

My name is Daniel Kiazzyk and I am a High School Social Studies teacher in Rolling River school division and the President of the Rolling River Teachers' association.

I am here to show my support for Bill 45, with its amendments to our pension plan.

Without a doubt you have already heard many presentations on the question of teacher pensions, particularly those that have focussed on the cost of living adjustment or COLA paid to retired teachers. I will not go into the history of the plan in this presentation nor the reasons for current situation, which I believe are agreed to by everyone. I do, however, want to discuss an issue that has been mentioned repeatedly by RTAM prior to and following the plebiscite (and more than likely you'll hear it hear at committee) and one which I believe is not well understood and needs to be clarified for this committee. The issue I am referring to is the question of the 'new entrant shortfall' with regards to our retirement plan.

When people talk of the new entrant shortfall, there is often an impression given that somehow retired teachers are subsidizing new teachers. The implication is that if only new teachers were putting the money into the plan that they should, we wouldn't be having these problems we all agree exist with respect to the plan. I find it ironic and disappointing that some people would seek to lay the responsibility for our current funding problems on those who are least responsible, but that is exactly what is happening.

It is true that new teachers are not paying enough for the pension they will receive upon retiring. MTS has tried to rectify this situation by requesting that active teachers be allowed to increase their contributions to their retirement plan. Government agreed to a significant increase in 2005. At that time contributions rose about 18% - or 1.1% of teachers' salaries. MTS has repeatedly requested another large increase of about the same amount, but government, for reasons I don't pretend to understand, has not agreed to allow for another increase in contribution to the plan.

It is good that active teachers are paying more for the pension they will receive, but what about retired teachers? The contribution level most retired teachers paid into their plan was set around 1980. But the benefit levels, also set around 1980, were significantly improved over the next 15 years. We also saw teachers retiring earlier and receiving better benefits, even though they never paid any additional contributions into the plan to cover the cost of those improvements. Unlike active teachers, who are being asked to pay increased contributions, there is no way to get additional contributions from retired teachers.

Our plan has a funding shortfall, not a new entrant shortfall. New teachers aren't paying enough – though I hope they soon will be. Retired teachers on the other hand never paid enough either – but there is no way they will ever be asked to contribute another dime into the plan.

I want it clearly understood that when people talk about retired teachers subsidizing active teachers they are not looking at the bigger picture. Moreover the idea that retired teachers are somehow entitled to the money in Account A because of this is dangerous and risky. (the A account guarantees our basic retirement benefit upon retirement)

I recognize the difficult situation retired teachers are in with regard to COLA, but they also got a very good deal when their benefits were improved with out a contribution increase to pay for those improvements since 1980. Certainly new teachers must pay more to cover their share of the un-funded component of our pension that now exists and we hope government will agree to work with us to resolve this issue in the near future.

Nonetheless "Bill 45" as we see it is an equitable and even-handed approach to the issue of balancing an increase in COLA and guaranteeing the fund for teachers who are present paying into it. This Bill is balanced and reasonable and I believe its speedy implementation is in the best interest of everyone.

Thank you for you time.