



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 Fort McMurray

Tuesday, June 17, 2014  
6 p.m.

Transcript No. 28-2-15

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

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

Amery, Moe, Calgary-East (PC), Chair  
Fox, Rodney M., Lacombe-Ponoka (W), Deputy Chair  
  
Cusanelli, Christine, Calgary-Currie (PC)\*  
Eggen, David, Edmonton-Calder (ND)  
Hehr, Kent, Calgary-Buffalo (AL)  
Hughes, Ken, Calgary-West (PC)\*\*  
Kennedy-Glans, Donna, QC, Calgary-Varsity (Ind)  
Kubinec, Maureen, Barrhead-Morinville-Westlock (PC)  
Lemke, Ken, Stony Plain (PC)  
Luan, Jason, Calgary-Hawkwood (PC)  
McDonald, Everett, Grande Prairie-Smoky (PC)  
Pastoor, Bridget Brennan, Lethbridge-East (PC)  
Quadri, Sohail, Edmonton-Mill Woods (PC)  
Rogers, George, Leduc-Beaumont (PC)  
Rowe, Bruce, Olds-Didsbury-Three Hills (W)  
Sarich, Janice, Edmonton-Decore (PC)  
Sandhu, Peter, Edmonton-Manning (PC)\*\*\*  
Stier, Pat, Livingstone-Macleod (W)

\* substitution for Everett McDonald

\*\* substitution for Bridget Pastoor

\*\*\* substitution for Jason Luan

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## Standing Committee on Alberta's Economic Future

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6 p.m.

Tuesday, June 17, 2014

[Mr. Amery in the chair]

**Location: Fort McMurray**

**The Chair:** Good evening, ladies and gentlemen. I would like to welcome members, staff, and guests in attendance to 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.

For the record and pursuant to Standing Order 56(2.1) and (2.4) Ms Cusanelli is an official substitute for Mr. McDonald, and Mr. Sandhu is sitting in for Mr. Luan.

I will start. My name is Moe Amery. I am the MLA for Calgary-East and chair of this committee.

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

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

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

**Mr. Lemke:** Good evening. My name is Ken Lemke, MLA for Stony Plain.

**Mr. Hughes:** Hello. My name is Ken Hughes. I'm the MLA for Calgary-West.

**Mr. Sandhu:** Good evening. My name is Peter Sandhu, MLA, Edmonton-Manning, the closest to Fort Mac. I'm covering for Mr. Luan.

**Mr. Rogers:** Good evening, ladies and gentlemen. My name is George Rogers. I'm the MLA for Leduc-Beaumont, which is immediately south of Edmonton.

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

**Ms Cusanelli:** Good evening, everyone. My name is Christine Cusanelli. I'm the MLA for Calgary-Currie, substituting this evening for Everett McDonald. It's my first time in Fort McMurray. I have been received very warmly, so I want to thank you for that.

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

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

Just a few housekeeping items to address before we turn to the business at hand. Don't touch the microphones. That's the first thing. Those are operated by *Hansard* staff. Please turn off or mute cellphones, iPhones, BlackBerrys. The audio of committee proceedings is streamed live on the Internet and recorded by *Hansard*.

Ladies and gentlemen, this is a public meeting on Bill 9 and Bill 10. I would like to welcome all of you. Of course, I would like to acknowledge our colleague the hon. Mike Allen. Mike was so excited to see all of us here today. You know, he was doubly excited when I asked him about the size of Fort McMurray. He said that Fort McMurray is the third-largest city in the province. Congratulations.

By way of background, ladies and gentlemen, 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 9 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 five 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 committee members. Should any presenters wish to follow up with additional information regarding his or her presentations, they may follow up in writing through the committee 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.

I will just give you a brief explanation of the Standing Committee on Alberta's Economic Future. It is an all-party committee consisting of 15 members of the Legislative Assembly. It may meet to review a bill or to consider an issue referred to it by the Assembly and can also meet on its own initiative to consider issues within its mandate.

Bills 9 and 10 have been referred to the committee by the Legislative Assembly to deliberate on the content of the bills and to seek further information in regard to the points laid out in those two bills. That is what we are here to do today. We are here to listen to the citizens of Alberta, to get their perspectives on the content of these bills. 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 heard from both experts on the subject and from the public. As such, I would invite you to make your presentations with the comfort that we are genuinely here to listen to you and that we look forward to what you have to say. With those very brief remarks, we will begin with our first presenter.

Before we do that, I would like to acknowledge the presence of Maureen Kubinec. Maureen, please introduce yourself for the record.

**Ms Kubinec:** Good evening. I'm Maureen Kubinec, the MLA for Barrhead-Morinville-Westlock.

**The Chair:** Thank you.

Now we will start with the first presenter, Naomi Broderick. You can stand, or you can sit right there, okay? Naomi, you have five minutes for your presentation and five minutes for questions from the committee members.

**Naomi Broderick**

**Mrs. Broderick:** Sounds good.

Everyone, my name is Naomi Broderick. I'm a registered nurse and local 229 president of the United Nurses of Alberta in the Fort

McMurray community. I'm here tonight to speak against proposed cuts to my LAPP and to speak against bills 9 and 10.

Before I speak to my pension concerns, I would like to share some information about my background and why I chose nursing as my career. I moved to Fort McMurray 17 years ago with my family because my father saw opportunities and a future in this community that were no longer available in my hometown of Newfoundland. Being able to stand here today as a registered nurse took a lot of hard work and determination. At the age of 15 I became a mother. This forced me to look at my future a little quicker and in much more detail than my friends. While they were looking for jobs that offered the best discounts on food and hangout spots, I was looking for a future and a career that I could support my family with not only today but five, 10, 20, 30 years down the road. Therefore, at a young age I held two jobs, and with the support of my family I was able to complete my baccalaureate degree of science in nursing, which brings me to why I chose nursing.

I chose nursing as a profession because it offered me long-term security for my family. I knew that if I worked hard enough, it would all be worth it in the end because I would have a pension, a pension that would not buy me a million-dollar home and travelling the world but, instead, security, knowing that I would have the basic needs covered and taken care of and have the opportunity to spend quality time with my family.

With the proposed changes in bills 9 and 10 Finance Minister Doug Horner or a future Finance minister can with the stroke of a pen take away my ability to have a say with what happens to my pension. Bill 9 would allow the minister to alter pension plans without regulation and recommendations from pension boards. How is this fair to the 300,000 public-sector workers that pay into their pensions with their own money, that they have worked so hard to earn?

Also, as a representative of the nursing profession in Fort McMurray I speak to the concerns that many of my members have with regard to bills 9 and 10. Like Heather Smith, the UNA president, has stated several times, the government has made the wrong diagnosis, and you have prescribed the wrong treatment. The government is using old, unreliable data and still plans to impose cuts, allowing benefits to fall behind inflation, putting early retirement out of my reach, and injuring the ability to make this plan viable for my children and for generations to come.

#### 6:10

These imposed pension cuts will also make it more difficult for our community to attract more nurses. This also will have a huge impact on the citizens of Fort McMurray. Every day we struggle in work environments where we are short-staffed, overburdened due to increased population and yearly budget cuts. This has made the nursing profession less attractive to youth, and the nursing profession is losing its security, that I once hoped it had.

Another part of this legislation that I would like to bring attention to is the change of the 85 factor to the 90 factor. Working in a female-dominated profession, I feel that this bill is discriminatory to working Alberta women. The government recognized that it's not safe for a 65-year-old plus male firefighter to put fires out, so they can keep the 85 factor. Did you consider who would be taking care of you if you survived the fire? A registered nurse and other health care workers would be providing you life-saving treatments to allow you to reach optimal recovery. How is it fair that we would not be considered to be as equally important and would be forced to stay in a demanding job longer than is healthy?

Tonight I hope that you hear the impact that bills 9 and 10 will have on me and other public and private health sectors if this is legislated. We welcome any decision to reform our current pension, but currently the government has yet to prove that these changes are necessary. Government representatives and experts have shown in the diagnosis of this pension that it is stable and that no current treatment is necessary. I would hope that if changes are needed, the government would do their homework and sit down with union leaders and negotiate these changes.

Thank you.

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

Mrs. Sarich.

**Mrs. Sarich:** Thank you very much. I was wondering if you had an opportunity to sit down with – and correct me if I'm wrong. You're from that profession, the nurses. Is LAPP your pension?

**Mrs. Broderick:** Yes.

**Mrs. Sarich:** Yes. Have you had an opportunity to sit down with an LAPP pension representative to have a look at what the changes would mean for you specifically?

**Mrs. Broderick:** Not in Fort McMurray we haven't, no.

**Mrs. Sarich:** For you. Have you done that?

**Mrs. Broderick:** Just through e-mail I have.

**Mrs. Sarich:** Through e-mail.

**Mrs. Broderick:** Yes.

**Mrs. Sarich:** So when they looked at everything, what advice would you give back specific to what they've been able to help you discern in terms of the changes?

The second thing that I just want to get a sense of – I've been asking since last evening as well – is about the LAPP website. Did you have an opportunity to use the pension calculator, and is there any advice or insight that you could provide for that?

**Mrs. Broderick:** I did use the pension calculator.

**Mrs. Sarich:** On the LAPP website?

**Mrs. Broderick:** Yes. And I would lose approximately a couple of hundred dollars every month in my pension. I've been one of the lucky ones. I started nursing about 10 years ago, so the 85 factor is actually closer to my future than some of the other ones, that may have started nursing a little later. Even with starting nursing as young as I did, the earliest, even with just the 85 factor, that I could retire without any money taken away would be 58, 59. So adding another five years would be quite a bit, and that's starting a nursing career at 22.

**Mrs. Sarich:** Sure. Thank you.

My last question for you would be: what is your level of knowledge about the LAPP as a pension provider in consultation with the government? Do you have any knowledge about what they have been doing on your behalf?

**Mrs. Broderick:** I've been watching the video logs that have been online, that you guys have been presenting.

**Mrs. Sarich:** No. LAPP.

**Mrs. Broderick:** Oh, LAPP. Just what's been on the website. I'm a young generation, so we read everything through Facebook or the Internet, right?

**Mrs. Sarich:** Okay. Yeah. That's most helpful to me. Thank you very much.

**Mrs. Broderick:** Yeah. No problem.

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

**Mr. Eggen:** Thank you for your presentation. I found it very interesting. I'm just curious to know how the circumstances here in Fort McMurray, with your own special economic circumstances, might serve to amplify people's pension concerns both when they're paying into them and then maybe when they're retired, too.

**Mrs. Broderick:** Everyone knows that Fort McMurray is a little unique. As registered nurses we don't make nearly what people make out on-site. So even just choosing nursing as a career, we are making less than, for example, my husband makes driving a truck outside. That has a huge impact on what we would live on here. The pension alone here isn't even enough to supply, just even the way it stands, what a normal income would be in Fort McMurray. You would need several thousand dollars just to pay your mortgage or your rent if you chose to live here. Even just the way the pension is right now for a Fort McMurray resident, you're still lowballing it, but it's still better than what is planned to be done with it.

**Mr. Eggen:** Thank you. [An electronic device sounded]

**The Chair:** They're calling you. They're calling you from Edmonton.

Any other questions?

Thank you very much, Naomi.

**Mrs. Broderick:** Thank you.

### Rina Seppen

**Ms Seppen:** Hi there. Apparently, I speak quite loud, so I shouldn't get too close.

My name is Rina Seppen. I work for the regional municipality of Wood Buffalo as a waste-water operator. I've been here almost four years. I am also the acting president of CUPE 1505, which is the local that represents the municipal workers as well as the brothers and sisters at the Fort McMurray Airport Authority, Wood Buffalo housing, and the Regional Recreation Corporation.

I'd like to thank the committee for travelling to Fort McMurray to hold this forum and hear what the stakeholders have to say so that, hopefully, you can take back to the government informed decisions to not make any changes to our pensions.

I came to Fort McMurray, actually, from Jasper. So I didn't come for the scenery. I came here specifically to work for the regional municipality of Wood Buffalo, to work specifically at the waste-water plant because it's actually a state-of-the-art facility. More importantly, I came here for the LAPP. I was a single parent for 17 years, and in those 17 years I had absolutely no ability to put any money into RRSPs. In fact, when I got here, I had zero dollars invested into my future. The whole reason for coming here was to know – I believe I am responsible for my retirement, so I needed to make a smart decision to come here and invest in an employer that offers the benefit of a pension plan like LAPP.

I grew up listening to catchphrases like Freedom 55. Yes, I know that that's not necessarily LAPP's, but I grew up with catchphrases like that, the dream to retire early if you're smart enough and you plan for your future, to basically be responsible for myself.

My father lives in Ontario. He is 78 years old. He is struggling on CPP. Unfortunately, he worked for an employer in the private sector that went bankrupt in the '80s during the downturn, and his pension was dissolved at that time. He is 78 years old, and three times a week he drives a school bus just to make ends meet. He is very lucky that he has a daughter working in Fort McMurray making a lot of money so I can filter a lot of money to him to help out with his costs.

All of that, of course, reflects on why I needed to do what I needed to do once my kids were old enough and I could actually come up here to do this kind of work, to work in this area. I'm quite happy that the community up here is wonderful. I do love working and living here in Fort McMurray. I miss the mountains a bit.

I get it that in 2008 there was a downturn in the financial markets. I have several friends who had RRSPs – I didn't at the time – who lost a lot of money. All of those friends have told me that their financial advisers told them: "Don't panic. Don't do anything drastic. It will rebound. Continue to invest to ensure the security of the investments that you've put in." All of them have told me that they've recouped their money. LAPP has also told the government that there is a plan and that it will also recover without any interference required from the government as long as there is continued investment in the plan.

I also have the concern, like my sister before me, that it's not equally done. As far as the government is concerned, the changes that will take place are not equal across all of the stakeholders: firefighters, police, paramedics, corrections workers. It concerns me that, again, the idea is that those individuals have jobs that are physically demanding and may have to retire early because of that. As you've just heard from the nurses, they can tell you how physically demanding their job is. As a waste-water operator, climbing a ladder and swinging a 10-inch valve is quite physically demanding. Many of my members that work at the airport on the air side, all of the trades, the snowplow driver who spends his entire winter bouncing around in a loader: all of these things are physically demanding. It's all physically demanding on our lives and on our bodies as well.

6:20

There is a part of me that believes that the government didn't necessarily – and while that's a valid point, the idea of not touching the firefighters' and the police pensions is more political. It's the idea that there would be a public outcry if the government decided to do the same changes to those that they deemed to be essential services, that the public would say: "No way. I won't let you touch a firefighter's pension. They work hard for that pension. They invest in that pension." We also as public servants do work hard. Lives are on the line. My brothers and sisters at the water treatment plant ensure that they are giving good-quality water to the public, unlike the travesty of over 10 years ago in southern Ontario. We have to make sure that there is clean water coming to the public. My brothers and sisters that work at the Airport Authority on air-side maintenance also have to ensure public safety. We are just as vital and just as important as many of the others.

**The Chair:** Thank you.

**Ms Seppen:** Thank you.

**The Chair:** Any questions for Rina? Mr. Lemke.

**Mr. Lemke:** Thank you, Chair. So you've been with your local for four years?

**Ms Seppen:** I have.

**Mr. Lemke:** Do you know if your local was consulted during the consultations in 2011?

**Ms Seppen:** I don't know that answer.

**Mr. Lemke:** Were they consulted this time?

**Ms Seppen:** They were not. In fact, Marle Roberts, our CUPE president for Alberta, has explained to us that she was shut out of many of the meetings in Edmonton to attempt to discuss this.

**Mr. Lemke:** Thank you for your presentation. By the way, I worked at Columbia Icefield for two years many years ago driving snowmobiles, so I know what you mean about missing Jasper.

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

**Ms Seppen:** Thank you.

#### **James Reid**

**Mr. Reid:** Good evening, Mr. Chairman and the board. I'd like to sit here and talk to you. I'm a tradesperson. I was with the IBEW. I am right now the president of local 2157 of CUPE, which is the college. I'm also first vice-president of the Fort McMurray and District Labour Council.

When we talk, we talk because it's going to cost us. The government has already taken money out of our pension in the '80s. We don't need to get more money from our people, who are already putting it in. If the government would just put the money that they took in the '80s back into the pension, we would not have any issues right now.

When I retire, I don't want to have to go to the food bank in order to survive. I've worked hard every day. I have a very demanding job. It is a very high-demand, very physical job. I don't think that I will be able to work until I'm 60, 65, 70 years old. I shouldn't have to work that long. We have a pension. Other unions have pensions. The IBEW and all of the other ones do not have this big of an issue. Why are we not as a government talking to them to see how they can maintain their pensions so that their people don't have to work all this time unless they want to?

We are not presenting to the public properly, and we are not representing everybody who is here. I demand that you guys do represent the people who have voted you guys in. Remember that these people are the ones who keep your cities clean, keep your schools clean, keep your children in school and help them with their day-to-day education, that they need, and when it comes to postsecondary education, we're the ones who make sure that there is a light so that the people in the future can see what they're reading tomorrow and be here for us tomorrow.

Thank you.

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

**Mr. Eggen:** Thank you for your passionate presentation. I'm curious to know. Again, we're travelling around the province,

different circumstances and so forth. You've been in a number of different positions here in Fort McMurray. How does worker retention fit into this whole scheme of things, keeping people in the jobs that are necessary to run the infrastructure of your schools and city and so forth? Worker retention: what's your feeling on that?

**Mr. Reid:** Okay. The local that I represent, for which I am the president, is for the college here in McMurray.

**Mr. Eggen:** Yeah.

**Mr. Reid:** We have had nothing but cutbacks from the government in postsecondary education. It was 0, 0, 0, which means that because there are inflation increases every year, that could be up to 3 to 4 per cent. I've had to sit down in front of my members and across the table and tell them that they do not have a job tomorrow. That's a very difficult thing to have to do. That's the retention.

I'm the only electrician that the college has, so anyplace that the college has any electrical, I have to deal with it. There are five campuses in McMurray alone, not counting satellite campuses, for which I have to do the electrical work because there were cutbacks and a lack of money. I present that to you. That should tell you how difficult it is.

I'm not making a great wage. I can go out to site and make a lot better wage if I was so inclined, but I still think that our future is tomorrow, and that's our students.

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

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

**Mr. Rogers:** Thank you, Mr. Chairman, and thank you for your presentation, sir. I'm just curious. I don't know that it has anything to do with what we're looking at today, but you did refer to the government taking some money out of your pensions in the '80s. You know, I've been around for a while, but I wasn't involved in this field then. I'm just wondering if you might enlighten me as to what you're alluding to there.

**Mr. Reid:** In the early '80s the government, instead of putting the money into the pension, took money out of it or didn't actually put it in. LAPP was starting to have bad problems back in the early '80s. Then the labour groups and the government came to a decision to work together to get back into the black. It was supposed to take over 20 years for that to happen. They did it in seven years because it fell onto the people that the pension was supposed to be there for. But the government took the money instead.

**Mr. Rogers:** Okay. So it was a funding problem, then, and I think that part of that, as you said, was made up with the combination of contributions from the government and – from your point, most of it was from the subscribers. That was part of the process to get the fund whole again.

**Mr. Reid:** Yeah.

**Mr. Rogers:** I've got you. Thank you.

**The Chair:** Thank you, Mr. Rogers.  
Ms Cusanelli.

**Ms Cusanelli:** Yes. I want to thank you as well for your presentation today and for the work that you do to contribute to

your community. I'm just wondering. In your view, what do you think it would take in order for us to be able to moderate this situation?

**Mr. Reid:** There's no big issue here. There is already a plan to put in, as you've probably heard – sorry. I don't know if you've gone to the other places that these town hall meetings have been held in. I'm sure, because I know CUPE's stance on it, that there's already a plan set up for us to get it back into the black. By 2021 it'll be back in the black if we don't do anything. Not only that, but for every one person who's on the pension right now, there are three people already contributing to it. So we're not taking a whole bunch of money out of it.

**Ms Cusanelli:** I guess what I'm looking for is: do you have a suggestion? You talked about LAPP and government working together back in the '80s in order to re-establish the negative impact that the pensions were going through at the time. Do you have something where you believe that government and you guys can work together? Do you have a suggestion?

**Mr. Reid:** I do believe that CUPE Alberta has already given that to the government.

**Ms Cusanelli:** Right.

**Mr. Reid:** I don't have that exact plan right in front of me, but the plan is already there that proves that if we wait until 2020-21, we'll have it all back into the black. If we bought a house, we'd have a mortgage, and it would take us a certain amount of time to get the mortgage paid off. This is no different. We're not losing great gobs of money right now, people. It's not costing us a lot. Like I said, for every one person who's on the pension right now, three people are contributing.

6:30

**Ms Cusanelli:** Thank you.

**The Chair:** Thank you.

Mr. Lemke.

**Mr. Lemke:** Thank you very much, Chair. Thank you for your presentation, Mr. Reid. Do you know what percentage of your salary is going towards the pension now, and how has that changed in, say, the last five years?

**Mr. Reid:** I do believe, if I'm not mistaken, now it's 1.8 or 1.9. I can't remember right off the top of my head. That has increased by at least .5 per cent or greater in the last couple of years, in the last five years.

**Mr. Lemke:** If that were to continue increasing, at what point would that become unaffordable for you?

**Mr. Reid:** For myself, I'm not too sure, but for some of my members who are the lowest paid people in Fort McMurray and who have to have two or three jobs, it might mean having to quit the college, let's say, and go look at someplace else to work because they can't afford it and stuff like that on the wage that they receive.

**Mr. Lemke:** Thank you.

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

Any other questions?

Thank you very much, James.

Before I call my next presenter, I'd like to ask Mr. Stier to introduce himself for the record.

**Mr. Stier:** Good evening, and apologies for being late. I'm Pat Stier. I'm the MLA for Livingstone-Macleod.

Thank you.

**The Chair:** Thank you.

**Lorna Tollman**

**Mrs. Tollman:** Hi. Thank you for meeting us about what is happening to our pension plan. My name is Lorna Tollman, and I work for the Fort McMurray public school district. I'm also president of CUPE 2545. I represent everyone within the district: custodians, librarians, secretaries, EAs, and maintenance.

These are very modest pensions, that Bill 9 will further erode. The local authorities pension plan, which I am enrolled in, has an average full pension of \$15,000 a year. Add that to CPP, and the average pension benefit is \$22,300 per year in today's dollars. I ask you: can you live on that in your retirement? The impact that Bill 9 will have on our current pensions will make those numbers even less.

The changes may be minor for some, but for others they are drastic. They range from \$9 a month to \$364 a month. If you can retire in the next two years, you lose a little. It is the ones that now have to work until the 90 factor that lose the most. I can retire right now but could not survive on my pension from CPP and my LAPP, so I have to continue to work just to survive. I would also like to say that I've put lots of money away in RRSPs but, I guess, not enough. I worry about the future generations – my kids, my grandchild – if they will be able to survive in this world with this government. I worry about attracting and retaining good people in the public sector with cuts to the pension.

Recently I heard a public servant say: oh, my, I have to work another 10 years before I can retire versus when I was expecting to retire. This, in my mind, is sad. When all the changes are initiated as outlined in Bill 9 and I retire, I am not sure how I will be able to stay in my own home. I will not be able to keep my vehicle and enjoy my retirement life. My worries are: where will I live, and how will I afford nutritional food? Solution 1, live with my children or on the street. This is shameful. Solution 2, work until I'm in my 80s. Not possible. Solution 3, live in poverty, dependent on social services and charity. It is shameful that after 33 years of service as a public servant these are my options.

I've worked with special-needs children since 1980. This job can be as physically demanding as protective service jobs such as firefighters, paramedics, and correctional officers. As you know, these protective service jobs have been excluded by Bill 9 legislation. I ask: why? I have been hit, bitten, kicked, and punched on a regular basis. Due to the physical requirements of this job my co-workers and I suffer many problems even when we are young, never mind when we get older. Now we have to work longer in order to retire.

The government changes are not necessary. They undermine the health of Alberta's pension plan instead of improving it. The changes are reckless and irresponsible. Public service pensions are not tax-funded giveaways, nor are they gold plated. They are paid for by contributions deducted each month from my paycheque and the employer matching that. I have paid into this plan for 33 years. The changes will transform pensions that are modest and barely adequate today into pensions that will make it difficult for pensioners to maintain a decent, middle-class standard of living. If the government is going to undermine the financial security of

300,000, they have an obligation to prove why such drastic action is necessary. The government has failed to make its case. Experts and workers agree that Alberta pension plans are healthy and getting healthier even without changes.

Bill 9 gives the government too much power to change every aspect of the pension plans. There is no way that true governance can take place with Bill 9. The best people to make decisions about the plans are the ones who have a stake in them, employers and employees. No one has better interest in making sure that the plans remain healthy, and they would do that through joint governance.

I ask that Bill 9 not be passed as legislation and that the table be set to enable the stakeholders to negotiate true governance of our pension plan's current design instead of reviewing governance after the changes are legislated.

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

Do we have any questions? Mrs. Sarich.

**Mrs. Sarich:** Thank you. Thank you so much, Lorna, for your presentation. I really appreciate that you're the speaking voice for all of those that you represent in, if I heard you correctly, local 2545. Thanks to all those folks for the job that they do.

**Mrs. Tollman:** Yes. Thank you.

**Mrs. Sarich:** The question that I do have – and I appreciate your putting forward that perspective – is that I'm curious to know what the impact of the change would mean for you. I have to apologize. I used the words "pension calculator," but it's an estimator, and I appreciate that it's an estimator. I wanted to know if you went to the pension website and if you had a look at that and if you had any other insight from others, you know, maybe, that are just starting out.

The other thing I wanted to know. You did make a comment about the governance, and that seemed to be one of the themes that are coming through loud and clear. I just wanted to know if there were any ideas put forward by your local about that piece.

**Mrs. Tollman:** Okay. To answer, I am 65 years old, so I can retire. Also, in working for the school board, even though I've worked for 33 years, I'm only credited with 26 years, but I do have enough at the 85 factor to retire. When I figured it out on the calculator, if I retired next year, which I can't, I would lose \$9 a month. Someone that's only been in the position of an EA since 2011 did her calculations, and she would lose \$146 a month right off the bat and have to work until she's 90. Then it goes up to \$364 a month after years of it.

We have just worked very closely with CUPE Alberta. Like my sister said, Marle Roberts, our CUPE Alberta president, was locked out. They would not even let her speak on the legislation, and that's a crime, especially because we need the joint governance. The government cannot be making these decisions for 300,000 people and affecting our lives the way they're doing.

I hope that answers your questions.

6:40

**Mrs. Sarich:** Yes, it does, and I appreciate your perspective. Thank you.

**The Chair:** Thank you.

We have one more question. Ms Cusanelli, please.

**Ms Cusanelli:** Thank you. Lorna, as a former school principal myself I have to tell you that I understand very much the difficulty and challenges that you face in the position that you are in. You talked about future generations. My question, I guess, is: how do

you think that we can make sure future generations and those who are paying into the plan now receive their pensions when they retire? How do you think that we need to ensure that that happens?

**Mrs. Tollman:** Stop bills 9 and 10.

**Ms Cusanelli:** Thank you.

**The Chair:** Thank you.

Thank you, Lorna.

**Karli Matthews**

**Ms Matthews:** My name is Karli Matthews. I am the vice-president for CUPE 2157, also from Keyano College. I'm only 22 years old, and I really shouldn't be thinking about retirement so much right now, but with the proposed changes to the pensions, I'm scared that in 30-ish years, when I do retire, I won't have one waiting for me. I'm worried that I'll be worse off than the benefits my parents currently have with their pensions when I retire. I do not support the pension changes that the government wishes to bring forward.

As I mentioned, I work in postsecondary education, and we have a hard time filling positions at our college. We can't compete with private industry, but at least we have a good pension plan. If the changes go ahead, then there goes one of the few things that we use as a recruitment tool to interest people in coming to work at the college. At what age will the people who do take those jobs, like me, in postsecondary be able to retire and hand over our jobs to the next generation?

I was really lucky to get a job about three months after graduating. It's a good job. You know, it has a decent wage, and I have a pension and benefits. Some of my friends weren't so lucky to get a job in their field. Some of them are in jobs that have nothing to do with what they went to school for and are not going to be a sustainable, livable wage. How are they going to pay off their student debts? How are they going to buy a house? How are they going to start a family? Those are all things that everybody deserves to have.

How old should I be when I'm still working at my job? You want to remove the 85 factor for me, but corrections officers, paramedics, and firefighters get to keep it because they are in physically demanding jobs, which they are. I'm on my feet most of the day. I work as one of the laboratory technicians at the college. I'm responsible for the safety of our staff and students and anybody else in our laboratories. I work with dangerous chemicals every day: carcinogens, teratogens, mutagens. I also work with infectious biological agents. It's a containment level 2 facility that we operate. It's a physically demanding job. But I didn't make the list of people who get to keep the 85 factor.

As my sister, who was up here previously, said: what about the nurses in physically demanding jobs? What about everybody else? What about custodians? We all work really hard at our jobs every day, and we shouldn't have to worry about being physically unfit to do them but having to stay so that we can afford to live.

The way this government has tried to push through these changes is wrong. They are unnecessary and will starve the plan. Alberta has the youngest workforce in the country, with 3 workers for every 1 retiree. So where's the problem? The government has failed to present evidence for the need for bills 9 and 10. If you are truly worried about the cost of pensions, then support expanding the Canada pension plan and keep your hands off mine.

Thank you.

**The Chair:** Any questions? Mr. Hughes.

**Mr. Hughes:** Thank you, Mr. Chair. Thank you, Karli, very much for your presentation. Obviously, when we think about the impact of the proposed changes, the greatest impact is upon young people like you, and I really appreciate hearing from you.

I'd also like to reiterate, in terms of the work that you and everybody else who's here tonight do – people who are here are all public servants, and we're all interested in ensuring that we provide the best services possible to people that we serve, and I want to just pay tribute to the good work that people do.

In your case I think we can all agree that everybody wants to ensure that we have sustainable, supportable pensions for people, that are fair. I guess: can you just share with us a bit of detail around how much of an impact these changes might have had for somebody like you? You're a great case study: you're a young person who has, you know, a great future ahead of you, and you're doing a very professional job, and you're the kind of folks that we all need in the public service in order to carry on because not all of us are as young as you anymore, right?

**Ms Matthews:** I did use one of the pension calculators on the LAPP website. It was a while ago. I want to say that it was about 300-ish dollars that the difference for me would be, so that is obviously a negative impact on an already modest pension plan. I've never looked into what I'm going to end up getting for CPP. Like I said, it's a little off in the distance for me.

**Mr. Hughes:** It's a bit early yet.

**Ms Matthews:** Yeah, it's a bit early yet. For me, some of the biggest problems I see with the proposed changes are making people work longer and not having those jobs for people coming out of school. I mean, to spend four years or six years or seven years working towards getting a degree or an advanced degree and then to end up in a job that has absolutely nothing to do with that, drowning in debt, not being able to move forward with your life and to have kids: that is not a world I want to live in.

**Mr. Hughes:** Thanks.

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

**Mr. Eggen:** Thanks for your presentation. This is something that I haven't thought about before, but you mentioned that a lot of your peers that studied in similar areas are not getting the jobs. If we have people working longer in the fields than you have, let's say, down the road, then how might that affect them? They need more time to build up their pensions, and, you know, how can you sort of see the future looking for the next generation?

**Ms Matthews:** If these changes go through, it's not great unless there are major changes in the economy. I mean, I don't know what's going to happen there; nobody does, really. But I do know that if you're going to have to force people to work longer – you know, Sister Lorna just said that she's 65, and she's been working for a long time, and she can't retire. So for those students coming out to be an EA for special-needs kids, if she's going to have to keep working for five more years, there are five more years that they're not going to be working in their field.

**Mr. Eggen:** Thanks.

**The Chair:** Thank you.  
Deputy Chair Fox.

**Mr. Fox:** Thank you, Mr. Chair. The question that I have for you has more to do with how these types of changes come about. Do you in your age bracket or, I guess, in our age bracket – I'm relatively similar and close in age to you when we look down this table here – feel that there's really been a thought placed on our generation and what retirement is going to look like for us?

**Ms Matthews:** Honestly, I think we're going to be stuck with what the baby boomers left us with. We aren't going to be in as good a shape, maybe for the first time, as the generation that came before us.

**6:50**

**Mr. Fox:** Do you feel that there was proper consultation or that you were involved in the discussion or that our age bracket was involved in that discussion?

**Ms Matthews:** No, because I think that like a lot of my friends we're not thinking about retirement, and we have a lot of other things going on in our lives right now, and I think that, as a lot of people find out, you can't be involved in everything. I mean, you'd like to be, and sometimes what should be a priority – maybe you didn't realize it at the time. Because I am active in my union, I have first-hand knowledge, I guess, of the negative effects of these changes, but not every young worker is. I mean – what is it? – 70 per cent of workers in Alberta, I believe, don't even have a pension. So I would say that we're very uninformed, and I would wish I could change that, but I can't. I'm here today to make sure that the young voices are heard, to say that we don't want it.

**Mr. Fox:** Well, thank you very much for coming out tonight.

**Ms Matthews:** Thanks.

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

**Ariana Mancini**

**Ms Mancini:** Hi. My name is Ariana Mancini, and I'm a teacher in Fort McMurray. My fiancé is a firefighter for the municipality. My mother is a CUPE member with the Golden Hills school division in Drumheller, and my father is a member of Alberta health sciences. Both of my parents are nearing retirement in the next two or three years. So, as you can see, while my profession isn't a part of the proposed changes, I'm directly affected by these proposed reforms through my immediate family members.

First, I'd like to say that joint governance over these pension plans is needed in order to ensure the sustainability of the pension funds. Those stakeholders who have a vested interest and who have taken a share of the risk are those in the best positions to make decisions regarding the future of the plans. I say this because it is dumbfounding that the LAPP board has not been part of the sustainability process for the local authorities pension plans put forth by Mr. Horner. Under the old rules the LAPP board recommends any changes to plan designs. Bill 9 changes this process, giving government the right to make changes without any prior recommendation from the board. The report given to the minister in March included information on plan finances but made no recommendations to change plan designs. It is mystifying why we are even having this discussion in the first place.

That being said, joint governance cannot happen under the conditions the government is proposing, mainly an imposed contribution cap that is under the control of the government and subject to change at any time. While contribution caps are not new to pension plans, the problem with this one in particular is that the

cap is left to the discretion of the Crown through an order in council. This means that PSPP and LAPP boards will be severely limited in their ability to plan for the future and fulfill existing pensions because they will not know what the cap will be going forward. This increases uncertainty and, simply put, is extremely poor judgment. No one with the intention of keeping a healthy and viable pension plan would ever consider such an idea.

Under the new successor plan bills 9 and 10 allow jointly sponsored pension plans to reduce benefits with the written consent of the superintendent of pensions. Together with the contribution cap, this completely devalues the pension plan to where, if membership is optional, it will ultimately terminate the pension plan altogether, and if the pension plan terminates under these new rules, benefits would only be paid out if assets still exist. This will absolve the government of any responsibility for backstopping pensions.

Retiring before 2016? Well, you're not safe either because Bill 10 states quite clearly that the new Employment Pension Plans Act will apply to benefits already earned. Where is the logic in that? Who would benefit? Albertans? The Alberta economy? That pension calculator doesn't even matter because they can make changes afterward.

Let's be honest. There's no pension crisis. Pension costs are slated to go down, not up, even without any changes, and if pension plan changes need to happen, then they must be negotiated in good faith. Given the Provincial Court findings on bills 45 and 46 the government has already been found guilty of negotiating in bad faith, and unfortunately this is an extension of that same sentiment.

If the government is serious about attracting and retaining employees, not to mention protecting Alberta's seniors from poverty, they must scrap bills 9 and 10.

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

**Mrs. Sarich:** Well, thank you very much, Ariana, for your presentation. It was full of emotion and enthusiasm for the topic, and we appreciate that. I was wondering: you had mentioned the impact on your immediate family. I'm reasonably confident that there's been, you know, lots of discussion about this issue.

If we go back in time, the pension provider: I just want to get a sense because we've heard many people who have come forward since yesterday and also this evening offering up that perspective. What is your level of knowledge from the pension provider consulting with the individuals that pay into the pension? There seemed to be a little bit of a disconnect or, you know, a big concern there, and I'm just really trying to understand what happened.

**Ms Mancini:** There has been a huge disconnect. I mean, I can only speak about my personal experience, the experience my family has had. They're not being consulted. There are no meetings. No one is talking to them about the changes that are coming down the pipeline, and when they are asking questions, they're being misled. They're being told: oh, because you're going to be retiring before 2016, your proposed benefits will not change. That's simply not true. So, yeah, they're being misled.

**Mrs. Sarich:** Okay. I'm going to rephrase this. When you say "they," the pension provider, you would think, has a responsibility to inform the people who are paying into the pension about what is happening. Is there a disconnect of information there about the consultation? "They" could also mean "you," "the government," or that "the government is trying to do this," and I get that picture,

but I'm just really trying to understand what has happened with the pension provider.

**Ms Mancini:** Well, again, just speaking of my father, because he's retiring, he contacted members from his association, who then gave him information regarding what his pension would look like.

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

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

**Mr. Eggen:** Thank you for your presentation. It's eminently logical, I must say.

**Ms Mancini:** Thank you.

**Mr. Eggen:** Your partner is a firefighter.

**Ms Mancini:** He is.

**Mr. Eggen:** Have you made either a numerical or other calculation as to how this might affect his pension?

**Ms Mancini:** No, not as such. Again, it almost seems counter-productive because the bills clearly state that changes to the benefits can be made at any time. You know, you could get a rough estimate, but that doesn't mean that that estimate is going to be there at the end of the day.

**Mr. Eggen:** So you're perhaps most concerned about the transfer of power of regulating these pensions back to the cabinet and to the Legislature?

**Ms Mancini:** Absolutely. And not only with that but with the fact that the legislation clearly states that with approval from certain superintendents or board members, any changes could be made without any recommendation from boards.

**Mr. Eggen:** Thank you.

**The Chair:** Thanks, Mr. Eggen.  
We have one more question. Ms Kubinec.

**Ms Kubinec:** Yes. Thank you. It was a very good presentation. A big part of our task is to listen to you, to the public, but also to the panel of experts, that we did for three days a couple of weeks ago. We heard from the Auditor General that there is an issue and that it needs to be dealt with now, so what we need to do is sort of weigh all those things. Tell me what you think we should take away in that the Auditor General is telling us that there is an issue and that we need to deal with it.

7:00

**Ms Mancini:** If the Auditor General meets with the board of the LAPP, perhaps they can have a discussion on what needs to be done in terms of changes. When the LAPP board is not consulted and not brought to the table, that's very worrisome. You're getting a one-sided view.

**Ms Kubinec:** Thank you.

**The Chair:** Good. Thank you.  
I think we have one minute left. Mr. Fox.

**Mr. Fox:** Thank you, Mr. Chair. I'll be real quick. I think what I've been hearing for the last couple of months on these bills is that if they're passed, there is a complete loss of confidence in the pension promise. Is that how you see it?

**Ms Mancini:** Yes. Absolutely. Yeah, I completely see it that way. If these changes go through, my personal view is that it is the intention of the government to devalue pensions to the point of termination. Then we are left – Albertans are left – to pick up the pieces, and that is not fair.

**Mr. Fox:** Thank you very much for your presentation.

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

**Roland LeFort**

**Mr. LeFort:** Thank you. I'll just set it up so that I don't have to bend while I'm talking.

**The Chair:** Okay. Could you please introduce yourself for the record?

**Mr. LeFort:** Thank you. Yes. My name is Roland LeFort. I'm president of Unifor local 707A. I'm here to talk mainly about the decision to include the private sector in changes to pensions. I come ill prepared because this was dropped on me a couple of days ago. It's quite a surprise to the private sector, to unions especially, specifically around the issue of pensions, that we can choose to bring it to the bargaining table. In the energy sector especially, the members that I represent have chosen not to because we accept that we have a defined benefit plan that is mediocre but acceptable at this point to meet the needs of our members in their plans for retirement.

I'm really, really concerned that as we're reading about pensions in the private sector, many of the companies that find themselves in a situation today where they are underfunded would be the biggest recipients, benefactors, of this new legislation and would abandon the responsibilities and promises that they've made to employees in my situation since the early '80s, and abandon their responsibilities to communities and families by, really, just the stroke of a pen.

I'm concerned that we're really not looking at what the future looks like and what pensions do to the economy here in Alberta or the economy as a whole for Canada. I think you've already been presented with all of that information – at least I hope that that information has been provided – on what our future looks like if we have citizens in poverty, if we have citizens that can't afford the simple things in life: rent, food, heating. For what? So that we can allow corporations to not share that responsibility, to not accept that responsibility, the commitment to the people, and to just accept profits today and write off any liabilities for the future? That's certainly not the kind of province I've believed in. We don't understand, I don't understand: why such a drastic move?

We can talk about the Auditor General and the public sector and underfunding – that's a different story, not one that's acceptable, not at all – but how can you justify the same argument in the private sector? Who would the government be speaking for at this point when they're introducing legislation to abandon responsibilities to pensions? You're certainly not speaking for Albertans.

**The Chair:** Thank you, sir.  
Questions for Roland?

**Mr. Eggen:** Thank you very much for your presentation. The issue around Unifor, then, is Bill 10. We've had different views on Bill 10. Is your membership in favour of it? Do you see any redeeming qualities about it, or should we just toss it over there with Bill 9?

**Mr. LeFort:** It should be tossed. The people of Alberta should be consulted during the process, not afterwards. You know, if we're going to build changes into our pensions, we should be part of that discussion, not afterwards. Not afterwards. The promises to the people of Alberta in their pension cannot just be taken away with the stroke of a pen. It can't be done like that. There are some people depending on the promises that were made to them 30, 40 years ago.

**Mr. Eggen:** One concern that I have is around the capacity for Bill 10 to move a defined benefit pension to a targeted benefit. I don't know if you've done any work on that or thought about it up here in Fort McMurray.

**Mr. LeFort:** Well, that's definitely the point that we are concerned about, again, the issue of pensions and bringing it to the bargaining table. I'm suggesting to you that if this legislation is passed as is, you will be seeing labour unrest because of that issue. If we can't be protected by our legislation, by our government, we'll have to take it to the bargaining table. It's an unfortunate thing that we would have to start from scratch, that we'd have to go back in history and start the battles over again on the values of protecting the interests of workers after they finish their career, after they've given their life to the well-being of corporations. At that moment we're left unprotected. It's not acceptable.

**The Chair:** Mrs. Sarich.

**7:10**

**Mrs. Sarich:** Thank you very much. I do have a question, Roland, if you don't mind. This is just in trying to determine what the level of awareness is about some of the things that happened in the past, just to give us a sense of, you know, what has happened. Way back in 2007-08 there was the Joint Expert Panel on Pension Standards. It's known as JEPPS. I just want to know if you knew about that. That was followed by a report, that they issued in 2009, followed by everyone moving together about building some sort of pension reforms back in 2012. Do you know anything about that timeline or those things that happened in the past?

**Mr. LeFort:** I'm aware of some of the issues around the Canada pension plan but, no, not specifically those that you mentioned.

**Mrs. Sarich:** Okay. I'm just asking the question because there are those that are familiar with some of those key things that happened in the past and are recommending that Bill 10 should go ahead, and then there are those that, like yourself, aren't familiar with what happened in the past, and they're saying: please, don't proceed. So you can see some of the difficulties here. I appreciate that if you weren't aware of some of the things that happened in the past, that's a serious consideration for our standing committee.

Thank you.

**Mr. LeFort:** I'd like to add, though, that I'm aware of my present situation and that of my members, and I'm aware that Bill 10 does not meet our needs. Suggesting in some report that we are not participating in that it is acceptable to move pensions – for example, like the federal government's position on moving the retirement age to 67 – doesn't mean that our views today are not as valued as anybody else's.

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

**Mrs. Sarich:** Thank you.

### Stephen Drover

**Mr. Drover:** Thank you, Chair, and everyone else, members. My name is Steve Drover, and I'm a proud steward for Unifor 707A. We are not public service employees, but we want to stand in solidarity with our sisters and brothers who are in the concern that the domino effect of eroding our pension plans will affect us all, especially in the greater community.

I am a second-generation miner. My father, Fraser Drover, worked 37 years, 22 years with the Iron Ore Company of Canada in Labrador City, Newfoundland, and 15 years with Quintette Coal in Tumbler Ridge, B.C. When he retired 20 years ago, at age 55, he thought his 1,200-plus dollar pension plus his old age security would get him through. Boy, was he wrong. My mother, Eileen Provo, also worked 37 years but as a waitress: no pension, no savings plan. Today she is barely surviving on her old age security and a modest pension from my stepfather, who passed on. They don't have much in common. My father has a very modest pension; my mother has none. The poverty level is there today.

It is very painful that the government is making decisions that will affect people and that some people will have to make choices between eating or taking their medications because of the decisions that you guys will have to make here today.

Recommendations. I believe that government should legislate that there should be a 2 per cent defined benefit plan for all employees, regardless of whether it's a fast-food industry or CEOs. It's not the end-all, be-all for senior citizens and for retirement problems, but it is a good place to start, and it will make the difference for some.

Today I make a good living, following in my father's footsteps, but the reality is that like 60 per cent of all Canadians I'm roughly two paycheques away from being financially ruined. I, like most people in Fort McMurray, are what you call house poor. I do have a pension with a 1 per cent defined benefit plan, and at 55 that would give me roughly \$2,300 a month, hardly enough to retire on by today's standards, let alone in about 18 years from now.

Our only hope here in Fort McMurray is the dream that you will be able to sell your home 20 to 30 years down the road for roughly the same cost you bought it for. I have lived through a one-resource town that had shut down because the resource prices had fallen. Let us not forget that Fort McMurray is a one-resource community, and it could happen here just as well as it did in my former place.

I believe government has a responsibility to all our citizens, and if we don't act responsibly in the best interests of our citizens today and our generations coming behind us, we will find ourselves in a dire situation. As my president alluded to, those will be tough decisions for the seniors today, tomorrow, and in the future, who will not have enough to meet the basic needs of society to retire in dignity. I appeal to you to make decisions on behalf of all Albertans.

Thank you for your time.

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

**Mrs. Sarich:** Stephen, thank you very much for sharing your insight. I liked your story. It's more than a story, it's a reality, and I have to say that it's a reality that's lived not only here but in other spots throughout Alberta, including my constituency of Edmonton-Decore. I wanted you to know that, in the way that that story is shared by many. It's a subtle reminder about the living reality of other people. They had in the past put the dollars aside, paid into the pensions, and now are realizing or living the truth that it's just not covering the standard of living of even the basics

for a lot of people. It's quite a challenge. So thank you for that subtle reminder.

I was also just going to share with you that we've heard from other Albertans who have stepped up and had the courage to come forward to put some thoughts before the standing committee about a broader pension for all Albertans. I thought it might be of interest to you that you're not alone in that idea. That's one that has been recorded in *Hansard*, you know, for our benefit to hear very clearly that perhaps that's another level of what we should do about the whole pension issue for people who don't even have one. So I thank you for that.

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

**Mr. Eggen:** Thank you, Mr. Drover. I know that you have a unique perspective on what is a unique city because you work at Suncor and are very involved in the public education system here, both with your family and in your position as trustee. I'm just wondering what insights you see from people with pensions that work at the plant and then people with pensions or not that work in town here, getting employment from both of those places and with the unique challenges that Fort McMurray presents.

**Mr. Drover:** I know that for many of our members in 2010 the defined benefit plan was substituted with the direct contribution. For many of our members who have been hired since then, it is a totally different ball game. The 1 per cent would be very modest. The DC plan is less. No matter how you slice it, it is just less. That comes off your basic salary at the site.

7:20

Again, when you come into town, we have many employees who have no pensions. You look at our service industry, which is a huge part here that subsidizes and works with the facilities. Many of them have nothing. The cost of living here is huge. It's truly a unique place, where an apartment is about \$2,500 a month. You have two parents working, and there's not a lot going into savings at the end of the day if you have mom, dad, and two little rug rats. You know, at the end of the day there's not a lot left over to be putting into RRSPs, and I think you guys will know that through the contributions. Very few Albertans contribute to their RRSPs, and with those who do, it's just a very modest amount.

**Mr. Eggen:** Thanks very much.

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

Any other questions?

Thank you, Stephen.

### Shannon Mcinnis

**Miss Mcinnis:** My name is Shannon Mcinnis. I was born and raised here in Fort McMurray, and I've been working here as a registered nurse for the past five years. I'm passionate about and committed to my job, and I enjoy helping people and feel like what I do actually matters to people.

When I started my nursing career in 2009, I thought I was entering a public-sector career that was stable. I never thought I would have to worry about my retirement or pension at the young age of 29, but with the discussion on bills 9 and 10, I am worried. I'm worried that I will have to work longer than I originally thought and that my financial state at retirement won't be what I originally planned. It worries me that I and the over 290,000 other public-sector workers will be affected by a possible late retirement and decreased financial security.

I don't know about you, but I don't want to be working until I'm 65 and then be told that I won't be able to survive on my pension. We need good pensions that can give Albertans dignified self-sufficiency without being a burden on taxpayers. With pensions like LAPP and PSPP, tens of thousands of Alberta seniors won't have to rely on tax-funded programs like GIS or provincial seniors' benefits.

Please re-evaluate the passing of bills 9 and 10 and think of the hundreds of thousands of Albertans who'll be affected by this change. Thank you.

**The Chair:** Thank you.

Questions?

You're fine.

**Miss Mcinnis:** Thank you.

**The Chair:** Our final presenter for this evening is Erez Raz.

**Mr. Raz:** I actually wasn't going to present, and then I noticed that there were only eight people.

**Erez Raz**

**Mr. Raz:** Hello, everyone. Thank you for letting me present. My name is Erez Raz. I am one of the vice-presidents for the Alberta Union of Provincial Employees, but first and foremost I'm a correctional peace officer working out of the Edmonton Remand Centre, and that is why I stand in front of you here today. I am a contributor to the public service pension plan and have been for the past 17 years. I'm very concerned with what I'm hearing out there.

I've put some things together. Like I said, I didn't want to present, but you know what? In hearing what everybody has to say, I think it's very important for me to present.

One of the main things is that as a correctional peace officer I think the government has done a really bad thing here. I can tell you that any correctional peace officer, firefighter, police officer, or anybody will sit in front of you and say that any public servant job is a job that is hard to do on a daily basis. What you guys have done is that you've divided us as groups, where I as a correctional peace officer can do early retirement, with paying the penalty, of course. So it's not like it is now. You've divided me from all these other brothers and sisters that are the same as me. We all have a very hard job. We all do the same thing. It's hard to be a public servant in Alberta nowadays, and many of us have to have two and three jobs just to get ends to meet.

In regard to some of the questions that I heard – the disconnect, Mrs. Sarich – retirees were never consulted prior to these bills coming to the Leg., and there are some 70,000 of them that should have been consulted, because if the cap on contribution takes effect, then the benefits will have to be drawn out if and when the plan takes a plummet again. Those 70,000 people: we were the ones who told the minister to let them know, because we don't have access to them. Only the plan does. They were never consulted when this first came through.

Secondly, absolutely, governance is one of the things that we're all saying needs to happen. It needs to be us and the employer, not the minister, who, like everyone else here said, by the stroke of a pen makes a decision on behalf of us.

Other things. Pension promise: absolutely, there is a pension promise that needs to be abided by by you, the government. We put money into it in the hopes that you guys invest it as you see best. We have actuaries for that. You said that the Auditor General said that there is a problem. Well, these are actuaries that have

been working for the government doing the investments. Obviously, they did it wrong. It wasn't our fault. We continued to go to work every day and contribute each and every month whether we wanted to or not.

When we signed on to be a public servant, did anybody here have to tick a box that said, "I choose to take that money and invest it myself"? Anyone? No. It was something that was in my contract when I signed on to be a public servant 17 years ago. That was the promise: you will give us money, we will invest it for you, and you will then get that money when you retire. Therefore, many of us, myself included, don't have the option of putting it in RRSPs because we do live paycheque to paycheque, and unfortunately, with the monies taken off our cheque and with us having to raise our families, we don't have extra monies to be putting into RRSPs. So the pension plan is the only thing that we depend on.

Lastly, I travel as vice-president. My area is pretty much everything northeast and west of Edmonton. I travel all over rural Alberta and south as well, so pretty much all of Alberta. From many of my co-workers, my colleagues, the members of AUPE that I talk to, once these changes are implemented, I hear it over and over again that they are going to pull out of the pension and go elsewhere. By doing that, that is going to cause a crisis. The plans will then disintegrate, and all of us other ones that have a pension plan will not have a pension plan anymore, and that I attribute to the minister himself for causing this crisis that is not really there. We all know that the public service pension plan will be sustainable by 2018. [Mr. Raz's speaking time expired]

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

We have a question for you from Mr. Lemke, please.

**Mr. Lemke:** Thank you, Chair. Thank you, Mr. Raz, for the presentation. What percentage of your paycheque goes to your current pension? Do you know that?

**Mr. Raz:** I believe it's 1.4 per cent.

**Mr. Lemke:** Has that increased considerably in the last five years?

**Mr. Raz:** Absolutely, it has. Yes. And you know what? Our members, my colleagues and myself, are not happy. You know, the contributions are going up each and every month, but we don't see anything for it. I'll talk about the fact that we see everything going up: taxes, our contributions, food costs. Everything else is going up and up and up, but our wages are staying the same. A 2 and a half per cent, 2 per cent, 2.75 per cent increase in wages does not equal everything else that we have to pay each and every month, and I think everybody else here in this room can attest to that.

**Mr. Lemke:** Mr. Raz, which union did you say you represent?

**Mr. Raz:** The Alberta Union of Provincial Employees.

**Mr. Lemke:** So do you know if there was consultation done?

**Mr. Raz:** With the union?

**Mr. Lemke:** Yes.

**Mr. Raz:** Not in the first stages, no, not as far as I know.

**Mr. Lemke:** Never has the AUPE been consulted?

**Mr. Raz:** As this thing went along, absolutely, they were consulted

– right? – and, just like anything, we actually have a member of staff that sits on the public service pension plan board. That's a person by the name of Larry Murray, who I'm sure you guys have heard of. He himself says that there are no issues. The actuaries that sit on the pension plan say that there is no issue with the pension plans.

7:30

**Mr. Lemke:** Thank you, Mr. Raz.

**Mr. Raz:** No problem.

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

**Mr. Raz:** Thank you for your time.

**The Chair:** Well, ladies and gentlemen, we're a little ahead of our schedule. If anybody from the audience would like to make a presentation, if anybody is interested in adding their voice and their thoughts to the discussion, I will allow two presentations.

Go ahead. Please state your name for the record.

#### **Andrienne Dzura**

**Ms Dzura:** Thank you very much, Mr. Chair. My name is Andrienne Dzura. I am recording officer of CUPE local 1505. I have been a resident of Alberta for the last five and a half years, add two weeks. Very, very proudly so, I work for the regional municipality of Wood Buffalo in an office position, a research analyst position.

My concern is for the great number of people who will be joining the workforce either while I am still employed, which will be for the next 14 to 15 years, or after I retire. Ariana, who spoke very eloquently as a teacher, had very, very good commentaries as well as all of the other brothers and sisters, including our local president, Rina Seppen. One of the factors that I'm concerned about is the accountability of the actuaries and the financial investors who, in fact, are managing this pension fund. Has anybody assessed the Ontario teachers' association pension fund? It is extraordinarily robust. Have you looked at good practices and best practices elsewhere to determine what is being done correctly, what the returns on investments are, projecting into the future, so that we can in fact have very appropriate retirements?

I have to say and I will state that I will be working for 14 to 15 years. I'm fortunate that I have my health. I am 58 and a half years of age. Fortunately, I've got a lot of education, four degrees – I'll probably get another one just to keep in the game – and will possibly, as some friends who are also divorced, like myself, in Ontario, get a facelift in a few years. I'm going to have to plan for that. You know, the very fact remains that I assessed my pension as at the age of 65. There's absolutely no way that I would be able to retire. Unfortunately, I did have to provide monies elsewhere, and going forward, I will as well.

You're looking at the world also as double-income families. Statistics show that 50 per cent of Canadian families are in single-income households or single-partner households, okay? So I would say: look at what's coming ahead, and also look at what kind of country we are building. Public service was initiated, I believe, by Prince Friedrich Wilhelm in approximately 1841 to ensure that you have well-paid individuals, who are not afraid of losing their jobs, to do work and feel comfortable, in fact, after they've finished their working career.

The fact is that most people will be retiring later. Freedom 55: hey, I had it three years ago. I feel free and easy to speak. That's the extent of my freedom. But I'm also very proud to work with

the individuals I work with and for them to respect me and determine that I do in fact have vibrancy. You're going to be looking at additional numbers of individuals that will in fact have to work until they're in their 70s, possibly into their 80s. If you go down to the southern United States, you will see that.

What kind of society do we want to build, you know, going forward? Hey, I've got three business degrees. I've crunched the numbers. I would be losing with this proposed legislation. What kind of society, going forward, do you want to build? One, a house of cards? Two, a society where we're all mean-spirited towards one another and say, "Hey, the bottom line is the way to go"? In 1998 I did a research study on Conrad Black's Hollinger Inc. – okay? – and, in fact, was very interested in the Dominion grocery stores when they were bought by him, et cetera, et cetera.

The point is, one, that pensions sometimes are rated. Two, do it right. Be transparent, accountable. Have integrity. Open the books, and let us talk to the actuaries.

Thank you.

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

**Ms Dzura:** Thank you very much for your time.

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

Is there anybody else who'd like to give a presentation? We'll take one more.

#### **Chrisanne Martin**

**Ms Martin:** Hi. My name is Chrisanne Martin, and I work for the public school district. I'm the business office manager at one of the high schools. I, of course, will be one of the people that will be receiving a pension in a few years, but I want to speak as a mother.

My son is 21 years old, and he is in the computer science program at a university. He just started working for the city, and the other day – I just want to let you know how it impacts the young people like this young lady over here – he said to me: "Mom, I have no interest in working for the public sector because with the way the government is going, they're going to take away all the attraction for any public-sector work. I have no interest in something that's not going to sustain me. I'm going to go into private industry, where I can make more money and sustain myself."

So if you're talking about retention – your question was: what retention are you looking at? – you're not going to retain people. Young people already know that they're not going to get any kind of comfort or any kind of lasting look at what their futures are going to look like in the public sector. I mean, those of us that are dedicated to our jobs and love the public and want to serve the public are looking at our young children and realizing that they're not seeing that anymore. Do you understand what I'm saying? They're looking at their futures, and they're seeing a bleak outcome. The public sector is not where they want to be if that's not going to be the place where they're going to look at retirement and say: yeah, I can retire and still be able to serve the public. They're not looking at it like that.

That's it.

**The Chair:** Thank you.  
Questions?

**Ms Martin:** Sorry. Are there any questions? No?

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

Well, it has been a great evening. Thank you, all, for being here tonight. I'll tell you on behalf of the committee that we've heard you. It is an important issue, it is an emotional issue, and it is an issue that we will not take lightly. That is the reason we're here tonight, to listen to you. We value your input and your thoughts. I'll tell you that what we heard tonight will help us, help this committee and the staff of the LAO, the Legislative Assembly Office, to prepare the report that we will present to the Legislature in October. That report will reflect exactly what we've heard not only in this location but in the seven locations around the province in addition to what we've heard in a three-day meeting with the stakeholders and pension experts.

**7:40**

Thank you, all, very much. To you, Mike, and your staff: thank you very, very much, my dear friend, for hosting us and for all the help that you've provided us with and for the good representation that you're giving Fort McMurray-Wood Buffalo.

I'd like to thank the members of the committee for travelling here – some of them had to drive a long way – and the *Hansard* staff, security, and everybody that made this evening and this meeting a success.

Thank you, all. Have a great evening. It's been a pleasure being here.

[The committee adjourned at 7:41 p.m.]





