't pretend that we're fooled by the last little bit of these bills saying that the employer has to agree to these changes. I am very cautious and not confident that Alberta Health Services will follow through and agree to fund shortfalls and to fund that extra little bit for us. Secondary to that, can you imagine paramedics carrying your mothers and fathers down the stairs when they are 65 years old themselves, waiting to retire? It doesn't make much sense to me.

Also, recruiting paramedics: we're in a very, very difficult recruitment field, if you'll recall a couple of years ago the red alert series on the 6 o'clock news; now telling new recruits and colleagues of mine: "Guess what? You're not going to retire from this career." Not only are we going to lose staff, we're not going to be able to find them or hire them. This is going to be catastrophic to our industry and health care.

Now, as Albertans my wife and I are both members of LAPP. Doing the career that we do, I and my friend the last speaker, social services, we see day to day the struggles that senior Albertans have living paycheque to paycheque. I and my wife have made the conscious decision that we're not going to live like that. We've both got LAPP pensions that we're relying on.

When we read the *Maclean's* article a few months ago that talked about the cost of raising a child – and I want you all to look me in the eye right now, all of you. It's about a million dollars to raise a child. I and my wife have decided not to or, at the very least, have put off raising our family, starting our family, because of these bills. I hope you really understand what this means.

**The Chair:** Thank you.

**Mr. Derkson:** Thank you.

**Mr. Eggen:** Thank you for your presentation. I guess it's anecdotal, but it's important to me to get a sense that amongst yourself and your co-workers your retirement is your main form of savings for your planning for your future. I mean, it's what you . . .

**Mr. Derkson:** For the majority of us. Correct.

**Mr. Eggen:** So any change to this can affect plans, as you say, in the very most fundamental way. Have you seen people starting to make moves to maybe change careers as well?

**Mr. Derkson:** Privately? Absolutely. Myself, I'm considering it.

**Mr. Eggen:** I'm sorry to hear that.

**The Chair:** Mrs. Sarich.

**Mrs. Sarich:** Thank you very much. I'm not too sure how many years you've already had in the profession that you've chosen, but

I'd be very interested – I've asked constituents who have contacted my office on this whole pension issue, and you are a member of the LAPP: have you sat down with a representative pension expert from LAPP to understand what the changes may mean specifically for you? If you have had that discussion, I certainly, maybe along with all the other committee members, would be interested in what you would have to say.

**Mr. Derkson:** One of the previous speakers – and I remember the answer – Mrs. Trudy Thomson, said that she's so far away that she hasn't even really considered that, and neither have I. I've been a contributing plan member for the past five years with the city of Edmonton. I came from a private-sector EMS job. I came to the public sector knowing: "Hey, we have a good defined benefit pension plan. You know, my wife has one. We can rely on this, we can start our family, we can consider future investments and businesses and other opportunities." We're not doing that anymore. Economically, this is shutting us down. We're not going to start a business. We're not going to put money into, you know, starting up a little shop or any other . . . [Mr. Derkson's speaking time expired] Sorry, guys.

**The Chair:** Thank you. I appreciate that.

**Carrie Mulholland**

**Ms Mulholland:** Hello. My name is Carrie Mulholland. I have been in emergency medical services for over 20 years, also a paramedic with Noland and several others you'll hear from. I've been with Edmonton for 13 years. This career has taken me on many adventures that I've been fortunate enough to be able to take advantage of.

Being a paramedic is an emotionally and physically difficult job. At any time something could happen to me that could compromise my future and my ability to work. I could herniate a disc, I could injure my hands, I could have that career-ending call that would debilitate me emotionally. I have seen colleagues who shake and cry at the thought of putting on their uniform after their mind has decided that they're done with that job. I must always keep this in mind along with my safety. That being said, I would like to retire with dignity.

Some of the reasons that brought me to Edmonton were to do my job as a paramedic. I used to work offshore in the private sector, made very good money, but I wasn't working as a paramedic. I was just hanging out on a boat. The opportunity to provide emergency care for a crew of 30 was very slim. I decided that I would come to Edmonton, where I could work as a paramedic, where I could serve my community, and where I could save lives. This was something, I decided, that was very important to me, so I gave up the money to do this job. To be honest, I'm very proud of my job. I have a lot of satisfaction from my job. I love it to this day even with all the politics. I do believe it's very important.

There was no security with these private-sector jobs. Those jobs could dry up at any time. So I could go to work one day, and, whoops, the job is over: good luck; have fun. I came to Edmonton to serve my community, and what's kept me here for these 13 years is the fact that I do have a pension here. That's something that motivates us, especially with some of the things that we could face in the future. As I age, I appreciate its significance, its stability, and it has made me consider and prepare for my future. I do pay into my RRSPs; I would like everybody to know that.

In light of these recent proposals of dramatic cuts to our pensions I feel betrayed. I cannot fathom having to carry these

patients down a flight of stairs when I'm 64, I cannot imagine that my body will last till then uninjured, and I cannot imagine that my mental health will last that long. At the best of times this job is unbelievably difficult, and it just gets harder.

Our own government has fought hard to keep their pensions and have contradicted their own arguments for pension changes. As you have protected your pensions, we need to allow front-line workers to have a meaningful say in the decision-making process regarding our pensions. Joint governance puts decisions in the hands of those who have a stake in pensions' sustainability. I hope that the government will negotiate changes to the pension plan in good faith. I believe Bill 9 gives the government too much power to change every aspect of the pension plans. There is no way that true joint governance can take place with this bill.

That's it. I'm early.

7:10

**The Chair:** Great. Thank you. Right on time. We even owe you 11 seconds.

**Ms Mulholland:** Okay. Well, I want a good question, then.

**Mr. Quadri:** It's just a comment, not a question. We don't have pensions, by the way.

**Ms Mulholland:** Pardon me?

**Mr. Quadri:** MLAs don't have pensions.

**Ms Mulholland:** Well, I'm with LAPP. Yeah.

**The Chair:** Any other questions?

**Mr. Eggen:** In your view, Bill 9 especially could potentially compromise the integrity of our EMS system because people, your colleagues, are less willing to either stay on with the job or attract new people to the job and so forth. Are you hearing that in other jurisdictions around the province?

**Ms Mulholland:** Oh, yes. I could go to the oil field right and make twice as much money as I'm making now, easily. It's a boring job, but I'd get paid well. We've seen a drop in our hirings. We used to have hundreds of people apply; now we get nine. So, yeah, we are definitely seeing a decrease in people applying for this job. They know it's tough. They know that you've got to be a special person to finish this career because it's unbelievably difficult. People know it. So, no, we're not seeing applications for this position.

**Mr. Eggen:** I'm sorry to hear that.

**The Chair:** Mrs. Sarich.

**Mrs. Sarich:** Yes. In your presentation you talked a little bit about joint governance. Do you have any further insight to provide to the committee about that?

**Ms Mulholland:** I believe that for the front-line workers there should be a committee, that people should be allowed to be a part of these changes, that it's not just a unilateral decision made by the government. This should be something that, you know, we as people that are paying into these pensions should have a say in.

**Mrs. Sarich:** Yeah. In the proposal for Bill 9 is a joint governance proposal with some other conditions attached to that. I don't know if you were aware of that.

**Ms Mulholland:** I am aware. I don't believe that we're given a say. I don't believe that the government is listening to us. We are here in abundance, but this change is still being talked about. It shouldn't be. This should have been put to bed a long time ago. That's why I don't believe this joint governance is working. I don't believe they're listening.

**Mrs. Sarich:** Thank you.

**The Chair:** Thank you.

Thank you very much, Carrie.

**Michael Parker**

**Mr. Parker:** Good evening and thanks to the committee. My name is Michael Parker, and I stand before you as a current contributor to the LAPP plan. I feel it is important for you to understand whom these changes will affect. I as well as my other colleagues are paramedics, and I've been serving for 22 years, 18 years of that with LAPP. As a young paramedic working in rural Alberta, I made a conscious decision to move to metro Edmonton over higher paying private industrial service based on stable employment and the future promise of respectful retirement after my service to the citizens of Alberta.

Decisions of this government have impacted my life greatly. The decision of the government to downsize health care in the early '90s left my parents unemployed, underemployed, and removed from their pension plans. Today my wife and I are subsidizing my parents' retirement at a cost of over \$300 a month.

During the late '90s paramedic unions across Canada united and lobbied the federal government to secure equity with firefighters and police, allowing paramedics to secure the same retirement benefits as other emergency services members. For a time I had the supplemental pension language in my collective agreement. This government again impacted my life by transitioning paramedics into Alberta Health Services, and my supplemental pension language became collateral damage.

The proposed language of section 7(1) of Bill 9, tabled by this current government, creates two distinctive problems for my pension. First, to transition into Alberta Health Services, I have been transitioned into a multidisciplinary union of HSAA. It is my experience that Alberta Health Services does not willingly negotiate concessions for subgroups of employees with larger bargaining units no matter how distinct they may be. The language that refers to public safety workers does not secure my retirement in a career that has high physical and mental injury rates, where full retirement is actually an exception.

The second problem is that people like my spouse, who is an ER nurse providing care to the citizens of Alberta, would now be unable to retire for an additional five years even if she would like to. Our retirement goals would be impacted, and we'd be forced to adjust our income to offset these changes. The changes proposed by this government create what can only be described as a two-tiered plan attacking the young workers of this province. These workers are new to the workforce and struggle to understand the true impact of pension planning, for the most part, and do not understand how these proposals, increasing their costs while decreasing their benefits, will truly hurt them.

Will the young workers of today be waiting an additional five years to begin their careers while senior citizens of Alberta struggle to attain full pension benefits? The changes to my plan were not done in consultation with stakeholders, as stated to this committee by the city of Calgary, Edmonton, the AUMA, and labour unions earlier this month. It was clearly stated by these

stakeholders that the proposed changes would severely impact the recruiting and retention of workers as they compete with the private sector. Instead the government through sole trusteeship . . . [Mr. Parker's speaking time expired]

**The Chair:** Thank you, Michael.

Mr. Eggen.

**Mr. Eggen:** If he could finish that thought, I would be . . .

**Mr. Parker:** . . . has imposed changes that decrease my benefit and force me to remain working on the front line as a paramedic past the age of 60.

Thank you, David.

**Mr. Eggen:** No worries.

I'm curious to know about this. You talked about the grandfathering and having different provisions for new workers and younger workers. Is there a sense that that's compromising your ability to bring in new workers and the sense of solidarity and fair play amongst all the different workers if there are two different rules?

**Mr. Parker:** Thank you, David. The two-tiered proposal here is a blurred line versus cut and dried. As I'm closer to retirement, the benefits or the impacts of this bill do not affect me as much but do affect the newer generation of workers that are coming in substantially more. They don't understand it yet. They are just walking into the workforce. I tell people at work: go ask your parents what the word "pension" means; maybe they can help you understand how severe these changes will be.

**Mr. Eggen:** Thanks.

**Mrs. Sarich:** Thank you very much, Michael, for your presentation. I have Bill 9 right here. I think you quoted subsection 7.1. I was wondering if you could provide just a little bit more insight on what the problem with that subsection is.

**Mr. Parker:** Sure. Subsection 7.1 refers to subsection 8500 of the federal taxation act, which allows me to have a different or an additional component to my retirement. In that time there was the language through our collective agreements that allowed us to have that additional contribution outside of everybody else's taxation. That's why paramedics, firemen, and air traffic controllers were considered public safety officers. All of that was removed in transition, and not unlike then and today, if the government gives us the opportunity to have this exemption through 7.1, who's going to pay for it?

**The Chair:** Thank you, Michael.

**Mrs. Sarich:** Thank you.

**Mr. Parker:** Thank you.

**Mike Scott**

**Mr. Scott:** Good evening. Thanks for taking the time to listen to us. We've been very vocal during the past several months, as you've noticed. Our voices have been heard, which led to these hearings today, which gives us a little bit of faith that the political system in Alberta may be on its way to being fixed.

I'm Mike Scott, president of the Canadian Union of Public Employees local 30. I represent 3,900 members from Northlands, EPCOR Water, the city of Fort Saskatchewan, and the outside

workers for the city of Edmonton. I'm here this evening to speak to you about the impact that changes to LAPP will have on our retirees, their families, and our communities. Seniors, as we heard from the brother who spoke before me just recently, are relying more and more on families to support them and on food banks, and they're also being forced to work at jobs in precarious situations such as fast-food outlets or Walmart. They do not have the ability to enjoy what should be their retirement as they are finding it difficult to make ends meet on meagre savings or small pensions. They can no longer support the local businesses and are forced to shop at the aforementioned big-box retailers.

The proposed changes will take even more money away from retirees and force them to work longer hours for scant wages. Their families will feel the burdens, as you heard earlier. As well, there will be less time to enjoy with their grandchildren. Currently Alberta has the lowest rate of seniors who actually retire with a pension, approximately 22 per cent. The national average of people who retire with a workplace pension is closer to 40 per cent, leaving many retirees to depend on CPP and OAS. If you throw in GIS, these retirees have barely enough to live on in their supposed golden years. My mother lives on \$900 a month. I don't know if we could do that today.

7:20

The last time I spoke to the Finance department of Alberta was when Ted Morton was Finance minister. I was working on the Retirement Security for Everyone campaign. It focused on a modest increase to the current CPP contributions to help raise the amount that retirees would receive when they retire. The only province that stood in the way of these improvements was Alberta.

Today Alberta is seen as a great place to live and work as many Canadians are flocking to this province in droves. Alberta leads the country in economic growth and job creation, but it also leads the country in seniors living in poverty. The message that is received across the country right now: Alberta is a great place to live and work, but don't retire here because you'll be forced to get a McJob, as once stated by Ted Morton, the Finance minister. You may even have to refinance your home if you can't afford to make ends meet. Is that the message that you want to send to Canadians, "Come work and live in this province, but don't expect to retire with dignity"?

Our pensions are not gold plated; they're modest savings built up over many years of service to the province and employers, and they are part of a compensation package offered to us as attraction and retention. I'm here today to ask you: what kind of legacy do you want to leave behind? Do you want to be known as the government who left people in the dark and forced us to work beyond the abilities our bodies allow us to? Or do you want to be the government that listens to people . . . [Mr. Scott's speaking time expired]

**The Chair:** Thank you, Mike.

Mr. Eggen.

**Mr. Eggen:** Do you have another sentence there, Mike?

**Mr. Scott:** Yeah. I just wanted to say: do you want to be the government that listens to the people and does what's right? Kill these bills now.

Thank you.

**Mr. Eggen:** Thanks.

**The Chair:** I thought that you would ask a question.

**Mr. Eggen:** Well, I just want to help.



**Mr. Scott:** I was counting on you.

**Mr. Eggen:** Yeah. For sure.

Well, thanks a lot. I guess the interesting part about this that I've learned in the last week or so is: why would the government be pursuing this now? The pension pools seem to be okay. If you look over the next eight to 10 years, they stay solvent, and you get up around those humps of population boom and economic recession and boom and so forth as well. So why do you think the government is going after our pensions here, in bills 9 and 10, right now?

**Mr. Scott:** Well, I think one reason is that as we've seen with this government in the past, it panders to the employers and corporations, and the corporations are saying that they can't afford these kinds of pension plans. We also feel that there could be wholesale changes and large layoffs looming, that we're not aware of right now. I've asked that question of Dave Quest, and he says: well, we're always looking at that.

**Mr. Eggen:** Okay. Thanks so much.

**Mr. Scott:** Thanks.

**The Chair:** Any other questions? Mrs. Sarich. You have 25 seconds.

**Mrs. Sarich:** Yes. I was listening very carefully to your presentation. You had taken us back to a couple of points, you know, that touch on the federal government. I wasn't too sure if you were aware – we have it on the committee website – that there's a consultation paper: the Department of Finance Canada. Have you had an opportunity to look at it? It's a pension innovation for Canadians, a target benefit plan.

**The Chair:** Thank you.

**Mrs. Sarich:** You may be interested.

**Mr. Scott:** Thank you.

**The Chair:** Thank you, Mrs. Sarich.

**Evan Straticchuk**

**Mr. Straticchuk:** Hello, ladies and gentlemen. I'm a 25-year-old paramedic entering this industry and starting a family. Right now, to be honest with you, I'm scared.

**The Chair:** Please state your name.

**Mr. Straticchuk:** Evan Straticchuk.

The pension promise that attracted me away from a job with a private medical service and into the public emergency services as well as my future as a father and as a retiree are at risk. My decision to enter this career was based largely on the pension promise. It is a benefit that I deem important for a career field to allow me to achieve my life's goals. My pension is part of my total compensation package, and I pay for my own pension.

Both my spouse and I are paramedics, and the impact of the pension changes will be twofold in my household. With both of our retirements being affected by the proposed changes, it will not simply be a matter of one person picking up a bit more of the slack to contribute to our retirement savings. It has the potential for unwanted extra work and less time with one another and our families just to ensure that we are able to retire comfortably.

The change to our pensions will also now cause my spouse and I to rethink our future in the short term due to long-term effects. Planning for and raising a family has been a goal and dream of great value to both of us. Now with the changes proposed, we are rethinking that possibility. I feel that I need to rethink this option in my life because if the changes take effect and I'm forced to invest more to support my family on a weakened pension, this will potentially cause my children to not be able to be involved in extracurricular activities, participate in family vacations, and may cause difficulty with obtaining funding for a postsecondary education. In order to allow my children to gain adequate postsecondary education, I fear I'm going to have work past my current retirement date to secure our retirement.

With the new changes the plan will go to a 50-50 split from a 51-49, so increasing costs to plan members, which becomes a 2 per cent reduction of my compensation. With a 2 per cent reduction I'm not only paying more for my pension to receive less in the long run, but I now have less monthly income to invest in long-term savings. Best-case scenario: I can support myself with what I'm able to save outside of my pension. Worst-case scenario: I am not. Who will support me when this happens? My children, who are unable to get a job above minimum wage because employees are working longer to try and balance pension benefits that have been demolished, or will it be the taxpayers supporting me through social services and AISH programs when I become ill and can no longer pay for my medications and all of my other expenses on my now fixed pension income?

How will my lack of spending through the next years, prior to and after retirement, affect the economy around me? I'm not the only person that will have minimal, if any, disposal income. Multiply that by 200,000 people, and I feel that our economy has a serious problem.

What will happen with my pension benefit every month when workers that are contributing to the fund are entering the workforce later in life? The effect will skew the ratio of people collecting their pensions and those paying into the pension plan. With contributions capped at 25 per cent, how will this change affect pensioners? Is it going to cause a reduction in the amount paid to pensioners in the long run? Now I need to think of a reduction of pension going into my retirement, and I need to budget for a further reduction in my pension post retirement as the changes cause a reduction in the available pension funds from the new generation of workers.

The proposed changes to the pension are not the answer. If they are allowed to move forward, the effects will be felt for years through different populations.

**The Chair:** Thank you, Evan.

**Mr. Fox:** Just a quick question on the particular profession you're in. How many do you see are actually approaching retirement as paramedics, and what are the reasons, you'd say, why there aren't a lot of older paramedics in the profession?

**Mr. Straticchuk:** I think a lot of the paramedics that are in the profession are being injured due to just the workplace before they can reach retirement. It's very hard on your body, as many people stated with other lines of work, and we find that we wear out very quickly.

**Mr. Fox:** Do you see any consideration for that in Bill 9?

**Mr. Straticchuk:** Not so much. No.

**Mr. Fox:** Thank you.

**Mr. Eggen:** You mentioned that you were performing these paramedic duties in the private sector before.

**Mr. Strachuk:** No. I chose to come to the public sector over the private sector.

**Mr. Eggen:** Okay. I'm just curious to know if you've heard about what kind of pension options are available to other people working in the private sector.

**Mr. Strachuk:** Typically there's nothing besides RRSPs and investing in your own future. There's no defined pension plan that's available. It's usually that your employer pays you more money. As the previous paramedic stated, it's a higher paying industry, but at any time it can be: "The job's done. Thanks for coming." What you've saved is what you have.

**Mr. Eggen:** Right. Yeah. Thank you.

**The Chair:** Any other questions? You have 30 seconds.  
Thank you very much, Evan.

**Mr. Strachuk:** Thank you.

**Alana Elliot**

**Ms Elliot:** I'm a lawyer and a Crown prosecutor with Alberta Justice. I've been classified as a manager though I don't manage . . .

**The Chair:** Would you just state your name for the record, please?

**Ms Elliot:** Alana Elliot, Crown prosecutor.

I'd like to start by saying that I've been classified as a manager by the government even though I don't manage anyone. As a Crown prosecutor I work in excess of the alleged 37.5-hour workweek that many seem to think government employees work. I often work 40, 50 hours a week or more depending on the case before the courts. I prosecute serious and violent crime, and I work hard to do a good job and to enhance public safety. This is not a 9-to-5 job. I spent seven years in university and thousands of dollars in tuition to qualify for my job.

I make substantially less money than lawyers in the private sector doing similar work. I know what private lawyers charge for sex assault trials. I know what they charge for drug trials, for impaired driving trials. However, I value my job and the opportunity it gives me to contribute to Alberta's communities and their families.

I made the decision to join the public service for two reasons: because I value the work and because of the pension plan. To me, the pension plan was one of the key benefits that contributed to my deciding to work for the government. However, since joining the public service, my compensation has been cut. Bonuses are gone. My salary has been frozen for longer than it's been not frozen. It's been frozen several times over the years. Now my pension benefits are being cut. At the end of the day, I don't know how much my pension will be, and I don't know how much it's going to cost me.

I contribute 12.8 per cent of my gross salary. Apparently, the employer contributes 21.85 per cent. Both my contribution and the employer contribution are used to come up with some kind of pension adjustment number that means I can't actually contribute to a private RRSP because my room has been all used up. Apparently, even though these current contributions are being

used to pay for current benefits, kind of like a Ponzi scheme, they're attributed all to me.

**7:30**

I'm just really disgusted with the cuts to the plan. I have to work a minimum of an extra five years at a demanding job where conditions are often quite poor, probably for a lesser pension. I would like the MEP plan to remain as it is currently. I'm midway through my career and having to decide whether to stick it out with the public service or to call it quits and move to the private sector.

**The Chair:** Thank you.

**Mr. Eggen:** Thank you for your presentation. I'm curious to know: considering the extra years that you're going to have to put in and so forth, have you been offered any explanation as to why they were making such an attack on your pension?

**Ms Elliot:** Well, no, unfortunately. I'm part of the management group, so we don't get union benefits or union representation. We're just stuck with no ability to talk to the employer or negotiate.

**Mr. Eggen:** Considering that you signed up for this as, really, part of your compensation package – this pension and the contributions are not an extra kind of thing – have you thought of some legal recourse by which you could pursue this if they continue to do so?

**Ms Elliot:** You know, I haven't particularly thought of legal recourse. One thing I would like to see if the government is insistent upon ramming through these changes to our benefits and to our pension plan – I consider it a material change in the compensation I'm being paid and to my conditions of employment – is that, at the very least, the government could offer us payout packages and say: "Listen. Take it or leave it. If you don't want to be here anymore, this is your severance package. Go find a new job."

**The Chair:** Thank you, Mr. Eggen.

**Mrs. Sarich:** Thank you very much for your presentation. You had mentioned that you're part of the management employees pension plan. They, too, have a calculator on their website. I'm just curious: did you plug in your numbers on that website?

The second question. I think you're the first presentation from the MEPP. I'm just wondering if you sat down with a pension representative to have a look at where you're at and what the impact of the changes would be. Maybe provide some advice based on that if you had that opportunity.

**Ms Elliot:** You know, I've actually sat down with an investment person from the private sector looking at, you know, whether I should be moving to the private sector and what kind of planning I'd have to do in that case. Under the current rules I could retire at 55 with the 80 factor. Under the new rules it would be 60 with the 90 factor, so it's an additional five years of work. Then you'd probably get a similar pension, but I'm not clear. Another concern for a lot of people is that the pension plan is being gutted now. Who's to stop it from being gutted again in five years or seven years or 10 years? So you have to look at and consider: do I want to stick this out? Even if this pension is something I can live with, I don't know what's coming in five years and I don't know what's coming in 10 years because it's not being treated like an accrued benefit.

**The Chair:** Thank you very much, Alana.

**Ms Elliot:** Thank you.

**The Chair:** The next presenter is Kelly Garland, please.

### Kelly Garland

**Mr. Garland:** Thank you, and thanks for the opportunity to speak to you today. I'm actually from Medicine Hat but won't be in Medicine Hat when your tour goes through there, so I took the opportunity to join you this evening. I'm a respiratory therapist in Medicine Hat, and as of July 10 this year I'll have been providing care to people in Medicine Hat and other parts of Alberta for a quarter of a century.

The actuaries tell me that I'm going to live to 81 or 82. I don't know if you've ever heard the term "individual susceptibility." Not all of us meet the actuaries' target. In my own personal circumstance, my grandfather passed away at 52. My dad passed away at age 63. Neither of them had the risk factor that I have, and that's that of a shift worker. Most studies show three to five years of reduced life expectancy for shift workers, and the World Health Organization considers it carcinogenic.

On a personal level, the changes to this plan can be fairly devastating to my retirement future. Because I started working when I was 21, I will reach an 85 factor at 53 and could retire unreduced at 55. To Mrs. Sarich's concerns around using the pension calculator: I'm very much astute about math, so I have taken the time to look at the pension calculators and have found that the first change that was proposed to the pension plan would have cost me four and a half years of my retirement, and the current proposal will cost me approximately three and a half years to attain the same monthly amount that I would have gotten at age 55, which is hugely problematic. To have an unreduced pension, where I'm not taking a clawback, I will have to work, obviously, five years longer. Just from a point of view of the fact that I have taken steps to reduce my own risk factors, unlike my father and my grandfather, I'm somebody who might, let's say, live to 65. So now I'm going to lose half of my retirement. That's a huge concern to me and certainly a huge concern going forward.

I wanted to speak quickly on the sustainability of the plan or the health of the plan right now. I think it's false to believe that it's not healthy. Alberta lives in maybe the most cyclical economy in the fairly cyclical economic world that we live in. There have been several recessions that have put our pensions in an underfunded situation, and they've always come back in reasonable course.

Finally, the last piece I want to speak to . . . [Mr. Garland's speaking time expired]

**The Chair:** Thank you.

**Mr. Eggen:** I want to hear that last piece, Kelly.

**Mr. Garland:** Okay. Well, I appreciate that.

The last piece I want to speak to is the political football which is governance of this pension plan. The political capital lost by the Finance minister in being the sole trustee of this plan makes it so that he's done nothing to this plan for many decades, and for the partners in this plan, if this was a proper jointly trustee plan, not the proposed joint trusteeship that sits in Bill 9, if it was properly done as a jointly trustee plan like in Manitoba, B.C., and Ontario, the plan would probably be fully funded.

I can give you four examples of things that the trustees in this plan would have already done. One, they would have removed the

35 cap. Two, they would have stopped false retirements. Some partners in the plan have voluntarily stopped false retirements, but not all the partners have. Three, the amount that commuted value withdrawals are achieved: they leave all the liability with the plan holders and their employers, which is unfair to people who stay in the plan. Four, full participation in the plan. Part-time work is voluntary in general, between a .4 and a .9 FTE, and more people contributing to the plan would also help with the sustainability of the plan.

Thank you.

**The Chair:** Thank you.

**Mrs. Sarich:** Kelly, wow. Thank you. Thanks for the insight that you've laid out for us, and thank you for taking the time to explore to see what the impact would be for you. It's one of my thematic questions this evening because I'm very interested in the overall personal impact in addition to the great ideas that are coming forward from each of the professional groups.

Thank you.

**The Chair:** Thank you very much.

Is Mahamad Accord in the room? No? Okay.

Then we will move to Heather Sweet, please.

### Heather Sweet

**Ms Sweet:** Hi. I'm Heather Sweet. Good evening. First of all, thank you to the committee for allowing me the opportunity to speak about bills 9 and 10. I'm opposed to both bills. As an employee of the government of Alberta I'm going to focus on Bill 9.

I've been in the public sector for over 10 years, working as a social worker in the area of child protection. I hope we all understand that this is an area with high stress as myself and my co-workers encounter difficult and sometimes traumatizing situations for families and children. One of the reasons I wanted to be here today was to make it clear that it's not just the soon to be retired you're alienating with these bills but the next generation of the public service as well.

7:40

As Alberta's economy and population grow, the need for my work will expand, and we will have to attract a new generation of social workers to serve the Alberta public. The direction you are taking us in with Bill 9 is going to provide the opposite effect of attracting new workers. I know many young workers entering the field from postsecondary. They're carrying an increased debt load while working to make future plans with their families, and they're looking for stability.

What kind of messages are you sending to them with these proposed changes? You're saying that someone starting their career now does not deserve the same stability and retirement security as their mentors on the job. You're saying that the benefits of a penalty-free early retirement should no longer be available to someone who likely paid more for their education than any generation before them and will likely spend their careers in the public service with an increased workload compared to their senior colleagues. At the same time, with Bill 9 and Bill 10 you're saying that their parents' retirement security should no longer be defined but a mere target, a hope and a wish.

So while they manage the challenge of high student debt and the pressures of starting a new family, they must also worry about the next financial crash and how it's going to affect their parents' retirement savings, too. The future without these plans shows only

that the retirement security of any Albertan is, in fact, uncertain and will force many Albertans to spend less and save more, inevitably affecting the buying power within this province.

All this has been done now without consultation and still with no credible explanation. This does not appear to be a proposal of good governance or good management but bad politics. If anything is to be done at all, it should be to move to a true employee-employer joint governance of these plans and to get the politics out of the proper management of our retirement future.

Thank you again for the opportunity to speak.

**The Chair:** Thank you, Heather. Very convincing.  
Any questions?

**Mr. Eggen:** Thank you for that perspective of people in the midst of their careers. Sort of anecdotally, what's the feeling on the ground amongst your peers? Are people sort of feeling fatalistic about this, or do they want to fight back? What's the feeling on the ground about pensions?

**Ms Sweet:** I know one of the conversations that's been happening is that for the few of us that started in our early 20s, it's been labelled as almost demoralizing in the context of: if you look at the 85 factor and the changes to the 85 factor, some of us are going to actually end up working at least 10 years longer than initially required because of the fact that we started so young in our careers. I mean, working in the area of child protection, to be in our 60s working with families and thinking about having to go in and potentially removing a child from a home: it's not a safe idea. People are thinking about leaving. We know that we had quite a few who are close to retirement who are thinking about just leaving now before the changes come into place, and the younger workers aren't sure if they're going to stay.

**Mr. Eggen:** Thank you. Sorry to hear that.

**The Chair:** Thank you.

**Mrs. Sarich:** Thank you very much, Heather, for your presentation. In your presentation you also focused on the joint governance issue. I just wanted to know if there's anything further you would like to add.

**Ms Sweet:** Well, I guess the concern with the joint governance is that at this point it hasn't felt like there has been a conversation that's really happened. I know that for my area of work there's a significant distrust right now with whether or not there is even going to be any type of negotiation. We've been impacted by Bill 45, we've been impacted by Bill 46, and now by Bill 9, and what we've seen is that at this point we're just going to get legislated, and we're not going to be negotiated with. We want to come to the table, and we want to start negotiating.

**Mrs. Sarich:** Okay. Thank you very much.

**The Chair:** Thank you.  
Thank you, Heather.

**Rhonda Van Heyst**

**Ms Van Heyst:** Hello. I'm Rhonda Van Heyst. I'm a registered nurse at the Grey Nuns hospital and an LAPP member and contributor for 36 years. Much of that employment has been part-time, so my actual years of service, when I looked at my last

LAPP statement, are 24 years. I'm here to put another living, breathing face to the proposed pension changes.

The challenges are multigenerational. I have spoken with my younger colleagues and heard their concerns, so I won't speak to their concerns now. I'm only going to present to you my situation. I have left a copy for you of the letter that I sent to Heather Klimchuk, who is my MLA, and to Doug Horner. Heather's office has gotten back to me, and I've spent some time with her staff discussing the letter. I've sent the letter twice to Minister Horner's office and haven't heard back from his office at all.

The Auditor General used the term "pension promises" in his presentation to you earlier this month. I got very bogged down trying to slog through all those *Hansard* transcripts – this is not my area of expertise – but I found Mr. Saher's presentation very well made and very easy to follow. I feel that as an employee of the citizens of Alberta I've kept my end of the promise. I've had continued employment. I have continued contributions in good faith to the LAPP.

The other thing is that I'm aware that I am past the average length of being able to be employed as a nurse, holding up physically to do the heavy, demanding shift work that active care nursing requires. Many nurses cannot continue to work in the profession to my age, and I have been blessed with good health.

My planned retirement had been age 60, which will be in September 2017. Every year when my LAPP statement would arrive, I would sit down with it and do the calculations to see if I was still on track for that date, to make sure I was going to reach that magic 85 factor. In fact, I had actually built in some wiggle room so that I could retire with a completely unreduced pension in November of 2016. It now feels like after running a marathon in my nursing shoes and seeing the end in sight, the Alberta government has plucked up the finish line and run it a few kilometres further down, and that's a little bit discouraging. There was not very much advance warning. Even if when these changes had been announced I had increased my hours from my current three-quarter full-time position to full-time employment, I would not be able to gather enough additional hours of service to reach that 85 factor before the axe drops and overnight it becomes the 90 factor.

It is my understanding that firefighters, paramedics, and corrections officers are maintaining their 85 factors, and I certainly do not begrudge those professions that. The rationale I did receive from Minister Horner's office for this choice was that those are public safety occupations. I hope he realizes that with the complex patient care given by Alberta's registered nurses, our service is also in the interest of public safety and that, in fact, this is the rationale that has been given for the right to labour action being legislated away from nurses and many other professions. If public safety is important enough to take away a fundamental right to labour action but not important enough for pension promises, I guess . . . [Ms Van Heyst's speaking time expired]

**The Chair:** Thank you, Rhonda.  
Mrs. Sarich.

**Mrs. Sarich:** Go ahead and finish.

**Ms Van Heyst:** I was going to say that I guess there is politically more than one definition of a public safety occupation, and I was going to express appreciation to the committee for the very, very, difficult task you have ahead of you.

**The Chair:** Thank you.

**Ms Van Heyst:** When I timed it at home, it was only two minutes and 50 seconds.

**The Chair:** Mr. Rowe, please.

**Mr. Rowe:** Just very quickly, then. Thank you for the presentation. If this goes through, do you feel you could continue on to the new factor to get your full pension? Is it realistic?

**Ms Van Heyst:** If I can, I will not be retiring with the full amount of sick time I'm able to gather, 930 hours, and I certainly do not think I would be able – I will probably spend some time on disability. My body is seriously about used up. And it's a profession I love. I'd love to say that I could work till I'm 70. I deliver babies, and it's just absolutely wonderful, but I'm realistic as to what I think I can do.

**Mr. Rowe:** Thank you.

**The Chair:** Any other questions?  
Well, thank you very much.

**Ms Van Heyst:** Thank you.

**The Chair:** Thank you.

Well, so far, ladies and gentlemen, we have listened to 21 presenters. I would like to call for a 10-minute break. Then we will be back here at 7:58, or we might stretch it to 8 o'clock.

[The committee adjourned from 7:49 p.m. to 8:02 p.m.]

**The Chair:** Well, good evening, ladies and gentlemen. We will restart our hearing. Just a few housekeeping items to address before we begin again. Each presenter will have a maximum of three minutes to make their presentation, and we will be using a timer to help us keep to our schedule. Presentation time will be followed by time for questions from the committee members, and should any presenter wish to follow up with additional information regarding his or her presentation, they may follow up in writing through the committee's office.

Audio of the committee proceedings is streamed live on the Internet and recorded by *Alberta Hansard*. The *Hansard* transcript for this evening's meeting will be available on the Legislative Assembly of Alberta website later this week, and written documents will also be made available to the public.

Ladies and gentlemen, with these very few brief comments we will continue with our presentations of this evening. I would like to call right now on Bree-Ann Barr, please. Please introduce yourself for the record, Bree-Ann.

**Bree-Ann Barr**

**Mrs. Barr:** You bet. Good evening. My name is Bree-Ann Barr. I want to say thank you very much for this opportunity. I'm a nurse at the Royal Alex hospital for high-risk women. I became a nurse in 2007 because I wanted to make a difference not only in my life but in others' as well. When asking my co-workers why they do this job, they say the same thing. I do a job that not many can or want to do. I enter people's lives at some of the most horrific times. My patients are weak, vulnerable, and have to rely on strangers for some of the most intimate needs of their lives. I know all of you have come across these intimate encounters either personally or with loved ones, so you know that it not only takes education but a certain kind of person to do this job.

Thankfully, the education does not stop once school ends and we are working. I have worked closely with some of the great

senior nurses, who have taught me things that no schooling ever could. I look forward to being that senior nurse someday but have a ways to go. With Bill 9 many senior nurses that I work with are planning to leave so that they can get their pensions as they were intended to be. This will cause such a deficit in the development of future nurses that it not only scares me but saddens me.

The demands of this job are extensive, from physically draining to the emotional toll it takes. I can go from lifting a patient from a stretcher to a bed just after surgery to my next patient, who is alone and has just been told that she will not survive the diagnosis, or, even worse, handing a stillborn baby to her mother so she can say goodbye. I take on these physical and emotional demands because I can and want to, knowing that when it does become too much for my body to take or the weight on my shoulders is too much, I can retire early. By changing the 85 factor, it changes me from wanting to provide that physical stability or that emotional strength to having to. That changes the care I give my patients.

There are many negatives to being a nurse. One positive is the retirement. I have secured funds so that when my body is done, I can care for myself and I'm not a burden to my family nor to the government. By coming in and attacking this right I have to my pension, I question what kind of nurse you want helping you through that intimate, horrific time in your life. By putting a cap on contributions, it will alter the stability of how much income I will get when I retire, changing my lifestyle, altering my monthly income at a time in my life when I can't just up and get a new job. This seems silly. With the new nurses coming into the workforce, I think they will tire and leave before they're able to by your new proposed plan, critically hurting this workforce. Please think about how Bill 9 will change how we see our jobs, especially when the need arises for you to call on one of us. Do you want us just doing a job or being everything that you need?

Thank you.

**The Chair:** Thank you very much.

**Mr. Eggen:** Thanks for your presentation. It was excellent. I certainly don't want to ask this question with the premise that we should exclude anybody from having a proper pension 85 factor and so forth, but I can't help but notice – I've got four generations of nurses in my family, including my daughter, who's third-year now, and I just happen to notice that they are red-circling or allowing certain people to have the old 85 factor but not nurses. If you start to look at the people that have been given that extra benefit, there's a real gender thing going on there, I think, and I don't know if people notice that on the wards or not. What's your feeling about that?

**Mrs. Barr:** It's a large concern for a lot of the nurses. We have new, young nurses that are coming in, and we're relying on the senior nurses to help guide us and teach us. When their bodies are done, they're done. We can't push them too much further, so they're getting the 85 factor and are able to retire when they can still enjoy some of their lives whereas these young nurses don't have that hope.

**Mr. Eggen:** And the vast majority of nurses are female.

**Mrs. Barr:** Yes. Absolutely.

**Mr. Eggen:** Thanks.

**The Chair:** Any other questions?

Thank you very much.

**Mrs. Barr:** Thank you.

**Bruce Fafard**

**Mr. Fafard:** Thank you. My name is Bruce Fafard. I thank the committee for allowing me to speak here today. Currently I do sit as the president of the Edmonton & District Labour Council, representing 45,000 members within the Edmonton and district area. Just speaking on Bill 9, we have a lot of thousands of members that it will affect. The effect on our members is quite worrying, you know: delaying retirement, reducing the amount of benefits, and everything with that.

I'm really here today as well to speak on a personal matter, my own pension. In 2006 I along with a bargaining committee sat down with my employer and negotiated a defined benefit pension plan. That was in 2006. We fast-forward to 2014, and we see Bill 10 being legislated. Allowing an employer to change the terms of a pension plan to a targeted benefit from a defined benefit pension plan, when I take a look at that, I ask myself questions like: "Who asked for this? Why is this happening, and why wasn't I asked if these changes were to happen?" I sat down with the negotiating committee along with my employer and bargained this. It's a defined benefit. It is clearly stated what the payout is and all the benefits that come with it. Bill 10 changes that premise, takes me out of the equation. It takes me and my co-workers and our say on that out of the equation. Looking deeper into the pension plan and all the details with it, retirement security is what it gives me. The retirement security of a defined benefit pension plan is very important. You know, when it comes time to retire, I can plan for the future, and my co-workers can plan for the future. By changing it to targeted, what is that going to be? When is that going to happen? We're not too sure.

**8:10**

I sit in front of you as, you know, just a regular Albertan with a defined benefit pension plan. There are thousands more out there with the same situation, yet we will be handcuffed if this is to go through. Allowing the employer to unilaterally make changes to this plan is one thing that I cannot accept. Why aren't members allowed to vote on any types of changes or anything like that on a pension plan? It's negotiation. It's the same thing with Bill 9. It comes down to: negotiate, not legislate.

The one little silver lining, which I'm kind of embarrassed to say as an Albertan, is that, thank God, my pension plan is registered in Ontario. But there are thousands of other workers around this province that don't have that. It's little bit of a saving grace, but as well it's kind of an embarrassing thing to say.

Thank you.

**The Chair:** Thank you, Bruce.  
Any questions?

**Mr. Eggen:** Thanks for your presentation and specifically your comments on Bill 10. This idea that an employer can move a pension from defined benefit to targeted: presumably you would do that based on the lower cost. So what's to stop everyone from moving from a defined benefit to a target if the lowest common denominator is to save money for the private company? It seems logical that you open the barn door and everybody will come scurrying out, right?

**Mr. Fafard:** The incentive would be there, in my view, for an employer to do that, to change to a targeted benefit plan.

**Mr. Eggen:** Yeah. Thanks. That's what I think, too.

**Mrs. Sarich:** One of the comments that you have – if you don't mind, I would like to ask – is that there seems to be, you know, not only from your perspective but others', that there isn't confidence in that private-sector employer to have consultation or, you know, like, this is the direction we're going to move in. I'm just trying to understand why that would be. I'll let you admit why. You had mentioned going from defined to target, and then I think one of your comments was that you didn't have confidence in the private employer about that, like what would be the opportunity to have a consultation. What is the fear, I guess? Why would you be lacking confidence in the employer to have consultation or that negotiation piece that you eloquently spoke of?

**The Chair:** Time's up. Thank you.

**Mrs. Sarich:** I'm sorry.

**The Chair:** Thank you.

**Bruce Moffatt**

**Mr. Moffatt:** Good evening. My name is Bruce Moffatt. I'm the leader of the International Union of Operating Engineers local 955 and chair of the operating engineers local 955 pension plan, and I've been on the board of trustees of our plan since 1993. Our Alberta-based pension plan has 18,000 active and deferred vested members and 2,503 retirees and widows, for a total membership in excess of 20,000 members. We have assets valued at almost \$1 billion and over 110 contributing employers from a multitude of different industry sectors. Thank you for providing this opportunity to present to the committee the view of our pension plan for people who work as unionized heavy equipment and crane operators in the private sector in the province of Alberta.

Picking up on what another speaker had said, I, too, encourage everyone here this evening to read the book *The Third Rail*. It's a good primer on the pension problems faced by most jurisdictions in the developed world, and it does offer some solutions.

I'm here to say that the pension reforms contained in the new Employment Pension Plans Act of 2012, Bill 10, and ensuing regulations are long overdue and are supported by the board of the pension plan I represent. The operating engineers local 955 pension plan started 42 years ago, in 1972, as a jointly trustee pension plan sanctioned under the Alberta Labour Relations Code. There are four trustees appointed by our union and four trustees appointed by the industry associations representing the employers contributing to our pension plan. Like all other pension plans sponsored by the 16 construction unions who are part of the Building Trades of Alberta, our members' pensions are funded by negotiated, fixed hourly contributions from contributing employers.

Our pension plan like many of the Building Trades plans also provides a defined pension benefit that's determined as well by a set formula. For all of the Building Trades pension plans if there is a funding shortfall, there is no ability to go back to the employers and force extra contributions because of the negotiated fixed-contribution amount. As a result, the Building Trades pension plans, including our operating engineers local 955 pension plan, have always been target benefit pension plans.

Through prudent management of those contributions our operating engineers local 955 pension plan has never had to cut benefits paid to retirees and, in years past, has been able to give the members of our plan pension increases that have kept up with inflation. At the same time, in January 2011, recognizing the changes in mortality, or how long Canadians live, coupled with a

significant change in the investment climate since our pension plan was first conceived, we changed the rate of future accrual benefits and removed the unreduced early retirement benefit prior to age 65. In the words that I communicated to the plan members at the time, the plan trustees were not going to keep promising a pension benefit that we knew we could not provide.

Bill 10 was the result of five years of active work on pension reform that started with the joint expert panel on pensions, that was sponsored by both Alberta and B.C. . . . [Mr. Moffatt's speaking time expired]

**The Chair:** Thank you very much.

**Mr. Eggen:** I would love for you to go on. You're just getting to the good part, right?

**Mr. Moffatt:** Yeah. Basically, to cut it short, we don't fit into this nice, simple model with defined benefits, and we would encourage the members of this committee to recommend as soon as possible the adoption of the regulations and whatever other legislation is required to allow multi-employer pension plans to adopt the target benefit model provided for under the Employment Pension Plans Act of 2012. We see that as being something that's actually necessary for our private-sector plans, at least under the model that our plan and most of the Building Trades plans follow.

**Mr. Eggen:** You're talking about Bill 10, right? Obviously.

**Mr. Moffatt:** Yeah.

**Mr. Eggen:** There's a section in Bill 10 that you do need to move forward, I think. Maybe help me with that. There's a part in the regulation that's required almost immediately. Just remind me about that.

**Mr. Moffatt:** Certainly, we're about to see an end to a solvency moratorium that has been extended to multi-employer plans. You know, we don't have the same risk structure that single-employer plans have, so there is some urgency for the multi-employer plans to have enacted the target benefit provisions, that there's been a lot of work put towards, particularly for the multi-employer plans.

**Mr. Eggen:** So if we were to put that solvency provision into regulation, that we could do through an order in council – well, the government could – then that would probably satisfy that aspect.

**The Chair:** Thank you very much, gentlemen.

**Mr. Moffatt:** Yeah. Thank you.

#### **Garnett Robinson**

**Mr. Robinson:** Thank you, Mr. Chair, members of the committee, and those online, for being here. I've worked for the government since 1985, with a few years off. I came out here from B.C. on a five-year plan and decided that I wanted to make this my home. Part of the reason I was making it my home was because I realized the value of the pension plan that I was paying into.

I want to go into a slightly different focus here. I work on a very small work site directly for the government of Alberta. I'm in the public service pension plan. My wife works for the school division, so she's an LAPP member. We live in Lac La Biche. Lac La Biche is now a hamlet. The community of Lac La Biche is 2,500; the total area is about 10,000 people. By my calculations there are close to a thousand members of the LAPP, PSPP, the

management employees pension plan, and others that will be affected by this. That's a significant number in a community of that size.

**8:20**

Now, one of the advantages of living in Lac La Biche was that it was a relatively cheap place to live. Well, the oil boom is progressing further and further south. We now no longer enjoy house prices that are reasonable. We end up with times where people are renting out a single room in a house at a thousand dollars a month – okay? – kicking people out of those places because they're not paying enough. It's significantly expensive to live in Lac La Biche and many other rural communities. We pay right now about 15 cents a litre more for gasoline. We pay more for food. We pay more for just about everything.

We don't have the ability to say, "I don't like this doctor" and go to the medical clinic next door or down the block. Instead, our walk-in clinic consists of phoning at 8:30 and hoping that the phone gets picked up in time to get one of the few appointments that will be available that day because you can't make another appointment for the next day. Okay? These are the types of things we are living with. We don't have a movie theatre. If I want to go with my family to see a movie, I'm left driving 140 kilometres to St. Paul, 160 kilometres to Cold Lake, you know, at a significant extra cost. There are all sorts of issues there.

As a result of the pension plan changes, I won't be able to afford to live there once I retire, okay? I had hoped that I would be able to, but I'm going to be forced to take the equity that's in the home and move to a place. . . . [Mr. Robinson's speaking time expired]

**The Chair:** Thank you very much, sir.

Mrs. Sarich.

**Mrs. Sarich:** Go ahead and finish.

**Mr. Robinson:** . . . where I can actually make my pension work.

Actually, Mrs. Sarich, if I can answer the question that you've been asking about calling and finding out.

**Mrs. Sarich:** Sure.

**Mr. Robinson:** No, I haven't, but I've been able to figure those things out on my own.

**The Chair:** Is that the calculator question?

**Mr. Robinson:** The calculator, yeah. Here's the problem with the whole calculation business. Nobody can tell me what my pension will actually be because we're potentially losing the COLA clause, and the government is going to be able to choose what pension they decide to pay us. It's just an unreasonable situation to be in. So on behalf of myself and the 7 out of 15 employees that are looking at retiring in the next year because of these plans, you can see how much effect it's having on a small place.

**The Chair:** Thank you.

Any other questions? Mrs. Sarich.

**Mrs. Sarich:** Yes. I just want to thank you very much for answering the calculator question. As I mentioned before, it's a question that I've asked constituents as well that have contacted my office. That information is very important for us to understand if there are problems with the calculator or the impact when you sit down with your pension representative or even for those that haven't done that as of yet. That's a perspective on just how

difficult this issue is for a lot of people, and we need to understand it and appreciate it as well.

I thank you for your perspective about the changes within the community, which are also very important, because those changes have a direct tie when you look into your own future.

Thank you.

**The Chair:** Thank you, Mrs. Sarich.

Thank you, sir.

**Mr. Robinson:** Thank you.

**The Chair:** You made me think about that theatre project. I have a lot of friends in Lac La Biche. I'll bring that to their attention. Thank you.

#### Andy McDonald

**Mr. McDonald:** Thank you for your time. I'm sitting here as a 35-year employee of the government of Alberta. Thirty-five years ago the government made me a promise: if I worked for 35 years and if I paid half the contributions into my pension plan, I could retire in 35 years as long as I met the 85 factor. That is now threatened by Bill 9. If Bill 9 goes through, with a contribution rate cap, my pension could be affected down the road because the boards will have no other option. If they cannot raise contribution rates, their only option is to cut benefits, and that affects me and everybody else that's retired.

You have a full room next door of people that are all upset about this, and if you want to make it even worse, then start cutting seniors' pensions. You'll have that hallway full of strollers and walkers, and nobody will be able to get through. You don't want Bill 9 to go through, and if it does go through, you have to remove that contribution cap, please, on behalf of all my fellow co-workers and all the seniors that will be taking pensions.

I'd also like to mention that the public service pension plan, which I'm a part of, over the years has lost members. When I first started to work for the government, there were 35,000 members in the general service. Now we're down to 22,000, so there are fewer people contributing to the plan. Any plan where you reduce the number of contributors is under a financial hardship. If – and this is a big if – the government is making so much money contracting out my work and my co-worker's work, why can't they financially compensate the public service pension plan for that financial hardship that it's creating?

I spoke to my MLA, Jacquie Fenske, from Fort Saskatchewan-Vegreville. She just mirrored what the Minister of Finance said. I actually looked around to see if he was in the room because she talked like he was right in the room talking for her.

Please. Somebody has to represent the seniors. I'm here to talk about my co-workers, whether they've been here for 20 years, 25 years, 30 years, or 35 in my case. You cannot break that pension promise that they were promised when they hired on with the government. They've kept their half of the bargain. They've made their contributions. Please do not put in Bill 9, which will affect them. And I understand that if Bill 10 goes through, the public service pension plan would be subject to Bill 10, which again threatens retirees' benefits. So I'm asking you to please defeat both of these bills.

Thank you.

**The Chair:** Thank you.

**Mr. Eggen:** Well, thank you for your passionate presentation. I'm happy to say that we have these two on ice right now at least, but

it's a very tentative place for such problematic legislation to be because, as you say, one works off the other. I'm just starting to get this feeling that it's not just a breaking of a promise, but it's really a breach of a contract that has taken place here or potentially could take place. I wonder if your workers have talked about the possibility of legal action to pursue this if it does go forward.

**Mr. McDonald:** Unfortunately, I don't believe we can take legal action. We are represented by the AUPE, which does a very good job of representing us, but they have tried for years to get proper governance addressed, and they've been unsuccessful. So nobody is representing the workers when it comes to their pension. The Minister of Finance has sole trusteeship. We make half the payments, but we have no say at all, and that's just not fair.

**Mr. Eggen:** The other issue that you brought up that I think is really key to this is that the workforce has been reduced, so you have more people going out, taking pensions, and fewer people coming in, paying pensions. That's the contract that you have. It's a good system, but considering, I mean, this math, does it add up to you? We have more than 4 million people in this province. It's growing faster than any other place in North America, and we're reducing our labour force from – what was it again?

**Mr. McDonald:** When I started it was 35,000; now it's 22,000 in the general service.

**Mr. Eggen:** Right. And with a commensurate increase of population of at least 25, 30 per cent.

**Mr. McDonald:** That's privatization and contracting out that goes to big businesses, that does not stay in the communities, that does not stay with the workers to spend in those same communities.

**Mr. Eggen:** Thank you.

**The Chair:** Mrs. Sarich.

**Mrs. Sarich:** Well, thank you very much. The theme of governance has come forward through the experts that came forward to the standing committee, and you and others have brought that up. I was just wondering if there is anything further you would like to add about that. So expectations of ideas. This is the way it is today. What would you like to see in the future on the governance?

**Mr. McDonald:** I would like to see it addressed properly. I don't believe Bill 9 does that.

8:30

**The Chair:** Thank you very much, Andy.

#### Lawrence Crosthwaite

**Mr. Crosthwaite:** Good evening, ladies and gentlemen. Thank you for giving me three minutes. This decision is going to have profound effects on people trying to decide whether or not they want to enter into public service. Already in my workplace I have a number of younger colleagues who are questioning whether or not they want to have a career in public service because the promises that were made to them at the time that they entered are now under siege. On the other side of the coin, you have the older ones, who are getting close to retirement. Some of them are going to be directly affected by this, and some of them aren't, but they're saying, "What have I been doing for the last 30, 35 years?" because this contract has been broken. It was not necessarily a



promise put forward by the government of the day, but it has been a contract.

There are so many of us within the public service who went into public service because we wished to serve the public of Alberta and, by extension, the people of Canada. In health care, which is where I work, we look after people who come from all over the country. I am very proud to be a part of that system.

But now I'm getting to the point of questioning: what am I to do moving forward? I have done all of the due diligence in the sense of using the calculator and talking to the LAPP advisers and things like that, but what's true today could not be true tomorrow or in two years or in five years. It's very, very difficult to put your finger on what you should be doing today for what could happen two to five years down the road. That is very disingenuous about the whole system because regardless of what decision is made today or in the next six months about these two bills, they're subject to change – like that – at the whim of the government and not of the system that we're operating with, and I have no say in that. I've heard lots of people say that. I'm willingly contributing my share, but I can't give any direction as to how that should be undertaken.

I think that we're at risk of losing a lot of highly qualified, very dedicated people because of decisions like this. I'm not saying that we have to have a guarantee – there are no guarantees in life – but you have to be able to count on something moving forward.

That's my piece.

**The Chair:** Good. Thank you very much.

**Mr. Eggen:** Thanks, Lawrence, for your presentation. I guess this is a very valuable exercise for us because we hear ongoing themes. The previous person, an attorney, talked about this rule changing. I don't know if you've read Bill 10 or Bill 9 too specifically, but it's the shift of the decision-making power from the negotiating table to the cabinet and the minister that I find the most disturbing about this bill.

**Mr. Crosthwaite:** And that makes it a political decision. It's not an economic decision. It's not a pension-related decision. It becomes a political decision. Regardless of what the government of the day wishes to say about it, the perception is that it becomes a political decision about what's going to go forward. So whatever the flavour of the month is under the current government or the next government, it becomes a government decision, and it's based purely on party policy as opposed to economic policy. That's the danger about all of this. By extension, I believe that it also drives the wedge deeper between the people and the government, and there's going to be more and more mistrust. If you go too far, it doesn't matter what you say. We're not going to believe you.

**Mr. Eggen:** Yeah. Really, in the job that we do over here – of course, I'm not part of the government; I'm part of the opposition – the only currency you really do have is trust, and if you spend that, then you're in big trouble.

**Mr. Crosthwaite:** Yeah. We have to encourage more participation and democracy, and this is one way to do it. Also, saying what you mean and moving forward and listening to the concerns of the population are paramount. I don't think that these two bills are addressing those concerns that we have.

**Mr. Eggen:** Thanks a lot.

**Mr. Crosthwaite:** Thank you.

**The Chair:** Thank you. Thank you very much.

**Sandi Giesler**

**Ms Giesler:** Thank you for the opportunity to address this committee. I'm a city of Edmonton employee and have been for the last 28 and a half years. I'm also a single parent, and I have a special-needs child.

The upcoming changes to bills 9 and 10 have a lot of impact on my life personally. It will reduce my pension benefits when I am able to retire. I still have more years to go than 2016, and my best five years will occur after 2016. If I choose to go between ages 55 and 60, my pension will be reduced by 5 per cent for every year that I go early. My decision to go early might not be a decision that is solely mine. Because of my special-needs child I might have to retire, and that would ensure that my pension is cut.

The other thing that I wanted to comment on was a presentation that was given to this committee by Mark Prefontaine regarding the changes to Bill 9. There's information in this report, that was presented to the committee here, about a moratorium on benefit improvements until 2021. I have yet to find information on this moratorium. I have no idea what it is. It's not being communicated to citizens such as I, and after reading this report, I'm more confused than anything.

I found it very useful to go through the presentation. I agreed with some of the other jurisdictions that have made pension changes. Specifically, the federal government has made changes to the public servants' pension, moving to a 50-50 cost sharing, and has increased unreduced pensionable age by five years for members hired after 2012. That's a more reasonable change, to me, than to implement not only taking away the 85 factor but increasing the age as well. To me, you do one or the other; you don't do both.

Those are 310,000 Albertans that you're going to affect with these pension changes. I think that more consideration needs to be taken, more time needs to be taken, and more communication made to the members of these pensions plans before any final decisions are made.

Thank you.

**The Chair:** Thank you very much.

**Mrs. Sarich:** Well, thank you very much, Sandi, for your presentation. I'm wondering if we could be a little bit more helpful to you. I'll ask through the chair on the question that she raised about getting some background information about that presentation on the moratorium issue. I've directed that to the chair so we can action that to get that information so that it would be posted on the public website.

**Ms Giesler:** Thank you.

**Mrs. Sarich:** I hope that would be helpful to you. I just want to say thank you for sharing your perspective. It was very insightful.

**Ms Giesler:** Thank you.

**The Chair:** Great. Any other questions?

Thank you very much, Sandi.

**Dennis Coulthard**

**Mr. Coulthard:** Good evening. I'm Dennis Coulthard. Thank you for hearing me this evening. I am an internal auditor with the Human Services department, corporate finance. I work on-site at

the office of the Public Trustee, so I'm a PSPP member. I'm also the chair of AUPE local 2. We represent over 5,000 members across Alberta, working in a wide variety of specialized, highly skilled positions such as scientists, economists, accountants, human rights officers, consumer relations officers, about 90 different types of work. Most have university degrees. Many have graduate degrees. I'm hearing their concerns. I have to tell you that this has really got their attention. I've never seen the like in 40 years of being involved with the government and with AUPE.

The major concerns are the cap on contributions leading to future reduction in benefits during economic downturns – that's their fear – loss of inflation protection, again, at the hand of either an economic downturn or high inflation happening again; and political influence on the pension.

I've noted with some interest that we're getting a lot of interest from young members on this. I was surprised at this when this first came out, but they're engaged and they're interested and they're not happy. Their perception is of instability and a lack of commitment from the government. The pension was a reason, one of the reasons, for seeking and remaining employed with the GOA but is not so much now, after the proposed changes. They are now looking for and getting higher paying positions in the private sector, and in these fields they can make a lot more money elsewhere. The private sector has more flexibility, you might say, than government.

**8:40**

The effect on older workers: many plan to leave before 2016. Some have already left as a result of these proposed changes, and they are leaving earlier than they previously had planned. The hype is getting to them and scaring them, so there is a lot of fear and uncertainty because of this. They never thought that this sort of thing would ever happen. They feel betrayed and angry, and, I might add, young people feel angry too, or disgusted might be a better term.

**The Chair:** Thank you very much, Dennis.

**Mr. Eggen:** Thanks for your presentation. Of course, people, workers of all ages would, if they bothered to follow this – and they would – be angry because it's money. You're talking about part of your compensation, quite frankly. I'm just wondering if, you know, people are looking for the next steps in your own particular local, or amongst the larger group that you work with, your colleagues, what would they like to see?

**Mr. Coulthard:** We have a council of 50 members that governs our local. We've talked about this at length and kept apprised of it. We're very interested in pushing AUPE and supporting them in whatever action may need to be taken that can be taken. Of course, we don't really know. We can't really read the future, but yes, it's an active local, and they are very interested and engaged.

**Mr. Eggen:** Good. Thank you.

**The Chair:** Great. Well, thank you very much, sir.

**Mr. Coulthard:** Thank you.

**The Chair:** Thank you.

**Sheila Hogan**

**Ms Hogan:** Hi. Thank you for this opportunity. My name is Sheila Hogan. I'm a registered psychiatric nurse. I've worked in forensic psychiatry, acute adult psychiatry, in-patient geriatrics,

and assertive community outreach in psychiatry. I have a number of concerns with Bill 9. The basis of psychiatric nursing is a trusting relationship, where you're honest, reliable, you mean what you say, you respect the client, and you respect their wants and needs. That is very absent in this relationship. Bill 9 is broken promises, but more than that it's a boundary violation. We negotiated our salary, our benefits, which include our pension, and that's negotiated in good faith at the negotiating table. This is an attempt to subvert that process, and I think that it's a misuse of the law and misuse of the Legislature.

The experts have said that there is no crisis, that this was a manufactured crisis, and that there are steps in place to deal with any unfunded liability. I support the move to shared governance. I do not support hamstringing any future governing board with regulations which the government will put in place. When it fails five years down the road, it's their responsibility. They have to have a free hand to do what's right for the pension plan.

I'm not willing to sell out the younger generation. Every day I see what's happening with seniors as we're dismantling our public services and moving to private, for-profit seniors services. My pension will not allow me to use those private services. If we're going to have a lesser pension for the youth, what are we setting them up for? We're setting them up for failure.

I was very impressed with the city of Calgary's presentation, where they had five principles on how you deal respectfully with employees. The point was made that if someone is 12 years into that relationship, you can't suddenly change the rules from now on. You respect the conditions you gave them when they were hired. Again, there's intergenerational fairness. There's fairness within the group.

Firefighters, police, paramedics, public safety. What about nurses? The risk of infectious diseases, risk of workplace injury, risk of allergies facing toxic chemicals: how are we any less a public safety worker, as said before?

I could say a lot more, but I'll stop. Thank you for this time.

**The Chair:** Thank you very much.

**Mr. Eggen:** Thank you for your presentation. I can tell by your comments about the younger workers and a sense of fairness between generations that you have as a value a sense of fairness that you use to guide your decisions. I'm just wondering about this idea of some people retaining their 85 factor and some people not. I'm finding it more disturbing as it goes on. I think there's a gender issue there. The majority of nurses are female. But instead of looking at this through that exceptionalism sort of idea – you know, maybe we, too, can be saved from this negative change – certainly, we can extend the circle and think twice about doing it at all, right? Is it really fair that we have the 85 factor for some people and some not?

**Ms Hogan:** I believe it's not fair, I believe it's not necessary, and I believe it'll jeopardize the plan in the long run. I think there are unintended consequences. Forcing people to work beyond a certain age when you need to be mentally alert, physically strong, at the top of your game: people's lives are in the balance. Do we really want to keep them working at 62, 63, 65? I'll never have my 85 factor. I've said many times to people that I've had 10 employers, but I've never left a job. That's the type of chaos we've had to live through as health care workers: job cuts, hours cut, full-time jobs disappearing. We've been through it all, and now you're changing the rules? It's not okay.

I don't think that's where the laws should be. That's at the negotiating table. If you want to negotiate changes to our salary, to

our benefits, to our pension, that's where that belongs, not: I'm going to pass a law and strip you. What about tomorrow? The kids are worried: if they'll do that to you, what are they going to do to us? What if there's another bitumen bubble or oil bubble or tax bubble? What's going to be cut next? It's not funny.

**Mr. Eggen:** Thank you. That's very good.

**The Chair:** Thank you very much.

**Ms Hogan:** Thank you very much.

**The Chair:** Now, our next presenter is Steve Hogan.

**Mr. Hogan:** She did it to me again. I'm supposed to follow that.

#### **Steve Hogan**

**Mr. Hogan:** I'm Steve Hogan. I'm a registered psychiatric nurse. I've worked at Alberta Hospital. I currently work downtown at FACS. My concern about this whole thing is actually very simple. I started in nursing 40 years ago, when the money, frankly, was laughable, but I wanted to do something positive, something useful, as I saw it, with my life, and the pension that I was offered at that time was the thing that made that viable, the thought that when I finally can't do this anymore, I can hang 'em up, and I'll have some idea about how I'm going to support myself and what kind of life I can have from here on in. It feels to me that that is being taken away. I don't want to budget based upon what I might get next month, what I might get next year. I want to be able to live my life thinking that I know fairly closely how it is that I want to live.

#### **8:50**

You know, I believe I was told one thing, and now that thing is changing. It's become a moving target. My sort of broader concern even more than that, really, is that this is about the fourth time this year that I've found myself in this position, where the rules have started to change, where people want me to give up rights that they have said they will give me: "We're not going to do that anymore. We're going to take it away." A couple of those things were work related, and a couple of those things were bills that have gone through the Legislature this year, which I won't enumerate. You know, that's really my issue, that if we cannot depend upon our employers, if we cannot depend upon our elected representatives, who is it that we turn to when we look for some kind of sense of security and dependability?

That's my lot. I just really wanted to say that.

**The Chair:** Thank you.

Any questions for Mr. Hogan?

**Mr. Eggen:** Thank you for your presentation. I'm just curious to know if you're still at Alberta Hospital now.

**Mr. Hogan:** I work in the CN Tower.

**Mr. Eggen:** Oh, I see. Okay. Right.  
That's fine.

**The Chair:** Thank you very much, sir.

#### **Christopher Knorr**

**Mr. Knorr:** Thank you, Mr. Chair and ladies and gentlemen of the committee. My name is Chris Knorr, and I've been a registered health care professional going on 25 years now. I decided to

dedicate myself to the life of a health care professional because of a desire to help people every day to better their lives in a meaningful way. My initial training was as a respiratory therapist. I worked a number of years, took additional specialty training in that, and then trained for a further role in health care as a diagnostic medical sonographer. I do ultrasounds, highly specialized, world-class programs, at the U of A right now.

In ultrasound it's widely documented and recognized that the incidence of injury to sonographers is very high. Several studies have shown – and some of these are Canadian studies – an incredibly high rate of significant injury, approximately 80 per cent, if anyone works in this field for any reasonable number of years. I've personally watched quite a number of my fellow health care co-workers get grievously injured in the line of their duties yet still strive to rehabilitate and get back to helping patients as soon as possible. Quite a few of us work with pain throughout the day on a recurring basis, still hoping to carry on with our careers and assist people's health ambitions. Their dedication is very obvious. Otherwise, they would never work this hard. Many times they do this while still trying to save money for the health care system on a day-to-day basis and do the best for the patients so that they can have the best impact for those patients.

Even pension plans that are not doing so well these days – I am a member of the LAPP, and it's actually doing quite well – are proposing changes that are phased in gradually over many years or changes for new members, amending the factor a bit, not making sweeping changes to factors for almost all of the groups without assessing their incidence of work-related injuries and also their ability to perform work to a mandatory retirement age. That is huge for us, and that's why the 85 factor really matters to those of us in my profession. It will make a massive change. Even the young people coming into the profession are very, very concerned about this because they realize that and were willing to try to work with it but now are faced with uncertainty in their future.

In my family I'm often called on to help or advise others with their health care concerns. I've been very involved with the care of my aging mother, and this has helped her to be less of a burden on the system. Why not allow a good retirement to someone who has worked for many years for it, someone who helped society and the economy by caring for others, and allow them to retire, possibly, when they themselves are not so injured that they became a burden on the health care system?

I've raised a family in Alberta and have always encouraged them to be active in the community. [Mr. Knorr's speaking time expired]

**The Chair:** Thank you, Chris.

Any questions?

**Mr. Eggen:** Could you just finish off?

**Mr. Knorr:** Yes. If I just shorten it up, I would simply say that I've always encouraged them to be in the community and in other ways very active. Health care professionals in general had advised their family and friends that it was a great career to go into because they took a lot of pride in their careers. Now I see where a lot of them question and caution people when they're asked about the pros and cons of going into it. They still say that they love the work they do, but they're facing too many unknown factors.

I look at the pension as a deferred wage. We've paid into it for many years, and there are set formulas for what you get out based on what you pay in. It's very simple. It's not nebulous. But now they're very unsure of things, and people just aren't sure about going into the profession, and even the young ones that are just entering now are really second-guessing things.

**Mr. Eggen:** Yeah. I think so, too.

**The Chair:** Thank you.  
Any questions? Great. Thanks.

### Ryan Williams

**Mr. Williams:** Hi there. Thanks, everyone, for allowing me to speak with you here. My name is Ryan Williams. I'm a member of the Non-Academic Staff Association at the University of Alberta. I work for information services and technology, taking care of computing resources for the university community so that it can get on with the business of teaching, learning, and research.

I'd like to speak to you as a young worker at the dawn of his career. I'd like to dispel the notion that young people don't know or care about their pensions. We understand very well the value of pensions, and we're upset. We will have the longest time working under the new rules and will therefore be affected the most. Not only will our benefits be disproportionately affected, but our parents will be affected as well. At a time when we should be starting our own families, we increasingly need to be concerned about how we are meant to support our parents in a social environment increasingly marked by expensive privatized services.

Seventy per cent of Alberta's workforce has no secure pension plan, and public-sector jobs represent the promise of stability. For us, the many young workers that have been brought up in a culture that values public service, something I'm sure those of you in the Legislature can understand, the public sector is a way that we can put our skills and knowledge to good use, and we want to work for the public good.

Now, Alberta is something of an anomaly, but across the global west young workers are faced with a modern labour market filled with temporary, contract, part-time work without pension or benefit, and the public sector represents a stability that our parents and grandparents could expect but that we can only hope for. Without the dignified benefits a public-sector job like mine affords, you're asking my generation and future generations to gamble our future on the public sector.

I'd like to thank you for at least making the provisions to share control over these pensions and the decisions made over them. I must insist, however, that you take the politics out of that governing body and allow it to make decisions restricted by nothing more than the needs and desires of employees and employers.

That's all I have to say for right now.

**The Chair:** Thank you very much.  
Any questions?

**Mr. Eggen:** Thanks for your presentation. I guess I'm curious. I know that people view their pension as part of their total compensation package. Again, this idea that you can change that package somehow off the negotiating table or somewhere besides the negotiating table just seems to be illogical and defies both the spirit and the action of actually negotiating. I don't know how that frustrates your approach to negotiating.

**Mr. Williams:** Yeah. I'm a very firm believer in democracy, and to me that's not something that can be relegated to, you know, a certain room in a particular building in this city. I think that that's something that needs to be reflected in everything that people are doing. A big part of that is that when you're paying into a pension, you should have that say over it. [A timer sounded] The people who are most affected are the people who should be able to have some control over what ends up happening.

**Mr. Eggen:** Absolutely. Thank you.

**The Chair:** Any other questions? You still have lots of time.

**Mr. Eggen:** Oh, I thought that was the beepy thing.

**The Chair:** No. That's another one.

**Mr. Williams:** Oh, that was my beep?

**Mr. Eggen:** It was another beepy thing. There's more than one beepy thing, apparently.

**The Chair:** You had a little bit of surplus there.

Any other questions? Great. Thank you.

We have been joined by Mr. Dorward. If you could introduce yourself for the record, please.

9:00

**Mr. Dorward:** Hi, everybody. Thanks for coming tonight. My name is David Dorward, and I'm the MLA for Edmonton-Gold Bar.

Thank you, Mr. Chair.

**The Chair:** Thank you.

### Tracy Leeder

**Ms Leeder:** Good evening. I'm Tracy Leeder, president of local 3484 of Black Gold regional schools. I have been an educational assistant for 12 years. I am also a single mom. It's a great job for me because I've always been with my kids. Thank you, all, for meeting with us to discuss what is happening with our pension plan. It is critical that you understand how these changes will greatly impact our CUPE members. CUPE has had a big fight in this process.

This is very serious. Our pension funds are made up of wages and deferred wages. We all pay into a great pension plan, and that is part of our local's agreement with our employer. Knowing that the Alberta government has been attacking our pension has made our career the spotlight in our lives. Working is a necessity to make a day-to-day life, especially as a single mom. Pensions are a great cushion to fall back on in our retirement.

Let's look at what is being proposed. The government claims there is a \$7.4 billion deficit in the public-sector pension plan, but the ministers leave out very important details. There is no mention of the plan to pay down the deficit. They don't mention the fact that employees and employers have both agreed to additional payments that will largely pay off the deficit by 2022. They don't mention that at that point additional payments will end.

The government has produced no studies to support the need for change. These are very modest pensions you are cutting. LAPP, which is part of what I am paying into, has an average full pension of \$15,000 per year, which really isn't very high for a single mom. The public sector, mostly AUPE, averages less than \$12,400. Add that to the CPP, and the average pension plan is \$22,300 per year in today's dollars. That's what I make as an educational assistant. Can you live on that in retirement? I'm living on it now. The Alberta government is actually promising to make that even less.

Alberta government, would you like to be the reason this generation or the generation of my two kids, that are 15 and 18, is living in poverty, depending on social services and charity while they are in retirement or making sure that their mom is alive? Everyone should have a good pension, and it is in our very best interests. Pensions are affordable. Pensions are a contract made with our employees and our employers. Please don't break that contract.

Thank you.

**The Chair:** Thank you, Tracy.  
Any questions for Tracy?

**Mr. Eggen:** That's a pretty direct and powerful explanation of what actually happens when changes are made to pensions, especially when the wages are very modest in the first place. You've been in the job for a number of years. What have you seen as your colleagues retire? What sort of life are they heading into now?

**Ms Leeder:** My membership is pretty split. I have quite a few that are going to reach the factor, but it's the determining factor, right? Are they going to do it, or aren't they? I have lots asking.

For myself, I work three jobs. It's not easy. Do I have time to do the calculator? No. No, I don't.

**Mr. Eggen:** I was never going to ask you that one. That's for sure.

**Ms Leeder:** Just directing the conversation that I heard.

**Mr. Eggen:** Yeah. I hear you. Absolutely.

**Ms Leeder:** I don't have time. I work at least 12 hours a day. It's a tough call.

**Mr. Eggen:** Absolutely.

**Mrs. Sarich:** Well, thank you very much, Tracy, for your presentation. I really appreciate hearing about one of the nuances for many, which is that when you go into a negotiation on pay and pension, a piece of legislation has an impact on that. I thank you for pointing that out, because it is something that the experts, a few of them, also had talked about. It is an implication for consideration by the standing committee, so thank you for pointing that out.

**Ms Leeder:** Thank you.

**The Chair:** Thank you very much.

#### **Kevin Veenstra**

**Mr. Veenstra:** I want to thank the committee for holding these services for the public, those directly affected by these changes to our pension plan. My name is Kevin Veenstra. I've been a public servant for 25 years in a municipality to the north and deliver ecological services in a public works situation. It's not as crucial as many of the stories I have heard tonight. It is a very eye-opening evening tonight. I really appreciate having the ability to have these meetings here.

I was born and raised in Alberta. I have seven children. My wife and I have raised our family, and we were fortunate that she could actually stay at home. She doesn't get a pension for that, so my pension actually speaks double for our family. Of my seven children, I have two that already are in the public service serving passionately, one in medical services and the other one in a management position.

Although I know that with the amendments it did lessen the effect of the calculator on myself personally, for those that are just entering into the service, I am really concerned about the long-term pensionability. In the public service the pension was something really good. We pay dearly into it. You know, every year we did get our LAPP letter there, and you did the calculations, not that we would take the 85 factor but just for the ability to look at it and that. When times did get tough, the LAPP was very good at communicating for actually putting together a plan for the shortfalls of the plan – I know the economy does

wreak havoc on investors as much as our pooled funds – and we did go with the increased contributions with the hope of having a stable pension to rely upon when we so need it. With that, I still appreciate that.

The other thing I wanted to say is on this cost of living. In my hometown of Legal I do know pensioners, widowers that have relied upon the pensions. When their spouses did die, they had reduced pensions, and it is not easy for them. This is not a gold-plated pension. This is actually something that's a matter of dignity. It's a promise, it's a raise above poverty and dependence upon other people, it's a matter of pride, and I just hope that all Canadians and Albertans, actually, would be able to live a life like that in their retirement. It is good to know that our lives are longer, and I hope to see my grandchildren and that.

On that, I just want to thank you for listening and being here. Thanks.

**The Chair:** Thank you.  
Any questions?

**Mr. Eggen:** Well, thanks so much for your presentation. I guess Legal is a good example of a place – or you can tell me, actually – where the pensions allow people to stay in their community when they retire. How does that make a contribution to the economy and the culture of Legal and all around there?

**Mr. Veenstra:** Thanks, Dave. The town of Legal does have a really strong seniors component, and we are very closely knit. I think about pensions. If we didn't have a good pension, the only opportunity is to have kids, to depend upon your children, which in today's society is not hoped for, or to actually mortgage your home or resell your home and downgrade or rely upon social services. Pensions are something that's good. It's a good thing, and we should support them as much as we can.

**Mr. Eggen:** Absolutely. Thanks a lot.

**The Chair:** Thank you.

#### **Carol Chapman**

**Mrs. Chapman:** Good evening, ladies and gentlemen, members of the Standing Committee on Alberta's Economic Future. I do appreciate you allowing me to be in this room to share some of my thoughts. I am Carol Chapman, and I represent approximately 2,500 mostly female education support workers, who are very concerned about the proposed changes that are being considered to the local authorities pension plan in Bill 9 and the other plans and Bill 10 as well.

#### **9:10**

These workers have chosen their profession for a number of reasons, most of all to support children during their educational career so that they can become productive adults. They have done so knowing that they will also sacrifice employment stability in less than full-time work. In many cases they are considered seasonal workers. We as a union have bargained contracts for these workers that have included a pension plan. Some believe that our pension plan is a gift from the government. That is so far from the truth. The pension plan is paid for by employees through their deferred wages for their future retirement earnings.

I have a huge concern about retention and recruitment at our school district. Recruitment to our staff group is difficult when we are competing for workers in the economic boom province of Alberta. Our workers require postsecondary education, and as I

said earlier, our workers are currently choosing the love of children over huge salaries. If part of the incentive to choose this career is in jeopardy, they will look elsewhere for employment.

For those of you who look at the three-legged retirement stool, with the first leg, which is the CPP, very, very few of our workers contribute anywhere near the maximum for the CPP benefits, so they will be in turn receiving very low benefits from the CPP. With the third leg, which is savings, they are spending their time surviving day to day. Tracy spoke earlier. She's very much like many of the workers that I represent. They're working one and two and three jobs to survive. Now the plan is to saw away at leg 2, the public pension plan piece of the retirement income. Their stool is going to fall down.

Independent actuaries have very clearly taken into consideration demographics and other factors when doing their projections on the sustainability of the plan. They believe that the plan is on a healthy course to recovery. Radical changes to the plan are not necessary. Many of our workers are in physically demanding jobs. [Mrs. Chapman's speaking time expired]

**The Chair:** Thank you, Carol.

Mr. Rowe.

**Mr. Rowe:** Thank you, Mr. Chair, and thank you for your presentation. Has your union or any of them done any studies on the percentage of monies that are paid out in pensions that roll right back into the economy? I'm thinking that probably it's close to a hundred per cent that goes back into the economy in some form or another. Have there been any studies done on that?

**Mrs. Chapman:** I don't know that there have been, but I do know from the 2,500 workers that I represent that 100 per cent of their money stays in this community, in this economy. It is not spent travelling around the world. It's not spent investing in lakeshore properties in Miami or anywhere else. It's spent on surviving and feeding their families.

**Mr. Rowe:** Thank you. And I don't think they're putting it in a sock and putting it under their mattress either.

**Mrs. Chapman:** No.

**Mr. Rowe:** Thank you.

**Mrs. Chapman:** The one factor that I wanted to mention is that education workers are also ones that are affected by the physical demands of the job, and if they are not able to access early retirement, if they're fortunate to have extended disability benefits, they are going to be accessing that and expenses to the health care system.

**The Chair:** Thank you, Carol.  
Any other questions?

**Doug Short**

**Mr. Short:** Thank you for letting me speak this evening. In listening for several hours now, as you have, this is not an easy task. It's very emotional. There are a lot of misconceptions, I think. My history is that I'm president of ACIFA, which is the colleges and institutes here in the province. I've sat on the stakeholders group of LAPP for the last 10 years. I also sat on the ad hoc committee. We'll be making a presentation to this committee more formally in August, but tonight I'd like to speak to you as an individual who's nearing the end of his career and also on behalf of my daughter, who's just starting her career with LAPP. I'm concerned about people when they're in their

retirement and the defined benefit aspect of it. I'm also concerned about the people coming after and that they will have an appropriate pension plan as well.

I started work over 40 years ago, as a teenager. I expected to work till 65. I also thought that I was going to live forever, as all teenagers do. I'm still going to live forever, but I'm probably going to have to work past 65. There's been a lot of reference in this committee to the Canada pension plan and how well funded it is. But what does the Canada pension plan do? It says that the normal retirement age is 65, and if you go before that, you take an appropriate reduction – okay? – but that's not the case in our pension plan.

We've had talks about guarantees and promises for life. There aren't promises for life in lots of things, not in marriages, not in business contracts, that we expect to last for a long time. Sometimes you have to make changes, and there are currents at play that cause us to make those changes.

But what can we do? I've got a thing here that I'll pass out, but I had some comments on what I think could be done. Number one, the consultation and discussion: we've been talking about these things for 10 years, about the difficulties that have been developing in the plan.

My last graph here, from the LAPP, shows that over the last 20 years, from 1991 to today, we had a huge boom in the markets during the '90s, followed by the last period of time. What's happened over that period of time? Our contribution rates have gone from 11 per cent to 25 per cent, and what have we achieved? Nothing. We're still 80 per cent funded, maybe a little bit better now over the last year, next to where we were 20 years ago. Two or three years ago, before we talked about this pension reform, young people were coming to me and complaining about the high contribution rates. They were concerned about that. Now that the dialogue has changed, they're talking about different things.

Consultation: it bothers me that the city of Calgary and the city of Edmonton talk about lack of consultation. I sat with them . . . [Mr. Short's speaking time expired]

**The Chair:** Thank you very much.

**Mrs. Sarich:** Go ahead and finish.

**Mr. Short:** Well, I sat through the meetings of the stakeholders where the city managers weren't at any of the meetings. I haven't seen them in 20 years.

We've got to get going on these things and deal with these issues. Joint governance: we've got a diverse group. We have over 400 employers. We've got to start working and figuring that out. I think that's important.

The other big thing is the contribution cap. That's been a big concern here. The option put forward by the government, option 4, said: put the contribution rate question with properly constituted joint governance. That's what's been asked for. So that's the change that has to be done to Bill 9. Put it there.

We've got to consider contribution rates in concert with funding policy and in concert with the benefits. We have people leaving early with subsidized pensions, taking the money out, and coming back to work at their employers. So they're not only collecting the pensions, but they're also collecting a salary, and that's inappropriate.

**The Chair:** Mr. Eggen, do you have a question?

**Mr. Eggen:** No, no. I was just, well, nodding emphatically.

**Mr. Dorward:** With the group that you talked to, what is the appetite for higher premiums?

**Mr. Short:** Well, the really interesting thing – I'm in education, and we've got to do a better job about educating people right across the province about retirement in total, not just their pension. But when I go and talk to them, explain the changes, and sit down with them on an individual basis, most people are willing to accept them. But in terms of contributions we've had employees who have decided not to stay in the pension plan because of the huge contribution rates.

**The Chair:** Thank you very much.

9:20

**Mr. Short:** Thank you.

#### Rosemary Kostiuk

**Mrs. Kostiuk:** Good evening. My name is Rosemary Kostiuk. I'm not a pension expert or actuary. I'm an Albertan, one of Ralph Klein's Marthas, who works, lives, and pays taxes in this province. I work in the K to 12 education sector as an educational assistant. I accepted the lower wages paid in this vocation in part due to the fact that I would be paying into a pension, which is part of my overall compensation package. Both my employer and I have paid contributions for the past 28 years. These contributions have been factored into my employer's costs, and my wages reflect that. This was a promise to me, a promise of my deferred wages in the form of a pension.

You may look at me and ask: "Why are you here? You're close to retiring, so the changes won't affect you." If this enabling legislation goes through, it gives some future government the ability to change my pension. This is not pension stability; it creates a level of uncertainty for the future. Changes to pensions hurt the person receiving them and their family, obviously, but they also hurt the community they live in. If I'm worried about having a predictable retirement income, I won't be spending money at my local businesses, and that will hurt the province's overall economy. Retirees do contribute to the economy and pay taxes to all levels of government. Please consider the pension confidence needed by retirees to keep from having that detrimental effect on Alberta.

When Bill 9 was first introduced, I went to the government website to research the changes. When I saw the examples used, I had to laugh. They were not my reality or my colleagues'. The wages used were double – and some triple – what most educational assistants get paid in a year. These figures proved this government's lack of understanding of what working people's real income is. Not everyone is part of the oil boom.

I'm here for my colleagues that have worked in education 10, 15, 20 years but aren't yet close to retirement. This is a field that's predominantly female, subject to the challenges of limited budgets, low wages, and decreased work hours. Now you're changing their pension promise? Educational assistants are the glue that helps students with special abilities be included in classrooms. This government has mandated inclusion for these students. We are the supports to make inclusion successful.

Our work is important, but must we leave it for other pursuits to ensure that we'll have funds to retire? Do we abandon classroom work to go work in oil-related industries? Do we look for big bucks instead of service to our students and community, or do we work longer to retire with an even smaller pension? [Mrs. Kostiuk's speaking time expired]

**The Chair:** Thank you.

**Mr. Eggen:** Did you have some closing thoughts there?

**Mrs. Kostiuk:** The last sentence was: these are the ramifications of Bill 9 on education workers in this province.

**Mr. Eggen:** I have to concur, I must say. Again, you've brought up another group of workers, that I had worked with as a teacher of 20 years, that we know and you know are almost entirely female. There's an interesting correlation here between the most acute cuts to pensions and a gender issue that I find more disturbing with each presentation that highlights that fact.

**The Chair:** Any other questions?  
Thank you.

#### Lanny Chudyk

**Mr. Chudyk:** Good evening, and thank you for allowing me the opportunity to speak here tonight. I'm president of Civic Service Union 52, a civic union that represents approximately 5,500 members, the good majority of which are female. Most of us contribute to the LAPP. I'm not going to argue or quote stats regarding the pros and cons of the health of the local authorities pension plan tonight. The members I represent are not unified as to which political party they support. They vote Progressive Conservative, Wildrose, NDP, and Liberal, so they are not oriented towards just one political party. However, there is one item that unifies them, and that is the proposed changes to the LAPP that this government has brought forward.

My membership is very concerned about the fact that this government has unilaterally decided to move ahead with very significant and possibly damaging changes to their pension plan, a pension plan that they are a partner in, a partner that pays their share of the contributions towards funding the plan but a partner that has not had any say in governance on how the plan is managed and what kind of plan they belong to. Is this to be a defined benefit plan or a defined contribution plan? Is COLA guaranteed, or are the cost-of-living adjustments, that only one partner will have the authority to decide upon, merely targeted? We are very much concerned that without a guaranteed COLA the value of the pension in the future could and would be severely diminished.

One of the major reasons that the public sector is able to attract high-quality employees is a stable defined pension plan.

One of our major concerns about the whole pension debate has been a lack of hard numbers or a published comprehensive sustainability study by this government. An objective and fair sustainability study needs to be brought to the table as information. That would allow both parties of this debate to discuss it and use it as a platform to negotiate fair and reasoned changes if they are necessary. The union coalition on pension reform has published such a study but has had no luck in getting the government to the table. Due to the lack of real discussion my membership is concerned that this government's action may well be more political in nature than one of financial prudence.

Yes, we are union members, but we're also taxpayers, voters, and citizens of this province. As such, we also deserve, as any other citizen would, a government that pays attention to our interests and respects us. With that in mind, I think it is absolutely necessary that this government show respect to the hundreds of thousands of public-sector employees in this province, people who as a condition of employment contribute to the various pension plans. [Mr. Chudyk's speaking time expired]

**The Chair:** Thank you, Lanny.

**Mr. Eggen:** Please, Mr. Chudyk, finish that off if you like.

**Mr. Chudyk:** We feel that this government needs to sit down with the duly elected union reps to discuss and negotiate, if necessary, the changes and to protect the sustainability of the plans into the future.

**Mr. Eggen:** Thank you.

**The Chair:** Thank you.  
Mr. Rowe.

**Mr. Rowe:** Thank you, Mr. Chair. Thank you for that presentation. A very pointed question here: do you think this bill can be salvaged, or should it just be taken off the table and started again?

**Mr. Chudyk:** I think that the bill should be taken off the table and started again from square one with all parties, all stakeholders, including the people who pay into pensions as employees, at the table.

**Mr. Rowe:** Thank you.

**The Chair:** Any other questions? Mrs. Sarich has a question. We have 50 seconds left.

**Mrs. Sarich:** Yes. What's your understanding – like, I'm just trying to get my head around it. The LAPP went out there and had some sort of chat or consultation with its stakeholders. Are you aware of that?

**Mr. Chudyk:** I attended many of those meetings in the last year, and while they were described as meaningful consultation meetings, what they really ended up being was Assistant Deputy Minister Mark Prefontaine telling us what was going to happen and us listening. We never had an opportunity to sit at the table and look at hard numbers from both parties and discuss changes if changes are needed. The coalition of unions, in regard to pension, is not putting its head in the sand and pretending that changes may not need to be made.

**Mrs. Sarich:** Thank you for your candour.

**The Chair:** Thank you, Lanny.  
The next presenter is Patsy Lenz, please. Is Patsy Lenz in?

**Mr. Eggen:** No, she's not here.

**The Chair:** She's not here. Okay.  
Then we will go to Dale Pollard.

#### **Dale Pollard**

**Mr. Pollard:** Hi. My name is Dale Pollard. Good evening, and thank you for allowing me to speak. I'm here to speak about Bill 10. I'm a 25-year union member currently with Unifor in Edmonton. I have been a DB pension plan member for 25 years and see no need for government to allow employers to change their commitment and allow target benefits. I have planned my retirement around my DB plan, and I'm not willing to allow the government to change my employer's commitment. Therefore, I'm in opposition to Bill 10. If government allows employers to change pension plans, it should be for improvement to the plans, not to decrease them.

Thank you.

9:30

**The Chair:** Great presentation.  
Any questions? Mr. Eggen.

**Mr. Eggen:** Yeah. At this point in the evening we really loved your presentation.

It's interesting. We had a Building Trades representative here just earlier talking about the necessity of Bill 10 for pensions, but really for people in the private sector that have a defined pension plan, like I said before, it just leaves the door open for everything to just go to the lowest common denominator. Am I missing something here, or are we going to see a great run on defined benefit private pension plans with the assent of Bill 10?

**Mr. Pollard:** I'm not sure about that, but I understand. I heard the 955 guy talking. They're in a different position than I am because I work for an oil company, which is the employer. They are actually, in effect, the employer to all of their members.

**Mr. Eggen:** Right.

**Mr. Pollard:** I'm not sure what the restrictions are on their plan and what they can invest in and why they need a target.

**Mr. Eggen:** Sure. I think I understand what part of Bill 10 they need at this point in their evolution of their targeted plans, but certainly I don't think that anyone would want to expose their other workers to a reduced pension plan just because they need something, and a by-product might be that Unifor loses its defined pension plan. No one would want that.

**Mr. Pollard:** No, absolutely not.

**The Chair:** Thank you, sir.

**Mr. Pollard:** Okay. Thank you.

#### **Perry Ambrose**

**Mr. Ambrose:** Good evening. My name is Perry Ambrose. I'm a power engineer with Capital Power at the Genesee generating station. I'm also the president of Unifor local 829. I've been in power engineering since 1985 and have been a contributing member to the LAPP plan for over 25 years.

I'd like to start off by saying thank you to everyone that was involved in making these hearings possible. I'm not just here in support of my union brothers and sisters; I'm here in support of all working Albertans, past, present, and future. I'm here to ensure that what is rightfully ours stays rightfully ours. Therefore, I must rise in opposition to bills 9 and 10.

As a power engineer I'm involved in the generation of electricity. It is a 24/7, 365-day-a-year operation. This means 12-hour nights, days, shift work along with the health challenges that come with it such as a 40 per cent increase in coronary disease, shorter lives, and the list goes on and on. These challenges are a choice that I have made but not a choice that I made lightly. I looked for a company that properly compensated its shift workers, and a part of that compensation is a fair pension. That pension is a big reason I've done what I've done for over 25 years.

As I told Doug Horner when I met with him earlier this year, the money in my pension is there through my contributions and contributions owed to me by my employer as deferred compensation. I want to be clear that this is not the government's money. This is my money, and I'm not going to stand by and let this government arbitrarily make cuts to these pensions. These pensions don't belong to the government. They belong to the people who have earned them through hard work and meaningful contribution.

If our plans require changes, we will make them. This is not



something to be legislated and shoved down our throats. This is something that would have to be decided by a committee of the plan shareholders. That means the workers, the unions, the employers, and the administrators of the plans. It would need to be a democratic process done with one hundred per cent transparency.

The changes that the current government has proposed with bills 9 and 10 are likely illegal and will be challenged as such by the Alberta Federation of Labour. Illegal or not, they are worse. They are immoral, and I will do everything in my power to see that a government that supports these bills does not succeed in this province. Make no mistake; none of us here tonight want pensions that are doomed to fail. We don't want our retirees to worry, we don't want our current workers to struggle, and we don't want our future workers to go without. We want pensions that will allow us to retire with dignity. We want pensions that will allow us to continue to be contributing members of society, pensions that keep our economy strong. We want pensions that we can be proud of.

Thank you.

**The Chair:** Thank you.  
Any questions?

**Mr. Eggen:** That was really good. Thank you.

I'm just trying to think. Did you make some buyback on your pension?

**Mr. Ambrose:** I bought back my first year.

**Mr. Eggen:** Yeah. So based on the calculation of the changes in Bill 9, how much would Bill 9 cost you if it was to be brought through?

**Mr. Ambrose:** The calculator that I looked at showed \$145 a month for my life.

**Mr. Eggen:** That's a lot of money.

**Mr. Ambrose:** It is.

**Mr. Eggen:** Thanks a lot.

**Mr. Ambrose:** Okay.

**Mr. Dorward:** Firstly, are you aware of the provisions in Bill 10 whereby the employees have a say in what happens? If you did know that, did you feel that that was weak, that part of it?

**Mr. Ambrose:** I'm not specifically aware of it – I'll be honest – so I can't really answer the question. Sorry.

**Mr. Dorward:** Okay. Thank you.

**The Chair:** Mrs. Sarich.

**Mrs. Sarich:** Yes. Does your group have an opinion on the governance structure?

**Mr. Ambrose:** Can you elaborate?

**Mrs. Sarich:** There's been some commentary about how it should be structured, you know, because right now in one of the bills the President of Treasury Board and Minister of Finance is the sole trustee. We've heard in a number of the presentations that the structure should be configured differently. I was just wondering if you had an opportunity as president of your group to explore this particular issue.

**Mr. Ambrose:** The only thing that's been brought to me is that

everybody is concerned that they're not being involved, that their voice isn't being heard, and that the government is just going to arbitrarily say, "This is what you're going to get" instead of asking the people whose monies are in there.

**Mrs. Sarich:** Thank you.

**The Chair:** Thank you, Mr. Ambrose.

**Vaughan Patrick**

**Mr. Patrick:** Hello, and thanks for giving me the opportunity to speak. My name is Vaughan Patrick. I work at Alberta Hospital. I've worked there 24 years. I'm also a local chair, local 46 of AUPE. I represent 4,200 government employees, and we highly value and respect each and every member no matter what their job.

We all have a commonality in our job of a pension upon retiring. To lessen our retirement and to make us work longer for less leaves us all feeling devalued as giving and hard-working health care providers. This is no way to boost our morale, a morale that's lagging and sagging as the years go on. We see the government, with bills 9 and 10, as uncaring and our employer as uncaring. We receive a pension, which we pay for and fund as part of our compensation, which we bargained for fairly and in good faith. I've kept my word to work hard and be a valued employee, and now it's time for the government to show that it values its employees and shelve bills 9 and 10.

I work in an extremely difficult environment, and my body is feeling the effects of the 24 years at Alberta Hospital Edmonton. Many of my co-workers are in the same boat. We would certainly feel the effects as there would be a mass exodus of people retiring. I've heard many people talking about retiring prior to 2016. How will they be replaced? How will many of the health care workers that I represent be replaced? Many are full-time employees. I think the number thrown around was that 30 per cent of these employees would then retire. In my estimation, they're irreplaceable. Many positions are casual and part-time, contrary to what Albertans are told.

**9:40**

Upon my retirement I don't want to be a burden to my kids. I don't want them to have to provide for me. I want to retire with relative health and dignity and let my two children live their lives without burden. Private, for-profit health care is expensive. It might be beyond my means to afford it, when the time comes, with these looming cuts.

I just want to add one more thing. I keep hearing about my golden handshake, but when compared to other AHS employees who have received huge payouts, namely \$1.3 million, I would be 149 years old before that amount would be paid out to me upon retiring at age 59.

Thank you.

**The Chair:** Thank you.  
Any questions?

**Mr. Eggen:** It looks like you did use the calculator, then, and came up with 149.

**Mr. Patrick:** Yeah. I used my calculator.

**Mr. Eggen:** It's a bit of a kick in the pants when we see our economy expanding and those payouts going through and then an attack on our pensions. You've got to wonder.

**Mr. Patrick:** Oh, absolutely. If I may say, Mr. Eggen, we fought the battle to save Alberta Hospital, and here we are again fighting for our pensions. Where does it stop? Where does it end?

Thank you.

**Mr. Eggen:** I hear you. Yeah.

**The Chair:** Mrs. Sarich, one more question?

**Mrs. Sarich:** I just wanted to thank you for your presentation and also for pointing out the nuance that when you bargain for a pension along with the salary piece, this has an implication and a tie to what we're looking at here.

**Mr. Patrick:** Absolutely.

**Mrs. Sarich:** Thank you for pointing that out.

**Mr. Patrick:** Thank you.

**The Chair:** Any other questions?

Thank you, Vaughan.

**Mr. Patrick:** Thank you.

#### Mike Dempsey

**Mr. Dempsey:** Thank you. I'm glad you do walk-ins. My name is Mike Dempsey. I'm a 32-year veteran, a forest ranger, formerly of the Alberta forest service, now ESRD. I'm here in my capacity as a vice-president of AUPE, and I have something a little unique that I think I can add to all that you have heard tonight.

In my capacity, in the last few months I have travelled around the province, mostly around the Edmonton region, honestly, speaking to about 50 to 60 different groups, chapters and locals, that have to have their business meetings every year. We speak to them on all manner of issues that concern them. Bear in mind that I only see about 5 per cent of the 83,000 people that we represent that come out to these meetings, but they still number between 10 and 100 at each meeting.

Even though Mr. Horner has promised that if you leave before January 1, 2016, these changes won't really affect you and that after that they won't really affect you either, I'm finding that there's a high number of staff that say: look, we're leaving before 2016 to protect our pensions. I explained to them that it really doesn't matter when you leave. If you leave now, if you leave tomorrow, if you leave the day after 2016, the changes will get you. It's not just the 85 to 90 factor. That's a little bit of a red herring. It's also the fact that if the COLA and contribution cap changes are implemented and they have to come after your pensions after the fact, you will be in trouble. It really doesn't matter when you leave. But, still, they say that a high number of their co-workers and themselves are looking at leaving.

Imagine, then, that 2016 comes along and of the 22,000 members in the general service, for instance, 2,000 or 3,000 decide to leave five to 10 years early because they think they're protecting their pensions. These are health care aides; LPNs; corrections officers; biologists; forest rangers, who look after floods nowadays, too; and social workers, who look after those who are helpless and can't look after themselves. The issues of mentoring and bringing on new staff and of who's going to train them: all these things will be at risk.

It's a fear, and it's hard to put that into words. There's a fear out there that there are bad things about to happen. We couldn't trust the government with bills 45 and 46, and we can't trust the government now.

Thank you.

**The Chair:** Thank you.

Any questions? Mrs. Sarich.

**Mrs. Sarich:** Thank you. Thank you for your insight. My question is: if you had to dial this back, go back in time, and had to shape this a bit differently, what would have made the difference for your group? To shape this conversation, what would it have been?

**Mr. Dempsey:** Governance. I've also been a negotiator in the general service, representing local 005 for the past four terms, and every time we wanted to engage the government on pensions, they'd pull out the Public Service Employee Relations Act, section 30: "Oh, we don't have to negotiate pensions. Sorry. That can't be arbitrated, so we won't even bother negotiating." They would not even engage us. They would not engage the AUPE at all in any discussions whatsoever. So it has to come down to governance, and I would think that it would be a win-win for the government. We wouldn't be able to blame a political party if things go south in the pension because then we'd all be part of the problem, and we'd all be part of the solution, too.

**Mrs. Sarich:** Okay. Thank you.

**The Chair:** Great. Thank you very much, sir.

Our last presenter is Ruth Shymka.

#### Ruth Shymka

**Ms Shymka:** Hi. My name is Ruth Shymka. I also thank you that you take walk-ins. Although I have a lot to say, I'm not a great public speaker, and I actually thought that everybody would have kind of the same thing to say.

**The Chair:** You're doing fine so far.

**Ms Shymka:** Thank you.

However, I found out that tonight there are a vast number of people here with vast differences on why it is so important that we do not go through with bills 9 and 10. I'm an educational assistant and a single mom of four boys. I live in the Morinville area. I've been there for 23 years. Last October, Thanksgiving, I was talking about pensions because I had heard about what was going on, what the government was thinking of. We had a little discussion at the family dinner, and I found out that five of the seven of us are involved with LAPP. Well, at the end of March I found out that two of the five were now exempt from the proposed changes. Yes, you can guess. It was the two males out of the five of us. All five of us work in the public sector, and all five of us have physically demanding jobs, but my two sons, thankfully, have been exempted.

Also, within the membership where I work I've never seen the membership so upset. Some of the ladies have bought back years of service, but this is a big financial loss for them. They did so because they had a proposed promise, negotiated at the table with our employer, for our defined benefit. They are now having second jobs. We have low incomes, and now we have an insecure pension plan to fall on.

The education field: I'm concerned about the recruitment and the retention. We have taken a couple of zeros because the money to education is not there. My days of work are going to be cut back this year, in the year that's coming up. In October I attended an LAPP meeting. At my age I thought I'd better find out what's in this. Like, what is it going to mean to me? What should I do? Where are the numbers? Actually, I found a lot of it was a waste of time because when I was looking for specific info, I could not

get any as the proposed changes make everything so unsure for all of us. With the COLA adjustments that can be changed, with a government that can change things on a whim, we don't really know. They weren't able to give us any fixed information. Yes, I did go on the pension calculator. Sure, it is only \$46 a month, the difference. You may say: big deal, 46 bucks a month. Well, I say that \$46 a month in my retirement would afford me a Sunday night dinner with my boys.

I need my defined benefit. Please say no to bills 9 and 10.

**The Chair:** Thank you.

Any questions? Mr. Eggen.

**Mr. Eggen:** Well, thanks. It was a good way to cap off the evening. I think that we're learning not just about numbers and the changes between numbers but how they affect people's lives. Don't you think it's about that security to know that there's something there at the end? You know, that's what it is, too. It's not just money in your pocket, but it's peace of mind while you're still working, isn't it?

**Ms Shymka:** Absolutely.

**The Chair:** Thank you.

Thank you, all, very, very much.

Do we have any more?

Well, tonight between 6 o'clock and 10 o'clock we heard from 44 presenters. I want to thank you, all, for taking the time out of your busy schedules to come here and present to us. We have heard so many stories. We understand that the issue is very important and in some cases was very emotional. This is what we are here today to do. We are here to listen to Albertans to get their perspective on the contents of these bills. I want you to know that we have not come here with any predetermined outcomes or ideas. It is our job to try to gain as much information as possible to advise the House on what we have learned from both the experts on the subject and the public.

I would like to take this opportunity to thank you again and thank all the members and the staff for being here tonight helping us go through this meeting. Have a great evening, and thank you, all, very much.

Now the committee has some other business to do. We still have some more business to finish. Ms Kubinec, go ahead, please.

**9:50**

**Ms Kubinec:** Yes. I'm wondering if we can have a question answered. We've heard several times that with the removal of the

85 factor and moving it to 90, they will have to work five years longer. I just want to know if that's correct. When I do the math in my head, if it's age plus years of service, it would be two and a half years because those two things add up. I'm wondering if we can find an answer to that. You know, it varies with people's working careers and the variety that they will be, but is there a way we can answer that question?

**The Chair:** Well, in the short distance, I guess, we can go to an accountant here to explain it. On the longer distance we can go to the department to explain it.

David, can you do it?

**Mr. Dorward:** Well, in the strictest sense, you're right, but it doesn't mean that that affects everybody in the same way because everybody could have years of service and age such that to get to the new number, it isn't two and a half years.

**Mr. Rogers:** It could be four.

**Mr. Dorward:** It could be two months; it could be six months; it could be a year and a half. I don't know what the answer is to your question. Every single situation is different.

**Ms Kubinec:** Okay. Yeah.

**The Chair:** Thank you.

Mrs. Sarich.

**Mrs. Sarich:** Yes. Thank you, Mr. Chair. Sandi Giesler, in her words that she shared with the standing committee earlier this evening, had difficulty finding information from the presentation that Mr. Prefontaine made. It was on the moratorium issue. I'm wondering if we could help out and get some . . .

**The Chair:** You made a commitment on our behalf to deliver some information to her. We will get research to do that.

**Mrs. Sarich:** Okay. Thank you. We don't need a motion or anything to do that?

**The Chair:** No, I don't think so.

Nothing under other business?

The date of the next meeting is tomorrow at 6 o'clock in Fort McMurray.

Now I need a motion to adjourn. Mr. Eggen. All in favour? Great. Thank you, all, very much.

[The committee adjourned at 9:55 p.m.]









