

Presentation to the Legislative Committee on Bill 45
The Teachers Pension Plan Amendment Act

Adam Grabowski

My name is Adam Grabowski. I have been a teacher in the Park West School Division for the last 20 years, assigned to a small rural school, Miniota School. Also, beginning this year, I will be the president of the Park West Teachers' Association and I have been a member of the Manitoba Teachers' Society provincial executive for four years. But today, I am here to talk to you as an active teacher. I am here to state my support for Bill 45.

To put it bluntly, I have no interest in paying more to cover the mistakes that were made by the people in the past--both, the teachers and the government.

In the days of high interest rates and more active teachers contributing to our pension plan, pension benefits were improved, including earlier retirement. Full cost of living adjustments were also paid out. But as the years continued, warnings from actuaries were given that the plan could not continue to afford to pay a full COLA. Unfortunately, a 100% COLA was paid through the 80s and up to 1998. Basically, the problem was that there was more money being paid out in COLAs than there was coming in to pay for those COLAs. In addition, for many years, MTS approached the governments of the day to ask that there be increases in the amount that was being contributed by active teachers to our pensions BUT government never acted on this, NOT until September 2005.

So looking at today.

If you were to examine my June paystub, you will notice that I am currently paying about \$395 a month to the Teachers Retirement Allowances Fund or \$4740 a year. If I had retired this year, I would be receiving approximately \$2,500

a month in TRAF Pension. Is that going to be enough for me to continue to live a comfortable lifestyle? I don't know. That is why I have been putting money away into my own RRSP since I began working over 20 years ago to help supplement my pension plan.

In order for today's retired teachers to receive a full COLA, one of two things would have to happen. One, there would have to be an additional increase in active teachers' contributions that would most likely see me pay an additional \$3000 a year to this pension plan. I am here to tell you that is not in my budget. You should also know that I am a single income earner and a father of 4. To ask me to pay that much more means my kids do without something. That is not going to happen.

Another suggestion is we take the money out as lump sum transfer from the Basic Plan account. If this was to happen, it would most likely put my current pension plan in jeopardy. A move like that could in fact reduce the basic amount or the benefits that the pension plan is currently paying. That is also not an option or a risk I am willing to make.

If one of these two things were to become a reality, I would seriously have to consider what options there were for my future and my family.

Bill 45 is a fiscally responsible option. It will provide an immediate improvement to the COLA for retired teachers this year without causing an increase in contributions for active teachers or the government. It is my opinion that while full COLA was paid out in the past, it was never a guarantee as RTAM has been continuously stating.

RTAM has said in public that they have "Paid for COLA and they should get it." They may have paid for COLA but they never put in a plan to sustain COLA and that is the main focus of this argument. NO one took the time to look at what the

improvements of the 80s would cost in the future as active teachers declined in numbers and retired teachers lived longer than the years they paid in.

In closing, if RTAM's argument to you is that "They paid for COLA and they should get it!" Then, I am here to ask you that I am currently paying for retirement, but am I going to get it?

Thank you for listening to me today.