

Hello. My name is Orah Moss and I am the President of the Seven Oaks Teachers' Association. I am here today to speak to you on behalf of the 650 teachers in our Association. Thank you for taking the time to listen to what teachers have to say about our pension plan.

At our Council meeting in April, the teachers in Seven Oaks voted unanimously to support the implementation of the Sale Report. The teachers in our Association—along with teachers across the province put in a lot of effort to understand the recommendations of the Sale Report. In Seven Oaks, we voted to support those recommendations because we believe they are a fair and balanced solution to improving the COLA for retired teachers, while ensuring a strong basic benefit remains for active teachers.

In the Eighties, changes were made to our pension plan to increase the benefits—such as lowering the retirement age to 55—without increasing the contribution rates to support the increased benefits. In addition, decisions were made to pay 100% or close to 100% COLA's despite actuarial warnings that our plan was never designed to, nor was it capable of, supporting those payments.

The Manitoba Teachers' Society has been attempting to work with the Retired Teachers' Association of Manitoba for more than five years to find a solution to RTAM's desire for an improved COLA while protecting the basic benefit for active teachers. You have heard, and will continue to hear from many RTAM members who argue that they were "promised" a 100% COLA. In fact that is not the case. Although the Pension Act gives the plan the legal *right* to pay a full COLA, in fact our plan was never designed to do so. Moreover, the people who made the decision for the plan to pay 100% COLA and who decided to ignore repeated warnings by the plan's actuaries that this would cause a deficit to the plan, are the same people making the decisions on behalf of RTAM to fight the implementation of the Sale Report.

Those same people, the RTAM leadership, has been accusing MTS and active teachers individually, of ignoring the needs of the retired teachers. This is quite evident in their slogan "no generation left behind" that has been printed on all the material they have been sending out during and following the plebiscite.

When I visited the schools in our Association and talked with teachers about the plebiscite and about the TRAF/COLA issue they had lots of questions. But, what made the teachers in our Association unanimously support the implementation of the Sale Report is the understanding that the teachers in this province function as a collective. And that means that active teachers do have a responsibility to do what we can to ensure that retired teachers can have access to an improved COLA benefit, while ensuring that *future* retire teachers will still be able to count on a strong basic benefit.

In Seven Oaks, 50% of our teachers will be eligible to retire in less than five years. We understand our obligation to the young teachers of today and of tomorrow to ensure they can enjoy the benefit of a strong pension plan when they are ready to retire. We also understand that decisions were made in the past that in hindsight, were irresponsible. We understand our obligation to correct those mistakes as well as our obligation to put measures in place to ensure that irresponsible decisions are not made in the future. The Sale Report does meet both of those obligations. It puts measures in place so that in

this year, the COLA paid to retired teachers would double, and allows the plan to pay up to 2/3rds COLA in subsequent years. It protects the basic benefit by ensuring that funds used to pay the COLA come only from the Pension Adjustment Account, keeping Account A—the account that pays the basic benefit—secure. It also provides for a re-examination of the situation in five years so that any necessary adjustments can be made.

On behalf of the members of the Seven Oaks Teachers' Association, I urge you to support Bill 45.

Thank you for your time.

Orah Moss

President, Seven Oaks Teachers' Association.