



# Retired Teachers Organization

of the Nova Scotia Teachers Union

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December 16, 2018

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The Retired Teachers Organization of the Nova Scotia Teachers Union (RTO) represents 7,400 retired teachers receiving benefits under the Nova Scotia Teachers Pension Plan. As President I have provided members with information on Bill C-27 and the Government of Canada consultation on enhancing retirement security.

The mission statement of the RTO is the following:

*The RTO is the official body representing the retired teachers of Nova Scotia and will advance, promote and protect the welfare of its members.*

The Nova Scotia Teachers Union (NSTU) and the government of Nova Scotia became joint sponsors of the Teachers Pension Plan in 2005. The RTO has regular meetings with NSTU officials and the first item of business is the protection and enhancement of pension benefits. The RTO has been told on numerous occasions that we have no input in any changes which could happen to the pension plan.

Pension plans that have been earned, must be respected. Our members have provided their services to school boards in exchange for various benefits, including wages paid via regular pay cheques and deferred wages that will be paid after retirement. These deferred wages are clearly defined, typically based on factors such as length of service and wages and are an explicit component of the employment contract. Unilateral changes to the benefits that our members have accrued under their employment contracts must not be considered, any more than one would consider changing wages that were paid in past years.

One of the key challenges in making changes to pension plans is to ensure all stakeholders – active teachers, members with deferred pensions, retirees and their survivors – have a voice in the governance of the plan. Trade unions provide effective representation for their active members, but cannot represent the interests of non-members such as retirees. The problem of establishing an effective voice for our members who could be subjected to pension plan changes is a challenge and could be fatal to the establishment of such a plan.

Bill C-27 appropriately requires individual consent to any proposed pension conversion as the defined benefit (DB) pension plan is contracted on an individual basis. The plan member is informed how his or her pension income will be calculated prior to retirement. The pension promise to one plan member is not contingent on the pension promise pertaining to other plan members. Retired teachers expect that their pension promise will be honoured, independent of the choices made by others.

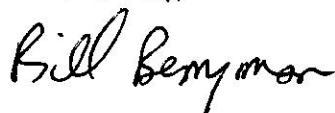
The RTO believes that a conversion-with-consent model will be unable to meet the challenge of ensuring our members are provided with the complete knowledge of the relevant facts, including the risks involved and possible alternatives, before providing consent. Accurate and complete information would need to be provided in an unbiased manner, free from any kind of coercion, in a form and language that our members can understand. There would have to be opportunities to ask questions and clarify any doubts. In consideration of the complexities of pension issues, these safeguards would be impossible to satisfy in practice.

A 2013 study by the Boston Consulting Group (BCC) suggested that DB pension plans provides Canadians with one of the strongest retirement income systems in the world and contributes significantly to national prosperity. In another study, BCC found that the benefits paid to DB pension plan members cycle back into the Canadian economy in the form of consumer spending and taxes, generating business growth and employment. Retirees with DB pension plans are also less likely to rely on government assistance; and solid retirement income security brings better health status and outcomes, which reduces demands on our health care system.

In closing, as President of the Retired Teachers Organization I can state categorically that the membership is not prepared to surrender accrued benefits under our current pension plan and will not agree to any conversion of the Defined Benefit pension plan to a Target Benefit or Shared Risk pension plan under any circumstance.

On behalf of the RTO we join with our over 146,000 members in the Association canadienne des enseignants et enseignants retirees / the Canadian Association of Retired Teachers (ACER-CART) in thanking you for the opportunity to share our concerns and wishes for the enhancement of retirement security as a key recommendation as part of your deliberations.

Yours sincerely,



Bill Berryman  
President, Retired Teachers Organization

- c. Minister of Seniors Tassi  
ACER-CART Executive Committee  
ACER-CART Board of Directors  
RTO Executive and Branch Presidents