

Kristina Ellis  
Bill 45 Presentation

My name is Kristina Ellis and I am a grade one teacher in the Pembina Trails School Division and a member of the Pembina Trails Teachers' Association Executive.

I appreciate the opportunity to share my views on the Sale Report and the changes to our pension plan that are suggested in Bill 45.

I've been teaching primary French Immersion for 4 years, and I must admit that my pension was not on the top of my mind when I started teaching. I knew when I started that I was a member of TRAF, and I also knew that MTS looked after decisions about the pension plan; however specific questions or concerns regarding that pension plan never occurred to me until recently as I became more informed thanks to my involvement in my local association.

I play an active role in my local Association, and I elect MTS leaders who I trust to make decisions in the best collective interests of teachers, and in the case of pensions, in the best interests of both active and retired teachers.

I'm sure you have heard many presentations already on the question of teacher pensions, particularly in relation to the cost of living adjustment paid to retired teachers. I will not go into the history of the plan or the reasons for the current situation, which I believe have been agreed upon by everyone. I do, however, want to discuss an issue that has been mentioned repeatedly by RTAM and which I believe is not well understood. That is the question of the 'new entrant shortfall'.

When people talk of the new entrant shortfall, there is often an impression 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. I find it 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 seems to be 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. Government agreed to a significant increase in 2005. At that time contributions rose about 18% - or 1.1% of salary. MTS has repeatedly requested another comparable increase, but government, for reasons I don't understand, has not agreed.

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 in 1980. But the benefit levels that were in place at that time were significantly improved over the following 15 years. We saw teachers retiring earlier and receiving better benefits, even though they never paid any additional contributions into the plan to cover the cost of these improvements. Unlike active teachers, who are being asked to pay increased contributions, there is no way to ask for 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 more funds into the plan, and it should not be the responsibility of new teachers to financially make up for funding choices made by now retired teachers almost 30 years ago.

I want to be clear by underlining the fact that when people talk about retired teachers subsidizing active teachers they are talking nonsense. The idea that retired teachers are somehow entitled to use the future basic benefit because of this is both dangerous and risky to the current and future status of the plan.

I recognize the difficult situation retired teachers are in with regard to COLA, but it must not be forgotten that they have enjoyed and continue to enjoy benefits which were improved without a contribution increase to pay for those improvements.

I stated earlier that I elect leaders to make decisions in my best interest and in the best interests of my colleagues, both active and retired. I believe that MTS has done exactly that in supporting the changes in Bill 45. I've been very pleased with the cooperation between MTS and government in the past in making improvements to our pension on issues such as maternity and parental leave, and I ask that the government continue that cooperation with respect to this issue.

Bill 45 is an equitable and evenhanded approach to the current issue. It means a significantly better COLA for retired teachers and protects the basic benefit for everyone. It is balanced and reasonable. I believe speedy implementation of this legislation is in the best interest of everyone.

Thank you for your time and consideration.

Respectfully submitted,

Kristina Ellis