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December 14, 2016

The Honourable William Francis Morneau
Minister of Finance
House of Commons
Ottawa, Ontario
K1A 0A6

RE: Bill C-27 – An Act to amend the Pension Benefits Standards Act, 1985

Dear Minister,

I am writing to you on behalf of the thousands of working and retired Canadians we represent in the federally regulated railroad industry. A majority of our members and retirees belong to Defined Benefits Pension Plans that unquestionably provide the best option in terms of benefit security upon retirement. We view your recent introduction of this Bill in parliament threatening to those Canadians and the pensions they have worked long and hard to earn and fought continuously to protect.

It is disappointing that this government would take such actions after campaigning on promises of providing Canadians with a more secure retirement and making statements *“that after a lifetime of hard work, Canadians have earned a secure and dignified retirement”* when your Bill places that same security and dignity in jeopardy. It is outrageous that this Bill was introduced under a shroud without consultation, advance notice or even so much as a media release.

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Our organization has defended our Defined Benefits Plans for years. Our actions to protect these plans have forced us to make concessions during bargaining, go on strike and most recently proceed to binding arbitration to protect our members' financial security upon their retirement. Your recent actions place these plans in serious jeopardy and will cause them to come under continual attack forcing us to focus our attention solely on defending them and restricting our ability to negotiate improvements in working conditions and other benefits for our membership.

When you reference "plan member consent to conversion", what does that really mean when it is left to a third party to determine, following a failed negotiation or labour dispute. That is the frightening reality we will face. What is more frightening is what the future will hold for our pensioners, many of whom are long removed from the labour market, if they are faced with a reduction in benefits resulting from a conversion. Most of our Defined Benefits Plans have multiple organizations representing specific groups of plan members. The effects of one or more of those groups consenting to conversion could have a devastating outcome on the financial stability of the plan and the remaining members.

We strongly urge you to withdraw this Bill and seek other alternatives to introducing Target Benefits Plans that do not allow for the conversion or modification to existing Defined Benefit Plans. We realize the benefits of Target Benefits Plans for those individuals currently in a Defined Contribution Plan or who have no plan at all, but to do this at the expense of those in a Defined Benefits Plan is totally unacceptable and completely contradictory to what this government should be striving to achieve.

I look forward to the opportunity to meet with you and your staff to discuss this issue in greater detail in the near future.

Sincerely,



Don Ashley
TCRC - CFTC
National Legislative Director
Directeur législatif national