

Bill 45 presentation

My name is Barb Cummine and I want to thank the Committee for the opportunity to share my thoughts on the proposed changes to The Teachers' Pensions Act.

I am currently a guidance counselor at West Kildonan Collegiate and have been a teacher in Manitoba for 33 years.

I will be eligible to retire at the end of the next school year, so issues related to my pension are extremely important to me. Throughout my teaching career, I have been actively involved in my local Teacher Associations and have served on a number of local and provincial committees. For the past several years, I have followed closely the work that has been done by MTS on the pension plan.

During this past year, I have paid close attention to the Sale Report and the ensuing positions that have been taken on this issue. I am fully in support of Bill 45, the amendments to our pension plan and I hope that government will implement the Bill as quickly as possible.

One of the issues that I find interesting in all of the debate around this Bill is the question of who 'owns' the money in our pension plan. RTAM has written in numerous publications that up to 50% of the money in our plan was contributed by teachers who have already retired. Some people seem to believe this means retired teachers 'own' this money and should be able to direct how it is used. Specifically, they would like to take the money out of Account A and move it over to the PAA to pay improved COLAs. Unfortunately, this thinking is misguided at best and dangerous at worst.

The truth is that no one owns the money in our pension plan. What the people involved in our pension plan own is the benefit they will receive upon retirement. That is the deal that the legislation outlines and that is the promise—the only promise—of any defined benefit pension plan.

During our teaching years we make contributions into our pension plan as set out in the legislation. Upon retirement we receive a defined benefit that is also laid out in the legislation. We have no right to the funds we have put into our pension plan – only to the benefits that we receive.

There are those, of course, who would disagree with this position. It's 'our' money they would argue. We should decide how it is used. This argument would be reasonable if the people making it also agreed to accept the downside of such a proposition – but this is very unlikely.

Simply put, we know what happens when the money runs out. Retired teachers would never accept benefit cuts. They would insist their defined benefit is guaranteed. In addition, there would be no way to get additional contributions from them. So either active teachers and/or government would have to put massive amounts of additional money into the plan or there would have to be some sort of benefit cuts for those who have yet to retire.

The President of MTS, Pat Isaak, often notes that at the most basic level pensions are not that complex. They are about money in and money out. You have to put in enough to pay for the benefits you hope to take out. Unfortunately most of our retired teachers didn't do that over the years and that has led to the problem this legislation is attempting to address.

In the end Bill 45 is a good compromise. While it is not everything retired teachers would like, it attempts to improve the COLA while still protecting the basic benefit for current and future retirees. This is important to me because I understand that upon retirement the benefit is the only thing I have a right to – and it's the only thing retired teachers have a right to as well.

Thank you for the opportunity to be here today. I hope for speedy passage of this bill and for the benefits that I'm entitled to upon my retirement.