

Karen Wiebe  
Presentation on Bill 45

Good evening and thank you for holding a committee meeting regarding Bill 45.

My name is Karen Wiebe. I have been a music teacher for 32 years. I started my career in Hanover School Division and have spent the past 27 years in the former Fort Garry School Division and now the Pembina Trails School Division. I have taught all levels from Grade 5 to 12 and am currently teaching English at Fort Richmond Collegiate.

I have been involved in my local teacher association, an association of 1100 teachers, since I started teaching and have served as Chair of several Professional Development Committees, as Vice President, President and Past President. Currently, I am on my third term as an elected member of the Manitoba Teachers' Society Provincial Executive.

I am here, presenting to you, to show my support for Bill 45.

One of the biggest concerns of every Manitoban is retirement and teachers have long put their faith in TRAF. So when I say that a COLA is important to every teacher, past, current and future, I am speaking about my own concerns about COLA as well as speaking as a long time member of the plan.

The current government asked former cabinet minister, Tim Sale, to review the cost of living adjustment for retired teachers and come up with recommendations as to how to provide some sort of reasonable COLA for the future. As long as I have sat on the Provincial Executive of the Society, and for many years before that, we have discussed the needs of retired teachers and how to address those needs. Mr. Sale's proposal makes some excellent points that I support.

1. **All future benefit changes must be actuarially sound** – and properly funded. The last three words, “and properly funded”, are added in the notes after the recommendation. I hope that the minister will take them as part of the actual recommendation.  
As far as the recommendation itself, it appears to me that we got into this mess because we did not heed the warnings of the actuaries of the day. It has long been of concern to me that when professionals are hired for their expertise, some choose to ignore their advice. That often creates all kinds of problems, and has, in this case, also done so. Mr. Sale suggests that this first recommendation should be a binding policy to the TRAF Board. I agree. However, there is not presently a mechanism to make it binding. I suggest that a mechanism be created in order to make this a binding policy. I believe that it is incumbent that we either listen to the advice of those we pay for their expertise.

**2. The current contribution level may not be sufficient to sustain the basic benefit.**

Mr. Sale's report and Bill 45 provides a mechanism to get more money into the account that pays the COLA for retired teachers. As a member of the plan I hope that the Minister will agree to at least a 1% increase in funding to the plan in the future, in order to increase the amount of money going into the account to pay COLA for retirees.

**3. The appropriate goal for COLA is 2/3 CPI.**

There is no guarantee of a COLA for retired teachers. Right now the COLA account can afford to pay almost nothing in terms of COLA. It is important to have reasonable goals that can be achieved, rather than goals that will never be achieved. In fact, it was creating expectations of retirees of the day that contributed to the failing of this fund. A 2/3rds cap on COLA is reasonable and will help to ensure that the fund is maintained.

**4. The current level of the PAA is insufficient to provide meaningful COLAs.**

In order to ensure that a COLA is at all achievable, it is important to put a plan into place. The creation of a reserve fund, whose earnings may only be used, leaving the capital in place, is a creative and smart move to fund the COLA for the future. Regular contributions to this fund will ensure that the fund is working for future generations of teachers, and not only those who are currently retired.

**5. A ten-year catch-up for the PAA in earnings credited to the PAA.**

This is a prudent and seamless way to smooth over an opportunity to fund the PAA so that it will be able to pay up to a 2/3rds COLA in the future. It will lead the way into a larger fund that is better funded to support the COLA.

**6. Creation of a larger PAA comprised of the current PAA and a reserve account.**

It is an excellent idea that would help to ensure the COLA for the future.

**7. Creating a PAA in the Provincial share of the Fund.**

This is not part of the Bill, but is part of Mr. Sale's recommendations. I appreciate that the Province is showing that it intends to match payments for COLA from the account invested with TRAF. It seems a good step for the province to establish a PAA account within its share of the Fund to mirror the teachers' half of the fund.

**8. Streamlining the process of amending the TRAF Act**

Bill 45 makes provisions that streamline amendments to our pension plan to avoid having to pass legislation every time a minor change is required. This recommendation is appreciated by all members of the Plan as it would facilitate the changing of minor items by use of regulation, rather than through the timelines and use of legislative time.

In closing, I would like to thank Mr. Sale for his work on behalf of Manitoba Teachers. It is my hope that his report will lead to supporting a fair and equitable COLA of all teachers in the future.

Thank you for making time to hear these presentations.