

# TEAM-IFPTE Local 161

## Pension Protection Information Sheet

**2005:** The MTS Board of Directors solicited advice on ways to reduce the cost of the employee pension plan. Three options were put forward:

1. Remove the Cost of Living Adjustment (COLA) guarantee.
2. Introduce a Defined Contribution (DC) Pension Plan for new employees.
3. Reduce the future accrual of pension benefits.

**2007:** The Company applied to the pension regulator to remove the COLA guarantee without input or approval of plan members. They were denied by the regulator.

**2010:** The DC Plan was instituted for all new employees.

**Future:** To protect against the Company's third option of reducing the future accrual of pension benefits, TEAM proposes the following pension protection clause be added to the Collective Agreement:

*"The Company agrees that it will not implement any changes to the Defined Benefit pension plan that would have the direct or indirect result of lowering future accrual of benefits for any Defined Benefit Pension Plan member.*

*The Company further agrees that no member of the Defined Benefit Pension Plan will be forced to transfer out of the plan."*

Even though the Company states that it has no intention at this time of reducing future benefits or force transferring members out of the plan, they flatly rejected the proposal.

### Q & A

- **Can the Company change the pension formula?**  
Yes it can - arbitrarily and unilaterally for benefits earned going forward.
- **Isn't my pension protected by law?**  
The Company cannot reduce accrued benefits or change the rules to negatively impact earned benefits; that's the law. Future pension benefits can be changed.
- **Why would the Company want to do this?**  
The MTS Board is motivated to maximize profits for shareholders. Reducing costs increases or maintains profit margins, and hence shareholder value. Shareholders come first.
- **Why should I care, I'm years away from retirement?**  
This issue is of most significance to you, as any downward adjustment in benefit will impact you the hardest.
- **What can I do?**  
Support your Negotiating Committee by actively participating in upcoming campaigns, including sharing this information sheet with your colleagues.