

Second Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Mr. Rob Altemeyer
Constituency of Wolseley

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT
Monday, July 21, 2008

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Rob Altemeyer
(Wolseley)**

**VICE-CHAIRPERSON – Ms. Sharon Blady
(Kirkfield Park)**

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Messrs. Bjornson, Struthers

Mr. Altemeyer, Ms. Blady, Messrs. Borotsik,
Caldwell, Dyck, Hawranik, Jha, Martindale,
Schuler

Substitutions:

Mrs. Stefanson for Mr. Borotsik
Hon. Ms. Irvin-Ross for Mr. Jha

APPEARING:

Messrs. Fauschou, Lamoureux

WITNESSES:

Mr. Brian Paterson, Private Citizen
 Mr. Marvin Krawec, Private Citizen
 Ms. Pat Bowslaugh, Retired Teachers'
 Association of Manitoba
 Mr. Leslie Porteous, Private Citizen
 Mr. Ken Malcolm, Private Citizen
 Ms. Pat Hamm, Private Citizen
 Mr. Blaine Johnson, Private Citizen
 Mr. Adam Grabowski, Private Citizen
 Ms. Lana Rinn, Boyne Chapter Retired Teachers
 of Manitoba
 Ms. Georgina Dyck-Hacault, Private Citizen
 Mr. Kyle McKinstry, Private Citizen
 Ms. Shirley Augustine, Private Citizen
 Mr. John Sushelnitsky, Private Citizen
 Ms. Pam Stinson, Private Citizen
 Ms. Joan Johnston, Private Citizen
 Ms. Audrey Myers, Private Citizen
 Mr. John Carley, Private Citizen
 Mr. Alex Krawec, Private Citizen
 Ms. Lynne Taillefer, Private Citizen

Mr. Wayne Hollier, President, Neepawa Area
 Retired Teachers' Association
 Mr. Patrick Lacroix, Private Citizen
 Mr. Gary Hooper, Private Citizen
 Mr. John Warkentin, Private Citizen
 Mr. Guy Hansen, Private Citizen

WRITTEN SUBMISSIONS:

Henry Tkachuk, Private Citizen
 Irene Sulik, Private Citizen
 Renate Schultz, Private Citizen
 Robert Ramsay, Private Citizen
 Frank Prouten, Private Citizen
 Suzanne Ouellet, Private Citizen
 George Novak, Private Citizen
 Bertha Norberg, Private Citizen
 Lawrence and Louise Mydyski, Private
 Citizens
 Jack and Elizabeth McLachlan, Private Citizens
 Robert Lussier, Private Citizen
 J.M. Klassen, Private Citizen
 Ed and Andrea Hammond, Private Citizens
 Neil Goertzen, Private Citizen
 K.M. Ferg, Private Citizen
 Michael Czuboka, Private Citizen
 Betty McLachlan, Private Citizen
 Jean Anderson, Private Citizen
 Janet Sirrell, Private Citizen
 Roger E. Gateson, Private Citizen
 Roy Richmond, Private Citizen
 Gloria Penner, Private Citizen
 Robert M. Swayze, Private Citizen
 Robert Lussier, Private Citizen
 Arnold Reimer, Private Citizen
 Barry Reilly, Private Citizen
 Leona Tomchuk, Private Citizen
 Ron Rayner, Private Citizen
 Jerry Baltesson, Private Citizen
 Doreen Poersch, Private Citizen
 Josef Segal, Private Citizen
 C.E. Darvill, Private Citizen
 Margaret D. Kaspick, Private Citizen
 Madeline Coopsammy, Private Citizen
 Alice Sklar, Private Citizen
 Edward Sklar, Private Citizen
 Roméo Lemieux, Private Citizen

Jim Reid, Private Citizen
 Laurette Chabbert, Private Citizen
 Richard Kulbacki, Private Citizen
 Rhonda Grist, Private Citizen
 David P. Giesbrecht, Private Citizen
 Maureen Recksiedler, Private Citizen
 Asa L. Reid, Private Citizen
 Theresa Chartrand, Private Citizen
 Phil Shaman, Private Citizen
 Clair Davies, Private Citizen
 Valerie Davies, Co-president, VanIsles Chapter
 of RTAM
 Albert E. Parsons, Private Citizen
 Doreen Sage, Private Citizen
 Jake Warkentin, Private Citizen
 Lorraine Shirley Romanetz, Private Citizen
 Ellen Walker, Private Citizen
 John Quayle, Private Citizen
 Dennis Wrightson, Private Citizen
 Leslie Wrightson, Private Citizen
 Norma and Rob Somers, Private Citizens
 Marlene Frayer, Private Citizen
 William Gallinger, Private Citizen
 Rosalie Bornn, Private Citizen
 Larice Sych, Private Citizen
 Roland Otto, Private Citizen
 Ingrid Humphries, Private Citizen
 Doris Griffiths, Private Citizen
 Dorothy Kilburn, Private Citizen
 Elizabeth Hitken, Private Citizen
 Joan Gray, Private Citizen
 Ron and Isabel Hayes, Private Citizens
 Bernice and David Lewis, Private Citizens
 John Ehringer, President, Sunrise Teachers'
 Association
 Julia McKay, Private Citizen
 Margrose Madak, Private Citizen
 Bohdan Danelak, Private Citizen
 Joie Van Dongen, Private Citizen
 Leota Nelson, Private Citizen

MATTERS UNDER CONSIDERATION:

Bill 45—The Teachers' Pensions Amendment Act

* * *

Clerk Assistant (Rick Yarish): Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Your first item of business is the election of a Chairperson. Are there nominations for this position?

Mr. Doug Martindale (Burrows): I nominate Mr. Altemeyer.

Mr. Yarish: Mr. Altemeyer has been nominated. Are there further nominations?

Hearing no other nominations—

Mr. Rick Borotsik (Brandon West): I nominate Drew Caldwell. *[interjection]*

Mr. Yarish: Mr. Caldwell, pardon me?

Mr. Caldwell: I decline.

Mr. Yarish: The nomination has been declined.

Hearing no other nominations, Mr. Altemeyer, will you please take the Chair.

Mr. Chairperson: All right, our next item of business is the election of a Vice-Chairperson. Are there any nominations?

Mr. Martindale: I nominate Ms. Blady.

Mr. Chairperson: Ms. Blady, do you accept?

Are there any further nominations for Vice-Chair of the committee? Seeing none, Ms. Blady is the Vice-Chairperson for the committee.

Now, this meeting has been called to consider Bill 45, The Teachers' Pensions Amendment Act, and it was previously announced that we will sit until midnight this evening. We have a number of presenters registered to speak to the bill as listed on the sheets before you and posted on the board at the entrance to the room. We have also, I should mention, opened up our other committee room just down the hall, Room 254, as an overflow room. We will have staff in that room and the proceedings of this meeting will be broadcast there as well.

For the information of everyone in attendance, it has also been announced that this committee will meet to consider this bill, the same legislation, on the following occasions: tomorrow, July 22, from 6 p.m. to midnight, and Wednesday, July 23, also from 6 p.m. to midnight.

Before we proceed with presentations, we do have a number of items and points of information to consider, so I ask everyone with us here tonight to bear with us as we get through these matters. First of all, if there is anyone else in the audience who would like to make a presentation this evening and you're not already on the list, please feel free to register with staff at the entrance to the room.

Also, for the information of all presenters, while written versions of your presentations are not required, if you are going to accompany your

presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, again please ask our staff.

As well, I'd like to inform presenters that in accordance with our rules at the Legislature, a time limit of 10 minutes has been allocated for presentations with up to an additional five minutes allowed for questions and answers from committee members.

In accordance with our rules, as well, if a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters list.

Mr. Ron Schuler (Springfield): Because this committee has been called basically in the middle of summer, we were wondering if there would be leave from committee that for today we would not view those individuals being called as being called for the first time. We would just work our way down the list.

I think a lot of people have put a lot of effort into their presentations and are maybe not quite aware of how the time schedule works. We have done this at other times with other committees, and I was wondering if the committee would agree that tonight we would not view any name as having been called the first time.

Mr. Martindale: Mr. Chairperson, these hearings have been scheduled by agreement with both House leaders, from both the government and the opposition. Due to the number of people registered, we're prepared to add more days. We're going to have very long evenings and probably a week of public hearings.

I think we should follow the normal practice, and that would be to call people the first time and the second time and then drop them from the list as we usually do.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I like what the Member for Springfield indicated in terms of not having names dropped from the list, but I guess the biggest concern that I have is that we have today listed 336 individuals that have expressed an interest to present. If one does the mathematics, I would suggest to you that to obligate all 336 people to have to be here in case their names are being called would be doing a disservice, in fact, to the public.

I would suggest to you that maybe we look at grouping it and saying the first 100, and if they're beyond 100, that their names, if they are called, will not be classified as being called the first time. There's no way we'll get through a hundred, and it would be a shame to have someone have to sit here till midnight because they happen to be so high on the list, and we know full well that their name's not going to be called, yet they don't want to have their name dropped, Mr. Chairperson.

* (18:10)

There's got to be a better way in dealing with these 336 people, other than forcing them to have to wait in an un-air-conditioned room in those sort of numbers.

Mr. Chairperson: Just to clarify, the initial proposal was brought forward by Mr. Schuler asking for leave of the committee. Just to confirm, I understand from Mr. Martindale's comments that that leave has been denied. So I will rule in accordance with that, that leave to not see people's names the first time they are called has been denied. Your name will be called once, and if they are not present their name will be dropped on the list in accordance with normal practice.

Now, Mr. Lamoureux, yours was a slightly different idea. Would you mind re-explaining that to the committee, please.

Mr. Lamoureux: Yes, just given the number of people that have expressed a desire to speak to the committee, as opposed to obligating all 300-plus people to have to be here, is it not okay for the committee at least to say that we will deal with the first 100. In this way those individuals that are 101 can feel free in terms of having to go home. If they want to stay and listen for six hours in the heat, that's fine. But can we just put a limit so that those individuals that are 101 or higher are able to go home and not have to worry about losing their spot?

Mr. Martindale: What is being suggested is a change in the rules, and I'm not opposed to a change in the rules. In fact, during the spring session we had a number of committee hearings on some controversial bills wherein there were numerous presenters, and I heard people in the audience and members of the Legislature suggesting that we need a different way of registering people and letting them know when they might appear on committee, either by a specific time or a day. I think that's something that we should recommend to the House leaders that

perhaps, in future, we might indicate what day or what evening people should expect to come so that if they are realistically not going to get to present until Wednesday night they don't need to show up on Monday night and Tuesday night. But I think that's the kind of thing that we need to refer to the Government House Leader and the Opposition House Leader to negotiate to bring in a rule change that would affect all presenters for all committees for the future.

Mr. Borotsik: I believe that Mr. Lamoureux's suggestion is a legitimate suggestion. I don't think that we'll ever get to the position of 100. If there are a number of presenters that are in the audience at this point in time that are below 100, I think it's inhumane to keep them here in this heat in this room until midnight just with the suggestion that they may well be called this evening.

Our House leader, our very capable House leader, by the way, has already been notified that in fact there is a requirement for changes to the committee process. I know that he and the Government House Leader will be dealing with that. That's not to say that we cannot get leave now for a very simple request, which is anyone below 100. That's still, by the way—we were going to go with the rural ones first and then we'll go to the urban ones. If you do the math—I don't want to filibuster, believe me; there are too many people sitting in this room right now wanting to present—if you do the math, we'll probably get 18 presenters. So the 100 will never be met. To not allow that in leave, really, is a non-starter and a non-issue, except the fact that we're going to have a lot of people here that are going to stay beyond the 12 o'clock without ever having an opportunity of being called.

So, Mr. Chairman, I would really appreciate if the government members would in fact see fit to allow Mr. Lamoureux's motion to go forward, give it leave, and then we can have the presenters make their presentations.

Mr. Chairperson: So, as I understand it, a request is being made of the committee that anyone here tonight who has a number on the sheet that is in excess of 100, if we get to their names we would not be dropping them to the bottom of the list. Is that an accurate summary of what is being proposed?

An Honourable Member: Yes.

Mr. Chairperson: Is there leave of the committee to do this?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Chairperson: Leave has been denied.

I will also point out that, should anyone wish to make a written submission and just provide that to the committee, that is in fact what I'm about to do is read the names of people who've already chosen to do that.

Point of Order

Mr. Schuler: Yes, just on a point of order, I'd like the record to record that the New Democratic members of the committee voted against allowing those over 100, a very reasonable proposal to go forward, that they not be dropped from the list after the second call, just to make it very clear.

Mr. Chairperson: It's not technically a point of order.

* * *

Mr. Borotsik: Can we get it recorded? I'll make a motion that we have from anyone under 100 not be dropped from the list. I'll make that as a motion and then ask for a recorded vote.

Mr. Chairperson: Do you have that in writing, Mr. Borotsik?

Mr. Borotsik: No, actually not. It was just—

Mr. Chairperson: While the motion is being sorted out, I'd like to ask those in the room, can everyone at the back hear the proceedings?

Floor Comment: No.

Mr. Chairperson: No, okay. I've just asked our sound technician and the volume is in fact at its maximum amount without causing feedback, which is not something I think we want to listen to tonight. They have placed a call to see if there is any additional mechanism to increase the sound output. I'll just have to ask everyone who is presenting—sir, please return to your seat. *[interjection]* You have to wait. Please return to your seat.

I would just ask everyone who is speaking to please do so directly into the microphone and we'll just have to ask everyone to sit quietly in class and listen to the presenters tonight.

Do we have the motion ready?

It has been moved by Mr. Borotsik,

THAT all presenters below 100 on the list not be dropped from the list if called this evening.

The motion is in order and the floor is now open.

Formal Vote

Mr. Borotsik: Call the question and a recorded vote, please, Mr. Chairperson.

Mr. Chairperson: The question has been called. A recorded vote.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

* * *

Mr. Chairperson: The motion is accordingly defeated.

Returning back to the administrative matters of the committee, written submissions on Bill 45 have already been received from the following persons and distributed to committee members. For the purposes of *Hansard*, which is recording everything that is said here tonight, I will now read out these names so that they could potentially be included in the official record: Henry Tkachuk, Irene Sulik, Renate Schultz, Robert Ramsay, Frank Prouten, Suzanne Ouellet, George Novak, Bertha Norberg, Lawrence and Louise Mydnynski, Jack and Elizabeth McLachlan, Robert Lussier, J.M. Klassen, Ed and Andrea Hammond, Neil Goertzen, K.M. Ferg, Michael Czuboka, Betty McLachlan, Jean Anderson, Janet Sirrell, Roger E. Gateson, Roy Richmond, Gloria Penner, Robert M. Swayze, Robert Lussier, Arnold Reimer, Barry Reilly, Leona Tomchuk, Ron Rayner, Jerry Baltesson, Doreen Poersch, Josef Segal, C.E. Darvill, Margaret D. Kaspick, Madeline Coopsammy, Alice Sklar, Edward Sklar, Roméo Lemieux, Jim Reid, Laurette Chabbert, Richard Kulbacki, Rhonda Grist, David P. Giesbrecht, Maureen Recksiedler, Asa L. Reid, Theresa Chartrand, Phil Shaman, Clair Davies, Valerie Davies, Albert E. Parsons, Doreen Sage, Jake Warkentin, Lorraine Shirley Romanetz, Ellen Walker, John Quayle, Dennis Wrightson, Leslie Wrightson, Norma and Rob Somers, Marlene Frayer, William Gallinger, Rosalie Bornn, Larice Sych, Roland Otto, Ingrid Humphries, Doris Griffiths, Dorothy Kilburn, Elizabeth Hilken, Joan Grey, Ron and Isabel Hayes and Bernice and David Lewis.

* (18:20)

Does the committee agree to have these documents appear in the *Hansard* transcript of this meeting? *[Agreed]*

Mr. Borotsik: These written presentations certainly should be shown in *Hansard* but if there are individuals who have provided a written presentation and still want to make a public presentation, is that still available to them?

Mr. Chairperson: Generally speaking, presenters can do one or the other. So it is an either/or situation under standard practice. By leave of the committee, an exception could be made.

Mr. Borotsik: There may well be individuals who have provided the written presentation with the understanding that that was required of them before making their personal presentation to this committee. If that is the case, I would hope the committee would allow leave for those individuals to still make a presentation in person.

Mr. Chairperson: I've been informed that each of the 69 names that were just read out into the public record—in each of those instances, staff at the Clerk's office received from the presenters their wish to have a written presentation submitted because they could not attend. There may be other people in a different situation and we thank you for bringing that forward but for the names just announced, your concern is not applicable.

Mr. Borotsik: They've already been removed from the presenters list then, is that what I understand?

Mr. Chairperson: At their request, yes.

Mr. Borotsik: So if they wish to put their name back on the list they have until midnight of the third day. Could they then make a request to be placed back on the list to make a personal presentation to this committee?

Mr. Chairperson: The short answer is yes, they can do that, with leave of the committee.

Mr. Schuler: There is a Sharon Fischer who is hearing impaired. She was wondering if she could just take this chair over here so she could actually see the presenters as they speak and help her understand and to hear the presentations. That would take leave of the committee. Is there agreement?

Mr. Chairperson: Is there leave of the committee to agree to allow Ms. Fischer to have that access? *[Agreed]* Ms. Fischer, front row seat. Thank you for raising that.

Now, we are still continuing with the administrative matters to get things ready for tonight so everything is clear.

In the question of order of presentations, I will note for the committee that the House leaders have previously agreed that we will hear all of the French presentations on this legislation at our meeting tomorrow night beginning at 6 o'clock. Therefore, for everyone's information, when I come across a French presenter tonight on our list who I've denoted with a double asterisk next to their name, I will not be calling their name. They will not be dropped to the bottom of the list. They will just remain where they are.

I will also note that we do have out-of-town presenters in attendance marked with a single asterisk on the list.

As well, presenter No. 90, Jean Todd, has informed us that due to a recent death in her family, she will be unable to attend the meeting before Wednesday. She asked for the consent of the committee that her name not be called a first time before Wednesday. So I am bringing that request forward. Is there leave of the committee to allow us to not see her name? *[Agreed]* Thank you very much.

With these considerations in mind, then, in what order does the committee wish to hear the presentations?

Mr. Martindale: The normal procedure would be to hear out-of-town presenters first.

Mr. Chairperson: It's been proposed we hear all of the out-of-town presenters first in recognition of their travel time.

Mr. Lamoureux: Mr. Chairperson, I recognize that normally that's what we would do always, as has been pointed out from the colleague. Realize that if we look at the clock and you go to midnight, we're talking about 36 presenters is what we'll hear. We have well over a hundred that are from rural Manitoba. There's about a 125, just over 125. That would mean that any presenter that's within the city of Winnipeg does not have a chance at speaking probably until Wednesday. At the very least, today, would it be okay, then, of the committee to allow those presenters that are in Winnipeg, at least inform them that their names would not be dropped from the list?

Mr. Chairperson: Is that a motion that you're making? *[interjection]* Just a request, okay. Any other comments? No? The request has been denied.

For the information of those in the room and as a reminder to committee members, we do not know how many names, of course, we will get through on the list because if a person isn't here, then they won't be presenting, so it is the nature of these proceedings.

So is it the committee's will, then, to hear from the rural presenters first? *[Agreed]* We have agreed to that. Thank you.

Prior to proceeding with the public presentations, I would like to advise members of the public regarding the process for speaking at our committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I, as Chair, first have to say that person's name. That includes the question period afterwards. This is the signal for the *Hansard* recorder to turn the mikes on and off. Thank you all very much for your patience and we will now proceed to the public presentations.

I will now call on the first our-of-town name on our list which is No. 3, Mr. Brian Paterson, private citizen. Is Brian Paterson—*[interjection]* Coming down the—okay, very good.

Hello, Mr. Paterson. Do you have a written copy of your presentation for the committee?

Mr. Brian Paterson (Private Citizen): No, I do not, Mr. Chairperson.

Mr. Chairperson: That is fine. You may proceed.

Mr. Paterson: I will read it. In case I ramble, I will read.

Firstly, hello to Drew Caldwell and Rick Borotsik, two of the friendlier MLAs who have never turned me away, by the way.

Mr. Premier, Mr. Minister—sorry, I thought the Premier (Mr. Doer) was here. He is not. Mr. Minister, members of the committee, retired colleagues, interested and participating persons present, can you hear me?

Floor Comment: Yes.

Mr. Paterson: The comments you will hear me present today are my personal opinions and not necessarily those of RTAM, although quite a few are. I was thinking about Bill 45, and I thought to

myself, what would Winston Churchill say if he were a retired teacher? He would probably say—that is, as the bill is presented, by the way. He would say: This is not the beginning, this is not the end, but it is the end of the beginning.

We told you once we're not going away and, of course, we're not. We're still here, but this is the end of phase 1, so to speak. After nearly a decade of discussion and debate on the cost-of-living allowance, inadequacies imposed on retired teachers, the Tim Sale report has brought this phase of the debate to a head. This costly and unnecessary plebiscite was designed to crush and humiliate retired teachers and line up the teachers' pension plan with that of other Manitoba provincial pension plans.

The plebiscite ended round 1 in a disaster and an embarrassment for the government and MTS side. Now, obviously, government can pass whatever bills they wish even if such legislation such as Bill 45 is bad, poorly conceived and injurious economically to those it was intended to help, the retired and active teachers. It is a flawed bill. In the next 10 minutes, I'll tell you what I think should happen with Bill 45. I will also comment on how the minister and MTS should proceed in the near future, given the results of the recent plebiscite disaster approved and paid for by the MTS and the government.

* (18:30)

At times, this may sound like a lecture, but I don't mind that. It's only—turnabout is fair play given that the minister called myself and other board members of the RTAM board to a meeting on February 12 and then proceeded to lecture, cajole and bully myself and other members of the board into accepting the Sale report with an or-else message: you accept it as a whole package or that's it.

What should be done about Bill 45? Well, I support cancelling the bill as is, as a bad piece of legislation, the recommendation of the better of interest-crediting measure for the PAA and associated moving three-year average backdated to 2005. If the bill must be passed, accept that part of it. This will not solve the PAA problem, but it'll certainly be a modest help. It is minimal and piecemeal. These are comments that the minister has heard before.

Also, I support no conditions be attached to the above bill and it should provide for, immediately, not the whole package, but as we just said, the better of

and the three-year moving average. This is what RTAM told you, Mr. Minister, on February 12. We wanted you to keep the doors open for fairness and equity with a long-term plan for funding the COLA. I also thought maybe a new chairperson for the Pension Task Force, an independent chairperson, might not be a bad idea either. Think about it.

Also, keep open discussion amongst the three parties with a view of dealing with the long-term funding solutions or a plan for the COLA problem, and remove such escape clauses such as available funding. Trust in the stock market and low interest rates isn't something we can all hang our hats on with any confidence.

The funding is the problem. A plan is needed. It's simple. No one should be left out as will be the case if Bill 45 passes as is. If Bill 45 can't be cancelled, then please amend it, Mr. Minister.

This decade-old debate on COLA was mishandled from the outset by the only parties responsible for the solution, namely the MTS and the government. A recent *Financial Post* article concerning the Ontario's teacher plan problem of underfunding puts the responsibility squarely on the Ontario Teachers' Federation and the Ontario government. In Manitoba, our MTS executive and government have put the responsibility for the problem and the lack of solution onto the shoulders of the victims, the retired teachers. As far as I know, we're not part of The Teachers' Pensions Act, I don't think, or mentioned in it. The minister and the MTS president have ignored the principles and right and wrong in favour of political expediency.

Now, many who will give testimony at these hearings believe that the problem is an NDP versus the Grits and the Tories. It is not a political confrontation, by the way, to see who supports whom. It is about fairness, equity and justice for those who paid into the plan. That's what it's about. It's not about which political party do you support. It is about taking the problem and seeking a solution for it with personalities put aside. I feel too much that personalities have been involved here and that's been unfortunate.

If the Grits and Tories were in power, I can assure you, I would be seeking the NDP's support for an improved COLA. I've told Mr. Caldwell that many times and I think we've told you that, Mr. Lamoureux. I would be assailing their ministers for a solution to the problems

When I taught school, my guiding principle always was: tell the truth and treat others the way you wish to be treated and do the right thing. Mr. Minister, you still have time to do the right thing. Amend or cancel Bill 45.

When the history of this educational COLA situation is written, the MTS executive and the minister will be mightily ashamed of their role in the treatment of retired teachers. Currently, I think you have the dubious honour of being one of the few provincial governments who have ridden roughshod over their retirees.

Mr. Minister, I believe that the Tommy Douglases, the Stanley Knowles, the Len Evanses, the Ed Schreyers of this world would be very displeased if they could see what Bill 45 would do to this current generation of retired teachers. These champions of economic and social justice would be very upset indeed. My father was a lifelong NDP member and believe me, I got to know the principles those gentlemen stood for.

In the course of my career, by the way, I've taken many courses in conflict management and resolution. Real leaders have two choices in a conflict situation: let the conflict or disagreement destroy an organization, as is currently happening, or make the conflict work in a positive manner for those who are part of this organization, that is, the educational organizations.

Bill 45 should leave no people out. Please make the amendments that allow both the active and retired teachers to be treated with equity, fairness and justice. Allow them to get what they paid for, not something less. They deserve a long-term funding plan that will achieve this goal.

Now the current MTS executive, I believe, have missed this opportunity. I think the results of the plebiscite were very embarrassing, and they had to be discouraged to the people in the MTS building, I'm sorry to say. But, Mr. Minister, you have not missed your last opportunity. Time and circumstance are still on your side. Do the right thing. The plebiscite showed that you lost the battle, but you can still win a war. Don't blow this opportunity for fairness, equity and, I might even add, votes.

Unfortunately, the MTS government policy, or policy, pardon me, has changed and it has vacillated. You will notice that RTAM, the message I give you today is the same thing we were trumping up eight years ago—

Mr. Chairperson: One minute left.

Mr. Paterson: Fine, thank you.

I'm going to skip some of the things I had here. That's a whole page, and I'll just remind the minister what he said on the February 12 meeting that the COLA issue was done. It was finished. It was over. The president of the MTS echoed the very same words to me about two and a half hours later during the afternoon visit to her office.

Some of the things that the MTS has done had such a cost, and the government have done this plebiscite. We told you, just implement the damned thing, the main provision of the Sale report. We can accept that. But no, it had to be a costly plebiscite in which perhaps 5,000 or 6,000 people were left out, didn't get a chance to vote. Many on vacation got home without time to send in their vote. That's disgraceful.

Mr. Chairperson: Thank you, Mr. Paterson. Your time for presentation has expired. Are there any questions for the presenter?

Mr. Schuler: Thank you very much, Mr. Paterson, for coming in to committee, you and all the others. Hopefully, we'll have the opportunity to thank each and every one of them. I'm sure there are a few other things you could be doing tonight rather than sitting here in this balmy committee room.

I just want to go back to your thoughts about the plebiscite. You mention that, and I'll put it in my own words, basically, it was a hung jury. Plebiscites tend to be a little bit more lopsided where this one tended to be a fairly close vote. Would you as a member of RTAM think that now would be a good time for the minister to call all parties together and negotiate some kind of a compromise? Would you like to see that as RTAM and as a retired teacher?

Mr. Paterson: Mr. Schuler, absolutely, I would, but I want to go back just to something that I perhaps didn't say, and it's in answer to your question. I think the plebiscite results were so abysmal for the cost, 44 percent of people voted, I understand. There was only a difference from 52 percent to 48 percent for the yeas. I think what the minister should do, not the minister necessarily here, but the MTS president and executive should do is either step down, be impeached, which I don't think is possible, I don't think I've read that anywhere; or the minister should stop taking their advice and get new advice. I mean that was bad advice. It must be embarrassing for the

MTS president and the executive. I don't think that's ever happened before, to my knowledge.

* (18:40)

Mr. Chairperson: Just before we continue with questions and answers, I do need to mention to all members of the public who are here tonight that the same rules around participation, such as clapping or cheering or comments, that apply in the Legislature also apply here; namely, they're not allowed.

So, with that said, we will now continue with questions. Thank you for your understanding, everyone. Mr. Borotsik and then, if there's time, Mr. Lamoureux.

Mr. Borotsik: Mr. Paterson, thank you for your presentation. You had mentioned—and I'll be very quick—other jurisdictions, other provinces, and how they treat their retired teachers. I understand the detail of what's happening here with this amendment to the pension legislation, but how do other provinces treat their retired teachers with respect to the COLA?

Mr. Paterson: I have nothing wrong with hard debate. That's great. Hard debate is fine and may the chips fall where they may. But at least let's have some other options. I think we've only had one with the Sale report that I know of. How about giving the active teachers two-thirds or less, which is what they want. How about giving people in this last generation of retired teachers who may live for another 10 years, how about giving them from two-thirds up to 100 percent, somewhere in there. We can negotiate that, nothing wrong with that.

Mr. Borotsik: Other jurisdictions, how do they treat their retired teachers?

Mr. Paterson: I think a little better than we've been treated in Manitoba.

Mr. Lamoureux: Very quickly, RTAM has met with the Minister of Education (Mr. Bjornson), you mentioned, I believe it was in February. Is that the most recent time that RTAM had to meet with the minister, and, again, I guess more so from your opinion, did you sense any value that came out of that dialogue?

Mr. Paterson: There may have been individual committees meet with the minister. To my knowledge, I don't know that. I think the board last met as a board in February of 2008.

Was there any value that came out of that meeting? I thought that the minister—I felt very sorry for him that day because I think he embarrassed himself. For a big man, I thought he acted very small. Sorry about that, nothing personal against the minister or the president of the MTS.

Mr. Chairperson: Seeing no further questions, we thank you for your time with us here this evening.

Mr. Paterson: Thank you.

Mr. Chairperson: The next name on the list is—*[interjection]* Once again, sorry, no clapping allowed. The next name which is out-of-town is No. 8 on the list, Marvin Krawec. Sorry, if I'm not pronouncing that.

Do you have written copies? Excellent, thank you.

Thank you for your patience. You may proceed.

Mr. Marvin Krawec (Private Citizen): Good evening, committee members, Mr. Minister. Thank you for being so considerate of the rural presenters here this evening.

I've been at the business of teaching since I was 17 years old and I've been together for a long time. This is a preamble that isn't on the written stuff. I did a lot of work in the early days as a teacher going around the country towards the end of the one-room schools closing, fighting for teachers' salaries, fighting for teachers' welfare and so on and so forth, meeting with school boards all over God's half acre. The honourable gentleman over here knows that it was in the Duck Mountain School Division that we laid the foundation for him to have better working conditions, and here I am this evening having to fight for what's right for me.

Thank you for the opportunity again. There are elements of Bill 45 that are not retired-teacher friendly. I should like to point out that the ramifications of the passage of this bill will be felt greatly by the retired teachers, some of whom have very little stipend as it is. There's no doubt that Bill 45, its passage would contribute to the decline of economic benefits in rural communities, especially every penny counts, every dollar. For every dollar you spend, I understand it generates \$7.50 of other business. Those in the rural, they will witness constant erosion and the capacity to enjoy comfortable retirement, and all this will be done due to the design of the present government's bill.

If this bill is based on the recommendations of the Sale report, then it is indeed a travesty in fairness and justice, since Mr. Sale's report seems to be based on incorrect information. To quote one of my fellow cohorts who is here this evening, Mr. Sale started with the false premise only to arrive at a false conclusion. *Deductum absurdum*. I added a note for myself.

There are individuals here who are more conversant with the factual issues than I am and will corroborate my assertion. Historical data exists that negates Mr. Sale's conclusions. Further to that there seems to be a propensity for hyperbole with regard to the credibility and beneficence of the amendments given that is based on false premises. Truth seems to be a stranger with respect to the benefits accrued of these amendments.

The second point I should like to discuss is the plebiscite and its impacts on the legislation. I submit to you that the plebiscite was a sham, a waste of money, a surreptitious act of misleading information.

For starters, RTAM was not part of the plebiscite I'm told. This was foisted on the retired teachers without any consultation whatsoever, and we heard from the previous speaker. But my question is, why conduct a plebiscite and spend all the money if it has no legal status? Why conduct a plebiscite without any kind of defined parameters? Why deny the whole assemblage of teachers, retired and active, sufficient time to discuss and analyze the data provided?

I submit to you that the vast majority were not conversant with the Sale report, those who are still teaching. Why didn't RTAM input into the format of the plebiscite? The whole plebiscite was rammed through without consultation in order to expedite the passage of Bill 45. Further to this, as it has already been mentioned, only 44 percent of the eligible voters were able to exercise their franchise. Of the 44 percent who voted, 48 voted in opposition to the Sale report, while 52 percent voted for. This is really hardly an overwhelming endorsement for the basis of amending the act.

For all the reasons I mentioned, I urge you to consider carefully the implications this bill will have. The government has a moral, I believe, and a benevolent obligation to all citizens affected and reject the proposed amendments, lest they be labelled as an abuser of the elderly because it indeed will be psychological abuse as well.

I ask you to think of these people during your deliberations. Some of them may well be responsible for your being here, being where you are. Reward them. Don't penalize them. Act humanely. Thank you very much.

Mr. Chairperson: Thank you for your presentation.

Mr. Schuler, I believe you have a question.

* (18:50)

Mr. Schuler: Yes, and thank you very much for coming out to committee this evening. We certainly appreciate your comments and you certainly did keep them brief but they are fairly direct. There are a couple of things out of your presentations that I find quite disturbing. You make a claim: false premise only to arrive at a false conclusion. That was the Sale report. That sort of reflecting on the Sale report. Then you talk about the plebiscite was a sham, a waste of money and a surreptitious act for misleading information. Also that RTAM was denied input into the formative plebiscite. We do have a little bit of time because you kept yourself short. Can you just—

Mr. Chairman, I'm sorry. I'm really having difficulty hearing myself think with discussions at the table. Perhaps we can move it to the loges if that would be okay.

Can you just sort of reflect on what you mean by the false premise of the conclusion and the sham of the plebiscite and then also denying RTAM input? I'll let you reflect on those three.

Mr. Marvin Krawec: The data that Mr. Sale used to come to a conclusion was inappropriate and incorrect is what I'm saying. I said that there are individuals here who are more conversant and who will speak to that issue. Now I could name a gentleman who was there and did all the negotiating and knows all of the numbers, and he will be able to answer. I am not cognizant of every, every detail for fear that I might not get it correct exactly, whereas to the plebiscite, a blind man on a galloping horse in the dead of night could see that this was going nowhere in a hurry.

Mr. Chairperson: Are there any further questions for Mr. Krawec?

Mr. Borotsik: Just one very brief one. When did you retire Mr. Krawec?

Mr. Marvin Krawec: 1997.

Mr. Borotsik: Did you ever receive full COLA?

Mr. Marvin Krawec: A year or two I believe there was when I did. *[interjection]* Am I wrong? *[interjection]* Wrong? Right.

Mr. Chairperson: Mr. Krawec you have the floor. You may speak.

Mr. Marvin Krawec: I've been sidetracked.

Mr. Chairperson: Unless you're finished, that's fine.

Mr. Marvin Krawec: I'm sorry. I forgot what I was going to add to that.

Mr. Chairperson: Mr. Lamoureux, on another question.

Mr. Lamoureux: Mr. Krawec, thank you for coming. It is your opinion that the Sale report, based on what you've been informed as a retired teacher, is significantly flawed, and as such, that might even put a huge question mark in terms of having a plebiscite on a seriously flawed report. There's going to be other presenters that are going to comment on those flaws as we go on.

Just to make sure that I'm clear in my mind, as a retired teacher, who I suspect probably voted, I'm trusting you probably voted, you genuinely believe that the report and the information provided in that report was flawed.

Mr. Marvin Krawec: I believe that it was flawed. I believe that it was a waste of paper and the time and effort. I believe that it is a shame that the retired teachers are really disenfranchised when it comes to the MTS, and yet they purport to speak for us and put us down. There's a conflict of interest here, which is another annoying thing about the plebiscite.

Mr. Schuler: Mr. Krawec, were you an active member of MTS when you were a teacher?

Mr. Marvin Krawec: Right from teachers' college. I started with Mr. Cliff Wood. I don't know of too many people who knew who Mr. Cliff Wood was. From Mr. Cliff Wood to Walter Pindera and beyond. I worked with all those secretary generals in what we used to call McMaster House, now as Manitoba Teachers' Society.

In the early days we paid our own hotel bills, we did everything to come to AGMs because there wasn't that much money. We worked for the welfare of the teachers.

Mr. Chairperson: Thank you for your time with us this evening. Time for questions has expired.

The next name on the list is No. 9, Pat Bowslaugh. Do you have a written copy of your presentation?

Ms. Pat Bowslaugh (Retired Teachers' Association of Manitoba): I have 20 copies.

Mr. Chairperson: Fantastic. Thank you.

Thank you for coming here tonight. You may proceed.

Ms. Bowslaugh: Thank you. Greetings, honourable Chairperson, honourable Minister Bjornson, and committee members and our Brandon MLAs, Drew and Rick.

I come here tonight to speak on behalf of the 7,200 members of the Retired Teachers' Association of Manitoba. It is not without frustration, for the journey that we have been on since Mr. Sale and I met one year ago in July has been long, arduous and painful. It is not without desperation that we ask you, the government, to please listen to our logic, our concerns, and our plight for fairness for our cost-of-living adjustments.

Firstly, I need to address a term that has been profiled as of late. So I looked in the dictionary and it defines a bully or bullies as person or persons who frighten, threaten and hurt others, who are not as strong as he or she is.

During my personal four decades as a teacher and principal in the public school system, I emphasized to children that bullying is wrong. It is unacceptable and it must stop. I also taught children that if they were bullied, they must help to make it stop; they must tell the bully to stop and if necessary, engage the help of others. I'm here tonight to engage the help of all of you.

Retired teachers do feel bullied. As per the above definition, I contend that the government and MTS with its 15,000 active teachers have frightened, have threatened and have hurt us in the following ways: we paid pension contributions that, to this day, in the pension act, promises 100 percent COLA where funds are available. To finance this COLA, teachers gave up the disability clause found in the civil service superannuation packages and agreed to pay 60 percent more than any other government pension group into the pension adjustment account. As a result of this commitment, we retirees and the present active teachers experience a limited financial window to make any contributions to a self-

administered plan such as RSPs. Now, in not receiving a full COLA, we are being hurt financially.

So, why aren't funds available? Well, in the mid-80s, almost a quarter of a century ago, government actuaries warned that the plan was headed for disaster and they continued with the same warning at each evaluation. Was anything done? Were classroom teachers informed? Well, if we were, the active teachers did not tune in because we were busy in the classroom teaching, teaching your children and mine, just like the 15,000 teachers who are busy teaching in the classrooms today.

In 1984, at the time of some of this going off the rails, I trusted that someone was looking after my pension. Well, here it is in 2008 and MTS is telling its teachers that they are looking after their pensions. MTS is convincing its members of its alleged concern for them with misleading statements such as: RTAM turns down \$130 million.

Well, I can't begin to relate to you how many teachers have said to me, Pat, but the government is putting in \$130 million; and I say, yes, that is the government's share of the money to match the possible increase that retired teachers might get over the next 10 years. This is not new money. It is only an actuarial estimate of the government's share of up to two-thirds.

Or active teachers or anyone who reads or listens to the radio or newspaper have heard repeatedly that retirees will get twice as much through the Sale report. Well, twice as much may be true for this year where the amount will then be just over a 50 percent CPI, not even close to the 100 percent proposed in the pension act or other proposed mark in the Sale report of two-thirds COLA.

*(19:00)

So why do I recount these two pieces of media reports? Because they frighten, they threaten, and they hurt others. The others in this case are 11,200 retired teachers. Eleven-thousand-plus retirees are frightened. Their planned retirement has collapsed, and they have little recourse to do something about it, especially if they are 75 or 80 or over. By the way, at this stage of life, it is a long day as a Wal-Mart greeter.

Retirees are frightened because the purchasing power of their disposable income is diminishing rapidly, frightened because they cannot afford the increases in heat, light, water, taxes, frightened

because of increased food costs and reduced mobility due to rising gas prices.

Eleven thousand teachers are also threatened. Mr. Minister, Brian has already spoken to you about our visit to you by the RTAM board in your chambers, and you told us to agree with all of the Sale report. You told us that, if any of our retirees contacted you, RTAM would be blamed for not accepting the package. This was a threat. We felt threatened when told we must agree to the parameters of the Sale report or get nothing.

Eleven-thousand-plus members are hurt, and I've listed several ways we are hurt. We're hurt because we felt that the government and MTS have united and ganged up against us, hurt that we as teachers spent thousands of hours working for MTS and/or the Department of Education on committees, et cetera. Yes, bullying is in the perception of the victim, and we feel bullied, very bullied.

Another example is the contention that the Sale report must be accepted as a package. I personally phoned Mr. Sale to ask if it was in his intent that it be accepted as a package, and you know what he said? He enlightened me for me to learn that it is the government's purview to implement whatever they want. So I ask you, why would you not implement the better of interest crediting and the three-year averaging to which we all agreed and then have an agreement to negotiate the rest? That would be logical.

Now, RTAM has several suggestions. The government brags about opening the pension act five times in nine years, but in at least one of these openings the pension plan was sabotaged. I'm going to contend that politicians did not do their homework. They listened instead to erroneous information, they disregarded the logic put forth by RTAM, and they allowed MTS to bully the government. This resulted in MTS being allowed to forgo paying into the pension plan for each of the people on disability insurance. Who could imagine a disability insurance plan to not financially support the pension plan? This does not make sense. So one suggestion to rectify Bill 45 is to help that in the upcoming deliberations.

RTAM, with its 7,200 members, understands the financial disaster of the current pension adjustment account. We have spoken to this and said we are willing to take less if there was an honest effort to overhaul the plan so there would be some guarantees for the retirees, both now and in the future. Please

note that for every year since 1999, except one, there has not been enough money in the pension adjustment account to pay a decent COLA, and thus the government's obligatory contributions have been lessened, lessened. It is no wonder that government does not want a solution to this dilemma. It will cost the government money, but that money is that designated in the pension act.

My calculations indicate that the government has saved at least a million dollars in each of the past nine years through this sleight of hand, this refusal to look at the nuts and bolts of a pension plan that needs an overhaul, that needs to be rejigged, that needs to be looked at with vision, equity, fairness, and logic.

The 26,000 educators that are identified as part of the TRAF plan, plus the 6,000—

Mr. Chairperson: One minute.

Ms. Bowslaugh: —deferred TRAF plan members, must be respected. Each one of us paid for and was promised a pension plan that would work, and since the mid-1980s it has not worked.

I do want to make note that I have just returned in late—or early June, from the Canadian Association of Retired Teachers, and I received confirmation that Manitoba's retirees have received among the lowest COLA of any province, in Manitoba. I have attached that to the package so that you would be able to see that. It is very hard to discern, and was in the book, but there is a three-year graph. So one is grey, darker and light; those are the three years. It's a shame, just a shame, to see what Manitoba's retirees got in comparison to all the other provinces.

I'd also like to point out the contribution rates, because the contribution rates have been a force to contend with, a concern for several years. On the very first column you will see all the contribution rates for the other provinces.

Mr. Chairperson: Thank you very much for your presentation. Time for that portion has expired.

Mr. Schuler, you have a question?

Mr. Schuler: Yes, first of all, to you, Mr. Chair, because we have one of the recognized organizations, and we've done this at other committees, we give a little bit more latitude, as I'm sure we'd be prepared to when the president of MTS is here. I think it's important, and certainly the president brings a lot of new information, a lot of information I think that is healthy for the committee.

So I would start off by saying thank you for coming. I know you've come that long distance from the big city of Brandon. It's great to have you here again. Certainly, your presentation, as one member of this committee, is of great concern. The fact that we are starting to see a pattern where retired teachers are talking about being bullied, as a professional organization, certainly, I as one member of this Legislature take that with great concern. That disturbs me greatly. I think that is uncalled for and is certainly something we will have to look into more as legislators. That is just not acceptable, and nobody should feel when they are dealing with government that they are being bullied.

Could you sort of inform the committee, with the plebiscite, and there seems to be a lot of discussion about the plebiscite, how were you involved? What was your input? What was asked of you when the concept of the plebiscite was brought forward?

Ms. Bowslaugh: Our involvement with the plebiscite was that, on a Friday at 4:30, I opened an e-mail from the MTS office telling us to be at a pension task force meeting Tuesday at 2 o'clock. Ms. Anne Monk and myself attended, as the people who are allowed to attend. Mr. Shika chaired the meeting. He announced that Ms. Isaak would be speaking. Her opening statement was, if I recall accurately: Today I am speaking on behalf of the 26,000 TRAF members.

My immediate assessment was, well, I guess she's speaking for my 7,200 RTAM members as well as the other 4,000 retirees. It was announced that there would be a plebiscite and that there was a very tight time line because the time line was going to be such that the results from the plebiscite would be back and tallied by early in the last week in May so that it could get to the floor of the Leg before the closing of the spring session.

As the details rolled out, personally, I did ask three questions. I want to clarify that.

The first question that I asked was in reference to the \$130-million amount that the government was alleged to be putting in. In fact, Larry Grant from the government had also questioned that. I pointed out that it was my understanding from Mr. Sale that originally that amount was \$55 million, that in actual fact Minister Bjornson had told us 125, and then the first time that I had wind that it was \$130 million was when it appeared on the front page of *The Manitoba Teacher*: RTAM turns down \$130 million. That's a horrible statement because we did not know

that it was \$130 million. We had heard from Mr. Sale that it was \$55 million, not at all 130.

The second question that came up was I asked who was paying for this. There was at the meeting what I would call a pregnant silence. That means extended. Finally, Dr. David Yeo said, well, I guess the government will have to ante up. So at this moment we believe the government has paid for that plebiscite and that is a sad state of affairs when the government, out of public coffers, would pay tens of thousands of dollars to send out a plebiscite. By the way, we have asked for the figures on how much did this plebiscite cost. We have not received the answer, and we have asked how many letters came back after May 26, and we have not received an answer, so we're kind of kept in the dark. You will hear more about the plebiscite from some of the other speakers, so does that answer your question?

* (19:10)

Mr. Chairperson: Mr. Lamoureux, very briefly.

Mr. Lamoureux: A quick point followed by a question. First of all, the legislation could've been brought in on September 8 and we could've been going through this process in September, so there was no need for the government to have brought it in, in June.

The second issue, and I want to be very clear on this, you met with the Minister of Education (Mr. Bjornson), and I want to make sure that it's the Minister of Education that you're making the allegations towards. Can you indicate what was it that the Minister of Education told you that if RTAM does not support this proposal, the Sale report, in its entirety, what did the minister tell you?

Mr. Chairperson: Ms. Bowslaugh, quickly, if you can.

Ms. Bowslaugh: Very quickly, that is exactly that in my presentation. That's exactly what happened, in the presentation.

Mr. Chairperson: Thank you very much for your time with us. Your time has expired.

Ms. Bowslaugh: Thank you very much for hearing us. If I might, I'm going to identify myself as wearing black today. I note that both Ms. Isaak and the vice-president of MTS are also wearing black, and I assume that that's mourning the demise of the pension plan. Thank you.

Mr. Gerald Hawranik (Lac du Bonnet): Yes, I wonder if I could have leave of the committee so that there's at least one or two more questions. I think Mr. Borotsik had a few questions of the presenter and, certainly, she represents—the presenter represents many of the retired teachers in Manitoba, all of the retired teachers in Manitoba, and we ought to give leave to allow her to answer a few more questions.

Mr. Chairperson: Leave has been requested.

An Honourable Member: No.

Mr. Chairperson: Leave has been denied.

Point of Order

Mr. Chairperson: Mr. Lamoureux, on a point of order?

Mr. Lamoureux: On a point of order, Mr. Chairperson, we have had many different types of meetings, discussions, committees of this nature, where the committee has allowed for individuals such as the current presenter to be able to have a bit of extra time, just given the fact that they have the extra responsibility of representing many of the stakeholders that this legislation is going to impact. So it is a part of the committee history through tradition to respect the position of president of RTAM and allow her at least the opportunity to answer a couple more questions from the member from Brandon. This is the only opportunity that we get. It's been done in the past. I don't see why it is the government would oppose allowing for a couple more questions.

Mr. Chairperson: Well, I want to thank Mr. Lamoureux for that contribution. It's not a point of order that he's raised so I will rule the point of order out of order.

Mr. Chairperson: Leave was requested and leave was denied. Ten minutes and five minutes, those are the rules and we will proceed accordingly. So, Ms. Bowslaugh, thank you once again for being with us.

We will now bring up our next presenter who is No. 14, Leslie Porteous. Leslie Porteous? Good evening to you, sir. Do you have a written copy of your presentation? Great, thank you.

Mr. Leslie Porteous (Private Citizen): Mr. Minister, members of the committee—

Mr. Chairperson: Sorry, sir. I just have to officially welcome you. So, Mr. Porteous, you may now proceed.

Mr. Porteous: Thank you. Mr. Minister, members of the committee, first of all I'd like to refer you to the third page or this page here of the report, and it answers some of the questions that have been asked of what the COLA has been over the years and that will help out.

You will also see here that, when you're looking at the COLA, how it has gone down drastically since the year 2000.

Secondly, I felt that when I came here I would hear a person that was informed and was there at the time that the pension plan was made, and this person was a former president, a former assistant president, of the Manitoba Teachers' Society for a number of years and was five years a member of the TRAF, chief executive officer of the TRAF. So I expected, since he was No. 8 here, Tom Ulrich, that he would present the information and because he was there at the time that the pension act was made, I think he could give you a considerably more informed, detailed, exact analysis and history of what has happened. I would also urge you to call him instead of having him wait for another day because you changed the rules and said only out-of-town presenters could come. Therefore, that meant that here he is today and you have a person that was there when the act was made.

To continue with my report, I will cover many of the points that President Pat Bowslough mentioned as president of RTAM. It's more or less of a holistic point of view, but it will summarize exactly many of the points that have been made here today.

To begin, a deal is a deal. I was taught as a young lad that honesty and integrity are the principal values of a moral society and these are based upon biblical values. A man's word was his bond. However, the Sale report is incredibly full of historical inaccuracies, full of misinformation. It states the original deal was not a full COLA but rather intended for a two-thirds COLA. RTAM vigorously opposes this nonsense and therefore opposes Bill 45.

When I entered teaching in 1957, I honestly believed that people and especially children were to be greatly valued. During my some 33 years of teaching, I considered the Manitoba Teachers' Society to be a stellar organization; however, when

the president of the Manitoba Teachers' Society, Pat Isaak, initiated the rushed plebiscite of the Sale report without any input from RTAM, I, like many other retired teachers felt betrayed and conned.

Interesting to note is that 48 percent of teachers opposed the Sale report and only 52 percent voted yes. This slim majority with a 48 percent no vote obviously does not give the Manitoba Teachers' Society or the government the moral authority to proceed with their amendments, nor does it make radical changes as suggested in Bill 45 such as reducing retired teachers' benefits. A generation of retired teachers should not be sacrificed. Actually, the entire Sale report and the plebiscite process, in my opinion, really is a sham. However, since the NDP party became the government about 2000 and TRAF started changing my pension benefits, I found it absolutely, utterly unbelievable and appalling that the present leaders in education would start diminishing the deal that Ed Schreyer in 1977 initiated, which was mostly 100 percent COLA. Now, that history and precedent of paying our pension benefits is being undermined, and you will see on this page the number of times we were able to get our full COLA or nearly a full COLA until this present government came into being.

We paid for these benefits. For many years and in 1992 when I retired, the precedent of paying a COLA or a near COLA was accepted as it is today in both the Old Age Security pension and the Canada Pension Plan. Don't both the Manitoba Teachers' Society president and the Minister of Education (Mr. Bjornson) demand and expect COLAs when they negotiate and in their everyday work?

* (19:20)

In fact, when I was dealing with Bill—was it 36?—and they were talking about getting \$1.45 or something like that for a past vote, they built in a COLA in that. What is sauce for the gander should be sauce for the goose, and if not, why not?

Why then is this shell game between account A and COLA being manipulated? Do not both the government of the day and the Manitoba Teachers' Society have a fiduciary responsibility to retired teachers? My dictionary defines a term as an individual, corporation or association holding assets for another party, often with the legal authority and duty to make decisions regarding financial matters on behalf of the other party. Have not the actuaries, since 1984, warned these parties that adjustments were needed, that TRAF monies belonged to all

teachers, both active and retired? A committee member asked before what they do in B.C. They combine the money, the COLA and the regular is all one pot.

The statement by the MTS president that the surplus belongs only to active teachers is both pushy and inaccurate. Both Alberta and British Columbia have negotiated a full COLA. As retired Roméo Dallaire stated in one of his comments, you cannot duck your obligations because of the smell of it.

In good faith the Retired Teachers' Association of Manitoba, RTAM, representing over 7,000 members and speaking for over 11,000 retired teachers, have suggested as a beginning to solve this benefit problem, change the method of interest crediting the COLA described as a better-of method, without conditions, as well as the proposed three-year averaging. Most negotiators would agree that since all three parties, MTS, RTAM, and the government, agree, this should be implemented. Also RTAM asked for a commitment for a long-range strategy to solve this important and complex problem. Hopefully, the MTS and the NDP government will not be willing to sacrifice a generation of retired teachers.

Why can't traditional negotiations begin? That is the question. The entire process, by both the government and the MTS executive, with the introduction of the Sale report and a rushed and flawed plebiscite, smells as if the outcome of the entire process was finalized before it began. I repeat, a deal is a deal, and it is unacceptable that the integrity of the deal is being rudely ignored. Retired teachers deserved and they paid for both fairness and equity.

I'd just like to give a final summary that I have here, to give an overview summary. The Sale report has been flawed from the beginning because of its inaccuracy of the pension fund history, its rigid and narrow adherence to preconceived objectives, its lack—

Mr. Chairperson: One minute.

Mr. Porteous: —of any creative solutions, its determination to avoid many different negotiable solutions, and its total indifference to how it will affect some 11,000 retired teachers.

Then, when the president of the Manitoba Teachers' Society very incorrectly attempts to sell the idea that account A surpluses belong only to some active teachers, the deferred teachers are not

included in the rushed plebiscite vote, and refuses to acknowledge that about one-half of account A is due to retired teachers. Then the president pushes for a quick plebiscite vote, and the Minister of Education (Mr. Bjornson) refuses to negotiate with the RTAM representatives, but instead blames them for not accepting any suggestions. All these maneuvers make a mockery and a sham of the entire process. Eleven thousand, maybe 11,200, retired teachers have been bullied into buying into the government and the MTS position, and I would label this elder abuse.

Mr. Chairperson: Thank you, Mr. Porteous. Time has expired.

Mr. Schuler: As an individual who has sat in this committee room way more than he'd like to admit—I used to be the Labour critic for our caucus, I'm now the Education advocate—and I've seen a lot of legislation come forward where we've seen really two very respectable groups coming forward on different sides. In this case, we have retired teachers and on the other side we seem to have the Manitoba Teachers' Society. It's painful as a member of the Legislature to see this, you know, what's starting to be a fight. It's painful for us to see that.

I have no vested interest. I'm not a teacher; I'm not going to get a teacher's pension, but I mean it's tough for us to sit here and start to see what is starting to look like a pattern.

You asked a very interesting question and I'm going to ask it back. You asked the question, why can't traditional negotiations begin?

I'm going to ask you: Why do you think traditional negotiations haven't begun?

Mr. Porteous: I think traditional negotiations have not begun because the government—excuse me, the Minister of Education—accepted this Sale report as being the basis of any negotiations and they moved straight ahead. I think that they had made preconceived ideas and arrangements of what they were going to do before negotiations.

I think there was an agenda, a preconceived agenda beforehand that undermined negotiations and that's why we're in the boat we are. I don't think there were any negotiations. In fact, the one thing that they agreed on, the three-year averaging of account A in the COLA, they said, no you can't have it unless you take the entire package. I think negotiations should begin. I don't think they have begun.

Mr. Schuler: I think a lot of members on this committee are concerned because normally a plebiscite, and I've mentioned this before, they tend to be a little bit lopsided. It tends to be a 60-40, a 70-30, and what we saw come out of the plebiscite is basically a hung jury. If you actually look at the numbers, it's almost a 51-49 and, again, we are concerned at this committee to see our professionals.

The reason why I am here today and the reason why, you know, I know what I know and I can articulate myself is—seemingly, I think I articulate myself well—because of you. In fact, there are many of my teachers, individuals who I sat in front of, who are in the gallery today.

I'm very concerned that this negotiation hasn't happened, that we have professional organizations coming forth, and this isn't the first time. I've seen the architects and engineers. We sat here until 4 in the morning and they started carving each other up, and it was awful to watch. I kept begging the minister of the day, the Labour Minister, to please not allow this to continue. I've already said to the Minister of Education (Mr. Bjornson) that negotiations should begin.

I'm going to ask you again: Do you believe that this can be negotiated between the two organizations?

Mr. Porteous: Yes, it can be negotiated.

Secondly, I would add to the comment that I made at the beginning. I feel you should get a couple of the people that were there during the beginning, such as Tom Ulrich, and give him an opportunity to speak and I think many of the statements and questions you have asked could be clarified. I think because you've changed the rules and then it's only the out-of-town people, but I think—and I have not seen his report or anything, but I know his history and I know his position—and, as well, there was Aubrey Asper that's here, who is a former leader in the MTS, who has also come. I think you should start getting the information straight from the horse's mouth.

Mr. Lamoureux: Just to continue on, the negotiations, generally speaking, you have a couple of stakeholders—and the example that the Member for Springfield was using would have been labour. You have labour and management, you have the minister. The minister traditionally doesn't take a side and then traditionally wouldn't take a side which then forces labour and management to work together. Okay.

Do you believe—and I guess this would be a personal opinion—that the Minister of Education had taken a side and that's maybe what has led to the problem that we have today?

Mr. Chairperson: Mr. Lamoureux, sorry. Okay, very briefly, Mr. Porteous.

* (19:30)

Mr. Porteous: Most definitely because if I remember correctly, the Manitoba Teachers' Society requested that 2 percent contribution rate be put in the pension act to solve the problem. The Minister of Education responded with a 1.1 percent increase, which left the retired teachers right out of the picture. That's why I say there was no negotiations. In fact, I believe that two of them are in the same position and that's what has made it so toxic.

Mr. Chairperson: Thank you, Mr. Porteous. Time for questions has expired.

We now call the name of James Henderson, Private Citizen. James Henderson, Private Citizen? One last time to call Mr. James Henderson. Not seeing him present, his name will be dropped to the bottom of the list.

Up next, No. 17 on the master list, Ken Malcolm. Good evening, Mr. Malcolm. Do you have a written copy of your presentation for us?

Mr. Ken Malcolm (Private Citizen): I do, yes.

Mr. Chairperson: Thank you very much.

Mr. Malcolm: Maybe while I'm waiting for my—

Mr. Chairperson: Sorry, Mr. Malcolm, you'll just have to wait until your speech is distributed; then we'll give you the green light. Thank you for waiting. You may now proceed.

Mr. Malcolm: Good evening, Mr. Chairman, committee members, fellow retired teachers, MTS members. Perhaps before I start, I asked this question of an MLA a few years back with regard to his pension plan. I asked what kind of COLA do you have. Could one of you gentlemen or ladies, one of you gentlemen I guess it is, answer that for me? Or ladies, I'm sorry.

An Honourable Member: Full.

Mr. Malcolm: You have a full COLA. Okay. That's quite a difference. In seven years, I have lost, due to the poor COLA funding—

An Honourable Member: Two-thirds.

Mr. Malcolm: Two thirds? Okay. That's a fair little difference.

Just before I get into my presentation, in seven years that I've been retired, my spending dollar in my pension value has gone down \$2,493, which amounts to over \$200 per month in lost spending power. If you ask why our retired teachers are here, that's probably got a lot to do with it, okay? We can't even get a full two-thirds out of our pension plan. You guys are guaranteed a full two-thirds.

Thank you for allowing retired teachers like me the opportunity to express my ideas and concerns about Bill 45. The fact that I am just one of over 300 presenters—I understood there was almost 400 at one time—but 300 presenters speaks volumes about Bill 45.

I'm one of the representatives from Dauphin and one of the representatives of the Dauphin area Retired Teachers' Association. As past president, I had to make this 3.5 hour trip into Winnipeg to voice the concerns of our organization and my own concerns. The pension issue is very dear to me as I taught in Dauphin for 31 years and have been retired for seven years. The issue is also very important to my retired teacher friends who retired many, many years before I did.

We worked over 30 years apiece and we did not expect that our pensions would leave us impoverished. We believed our pensions were secure and sufficient to enable us to enjoy our retirements at least comfortably. We served society throughout our careers. We paid our dues. In fact, we paid more into our pension plan, the Pension Adjustment Account, than government employees did to ensure we would be protected.

We believed, while we were working, that our union, the Manitoba Teachers' Society, was looking out for our future. Sadly, we learned that upon retirement, the Manitoba Teachers' Society no longer cares for us. As a matter of fact, their narrow-mindedness has them supporting the up to two-thirds COLA on the ability-to-pay principle. This is not acceptable. Government employees do not have this. MLAs do not have this. This is a fairness issue. We paid extra for a fair COLA. We did not expect to become poor retirees within a few short years of retiring. Indeed, the future does not look good. This explains why many retirees are getting part-time or even full-time jobs in order to maintain a healthy lifestyle. Believe me, I would much rather be out fishing, hiking, boating, et cetera, rather than

working. With the high price of fuel, more and more retired teachers will have to work, not only so they can visit their grandchildren in far-off provinces but to be able to live comfortably in semi-retirement.

I retired in 2001. Since then I have lost approximately 9 percent of my annual \$27,000 pension in real spending dollars. This really hurts when my income is locked in. I cannot change what my pension is based on. I will never again see these lost spending dollars. These losses are continuing every year and getting worse every year. Bill 45 only guarantees that they will continue to worsen and worsen. I will get progressively poorer and poorer.

I understood that my pension would be fully indexed for the cost-of-living increases because we were paying more into our pension accounts than provincial government employees. I taught for over 30 years and figured this was a secure pension income, and, as it happened, provincial and federal tax laws prevented me from putting much more into RRSPs. I felt very secure with my pension plan for the teachers.

Now I find out that provincial government employees have been getting a full COLA all these years or at least a full two-thirds of the cost-of-living. Where is the fairness or the justice of our pension plan when since 2002 we have not even been able to receive a full COLA or even two-thirds of the COLA? Bill 45 does not even guarantee a full two-thirds. In fine print, it says, on the ability to pay up to two-thirds.

In a good year, investments may be able to pay two-thirds. However, as history has proven, the plan can no longer pay two-thirds. This is what Bill 45 states, the ability to pay. This is definitely not fair to people who retired 15 or 25 or 30 years ago. These people who retired at a much lower pension to start with have in the following years become progressively in need and impoverished. They've become a heck of a lot poorer.

Imagine having a MTS pension of \$12,000 and then having dollars lost due to poor funding. These retirees taught their entire careers and are now living way below the poverty level. You will hear from them tonight. Bill 45 will only make things worse for them. Is this any way to treat our former teachers? These former teachers did not teach their entire lives to be treated so poorly by society and our government. Indeed, the 10-year clause of Bill 45 only guarantees that they, those on very low

pensions, will become much poorer and much more distraught.

Imagine the case of widowers or widows of teachers whose teaching spouses have now passed on. Their situations are now much more hopeless. Do they deserve this? No. I say no. They are now much worse off than they would have been had they worked for the Manitoba government, the federal government, CPR, Manitoba Hydro, and not dedicated their lives to teaching. Again, I ask you, is this fair? I think not.

Even working teachers saw the need to put more money into their pension plan. They wanted to increase their contribution by 2 percent a few years ago. However, the government would only allow them to contribute 1.1 percent, I believe it is. This was years before the ratio of working teachers to retirees dropped to 1.4 working teachers to one retired teacher. The government must step up to the plate and adequately help fund the Pension Adjustment Account that deals with the cost of living.

The wording, "ability to pay up to two-thirds," is very worrisome due to the fact that inflation this year is skyrocketing, the price of heating, food, bread, milk, meat. The basic cost of Pharmacare again increased this year. Home insurance, property taxes, hydro are all increasing. This raises a very valid worry that inflation and interest rates will again increase to the 18 percent that we experienced back in the '70s. Where will that leave people who have a pension with a clause that does not cover the full cost of inflation, let alone a guaranteed two-thirds of the living increase?

* (19:40)

The 10-year clause in Bill 45 guarantees that I will lose spending dollars for the next 10 years even if I get a guarantee of two-thirds COLA. There's no chance that the pension adjustment account will be able to pay two-thirds COLA, let alone a full COLA.

Since I retired in 2001, my spending power, i.e., my pension of \$27,700 in this past year—I'm sorry, I lost myself here—has really gone down. As I mentioned at the start, this year alone, I lost \$2,493 in spending power. That's a lot to lose in one year and I lost almost that the year before, slightly less than that the year before that, but it's going to get worse from now on.

Bill 45 unfairly guarantees that I will become much poorer. I can foresee that in the not-too-distant

future that I may have to sell my house and move into an apartment simply to be able to purchase my medication, purchase food and, hopefully, to be able to afford to drive my vehicle. I never expected my 31 years of teaching and my MTS pension would leave me impoverished and fearful of the future. I had hoped to—

Mr. Chairperson: One minute.

Mr. Malcolm: Okay. I've got to move ahead a little bit here. Just moving on to the next page a bit, I might also add that the problem we are having right now with the cost of living certainly does not encourage our young people to go into teaching. They're hearing this noise and they're not liking what they hear.

Thank you for the opportunity to speak on Bill 45. A democracy is a great thing. Hopefully you, our elected MLAs, see the flaws in this bill and do the right thing. Before I close up, I'd like you to turn to the last page of my booklet, and basically you'll see where I've highlighted some stuff. Again, I've lost 9 percent of my spending power in seven years alone. Bill 45, as it now stands, only guarantees that these losses will get worse year after year for the next 10 years. Thank you.

Mr. Chairperson: Thank you, Mr. Malcolm.

Mr. Schuler: Thank you very much, Mr. Malcolm. Thank you for driving that distance from your home to committee. We certainly appreciate the effort you put in to your presentation and the kinds of things that you had to say. I quote from here: I may have to sell my house and move into an apartment simply to be able to purchase my medication, and you go on and you talk about other things.

The fact that you've lost in real spending power 9 percent of your pension is distressing, I think, for anybody. I'm a little bit further away from getting my pension, but I find the older I get, the more interest I take in my pension and to lose 9 percent since 2001 is a frightening proposal.

Winston Churchill said, it is better to jaw-jaw than to war-war. Clearly, there has to be some way to get out of this impasse. You'll probably hear me say that, you know, for the next three days, if you decide to stay. I will be here. I think it's important that at some point in time the government look at (a) the plebiscite was a hung jury and the fact that we have two professional organizations that are really, really far apart. How can we solve this?

Mr. Malcolm: One way to solve it is to perhaps listen more to the retired teachers who have been there and done it all. The people who are presently in MTS haven't retired yet. They don't know what it's like to get caught on this loss of income. I never thought I would and that's the reason I'm here. You know, \$200 a month is a lot of spending money and I do notice it. I'm working two different jobs now, type of thing, okay?

But the legislation being flawed, yes, it's flawed. You had, what, 78 votes cancelled because they weren't filled in properly on that plebiscite. This should wake some people up. The people who were voting were not uneducated people. They know how to vote. That should tell you that there was something wrong with that plebiscite. When they get 78 teachers, working and retired teachers, likely purposely ruining their ballot, something is wrong. That should be telling you people something.

Mr. Schuler: Without getting too personal, I mean, I always find it's important to quantify when you make statements, and you said that you're working two other jobs. Like what is it that you know that teachers are doing, because you talked about that quite a bit, that teachers are actually working part-time jobs to supplement their income. What kinds of jobs are retired teachers taking? I think that'd be really helpful for this committee to hear.

Mr. Malcolm: A fair number of them are back subbing pretty heavy duty. They're putting up to a maximum of 100 days per year in subbing. Others are getting into contracting, carpentry, that type of stuff, the sales business, which I'm in, pumping gas. There's all sorts of things that these people are doing to try and supplement their incomes, and when you're 80 years old it's hard to get a job. I feel sorry for the people who are much, much older than I am and are on a much more reduced pension than I am. They have to really, really be suffering. And I'm sure you will hear from them tonight.

Mr. Chairperson: Seeing no further questions, thank you very much for your—oh, Mr. Minister?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Yes, Mr. Chair. In the interests of time I haven't been asking questions, but I do want to thank you for your presentation, and all those who've presented before you.

Mr. Chairperson: We will now call on the next out-of-town presenter. I hope I pronounce this correctly, Rhea Chudy. Calling a second time, Rhea Chudy.

Not seeing anyone emerge, they will be dropped to the bottom of the list.

Next out-of-town presenter is Pat Hamm. Is Pat Hamm with us here this evening? Do you have copies of your presentation?

Ms. Pat Hamm (Private Citizen): Yes, I do.

Mr. Chairperson: Excellent. Thank you. Very good, you may proceed.

Ms. Hamm: Thank you. I just want to let you know that I'm from Carman, and I've been teaching for 15 years. The last two years I've taught at Carman Collegiate as a resource teacher. I'm also currently the president of Prairie Rose Teachers' Association which has 179 teachers. I've been the president for the last five years. I'm a member of the provincial executive for the Manitoba Teachers' Society, as an elected position that I've held for three years. I'd like to thank you for giving me this opportunity to speak with you today.

First off, I'd like to say that I support Bill 45. So far, you've heard from retired teachers who are against the changes to this bill. Unfortunately, much of what has been said has been based on misinformation. *[interjection]*

Mr. Chairperson: Order. There's absolutely no commentary from the public.

Ms. Hamm: Thank you. Let me start by relaying my own personal experiences. Over the last school year, there has been lots of discussion in my association about the COLA issue and the recommendations contained in the Tim Sale report. We have had several retired teachers who are regular substitutes at Carman Collegiate, as well as several other schools within our division. They are members of the local retired teachers' association and, as substitutes, I also consider them members of Prairie Rose Teachers' Association.

Although they received information from the RTAM association, they wanted to hear both sides of the issue in order to make up their own minds. In February and March, I was approached by one of the members and asked if I could speak to the retired teachers in Boyne River of retired teachers' associations, at one of their monthly meetings. I had agreed and said, sure, just tell me when and where and I'll be there. That offer was refused. I also offered to have the president of the Manitoba Teachers' Society, Pat Isaak, come out and speak to those retired teachers as well. Again, that offer was

refused. However, to accommodate these members, I felt that it was important that they did hear both sides. So I did hold a meeting during the lunch hour at my school when there were several retired teachers in attendance that day. These retired teachers were happy to get the other side of the story to help them make an informed decision about the COLA. At that time, I realized that there was lots of misinformation being disseminated to retired teachers. I hope to clear up some of that today.

*(19:50)

Bill 45 is a culmination of many years of work by the Manitoba Teachers' Society on the COLA issue. The provincial executive of the society has been working non-stop on this issue for the last five years. There have been discussions back and forth with government, with the pension task force and with the retired teachers' association during this time.

The teachers' pension plan in Manitoba is a defined benefit plan. Once a person retires, their benefit cannot be reduced regardless of the financial status of the plan. The issue we are talking about today is that the current annual cost-of-living adjustment being paid to retired teachers being inadequate.

In Manitoba, our pension plan is a statute of the Province. Changes to the teachers' pension plan have traditionally taken place as a result of discussions with the pension task force, which did not meet for most of the 1990s. Unlike other unions, teachers in Manitoba don't deal with their pensions through the collective bargaining process. We must lobby the government of the day in order to make changes. Any changes require legislation. There were no significant changes made to our plan during the late '80s and the '90s.

For the last several years the annual cost-of-living adjustment paid out to retired teachers has been low. Rightfully, both MTS and RTAM became concerned about this issue. Last year, the provincial government asked Tim Sale to come up with recommendations to improve the COLA for retired teachers. He met with MTS, RTAM and government officials to develop a plan to improve the COLA. His recommendations are contained in Bill 45.

These changes to The Teachers' Pensions Act are a fair and balanced approach to improving the cost-of-living adjustment for retired teachers. Every pension plan is a balancing act, and Bill 45 balances the need to provide an improved COLA with the

amount of money that active teachers and the government would be required to pay for it.

There has been a lot of finger pointing about who or what is to blame for the problem with the COLA being paid to retired teachers. This does no one any good and does not get us any closer to solving the problem. In a nutshell, poor decisions were made in the '80s and '90s by both government and those who were then in charge at MTS. Actuarial warnings were ignored.

Today there are nearly as many retired teachers as active teachers. Teachers are retiring earlier and living longer, and they are getting a pension based on their best five years of earnings instead of the best seven. The combination of all these circumstances caused a strain on the account set up to pay COLAs. Regrettably, it wasn't until tiny COLAs started being paid that anyone started to pay closer attention to this issue.

Unfortunately, a problem that was 25 years in the making cannot be fixed overnight. I'd like nothing better than to tell those retired teachers working at my school in Carman that they will receive a cost-of-living adjustment equal to the consumer price index every year from now on. I can't and I won't make any false promises to them.

It would cost \$1 billion to give retired teachers a 3 percent COLA. Two-thirds of that amount would cost about \$700 million. Realistically, I can't ask the active teachers that I represent to chip in an additional \$300 a month that it would take to do that. It's not fair to them to pay more for the same benefit.

I also can't condone taking the money out of the account that pays the basic benefit for retired teachers. It was short-term thinking that got us here today, and if we start using that money that's there to pay COLAs now, it won't be long before it's not just the COLA that's in trouble but the whole pension plan. I also don't expect the government to fork over a billion dollars to pay COLAs for retired teachers.

The amendments to our pension plan contained in this bill do five things: Double the COLA paid to retired teachers this year. Without these changes, the COLA for retired teachers will be 0.7 percent. Ensure that there are checks and balances so that the COLA is sustainable. Three, for 10 years, the COLA account will be credited with the better of investment, a provision RTAM proposed and on which MTS has made a compromise. A review of

this plan after five years, and, finally, the basic pension benefit will be protected for all teachers.

When I've spoken to retired teachers about the Tim Sale report and these amendments, it is clear that many have been misinformed about these proposals. Retired Manitoba teachers were never guaranteed an annual COLA. If there was money in the account to pay a COLA, then that was the amount that they would receive. Nowhere are retired teachers guaranteed a full COLA. The account that pays the COLA for retired teachers was structured to pay out a two-thirds COLA. Unfortunately, by continuously paying out full COLAs, that account has been drained.

The bill before you today does not perpetuate the mistakes of the past. Instead, it creates a sustainable plan to improve the COLA and protect the basic benefit for Manitoba teachers in the future.

Prairie Rose teachers and the executive of the Manitoba Teachers' Society believe that passing these changes is the right thing to do and I urge you to support the Bill 45. Thank you.

Mr. Chairperson: Thank you for your presentation. Now to questions.

Mr. Schuler: Yes, thank you very much, Ms. Hamm. Thank you so much for coming out this evening. You, like I'm sure everybody else, could've been doing a few other things this beautiful summer evening like today, but you're here, and certainly appreciate your presentation.

On page 3 you have this statement: There has been a lot of finger pointing about whom or what is to blame for the problem with the COLA being paid to retired teachers. And unfortunately what this committee has seen, and I think you've experienced some of it, there seems to be quite a gulf, quite a divide between retired teachers and active teachers.

Is there any chance to sit down and try to talk this through again? I mean you talk about that there's been a lot of misinformation; in fact, you mention that on numerous occasions. Is there an education process you feel that should come to play or should it just be ram legislation through and chips lie where they may? I would love to hear your reflections on that.

Ms. Hamm: I believe there have been opportunities to have those conversations and, as I stated, in my own association and in my own school, we did make offers early in February and in March to meet with

retired teachers in the Boyne River retired teachers' association. At that time, it wasn't spoken to me directly but I had heard that—I was told that I would be attacked and therefore wouldn't be able to—I shouldn't be subject to that kind of abuse. We've been called bullies. We've been told not to take it personally. It does become personal when those allegations are being thrown around.

Mr. Schuler: I've seen this often in this committee room over the years that I've been a member of the Legislature where two organizations really start to challenge each other. You know, we have one organization that has on numerous occasions—different presenters talked about the fact that they felt they were being bullied; they were being pressured; they weren't being listened to, and then your presentation coming forward and again saying—you know, a lot of it is based on misinformation. We as a committee sit here and we listen to both sides and, again, if you could just reflect for us, should there be a broader consultation process, a broader negotiations process, or is this it? It's Bill 45 and we move on?

Ms. Hamm: I think we need to pass Bill 45 and move on. Negotiations have happened for, like I said, for several years now, and when we negotiate and discuss, we've—I've talked about some of the compromises that MTS has made in this plan. The government is making compromises; RTAM should be expected to make compromises as well. It's something that needs to get fixed. It took a long time to get here. We need to fix it so that we can move forward. I think the recommendations in Bill 45 are solid, and they were negotiated in good faith and I think they were agreed to.

Mr. Borotsik: Thank you, Ms. Hamm, for making your presentation. I appreciate it and we do like to hear both sides of every story. I appreciate that.

You're fairly young, a lot younger than a lot of us around the table, so it's going to be quite a while before—

An Honourable Member: Speak for yourself, Rick.

Mr. Borotsik: Well, I am speaking for myself. It's going to be quite a while before you retire, but you do represent quite a number of teachers in your school division. What does this mean for active teachers right now who look to retire within the next five to 10 years? Where is that going to place them when they retire in the not too distant future? Have you got that answer?

Ms. Hamm: Yes. In talking to some of the retired teachers who have recently retired and some that were retiring this last June—my own school had five people retiring this June—and when they looked at the numbers and realized that if Bill 45 were to pass, their COLA would increase to 1.14 or 1.4—I'm just double-checking my notes. I'm sorry, I'm a little nervous—so they were quite shocked that that wouldn't be taken because their pension would increase already this year. So I think guaranteeing two-thirds helps to support the pension, sorry.

Mr. Chairperson: Mr. Borotsik, we have very little time left, very, very quickly.

Mr. Borotsik: I'm a little confused, if I can, well, I'm confused on that 1.4 because right now if that same teacher in your school division retired, it's anticipated that they'll receive about a 0.71 percent, where COLA is around 2.4. They're going to receive, if they retire right now, substantially less than the two-thirds or, for that matter, the 100 percent. Are they satisfied with that? And the people who are going to retire five years from now, or seven years from now, are they satisfied with the fact that they could get zero percent COLA in the next seven years?

* (20:00)

Ms. Hamm: I think the better of two-thirds, which it would increase it this year, double it; it would actually double the amount that they would be paid in their COLA right now.

Mr. Chairperson: Thank you for your time with us this evening. Time for questions has expired.

The next name on the list is Mr. Blaine Johnson, private citizen. I see you have copies. Thank you very much, sir.

Order. Looks like everyone has copies. Let's listen to Mr. Johnson's presentation.

Thank you, sir. You may begin.

Mr. Blaine Johnson (Private Citizen): Thank you for allowing me to put my views on the record concerning Bill 45.

First of all, I'd like to thank the government for introducing this bill. It is a culmination of significant work by the society on behalf of members of the teachers' pension plan, both active and retired. The commitment of this government to address this issue is appreciated.

My name is Blaine Johnson. I've been a teacher for 20 years. I teach technology education at Mackenzie Middle School in Dauphin. I have been involved in my local teachers' association for 20 years. Mountain View Teachers' Association has approximately 240 members. I was elected to the provincial executive of the Manitoba Teachers' Society in 2007. I got involved in my local association and MTS because I believe that enhancing teacher working conditions results in better education for Manitoba students.

I completely support Bill 45. I believe these amendments to our pension plan will improve the cost-of-living adjustment for retired teachers. These changes balance the need to find a solution to the COLA issue with the amount of money that active teachers would be required to pay for it.

Many people have been talking about the process that got us here today. Let me set a few things straight. MTS has been lobbying the government for many years to address the issue with our COLA. The Minister of Education appointed Tim Sale to work with the pension task force to examine the issue. He did a great job wading through the rhetoric to come up with recommendations that could work. As a member of the executive of MTS, we had lengthy discussions about what we should do. In the end MTS made compromises in order to find a way to improve COLA for retirees. We truly wanted to find a long-term way to improve COLAs that was affordable.

MTS fully supported the Tim Sale report and we asked government to implement the recommendations immediately. RTAM took more than two months to consider the report and then rejected it, choosing instead to cherry-pick some of the proposals. A stalemate was reached, and so the pension task force proposed a plebiscite of plan members, active and retired teachers, on the complete package contained in Mr. Sale's report. BDO Dunwoody conducted the plebiscite using the TRAF data base of active and retired teachers. The turnaround date was not set by MTS, but was based on the sitting dates of the Legislature.

During the one-month plebiscite campaign, the provincial executive of MTS, including me, were subjected to personal attacks and a barrage of misinformation being distributed by some RTAM members. RTAM is a voluntary organization and does not represent all retired teachers of Manitoba. It was discouraging for us to be personally attacked. It

has also caused considerable confusion among plan members. MTS did everything it could to get factual information out. Unfortunately, RTAM's misinformation campaign continues today.

You've already heard a lot of reasons why Bill 45 shouldn't be made into law. Let me tell you why I firmly believe it should be. People are emotional about their pensions. They should be. Everyone hopes to retire one day, myself included, and wants to know that they will be financially secure. Years before I started teaching, a separate account was set up to pay out COLAs. While legislation said that the account could pay out up to the full consumer price index, the actuary at the time structured the sustainability of the account to pay COLAs based on the account paying out only two-thirds CPI. As well, in the past 25 years, benefit improvements were made to our pension plan that affected money flowing up into and out of the plan. Teachers were allowed to retire at 55 instead of 65 and their pensions were calculated based on their best five years instead of their best seven. As a result of teachers working fewer years and living longer—not a bad thing—there was less and less money going into the plan and more money going out for longer.

Today there are 1.3 active teachers for every retired teacher in this province. Meanwhile, despite benefit improvements, teachers' contributions to their pension plan remained unchanged until September, 2005. Manitoba teachers still make the lowest contributions to their pension plan among any other teacher organization in Canada. Bill 45 is a plan to correct some of these past mistakes. It will double the COLA this year. It won't provide retired teachers with a full COLA, but they were never promised one. I firmly believe that two-thirds of something is better than 100 percent of nothing.

These amendments credit the pension adjustment account which pays COLAs with the better of the investment earnings for 10 years. This is not a 10-year moratorium, as some suggest, but a 10-year safety net that ensures the pension adjustment account is credited in the most advantageous way for the next 10 years. This will ensure that COLAs are sustainable into the future.

Some here today are saying that other retired teachers across the country are getting a much better deal than teachers in Manitoba. That's just not so. For teachers in most of the rest of the country, COLA is based on what the plan can afford to pay, or the COLA is capped between 60 and 70 percent. There

are two exceptions. New Brunswick has a COLA up to 4.75 percent, Ontario has full CPI. But many are saying this is part of the reason for the financial problems now being faced by the Ontario Teachers' Pension Plan.

Bill 45 is a package of amendments that creates the checks and balances to ensure our pension plan is healthy and to avoid the mistakes of the past 25 years. Active teachers cannot afford the hundreds of millions of dollars it would cost to give retired teachers a guaranteed COLA. I will not support any plan that takes money out of the fund set aside for the basic benefit in order to pay retired teachers a full COLA. The situation in Ontario should set off warning bells for everyone here that taking money from the basic benefit account is neither a fiscally responsible decision nor a long-term fix to our plan.

Thank you for listening to me. I encourage you to pass Bill 45 into law so that we can double the COLA for retired teachers this year in a way that is affordable for active teachers.

Mr. Chairperson: Thank you very much.

Mr. Schuler: Thank you very much for coming forward, Mr. Johnson. We appreciate the fact that you drove in and took time away from the activities back home. With great credibility, you presented a good presentation.

Page 3, Manitoba teachers still make the lowest contribution to their pension plan among any other teacher organization in Canada. Is there a movement within your organization to have that increased, or was that just a statement?

Mr. Johnson: As you know, we've worked with the government to try to open up the legislation to increase our pension. We have done 1.1 percent. We still are looking for more.

Mr. Schuler: Again, that would address going forward, right? I mean, it's just to put more money in.

You cite in your presentation certain things that you feel have been said about you. Page 2, second paragraph, you, including me, were subject to personal attacks and a barrage of misinformation. You go on and you talk about that. It really is unfortunate and we sit here as a committee and watch two highly respected, dynamic organizations making accusations and counter accusations. It hurts us a committee because it's certainly not what we want to see. Do you feel that there is any room for perhaps a cooling-off period? Is there room for

perhaps an opportunity to go through the province and try to find if there's a way to mediate through this? Or do you believe it's Bill 45, and that's it, and we just proceed?

*(20:10)

Mr. Johnson: I support the implementation of Bill 45. There has been consultation and lobbying for a number of years. I think we're at this point and I think something needs to get done.

Mr. Lamoureux: Thank you, Mr. Johnson. I appreciate your input as I do for all the presenters.

You know, it's interesting that we have some people that will say that RTAM and some of the membership there is providing misinformation. Then, on the other hand, we have retired teachers that are coming forward saying that MTS is providing misinformation. It seems to me that that makes it very confusing for a lot of people, and when I look at the 48 percent in terms of actual individuals that didn't take the opportunity to vote, I reflect in terms of the actual timing of the vote.

The question that I have for you—if you want to comment on the preamble, please do. But the specific question I have to you is: Who would have told MTS that you had to have passed or that the legislation had to come in in June? Because my understanding is it could have come in in September. So I'm interested in knowing who said it had to be there in June.

Mr. Johnson: I think I'm going to defer that answer to Ms. Isaak, who is going to come later and present.

Mr. Chairperson: Seeing no further questions, we thank you for your time with us this evening.

Next name on the out-of-town presenters list, No. 24, Adam Grabowski. Thank you for bringing written copies.

Looks like we are ready. You may proceed.

Mr. Adam Grabowski (Private Citizen): Before I begin, I'd like to thank you again, as well, for the hearings today and to let you know, too, that this I find very hard for me to do. I'm a person that likes to speak very well or right off the cuff in a lot of cases, and to actually have to sit down, prepared, and we'll work through this thing was something that was kind of hard. So I might throw in a bit here that's not in the report—in my written that I have there. So I apologize up front.

As you know, my name is Adam Grabowski. I'm a teacher in the Park West School Division. I've been there for the last 20 years. I spent one year in Saskatchewan. I'm assigned to a small school. It's Miniota School, and I've been teaching everything in my course of 20 years from grade 3 everything to grade 10 phys ed. Beginning this up-and-coming year I'm also going to be president of the Park West Teachers' Association and, I'll let it out there, I am a member of the Manitoba Teachers' Society provincial executive. I've been on there for four years, but today, that you know, I am here as an active teacher and I am here to state my support for Bill 45.

To put it bluntly, I have no interest in paying more to cover what I personally see as the mistakes that were made by people in the past, both the teachers and the government.

In the days that were high interest rates and more active teachers that were contributing to our pension plan, the benefits were improved, including an earlier retirement. Full cost-of-living adjustment was also paid out. But as the years continued, warnings from actuaries were given that the plan could not continue to afford to pay a full COLA. Unfortunately, 100 percent COLA was paid through the '80s and up to '97-98. Basically, the problem that there was, was that there was more money being paid out in COLA than there was coming in in order to afford those COLAs. In addition, and for many years, MTS was approaching the governments at the time asking that there be increases to the amount that was being contributed by active teachers to our pensions, but the government never acted on this, not until September 2005. At that point, it was 1.1 percent when we were asking for 2 percent.

So, now, if I'm starting to look at today, if you were to examine my June pay stub, you'd notice that currently I am paying about \$395 a month to the Teachers' Retirement Allowance Fund, or approximately \$4,740 a year. If I had retired this year, what I would have received as a pension would be approximately \$2,500 a month. Now, is that going to be enough for me to continue to live the comfortable lifestyle I have? Well, I don't know. But that is why I've been putting money away into my own RRSP since I began teaching about 20 years ago. This was to help support my eventual pension income. This is one advice my father gave to me shortly after he said, marry the girl. You can't be guaranteed. Make sure you're paying into this. This is a wonderful plan.

In order for today's retired teachers to receive a full COLA, one of two things would probably have to happen. One, there would have to be an additional increase in active teachers' contributions that could most likely see me pay an additional \$3,000 a year to the pension plan.

I'm here to tell you that is not in my budget. You should also know that, in my family, I am a single income earner and I am a father of four children. To ask me to pay more, that much more, means my kids are going to do without something. That's not an option. That's not going to happen.

Another suggestion is that we take the money out as a lump sum transfer from the basic plan account. If this were to happen it would most likely put my current pension plan in jeopardy in the future. A move like this could, in fact, reduce the basic amount or the benefits of the pension plan that I'm currently paying for. This is not an option or a risk that I'm willing to take. If one of these two things were to become a reality, I would have to seriously consider what options were for my family and my future.

Bill 45 is a fiscally responsible option. It will provide an immediate improvement to the COLA for retired teachers this year without causing an increase in contributions for active teachers or the government.

It is my opinion that while a full COLA was paid out in the past it was never guaranteed as RTAM has continuously stated. RTAM has said in public that they have paid for COLA and they should get it. Well, they may have paid for COLA or a form of COLA, but they never put into a plan that would sustain COLA and that is the main focus of this argument. No one took the time to look at what the improvements of the '80s would cost in the future as active teachers declined in numbers and retired teachers live longer than years that they paid in.

In my closing, if RTAM is going to argue to you that they paid for COLA and they should get it, well, I'm here to ask you a serious question. I'm currently paying for retirement, am I going to get it?

Thank you for your time. Actually, I'm sorry, I do have a little bit more time. There is one thing too that I do want to bring up because it's been said a couple times. Here comes my off the cuff. I've heard many times the plebiscite was a hung jury. It was whatever and 52 percent voted in favour of it. Well, you know, numbers, 50.1 percent kept Québec in this

country and 50.1 percent is a majority government, 52 is a really good majority government. Now I'm done.

Mr. Chairperson: Thank you for your presentation. Questions?

Mr. Schuler: Mr. Grabowski, I want to thank you very much for your presentation. You mentioned you have four children. I'm sure there are other things you'd rather be doing with them than being here at committee, but you're here and we certainly appreciate you coming forward.

You've sat through some of this and you've probably heard most of my questions. We are a little bit concerned and you're absolutely right, less than 51 percent did keep Québec in Canada. I think there were probably many that feel that was a hung jury too, and we're glad Québec stayed.

With this kind of a thing, we sense there is a serious divide between two organizations. Do you feel that there's been enough discussion, that there have been enough negotiations between the various organizations and the government? You've heard the RTAM, the retired teachers talking about it wasn't an inclusive process. Can you just reflect on that issue for is?

Mr. Grabowski: I guess over the last years there have been discussions going on by both sides. We're now at a point where one side has said this is what has to happen. The other side has said, no, this is what has to happen. I think we see here, especially tonight, that I don't believe there's very much more room in going in. We've got two people that have their sides and it's going to clash. That is why you're here to do this job. We have asked for things to be done. RTAM has asked for things to be done. The Sale report was done, whether it was inaccurate, whatever the people are going to say to you. Now we have Bill 45 in front of us. This is your job. You guys need now to sit down and get this thing passed through. I believe that the time is done and let's move on.

* (20:20)

Mr. Lamoureux: To follow up on that, it would then be your opinion that the government needed to get involved because MTS and RTAM, no matter how much time they were given, it was just not possible for them to be able to negotiate any sort of a compromise so that we wouldn't have these two sides fighting.

Mr. Grabowski: You're hearing that—I'm not too sure on how I want to really go on this one, because I want to make sure that I'm saying things correctly. But I believe that there's an ideology in RTAM that they have paid for this, this was paid for, this was done, and that they should get it. I'm not hearing that a lot of people I've heard today, that everything is going up. Lord, I know that, too. I'm working. It's hard to go with today.

You have MTS saying: This is a plan that we have worked on. This is a plan that will provide benefits now. It will provide increases. I mean, RTAM, they're there, we're here. We've done our work. I think it is now time that government does step in and do it. If government had stepped in in the '90s and had helped us out, out there, maybe this would have all been taken care of and everybody would still be getting a full COLA. But when they refused to have anything open and allow contributions, well, now we're into the—actuaries in the '80s were saying: The way we're going now, it is not enough. You need to—and it wasn't done.

So, I don't know if I answered your question or not, but, like I said, I'm off my cuff.

Mr. Chairperson: Seeing no further questions, thank you very much for your time this evening.

Mr. Grabowski: Thank you, too.

Mr. Chairperson: Our next out-of-town presenter, No. 28, Ray Sitter, private citizen. Calling Ray Sitter. Seeing no one, Ray Sitter will be dropped to the bottom of the list.

Up next, No. 30, John Ehinger, president of Sunrise Teachers' Association.

Floor Comment: Mr. Chair, if I might, the next two, John Ehinger and Julia McKay, both are out of town but left me with written submissions. So if you would permit me to submit those to the committee on their respective behalf.

Mr. Chairperson: For the purposes of *Hansard*, would you mind just saying that into the microphone. Introduce yourself, as well.

Ms. Pat Isaak (Manitoba Teachers' Society): My apologies. I'm Pat Isaak. Thank you, Mr. Chair.

The next two out-of-town speakers, John Ehinger and Julia McKay, are both away and were not available to be here this evening. They have left written submissions with me, and, with your

permission, I would like to submit them on their behalf.

Mr. Chairperson: Is there leave of the committee to accept the next two presentations in written form? *[Agreed]* Thank you very much. Please provide those to the page.

So, for all of you keeping score at home, No. 30, John Ehinger, president, Sunrise Teachers' Association, and Julia McKay, private citizen, have both now provided written submissions and will not need to be called again before the committee.

Up next, No. 33, Lana Rinn, Boyne Chapter, Retired Teachers of Manitoba. I see you have written copies. Thank you very much. You may proceed.

Ms. Lana Rinn (Boyne Chapter, Retired Teachers of Manitoba): Thank you. Good evening and thank you for the opportunity to address the committee.

My name is Lana Rinn. I'm a teacher, retired, from Carman, Manitoba. I spent most of my 31 years teaching in Transcona-Springfield School Division, and I speak tonight as a representative of the members of the Boyne Chapter of Retired Teachers of Manitoba. Ours is a small chapter of 28 paid members, of whom nearly half are single women who are either widowed or divorced.

I need to add a couple of comments here. I hate what this process, this legislation, these reports are doing to teachers. We're becoming hyphenated, and I hate that. These were former colleagues of mine. I'm sitting amongst active teachers who are former colleagues of mine, and that really upsets me. One other thing I should mention, one of the previous speakers wanted to present at the Boyne Chapter, and out of consideration that she might not be treated with respect, the decision was made to decline her request. I won't make that mistake again.

I speak in opposition to Bill 45, The Teachers' Pensions Amendment Act, a truly retrogressive piece of legislation. I will speak to three things: the legislation, the Sale report and the plebiscite.

First of all, the legislation, and you will notice, if you are following in my written submission, it is slightly different than my oral because I had to cut some things out.

This legislation reduces a benefit to retired teachers. I should say it reduces a possible benefit. It decreases the maximum cost-of-living allowance from 100 percent of consumer price index to two-thirds. This maximum of two-thirds will be granted

subject to available funding in the account. The pension adjustment account until approximately 1999 provided a cost of living on or near 100 percent CPI. Since 1999, the year that my husband and I retired, it has provided about 25 percent of CPI. The result: My dollar is now worth less than 90 cents. This is especially hurtful for many of the women in our chapter who already have a reduced pension. You see, many of them were forced to leave the profession when they chose to raise families and now face the double sting of inadequate COLAs. Hydro, gas, food are not limited to a two-thirds CPI increase.

This legislation fails to make any provision for long-term funding or even seek long-term solutions. The legislation appears to assume that after the 10-year reduction in benefits, the plan will miraculously be able to sustain a 100 percent CPI COLA. How likely is this? Not likely in uncertain economic times that we face. The COLA payout depends upon low inflation and high investment earnings. Good luck with that. *The Globe and Mail* last week reported that the inflation rate in the U.S. for the month of June was the second highest in 26 years, and we're not far behind.

This legislation shows complete disregard for retired teachers and the Retired Teachers Association of Manitoba. The pension task force has no official spokesperson from RTAM. With retired teachers constituting 11,000 of the 26,000 members of TRAF, this situation is shameful. If you suggest that MTS will represent retired teachers, take note that the MTS president last year campaigned against retired teachers' interests.

The legislation adopts the recommendations of the Sale report. Tim Sale was appointed in March of 2007 before he even left the Cabinet. Now he is charged with the task of addressing a problem that his party's government ignored for years.

From start to finish, the Sale report is full of inaccuracies, poor information and misdirected blame. Mr. Sale claims that the original design parameter for the cost-of-living benefit was two-thirds CPI COLA. This is absolutely and utterly untrue. Someone who was there will tell you that later.

* (20:30)

The Schreyer government of the '70s proposed a two-thirds CPI COLA in line with the civil service, but agreed to an improved COLA for teachers in exchange for substantially increased premiums by

teachers over civil servants as well as the elimination of disability and survivor benefits enjoyed by the civil service. I'm going to quote from the report: RTAM officials, faced with the dilemma of a weak PAA, have taken a militant stand that this problem must be resolved, and have sought 100 percent COLA guarantees. RTAM has never demanded 100 percent COLA guarantees. Where did Mr. Sale get this information?

Again, from the report: Retired teachers have adopted the position that we have paid for COLA and we should get it. A contention that Mr. Sale dismisses. In fact, since 1977, we have paid 16.6 percent of our pension contributions towards inflation protection in the form of COLA. We have paid. Individuals like me have paid thousands of dollars for inflation protection. Now we are told that that protection will be somewhere between zero and two-thirds.

Mr. Sale's contention that retired teachers have underpaid for COLAs now in place completely ignores the fact that retired teachers have contributed to a surplus in account A, the main pension account. As participants and contributors, it would seem, to me at least, that retired teachers have a legitimate claim for at least a proportionate share of the surplus.

But no, we are told—by the president of the Manitoba Teachers' Society, no less—that none of the surplus will go to COLA. The Sale report agrees. The government agrees. The word "outrageous" comes to my mind.

And now to the plebiscite. The Minister of Education (Mr. Bjornson) also adheres to the shame and blame philosophy of Mr. Sale. He expected and demanded that RTAM accept the entire Sale report and its recommendation without reservation. When RTAM failed to succumb to his bully tactics and refused to endorse the package as dictated to them, he chastised the organization and saw the need to resort to plan B, the plebiscite. Why a plebiscite? And why did Mr. Bjornson cover all bases by stating that he was not bound by the results anyway?

Both the minister and the Manitoba Teachers' Society expected an overwhelming yes victory. They campaigned for it. They failed to inform active teachers that two-thirds COLA was a maximum. They won, but by the underwhelming difference of 497 votes, 497 votes out of 26,000 members of the plan. But did it make Mr. Bjornson rethink his legislation? No. A ringing endorsement? Hardly, but

it didn't matter. With the time lines such as they are, the legislation must have already been written.

The fact of the matter is that the teachers' pension plan is underfunded. New entrants to the plan are not contributing at a rate that will sustain a pension for them, and it's been stated teachers are living longer. They are retiring earlier. COLAs are critically underfunded. A Band-Aid, ignore-it-and-it-will-go-away approach will not work. What is needed is more significant funding, at least a long-term plan.

I would like to suggest a few possibilities for consideration, for fairness and equity. In the short term, enact the better of method of crediting interest to the PAA account. In the long term, make a commitment to resume good faith discussions with RTAM as an official participant. Make a provision to share the proportionate amount of interest for the surplus in account A to the PAA account.

In conclusion, retired teachers are not to blame for the underfunding of the pension plan nor are we responsible for the failure of the plan to provide adequate COLAs. We did not set contribution rates. We did not ignore warnings since the 1980s. We did not extend benefit after benefit without funding, but we are bearing the cost. We are being blamed by the Sale report, the Minister of Education. We have been betrayed by our former professional organization and the government. How can reasonable and fair-minded people not see the injustice of this situation? I urge you to use your influence to right the wrong in this legislation. Thank you.

Mr. Chairperson: Thank you very much. Questions?

Mr. Schuler: Yes, thank you very much, Ms. Rinn, for coming forward and making this presentation. We know we're in the middle of summer and there are probably holidays planned and a lot of other things, and still, here you are making your presentation, as many others have and will continue to do this evening.

A couple of things and I'll ask you two questions and then you can take some time responding.

One of the issues that you did bring up was the reduced pension that many of the women face because of widowed or divorced and they're sort of in a double jeopardy. If you could just reflect a little bit more on that; if you can just give committee anecdotally, like some of the cases you know of, and

is this a widespread concern? You know, just reflect on that a little bit.

The second thing, on your last page, you put in a sentence that I particularly like: In the long term, make a commitment to resume good faith discussions with RTAM and then you go on to talk about RTAM being a participant. Do you think there is room to sit down and come up with a better mediated or discussed agreement than what is before us? I mean, clearly, we see two groups that are polar opposite on this right now.

So, if you could reflect on those two issues, I think we would appreciate that as a committee.

Ms. Rinn: I will answer the last question first. I don't believe there's a political will to solve this problem. I don't believe there is. We could sit and negotiate and we could talk and so on. I don't believe that there's the political will. This government has ignored warnings or governments before them—there's plenty of blame to go around—governments before them have ignored the problem and I don't see—it's going to cost money. It's not in their interests to solve this problem.

The teachers' society has kept talking about how much more they will have to put in and I feel for that; I really do, but the government here has to step up for years of indifference and ignoring the facts or the issue.

To your first question, I know of two personal instances in our own chapter. One woman who is now a single woman through divorce has found it necessary to go back to work. She works on contract basis, works the maximum 100 days that she's allowed before her pension is lost and she has to. It's not an option for her. She left the profession for 12 years while she was helping to raise the family. Now she's single again with a reduced pension and she has to go back to work.

The second one is a widow, or a surviving widow of a teacher, who is struggling to maintain her lifestyle. She has also returned to work and has a couple of part-time jobs.

So, there's two instances that I know of personally and I know that there are others in our chapter who have either given written submissions or will be giving oral submissions that will tell you their story.

Mr. Lamoureux: On the second page, you make reference that Mr. Sale indicated that the retired

teachers have contributed to a surplus into account A. Can you expand on what that is and the impact that that would have?

Ms. Rinn: Would you repeat that? I'm not sure I can answer that, but I want to hear it again.

Mr. Lamoureux: You could always get back to me on it also. The question is that Mr. Sale, in your presentation, you make reference that Mr. Sale says that the retired teachers have contributed to a surplus in account A.

Ms. Rinn: I believe that should have said, have not contributed. Isn't that what Mr. Sale's premise was that retired teachers have not contributed? Sorry, that's a terrible oversight.

* (20:40)

Mr. Chairperson: Thank you very much for your time with us this evening.

Ms. Rinn: Thank you.

Mr. Chairperson: Our next out-of-town presenter, No. 36, Georgina Dyck-Hacault. I see you have written copies.

Ms. Georgina Dyck-Hacault (Private Citizen): Yes.

Mr. Chairperson: Excellent, thank you. I see everyone has a copy of your presentation. You may proceed.

Ms. Dyck-Hacault: Thank you.

Members of the committee and Bill 45 participants, good evening and thank you for allowing me to speak this evening. My name is Georgina Dyck-Hacault and I live near Niverville, Manitoba. In the course of my teaching career I've had the pleasure of teaching students from grades 3 to grade 12 in both the immersion and the English streams. I have taught for the past 24 years and I am very proud to be a Manitoba teacher. I also represent 250 teachers in my role as the president of the Seine River Teachers' Association, and I am a brand new member of the MTS provincial executive.

I am pleased that you have chosen to introduce Bill 45 in response to the Tim Sale report on COLA. As a teacher who is nearing the end of her teaching career, it is imperative that the amendments as outlined in Bill 45 be implemented in their entirety. The recommendations contained in the Sale report are, in my view, a fair and balanced approach that helped to resolve a long-standing problem of the past

without placing unreasonable financial burdens on our young teachers.

Madam Vice-Chairperson in the Chair

Bill 45 represents significant improvements in the cost-of-living adjustment for retired teachers while providing the necessary checks and balances to ensure the long-term viability of our pension plan for current and future retirees.

We know that this COLA problem is not a new one. In fact, this issue has been around for about 20 years. We know the original contribution rates were set up to provide about a two-thirds COLA to retired members. However, beginning in 1985 and for a period of approximately 15 years after, the pension adjustment account paid out almost 100 percent COLA to retired teachers. This action seriously stressed the plan's ability to pay future COLAs. We know that RTAM would like to be able to transfer the money from the basic pension account to the pension adjustment account. This cannot be allowed to happen. Transferring money in this manner would put my basic pension allowance at risk.

In the Seine River Teachers' Association, we've seen a marked increase in the number of young members. These new teachers bring enthusiasm and energy to teaching Manitoba's youth. They are our future. However, they are concerned that if money is transferred from that basic pension account to the pension adjustment account, then the basic pension benefit will not be around when they retire in 30 years. You, as the government, have an obligation to protect their pension.

We know the demographics of the teaching profession has changed. We now have 1.4 teachers contributing to the plan for every retired teacher collecting their pension benefit. In the past that ratio was six active teachers contributing for every retired teacher drawing benefits. This changing ratio has increased the amount of money flowing into the pension plan while at the same time increasing the money flowing out to pay pension benefits and COLAs.

We also know that guaranteeing a full COLA would cost each active teacher approximately \$3,000 extra in contributions every year. Active teachers that I have spoken to are adamant they do not want to pay the cost of a full COLA, nor should they have to. Paying the cost of a full COLA in order to fix a problem that should have been resolved years ago places an unfair financial burden on them.

In April, the MTS present council voted unanimously to support the Tim Sale report. I believe our president, Pat Isaak, has already relayed this to you. I urge you to implement the fiscally responsible Bill 45 as quickly as possible and ensure that the basic pension account and a reasonable COLA are protected for the 25,000 members of TRAF.

Thank you for allowing me to speak this evening.

Mr. Schuler: Thank you very much for coming this evening, Ms. Dyck-Hacault. We appreciate you spending your time here and making the presentation.

One of the things that we've certainly noticed at this committee is we are getting this—who pays. There is another presentation from Julia McKay. It was a submitted presentation. She says, and I quote: "My eldest daughter is also a teacher, and I don't want her to have to pay for the mistakes of previous generations all at once."

Then we've had other individuals come forward, retired teachers, who say, why are we being forced to pay or be punished because we're losing—there was as much as several hundred dollars a month in actual money. I mean, we as a committee sit here and we look at this and we're obviously concerned with the way the presentations are going. The divide seems to be growing between the two organizations. Is there any bridge? Is there any way to find a more middle ground or is it 45 or nothing?

Ms. Dyck-Hacault: I believe I came to present in favour of having Bill 45 passed into law, and I would like to see it done as quickly as possible. We've talked, we've had these discussions and now it's time to put into action some of the things that we're looking for.

Mr. Schuler: Do you also agree that there's going to have to be more money paid in by active teachers? You've had one of the other members of MTS saying that they'd asked for 2 percent and it ended up being 1.1 percent. Do you see there being a need for more money going into the count just to sustain it at its current level?

Ms. Dyck-Hacault: I believe that we began—

Madam Vice-Chairperson: Ms. Dyck-Hacault.

Sorry, no problem, it's all procedural, and it's only for the purposes of *Hansard*.

Ms. Dyck-Hacault: I believe that we had already asked and received that 1.1 percent and there may be a need for a contribution increase, but those contribution increases cannot come all at once, and to have a teacher paying an extra \$3,000 immediately, it's not going to cut it.

Madam Vice-Chairperson: Any further questions?

Mr. David Faurschou (Portage la Prairie): Yes, I was just curious in regard to trying to do the figures here as to the level of support for Bill 45 within your own ranks and with the level of participation, the level of support, like, you're asking support for this bill with approximately 22 percent of the interested parties' support. Do you feel that that is adequate enough for Bill 45's passage with only 22 percent of those affected by the legislation in favour of it?

Ms. Dyck-Hacault: Are you talking about 22 percent from the plebiscite? Do I feel that that's enough to have that 52 percent? Sorry, I didn't get your question.

Mr. Faurschou: Well, if you look at the actual figures as to the level of participation and of that level of participation at 52 percent of the support and you actually work it down to the hard figures, this legislation, according to the plebiscite, only has about 22 percent support of the members that are affected. Do you believe 22 percent in favour of Bill 45 within your own ranks is enough?

Ms. Dyck-Hacault: I believe the 52 percent outcome of the plebiscite is, yes, enough to continue on.

Mr. Faurschou: But you are recognizing that less than half actually participated in the very short period of time the plebiscite was able to vote and so, when you're actually getting down to the hard-core figures, only 22 percent of the rank-and-file teachers, retired and currently teaching, are in favour of Bill 45. Do you feel that that is enough?

Ms. Dyck-Hacault: As I stated, the 52 percent vote should stand and should carry regardless of how much you think that the vote's weight should carry.

Madam Vice-Chairperson: Thank you. Further questions? Seeing no further questions, thank you very much for your presentation.

We move now on to the next speaker on the list from out of town and that would be Daniel Kiazuk. Daniel Kiazuk. Am I pronouncing that correctly? Kiazuk from the Rolling River Teachers' Association. Seeing no one to come forward, we'll

move on to the next name. He will be dropped to the bottom of the list and we'll move on to the next name, which is Kyle McKinstry. Kyle McKinstry.

Mr. McKinstry, I see you have a written report, so if we just take a moment while that's passed around.

Please proceed, Mr. McKinstry.

* (20:50)

Mr. Kyle McKinstry (Private Citizen): Good evening. My name is Kyle McKinstry and I'm a member of the Pine Creek Teachers' Association. I work in MacGregor Elementary where I also reside. I am also a very, very proud member of the Manitoba Teachers' Society provincial executive where I have been serving for the past three years.

Mr. Chairperson in the Chair

I welcome the opportunity to be here today. As a teacher who will pay into my pension plan for another two decades or more and then depend on it for the remainder of my life, I am vitally concerned about both the cost of my pension and its viability over the long term.

I am here to show my support for Bill 45, the amendments to our pension plan, which I believe take into account both the cost of funding of our plan and its long-term well-being.

For the last two years, I have had the opportunity to sit as a member of the pension task force. Those discussions have provided fascinating insights into not only our current situation but also into the factors that led to the issues we face today. Over my time on the pension task force I have become absolutely convinced of one thing, that any decisions made regarding our pension plan must be made with a singular objective of ensuring our plan remains healthy into the decades to come.

We have teachers starting work this year. This will be their first year. They will pay into the plan for the next 30 years or more. They will collect pensions for another 30 years or more after that. We are talking about six and seven decades into the future. We are making decisions about a plan that will still be paying out benefits long after most people in this room are long deceased, including myself. It is an awesome and somewhat frightening responsibility we have.

The more I have heard and read about our pension plan, the more concerned I am about the

mistakes that were made over the last 25 years. During that time, benefits were improved and high COLAs were paid out. There was not, however, an increase in contribution levels to balance the additional costs.

There were clear warnings that what was happening was not sustainable, but the long-term health of our plan was sacrificed for short-term considerations. Instead of reacting to the demographic changes that were coming, the decision makers at the time took advantage of the ratio of six or seven active teachers for every retired teacher to improve benefits and to keep contributions low. In fact, it amazes me that even with the large increase in 2005, which was nearly 20 percent, teachers in Manitoba continue to have the lowest pension contributions in the country. How was all of this allowed to happen?

I always tell my students that it is okay to make mistakes as long as we learn from them. We cannot undo the mistakes of the past, but we certainly need to take lessons from them.

What I appreciate about the Sale report is that it demonstrates an understanding of not only the difficulties with regard to COLA but also of the history of our plan, our need to consider long-term viability and the issue of contributions, something Mr. Sale stressed repeatedly throughout and during the task force discussions. Mr. Sale also paid attention to the question of how legislative requirements make even minor changes to our plan difficult and time consuming.

Take, for example, what the Sale report says about contribution levels. He notes that they need to be reconsidered following the 2009 valuation. Should contribution levels rise, it would result in two things. It would provide additional money to boost the COLA, but at the same time it would help ensure the long-term health of the plan. While this aspect of the Sale report has received little attention, it is insightful and noteworthy.

I also appreciate the recommendations of Mr. Sale to move aspects of our plan into regulation. While government should always consult and get agreement with teachers prior to making pension changes, the current system of having to introduce legislation for even the most minor issues is wasteful and inefficient.

It is not difficult to understand the position of retired teachers on the COLA issue. Everyone

appreciates the impact of inflation over time especially on teachers who have retired in the last five years. I am truly sympathetic with the situation they face. Many retired teachers have come to understand the situation our plan faces and are supportive of the Sale report. While they would like more for COLA than this plan will provide, they also understand the realities of the situation. The problem is that the amounts of money required are fundamentally beyond reach. Governments simply cannot afford the hundreds of millions of dollars such a solution would require, nor would it be fair to demand it of active teachers who are also paying more than retired teachers paid in order to receive the same level of pension benefits.

Above all, government must ignore the request of RTAM to take money out of the account A which pays the basic benefit in order to fund a larger COLA. While such an idea is attractive in the short term, it places our plan in a precarious position over the long term. Our plan is already underfunded and the ramifications of draining the main account for near-term gain should be obvious.

I want to thank Mr. Sale for his work with the pension task force and his recommendations and I want to thank government for bringing forward legislation that makes an honest attempt to support retired teachers while at the same time being farsighted about protecting our plan.

We have to realize that this is not a perfect world and there are no perfect and easy solutions. Mistakes of the past are not easily corrected. This may be an emotional issue for some, but the numbers are what they are and no amount of irate rhetoric is going to change that. This legislation is fair, balanced and reasonable. It keeps an eye on today by making an immediate and significant improvement in COLA. Even more importantly, it keeps an eye out for the future.

Thank you again for the opportunity to be here today and I look forward to the passage of this legislation.

Mr. Chairperson: Thank you for your presentation. Questions?

Mr. Schuler: Yes, thank you, Mr. McKinstry, for coming forward and making your presentation. Nice to hear from you this evening and the fact that you came all the way here today obviously means that you have a real passion for the issue.

One of the things that you do mention—it's sort of at the end of your presentation—you talk about this legislation, that it keeps an eye on today by making an immediate and significant improvement and more importantly, it keeps an eye on the future. Do you believe that Bill 45 solves the problem?

Mr. Chairperson: Mr. McKinsky.

Mr. McKinstry: McKinstry, thank you.

Mr. Chairperson: Sorry. I read that wrong, McKinstry.

Mr. McKinstry: Yeah, McKinstry. My past president over here always made the same mistake.

I believe it is a step in the right direction and it is a big step in solving the problem, however, the Manitoba Teachers Society has been fighting for numerous years for a pension increase. We asked for a 2 percent pension increase and the government of the time has only allowed us to put forward a 1.1 percent contribution increase, therefore, we need more money into that pension in order to sustain and ensure the basic benefit for years to come.

Mr. Schuler: If there were other steps that you would recommend, what other steps have to be looked at to make sure that the pension fund is sustainable?

Mr. McKinstry: The other steps that I would take: step 1 would be, obviously, the Bill 45 which we are talking about today. The implementation of that is a drastic step and, as I stated before, the second step, after 2009, if we come to the conclusion that more money needs to be placed in there, the Manitoba Teachers' Society has stated in the past that we are willing to put more money in there to guarantee the basic benefit is there for future years and we are willing to do that. So those are the steps that I would put in place.

Mr. Faurshou: I would just like to ask, being that you're on the pension task force, you must be very familiar with other pension plans in comparison. The civil service pension plan, what level of contribution is it currently at that furnishes a two-thirds COLA for civil servants upon retirement?

* (21:00)

Mr. McKinstry: Sorry, I cannot give you those numbers at this point in time. I'm unaware.

Mr. Faurshou: It's less than 5 percent, and you're at 7 percent and yet you can't generate enough for a COLA. So I'm wondering what management skills

are different between the Civil Service Superannuation Fund and the MTS. It has been made mention in here in regard to forgoing the pension contributions for those that are long-term disability.

Could you tell the committee how many persons, currently, as you are available to those figures, are on long-term disability and not participating in contributing to the pension plan yet remaining eligible for it?

Mr. McKinstry: Thank you very much. I could get those numbers to the honorary member. I do not have those numbers in front of me, as can be expected.

Mr. Chairperson: Mr. Lamoureux, very quickly.

Mr. Lamoureux: Oh, geez, it's kind of a long question.

Mr. Chairperson: Well, you need to be shorter.

Mr. Lamoureux: I'll try to get it in as quickly as I can.

RTAM made a very strong statement in regard to the minister's comments with regard to Bill 45, or the Sale report, and I quote right from her statement. This is what she said that the Minister of Education (Mr. Bjornson) stated. The Minister of Education said to RTAM, you told us to all agree with all the Sale report. You told us that if any of our retirees contacted you, that RTAM would be blamed for not accepting the package. This was a threat. We felt threatened when we were told we must agree to the parameters of the Sale report or get nothing. Then I'm told that organizations were told that the legislation had to be in, in June, which isn't true, had to be in by June.

Now, I'm thinking in terms of the process. In a part of a process you need to demonstrate respect and you need to be able to demonstrate that it's fair. Do you believe that that has happened?

Mr. McKinstry: Unfortunately, I cannot comment on the minister's comments as I was not there and I was not privy to that conversation. However, the Manitoba Teachers' Society, the Retired Teachers' Association of Manitoba, along with the government, were at the pension task force. They were privy to all the proper information. We were educated on all the numbers and all of the possible situations, and yes, Mr. Sale presented his report in its entirety. It was either accept it or do not accept it. The Manitoba Teachers' Society accepts it wholeheartedly and unanimously passed to accept that report. However,

unfortunately, the Retired Teachers' Association has not. They declined to accept that.

So I am here today to stand here in front of you to hope that you do pass this bill so that the teachers of today, the teachers of present, and the teachers of past can see a significant increase in their COLA from this year and for years to come.

Mr. Chairperson: Thank you, Mr. McKinstry.

Committee Substitution

Mr. Chairperson: At this time, I would like to make the following membership substitutions. Effective immediately, for the Standing Committee on Social and Economic Development meeting this evening, July 21, 2008, for the Conservative caucus, Heather Stefanson is now a member in place of Rick Borotsik. So that's Mrs. Stefanson in place of Mr. Borotsik.

* * *

Mr. Chairperson: Our next presenter from out of town, if available, is Shirley Augustine. This is No. 42. Thank you for joining us this evening. Please wait a moment while they distribute copies of your presentation.

Thank you once again, Ms. Augustine, for joining us. You may begin your presentation. Order, please.

Ms. Shirley Augustine (Private Citizen): Thank you. My name is Shirley Augustine. I was formerly a teacher with the River East School Division. I retired in June of 1994. I am a member of the Retired Teachers' Association of Manitoba, RTAM, and of the northeast Winnipeg chapter of RTAM, NEW. However, I do not speak on behalf of either of these groups. Rather, I've registered as an individual retired teacher.

I know that these committee meetings are to provide an opportunity for the public to voice the opposition to Bill 45, but Bill 45 resulted from a sequence of developments that have taken place over the past year, and the ongoing debate over the funding and the cost-of-living indexing of teachers' pensions. My purpose in speaking to you this evening is to voice my personal opinions, concerns and observations of that sequence of developments. This is my interpretation of the facts, and believe me, there are many interpretations of the facts in this debate, and you have heard some tonight.

I will review the Sale report, the plebiscite and Bill 45, for I feel that you cannot easily separate these each from each other. Mr. Sale is a retired former member of Cabinet of the current governing party of Manitoba. He was requested by this government to, quote, attempt to assist in reaching some consensus on measures that might be taken to address the current problem of pension funding for COLA. Mr. Sale was, and is, well respected for his involvement in the politics of Manitoba.

As fair and as accurate—and after hearing other presentations tonight, I might include there inaccurate—as the analysis may be, one cannot but wonder what the recommendations would have been had the government requested the service of a retired former teacher of Manitoba.

That aside, as I understand that the Sale report was sent to all active and retired teachers. It was very carefully written and acknowledges that the present problems were caused by, quote, questionable decisions made in the past years. Agreed. But overall, I cannot accept certain of the recommendations for solution of the COLA problem.

(a) There is no guarantee of even a two-thirds COLA, although many teachers interpret this to mean exactly that. The cap is a two-thirds COLA. Any COLA payment at all would be dependent on investment returns that may or may not materialize, placing retired teachers in the same position they are currently in where we could expect zero percent COLA in any one year. This results directly in a pension benefit reduction from the current legislated pension formula.

The PAA, pension adjustment account, was put in place by legislation for inflation protection for which retired teachers paid and were told to expect a hundred percent COLA. RTAM has clearly stated it would not accept any solution that is tied to fluctuating market rates. There is no certainty or hope of a guarantee ever in that kind of a solution, and I agree.

Now, based on his interpretation of the above-mentioned facts, one teacher actually told me I was crazy to not accept the Sale report. A guaranteed two-thirds, she said. It's better than what we have now. Take your money and run. What money, I asked? I would be running away from any possible fair solution to the COLA problem.

(b) A gag order for 10 years is too long of a period with no window of opportunity for ongoing discussions. Think of it, I may not even be here in 10 years.

(c) There's no provision for, or an outline of a plan for funding for a long-term solution. Mr. Sale wrote in his summary statements, quote, the recommendations should be seen as a package. This leaves no room for amendment or negotiation, or does it? In my interpretation, it does leave room. Mr. Sale did not say, had to be seen. Yet that summary statement led to the declaration by the Minister of Education (Mr. Bjornson) that it was on an all or nothing deal. That was his interpretation of the facts.

RTAM said no, the deal was dead. Or so we thought. That leads me to the question of the plebiscite, point 2. A plebiscite engineered and presented by the Manitoba Teachers' Society and funded by the Manitoba government, with no input by RTAM, was sent to the approximately 15,000 active teachers and the 11,000 retired teachers. The plebiscite posed this question: do you support the implementation of the recommendations contained in the Sale report? A simple yes or no answer was all that was required. Then began the campaign to convince active teachers to vote yes.

*(21:10)

MTS president, Pat Isaak, was quoted in Nick Martin's *Free Press* article of April 26, 2008, as saying, implementing the Sale report is a win-win-win for government, active teachers and retired teachers. This was her interpretation of the facts. She went on to say, it balances the need to provide a better COLA for retired teachers with the amount of money active teachers and the government are required to pay for it. Point well taken by active teachers, and the damage was done.

Nick Martin's article also says the Province and active teachers fund the teachers' pension fund. More damage to the cause. Mr. Sale said we retired teachers were militant and now the active teachers were beginning to think that we retired teachers were a selfish, greedy bunch and there was no way that we were going to reduce their take-home pay by contributing more of their money to support COLA funding for retired teachers. Well, excuse me, but did I not fund the teachers' pension fund for already retired teachers with my payroll deductions during my active teaching years? Isn't that how it's supposed to work?

The result of the plebiscite was a 52 percent yes vote and a 48 percent no vote. In a June 3, 2008 press release, Pat Isaak is quoted as saying, a majority of active and retired teachers sent the Manitoba government a clear message. Again, that was her interpretation of the results, but how clear really was that message? It would have been interesting to have had, and I know it's impossible because of the secret ballot, a breakdown of those result numbers. Where on the spectrum of teaching years were the majority of those active teachers?

I conducted a sample survey myself with the assistance of a teacher in a rural school. Some young teachers at the beginning of their careers voted yes because they are so far removed from retirement they only were concerned about their take-home portion of their pay, not the amount they perhaps should be contributing to their future pensions.

Then there were some who think they might not stay in the teaching profession until retirement. Who knows, they might decide to run for MLA one day and then they won't ever have a COLA problem. At the other end of the spectrum were those soon to be retired teachers who would be directly affected by the solution of the Sale recommendations within the 10-year period. They voted no. A clear message? Maybe, but not one that was well-thought-out to be the solution of the COLA problem. That is my interpretation of those results.

Was there a fair playing field here? Fifteen thousand active teachers versus 11,000 retired teachers. Each group with their own agenda. Interesting results. I regret I had to say versus, but what the plebiscite actually did was put teachers into two camps, they and them. A little reminder here, active teachers will one day become retired teachers with a little bit of luck.

Nick Martin's article in the *Free Press*, April 26, 2008 reads that the plebiscite was non-binding. Based on the results of that plebiscite, the government interpreted this to be their mandate to introduce amendments to the pension fund, Bill 45. But I seem to have learned this evening that perhaps Bill 45 was in the making for a much, much longer time.

Two of those amendments affected the future of COLA. (a) Amendment 4 would legislate a two-third COLA cap based over a time period of 10 years. I've already given you my objections to that. (b) Amendment 10 would legislate changing teacher contributions by regulation on the advice of the

Teachers' Pension Task Force, government of the day and MTS.

Mr. Chairperson: One minute.

Ms. Augustine: Mr. Sale, quote, said, consideration should be given to the amendments which will allow for some minor changes to be done by regulation. I believe the TRAF board could be asked to make recommendations to MTS and government. Bill 45 did not mention this inclusion. Mr. Sale said, the current contribution level may not be sufficient to sustain the basic benefit. I hope that at the next full review of the fund in January of 2009 that this above-mentioned pension task force will see fit to follow Mr. Sale's recommendations on contributions much needed to sustain the pension fund.

(c) The missing amendment. Mr. Sale said there should be change in the interest crediting method of the PAA to the better of method, i.e., total fund returns or fixed income returns, whichever is greater. This recommendation was not addressed by the government. So much for an all or nothing deal.

I'm going to skip.

In conclusion, I have questions for MTS and the government. What happens to the recommendations in the Sale report now? What really have we gained by the Sale report and the plebiscite and Bill 45? Although meant to be an exercise in democracy, was this all just a futile sequence of developments? Somehow, I cannot help but think that all of this could have been solved differently. Thank you for listening to my interpretation of the facts.

Mr. Chairperson: Thank you.

Mr. Schuler: Thank you, Ms. Augustine, for coming forward this evening and making your presentation. You mentioned that you're a retiree of the River East School Division. You taught there. I'm also a retiree of the River East School Division as a trustee. A great school division, and certainly appreciated the years that you put in teaching in the school division.

I take it you've had a chance to look at how this will affect you. Could you reflect for the committee, what kind of an impact will this have on you and your ability going forward as someone who's retired? What are the economic hardships that you will face because of this? Could you give us an indication about that?

Ms. Augustine: Thank you. I will certainly have to make adjustments to expenditures because the fixed income remains the same, what I signed for, and I'm

one of those teachers that was out. I don't have the years. I didn't even have the magic number because I left the teaching profession to raise a family. In those days, you had to. So what I have is being eroded. I have to think twice. I have to think every time I fill my gas tank with gas, and I make a circuit. I have made shortcuts, as we all are doing, but maybe more so because there's not going to be any more money at the end of the month or the end of the year.

Mr. Schuler: Now, you've patiently sat through a lot of presentations, and you've also heard the other organization coming forward in which they've indicated that there is a sustainability problem. Do you accept that because you've laid out, you know, our facts, their facts? Could you reflect a little bit on that argument and what you think should be done about that, the issue of sustainability?

Ms. Augustine: In the Sale report, if I can quote, Mr. Sale said: the current contribution level may not be sufficient to sustain the basic benefit. I may add here, I've read the Sale report—a hundred times? I've got it memorized, I think. I went over it and over it and over it, and his language, it's very carefully written. He said consideration should be given or may be and then it should be, and he was more emphatic in some of the verbs that he used, but he realized that that main benefit fund is not being funded presently by contributions made by active teachers for their own retirement and safety down through the years.

It's just not being done. It has to be revised, the formula. Someone just said back here that it would cost such a lot of money in a lump sum, but in my thinking, maybe that 10-year period that they said, well, you take this; take the Sale report and Bill 45 and don't do anything for 10 years. Maybe that 10-year window or that period of time should be used to gradually phase in other means of funding and raising contributions and shifting funds, et cetera. I'm not an accountant. I know how to balance my budget. I don't spend more than I take in, so I can't really give you how to do it, but I think it can be done.

* (21:20)

I was thinking that that time space of 10 years could be used for that so that, in the end—in an earlier presentation to a committee in the Assembly, I made this three years ago, I had said what I wanted, despite what they said that we wanted all 100 percent, a fair and reasonable COLA settlement. I keep repeating that. RTAM, too, has clearly stated, when there is a commitment to long-term funding solutions, RTAM

is prepared to discuss the reduction in COLA. We'll settle for two-thirds, if we can be assured that the sustainability of the whole pension fund is there, and legislation is put in, an appliance is put in, and it's made possible.

Mr. Chairperson: Thank you, Ms. Augustine. Time has expired.

Ms. Augustine: Thank you.

Mr. Chairperson: Our next presenter, No. 43, John Sushelnitsky. Thank you for joining us this evening.

Do you have written copies of your presentation available?

Mr. John Sushelnitsky (Private Citizen): Yes, I do.

Mr. Chairperson: Thanks again for joining us this evening. You may begin.

Mr. Sushelnitsky: Thank you very much.

I have noted with great interest that the MTS representatives at the table are very attractive and quite virile, and I would just like to remind them that at one time so were we. However, time has pressed on, and after 30 to 40 years of teaching in the classroom we find ourselves with about 20 years left to enjoy what is left for us. As I look around the table I see that there are some very young and some, let us say, more advanced people, as well, who will be considering COLA in a more serious light than the numbers themselves would suggest.

I am going to, first of all, mention a letter that was given to me a couple of days ago by a teacher who is unable to be here, but she went to the trouble of contacting Manitoba Hydro, Central Gas, the City of Portage la Prairie, Transportation shuttle bus, gas, food, household, medication, the Manitoba Telephone System, and property taxes over a 10-year period. In general, each of these increased by 30 to 40 percent, which works out to roughly 3 to 4 percent each year.

Now that's not a problem for my friends in the MTS, because the last three years they have successfully negotiated 3 percent increases for themselves each year. For us, however, on the down side of 1 percent, it has created quite a problem. We are facing situations where people are going to have to move out of their homes. They're going to have to apologize in terms of the presents they would like to give to their children and grandchildren, because the money just, the disposable money will not be there.

There are lifestyle changes that are happening with older people that cannot be comprehended because they are not being experienced by current teachers. Now I could say their turn will come, but I won't, because, in the fullness of my presentation, I hope to deliver what I think is the strategy behind this whole exercise that we are involved in tonight.

Those of you who have copies of the paper, I'll refer to it now. I've divided the COLA experience into four eras: the Schreyer-Lyon, from '69 to '81, where there was high inflation, 5 to 10 percent. I remember that very well because, as a salary negotiator, I could justify a 16 percent increase, and I got four. As a member of the Manitoba Teachers' Society executive for four years—I even considered running for the presidency in one year—I know the intricacies of debate that go on at the MTS level.

I would hope that there is still room for dissent in the MTS executive. I see little evidence of it, however. I see almost a lock-step procedure going on between what the president says and what each member who has come up to the microphone this evening has said. There is a formula that is being followed, and I find that very distressing because my experience as an executive member was that there was lively debate. I would hope that if there are some members on the MTS executive now who disagree, that they have been at least given the opportunity to come forward tonight or in the ensuing two nights.

Moving on, No. 2, the Pawley era from '81 to '88: There was high inflation again, but it began to decline from 11 percent to 4 percent. COLAs, however, began to increase from 45 percent to 100 percent. In the middle of all this, the government reduced the retirement age from 65 to a possible 55.

Then we enter the third era, the Filmon years from '88 to '99, what I prefer to call the golden era, because while inflation dropped from 5 percent to 1 percent, the COLAs, there were nine 100 percent COLAs and there was one 97 and one 99. So you could almost say that during the Filmon years there were full COLAs for 11 years. However, there was a minor increase in contribution rate, but the fact of the matter was—there was no adjustment, I should say, in the contribution rate, but the actuarial warnings had begun. In 1984 and 1986 and on a regular basis, the government was warned. The Conservative government was warned and this would then continue into the next government.

Which brings us to the fourth era, the Doer era from '99 to 2008, which I prefer to call the dismal

era. Inflation was steady between 3 percent and 1 percent, as in the previous, but the COLAs dropped from 100 percent to 20 percent, and that, in that time period, occurred four or five times. We are at that era now where we're probably averaging around 25 percent.

Other speakers have mentioned that they asked for a 2 percent increase in contributions, Manitoba being very low on the contribution rate across Canada. The government provided 1.1 percent, and there is, I understand, a request for an additional percent. That's all to the good, but it's not going to be sufficient.

So that brings us to what appears to be a sequence. The Sale report led to the February meeting with the minister, to the plebiscite, to Bill 45. I'd like to suggest a different scenario. I'd like to reverse that process. Why? Because I think there was a plan to isolate retired teachers, to break the solidarity of current teachers and retired teachers. We've spoken about what a tragedy it is that we're not getting along and what could we do to get along. Well, I think it was the government's plan to break the strongest union in the province, which sounds strange coming from a socialist, labour-oriented government, but the bottom line is they didn't want to put out the necessary money, and the necessary money can be withheld provided you divide and conquer.

So how do we divide and conquer? Well, first of all, we have to let current teachers feel as though they're not threatened. So what can we do to assure current teachers that they're going to be okay? Well, beginning in the year 2001, the government began to match contributions into the pension to start building up the fund, and that was for beginning teachers. That had been done at the beginning of the program back in the Lyon and Schreyer days. The government had matched teacher contributions, so that you were building up a pot of investment money.

Very shortly after, about four or five years afterwards, the government decided to, no, let's just match the necessary payouts. We won't match the contributions, and so what effectively happened was that the money for investment was cut in half.

All right, that went on and because there was a high teacher-to-retired-teachers ratio, the contributions into the COLA fund increased and looked very healthy, so healthy, in fact, that the Filmon years were able to give a full COLA for 11 years. However, there was a crack in the foundation,

and that crack in the foundation was that the retirement age had been lowered from 65 to 55. All of a sudden, in one fell swoop, you had 10 years of teachers no longer contributing, but now withdrawing from the retirement fund and from the COLA fund. That was what needed to be addressed.

*(21:30)

Now, my friends on the MTS currently would like to say, well, let bygones be bygones. Other people would say that was criminal neglect, and in some European countries those executives responsible would be in jail.

Mr. Chairperson: One minute.

Mr. Sushelnitsky: So what I'm suggesting is that there was a plan that was in reverse. First of all, the ingredients for Bill 45 were put together. Secondly, they got Mr. Sale, a man absolutely without any experience in the pension field, because he was respected and could be easily influenced and I would suggest that the ingredients of his report were fed to him.

Then, when RTAM said we can accept part of the proposal, the better of option, the government was unable to agree to that. Now I've asked myself many, many times, why could the minister not accept this? Why was the MTS president so in favour of it? The only solution I can come up with is that both of them were being told by political advisers and by financial advisers that this is the plan that was going to come into effect. When the teachers turned it down—

Mr. Chairperson: Order. Thank you. Your 10 minutes for presenting is up. We'll now move to the question and answer period.

Mr. Schuler: Yes, thank you, Mr. Sushelnitsky. I apologize that I had to step out. I had to powder my nose and grab a cup of coffee. I just somehow feel that I've known you my whole life. Maybe that has to do with some of the e-mails that have been coming in. We really do appreciate the fact that you e-mail us, though I think I'm on your e-mail list twice.

Mr. Sushelnitsky: Yes, you are.

Mr. Schuler: I guess that's okay too. You know, I want you to know I never miss your e-mails that way. I always seem to get them. We appreciate it.

Anyway, I appreciate very much the passion that you put into this and there are many that have and we've heard them, you know, presentations on both

sides, the kind of passion that has come forward. You've laid out for us, probably in one of the most succinct ways possible, the problems that have developed over the years. Can you, as succinctly as possible, how do we solve the current problem and try to solve the problem going forward?

Mr. Sushelnitsky: The funding always comes down to the taxpayers' dollars and retired teachers pay taxes too. The government, when it was faced with financing, the current teachers went out and borrowed \$1.5 billion to stabilize the pension fund for current teachers. I wish they had borrowed another half billion to do something for retired teachers. That door is still open; Switzerland is still lending money. But, in the end, the taxpayers have to pay the bill. As retired teachers and as current teachers, we have always paid our taxes.

So facing the taxation bill should be a mature response to a difficult problem. We should not have to say, oh, the taxes are going to go up, we can't do that. If the cause is right, we should be able to measure up to it. If the cost of living is going up for people who have worked for 30 and 40 years on behalf of Manitoba children and are now being asked to pay a terrible, terrible economic price, I would think this generation of current teachers should be able to say, well, we will do what is necessary just as those teachers did what was necessary for their retired teachers.

This break in the link has been very calculated, this divide-and-conquer process has been very calculated. It is not an accident. It is not in the normal rotation that I suggested. Bill 45 came out well before the Sale report, before the plebiscite. The plebiscite, by the way, was entirely irrelevant. The fact that it was unbinding meant that the minister was going to go ahead with Bill 45 regardless of the results. So the plebiscite, there's no point in talking about it as being valid or invalid. It was a complete public relations exercise.

So my reading of the situation is that the minister is not in control of the agenda. I don't think that the people who appear to have power in this situation are in control. I think there are backroom decisions that are being made and we are all, in effect, playing a role to find a way not to financially meet our obligations to retired teachers.

Retired teachers did their bit. They paid everything they were asked to pay. They were not allowed to put money aside, as my friend Kyle McKinstry in MacGregor suggested, and another

speaker as well. We are now putting money aside, but we didn't have that opportunity because it was legislated that that money would be taken out of our payroll and put into this plan. So we do not have, we did not have, the luxury of choices that are being offered to current teachers right now.

But let me end on one note. The salaries that current teachers are getting now at \$55,000 average, when I started teaching it was \$6,000 a year. All right? There are significant financial resources that are different between the current teachers and our teachers. What we are asking for is not unreasonable. It is tied to the amount of money that we thought we were going to get when we retired. It only makes sense to have a full COLA to maintain the money that we would have got when we retired. A 100 percent COLA sounds like you're making money. Excuse me. You're not. You're running in place. You're not running forward. But if you don't get 100 percent COLA, you are falling backwards.

Mr. Chairperson: Thank you, sir.

Mr. Sushelnitsky: One last note, if I could be permitted one last point.

Mr. Chairperson: Very briefly.

Mr. Sushelnitsky: Thank you. The COLA, I like to think of it as this way. Some people say that if you accept this, you're going to get twice as much as you got before. Well, for me, a full COLA is having four fingers and a hammer that's not hitting them, and at 25 percent, all four of my fingers are being hit by a hammer. At 50 percent, two of my fingers are being hit by a hammer. Should I be thankful for that, that I'm only being hit twice on two fingers instead of four? Well, yeah, okay. But I would prefer not to be hit at all.

Mr. Chairperson: Thank you very much for your presentation and for answering our questions.

The next presenter will be No. 45, if available. Pam Stinson, private citizen. I see you have copies. Thank you very much. Okay. I think it's been distributed. You may proceed.

Ms. Pam Stinson (Private Citizen): Thank you. As a classroom teacher I tend to stray from the script, so you have one in front of you, but I will confess to maybe adding a few personal points.

Thank you for your time tonight. I am Pam Stinson from Portage la Prairie. I have been an active teacher for 27 years. I represented our local Portage Teachers' Association for 20 of those years and,

presently, I'm co-chair of our collective bargaining committee. I've represented all the teachers of Manitoba for five years as an elected member on the provincial executive of the Manitoba Teachers' Society, and I'd be remiss if I did not respond to Mr. Sushelnitsky's comment that provincial executive might not have a mind of their own and they're only following their leader. I elected Pat Isaak for an eight-year term, and I take great pride in conversing with her and agreeing with her ideas.

As an executive member of MTS, I've been privy to the many discussions we've had concerning our pension plan. I know that in 2003 we were in discussions with the government and the retired teachers' association concerning plans to addressing adequate cost-of-living adjustment retired teachers were receiving. At that time, RTAM insisted that they were guaranteed a COLA and that the government and working teachers should step up and pay for it. The proposal that was discussed in 2003 isn't much different than the bill we're discussing today. Five years later, retired teachers are still receiving a small COLA and RTAM is still insisting that this proposal isn't good enough.

* (21:40)

I was pleased when the government appointed Mr. Sale to bring the parties together to look into the COLA problem. I know that he did an in-depth examination of the issues and asked the parties to consider compromises. When it came to the proposal to credit the pension adjustment account, the one that pays the COLA, with a better of interest rate, we had a vigorous discussion at provincial executive about whether to accept this proposal. This was a proposal by RTAM, and, in the end, because we thought it could be a way to satisfy everyone, we agreed.

As an active teacher, I support the implementation of Bill 45. I feel that this issue is mathematical and not emotional as RTAM would have you believe. Pension plans are about numbers. Money in and money out. In the past, on average, a teacher could be expected to teach and contribute to the pension plan for 35 years and collect for 20. Today, the average teacher teaches for about 30 years, and since teachers are living longer, they're now collecting a pension for 30 years. Shorter contribution time and longer withdrawal time make for an unbalanced fund.

In the past, you've heard the ratio was 6:1. I remember hearing the numbers 7:1 of active teachers paying into the plan to support retired teachers. Well,

today, the ratio has decreased to 1.4 to every one retired teacher. Thus, active teachers cannot afford to support 100 percent funded COLA without enduring a major increase estimated at \$3,000 above what they're already contributing. Government would have to match that contribution, bringing the total cost of a 3 percent COLA to about \$1 billion. A guaranteed two-thirds COLA will cost approximately \$700 million. Mathematically, I know what I can afford.

Let's not repeat history and allow this imbalance to continue. It's time to move forward by implementing a reasonable formula that allows all three parties to protect the basic pension benefit. MTS agrees with recommendations contained in Mr. Sale's report, and I am in support of the passage of Bill 45. This bill balances the needs of retired teachers for improved COLA with the cost to government and active teachers to pay for it.

I've been teaching for more than a quarter of a century so I hope to retire sometime soon. I don't want to burden those teachers who are coming into the profession now with a huge contribution increase that will not increase the benefits they receive. I know that the government cannot be expected to invest the hundreds of millions of dollars it would take to give RTAM what they want.

There has been a lot of talk about decisions made many years ago. There's nothing we can do about them now. I also know that there's been a lot of name calling and misinformation being spread around. MTS has worked hard to get the facts on the record and has lobbied government to improve COLA the best it can now. This deal is not perfect, but I believe that it is the best we can do now. Retired teachers will see their COLA double this year. Without Bill 45, RTAM will continue to complain that the COLA is inadequate, and we may take another five years before we're back here again.

Fifty-two percent of members, both active and retired, voted in favour of the plan. The amendments proposed in The Teachers' Pensions Act contained in Bill 45 are a fair and balanced approach needed so that the COLA is sustainable in the future. I believe that teachers are sensible people and that 52 percent of plan members who voted in favour of this deal realize that two-thirds of something is better than 100 percent of nothing. Thank you for listening to me.

Mr. Chairperson: Thank you for your presentation.

Mr. Schuler: Thank you very much, Ms. Stinson, for coming forward and for your presentation. We appreciate it.

I had a couple of questions for you. On page 2 you mention that, it's sort of the second paragraph, active teachers cannot afford to support a 100 percent funded COLA without enduring a major increase estimated at \$3,000. Clearly, that would be just way too substantial of an increase. Is that \$3,000 a year?

Ms. Stinson: Yes, it would about \$300 a month on a 10-month pay period.

Mr. Schuler: And then you mention a little bit further down, above what they are already contributing, the government would have to match that contribution bringing the total of a 3 percent COLA to about \$1 billion. Would it be a cost of \$1 billion to the government every year?

Ms. Stinson: I'd have to defer that to Judy Edmonds. *[interjection]* Yes.

Mr. Chairperson: Mr. Schuler, very quickly.

Mr. Schuler: So, it would cost the government to do a 3 percent COLA, it would cost the government a billion dollars a year, plus every teacher would have to pay an extra \$3,000 a year?

Ms. Stinson: That's the information I've been given, yes.

Mr. Schuler: Again, therein is a problem where we have organizations fairly polarized on this issue. I don't think anybody would suggest that current teachers would each pay \$3,000 to maintain COLA and yet we have retired teachers who stepped forward, and say, you know, but they've paid for 35 years for COLA. Do you think this issue has been discussed enough? Is there any room for mediation? Or is it 45 and that's it?

Ms. Stinson: I think that's why we're here tonight, Ron, is to have the passage of this bill. I think there's been enough discussions. You can go around in circles for another five years and still have nothing and I think it's time to move forward and to implement something. As I said, two-thirds of something is better than 100 percent of nothing. Yes, I think this is the time to move.

Mr. Chairperson: Mr. Fauschou, thank you for your patience. You had hoped to speak at the last presenter and we ran out of time. So, please go ahead.

Mr. Faurschou: Yeah, thank you very much, Mr. Chairman. No, I do want to take this opportunity to thank the former presenter and a former teacher of mine, Mr. Sushelnitsky. I remember very fondly our discussions of political science back in grade 8, the FLQ crisis. That spurred me on to interest in politics and here we are today. So it is with a great deal of respect and gratitude I listen to presentations here this evening from both past and present teachers.

I'd like to ask, Pam, in regard to a couple of statements here that you made: two-thirds of something better than 100 percent of nothing. Are you then stating that COLA will be guaranteed at two-thirds with that statement? Or in other words, you could have been saying, up to and around two-thirds, or one-third could be better than nothing. Or one-quarter?

Ms. Stinson: Thanks, Dave. In response, I believe the Sale recommendation has said up to two-thirds, so I'm not at liberty to commit to numbers. That would be up to the government to do that when they pass this legislature.

Mr. Faurschou: And just an observation. What the former presenter did state is that this debate has created a we-them, and in your presentation, you stated they. I believe that gives a bit of credibility to the former presenter's statement that there is a significant rift within the fraternity of the teaching profession.

Ms. Stinson: I can't speak for the former speaker, Dave. We're here to see something implemented and improved. If it becomes a we-they, so be it, but tonight I presented what I believe and what I feel.

Mr. Chairperson: Thank you very much for your time with us this evening.

Committee Substitution

Mr. Chairperson: I would like to inform the committee of a substitution. I'd like to make the following membership substitution effective immediately for The Standing Committee on Social and Economic affairs meeting on July 21, 2008: for the NDP caucus, Ms. Irvin-Ross in replace for Mr. Jha. So, Irvin-Ross for Jha.

* * *

Floor Comment: *[interjection]*

Mr. Chairperson: Oh, okay, I'm sorry, we'll revert quickly back. We do have a bit of time.

Ms. Stinson: I believe the next speaker is Margrose Madak and I have her written presentation. She was unable to be here.

Mr. Chairperson: Okay. With the committee's agreement, we will accept that as a written submission to the proceedings. Thank you. *[Agreed]*

Mr. Lamoureux: Just to make a suggestion that it should be maybe made clear to all the people that are here this evening that if any of them want to submit their written report they can just give it to the Clerk and we could record it in *Hansard*. That's what's happened on a couple of occasions. Everyone should feel free to do what it is in terms of submitting a report. It should be made clear to them.

* (21:50)

Mr. Chairperson: Thank you for that. We mentioned that at the beginning but certainly worth repeating. Anyone who would choose to provide us with a written copy of their presentation can certainly do so. There's staff at the back table, if you want to raise your hand, if anyone chooses to do that. Thank you.

Our next out-of-town potential presenter, Mr. Wayne Turner, Private Citizen, No. 50 on the master list. Is Mr. Wayne Turner with us this evening? Seeing no one, he'll be dropped to the bottom of the list.

The following page, our next out-of-town presenter would be No. 65 I believe, Mr. Brian Gadsby. Next out-of-town presenter, Mr. Brian Gadsby. Seeing no one, his name will be dropped to the bottom of the list.

Up next, No. 67, Deanna Dolff. Is Deanna Dolff here with us this evening? Are you Deanna Dolff at the back of the room? No? Okay. Thank you. She will also be dropped to the bottom of the list.

No. 69, Frieda Fast. Is Frieda Fast with us here? Seeing no one, No. 70, Dennis Fast, Dennis Fast? No.

Number 72, Diane Laurin. Is Diane Laurin here? No. No. 73, Ronald Gray, Ronald Gray here? No? These names will be dropped to the bottom of the list.

No. 74, Jerry Dragan. No Mr. Dragan.

No. 75, Ed Sage. Mr. Ed Sage. Seeing no one, Number 76, Ms. Joan Johnston. Excellent. Do you have a written copy of your presentation for us this evening?

Ms. Joan Johnston (Private Citizen): No, I don't.

Mr. Chairperson: That is more than fine. You may proceed when you're ready. We'll actually wait just a brief moment. We'll put the microphone down. Excellent. Please go ahead.

Ms. Johnston: Good evening, Mr. Minister and committee members. I thank you for the opportunity to speak here today. My name is Joan Johnston, and I'm from Carman. I retired from teaching in 1995 following a 36-year career. I took early retirement not because I was worn out or anything but with a cash bonus from my employers, with great thanks for the 36 years.

My retirement created a position for a younger teacher looking for a teaching position. The bonus was a good bonus. I am here today in support of RTAM's response to the Sale report of October 2007, my opposition to Bill 45 and my concerns of the integrity of the plebiscite. I am frustrated and disappointed that discussions among the parties concerned, RTAM, MTS and government, have not been able to find a solution about long-term funding for COLA.

In 2008 retired teachers are to receive 0.71 percent COLA. Do you think this is fair? As an active teacher I paid in good faith for inflation protection. In 1977 teachers agreed to solely fund their own long-term disability insurance and eliminate survivor benefits in turn for a guaranteed cost-of-living adjustment in their pensions. Do you think it's fair to expect us to accept a proposal of up to two-thirds percent COLA with the current rising prices? I have seen my buying power eroded significantly with recent increases in the prices of gasoline, water, hydro, taxes and basic food items. A fair COLA is a benefit that maintains the purchasing power of the pension dollars that I receive. I cannot accept the Sale report which does not address the COLA problems so that this can happen.

Secondly, I am opposed to Bill 45. This bill reduces retired teachers' entitlement from 100 percent COLA to 66 percent or less with no guarantees of any amount. It makes no mention of RTAM organization and makes no provision for their involvement in the future. Do you think this is a respectful way to treat retirees who committed the greater part of their lives to the education of children? I don't.

Thirdly, I question the integrity of the plebiscite devised by MTS and funded by the government and

which had no input from RTAM. In my eyes, this was a futile exercise because MTS and the government already knew what all parties concerned wanted. The amount of money that was used to fund the plebiscite—and I'm not sure how much that was; was it \$100,000?—was a waste of good money which could have been used to help with the problem of COLA, not for a useless plebiscite.

It is my hope today that all parties concerned not only hear but listen to what is being said tonight and are prepared to have meaningful discussions about long-term funding for a fair COLA. I am a retired teacher asking for a COLA which I paid for in good faith for many years. Thank you.

Mr. Chairperson: Thank you, Ms. Johnston. For questions, Mr. Shuler.

Mr. Schuler: Yes, thank you, Ms. Johnston, for coming forward and making your presentation. Welcome here.

You've heard in other presentations that, in fact, there was no guarantee put into any legislation for a COLA, yet you believe that there was a provision put in for a COLA. How is it that we have such diametrically opposite viewpoints of basically the same thing? We sit here at committee and we hear, have too, have not; have too, have not.

Ms. Johnston: I've always believed that there would be a COLA for my pension. It was just something that all the time as I was an active teacher I believed that there would be a cost-of-living increase in my pension.

Mr. Schuler: Not getting a substantial COLA, a reasonable COLA, how has that affected you personally in your life and how you manage your budget?

Ms. Johnston: Just taking increases in the price of gas, the price of your water bill, the price of your taxes, everything that you are, and you're only making \$150 more than you did 10 years ago when my pension first started. There's only been an increase of maybe \$150, and then I think, well, my expenses are much more than that.

So I have to budget on a lot less. I do know that I do not drive as often, use my van to get wherever, long trips or anything like that. I just know that I cut back so I can cover these basic things.

Mr. Chairperson: Seeing no further questions, thank you very much for your time with us this evening.

Ms. Johnston: Thank you.

* (22:00)

Mr. Chairperson: The next name we'll call is Jag Malik. Is Jag Malik with us here this evening? No.

Next name, Bill Fraser. Bill Fraser will be dropped down to the bottom of the list.

Fran Fraser? Fran Fraser will also be dropped to the bottom of the list.

Number 82, Bev Ranson? Is Bev Ranson here? Her name will be dropped to the bottom of the list.

Joan Lawrence, No. 84. No?

Number 85, Evelyn Rheaume. She will be dropped to the bottom of the list.

Number 86, Laurena Leskiw. Is Laurena Leskiw here? No.

Number 88, Audrey Myers. Audrey Myers is present. Excellent. Thank you for coming down here this evening. Do you have a written copy for the committee members or an oral presentation?

Ms. Audrey Myers (Private Citizen): No I don't, I have one copy for me.

Mr. Chairperson: Okay, you should keep that. Please begin.

Ms. Myers: I can do a lot off the cuff.

I'm presenting to this committee with twin hopes. Most importantly, that someone is listening, that we're not just hearing what's going on. Secondly, that a fair and just resolution to the problem about this cost-of-living adjustment to teachers' pensions will be achieved.

I believe that we need to operate from a vision of what is justice for this province's teacher retirees, both current and future, not from a position of insular power that I believe has been wielded by the—to what I see as the just us parties—current leadership of the Manitoba Teachers' Society and the government of Manitoba.

I do know that having worked within an institution of the Manitoba Teachers' Society, there comes a point at which sometimes it does become insular. I'm sure every institution is the same way, that you hear what you want to hear.

A lot has been made of the term "misinformation" tonight, misinformation offered by this party or that party. I do think we need to get to

the bottom of who's saying what and what are the real facts. Tactics to silence people that are most immediately affected by the process leading up to this bill haven't been helpful.

I want the decision makers to hear my voice. I welcome the opportunity to make it heard not as a plebeian, a commoner, but a significant, worthy citizen whose input is welcomed. I would like to think that my presentation could make a difference.

My name is Audrey Myers. I'm a retired teacher. I'm a rural Manitoba resident and taxpayer, part of the Carman contingent that you're hearing and a somewhat disillusioned former active member of the Manitoba Teachers' Society.

During my teaching years I felt an obligation to my association. I didn't see it as a union. I felt that both locally and provincially. I volunteered time and energy to the local executive in a number of capacities, regional committees and to provincial task forces. There were differences of opinion there, too, which we worked through. I believed that I was working for the betterment of my profession. We didn't make widgets, ultimately for the young people in the public schools of Manitoba. There was never a thought in my mind that this work was for personal, political gain. It was always the motivation that more discussion, more involvement, more voices made the process and the product better. We have been a professional association of teachers that work together to solve issues rather than pitting one group against another with whatever tactics it takes to do that.

On this issue, and I do want to emphasize my support for the position of the Retired Teachers' Association of Manitoba that genuine, respectful talks can arrive at a solution. My concerns about Bill 45 focus on the process and the product, and a lot of what I will say, you've heard other people say. A process that simply summons people to hear a decision with a take-it-and-leave dismissal is not only flawed, it is demeaning and it's undemocratic.

A government requisite that the retired teachers of Manitoba endorse the Sale report as a total package is not meaningful discussion. Such a process of decision making sounds somewhat like a father-knows-best scenario or a scary, trust-me, pat-on-the-head paternalism. I did a fair number of work in MTS committees addressing those kinds of approaches, and I thought that our work in those equality and education committees 20 years ago would have seen better results, but I guess those

initiatives have gone by the wayside as well. Maybe they need to be reinstated.

Why has the MTS leadership alienated a valuable resource that's available in the knowledge and the wisdom of its retirees? I can't figure that out. I don't know if it's a fear of being upstaged, a sense that we have the right answers. I just don't understand why a wealth of knowledge from those retired people wouldn't be welcomed. Flaws in the process have also included continued, blatant—and I'm going to use the word "misinformation" because I encountered it directly, and that misinformation was given directly to teachers called to MTS meetings in their schools—guaranteed two-thirds COLA had to be corrected. It said up to two-thirds. Oh, I guess I forgot about that. Questionable provision of explanations of the plebiscite process and definitely unequal financial capacity for providing information to people to cast an informed vote on that plebiscite. I guess it wouldn't have mattered much anyway with Bill 45 written and waiting to be introduced.

As part of the process, I don't want to take much time on that plebiscite but I see it as a total waste of my taxpayer's dollars. What was the point? Who got to vote and who didn't? Did non-teaching spouses of deceased retired teachers receive a vote? Did retirees in remote places have time to vote? How would non-RTAM retirees receive the information about what they were voting on? How would anyone sort out truth from fiction from the bits in the media? Even the statement that these hearings were about to take place had misinformation in last—I think it was—Friday's *Free Press*, and whose idea was it anyway? In short, the plebiscite was indeed plebeian, and I too consulted the dictionary and that means coarse and crude, but maybe that's a reflection of the current method of operation in decision making.

The product, the Sale report, taken as a package offers unfair and unjust recommendations and instead of trying to achieve a full COLA, we're to be saddled with up to two-thirds and no discussions for 10 years. The people who know the numbers can argue what these stipulations mean to me now and will mean in the future, especially if inflation goes to those high levels of earlier years where on a fixed income I could lose in the area of 40 percent of my earning power, and I, too, paid interest rates of 18 percent during those years of high inflation on a line of credit. And with Bill 45 there's no mechanism in place for meaningful discussions on long-range plans to achieve a solution to this problem.

What do I want to have happen as a result of the hearings? Please consider withdrawing the bill entirely, carrying out meaningful consultations where you do have wisdom of retired teachers who served on task forces and pension committees and benefit committees. Their view is there and needs to be listened to. These people have a vision of long-term solutions, and with Manitoba retired teachers at or near the bottom of the COLA amounts being paid, surely there are models that can be studied from other jurisdictions.

* (22:10)

If the bill goes ahead to implement this Sale report, we can only say that "just us" prevailed and justice has been denied to current and retired teachers in Manitoba. Thank you.

Mr. Chairperson: Thank you for your presentation. Questions?

Mr. Schuler: Thank you very much, Ms. Myers, and you really are a gifted speaker. You did all that with notes, and we appreciate your comments very much, as we've appreciated everybody who's come forward. You certainly presented with great integrity.

As you can see at committee, it's six to four, and it's even more unbalanced in the Chamber. I mean, the government has the right to put the legislation through. They have the majority. I suspect they will. This legislation probably will go through without changes, without any meaningful recognition of the majority of the presentations.

Can you just reflect for us again, this going through, how does that impact you personally?

Ms. Myers: I'm an English teacher, so, mathematics—I just don't spend what I don't have, and I'll spend less if I have less. That will be the impact on me.

Responding to your comment about the bill will be passed because the government has the majority, I see that as a likelihood. I'm saddened by that and reminded that the last time I presented to a committee was on the Meech Lake hearings, in which case we had the opportunity to sit down, actually, to present to a group of people. It was quite pleasant and it didn't go forward.

So I guess I came here tonight thinking, well, it's probably not going to make much difference anyway, but if I don't come, who's going to hear my voice in addition to the other voices? If everybody

thought that way, then nobody's going to get any kind of a different viewpoint.

So I guess I still am optimistic enough and perhaps not as cynical as some people who say that this was settled months and months and months ago, and probably it was. I'm just too naive to know the difference. But I would like to think that I'm recording my voice and it makes a difference.

As far as the financial implications, as I say, if inflation's going to go up like the trend seems to indicate it is, our cabinet-making business had to experience 18 percent interest on a huge line of credit, and that was scary times. So I don't really want to go through that again in my retirement years.

Mr. Lamoureux: I want to make a couple of points. One is that I do appreciate your opening remarks, was listening to every word that you were saying, even though I wasn't necessarily sitting in this particular seat. Suffice to say, I was here also for Meech Lake, and I can tell you when you had the Meech Lake committee meetings, there was an agreement in terms of the whole process, and people felt comfortable that the process was right, which allowed for a lot more positive dialogue going across.

That leads me to where we are today whereas it seems to me that a good number of people are not pleased with the process. I could ask you, and I think you've been fairly clear in terms of your thoughts that the process has not been that good. I believe that's a fair interpretation of what it is you're saying. I listen to all the presenters, and I still wait—and I say this more so for everyone that's present—to hear a retired teacher that will come forward and support this bill or a current teacher that will come and oppose the bill.

I will wait until that particular presenter comes forward to ask as many questions as I can, no doubt, but I do appreciate your taking the time and coming out tonight, and I appreciated your opening comments. If you want to provide feedback in terms of the process any more than you already have, feel free to do so.

Mr. Chairperson: Ms. Myers, briefly if you can.

Ms. Myers: Yes, briefly. A previous speaker referred to five retirees this year from the school that I was most connected with. The only way you could get accurate information would be to poll those five, because my guess would be that they all opposed, they said no on the plebiscite. Now, that's my

interpretation, and then I'm going to pass on what might then be called misinformation. But I was fairly privy to the five people's views. I would bet they voted no. All we'd have to do would be to ask them, I guess.

I, too, wish that we could go back and find out where all the information is coming from. Who feeds the stuff to the *Free Press* that then gets said the wrong way? There aren't 300 former teachers presenting tonight. There's a mixed view. The *Free Press* would have you believe it's all RTAM presentations. Why do we get local presidents saying you're going to get two-thirds COLA? Why not take it and negotiate a better deal? Well, it doesn't say that. It's up to two-thirds and that statement had to be corrected in a public teacher meeting. I think there wasn't enough information presented to people who actually voted on that plebiscite which was non-binding anyways. So what difference did it make?

Mr. Chairperson: Thank you very much for participating.

Ms Myers: Thank you for listening and not sleeping or talking or reading the paper.

Mr. Chairperson: Spoken like a true teacher. Just to quickly remind members of the committee, the person listed at No. 90 is the one who we mentioned at the beginning of tonight who, for personal reasons, has asked that her name not be read and perhaps dropped. So we will skip over that. She will remain where she is.

Now calling No. 91, Velma McAdam. Is Velma McAdam here with us this evening? Seeing no one. She'll be dropped to the bottom of the list.

Next is No. 95, John Carley. I see you have copies with you. Thank you very much. Thank you for waiting, sir. You may proceed.

Mr. John Carley (Private Citizen): Thank you. It certainly looks different from up here than it does from sitting down back there.

Anyway, to start off with, my name is John Carley. I've taught in Manitoba schools for 31 years and I'm now retired from teaching. I've also taught university courses for Brandon University and, as a faculty adviser, I worked with the education students for several years. I taught technical courses for General Motors of Canada for four years and, during my public teaching career, I was actively involved in the Manitoba Teachers' Society at both the local and provincial levels.

Now, Bill 45, as I understand, has been presented as a proposal to provide a cost-of-living allowance for retired Manitoba teachers. The three main players in this issue are: the retired teachers of Manitoba, represented by the Retired Teachers' Association of Manitoba, RTAM; the active Manitoba teachers, represented by the Manitoba Teachers' Society, MTS, and the government of Manitoba.

I would like to bring to your attention the problems that I believe are going to be created if this bill goes through. RTAM has brought to the discussion table—first of all, I'll work through these one at a time. RTAM has brought to the discussion table the COLA concerns of the retired Manitoba teachers. While RTAM represents a large number of retired teachers across the province, in a way, it is also representing active teachers and that it is working to secure a better pension plan for them when they retire. The passing of Bill 45 would mean to RTAM that its efforts over several years to secure a meaningful COLA and pension for the people it represents have been lost. So that's what I think where their stake is in this bill.

* (22:20)

The MTS has tried to influence its active teachers to accept a COLA settlement proposed in the Sale report. While the percentage of COLA has been stated by the MTS as being zero to two-thirds of the cost-of-living index, the two-thirds number has been emphasized until the offer has simply come to be known as a two-thirds COLA. I cannot state that this was a deliberate attempt by Pat Isaak and the provincial MTS to mislead Manitoba teachers, but nevertheless, this is the message that has been received.

When I have asked active teachers what the COLA proposal was, I have usually heard that it would be two-thirds COLA, and sometimes they would admit it could be zero but that would not likely happen. In fact, when I asked one local association pension chairman about the possibility of less than two-thirds COLA, he admitted that it could happen but certainly was not likely, and as far as he was concerned, it was a two-thirds COLA.

Now this two-thirds was stated even though this year the COLA is actually 0.62. I know a previous speaker made a mention to 0.71 because the difference there, that 0.09, is sort of a catch-up thing they had to do. It's actually the COLA this year is

0.62 which obviously does not provide the two-thirds COLA. Even this year we don't get the two-thirds.

Other teachers have told me that they were advised by their local pension chairperson to vote yes to the bill without fully understanding that COLA was not guaranteed at two-thirds and only the range of zero to two-thirds had actually been suggested. While this type of misinformation may not have been deliberately issued, the fact remains that this is the information circulating. This misinformation represents an atmosphere for considerable lack of trust by the active teachers of the MTS once they realize what that bill is really proposing. This lack of trust will pose a problem for future MTS presidents and executives if they wish to gain the confidence and respect of the teachers they represent. That's my point here today.

It's easy to put this stuff through and think we've swept the problems under the rug, but, in fact, as I'm going to point out, we're going to set up problems that are going to continue on, and there's going to be a lot of hard feelings and mistrust before we ever get back on a good playing field again.

The passing of this bill would create further problems for the MTS. One of the proposals of the bill is for no further discussion to take place for a 10-year period. The present MTS is in favour of this proposal. By adopting this proposal, the MTS is tying the hands of future MTS executives so they could not act should a better solution to the COLA situation appear. However, situations may occur in the future which puts this COLA issue in a new light, and a solution acceptable to all parties could be found. With this 10-year, no-discussion order, no room is left to make changes before 10 years have passed when, in fact, a very acceptable solution may present itself only a few years down the road. Accepting the 10-year, no-discussion implies to me that the present MTS is not willing to trust the future MTS executives with this contentious issue nor admit another executive might have a better idea.

Now, active teachers will be retiring over the next few years and begin to collect teachers pension, and they will become aware of the unacceptable level of COLAs their past MTS has endorsed for them. I can only speculate on the hours that have been spent by Pat Isaak and her executive in the many issues other than pensions facing them this past year. Having been on provincial committees, I can only guess that the time and effort was great, and they need to be remembered for their sacrifice of

professional and personal time to attend the many meetings and to wrestle with the difficult issues experienced by today's educational leaders.

However, I am saddened by the fact that after all their hard work, they will become known as the president and executive that accepted a poor COLA package for the teachers they represent and took away the possibility for discussion that could have brought about a more acceptable plan in the future.

If Bill 45 is passed in its present form, the MTS will lose credibility with its members because one of its foremost principles is to be concerned with the welfare of Manitoba teachers. The argument might be made that the MTS does not have the responsibility of looking after its retired teachers, but surely looking after the welfare of its active teachers means looking out for their future welfare when they retire.

I've worked on provincial MTS committees and held many offices at the local association level. As salaries chairman, I have received responses during salary contract talks from school board bargaining committees as to the percentage increase they would accept. I do not recall the realistic possibility of a zero offer ever being seriously proposed. Yet this is the proposal the provincial government has put forth through the zero to two-thirds COLA offer in Bill 45.

This is not acceptable and does little to show their ability to make a legitimate offer. There is no assurance in this zero to two-thirds offer of any COLA over 30. In fact, the offer could just as well be a zero to full COLA if the full COLA will never have to be paid anyway. The provincial government stands to lose credibility when in the future it becomes apparent the zero to two-thirds offer was not a real offer but rather an attempt to mislead many people into thinking they had achieved a two-thirds COLA when, in fact, there is no guarantee of a COLA at all. It is zero.

This no-guarantee COLA offer becomes even more contentious when we notice how quickly the bill has been rushed through hearings. There may be good and just reasons for the attempt to have this bill pass quickly, but if there are the acceptable reasons do not seem to be made public. Manoeuvres such as this do little to build a public trust or confidence in the provincial government.

In the latter part of my public teaching, I worked as a counsellor primarily in career, but in some instances, the discussions would spill over into more

personal topics. In my early years as a counsellor, considerable time was spent with a student discussing past issues. With the very limited amount of one-to-one contact time with students available, this approach was too time consuming and although somewhat beneficial, did not prove very helpful in finding a path for the student to travel. To become more efficient, I found that starting from where the student was at the present time and discussing possible future paths allowed us to move ahead keeping in mind, of course, where the student had been.

This approach, I believe, is what is needed here. All of us know that a reasonable COLA is what is required. I mean all of us. I mean government, MTS and RTAM. This can be effectively solved through a functional pensions adjustment account. If there is a will to do what is right for the retired and future retired teachers, then let us accept that as our goal and move on from here. The past is important, but for efficiency's sake, let's spend our time through democratic discussion working on a plan that shows our ability to problem solve and compromise and to reach an acceptable result. The passing of Bill 45 would eliminate such discussion and possible acceptable solutions.

Mr. Chairperson: One minute.

Mr. Carley: Hmm, what do I leave out? Okay, I will jump to the next paragraph.

I will just simply say in paraphrasing, we have lots of good plans from other provinces, progressive provinces that we could bring in. We don't need to reinvent the wheel.

The defeat of Bill 45 would alleviate several problems. No. 1, of course, it would alleviate, for the MTS, the problem that they're going to have to face as people find out that maybe the information was not exactly correct. Whether it was intended or not, I don't know, but at least they did not do a good job of getting the correct information out there. Pat Isaak and the executive will be remembered as the people who laid a foundation for a good and reasonable COLA for not only the present retired teachers, but the future ones and they will pass on their work to someone else and let them continue.

If Bill 45 is not passed, the government can live up to its party name of democratic by acknowledging and supporting the concept of discussion and compromise as principles they not only believe in, but also practise. It'll show the public they're living

up to their democratic name and not shutting off discussion.

Mr. Chairperson: Thank you very much. Time for the presentation has expired. Questions?

Mr. Schuler: Yes, thank you very much, Mr. Carley. One of the things that I've noticed over the almost 10 years that I've been sitting at this table at various committees is everybody sort of brings a real unique perspective to their presentation and sometimes they start to sound a little bit more alike than others, but yours is a very interesting presentation and, by the way, thank you very much for coming out, for taking time. I think it's important for this committee, for the Legislature to hear various presentations. Yours certainly does take a different look at things.

You know, we, too, at this committee and I'm Education advocate for my caucus, I mean, clearly, we have to look out for the best interests of all Manitobans. It goes beyond a political stripe. Those individuals who sacrificed a lot for us and, you know, for past generations are now looking at something that's fair and we've heard individuals come forward and say, this is going to be a hardship if we don't get some kind of a reasonable COLA.

Any room for a compromise here? You know, you've taken a different approach to it and clearly you've been an MTS activist over the years. Is there any place in here that you can see from what you've heard and seen, is there any room for a mediation process? Is there any room for compromise on this?

* (22:30)

Mr. Carley: If I could only read the last two paragraphs, I think you would have it, because this is my point. This is my point. Somebody mentioned a few minutes ago that five years was enough time to sit and discuss this, and now they are going to move on. I think, when they say they are going to move on, I don't think that's right, because RTAM is not ready to move on. I don't think we're all ready to move on. If we could, if it takes five years, if it takes six years, if it takes 10 years, it's better to keep on working on it and get a solution that people can go win-win-win with, rather than, at this stage, to solidify what seems to be quite a polarization, as you've noted this evening, and to solidify that, because if you don't talk things out things will only solidify. I know that from personal experience. You have a certain amount of time to bring these things up. If you don't talk them out, the polarity solidifies more and more, until pretty soon you've got a real impasse.

We should be able to sit down. We're intelligent people here. I can't understand this. I mean, all of us are supposed to be able to sit down and think things through. Here we are, rather than putting our collective minds together and using our energy to come up with a solution, here we are standing polarized trying to find holes in each other that we can poke at. So, can we find it? We've got to find it.

I think that one of the things we've got to do is hold this bill off and go back and do it again. I'm sorry that it's going to take time in committees. To the MTS, I know they've put in time to it, RTAM, and the government. I'm sorry if that's what your problem is. But you've still got to do it. We've got to get back and talk this out. Otherwise, we're setting up a problem here that's going to carry on for years and years and years. We may win the battle, but we aren't going to win it in the arena of personal relationships.

Mr. Chairperson: Seeing no further questions, we thank you very much for your time with us this evening.

Mr. Carley: Thank you very much.

Mr. Chairperson: Two quick updates for the committee before we call the next name: Presenter No. 109—I hope I do the pronunciation justice—Joie Van Dongen, has decided to give us a written submission. So we have copies here which will be distributed to all members of the committee. The same is also true for presenter No. 284, Bohdan Danelak.

So, committee members, you'll be receiving those presentations in written form shortly, assuming this is agreed upon by the committee. *[Agreed]* Thank you for that. It is agreed, and those will be included in *Hansard*.

Calling our next potential out-of-town presenter, No. 97, Alex Krawec. I see you have written copies. Thank you very much for that.

I see copies have been distributed. Mr. Krawec, you may proceed.

Mr. Alex Krawec (Private Citizen): Okay, Mr. Minister, members of the committee, I was just noticing that John Sushelnitsky said he was getting \$6,000 a year when he started teaching. John, how would you like \$1,100 at Moose Bay, which included caretaking of the school?

Floor Comment: Multi-tasking.

Mr. Alex Krawec: I made \$1,700 playing in the band, without taxes.

I commend the government for finally taking steps to correct the problems experienced by retired teachers with respect to the COLA. However, I believe the solution is not adequate as proposed in the amendment to the act.

In spite of suggestions in the Sale report, we did pay for a full COLA. Why should the retired teachers take the fall for the mismanagement of the PAA? A full COLA should be implemented immediately.

As a matter of fact, I was going to check the Teachers' Retirement Allowances Fund act, but I couldn't get a hold of one, to see whether the act states that the COLA of 100 percent is guaranteed. If the act says that, the discussion is over, and the government owes us money. I'm going to check that. I will tomorrow do the checking of the TRAF act and see whether there is 100 percent guarantee of the statement in the act. If it is, there is no discussion even necessary, and the government owes the retired teachers a fair amount of money.

The government had incurred a debt to TRAF which was referred to as unfunded liability, because the government did not match the monthly contributions made by teachers on a monthly basis, but rather paid half of the annual teachers' pension bill. I understand why that was done, because the government, way back when, decided that, instead of school boards contributing, government would contribute as a single employer, but they had the Manitoba Teachers' Society of the day agree that they would withhold that and only pay the contribution on the annual bill. Had the government matched the contribution on a monthly basis and that money had been invested, I doubt we would be having this problem today, or even discussing it. Just think of the investment, double investment that that would have had and what the pensions would have been and we would not have had to worry about this.

I understand the government has deposited with TRAF, I am told it's \$1.8 billion—I thought it was less than that, I thought it was \$1.5 billion—to cover this liability. I commend the government for this payment, but I regret it is really not a permanent deposit since the government can withdraw it at any time. That is my understanding. So there really isn't any.

My recommendation is—I chose just to address an alternative to the act—that government use some of

this money to resolve the problems with PAA. I mean, after all, it is our money that was withheld. I am prepared to accept a two-thirds proposal dating back to 2005, and at the same time begin to work to determine how some of the unfunded liability money can be used for PAA. Within a year, implement a 100 percent COLA and adjust back to cover from 2008 to 2005, the difference between the two-thirds and the 100 percent COLA. That is my suggestion with respect to the COLA, and I don't think the part of the act referring to the COLA and so on should be implemented.

I do think that subsection 52(1.0.3) of the bill states in part: On the recommendation of the Teachers' Pension Task Force (a body comprising representatives of the government and the society). I assume society refers to the Manitoba Teachers' Society. If this is so, why is representation from the Retired Teachers' Association of Manitoba not included? Why are we being left out and not being included in that? I strongly recommend the amendment be changed to include such representation.

Section 59 dealing with years of service I believe is a very, very good one and probably long overdue.

That's all I have to say. I thank you for the opportunity to express my views on this bill. I sincerely hope the government does not have the retired teachers take the brunt of the mismanagement of the fund. We should not be the scapegoat.

Mr. Chairperson: Thank you, Mr. Krawec.

Questions.

Mr. Schuler: Thank you very much, Mr. Krawec, for coming forward and making your presentation and waiting as long as you did.

You certainly bring some interesting proposals forward. I'm sure this committee will be looking at some of them and some of the suggestions.

You mention that the retirees not become the brunt of previous mistakes. We've heard young teachers come forward and say they do not always want to become the brunt of previous mistakes. I've asked this of many other presenters. Where is the middle road between the two?

* (22:40)

Mr. Alex Krawec: I think that, first of all, when we were teachers, active teachers, we paid for those that

had already retired. I told you earlier, \$1,100 a year didn't give very much into the pension. So the current teachers also have to consider the fact that their responsibility is also to maintain the fund, not only for retired teachers now but for themselves as well. I think that's the way that pension funds are generally established.

You look at any pension plan in any organization and you'll find that the retirees are receiving a pension and the current employees are still continuing to pay to the pension to support that. Then the next one comes and supports them.

Mr. Schuler: But we've heard young teachers coming forward and they've said that they've asked the government to increase the amount of money that's contributed, and, seemingly, governments have not been willing to go there. So actually you both agree on that point.

It might come down to the amount, but we seem to have two very different and opposing viewpoints on the COLA side of it. You've indicated in here that Bill 45 not go through. If I got that wrong, please correct me on it. Where should we be going with this issue if not Bill 45? How do you move forward from here?

Mr. Alex Krawec: Well, my suggestion is that section pertaining to up to two-thirds COLA and so on, that it be amended. If you want to pass that bill this year, that it be amended and include increments to 100 percent. That would be the ideal for me, using some of the fund from the unfunded liability that was available. I am not an actuary, so I don't know how you calculate that. I think you'd have to get somebody to calculate that to see how that might be done.

But I keep saying that was my money and all the retired teachers' money that was held back. Now, I understand that that is changing now for future teacher retirees, that that is changing. But that's what I'm suggesting that we do, and that would take some of the burden off the current teachers.

Mr. Chairperson: Seeing no further questions, thank you very much for your time this evening.

Mr. Alex Krawec: Thank you.

Mr. Chairperson: Our next potential presenter, No. 101, Lynne Taillefer. Is Lynne Taillefer here? Thank you for the written submission. What is the correct pronunciation, if I may ask?

Ms. Lynne Taillefer (Private Citizen): Taillefer.

Mr. Chairperson: Taillefer? Okay. You may proceed when you're ready.

Ms. Taillefer: I was a Manitoba teacher for 24 years. I took 10 years off to raise small children and that was a personal decision, taken in full awareness that the lost years would yield me a smaller pension, but at least the eventual pension would be indexed.

Returning to the profession as the last child entered school, I had a position that was less than full time most of the time until I retired six years ago. With just under 20 years of full-time-equivalent experience, my pension payment after taxes now is just half of what my working pay was after all of the deductions. The lean years of the late '90s that involved minimal or no salary increases also impacted my pension since it is based on the previous five-years' income.

Now with CPP, former savings and my husband's pension, we can live comfortably mostly because of always trying to live on less than we were making. If I was living alone and did not have savings, I could not even afford housing, utilities and food, much less running a car. The purchasing power diminishes yearly because the pension adjustment account is not able to provide anywhere near cost-of-living increases.

To illustrate this disparity, I will give you a couple of examples. Example 1, there was a 0.4 percent COLA. Yes, that's four-tenths of 1 percent in 2005 while the cost of living increased 2.1 percent the previous year. If we do the math, the COLA in this case covered just 19 percent of the cost-of-living increase.

Example 2, in 2007 the COLA payout was 0.63 percent, six-tenths of 1 percent, while the CPI coming into the year was 1.6 percent. This time the COLA covered 39 percent of the increased cost of living.

It is not difficult to imagine the cumulative effects of such underfunding. Worse yet, recent years have had historically low increases in cost of living. Imagine inflationary times. Small wonder retired teachers became restive. Small wonder many retirees continue to take term contracts or other employment to supplement income.

In the 1970s the Schreyer government granted teachers a full COLA as part of their defined benefit plan. I believe the trade-off was that teachers would self-fund their own long-term disability plan, an

expensive undertaking for them. In fact, the PAA did pay full COLA until 1998 or so.

Fast forward to 2008 and Bill 45. The Teachers' Pensions Amendment Act based on recommendations from the Sale report was prepared by an MLA and Cabinet minister, recently retired with a healthy government pension.

Among many disparate sections are several which I support. However, I cannot support the proposed changes as a package because the main recommendations from the Sale report appear to specifically penalize retired teachers.

We are told that a COLA payout would be double those in the recent past, subject to a percentage limit or a maximum two-thirds COLA. If we recall the example I gave for 2005, with a payout of 19 percent of the cost-of-living increase, doubling that still provides less than 40 percent of lost purchasing power. Remember the 2007 example? In that case, the payout was 39 percent of CPI. Double that amount would be a more respectable 78 percent of lost purchasing power. But no, with a two-thirds cap in the new act, the COLA would max out at less. There is no guaranteed minimum, only a guaranteed maximum. The best we could expect would be two-thirds of the increase in CPI and that only if the account could afford the payment. We could get anywhere from zero to 66 percent of cost-of living increases. Double of next to nothing is still next to nothing.

The second bone of contention is the recommendation that the COLA issue not be revisited for 10 years. No mention of contribution increases. Where does this put present retirees? Mr. Chairman, 16.6 percent of our contributions had supposedly been for cost-of-living increases.

The plebiscite. Although the act is most detrimental to retired teachers RTAM was neither consulted nor apprised of developments of the government-funded plebiscite. The final insult was our former union's unmitigated support for the report and its active promotion of same, not to mention the mean-spirited treatment of its retired former members. A 52 percent yes vote hardly seems to be resounding support for the act, especially considering that the majority of eligible voters were in fact MTS members.

A government that would not consider reassessing the original plan in the face of a 48 percent no vote does not have the appearance of

acting in good faith. What could possibly be done to minimize the backlash of feelings of unfairness, the realization that, while we have paid our portion, the other funding agent for the plan did not and now changes the rules without consultation or even dispensing information to those who will be most negatively impacted?

* (22:50)

One possibility would be to proceed without the controversial recommendations in the short term and attempting to arrive at a solution that would garner increased support. Another possibility, perhaps, would be to grandfather the retired teachers with the possibility of the full COLA they paid for. The two-thirds cap promoted by MTS could be applied to future retirees. The government would then have its example of a two-thirds COLA in its arsenal when dealing with larger and more powerful unions. Eleven thousand disenfranchised retirees who are not afraid to speak out will be on the voter's lists for the next provincial election. If the act proceeds as it stands this voter will change a lifelong voting pattern because this government lost its original vision. Thank you.

Mr. Chairperson: Thank you very much for your presentation. Any questions?

Mr. Schuler: Yes, first of all Ms. Taillefer, I thank you very much for coming and waiting so patiently. The room for some reason doesn't seem to get any cooler even though it's supposedly cooler outside. I don't know if it's me but it seems to get warmer and warmer as the evening proceeds, so we appreciate the fact that you have been very patient in waiting.

A very serious and very sombre presentation. You've put a lot of thought into it and, again, you lay out, I think very succinctly what a lot of women did in your position. Things changed, you know, in the last 10, 15 years, but at that time when you did make a decision to stay at home with the kids it had a very severe economic impact. I think that story probably has to be heard over and over and over again at this committee until the committee gets it, that there is, you know, a group of individuals that are under hardship now because of, I think, good decisions. I mean it's always a good decision to focus on your children, but it costs you and I think that's, you know, a very telling story.

You mention here sort of a compromise. You say, you know, how about going forward with the legislation and just setting aside some of the

controversial parts of it. You've seen the divide that has been taking place at committee and certainly we have at this side of the table and, you know, as one member of the committee I don't think that's healthy. Do you see your recommendations as being the first step in perhaps bridging that gap between the organizations? Please share with us your reflections on what I said.

Ms. Taillefer: Yes, I do, because in spite of the charge of energy that comes with having an opinion, I think there needs to be a point where we also have reason and we all need to sit back and reflect, and I really, really, sincerely believe that it is not the time to enact the full report.

Mr. Lamoureux: Your presentation made me think about one particular issue is the individuals that voted on the plebiscite, do we or the minister or MTS or your association, do they know exactly how many would've been teachers and how many would've been retired teachers? Do we know the actual numbers of—we don't necessarily want to know who voted how, but do we know how many teachers actually voted?

Ms. Taillefer: I'm afraid I can't answer that. I wish we did know.

Mr. Chairperson: Thank you very much for your time with us this evening.

Next name on the list for out-of-town presenters, 103, Irene Sulik. Is Irene Sulik here? Not seeing anyone, her name will be dropped to the bottom of the list.

Number 106, Vivianne Howard. Is Vivianne Howard here? Not seeing anyone, her name will be dropped to the bottom of the list.

A reminder for the committee, No. 109 has been submitted in written form.

Next up, No. 112, Wayne Hollier, the president of Neepawa Area Retired Teachers' Association. Thank you very much for driving in today. I see you've got written copies.

Very good. I see everyone has copies of your presentation. You may proceed.

Mr. Wayne Hollier (Neepawa Area Retired Teachers' Association): Thank you very much. My name is Wayne Hollier. I am a retired teacher. Thank you very much, Mr. Chairman and ministers.

Having taught 36 years in schools in Manitoba, I retired in 1995. I am opposed to the passage of Bill 45.

Today, however, I speak on behalf of 57 retired teachers of the Neepawa and area Retired Teachers' Association. At the June meeting, they, by resolution, authorized me to oppose Bill 45 as it exists today.

In addition, I know that I voice the opinion of at least 10 other teachers who have retired from the Beautiful Plains School Division during the last 15 years. Some of them have been too busy working trying to supplement their income or pension. All of these teachers oppose the passage of Bill 45.

Since beginning my career in 1959, I have never seen an issue, or a decision by government, and the blind support by what we used to proudly call our association, raise such opposition and disgust among senior teachers who have committed a lifetime to promoting principles of truth, fairness, honesty, and a consideration of their fellow colleagues.

In trying to decide what arguments I would use today in an attempt to convince this committee that Bill 45 in its present form is a colossal mistake, my first intention was to put forth the same arguments that you have heard and you're going to hear over the next few days in this hearing. Bill 45 does not address the primary underlying weakness related to granting a fair COLA. The PAA account is not self-sustaining, hasn't been for 20 years, isn't, and won't be, unless the government, which is the power that changes it, addresses the problem.

Bill 45 does not grant nor guarantee 100 percent COLA that all retirees believed in, paid for, were previously granted. Bill 45 doesn't guarantee 66 percent. This past year was 54; 33 percent next year if the recent economic forecast that I heard last week of 4.5 percent cost of living come true.

Bill 45 actually does give a guarantee. It guarantees 1 percent, which is just above zero.

Bill 45 delays treatment of an illness for 10 more years, an illness that was detected more than 20 years ago. If this were health care, the patient would be dead, as many of the retired teachers may be while waiting for a fair COLA.

I could also talk about a generation of teachers discarded, but I won't. Instead, I want to talk about the basis upon which the amendments were made: the Sale report, the plebiscite, and, what is more

important, I want to talk about the personal effects upon people who have devoted a lifetime to making this fair province a better place to live. Because the amendments to the act are based on Tim Sale's report and the results of the plebiscite, I must comment: what a joke. The primary purpose of Mr. Sale's review was not to find a fair solution to the COLA problem. The recommendations he came out with show that it was to put forth a position that would not cost the government money.

A basic principle of the Canadian legal and judicial system is impartiality coupled with experience and expertise in the topic under review. I taught history all my life.

Tim Sale was a recent Cabinet minister. He offered no solution to the basic problems, except wait for 10 years. In his report he indicates his preference is that teachers receive a 100 percent COLA at age 65, and 66 percent COLA at age 63. Teachers will have to get used to supplementing their pension with other incomes, he refers. In other words, suck it up and go back to work at some menial job. In my view, Mr. Sale's appointment was suspect.

* (23:00)

The process of the plebiscite was flawed. The dice were loaded. Active teachers, all in school, had immediate access to information, receipt of their ballot, and voting. The MTS, which claims to represent all teachers, presented only one view, and I would interject, how do I know? I happen to have three of my own children as teachers and principal, and their spouses, three of them are teachers, and three nephews and nieces are teachers in various parts of this province. They did not know what was going on.

Retired teachers with the most to lose were scattered across the world, short time frame for receiving information, their ballot and the return of their vote. Even under these circumstances, the government has based Bill 45 on 52 percent to 48 percent results. The amendments and the lack of amendments in Bill 45 remind me of presidential elections in banana republics where the vote results are known a week before the elections. These results, even from such a flawed process, should tell the committee that the proposed amendments don't solve the basic problem.

The most important message though that I want to impart to this committee and to the upper echelons

of the MTS are the personal effects an unfair COLA has upon retired teachers. I said that I represent over 55 teachers. I am one of the youngest and more fortunate. I had a business that was very healthy and I sold it. Okay. Other sources of income.

The majority of those 57 people, a large number of these members are 70 to 95 years old. The majority are women, mostly widows who started teaching at age 18. Their deceased spouses had no or poor, non-transferable pension plans. These teachers retired on meagre pensions at age 65, and in the last 10 years, have witnessed a 12 percent decreased buying power. In a rural area, retiring male teachers have had to and have been able to, supplement their pensions by going back to work. I can give names, but pumping gas, driving grain or potato trucks, working in lumber yards and construction to name a few. These ladies, however, have been doomed to a meagre existence. Is this how this government and the MTS, an association which claims that they represent them, believe that this is how these people should be treated? Those types of jobs are not available for those women.

These teachers actually taught a full 200 days, no such thing as prep time, no TA, EA, or whatever else you would like to call them now. No personal leave days off. For women, you quit when you became pregnant, no maternity leave, but oh, yes, there came this buy-back pregnancy time. That's like giving a pauper the right to buy caviar. They received outdated pensions, and they were encouraged to retire sooner rather than later to make room for younger, more highly educated, progressive young teachers who were in a surplus situation and, in retiring, were led to believe that they would be looked after by receiving a hundred percent COLA.

Cost of living, 2.2 percent. What a joke. Bread went up this past year 15 percent. Milk went up between 30 percent and 50 percent. Municipal taxes, I know because I'm on the council, went up 5 percent per year. Water rates we raised them for everybody, 50 percent. Garbage pickup went 100 percent up. Gasoline in five years went from 89 cents to \$1.39 a litre.

Use public transit, you say. In Neepawa, handivan, six bucks one way. Greyhound to Winnipeg, once a day. All clothing, specialist medical tests are in Winnipeg. Many associated costs are not covered. This is the type of retirement that they face with no improvement for 10 years. Thanks, Mr. Sale. Thank you, Manitoba Teachers' Society.

Bringing five ladies to the Legislature rally last year, four of them over 80, I heard comments typical of comments I've heard over the last two or three years. One remarked that during all these years of teaching, preparing young people for their future, she had trusted her government and her professional association to look after her interests and long-term welfare. She was appalled and ashamed that the association that she belonged to and the party and government that she had supported all these years had not done so. Another intended to destroy her teacher certification card that she'd kept all these years.

Mr. Chairperson: One minute.

Mr. Hollier: Surely the experiences, the qualifications, the wisdom and the numbers of people who have spoken out against the proposed amendments must make an intelligent person say, there is something wrong here. Please remember that when a person retires from teaching, their brains and their thinking capacity do not turn to mush.

Now, there are solutions that can be made and that can do it. But others more adequate than I will deal with those. I'm going to skip over it.

In conclusion, the government of Manitoba can sit back and say legally: We have done our job; now we can all go home. However, morally, you have barely started. If the Manitoba government and the MTS base their decisions upon the principle that these retired citizens who have contributed so much to the development and economic and social welfare of this province deserve to be treated honestly and fairly in a manner that recognizes their contribution, then your decisions will be made easier.

Mr. Chairperson: Thank you for your presentation.

Mr. Hollier: Thank you very much.

Mr. Chairperson: Questions.

Mr. Schuler: First of all, thank you, Mr. Hollier, for coming out and making this presentation and for waiting so patiently in the back. We certainly appreciate the many years of service that you put in teaching young minds and creating great Canadians.

I met an 80-year-old the other day, and he kind of capsulized what you say here in one of your pages. He says: I'm 80 years old and I'm still looking for the gold in the golden years. That's what happens when you have an erosion of your pension plan. A lot of the options you thought you may not have, you don't have if you haven't got the income.

There is a little bit of time left. Perhaps you can tell us what should be done.

Mr. Hollier: The government has to develop the will. This isn't pointing fingers, shaking sticks or anything else. Minister Struthers and I go back a long way. This is isn't shaking sticks. This is saying it's the government that makes the rules, makes the legislation. So, first off, the ball starts there.

They have several options. First, yes, for ages we've said there should be an increase in the contribution of teachers. On one hand, we did hear somebody say that we made mistakes in the past, we didn't do it, that we don't want to make the same mistakes today, but we don't want to pay more. Well, you just contradicted yourself.

That one-point-something-billion-dollar government fund that they brought back from Switzerland, that's not in TRAF. That's sitting in the government trust fund. Take the earnings off of that and put them into the pension account, preferably the PAA. They don't. Right now, out of those earnings, they pay this year's contributions. It's a wee bit of a double deal. They don't have to take those funds, then, out of operating funds.

The situation, though, has to be one where both the government has to have the will and they have to bring the Manitoba Teachers' Society and RTAM, which represents retired teachers, back to the bargaining table. That 10-year delay doesn't cut it.

Mr. Schuler: I'm probably going where I shouldn't be. It's getting late. The relationship between MTS and RTAM, I mean, clearly, we're not seeing a really warm and fuzzy feeling between the two of them, and I would say it has to be repaired. It's just not healthy for both of you, professional organizations, to be carrying on like this.

What can be done to repair some of the feelings between the organizations, because we all have a vested interest in a strong education system, and that means taking care of our teachers because we want our teachers to teach and not worry about what happens when they retire. So how can we rebuild and repair some of the relations between the two organizations?

Mr. Hollier: I'm sorry to say it, but the Manitoba Teachers' Society has to get back to the grass roots. I was invited in. Now, it may have been because I taught the principal of the elementary. My son's the principal of the high school. I taught some of the teachers and whatnot in those other areas. I was

invited back in to present the other side of the story. Their association had not gotten down to the grass roots.

* (23:10)

I think the same message was true all over. First off, I believe the MTS has to get back to the grass roots, and say, okay, what do you want, and paint the full picture. Similarly, our own association has to back off and say, let's quit this spitting contest and let's get back and let's sit down and begin once again negotiating in good faith. However, there's no sense in those two associations negotiating and whatnot if the government, which calls the shots, doesn't have the will to realize it is going to cost more money in order to give the type of retirement that teachers deserve.

So I believe the upper echelons of the Manitoba Teachers' Society have to get back and start honestly communicating with their grass roots. They may criticize me and say, you're wrong, but remember what I've said. I have six of my own kinfolk, three of my first cousins, et cetera, involved in it. I got invited in in order to make presentations, a most hospitable presentation, and filled with questions. The government needs the will.

Thank you very much, Mr. Chairman.

Mr. Chairperson: Thank you very much for your time with us.

The next name on our list, No. 117, Muriel Gamey. Is Muriel Gamey here? Seeing no one, she'll be dropped to the bottom of the list.

Ruth Slezak. Ruth Slesak here? No? She'll be dropped to the bottom of the list.

James Schmall. James Schmall, private citizen? No? He will be dropped to the bottom of the list.

Presenter No. 120, Donna Birnie. Is Donna Birnie here? No? Okay, sorry.

Presenter No. 121, Vance Birnie. Seeing no one.

Presenter No. 122, Mary-Ann Lepper. Mary-Ann Lepper will be dropped to the bottom of the list.

Presenter No. 123, Ed Sklar, and 124, Alice Sklar. I believe those were written submissions, and I don't see them here, so that will be accordingly noted.

Presenter No. 126, Tony Balian, private citizen. Tony Balian will be dropped to the bottom of the list.

Presenter No. 127, Leonard Boychuk. Is Leonard Boychuk here this evening? Seeing no one, he will be dropped to the bottom of the list.

Over to page 12, No. 130, Patrick Lacroix. Very good. This is No. 130, for everyone on the committee following.

Do you have an oral presentation for us this evening?

Mr. Patrick Lacroix (Private Citizen): Yes, I do.

Mr. Chairperson: Very good. You may proceed.

Mr. Lacroix: Okay, I am someone closer to the beginning of my teaching career than the end. I've been teaching for six years now. My name is Patrick Lacroix, and I am currently the president of the Portage la Prairie Teachers' Association, which has in it 250 teachers. I reside in Portage la Prairie and teach high school math and science at 12 Hutterite colonies in the Portage la Prairie, Pine Creek and Lakeshore school divisions.

I'd like to thank the committee for the opportunity to speak on what is a very important piece of legislation for teachers, both active and retired, in the province of Manitoba.

As someone that's only entering their seventh year of teaching, with retirement a distant goal, I support Bill 45. I understand the need to improve the COLA received by today's retired teachers, which has been woefully inadequate for the last several years. Bill 45 will allow for an immediate increase to current COLA levels without the need to significantly increase the contributions of active teachers. The bill also provides the improved benefit without sacrificing the basic benefit account. This last point will go a long way to ensure that the teachers of my generation will have access to a reasonable pension in the future.

I also support Bill 45 because it represents a fair and balanced approach to improving the COLA for retired teachers. The current COLA woes have come about over 25 years of benefit improvement, like early retirement, and demographic changes, like decreasing active to retired teacher ratios, that were not addressed with corresponding incremental contribution increases. To attempt to fix the problem all at once will be unfair to current active teachers, as they would have their contributions skyrocket to cover past inaction. Bill 45 represents action, a step forward, an attempt to resolve a long-standing issue with pensions. It is the culmination of many years of

hard work by many parties. Should the bill not pass, many years of work would need to go into an alternate solution should one even be found. This would mean years going by with the problem still unresolved and likely growing in scope. This should not be an option.

In light of the results of the pension plebiscite, in which a majority have pledged their support for the Tim Sale report, we must take this action. We must put this solution into place and continue to work on these issues on a go-forward basis. Allowing this opportunity to slip by will only result in years of frustration and hard feelings with no guarantee that a solution that completely satisfies all parties will ever be found. To not act would be imprudent.

In closing, Bill 45 will provide immediate benefits to retired teachers without significantly burdening active teachers. Thank you for the opportunity to speak on this very important piece of legislation.

Mr. Chairperson: Thank you very much, Mr. Lacroix. Questions?

Mr. Schuler: Yes, thank you very much, Mr. Lacroix, for coming out and having the patience, and the bugs seem to get bigger and bigger as the evening gets longer. Anyway, I appreciate the fact that you had the patience to stick it out.

You've had the opportunity to hear a lot of the presentations on both sides. You're even further away from retirement than I am. So, it's easy to say, you know what, we just all have to be happy with whatever. But I think as younger individuals we appreciate that there are those who are in retirement and are now dealing with the hardships of the COLA that they've gotten over the years.

How do we go forward from here and ensure that there's a continued proper COLA for retirees, and how do we, for instance, you as an organization reach out to RTAM that perhaps there's a better working relationship going forward? Do you have any thoughts on that?

Mr. Lacroix: I can speak personally on that question. I have been on Mr. Sushelnitsky's mailing list as well and I have read everything that has come my way. I have shared it with others. I have invited members of RTAM to come to our association meetings to speak on these issues. I do believe it is important that everybody has a voice and that everybody can make an informed decision.

In that respect, in my own personal dealings, I am trying to maybe bridge that gap between the organizations.

Mr. Faurichou: Patrick, glad to see you out here this evening and bearing with these late hours. Partially the same question in regard to communications: I found that all of us that share the common sense of once we acknowledge and understand the information the other possesses, we would come to the same conclusion.

Have you had the opportunity though to attend to the retired teachers' association, Portage la Prairie chapter, and discuss the pertinent information?

Mr. Lacroix: No, I haven't been to any RTAM function personally. As I said before, I did make the invitation the other way but was not myself invited.

Mr. Faurichou: A couple of points have been made in previous presentations, the length of time, the 10 years versus the suggested three years by the previous presenter. Could you perhaps share some light on the time frame there and your own observations as to whether 10 years is too long for a hiatus and discussion?

Mr. Lacroix: The 10-year time frame, I believe, would be a good opportunity to maybe start addressing some of the other issues such as the funding of the plan itself.

Mr. Faurichou: One of the points was that the administrative costs of the operation of the pension plan in most other jurisdictions, it is effectively borne by government. Is that one of the points that you're looking forward to bringing forward to this government that has yet to be addressed?

Mr. Lacroix: As far as the government okaying increases to contributions? Sorry, I'm not sure I understand the question.

* (23:20)

Mr. Faurichou: Just a clarification, Mr. Chair, it is the actual operational administrative costs of the pension plan, year in, year out, that in many other jurisdictions is borne by government, and in Manitoba it's borne by the pension plan itself. Is that one of the issues that you're looking forward to bringing to government?

Mr. Lacroix: Yes, anything that would see increase in money actually going into the pension account would be something we'd be looking at.

Mr. Chairperson: Thank you very much for your time with us.

The next name on the list, 132, Brian Bailey. Is Brian Bailey here this evening? His name will be dropped to the bottom.

Patrick Angers. Is Patrick Angers here this evening? His name will be dropped to the bottom of the list.

Number 134, Ron Kalinchuk. Is Ron Kalinchuk here? His name will be dropped to the bottom of the list.

Number 135, Homer Gill. Homer Gill, this evening? No? His name will be dropped to the bottom of the list.

Number 138, Dave Bennet. Dave Bennet will be dropped to the bottom of the list.

Number 139, Jean Tully. Jean Tully, here? Will be dropped to the bottom of the list.

Number 140, Victoria Olchowecki? Olchowecki, Victoria? I hope I pronounced that right. Her name will be dropped to the bottom of the list.

Number 142, Joan Rink. Is Joan Rink here? Will be dropped to the bottom of the list.

Number 143, Denis Fontaine. Is Denis Fontaine here?

Floor Comment: He has left already, I believe.

Mr. Chairperson: He has left, okay, thank you. His name will be dropped to the bottom of the list.

Number 146, Suzanne Adkins. Suzanne Adkins will be dropped to the bottom of the list.

Number 147, Bill Adkins. Bill Adkins will be dropped to the bottom of the list.

Number 152, Robert Ferguson. Is Robert Ferguson here? Seeing no one, he will be dropped to the bottom of the list.

Page 14, No. 155, Jacqueline Mireault. Is Jacqueline Mireault here? She will be dropped to the bottom of the list.

Number 160, Liz Sumner. Liz Sumner is not here this evening.

Number 161, Merle Gadsby. Is Merle Gadsby, is that you, sir?

Floor Comment: No.

Mr. Chairperson: No, okay. Just thought I'd check. *[interjection]* Looked like it might have been him.

Number 163, Richard Goerzen. Richard Goerzen, there? No?

Number 164, Cameron Baldwin. Not seeing Cameron Baldwin, their names will be dropped to the bottom of the list.

Number 165, Helen Goerzen. Not here this evening, dropped to the bottom of the list.

Number 166, Jackie Kilburn. Jackie Kilburn will be placed at the bottom of the list.

Number 167, Sharon Richmond. Sharon Richmond will move to the bottom of the list.

Georgette Dragan. Georgette Dragan will be dropped to the bottom of the list.

Number 169, Eugene Yarish—maybe related to our Clerk, maybe not—Eugene Yarish will be dropped to the bottom of the list.

Number 171, Leota Nelson. Leota Nelson will be placed at the bottom of the list.

Floor Comment: Excuse me.

Mr. Chairperson: Oh, we might have some news on Leota Nelson.

Floor Comment: With apologies.

Mr. Chairperson: Can you please, just for the record, state your name.

Ms. Bowslaugh: Pat Bowslaugh. I'm from Brandon, and so is Leota Nelson. Her husband is ill so she sent this letter in with me. If I could submit that, would that be appropriate?

Mr. Chairperson: Is it agreeable to the committee to accept? *[Agreed]* Excellent, thank you.

Ms. Bowslaugh: Thank you very much.

Mr. Chairperson: Thank you for bringing that forward. That will be incorporated into *Hansard*, the official recordings of tonight's proceedings. So No. 171, Leota Nelson, can be noted as a written submission, and copies are being made for members of the committee, to be delivered shortly.

Number 172, Gordon Henderson. Private citizen, Gordon Henderson, dropped to the bottom of the list.

Page 16, Erika Parker. Erika Parker, No. 180, is dropped to the bottom of the list.

Number 182, Linda Puttaert. Apologies once again on pronunciation. Not seeing anyone, Linda Puttaert is dropped to the bottom of the list.

Page 17, 194, Arnold Minish. Is Arnold Minish here this evening? Will be dropped to the bottom of the list.

Number 195, Doug Adams. Not seeing Doug Adams, his name will be dropped to the bottom of the list.

Page 18, No. 203, John Nelson. John Nelson will be dropped to the bottom of the list.

Number 211, Albert Lepage. Albert Lepage dropped to the bottom of the list.

Page 19, No. 216, Malcolm Ford. Is Malcolm Ford here this evening? Seeing no one, his name will be dropped to the bottom of the list.

Number 217, Michael Horvath. Is Michael Horvath here this evening? His name will be dropped to the bottom of the list.

Number 223, Asa Reid. Is Asa Reid here? Seeing no one, dropped to the bottom of the list.

Number 224, Ken Miller. Ken Miller is accordingly dropped to the bottom of the list.

Page 20, No. 234, Marilyn Wiebe. Is Marilyn Wiebe here this evening? Seeing no one, move to No. 235, Spencer Reavie. Spencer Reavie will be dropped to the bottom of the list. Spencer Reavie from the Pelly Trail Economic Development is accordingly dropped.

Page 21, No. 237, Edith Furdievich. No, is not here this evening? Thank you.

Number 238, Gary Hooper. Is Gary Hooper here this evening? Excellent. Sir, would you prefer to sit while making your presentation or is standing acceptable?

Mr. Gary Hooper (Private Citizen): I am quite comfortable with my third leg.

Mr. Chairperson: Excellent. You have an oral presentation for us?

Mr. Hooper: I have an oral presentation. I am not speaking from any notes.

Mr. Chairperson: Please proceed, sir.

Mr. Hooper: I'm here to tell you my story and how I perceive that this proposed legislation will affect me. I'm not speaking for any organization.

I started teaching in 1961 in a one-room rural school for \$2,860 a year paid on 10 equal payments, so we borrowed money to get through the summer. My wife, Marilyn—I prefer to call her Marilyn and not my wife so that I don't create an impression that she's a possession. Marilyn is also a teacher. She taught for six years and then retired to have a family. Our first child was born in 1968 and our last child finished elementary school in 1990. I retired in 1995.

I knew some years before I retired that my pension was not going to be enough to look after Marilyn and me because she was a stay at home mom, so I set up a business to supplement my income and I went into carpentering. Marilyn went into teaching music. She is a music teacher and a good one. With her music teacher income and with my carpentering income, we were able to be comfortable until the last couple of years when housing prices, food prices, transportation prices skyrocketed. Within the last three weeks, I've acquired my third leg, and I don't think I'll be able to go on carpentering unless it gets better.

* (23:30)

I sense in the room tonight two polarized positions that are based on fear: fear from the retired teachers that they're not going to be able to be comfortable in the future; fear from the current teachers that they're going to be asked too much and they won't be comfortable. I know enough about how fear works on groups of people. It very easily translates into anger when there is not enough of the right kind of informed and compassionate communication between the two sides. When I heard the way the discussion went tonight it almost reminded me of people caught in a situation where they had to be entrenched in their views because they were on either one side or the other.

I'm not very hopeful that we'll be able to be comfortable in our family situation if I can't keep working. That's my story, and I'll be glad to answer any questions if anybody chooses to ask them.

Mr. Chairperson: Thank you, Mr. Hooper.

Questions? Mr. Schuler followed by Mr. Lamoureux.

Mr. Schuler: Thank you very much for coming forward, for waiting this long and presenting a very personal side to what's going on here.

Do you see any room here for a compromise? Do you see any room here for both sides to get together and make this work?

Mr. Hooper: In the last 15 years—I retired in 1995, so I went into business. My business is building garden sheds. I manufacture them, market them and deliver them any place a person can drive. I've learned a lot about business, and I have a businessman's response to your question, all right? The problem is shortage of funding, either for political or real reasons. As a businessman, I would approach the problem of the shortage of funding by listening very carefully to what my learned colleague Mr. Krawec said about the sources of funding for the pension fund, because I see four sources for that pension fund. That's contributions of teachers, contributions of teacher employers—that's the school division boards—contributions from government, and investments.

The first thing that I would look at is the contributions that I don't know anything about, and that is the contributions of government. The others are all much more open. How long do governments sit on contributions that have been given to them by school division boards, by teachers and by investments? How often do the governments make contributions to the pension fund? Is it once a year?

I was at a local teachers' association meeting sometime around 1987 when we had a speaker teaching us about the new pension legislation, and the speaker told us that the teachers and the boards send their contributions in every month, but the government does not send in its contribution until it has to pay out pensions. Now, if what he said was right, then the government is sitting on a lot of money that could have been invested and could have had a big income and would have helped our situation, so there must be people here who know how to find out when governments make contributions to the fund and how often they do it and how long they sit on the money.

Mr. Lamoureux: Typically, in the past, when a presenter would ask questions of that nature which are very valid questions, you'd quite often get the minister will provide some answers and hopefully when we get into the line by line, we'll hear some of those answers.

The question I have for you is how did you become aware of the actual content of the Sale report? I'm sure you would have heard from the retired teachers' association. Did you also hear from

MTS? Did you feel that there was a balance that was being brought to your attention, and that's for you personally? To what degree do you think the same principle would have applied for teachers and retired teachers?

Mr. Hooper: I downloaded the Sale report from the Internet and read it. That's how I got it, all right? And, quite frankly, from a businessman's point of view, I don't see the government bound to do anything unless it feels like it.

Mr. Chairperson: Thank you, Mr. Hooper. The time for questions has expired.

Next name on our list, No. 239, Fran Myles. Fran Myles not here will be dropped to the bottom of the list.

Number 240, John Warkentin. John Warkentin is here this evening. Thank you for bringing the written copies. We appreciate that. Mr. Warkentin, you may proceed when you are ready.

Mr. John Warkentin (Private Citizen): Just a short preamble before I get started on the text. When I found out I was No. 300 on the speakers' list, I really wasn't expecting to be here tonight. However, it's good that I can do this presentation today.

I, too, used to be a member of the Manitoba Teachers' Society provincial executive many years ago. I was known as the quiet one, only speaks when he has something important to say, so you must appreciate that I feel this is important. Also, usually by this time of day I'm sound asleep, and this is cutting into my sleeping time, so it's doubly important. In fact, my legs are asleep, so there's only half of me here right now.

By now, I'm sure you've heard all the background information on how COLA came to be, how it was supposed to work, how it is different from the civil servants plan and how it should be fixed. Again, I assumed that there would be 299 speakers ahead of me, and even now, I feel like it's been thoroughly covered and you know the history, you know where everything has come from. So, instead of rehashing what has already been said, let me just tell you my personal story and how it affects me.

* (23:40)

By doing this, I hope to influence your recommendations regarding Bill 45, recommendations to amend the bill to ensure retired teachers of a fair annual cost-of-living adjustment. During my 37

years of teaching and administrating schools, I have found time to raise a family, take part in numerous community organizations, and work actively in the Manitoba Teachers' Society. I served on numerous local and provincial teachers' committees as well as several terms as a provincial executive member of the Manitoba Teachers' Society. I was proud to be part of an honourable organization. I recall hearing about the deal with the government ensuring us of a respectable, guaranteed pension upon retirement. At the time, it seemed like a far-off dream, but I was proud to be part of an organization that took care to plan for the well-being of their elders.

Not only did we plan for the elders, we worked very hard to bring about equality for the disenfranchised, minority groups such as women, Native Americans and the disabled, just to name a few. Never did I suspect that someday I might be part of a minority group asking for help.

Retired teachers today are very much a disenfranchised group. We now have a better understanding for what Native Americans experienced when they faced broken treaties. We were led to believe we had a good, safe and protected pension. The agreement we signed in good faith in the '60s appears in danger of being broken and revised without the consent of our organization, the Retired Teachers Association of Manitoba. Although RTAM agrees with some of the recommendations in the Sale report, it is the Manitoba Teachers' Society that is pushing for the implementation of Bill 45. I am saddened by the fact that this same society for which I worked so hard, both at the grass roots and the provincial executive level, now no longer speaks for me. It represents active teachers who have not experienced cutbacks to their wages and who don't fully appreciate how their pensions are going to be negatively impacted by this new deal. MTS's advice to you is not a reflection of RTAM's views.

When MTS-backed negotiating teams ask school boards for higher pay, they don't ask, what can you afford? They strive for the best settlement and then expect the boards to somehow come up with the money. Now the shoe seems to be on the other foot. When we ask MTS for a better COLA, their response to us is, we can't afford it, or something to that effect. Is it too much for us to expect them to come up with the money to give us a fair deal? Unfortunately, they are not prepared to fight for us perhaps because they might have to ask active teachers to contribute more. But they represent the active teachers and therefore are in a conflict position of pleasing us, retired

teachers who with time will go away or active teachers who are currently the society's financial base and, I might also add, their political base, since the executive members are all elected members.

That is where, you, the government, come in. We need your help. Even if the society were to go the increased contributions route, it could only be done with your approval. Perhaps the COLA fund could be propped up with an infusion of government money, just like school board budgets have to be when faced with a higher salary settlement. And, incidentally, I still pay school taxes, so I am paying for increases to teachers' higher salary settlements. There may be more innovative ways of fixing the fund. Whatever the solution to fixing it, we need your help. If Bill 45 passes as is, we will be waiting 10 years to have the problem addressed again. I am 67 years old now. In 10 years, I may be 77, but if I've made it that far and current trends continue, I will have lost another 10 percent purchasing power. We paid for a better deal, so please help us by doing the right thing, really fix the fund that is supposed to give us a fair COLA before it is too late for us.

In Tasmania, the Tasmanian devil is faced with a life-threatening problem. Up to 90 percent of the population is infected with a malignant tumour which is spread through physical contact. One of the approaches to saving the devil is to isolate healthy animals, wait for the sick ones to die off, then reintroduce the healthy ones into the original environment. This is great for the healthy ones, but obviously not so good for the sick ones. Please don't let us suffer the same fate as the Tasmanian devil.

My dollar since I retired in 1998 is now worth only 90 cents. Fuel costs, on the other hand, have risen almost exponentially. We know that grocery pricing is closely associated with fuel costs. It is reasonable to assume that cost of living will be rising sharply if fuel costs continue to rise. My spending power has noticeably declined. Fellow pensioners have expressed the same concerns to me. In fact, one of them was supposed to be here for a presentation but felt forced to submit his views by mail instead. It was simply too expensive to drive in from Swan River.

I would be happy to supplement my income with job income, but my physical body is simply not co-operating anymore. Just a minute. My pension was supposed to take care of me at this point. I really thought it would. At this point in time, I would probably settle for a guaranteed two-thirds COLA

and face a slight decline every year, but to agree to an up-to-two-thirds COLA, with the reality of probably getting significantly less, would be less than intelligent. I have always prided myself on being reasonably intelligent.

Last of all, I am saddened by the fact that, if Bill 45 is passed as is, my political party, the NDP, is no longer representing me. I have always voted NDP, through thick and thin. I have defended party policies to my rabid PC brother-in-law farmers and taken abuse from them for it. Now I find that my political views are eroding as quickly as my pension. If this bill in its present form passes, I feel betrayed and unfairly treated. Can there be anything worse than a betrayed Tasmanian devil? Just one, and that is a retired teacher on a fixed pension losing at least 1 percent of purchasing power per year.

Thank you for listening.

Mr. Chairperson: Thank you very much.

Questions?

Mr. Schuler: Just to start off, Mr. Warkentin, thank you very much for coming in, for staying. It probably looked fairly grim, the possibility of you getting up today, and that's what we were arguing for initially at committee, that people not be called for the first time and dropped off, because I suspect a lot of people left thinking they weren't going to get called.

Just sort of the last paragraph, you mention your brother-in-laws. They kind of sound like nice guys. I think you should, you know, revisit the family again with a different viewpoint, a different way of viewing your family.

We certainly have heard a lot about individuals coming forward and expressing their hardship. I don't want to challenge you on anything on your report. You certainly don't look 67, you look much younger. But there does come a time when you want the golden years. Like you said, that's what the pension is supposed to be there for. It's supposed to be there for you so that you can enjoy the things while you're still healthy and active and you don't need the third leg, as the other presenter. That's what pensions are there for.

You've sort of seen what's taken place here. Is there an area of compromise? You mentioned one that you'd be even prepared to accept, a COLA of two-thirds. Is there any other area of compromise, as we move through this process and look at amendments for legislation, that you would see that

would be reasonable and perhaps would take the edge off this legislation?

Mr. Warkentin: I hope you heard me say a guaranteed two-thirds COLA. That would go a long way toward mitigating some of the uncertainty that we face right now. Like I said earlier, I'm not conversant with all the actuaries' calculations of what could be, what couldn't be. That's never been my field of expertise. So I don't know what is needed or what can be done.

We've heard tonight that the government hasn't come through with enough money. I don't know if that's the case or not, but if it is then I would certainly hope that they would reconsider that contribution.

I don't know what else to say in response to your question.

Mr. Schuler: My last question, you've sort of seen the opposing viewpoints coming from the two sides. Do you see somewhere where we could get both sides together working for a common goal? Do you see somewhere where we can bring people together and, rather than working opposite, working together?

* (23:50)

Mr. Warkentin: Probably many of the people behind me have been involved in contract negotiations over the years of their teaching career. When two parties couldn't get together, school boards and teachers couldn't agree on something, the next step was a mediator or arbitration. I would think that, because we're familiar with that kind of route, that that could be a way in which we could go. Although, usually the mediator or arbitrator would be government appointed. I'm not sure that that would be appropriate in this case, because they are also involved in the dispute.

Mr. Faurschou: Well, a very good evening, and thank you for sticking around way past your bedtime this evening. I do trust you are getting along a lot better these days with your brother-in-law, I presume.

It is very interesting to hear about the long term. I think everyone that has spoken here this evening is interested in long-term viability of the pension plan. It is something that I believe everyone would like to see. But what are your suggestions about being given the opportunity to do so in a collaborative effort, and what is your suggestion to the minister here this

evening in regard to the actuality of the future of Bill 45? In your opinion, what should he do with it?

Mr. Chairperson: Mr. Warkentin, briefly, if you can.

Mr. Warkentin: I think the simplest, at this point, would be to postpone introducing Bill 45 until we can have more conferencing, more exchanging of ideas.

Mr. Chairperson: Thank you very much, sir. I appreciate your time with us here this evening.

I have two items of information for the public and the members of the committee.

On the off chance that our next presenter is the last one that we hear tonight, I would ask for leave to not see the clock until that person has their full 10 minutes, should they choose to use it, and the five minutes afterwards for Q and A. Is there agreement of that? *[Agreed]* Thank you very much. Leave has been granted.

Secondly, a reminder that tomorrow this committee will be sitting again starting at 6 o'clock and continuing until midnight. We will be starting with the French presentations. There will be simultaneous translation available. There are 17 individuals who have signed up for a French presentation, and to give members of the public a rough guess, we have, assuming we find another person in the room, we will be at 30, including written presentations which were submitted tonight, so a very good chance that we will get through the French presentations and then move back to the rural English. If we get through that, then we would begin with the urban English presenters, starting at No. 1 on our master list.

With that said, we'll now return to the master list. We have also been informed that No. 241, Carolyn Lintott, is not in fact an out-of-town presenter, so the asterisk on the list can be removed. She will be given an opportunity to present in the urban category.

Calling No. 243, Guy Hansen, very good. Do you have written copies, or an oral presentation?

Mr. Guy Hansen (Private Citizen): No, I don't. Mostly oral.

Mr. Chairperson: Please proceed.

Mr. Hansen: I'm from Thompson, Manitoba. I've taught there for around 30 years, and I've been out of

the classroom for 10. I'm not used to making presentations anymore, but I still wanted to speak.

I came down on the bus last night, eight hours. Bus had a bad wheel, and we shook and shook and shook. So if my voice is shaking a little bit, you know why.

I think that to understand any kind of a presentation, you have to know something about the person that is making it, and to understand myself you would have to understand my parents. My mother was a teacher, often no salary. It was back in the '30s. That was not unusual. It was in southern Saskatchewan. My father was raised on a farm. There was no money there, and he went north in the '30s and tried to make a living in the north.

On the way north, and he'd never been in the bush before, he got to a community called Waterways *[phonetic]*. You go up the Athabasca River to Great Slave Lake. They came to a campsite where there were working men, a lot of them there. None of them had—well, that's not true. There were about 10 guys working. None of the rest were. They were trying to stay alive in their tents.

There was a dock being built that the 10 guys were building, and no more workers were needed. So Dad and his buddy decided that they were going to work anyways, and they worked for a week for free. When a job finally became available, they got their jobs. My father was always like that, and I've always been like that. I always wanted to work. I always wanted to contribute to society. I felt that that was my function in life, and I still do, and I still work. I work at the recycle centre.

I was raised on the farm. On the farm we used to talk about Tommy Douglas all the time. Tommy Douglas, his first constituency was just 15 miles down the line from us, so he was very close, too. I think Tommy Douglas's name, not only did he win No. 1 in Canada for the best Canadian, but Tommy Douglas also came out of Winnipeg, did he not? Tommy Douglas was raised as a youth in Winnipeg. He was ill here, and that's where he got his grounding. It was the CCF and NDP party, which also came out of Winnipeg. It didn't come out of Saskatchewan.

The NDP party, the CCF party, was basically a social democrat party, which everybody knows, and what we're talking about tonight is social values. A society means getting on with people. It means co-operating with people. My father taught me that on

the farm. You always help your neighbour. If somebody can't make the bills, you would help pay for them. As a teacher, I thought that I was doing part of that, and to a huge extent my feelings right now is that the government which is representing society, to me, is treating me quite unfairly.

So I have a little story here that I decided I'd tell you people. I read it in *Reader's Digest* quite a few years ago, and to some extent that makes it suspect already. But it's about a grandfather. He didn't know his grandchild that well, but he decided it was time to, so grandson was over the summer with grandpa. They decided they were going to have a special birthday meal or something like that, and grandpa put a lot of effort into it. The grandchild came home; Johnny came home late to it, and grandpa said, you're late; this was supposed to be an important supper. The kid says, well, my bike tire went flat.

So they started eating the meal. Grandpa looked out the window and he saw that the tire wasn't flat. He thought about it for a while. After supper, he said to the kid, you know, I don't think that tire was flat. He said, I think you were cheating on me. The kid made a bunch of excuses, hemmed and hawed back and forth, and grandpa said, you know, when I was a child, if I cheated on my folks, they turned me over their knee and gave me a couple of fast raps on the bum. Well, the young man didn't want that too badly and he was putting up a brave defence. Nevertheless, grandpa turned him over on the knee, and he said, well, it wasn't that bad a thing I did, can you only hit me once? Can you just slap me on the bum once? And grandpa said, yes. So the slap came, and the kid leaped a little bit and relaxed, and then grandpa hit him again, and the kid leaped up confused, hurt, upset, not knowing what to think, and grandpa said, do you see what it's like to be cheated on?

I feel that I've been cheated on. I always paid exactly the amount. I had to. It came off my cheque. I paid the exact amount that the government had legislated that I pay into my pensions. When I stopped teaching 10 years ago, I went to the counsellors, like you always do, like every retiring teacher does. There was no mention made of the fact that my COLA, which I thought I had, a good COLA, that was going to be there forever, was in jeopardy. As a matter of fact, the information was there. TRAF knew this information. The government of Manitoba had the information and so did the Manitoba Teachers' Society. Why didn't I have that information? By the time I retired and the COLA disappeared, it's too late for me to rebuild that. I

didn't have the opportunity to go back and start again.

So I will leave you with a quotation here. It was an interesting quotation. I got this from the radio just the other day. The quotation says: A teacher is a teacher and a nurse is a nurse and a welder is a welder, and we believe that they should all be treated the same as their colleagues all across our country. Now, I grabbed my pencil as soon as I heard that because the person that said that was Gary Doer, and I believe that Gary Doer was talking about the journeyman certificates, although I hadn't heard the preamble on the radio, that were being offered and questioned by other provinces, such as Alberta or B.C.

* (00:00)

Nevertheless, when I read the first line here: A teacher is a teacher, and they should all be treated the same—and I added: as their colleagues all across the country, I think to myself, well, am I being treated the same way as other teachers, even in Manitoba? I still have a teacher's certificate, and yet I'm different from the rest of the teachers. I won't have a chance to pre-plan for a lack of COLA. I won't have a chance to invest in financial growth programs to make up for this. So I'm a little bit angry about the whole process and its outcomes. Thank you.

Mr. Chairperson: Thank you for your presentation, Mr. Hansen.

Questions?

Mr. Schuler: First of all, Mr. Hansen, I was going to say thank you for staying as late as you did, but this is probably a little bit more comfortable than the bus ride down with the loose wheel, or whatever it was. I'm glad that you made it and made it safely.

Interesting, you brought up the issue of social justice, and then you sort of moved on to other topics. Expound for us what you meant by that. You talked about NDP values and social democratic values. Take a bit of time, and can you just reflect on what you meant by that?

Mr. Hansen: Well, the word "society"—

Mr. Chairperson: Mr. Hansen.

Mr. Hansen: Pardon me?

Mr. Chairperson: I just need to say your name before you respond for the transcription. It's okay. Mr. Hansen, please proceed.

Mr. Hansen: I got along well in the north because we weren't too formal.

The word "society" means everybody in the same ball of wax working together, and I've always thought that what's what the CCF particularly were and then the NDP, and that's what I've always been. I've always been a contributor in my community. I'm still contributing.

Somehow the government of the province right now seems to be on the opposite side of the fence from myself. The previous speaker talked about the alienation that some First Nations groups must feel being on the outside. I've never been on the outside, but I think that right now I am. There was a song that Tom Jackson used to sing and it was about being on the other side of the window, and it was somebody walking through downtown Winnipeg looking at the Christmas parties going on in the house when he was outside. No, obviously my situation isn't that bad. *[interjection]* You're welcome.

Mr. Lamoureux: Just a quick comment. I said it earlier to another presenter. We do truly appreciate the public coming down and making presentations down at the Leg and, given that you came from Thompson via Greyhound, just want to acknowledge your efforts, that it's really encouraging to see the type of participation in the whole process and appreciate your remarks. Thank you.

Mr. Hansen: By any chance do you have authority over those guys? Can you legislate them into balancing their wheels?

Mr. Bjornson: I just want to take this opportunity as the evening's drawing to conclusion to thank everyone for their patience and their presentations.

Mr. Chairperson: Thank you very much, one and all. I would like to ask committee members, to try and conserve paper, leave copies of the bills on the tables. The hour being midnight, committee rise.

COMMITTEE ROSE AT: 12:03 a.m.

**WRITTEN SUBMISSIONS PRESENTED
BUT NOT READ**

This is to inform you that I am against Bill 45.

Henry Tkachuk
Retired school teacher
Minnedosa, Manitoba

* * *

Honourable Gary Doer
Government of Manitoba
June 18, 2008
Premier,

I wish to express my disappointment of the changes to the Pensions Act based on the Tim Sale Report.

First, the report appears to be extending the problem for another 10 years. Will I live that long? As a teacher, I have worked toward solving problems immediately. Little did I realize how wrong my habits were!

Secondly, as a senior, I depend on my pension as a source of income. While I was employed, I assumed my contributions were going to provide for me when I retired. Instead, with little or no Cola, the value of my pension is growing less and expenses keep rising.

In the classroom, I hope I instilled a sense of consideration for others, but here I get the impression when it comes to retirees, we really don't matter.

Please drop Bill 45 and try for a more meaningful solution.

Sincerely,
Irene Sulik

* * *

Honourable Gary Doer
Government of Manitoba
June 18, 2008
Premier,

I am disappointed and frustrated with the changes in the Pension Act based on the Tim Sale Report. It does not deliver what it seems to promise.

A 2/3 Cola is not guaranteed. There is not enough funding money to deliver a 2/3 Cola. A 10 year deal to correct the problem is too long for some retirees to wait. It means no opportunity or plan to solve the Cola funding problem.

I have trusted that my pension would be a continued source of income, but it seems that it is slowly eroding without an adequate Cola. My lifestyle is becoming greatly affected since retiring, as I have developed debilitating problems with my health.

As a retired teacher, I have paid for inflation protection and would appreciate continued

discussions on a more long-term solution for a fair Cola. Please drop Bill 45.

It is disappointing that the interests of the retirees seem to be of little regard to the Manitoba Government or the Manitoba Teachers Society now that we are retired.

Sincerely,

Renate Schultz

* * *

June 10, 2008

Clerk, Legislative Assembly

I wish to register my concern regarding Bill 45 which if adopted will severely limit the cost of living allowance to Manitoba's retired teachers.

I taught in the Norwood School Division No. 8 from 1968 to 1990. In the latter years I spent a considerable amount of time and money retraining so that I would be able to teach the Basic French program. This meant attending the MIEL program at St. Boniface College during several summers, spending a year in Quebec while receiving reduced salary, and taking evening courses in conversational French at the University of Winnipeg. None of these studies resulted in a change to my annual salary level. I was willing to make these sacrifices of time and money because I believed it was important for my students to learn our country's second language properly.

During my teaching years I contributed to TRAF in good faith, expecting that I would receive 100 percent COLA once I retired.

I am extremely concerned for my future economic welfare if this bill is adopted in its current form. The recent rise in the price of basic food stuffs (e.g. grains), gasoline and heating oil serves as an alarm bell of the extreme economic hardships coming upon the country. This evening's CBC radio news reported that the Bank of Canada is now going to change its policy of stimulating the economy to attempting to control inflation. It is clear that I will suffer economic hardship if the legislation is not amended to provide a much better COLA than recommended by the Sale Report.

Suppose we optimistically assume that the plan will be able to pay a 2/3 COLA each year. My purchasing power will still be seriously and rapidly eroded as we return to the high inflation figures the country experienced during the 1970's.

I appeal to the Minister and other government representatives to meet once again with active and retired teacher groups to bring about a fairer settlement to this question.

Robert Ramsay

* * *

To whom it may concern:

As a retired Manitoba teacher I am appalled at the attitude of a government whose claimed to be the champion of the unions and the ordinary citizen. Why is the government so bent on denying retired teachers the full COLA benefit we were promised. I am extremely disappointed to learn that Tim Sale, whom I have known and admired when he was a younger person, sensitive to the needs of people, seems to have failed to understand that many retired teachers have very small pensions because of the low pay they received before teachers were recognized as worth a better standard of living. Not every teacher has a Master's Degree or a PhD either. These people in particular NEED the COLA as it was negotiated years ago.

I hope the government will in the end do the right and just thing.

Sincerely,

Frank Prouten

(Retired St. Vital S.D. teacher)

* * *

Dear Sirs:

RTAM is doing its best to represent the interests of retired teachers. I wish I could say the same about the legislature. It was always my impression that the representatives of the people would do as well for teachers as it does for our retired civil servants. As it is, it is embarrassing to acknowledge that Manitoba is doing less for its teachers (re COLA payments) than other provinces. As every year goes by, inflation increasingly eats away at the limited value of my pension. It is disappointing to see the vision of retirement being eroded at the time it is increasingly needed.

Yours sincerely

Suzanne Ouellet

Retired teacher from Brandon

* * *

To whom it may concern

I am retired for 5 years and during that time prices of almost everything went up and up and up. My pension (on which me and my wife depend) did not.

I am sure that I should be getting COLA increases and instead I am getting something like half of a percent which is seriously hurting. I am now about 10 -15 percent behind my earned pension and it is getting worse. The least what should be done is what we paid for - full COLA and some retroactive increase if not retroactive compensation.

Sincerely

George Novak

* * *

Subject: bill 45

I am writing to express my opposition to Bill 45 as it now stands, and also opposition to the Sale Report.

1. The Sale report is biased in favour of MTS and active teachers.
2. I question the integrity of the plebiscite, in that it was received too late for many to respond before the deadline.
3. Retired teachers paid 60 percent more for their COLA than did civil servants.
4. Waiting 10 years for a review of the plan is totally unreasonable.
5. The cost of all utilities has risen in the last weeks, adding another financial burden on persons depending on their pensions for a decent living.
6. At the present time, the buying power of my pension dollar is about 88 cents.
7. It is totally undemocratic for the government (via Peter Bjornson) to say that we must accept the Sale report as a package, or not at all.

Thank you.

Bertha Norberg

* * *

To Whom It May Concern:

Due to ill health, my husband and I will not be able to present at the legislature with regards to Bill 45.

I am sending this email on behalf of my husband and myself. We wish to let it be known that we both feel that Bill 45, if passed by this government, will be something that will forever stain your records as legislators in Manitoba. It would live on in record, as one of the worst possible pieces of undemocratic legislation ever passed in Manitoba.

We are of the opinion that we were very fortunate to have had one of the best NDP governments, or best government of any political persuasion for that matter, that ever existed under Ed Schreyer and he would certainly frown on your bullying tactics being used to see this bill passed as it is, and, in such a sneaky underhanded manner.

Hello - oh!!!!!!!!!!!!!! This is supposed to be a democracy!!!! Wake up and smell the coffee before it's too late. If you object to being called bullies then quit being bullies. If you play the game you get the name.

We hope you will give this matter the time required for such an important subject and really think about what you are doing. It will have far reaching repercussions on teachers and, whether or not you realize it, on you.

May you be treated as well as you treat others.

Lawrence and Louise Mydyski

* * *

Subject: Names against Bill 45

We would like to put our names on the list against Bill 45.

Both of us are retired Manitoba teachers. I had Class 4, and 24 years of paid pension.

We took reduced pensions to have a full cola. What a mistake.

We have been retired since 1986, and our pensions are below the poverty lines.

Sincerely,

Jack and Elizabeth McLachlan

* * *

Subject: In response to plebiscite for teachers and ongoing discord

I want to include my name as a retiree responding to the implementation of Bill 45 (Sale Report). I wish to be on the Speaker's List however I will not be in attendance when called upon to speak. Therefore please accept this written submission.

My main point refers to the initial intent of the COLA clause for teachers in retirement. I expect all parties to live up to their end of the bargain as set out in the agreement. This means COLA adjustments eliminating the government's attempt to cap COLA for teachers who would not see the full cost-of-living adjustment that they are currently entitled.

If the plan were properly funded, as actuaries have been recommending for decades, we would receive the same full 100 percent COLA as retired members of the legislature will get for the rest of their lives. However, if this legislation is passed, retirees would never again see a COLA of more than 67 percent of the rise in cost of living. Therein lies the unfairness from a government that should promote and elevate people's right to just entitlement as embedded in NDP principles.

Fairness and equity are pillars being eroded in this lengthy process and for all people to be treated as intended, the formula must satisfy key COLA components for its eligible members.

It is the government's moral and ethical obligation to ensure that such components are met and maintained by making the necessary changes in favour of retired teachers.

Respectfully submitted,

Robert Lussier
Nanaimo, BC

* * *

The aforementioned bill is in second reading and I use this letter to address the committee giving it consideration.

I am a retired teacher with 13 years of teaching experience, receiving a TRAF pension of almost \$600 per month. I am aware that the Manitoba Teachers' Society, MTS, and the Teachers Retirement Allowance Fund, RTAM, are in dispute regarding the COLA issue. The Tim Sale report is the basis for Bill 45 which is to resolve the issue, but

from the media and direct communications from both MTS and RTAM, I am concerned that the two parties are still far apart and that Bill 45 does not resolve the issue.

Anorexic injury to my brain has robbed me of capability to understand the troublesome aspects of the bill nor the reason why active teachers and retired teachers cannot agree to work for the good of both. I would have hoped that the Sale report would have resolved the outstanding issues to the satisfaction of both parties, but that does not seem to have happened. I can see the committee's dilemma.

Could the two parties, MTS and RTAM, agree on a conciliator, acceptable to both, who could bring a compromised solution to the matter? The Canadian Mennonite University as well as the University of Winnipeg have departments that theorize resolution to conflict. Could they be given the challenge to recommend a resolution? Can not 15,000 active teachers and 11,000 retired teachers come to peace and model an alternative resolution that both parties can accept and live with, or are we doomed to live with one party winning and the other losing? Isn't there a better way?

I wish that both parties would commit themselves to do what is just and fair and good for the future of education of students in Manitoba. I, for one, would like to have income that would keep me out of poverty for the remaining years of my life. I'm 79 now. I'll settle for macaroni and cheese for the days that are left for me, rather than fight with my colleagues about a plan that seems unfair to either one of them.

Jacob M. Klassen

* * *

Subject: Sale Report and Bill 45

To the member who is speaking to bill 45.

My wife and myself are in total disagreement for this bill. It has been used to manipulate existing and future teachers as well as to make scapegoats of retired teachers. We were always under the assumption of law that the cola was to be 100 percent as established in the early 1970's by the NDP government. MTS has lost it's vision to represent all teachers and the head of MTS should be ashamed of accepting this bill and condemned for empire building. I became a teacher to impart caring, thought and problem solving skills to my hundreds of students and colleagues. It seems that MTS has

forgotten their role to look for intelligent solutions that will honour the law and benefit all it's members.

Ed and Andrea Hammond
Retired Teacher and Administrator
Nanaimo BC

* * *

Re: Sale Report Public Hearings

I am unable to attend personally, but I do want my views heard.

Dear Ladies & Gentlemen:

In the past I have supported the political party of my choice with financial contribution, predicated on the belief that it was both a citizen's privilege and responsibility to do so. Over the past twenty years, however, I have gradually become convinced that could we but package the stuff that flows from politicians' mouths and spread it evenly on our arable fields, then chemical farming would quickly become history, crop yields would exponentially increase, and the environment would become more wholesome.

The bottom line, however, is that I can now barely afford to keep up my household in retirement. I started my career as a duly certified teacher in Manitoba in 1959 and retired in 1999 after forty (40) years of service, thirty-eight (38) of them pensionable, since two years were spent in the employ of the federal government on a reserve near Grand Rapids, Manitoba. In 1977, Manitoba teachers increased their TRAF contributions to ensure COLA adjustments in retirement. In other words, for twenty-three years I made such contributions. Without touching on the disparity between my pension vis-à-vis that of a politician who has served two terms or that of a retired civil servant, provincial or federal, I would point out that in nine (9) years of retirement, no significant cost-of-living adjustment has occurred in my pension. Compare that to the beefed up and indexed pensions of politicians and the civil service!

I invite you to peruse the following extraction from RTAM's website (Retired Teachers Association of Manitoba):

A HISTORY OF THE PAA AND COLA FOR MANITOBA'S RETIRED TEACHERS:

1. Prior to 1970, teachers had no Cost of Living Allowance (COLA), and had never had one! In 1972 the Schreyer government

decided that it would pay a full COLA to all retired teachers, paid retroactively for all retirees.

2. It didn't take long for government to figure out this was way too expensive for it to continue.
3. The 1976 "Pension In Trouble Campaign" resulted in a 1977 deal. The agreement was about COLA - it was a first step, and the government agreed to keep talking about COLA in order to make it work.
4. The COLA as a result of "The Deal" is the wording still in effect today; the Plan will pay what it can afford. Records show that meetings were held, emerging problems were discussed, improvements were devised, and some changes flowed. The COLA was paid out, but there no change to the way it was funded nor paid out. Nevertheless, "The Deal" seemed to be working at the time.
5. Teachers agreed to increase their contributions by 16 percent, to forego a death benefit (reinstated by the Pawley government in 1985), and to have no disability pension requirement (think Long Term Disability Plan).
6. Teachers also gained a third presence on the Teachers Retirement Allowances Fund Board (TRAF).
7. The government assumed responsibility for funding half of the benefits accrued in the main pension account (Account A) and for funding half of the benefits accrued in the PAA. It met these obligations on a pay-as-you-go basis. It also agreed to create a Teachers' Pension Task Force to meet and discuss pension issues with The Manitoba Teachers' Society (MTS). These details are significant because the civil service was also getting its pension plan constructed, and it is important to remember that theirs is different from the teachers' for a reason. Namely, they wanted a disability pension requirement, and less COLA; teachers wanted a full COLA, gave up the disability benefit, and funded it themselves (now known as the LTD Plan).
8. As a result of deliberations at the Pension Task Force, the PAA was established to finance COLA payments, initial funding

- supported by four annual transfers from Account A.. Teachers agreed to higher contribution rates to achieve a higher COLA., and to fund half of a COLA by contributing to a Pension Adjustment Account (PAA).
9. Difficulties with the Plan design became apparent over the next few years. These were:
 - a) The number of active teachers compared to retired teachers. In 1977, there were seven active teachers contributing money to pay COLA for every one retiree. Teachers in 1977 paid into the PAA nearly 300 percent of the actual COLA monies paid out in that year. It was still not enough because the plan must set aside any COLA increase for the estimated life of the recipients. Consequently, there were special transfers from 1977 until 1980 from the main pension account, Account A, to help with the funding of COLA.
 - b) Currently, the ratio of active to retired is less than 2:1. Unlike 1977, when teacher contributions greatly exceeded the COLA paid out, for the 2003 active teacher contributions were only 53.45 percent of the COLA paid out. The other 46.55 percent came from surplus interest. The 1977 contributions, plus a special transfer, paid out a 98.1 percent COLA. In 2003, retirees received a 1.68 percent increase which was 43.3 percent of the CPI.
 - c) As more teachers retire and live longer, there won't be enough money to pay more than a small portion of the COLA. In 2006 this was only 0.64 percent.
 10. This COLA Plan design fault was known from the beginning. The PAA is valued each year by an actuary to see if the Plan can afford to pay a COLA, and, if it can, how much. Since at least 1987, the Plan's actuary highlighted the funding of COLA as a problem. 1989, for example, was the last year that teacher contributions to the PAA exceeded the COLA amount paid out. There was ample warning.
 11. During the Filmon Conservative government years, there were almost no pension discussions between the government and teachers. According to MTS, there was almost a decade when the government of the day refused to call a meeting of the Teachers' Pension Task Force . The funding of COLA was a ticking time bomb.
 12. In 1977, and from 1984 to 1998, the PAA supported full or almost full COLA grants. From 1977 to 1991 the PAA supported COLA grants up to a range of 5 percent to 6 percent CPI and twice, 7 percent CPI. Only the period of high inflation 1978 to 1983) resulted in a variation from the above pattern of COLA payments B when CPI ranged from approximately 9 percent to 12 percent, and the percentage of CPI granted ranged from 46 percent to 77 percent.
 13. During the 1980s and early 1990s when the PAA was being credited with double digit interest rates, people were thinking that investment returns would solve the Plan's problem with paying COLA. Rather than prudently looking at the way the Plan was operating and considering future long-term probabilities, folks were diverted by the high financial returns.
 14. From 1999 to the present, the ability of the PAA to support CPI COLA grants has steadily declined. The current government has met with the Pension Task Force, but its willingness to act seems muted. The PAA funding continues to be unable to supply a reasonable and fair COLA. In 2001, \$17.6 million was allocated from surplus to allow for COLA payments in 2000, by legislative amendment. In 2003 it only paid 43 percent of CPI COLA, and in 2004 a 27 percent of CPI COLA.. In May of 2004, the General-Secretary of MTS advised teachers that the PAA could only fund "half of 1 percent" at best for the foreseeable future! This was occurring at a time of relatively low inflation.
 15. In March, 2007 the N.D.P. government announced its intention to provide \$1.5 billion to the trust account as a way to reduce most of its unfunded liability, continuing the action started in 2000 by setting up this account. The provincial funds

will be invested on the same basis as the TRAF Fund. Existing pensions are unchanged. The formula is also unchanged. The implementation of this funding will have no impact on the pension payment or the COLA.

Now What?

- A. Considering the history, retired teachers have a legitimate expectation to have a reasonable COLA. Not addressing this expectation would be a significant reduction in benefits from those benefits intended in the 1977 solution, despite actuarial warnings since 1987.
- B. In 1987, the TRAF Board actuary warned that it would be unlikely that the PAA would be able to finance COLA grants as favourable as the rates in the past, should inflation rates be high. Every subsequent Actuarial Valuation has flagged this problem B but now the PAA is unable to support a reasonable COLA grant, even in a period of relatively low inflation. Considering the earlier inaction by Governments which have imprudently ignored and exacerbated these problems, retired teachers have a legitimate expectation that these problems be solved.
- C. For the past decade, new entrants have not been contributing at a rate sufficient to fund their promised pension benefit, contrary to a principle of pension plan design. Notional allocations of surplus have been made to subsidize this shortfall. This is a violation of a first principle of plan design B contributions being set at a rate to support the pension earned.
- D. The allocation of surplus has been a draw on plan assets, which has taken the plan further away from surplus, which could have been used for helping to solve the PAA problem. In effect, new entrants have had access to plan assets to subsidize their contribution shortfall while retired teachers, with the exception of one special allocation transfer, have not had access to plan assets.
- E. There have been plan benefit enhancements over the years which have benefited active teachers (e.g. early retirement provisions) which have not been funded by a contribution rate increase, and, therefore, have been a draw on plan assets, thereby putting the plan further away from surplus. These have also resulted in an incremental cost to the Province.
- F. All these years there could have been measures to solve the problem identified in 1987.
- G. In 1977 there were retirees who had never contributed funds to pay a COLA and were suddenly eligible to receive one. There was just a year for the active teachers to contribute funds to cover the payout of a COLA, so the plan called for a modified pay-what-you-can-afford system. Active teachers would yearly pay half of a COLA to retired teachers, and the government would yearly pay the other half. The design called for one generation of teachers to fund the COLA of a preceding generation of teachers. Now, what happens if a funding generation changes its mind? What happens if a funding generation feels hard done by and reduces what it is willing to pay? Should a benefit as important as COLA be so dependent upon "good will" rather than being defined structurally and sustainable as a benefit within the Plan?
- H. Retired teachers expect fairness and have a legitimate expectation that the problems of the PAA be resolved and to have a reasonable COLA. While the expectation of a full COLA may be unrealistic at this time, retired teachers expect the bar to be set higher for proposals under discussion.
- I. Retired teachers expect that any resolution to the long standing problems of the plan are not made at the expense of retired teachers. Retired teachers expect even-handedness in addressing the issues of active and retired teachers. Retired teachers expect full consultation. RTAM believes that the Province has the responsibility to demand compliance with the above expectations to ensure that decisions are fair and balanced to all parties

I trust you noted the special emphasis on # 11 above. This historical log speaks for itself!!

What the political system in Manitoba has done and continues to do to its retired teachers is abominable, but since there are not enough of us in an adequate state of health and the energy to constitute a perceived "threat" to parties at election times, the system blithely continues to ignore this unfairly-treated group of its citizens. I'm past sixty-eight years of age, have a full-blown case of congestive heart failure, spend significant dollars monthly on medication to sustain my life, have had no meaningful COLA adjustment in over eight years,

and am struggling just to maintain the privilege of residing in my own home. Contrast that with the stipend increases that Manitoba MLA's have given themselves in the past few years as well as with their excessively generous pension plan, and weigh the matter on the scales of justice for yourselves.

I'm not at all convinced that this submission will make any difference, but I feel better for having had my say.

Neil Goertzen
B.A., B.Ed., M.Ed, Retired

* * *

Subject: Retired Teacher's Pensions

I along with a great many other teachers (maybe I should add former) feel that we are getting SCREWED without being kissed. (If you know what I mean).

I tried to phone the 1-800 # the other day but got the recording "the number you have called is not available from the area you are calling from "JUST GREAT" I have spent most of my life living in MANITOBA, TEACHING IN MANITOBA, VOTING for the GOVERNMENT IN POWER, IN MANITOBA, WORKING FOR MY FATHER(WHO RAN FOR THE NDP A NUMBER OF TIMES, BOTH FEDERALLY & PROVINCIALLY I MIGHT ADD) only to be screwed. Is this the thanks one gets because some one has led someone else down the garden path?

There is a word to describe the lead cow, steer, or lamb that leads the rest of the herd to slaughter, do you happen to know the term? It took me a while also to think of it, would it be "JUDAS"? I feel that the MTS & the PROVINCIAL GOVT must have a JUDAS" in their midst.

Why do we as retired teachers, supposed to be the golden years, have to put up a fight again, for what we fought for and, by the way won, 20 to 30 years later.

Would you please do me a favour obtain a copy of the publication "KIT" (put out by the RTAM) & read the articles therein. It might make some sense to the present members of the Legislature. That is if they are interested in winning the next election, and retaining their seats.

I remain,
K.M. FERG

* * *

Clerk of the Legislative Assembly,
Province of Manitoba.

Re: Opposition to Bill 45: The Teachers' Pension Amendment Act:

I respectfully request that you forward this message to all members of the Manitoba Legislature.

Please allow me to introduce myself briefly. I served as a teacher, high school principal and superintendent in Manitoba's public school system from 1960 to 1990. I also taught many evening and summer "administration" and "personnel administration" courses at the University of Manitoba from 1969 to 1990, and regular classes at the U. of M. from 1990 to 1996. I taught as an unpaid, volunteer professor in Ukraine during the 1996-97 academic year. I am a past president of the Manitoba Association of School Superintendents. I have been a member of RTAM since 1990. I receive a TRAF pension, but it has been seriously depleted, because of inflation, since I first started getting it in 1990.

I also receive other pensions for which I am very grateful. I get a disability pension from Veterans' Affairs for a blast injury that I received as a soldier in the 2nd Battalion Princess Patricia's Canadian Light Infantry in the Korean War (1950-1953). I also get the Old Age Security and Canada Pensions. I am certain that you are aware of the fact that all of these federal pensions are indexed regularly to counter the effects of inflation.

I am sure that even the most unsophisticated members of the Legislature will understand when I point out that the Government of Manitoba, municipal governments and school boards regularly increase and obtain taxes to keep up with inflation. Active teachers get regular inflationary increases and taxes are raised to pay for these deserved increases. Retired teachers, on the other hand, are subject to "market forces" even though in theory they have a "defined benefits" pension plan. Defined benefits, my ass! My property taxes have increased yearly since 1990, in part to pay for the increased salaries of active teachers, but my own "salary" has been rapidly decreasing. My dear MLAs, including those who are not economists or accountants: Is that hard to understand?

In my opinion, the failure of the present and previous governments of Manitoba to adequately fund teachers' pensions is an unmitigated disgrace. I was going to say that this inaction verges on

"criminal negligence", but I have decided against saying that. Nevertheless, you can be absolutely sure that retired teachers in Manitoba are being treated very unfairly and unjustly. The blame for this fiasco can be shared by many, including the Manitoba Teachers' Society, as well as past and present Manitoba Governments. I blame myself for not paying sufficient attention and for assuming that the powers that be would act in a just and equitable manner.

I believe that the plebiscite on the Sale Report was very badly handled. More time was needed for all parties to seriously study the issue. Why was there such a rush to vote? The problem had been accumulating for 20 years and could have been considered for a while longer. I suspect that the supporters of the Sale Report, including the present MTS Executive, wanted to get it over as quickly as possible. The MTS Executive may have realized that many active teachers might vote against the Sale proposals if they were discussed at greater length and if they were understood better. Many active teachers, and especially the young, are probably not too concerned with pensions. I wasn't when I was young. One day, however, the young teachers will realize, like presently retired old teachers, that they are being seriously screwed.

The fact that 48 percent voted against the Sale proposals should tell the Government of Manitoba that a very large segment of retired and active teachers will remain permanently alienated. Discussions have taken place, on an informal basis, about the advisability of taking legal action. In my opinion, that will be a distinct possibility if Bill 45 is passed.

My purpose in submitting this letter, rather than an oral presentation, is that I am going to be away during a good part of July. I will, however, be pleased to attend personally and to answer questions if I am scheduled after I return to Winnipeg.

You may be interested to know that I am greatly honoured to have been selected and to be going to Korea as a representative of the Princess Patricia's Canadian Light Infantry on the occasion of the 55th anniversary of the end of the Korean War. Fortunately, Veterans Affairs and the Korean Government will be paying for my expenses and I will not need to spend any of my depleted TRAF pension! I will also, if you are interested, answer questions about the famous Battle of Kapyong in which I participated in April,

1951. We are surrounded by the Chinese Army for two days. Do you like war stories? Bill 45 is a war and you, my dear democratically elected legislators, are in it, for better or for worse. I trust and hope, and indeed pray, that you will behave in an ethical and just manner when the time comes to vote.

Sincerely,

Michael "Mike" Czuboka,

* * *

Re: Bill 45

Like many other retired Manitoba teachers, I am trying to survive below the poverty line.

I no longer make long distance calls.

I do feel that the lack of a COLA for my pension is a disgrace, when I took a reduced pension to pay for it.

Betty McLachlan

* * *

Subject: COLA and Sale report

I am opposed to the enacting of Bill 45 because of its disregard for the welfare of retired and retiring teachers for the next ten years.

At present my pension dollar is worth only 88.9 cents. I know of no other group of persons whose cost of living adjustments is being legislated to the point where it can never be a full return.

The plebiscite was unfair to rural-residing retired teachers because by the time we received the ballot there was limited time to return it. I doubt very much whether my NO vote could be received in time for it to be recorded.

The fact that retired teacher were told we had no option but to accept the whole package of the Sales Report is not democracy in action-it is dictatorship.

To equate my pension to that of civil servants is blatantly unfair.

Teachers paid 60 percent more into the fund that civil servants did.

Many teachers receiving pensions are those who were teaching when salaries were much lower than at present. They have in most cases only Canada Pension, Old Age Security, and a retirement fund income worth 71.4 cents on the dollar. This places

them close to the poverty line. How can the N.D.P. government dare to deny them the right to a full Cost of Living Adjustment?

Are you aware of the fact that this 2/3 COLA limit recommended by the Sale Report may be considered a violation of Human Rights?

Jean Anderson
Carman Manitoba

* * *

As a retired teacher I would like to voice my opposition to the adoption of the Sale Report and the passage of Bill 45.

When teachers gave up their right to strike in order to ensure that students received an uninterrupted schooling, we trusted the Government to live up to their side of the bargain. We presumed that having spent our teaching years caring for and educating the young people of the province we could look forward to a pension which would not diminish in purchasing power year after year. It is very unfair to expect retired teachers to settle for "UP TO 2/3rds COLA" which in fact could mean no COLA at all. It is also unfair that there would be no opportunity to reassess the situation for 10 years.

Teachers have always paid, without complaint, whatever dues, including a payment to provide for inflation, which were required for our pension fund. It is now time for the Government to do the same with regard to the funding and payment of an adequate COLA.

Janet Sirrell

* * *

Thank you for the notification of Committee hearings July 21, 22, 23. Scheduling conflicts prevent me from appearing in person on those dates. Please accept my submission to the committee as follows:

1. The current COLA paid to retired teachers is inadequate and well below what was expected/promised.

Having paid into the retirement fund in good faith, I expect in return a payment which includes or, as far as possible, at least approaches, a true cost of living adjustment.

2. The "up to" clause in the Sale proposal is totally unacceptable. As an upper limit, i.e. approx.

66 percent, it is questionable, and as the lower limit, i.e. "0", beyond reason.

3. In the face of current dissatisfaction and inability to come to agreement, the 10 year term of closure to this issue is unfair and unreasonable. Presumably Mr. Sale was asked to resolve the issue. He has not as yet; however, further study and negotiation amongst reasonable people can produce a resolution satisfactory to all concerned.

This bill must be abandoned/defeated and a new attempt made to find a fair and equitable COLA agreement for the retired teachers of Manitoba. Those now retired, and those about to retire, deserve no less.

Respectfully submitted,

Roger E. Gateson
Teacher (retired) St. James Assiniboia Sch. Div.

* * *

I taught in the public school system in Manitoba for 35 years. I was a strong supporter of the MTS as they worked at improving working conditions for teachers. I served as President of the St. James-Assiniboia Chapter of the MTS and negotiated working conditions with our board.

I reassured teachers that the MTS was looking after our retirement interests in setting up a plan which included a "full", 100 percent COLA, paid for by teachers who assumed the costs of our own Long Term Disability plan. This was a major change from the civil service plan of 67 percent COLA, due to the fact that the province paid for their LTD!

Other presenters have more adequately explained how the plan performed adequately in the first few years, but then proved to be under funded.

The MTS had a motto in its early years, "One for All, And All for Each". I am shocked by the actions of a small group of MTS Executive who have accepted a poorly prepared plan, biased to current teachers over the needs of retirees, and willing to leave us in debt for 10 years before any likelihood of adjustments to the plan. DISGRACEFUL! Ramming their plebiscite into a timeframe that prevented proper information to be presented to working teachers, and kept retirees spread around the country, from giving it proper consideration and time to respond. Calling it a majority vote! RIDICULOUS!

Please, see the unfairness of this Bill. Recognise that a 100 percent COLA, from a properly funded plan, is the only fair decision.

MLA's have a 100 percent COLA.

Put party politics aside.

Why would you deny it to the teachers of the children in the Province of Manitoba?

Sincerely,

Roy Richmond, Member of the Executive
VanIsles Chapter of RTAM

* * *

I respectfully request that you forward this message to all members of the Manitoba Legislature.

I am a retired teacher, having taught and held many leadership positions (principal, consultant, coordinator and chair of numerous divisional, regional, and provincial committees) in education in this province over my 30 year career. I took many, many professional development sessions and attained six years of university education all at my own expense to keep abreast of relevant teaching methods and philosophies. I felt very privileged to be an educator and always felt confident that my pension would be adequate to allow me to live comfortably in my retirement. I am dismayed that this is not the case. As everyone knows, the cost of living is going up steadily every year. That we retired teachers do not get a fair COLA every year is not just, and is disrespectful of the teaching profession.

I oppose Bill 45 and do not endorse the Sale report. Retired teachers paid for COLA and that a generation of retired teachers is being sacrificed is unacceptable. A lump sum and/or a long-term funding plan are needed. We have paid individually for inflation protection. After all that we have contributed, we should not be expected to pay for inadequate funding since 1977, inaction, despite actuarial warnings, on the part of the government and the Manitoba Teachers' Society. The Sale report recommends inadequate funding. It is a poor "fix" to a problem, not caused by us, but now directly and negatively affecting us.

I urge each and every member of the legislature to vote in an ethical and just manner when considering Bill 45.

Sincerely,
Gloria Penner

* * *

Re: Bill 45 – The Teachers' Pension Amendment Act, Tabled June 9, 2008

Honourable Representatives of the Citizens of Manitoba

Please allow me to introduce myself. My name is Robert Swayze; I served public education in Manitoba from 1963 to 2001, as a high school teacher, an instructor at Assiniboine Community College, and a member of senior administration (Superintendent) in Brandon School Division from 1969 to 2001. During that time I served on a number of Government Committees some of which were The Articulation Council of Manitoba, The Public Schools Act Review Committee— twice, The Teacher's Certification Review Committee, and many program and curriculum committees. I also served as an Executive member and President of the Manitoba Association of School Superintendents, and was active with the Canadian Education Association and The Canadian Association for the Practice and Study of Law in Education. While I currently do some consulting work, I consider myself to be a retired educator.

Please permit me to address a few of the concerns I have with Bill 45, a Bill proposed by the Minister of Education and represented by him as a suitable remedy to the underfunding of the Cost of Living Adjustment for retired teachers in Manitoba.

Let me begin by saying this Bill is not a suitable remedy for retired teachers because it fails:

1. To address the fact that this Government has postponed a response to the COLA problem for a period of ten years – a period during which retired teachers fell increasingly behind in their retirement allowances;
2. To identify any possible return to a full COLA for at least ten years;
3. To recognize that teachers assumed from Government costs associated with a Salary Disability Program in turn for the Government supporting a reasonably secure annual COLA;
4. To recognize that the Government was part of the negotiations which resulted in early retirement for teachers but neglected to support this change through its own actions or legislation enabling active teachers to

support such an opportunity through financial contributions;

5. To show a suitable level of respect for those people who have served our youth as educators and retired in anticipation of Government maintaining its commitments to them.
6. To act responsibly as a guardian (as outlined in the Teachers' Pension Act which names Government and the Manitoba Teachers' Society the guardians) of the Teacher Retirement Annuity Fund and the pensions and COLA paid from the funds established to support teacher retirements in Manitoba.

Why do I feel this way? Let's look at the Sale Report and the information contained within it – although you will have to do some work to find these statistics they are indeed within the information provided.

- Between 1977 and 2007 the Teachers Retirement Annuity Fund paid annual cost of living adjustments to teachers which exceeded the 2/3rd or 66 percent ceiling proposed by the Sale Report 22 out of 31 years.
- The average adjustment over those years was 78.4 percent of inflation.
- The adjustment was 95 percent or better of the annual rate of inflation 16 of those years.
- In all but three years during the period 1984 to 1998, a stretch of fourteen years, the COLA was 100 percent. In the three off years it ranged from 96.7 percent to 99 percent.
- The COLA adjustment since 1999 has averaged 52 percent, and in the last five years has dropped to an average of 31.5 percent

The COLA's most serious failures have occurred since 1999 – during the time this Government has had responsibility – a decade of neglect!

Mr. Sale confirms that beginning in 1986 the Actuary in charge voiced concerns about the ability of the Fund to continue the 100 percent rate of its payouts, but this rate continued to be paid until 1998 when the Guardians of the Fund requested that the Actuary stop raising the concern. The next year the

COLA commenced its decline. Now, how responsible was that of the Government and the Manitoba Teacher Society representatives? Mr. Sale comments: "Most retired teachers would not likely have seen these warnings." (Page 4). How responsible has Government been in allowing the decline to persist for a decade without steps being taken to correct the situation?

Bill 45 provides that the COLA paid will be investment driven, shall not exceed 2/3rd of annual inflation, and will range from 0 to 2/3rds up to a maximum inflation rate of 8 percent. It also provides that any surplus (that's an interesting word) generated will be re-invested in a reserve fund the capital of which will not be available to the COLA fund unless changes are agreed to in a review to be undertaken ten years from now. Good luck pensioners – both current and future, and lets not think about their survivors!

So during the last 31 years teachers were paid a COLA which exceed 2/3rds of the rate of inflation in each of 22 years, the last decade experiencing the lowest rates. Now Bill 45 says retired teachers shall be restricted to a 2/3rds maximum COLA in any year, but of course, it can be a low as zero, even though the average COLA paid over the past 31 years has been 78.4 percent including the last decade. And the Minister introduced this Bill by reporting that it will double the COLA for retired teachers this year --- a fairly easy accomplishment after a decade of neglect.

Try to put yourself in the position of a retired teacher entering the prospect of the next ten years. If you have been retired for the last ten years, each year of which you waited for a proper remedy to be put in place, you are now guaranteed another ten years of on-going perhaps even poorer adjustments. If you are retiring this coming year at least you know not to expect anything much from COLA. But there are other significant differences between these two groups of retirees. Many of the teachers currently retired in the province have been retired for more than ten years; did so when salaries were substantially lower; when, for women in particular, homemaking responsibilities regularly had to take precedent over earning better qualifications and hence better salaries; and these people have already experienced a huge loss in spending power because of government failure to act on the Actuary's concerns. Add to these circumstances, the number or spouses who are now widowed and as a consequence experiencing reduced income, and the next ten years

begin to take on a look of impoverishment, insecurity, and economic disaster. God help anyone who has serious health problems!

I can attest to just how hard those people presently retired worked during their careers – not just for their home school, but for the Province by serving on numerous committees and writing tasks, implementing changing programs and curricula, while often receiving only a percentage of the expenses they incurred in performing what was termed ‘professional’ tasks, if they received anything at all. These people are greatly hurt by this Government’s failure to act appropriately on behalf of their pensions.

Bill 45 may have some positive influence on the COLA adjustments in the future, but I am not hopeful they will be enough. An improved COLA ten years in the future may be the result, but even that will be conditional on the number of teachers retiring, the number of retired teachers dying, investment returns, and the rate of inflation. The odds against substantial improvement seem rather high. Of course, it is only retired teachers and those who retire over the next ten years, who will suffer the major consequences. As the COLA has a compounding effect on the pension paid, over ten years the impact will be substantial – made all the worse each year the COLA is less than 2/3rds.

I have a great deal of concern that this legislation will enable the Government at the end of the coming decade to neglect retired teachers even further - I fear they will take the position that teachers do not have any right to expect a 100 percent COLA. It is clear that the Government of the years 1984 to 1998 supported the paying of what was, with the exception of only three years, a 100 percent COLA - a COLA teachers believed they had negotiated and had the right to receive.

Teachers in Manitoba deserve better than the provisions of Bill 45. There are other alternatives, even though debate of such has been largely stifled. Once again we have to question how seriously the guardians have taken their responsibilities.

I cannot believe that this Government thinks Bill 45 predicts anything other than deteriorating circumstances for teachers in this province – particularly in the next few years, and particularly for those who are retired or choose to do so. Why Government wants to create such a climate for employment I do not understand. I for one will not

be encouraging young people to stay as educators in Manitoba and that hurts me, for I have given my entire career to the youth of this Province, having moved here from Saskatchewan.

I do understand why Government supports Bill 45 – it clears them of further obligation for ten years! Although the Minister has been quoted as saying the Bill can be reviewed, there is clearly not an obligation to do so.

I think this Government can do better – should do better – must do better! And, Mr. Premier and Mr. Minister of Education I am extremely disappointed that you let your fellow members of the Legislature believe this is the best you can do!

Robert M. Swayze
Brandon, Manitoba

* * *

Thank you for the opportunity to provide this written submission. As I will be out of the province till early August, it is not likely that I will be able to appear in person unless the hearings run well past the scheduled July 21st, 22nd, and 23rd dates.

Introduction

Bill 45 fails to remedy a haphazard and capricious COLA process which, since 1977, has yielded a widely-varying COLA from year to year. Such an unpredictable mechanism has no place in a defined benefit pension plan. The flawed COLA-setting decision process has delivered inconsistent and therefore inequitable levels of inflation protection to different cohorts of retiring teachers. The system is unfair, and may warrant legal scrutiny. Bill 45 does not correct this flawed process, and should be amended or discarded.

Previous COLA’s May Have Contravened the Teachers’ Pensions Act

Section 10.7 of the current Teachers’ Pension Act specifies a formula for the calculation of each year’s COLA – a formula which, on the face of it, appears to provide a full COLA. Section 10.8, however, in a convoluted about-face, immediately negates the full COLA promise, and leaves the decision of how much COLA to provide each year to the opinion of an actuary! An ability-to-pay concept is introduced in Section 10.8, with the COLA to be set “... at such a level as will, in the opinion of the actuary, result in no unfunded liability in the pension adjustment account.” (PAA)

Depending on the meaning of “unfunded liability,” (see below) this raises the possibility that some previous high COLA’s, which have left today’s PAA impoverished, may have been illegal. If the PAA is in difficulty today, then, by definition according to Section 10.8, those previous high COLA’s have, in effect, created an unfunded liability – in contravention of the Act.

If the previous high COLA’s were not technically illegal, they certainly were inconsistent and inequitable. The history of COLA’s granted since 1977 is readily available from TRAF. Sometimes a full COLA, sometimes only a very small COLA? How much in which year? How much for which retirees? Why? Are there rules or regulations governing the decision-making process, or are COLA decisions made politically, behind closed doors? Who decides? The Sale report mentions previous actuarial warnings, yet somebody, ignoring both the actuarial opinion and the Act, decided on full COLA’s. How does Bill 45 ensure transparency and fairness and consistency in the COLA decision-making process? Members of the Committee, please do not perpetuate in law a flawed process that will continue to yield inequitable and inconsistent COLA’s. Clarify the definitions and the process. Please send Bill 45 back to the drawing board.

The Act Itself May Be Flawed, and Bill 45 Does Not Correct It

As noted above, Bill 45 perpetuates the current Act’s reliance on the opinion of an actuary to set each year’s COLA, and continues the caveat that unfunded liabilities are to be avoided. But, with no commitment to a set level of inflation protection, and with no definition of a minimum COLA, what is the obligation, i.e., the actual liability, of the PAA? How can the actuary say whether a liability is funded or unfunded if the amount of the liability (i.e., the account payable) is not defined? What is the government’s real target COLA level? The current Act permits more, but is it really two thirds?

The Sale report argues that if all previous COLA’s had been held to two-thirds of CPI, the PAA would still be able to pay a two-thirds COLA today. Bill 45 picks up on this two-thirds idea, proposing a legislated ceiling of a two-thirds COLA for 10 years. The floor, however, is not defined, and so Bill 45 offers no commitment to equity and consistency. There is no guaranteed minimum COLA. Bill 45 leaves the COLA floor as capricious

and unpredictable and legally questionable as ever. Please send Bill 45 back to the drawing board.

Please Define a Minimum COLA

Why define only the top and not the bottom? Defining the top without the funds to reach it is meaningless. Why not set a minimum COLA in legislation? Get the thing away from actuarial opinion and back room politics. Define the COLA! Clarify it! Make it predictable!

An immediate and retroactive two-thirds minimum COLA for all living and future retirees would, once and for all, provide some degree of fairness for Manitoba’s retired teachers.

Such a move would put teachers on a par with Manitoba’s civil servants. For the government such a gesture would be morally justifiable, publically defensible, and politically astute - a small price to pay to quiet the COLA debacle.

Respectfully submitted,

Arnold Reimer

(Retired teacher, school administrator and former Executive Director of the Manitoba Association of School Superintendents)

* * *

My teaching career began in 1959 when I taught 12 high school subjects in a three-room high school which offered grades 9 to 12 in Glenboro, Manitoba. This was a significant year for Manitoba teachers. Consolidation was in effect and collective salary schedules were making great improvements in payment to teachers. Never before had teachers received higher salaries or fairer treatment. Serious wrongs to the profession were in the process of being addressed.

And more improvements were to come. Eventually, I became aware, in my early years when retirement was a distant possibility, that a government-managed retirement plan was established which would be paid for equally by teacher salary deductions and by government funding. The plan was touted as one of the best possible because we were being guaranteed a full cost of living adjustment, COLA, to our pension receipts annually to offset the deterioration of our pension buying power due to inflation. The fees that were established by actuaries to provide this plan were, of course, higher than for less generous plans, but we accepted the need for these guarantees.

Shortly after my retirement from teaching in 1995, as the reduced retirement age and longer life spans pushed up the number of retired teachers in Manitoba and as investment returns began to show much lower than previous earnings, financial experts began to warn of the danger that our retirement plan would not be able to sustain itself in its present form. Unless something was done to bolster the fund, we would lose our precious COLA. A number of concerned retired teachers began to make representation to the Manitoba Teachers' Society which, we hoped, would see a need to join with us in this concern and to the government of the time which had the sole authority to open the pension act to make changes.

Neither of these bodies was apparently in agreement with our concerns, and our COLA began to show serious depletions as our Teachers' Retirement Allowances Fund, TRAF, earnings waned. In fact, the government made the audacious move of authorizing the raiding of our TRAF PAA fund to pay the pension contributions for teachers who were drawing on our long-term disability plan. This PAA sub-fund was a fund set aside specifically to pay our annual COLA from its earnings.

Imagine. Not only were we ignored in our very real concerns about the stability of our "excellent" pension plan but our COLA funding body of funds was depleted in order to correct or improve an unrelated financial concern.

So now we come to the present when we are being asked to accept Bill 45 and the recommendations of the Sale report as a means to improve the troubled teachers' pension situation.

First of all, let me make it very clear that MTS President Pat Isaak's "clear majority" of teachers and retired teachers who supported the MTS plebiscite does not impress me in the least. First of all, I do not consider 52 percent for, 48 percent against, a resounding agreement by any means. But more than this, I feel certain that the conditions of the plebiscite were stacked against receiving opinions from many of the retired teachers. There are many of us who are resident far from Manitoba or were on extended winter travels who were not easily able to receive and return the papers in the very limited time allowed. Furthermore, there are a large number of former teachers who are eligible for deferred pensions but who have not yet applied to receive them. Since the active pension list was the source of

retired teachers' addresses for the plebiscite, all deferred pension persons were left out of the process.

Since retired teachers are the closest to the COLA problem, it is obvious to me that they are the most likely to have a strong voice against the Sale report. They were not fairly heard in the plebiscite process.

And now to Bill 45.

The MTS, the Sale report and the government have been declaring to the public that the Retired Teachers' Association, RTAM, have been demanding nothing but a full COLA. This is definitely not true. RTAM has indicated that if a commitment to some long-term funding solutions were put in place, they would be prepared to consider a reduction in COLA.

In a nutshell, RTAM's hopes for:

- 1) Replenishing of the PAA account to enable it to make adequate earnings for COLA payments;
- 2) Increase in pension contributions by active teachers;
- 3) Restating of the zero to two-thirds COLA limit in amendment 4(1) and (2), pages 2 and 3. As far as I can see, we are currently receiving a COLA in this range. Why the cap at two-thirds?
- 4) A plan for long-term funding without punishment for current retirees;
- 5) An RTAM representative on the Pension Task Force to bring our point of view to the negotiations of this body.

So, clearly, I support the position of RTAM in its opposition to Bill 45, and I would like to emphasize that I paid for a full COLA by my regular contributions to a plan which was a contract between me and TRAF/government. The COLA, as far as I am concerned, is unpaid earnings which are still due to me as a retiree and on which the government is now renegeing.

Thank you for your consideration in this very troubling matter.

Barry Reilly

I, Leona Tomchuk taught for fifty years in the Manitoba School System. During that time, I

contributed to my pension plan expecting to receive a fair pension and inflation protection upon my retirement. My pension has increased minimally while the cost of living has increased, almost sky rocketing at the same time. Pension Task Force report by Tim Sale is almost an insult to retired teachers. Many of us cannot wait ten years for a suitable solution.

We'll be dead! Help us NOW!

Leona Tomchuk

* * *

I have taught and coached in the Manitoba school system for 24 years.

I have never taken a handout.

Is it too much to ask our government for the COLA?

Ron Rayner
Teacher

* * *

I am writing to give you my views on Bill 45. I support RTAM's position and want a fair and equitable solution for presently retired teachers.

Like RTAM I oppose Bill 45 because its amendments implement the Sale Report "package" of COLA and COLA funding recommendations. We do not endorse the Sale Report.

My generation of retired teachers who paid for COLA is being sacrificed.

A long-term funding solution is needed. Bill 45 has 14 amendments, and only 2 amendments implement the COLA funding recommendations in the Sale Report. The rest DO NOT pertain to the interests of currently retired teachers. A fair resolution for retired teachers means a long-term fix now and must include more significant measures for funding.

RTAM's concern is that COLA is still under funded. More significant funding measures- lump sum funding or a long-term funding plan are needed. RTAM has not been insisting on 100 percent CPI COLA as the Sale Report, MTS and the Government have declared. RTAM has stated that when there is a commitment to long-term funding solutions, RTAM is prepared to discuss reduction in COLA.

RTAM has proposed and continues to propose the following:

1. A fairness and equity in the short term:

That only the "better of" method of crediting interest to PAA (with a three year moving average backdated to 2005), without conditions attached, be enacted now.

2. For fairness and equity in the long term:

That a commitment, with a memorandum of agreement, be made to resume GOOD FAITH discussions to deal with long-term funding solutions and/or a plan for long-term funding.

It needs to be repeated that teachers individually have paid tens of thousands of dollars for inflation protection. So the question: "Where is our COLA?" demands answers now,

Without a guarantee or significant funding measures, the existing generations of retired teachers are being asked to bear the brunt of:

1. the inadequate funding since 1977
2. the inattention for twenty years that has caused the COLA problem to be more costly to fix
3. the inaction, despite actuarial warnings, of the two parties named in the Teachers' Pension Act who are responsible- namely the Government and the Manitoba Teachers' Society
4. and NOW the inadequate funding recommendations of the Sale Report "package" and their implementation in Bill 45

RTAM was not provided with the plebiscite results until after they had been released to the media.

Ballots cast	11 271	44 percent
Votes for	5 848	52 percent
Votes against	5 351	48 percent

The result, 52 percent yes and 48 percent no, a 497 vote difference-is a slim majority. It cannot be claimed as a clear majority, as the MTS President has claimed.

The government has no moral authority to proceed with the implementation of the Sale recommendations based on such a slim majority.

A 48 percent "no" vote must be acknowledged. The "no" vote must consist largely of the votes of

retired teachers. Legislators cannot ignore the legitimate interests of a major constituent group of plan members.

Considering that a disproportionate number of active teachers vs.

retired teachers, 15 000 vs. 11 000, voted, that MTS devoted massive resources to the plebiscite campaign and that many out of province retired teachers were disenfranchised due to slow mail delivery, the slim majority vote can be considered a devastating repudiation of the MTS Provincial Executive proposals to solve the COLA problem and their support of the Sale recommendations.

The INTEGRITY of the vote is open to question as follows:

1. Both active and retired teachers voted

15 000 active teachers voting on the COLA of 11 000 retired teachers is UNFAIR to retirees. Retired teachers are most directly and immediately affected by changes to the COLA provisions and do not have the ability to make adjustments as do active teachers.

The vote was TOO RUSHED to allow all retired teachers time to become adequately informed. Many retirees are not part of RTAM and had no previous information and were unaware of what was going on. Many retirees do not have access to computers, so they could not access the Sale Report.

Many retirees out of province in Canada and the United States advised RTAM that they had received their ballots so late in the voting period that they were of the opinion that their ballots would not be returned in time for the voting deadline. Many said their vote was "NO". Slow mail delivery may also have affected some MB residents. As there was such a slim majority, this disenfranchisement may have critically affected the results of the vote.

IN CONCLUSION, THIS
DISENFRANCHISEMENT OF PENSION PLAN
MEMBERS, MOSTLY RETIREES, IS
OUTRAGEOUS.

Yours truly,

Jerry Baltesson

I am not able to appear to speak to Bill 45 but would like to register my opposition with the following points:

Due to the inattention of the government and Manitoba Teachers Society, inadequate funding for COLA continued for over 30 years.

Throughout my teaching career I paid into the PAA account so the retired teachers at the time could receive a full COLA (on an affordability basis) as I would when I retired.

Now that I am retired, I am not receiving the same support. For the past 10 years my pension has lost at least 10 percent purchasing power because of an utterly diminished COLA and I run the risk of a continued loss of purchasing power if the Sale Report is implemented without changes. My generation of retired teachers is being asked to carry the load to correct the mistakes of the past.

I ask for a fair and equitable solution regarding COLA for retired teachers. There must be on-going discussion about long term funding for COLA. I support RTAM in their position on the COLA issue.

I was appalled at the manner in which the plebiscite was held. The information teachers (both retired and active) received from MTS and the government was at best confusing and at worst misleading. The short time span required for voting assured that it was impossible for all teachers to get sufficient information about the very complicated Sale Report to make an educated choice. The circumstances under which the vote was held and the very narrow majority who voted to support the plebiscite indicates the government has no moral authority to proceed with the implementation of the Sale report.

I ask for fairness.

Sincerely

Doreen Poersch

I would like to submit the following to the Committee hearings on Bill 45.

I am a retired Manitoba teacher who has been receiving a TRAF pension since 1993. I carefully studied the Tim Sale report and have spoken to an actuary, to the RTAM and to several other persons with information on this issue. It has become very clear that RTAM with the assistance of Ron Shuler have politicized this issue and are taking advantage of the fact that most retirees are unaware of the facts. For example an RTAM Board member told me that

Jack Reimer informed her that the Doer Government spent COLA money on the Crocus Fund. RTAM refused to publish my letter or any other letter favouring the Tim Sale report in their publication. In the light of all the information, I have concluded that the Sale report is the only fiscally feasible solution to the COLA problem at this time. As the majority of active and retired teachers have voted in favour I strongly urge the government to enact Bill 45. I am sadly aware that the Tories and RTAM will use every tactic to stop and will filibuster this legislation. Should the Tories ever form government there is virtually no chance they will improve COLA despite Mr. Shuler's rhetoric.

Josef Segal

* * *

My name is Clara Darvill and I have been a teacher in Manitoba for 19 years, and a school administrator for 11 years. I retired in June, 2003. This submission will outline what is happening to my purchasing power, even within the few short years that I have been retired. Hopefully a concrete example will underline the importance of finding a long term and fair solution to the demoralizing problem of cost of living increases for retired teachers.

From 2004 to 2005 the heat and hydro bill for our house in Winnipeg went up \$204, the water bill went up \$12 and group health premiums went up \$53. My cost of living allowance for the year was \$150.

From 2005 to 2006 heat and hydro went up \$10, water was up \$21, house insurance increased by \$78, and group health premiums increased by a whopping \$130. Cola covered \$91 of these increases.

From 2006 to 2007 the heat and hydro increase was \$118, water was up \$132, and house insurance increased by \$109. While there was no increase in group health premiums, my husband and I both suffered major illnesses, and the 20 percent drug costs that we had to pay came to \$914. Cola covered \$239.

These are the costs that are easy to document. Then there are the cost of gasoline, as you well know, and groceries. In 2003 I put away \$500 a month for food, and that paid for a nice dinner out once a month. The dinner out disappeared a year or two ago, and at this point the \$500 barely covers monthly grocery bills. One example is the 10K bag

of flour which cost \$7.99 in May of 2007 and is now \$14.99!

The list of areas where I am impacted by the rising cost of living could go on and on in terms of day to day living and the costs incurred when ill.

When I chose education as a career it was a highly respected field, offering the opportunity for public service as well as a good middle class income. For many years I served as Winnipeg Teachers' Association representative for my school, and I witnessed the hard work and dedication that went into ensuring that teachers would be cared for financially both while active and upon retirement. Having grown up dirt poor in northern Saskatchewan, I certainly believed that adequate provision had been made so that I would not end up dirt poor in southern Manitoba by the time I'm 80.

It's imperative that the issue of fair and equitable cost of living increases be addressed with a long term solution, one that is sensitive to the yearly fluctuations of costs.

Thank you for reading this. I hope it has served to put a concrete and human face on what sometimes is perceived as an abstract power struggle.

C.E.Darvill

* * *

Re: Bill 45 Teachers' Pensions Amendment Act

Legislative Committee Hearings

As I am unable to attend the hearings I wish to send the following submission.

As a retired teacher of Manitoba I strongly oppose the passing of Bill 45. Points I wish to make in my submission are as follows:

- 1) My teaching career began in the 1950's when salaries were very low thus affecting my pension. A fair and improved COLA would be very beneficial.
- 2) The proposal of "up to 2/3" COLA cap is completely meaningless.
- 3) To prevent further discussion for 10 years is most unfair. New funding and a long term funding plan is essential to improve the pensions of retired teachers.
- 4) It is obvious that living costs continue to escalate, and yet our pensions remain the

same. It is a well-known fact that the COLA paid to Manitoba teachers is among the lowest in Canada.

- 5) The Sale report clearly does not address the issue and it's time the government take responsibility to protect our retired teachers.

Thank you.

Margaret D. Kaspick

* * *

To the Government of Manitoba:

I wish to register my objection to sections of Bill 45 as they affect retired teachers.

Our pension money continues to be eroded in many ways as the cost of living continues to rise every year. There are many personal hardships I encounter because of health problems. I am a diabetic and each testing strip I use (not covered by Pharmacare) costs approximately one dollar. I test at least three times a day, sometimes more. My new medication which is controlling my night time blood sugar is not covered by Pharmacare. Thus Manulife will not reimburse me for either of these medical costs.

Before this Government was elected to its first term, two teaching colleagues and I walked many miles urging voters to consider their choices carefully. Now that the Government is in its fourth term, has it become careless of the issues of some of us who helped to elect them?

There are other issues I have with the Government that do not concern me personally, but affect the very poor and the aboriginal community, but at the moment I will confine myself to the R.T.A.M and the COLA issue.

I thank you for your time.

Yours sincerely

Madeline Coopsammy

* * *

Re: Opposition to Bill 45: The Teachers' Pension Amendment Act

I am a retired teacher who worked for over 20 years in education.

Having contributed to the pension fund over many years, it is very disheartening and disappointing that we, the retired teachers, are not

being given fair treatment in terms of pension adjustment (COLA).

I hereby present the following points in opposition to Bill 45 as it stands:

- a) 48 percent is no argument to implement the Sale Report. This report had one purpose--to save the government money. It does not address major underlying problems and does not fix or improve the pensions of retired teachers.
- b) There is no provision for significant new funding nor long term funding to make the Pension Adjustment Account (PAA) self-sustaining.
- c) Maximum 2/3 COLA cap is not what we paid for. We deserve fair and just treatment.
- d) Ten years is too long for the problem to be reviewed.
- e) There is no provision for increased contributions. Obviously there is a need for the government to make a lump sum support funding.
- f) There is no adequate or equal representation on the Pension Task Force of retired teachers. What happened to democratic process and fair representation?
- g) It is very sad to see the existing generation of retired teachers being sacrificed--what happened to fair and honourable treatment?
- h) Neither Manitoba Teachers Society (MTS) or the government have been speaking for the needs, interests, and fair treatment of retired teachers. 48 percent should be sending a strong message that changes are required.

I trust and hope that you, the members of the Legislature, will have the welfare of Manitoba's retired teachers at heart when you vote on Bill 45.

Sincerely,

Alice Sklar

* * *

Re: Opposition to Bill 45: The Teachers' Pension Amendment Act

I am a retired teacher, principal and school superintendent who worked for 37 years in

education. During those years I made many personal sacrifices of time, energy, and skills to foster the growth and development of our students, staffs, and school communities.

Having contributed to the pension fund over many years, it is very disheartening and disappointing that we, the retired teachers, are not being given fair treatment in terms of pension adjustment(COLA).

I hereby present the following points in opposition to Bill 45 as it stands:

- a) 48 percent is no argument to implement the Sale Report. This report had one purpose--to save the government money. It does not address major underlying problems and does not fix or improve the pensions of retired teachers.
- b) There is no provision for significant new funding nor long term funding plan to make the Pension Adjustment Account(PAA) self-sustaining.
- c) Maximum 2/3 COLA cap. Not what we paid for. We deserve and expect fair and just treatment.
- d) Ten years is too long for the problem to be reviewed.
- e) There is no provision for increased contributions. Obviously there is a need for the government to make a lump sum support funding.
- f) There is no adequate or equal representation on the Pension Task Force of retired teachers. What happened to democratic process and fair representation?
- g) It is very sad to see the existing generation of retired teachers being sacrificed--what happened to fair and honourable treatment?
- h) Neither Manitoba Teachers Society (MTS) or the Government have been speaking for the needs, interests, and fair treatment of retired teachers. 48 percent should be sending a strong message that changes are required.

I trust and hope that you, the members of the Legislature, will have the welfare of Manitoba's retired teachers at heart when you vote on Bill 45.

Sincerely,

Edward Sklar

* * *

A CALL TO ARMS!

From time to time situations rise up before all of us in our daily activities that demand our attention, that shake us out of the quiet complacency that masquerades as routine, that shock us in the emotional responses that erupt.

For the most part, after expressing ourselves, we then return to the task of adjusting, of coping, of bearing the extra burdens, then with a sigh, of returning to the redefined reality of our lives.

The trouble is, unless we really pause to question the situation and to examine it carefully, it takes on a power to become a movement that redirects our individual lives and that of the greater community. The danger is, that without our conscientious involvement in scrutinizing the forces that interfere with our daily lives and that rise up to challenge our beliefs, we become enablers of that movement and ultimately, its victims!

There are a great number of challenges before us as private citizens and members of the larger community: poverty, the disenfranchised, the mistreatment of the elderly, the marginalization of the working poor, the unrestrained rising cost of transportation, education and health care. The list grows daily as does the opportunity to respond, meaningfully and effectively. We, as purposeful contributors to the wellness of our Canadian society do NOT have the right to remain silent on these issues. We DO have an obligation and, indeed, the DUTY to involve ourselves in dialogue to shape that action that will address the needs of all our community. We, individuals, elected and not, must represent each other when confronted with situations that scream of injustice, of corruption and undemocratic practice. Truth and honour lies within us to help us stop those who would rob us of our rights and dignity.

Consider the humble but courageous Rosa Parks, who, December 1, 1955, in Montgomery, Alabama, decided that she could no longer accept to live as if she no longer mattered, who could no longer accept to be treated as if she were less than a full human being as defined by institutional racism. Acting on her belief of her own humanity, she simply refused to yield her seat to a white man. She was tired of giving in.

You and I and all of us are called up in this time, to take up arms in the same way and for the same reason as the eloquent Rosa Parks. We struggle today, not against racism as such, although it is certainly one of the many challenges on our list, but

against something far more deadly. Our greatest struggle is against political apathy. It is simply not enough to say that we care. We must do much more than buy a Hallmark card and then go on with our lives. We must be seen to be caring, heard, and forthright in the conviction that people matter, regardless of their position in society. Our complicity in the diminishing effects of political apathy ends the moment we refuse to yield to tyranny, to self-serving legislation that tramples truth and justice for the sake of political expediency.

Those among us who are in public office must guard against that collaboration which permits political apathy to flourish. Care enough to hear the few that speak for the masses. Care enough to stand courageously, alone if necessary, in the face of powerful institutions that endeavour to maneuver you away from your elected responsibility. Love your task enough to prevent it from becoming despised by those who put you in office. It is not a disbelief in democracy that keeps voters away in growing numbers from the polls. It is discouragement in government and despair in elected officials who break the faith, who give in to political convenience and who fail to carry the flag for the people. It is that which brings about resentment towards government, disillusionment and finally apathy.

The point of this presentation is Bill 45. You have enough very capable thinkers who can and will expose the truths on the issues that confront the retired teachers of Manitoba. What you do with those truths and the real sentiments that accompany them will speak to your courage, to your level of commitment to the principles of democracy and to your moral standards. My intent is to call you to arms. Rise up and denounce the advocates of mediocrity and injustice!

Do not take the path of least resistance. You have seen members of this government attempt to compromise our freedoms and rights in Bill 37, in Bill 38 and again now in Bill 45. Stand for democracy. Defend it against fascism. Fascists depend on shutting down the public realm in order that undemocratic values cannot be challenged. Demand that government be held accountable to the people who have sacrificed greatly and who have earned the right to fair treatment in their waning years. To enact any law that would bind and gag any segment of population for 10 years is desperately wrong and reeks of totalitarianism! This is a shocking exercise of coercive power. It is time,

NOW, to step forward and proclaim, "this must end and I will tell you why!" Teachers, now retired, cared for you and have been diligent in instructing you on your democratic birth rights. They now look to you to honour their decades of selfless commitment. Speak out. Demonstrate that you, now, genuinely care!

The poet Rumi says, "If you are here unfaithfully with us, / you're causing terrible damage." Simply put, if we are unfaithful to ourselves, and to our community of truth, we do lamentable damage to ourselves, to our society, and to the great things of the world that our knowledge holds in trust. On the other hand, and I leave this with you to inspire you to take the high road, if you are here faithfully with us, you are bearing countless blessings that will manifest themselves in generations of citizens whose lives will be transformed by those who had the courage to lead, morally, ethically, and, politically.

I remain optimistic in your decision.

Sincerely,

Roméo Lemieux B.Ed. M.Ed.
Retired Teacher

* * *

To: The Legislative Committee on Bill 45:

Because of the timing of the hearings on Bill 45, I am unable to appear in person as I had hoped. Please accept my presentation as if I were there to offer it to you personally.

I am deeply concerned about the current activities undertaken by the Government of Manitoba and the Manitoba Teachers Society regarding retired teacher pensions, and the resulting proposed Bill 45. I am a recipient of a pension from TRAF and have seen my buying power significantly eroded since retiring in 2000 (approximately 10 percent so far). The COLA I expected to receive in order to buffer the effects of inflation has not been forthcoming despite our efforts over the nine-year life of your government to urge the proper funding of a fair COLA.

The Sale Report commissioned by the government made a number of recommendations we retired teachers support and several to which the great majority of us could not agree. The improvement of the Pension Adjustment Account by sharing in the interest earnings of all pension moneys is a recommendation we have promoted for a number

of years and was welcomed by our members. We also (along with MTS) supported the three-year forward averaging of interest earnings. However, we cannot agree with the proposal by Mr. Sale that includes a previously absent hard cap (2/3 of CPI) on our benefits, no guarantee of any benefits whatsoever, and a 10 year moratorium on changes.

To propose treating us the same as MGEU employees by capping us at 2/3 the cost of inflation is patently unfair, since that we teachers poured additional moneys into pension for the past 30 years to improve the cost-of-living protection while the government employees directed the additional moneys into a Long Term Disability plan. Teachers funded their own LTD plans outside the government pension system in order to protect their COLA (in vain, it seems now).

I am sure you have heard that this COLA problem for teachers has existed in all other Canadian provinces and has been addressed by virtually every government in the country except Manitoba. I spent my whole adult life hearing (and believing) that the NDP was a party that paid attention to fair benefits for workers, and was the retired worker's best bet for fair treatment. I am bitterly disappointed that you have not addressed this problem for nine years, and now have chosen public bullying tactics and a "package" approach to the recommendations of the Sale Report to force a partial and unsatisfactory solution onto this group of senior citizens. That is not what I understood to be the NDP Way.

I am also greatly disappointed that the present Executive of the Manitoba Teachers' Society has chosen to abandon the teachers who paved the way for them, and to support the short-sighted path presented in Bill 45, even to the point of spending significant sums on advertising their support prior to the sham of a plebiscite held in May of this year... a plebiscite that operated on such a short time line and using snail mail technology that effectively disenfranchised a large number of retired teachers. The conduct of this exercise was so lame and inadequate that it was an embarrassment to the MTS and the government.

I believe the proper course of action at the present time is to implement the agreed-upon parts of the report, while continuing to negotiate in good faith on the other portions. To place the 2/3 cap on our pensions and impose a ten-year moratorium on further change is not the right course of action. It is

also a disrespectful unilateral change in the agreement between teachers and their provincial government about how we would be treated in our retirement years.

Thank you.

Jim Reid, Ph. D.
School Psychologist (retired)
Co-President, VanIsles Chapter, Retired Teachers Association of Manitoba

* * *

I will not be able to attend the legislative session next week so I am sending this e-mail to express my disappointment at what the government is offering the retired teachers with Bill #45. It seems that the government is willing to sacrifice a whole generation of retired teachers who have contributed a monthly surplus to their pension plan specifically for the PAA to ensure a full COLA. What the government is offering is a ceiling of 66 percent which is not guaranteed. We would have been better off putting this money in our personal RRSP. Somehow I have to wonder about the integrity of this deal. I ask the government, specifically the minister of education to show appreciation and respect for the work done by the retired teachers and offer a fair and equitable solution to this problem.

Laurette Chabbert
Retired teacher

* * *

Re: Bill 45 / Teachers' Pensions Amendment Act,
Legislative Committee Hearings

I can not attend the hearing, but would like my submission presented to the Hearing.

I retired in 2003. For the five years before retirement and at the retirement seminars by MTS, I always asked why teachers who had retired before me for ten plus years, were complaining teachers' COLA was unstable and "going down the drain."

I phoned Brian Aldren at the time and I was always told that the MTS was on top if it and fixing the account and not to worry as it is being fixed and will be fine. Now, I hear it was not so. MTS, when I was a member, was LYING to me all the time. Nothing was actually happening, they just bamboozled me to shut me up.

I deserve my 100 percent COLA as I was promised over my 35 year career and to which I had

amply contributed from my meagre salary. Fix it!
Now!

Richard Kulbacki, Retired Teacher

* * *

I had already registered to be a speaker at the Hearings to be held on Monday, Tuesday and Wednesday of next week. However, I am unable to attend as I will be out of town .

That would , in fact, be my first statement of dissatisfaction re : this process. It would seem to me to be an extremely inappropriate time in which to hold such an important Hearing . Most people are, in fact, on vacation at this time . Perhaps the Government was counting on this fact to enable them to pass the Sale Report with minimum " hassle " from retired teachers. At any rate, the timing of this Hearing is most unfortunate as the teachers will not be able to indicate their extreme dissatisfaction with the Sale Report in person but rather must resort to email as I am doing , which is much less effective than meeting a group of very angry and upset voters face to face!

Re the specifics of the Sale Report:

1. I am totally opposed to any agreement which does not specifically state exactly what our COLA would be each year. Mr. Sale has stated that the cap would be 2/3 of COLA but that we could receive anywhere between 0 percent up to the 2/3 stated in the Report.
2. I am also opposed to receiving anything less than the 100 percent COLA which we had been promised during our working years and which, in fact, we had paid for from our earnings.
3. The clause which states that this issue must not be raised again for 10 years is both insulting and dictatorial. In simple terms it amounts to "muzzling" the retired teachers. This clause is abhorrent and is totally unacceptable.

Please be assured that should the Sale Report be accepted by this Government, my vote will most definitely be placed elsewhere in the next election and I will be very persuasive with my friends and family to do the same!

Sincerely,

Rhonda Grist

* * *

To the Standing Committee Hearings on Bill 45:

I would find it very difficult to appear before the Committee because I'm recovering from hip surgery. I am therefore submitting my presentation by email.

1. As a retired teacher I am opposed to Bill 45 because its amendments would implement the Sale Report package of COLA and the funding recommendations for COLA. This I CAN'T support.

2. The plebiscite held on this issue leaves many questions unanswered and one wonders why it had to be held in the first place. Would it not have been much better to begin a discussion with retired teachers to work things out. I got hold of my ballot too late to vote. My vote is NO! Why such a great hurry to push this through, instead of careful deliberation and planning for the future?

3. We want solution of the COLA question that is fair to retired teachers!

4. We were repeatedly assured that we would get COLA while we were still teaching. It is documented in official minutes that we were paying for COLA. If we paid then constitutes a contract. Now we want the government to live up to this agreement.

5. Is this government going to sacrifice a whole generation of retired teachers on the alter of political expediency? I was born in this province and have worked only in Manitoba. I have paid my dues and my taxes faithfully, but now I am told, not in so many words, that the government doesn't look after the welfare of some of its citizens, including me. My pension is my major source of income, and as COLA erodes my income every month and every year it becomes more and more difficult. At this rate I my have to sell my house because this decreasing level of income makes it more and more difficult to sustain even my modest residence.

6. Please, let's find a proper long-term funding solution for COLA and a proper plan to implement the same. The government needs to put money into this solution!

Respectfully, David P. Giesbrecht

* * *

Presentation to the Standing Committee Hearings on Bill 45

I support RTAM's position on Bill 45. Bill 45 does not address my concerns regarding a long term

funding plan for the Cost of Living Allowance. Retired teachers are not being treated in a fair and equitable manner. We need to resume discussions so that a plan for long term funding can be crafted. The government is always establishing funding priorities. Retired teachers must become a priority. A lump sum payment would help to make up for previous governments' failure to set aside funding to provide an adequate COLA for its teachers. The 10 year deal proposed in Bill 45 does not reassure me that a long term funding plan is in the works.

The hastily assembled plebiscite planning group did not invite RTAM (which represents many of the teachers most impacted by the Sale Report) to participate in the plebiscite development process. The slim majority who voted in favour does not give the government the moral authority to proceed with Tim Sale's recommendations. There were several concerns raised by RTAM members regarding the plebiscite process. One issue that raised a red flag for me was that fact that MTS had ample funds collected from their members to spend on urging active and retired teachers to support the Sale Report while RTAM's limited funds did not permit their views to be brought everyone's attention. Why, I wonder, is MTS so supportive of a government bill which will cause a generation of retired teachers to have a lower standard of living?

I was a member of MTS all my teaching career. I held various positions on the executive of the Interlake Teachers' Association including the office of president. I volunteered my time because I believed that MTS was working for the betterment of both active and retired teachers. Now I am sadly disillusioned. Many of my retired teacher friends ask me why MTS and RTAM are not working together on the COLA issue. Unfortunately I have to tell them that it seems that MTS is excluding RTAM from the process and the government also does not always include RTAM.

Speaking to all MLAs, I reiterate that the views of retired teachers must be given the highest priority. We contributed to our pension plan our all working lives. We trusted that our pension would keep its value as the cost of living went up. Now we are beginning to realize that the proposals in Bill 45 would sacrifice our generations' right to an adequate COLA. The money that should have been earning interest to fund our COLA was spent in other ways. You can correct this injustice. DO NOT VOTE FOR Bill 45.

Remember the old saying—If you can read this, thank a teacher.

Submitted by Maureen Recksiedler

* * *

Premier Gary Doer,
Manitoba Legislative Building,
450 Broadway
Winnipeg, Manitoba
R3C 0V8

I am a retired teacher of the Portage la Prairie School Division. I have taught in many school divisions in Manitoba and have been retired since 1997 with a total of 33.5 years of experience.

Over the last eleven years that I have been retired I have not received more than 6.1 percent COLA (not quite 1 percent per year). As you can see, this does not meet our requirements for the purchasing power to pay for the commodities that are necessary.

I have inquired to some of the business firms that provide some of these necessary commodities for us all and they are as follows for the past ten years. Here are how some have risen.

- 1) Manitoba Hydro- 33 percent over 10 years or 3.3 percent per year, and with a 5 percent proposed increase this fall.
- 2) Central Gas-40 percent over 10 years or 4 percent per year and a proposed 30 percent increase this fall.
- 3) City of Portage la Prairie (water rates) 31 percent over 10 years or 3.1 percent per year.
- 4) Transportation- Shuttle bus-43 percent to 100 percent in one year.
- 5) Gas, Food, Household Supplies, Medication-3 to 4 percent per year
- 6) Manitoba Telephone System-39 percent over 10 years or 3.9 percent per year.
- 7) Property Tax- Education taxes take the greatest portion.

These commodities that we all use would amount to a 20 percent increase approximately on one year. When you compare our 1 percent increase in COLA it is utterly unacceptable and we are growing behind in purchasing power with every year that passes by.

When we were active in the teaching force, or profession, we supported the income of retired teachers and were very proud to do so and also contributed to our pension plans at the same time.

Therefore, I definitely oppose the implementation of the Sale Report that outlines on our pension reform to put a two thirds cap on our cost of living adjustment. We don't want a quick fix but we do want the amount we are entitled to receive, which should be a fair offer and remain at 100 percent COLA.

Please give my request serious consideration because we deserve it and the future teachers will deserve it also.

Yours truly,

(Mrs.) Asa L. Reid

* * *

My name is Theresa Chartrand. I was looking forward to being present here tonight in Room 255, but unfortunately I ended up in the hospital on the weekend; so I was forced to send my submission via e-mail.

For many years I was a hard working and conscientious teacher. I did my utmost to help all my students. I, like all retired teachers, paid tens of thousands of dollars for inflation protection-16.6 percent went to pay for COLA! SO---WHERE'S OUR COLA? WHAT'S THE PROBLEM? We all know what it is! The existing generation of retired teachers are being asked to bear the brunt of the inadequate funding since 1977! And now the COLA problem is of course more costly to fix.

I am totally disgusted with the behaviour of the NDP! First for the way the vote was held-rushed and completely unfair. And secondly, for the Government's decision, on the basis of a 52 percent yes vote, to hurry and legislate the Sale Recommendations.

What a bunch of BULLIES you are. SHAME on you!! But it is not too late to follow the proper and just course. All we want is a fair and reasonable solution for all retired teachers.

WE WANT OUR COLA cause we paid for it!! Please give us what is ours. Thank you kindly for listening to my pleas.

Theresa Chartrand

* * *

I am unable to attend in person to express my concerns regarding the Sale report and the effect that it will have upon retired educators of Manitoba.

Residing in rural Manitoba, scheduled time of presentations and the obvious expense of travel prevent me from appearing in person.

During the years of active teaching I along with all other educators in Manitoba financially supported a 100 percent COLA clause. This was done to insure that when retirement was at hand retired educators would have a somewhat secured future that would not be eroded by cost of living increases. Why is it that previously a 100 percent COLA allowances was received by retired teachers, money that they paid in to ensure this benefit, is now going to change? Should individuals who have forwarded funds to maintain the COLA benefit not be entitled to continue to receive this benefit ?

I question the Plebiscite that was forwarded to all current teachers and retired teachers. Not allowing for retired teachers who reside outside of Manitoba sufficient time to respond and return their vote is unacceptable. Was this done to sway the voting process? Perhaps the results may well have been different if all stakeholders voices would have been heard, or if the Plebiscite would have been more democratic. The involvement of current teachers voting on this makes no sense especially when they were strongly encouraged by MTS to vote Yes, a democratic process, I think not. MTS does not speak for RTAM and unfortunately nor is the Government speaking on behalf of the interests of retired teachers at the present time. I feel that the Government is morally responsible to protect and insure that educators receive what they have paid for. I as well as other retired educators are not asking for anything above and beyond what we are entitled to receive.

I also question having Mr. Sale being appointed by the current Government. Having Mr. Sale a former NDP Cabinet Minister report to the current NDP Government seems very biased. Perhaps in hindsight the current Government could have appointed an independent chair in regards to this matter. Why was there no representation by RTAM on the Pension Task Force ? Was the sole purpose of this report to save the Government money as it certainly does not address the underlying problems, fix or provide what is rightly entitled by retired teachers.

I strongly oppose the passing of Bill 45 as there is no provisions for any new significant funding nor a long term funding plan to make the Pension Adjustment Account (PAA) self sustaining. The main problem of funding the Pensions Adjustment Account has not been addressed by the Sale report. The PAA does not have the capability to guarantee a 66 percent COLA as suggested by the report. Retired teachers provided funds for a 100 percent COLA not a Maximum too 2/3 of a COLA cap. Retired teachers were promised, previously received and should continue to receive a 100 percent COLA. The Plebiscite results of 48 percent is not an overwhelming endorsement to implement the Sales report.

There are a number of problems that need to be addressed immediately. I encourage all those involved to consider the merit of all presentations opposed to Bill 45.

Thank you for allowing me to express my concerns regarding Bill 45

Phil Shaman

* * *

To Rick Yarish, the Clerk of Committees, to the Government Committee members, and to all MLA's:

I, Clair Davies, registered as a speaker in opposition to Bill 45, but find that I am unable to attend in person.

I taught at CFB Shilo for 28 years, but find that my pension is not sufficient and I need to work even now when I am in my late sixties.

This email is to advise the Legislative Hearing Committee that I fully support RTAM in its opposition to Bill 45.

As teachers we paid for a full COLA and I feel strongly that we are being treated unfairly by the Sale Report and Bill 45.

MLA's receive 100 percent COLA, and I am not aware that they had to pay for that.

I also wish to express serious concern regarding the plebiscite which was sent out to retirees in May and which arrived in our mail leaving only 3 business days for my ballot, marked "No", to reach Winnipeg. There is no way of knowing how many "No" ballots were not counted due to the short time frame. Rushing the plebiscite vote is another example of unfairness.

It is to be hoped that the MLA's will consider the plight of retired educators.

I have not gone into all the details and concerns, but am sure that you will have heard them over and over.

Please treat the retired teachers of Manitoba fairly in your deliberations and decisions.

Sincerely,

Clair Davies

* * *

I did register as a speaker but unfortunately I am unable to present my concerns in person.

I, Valerie Davies, fully support RTAM in its opposition to Bill 45. In good conscience, how can MLA's unfairly treat teachers who spent their careers educating the young people of Manitoba? Many MLA's must have been taught by teachers now retired, who are living below the poverty line. My husband and I moved to BC to care for aging parents. Our teachers' pensions are not keeping up with rising costs. The 100 percent COLA for which we paid, should be approved by the MLA's. If I were at the committee hearing in person, I would ask you to raise your hand if you receive a 100 percent COLA and were educated by Manitoba teachers.

A year ago I helped form a chapter of 126 retired educators living on Vancouver Island and surrounding islands. In the past year two of our members have died and many are in their eighties and nineties and are unable to keep up with rising costs and with health care costs. It does not seem fair that MLA's receive 100 percent COLA, but retired teachers who spent many years in their positions are not given the same consideration.

The plebiscite material that was mailed arrived here in BC leaving most of us about 3-4 business days to have the ballot in Winnipeg by the deadline. There must have been many retirees who were disenfranchised by such a rushed time frame.

I implore you to be fair in your deliberations and do your homework and research into the funding of teachers' pensions.

Sincerely,

Valerie Davies, co-president of VanIsles Chapter of RTAM

* * *

Please accept this submission to the committee and thank you for accepting e-mail submissions as this saves me from having to drive from Minnedosa to Winnipeg to make a presentation.

First, let me say that the Retired Teachers' Association Of Manitoba does NOT represent me, nor does it represent many teachers. I realize they will probably have a significant presence at your committee hearings, but keep in mind that they do NOT represent all retired teachers by any means.

I am in favour of the proposed changes to the regulations governing our COLA adjustments. I think it is a fair and equitable compromise. I hope, since a majority of teachers voted for it in the recent plebiscite, that the new regulations are adopted.

Thank you for allowing me to express my opinion on this important matter.

Your truly,

Albert E. Parsons
Retired Teacher

* * *

Members of the Hearing re Bill 45

Since I have a previous commitment, I am sending my presentation via email.

I started teaching in a one-room rural school after one year of Normal School.

After three years, I returned to classes myself for a year and returned to teaching Business Education in Swan River Collegiate. I later taught Business Education in Neepawa Area Collegiate until I retired.

During all my teaching career, I had deductions taken from my pay cheque for MTS fees and pension contributions. I felt, especially in my early years of teaching, that I could ill afford these deductions. I was always assured by MTS Association members that I must contribute as MTS "looked after our pensions". I must admit that, in my 20's, I was not much interested in pensions.

I eventually became an active member of the local MTS executive, and again, was always assured that those people in the MTS building were looking out for the welfare of teachers, especially their pensions.

Contributions rates continued to increase, a lovely, award winning building was built, with my generations of teachers' money. My husband and I made retirement plans, including my teaching

pension. Never once did it enter my mind that my pension would be much the same in figures today as it was when I retired. These figures do not buy as much today.

Our financial plans are not working out. Electricity is going up 5 percent, natural gas is going up by 30 percent, who knows what car gas will end up at, groceries all cost more, and so on.

All MLAs, including the Premier, have a fully indexed pension plan.

Why can not retired teachers have their plan fully indexed as well? Are we not as good as MLAs? Was our teaching career of so little value to the province and its students?

The Report by Tim Sales suggests that his Report be accepted and that no further action be taken for TEN years. This is not acceptable.

I do hope that all the presentations being made at this hearing are actually being heard!

Doreen Sage, Retired Teacher

* * *

RE: OPPOSITION TO BILL 45: THE TEACHERS' PENSION AMENDMENT ACT

As President of the Swan Valley Retired Teachers Association I would like to express our concerns about the possibility of Bill 45 being legislated into law. Thank you for allowing me to express our concerns. Many of our teachers in the Valley have been retired for well over ten years and are living on the fixed income of their pensions. A number of them are facing real economic hardships as their primary pension (Teachers Pension) is eroding each year. The proposed Bill 45 will only add to the hardships already being experienced. Most of us don't pretend to know all the details about the Bill, but we have grave concerns what it will mean for our economic well being.

According to the Sale report, we will continue to have no guarantees that the cost of living index will ever reach two-thirds COLA even though we were led to believe it would be up to 100 percent (legislation in 1977) during our teaching careers. We paid into the fund that would see us getting an annual increase up to 100 percent. Therefore, a bill that won't even guarantee us a two-thirds COLA is extremely unjust and continues to show a lack of respect for a group that has served the province faithfully for so many years. We feel betrayed.

The Bill does not address the problem of an extremely under-funded COLA account. Until a structure is set up whereby funds are infused into the depleted account, it is highly unlikely the “up to two-thirds” will ever become a reality. We are afraid once the Bill is passed it will continue to be a minor issue for legislators over the next ten years while our retirees become even further marginalized. Surely the Government can understand that this Bill does not address the needs of the very people who faithfully paid their share into a fund that was going to offer a 100 percent COLA.

Speaking personally, I have been retired for five years and can already quite noticeably see a change in my purchasing power. I would have loved to present this brief in person, however the travel costs for a 1000 kilometre has become prohibitive. With rising costs in fuel prices, groceries, insurance premiums and housing costs, it is becoming more difficult to make ends meet. Having suffered serious vision challenges during the past three years, things like medical trips and the expenses associated with these have become a real hardship.

Living 500 kilometres from specialists presents difficulties, but moving closer to a major centre is not an option. With no guarantee of receiving even a two-thirds COLA through this legislation makes the next ten years seem even bleaker. As stated earlier, it also leaves me confused that the government I trusted and voted for all my life would even consider this type of legislation.

Therefore, our Association opposes this Bill for the following reasons:

1. A two-thirds COLA is not guaranteed. It could be as little as 0 percent. We realize a 100 percent COLA may seem difficult presently, but no guarantee is not an option. Achievement of even two-thirds is entirely speculative, dependent on low inflation and very high investment rates (both don't look promising right now).

2. The Government would like to equate our pension to that of the civil servants, however we have paid at least 60 percent more for COLA and therefore the retirees' COLA should reflect that. What has happened to the money we put into this account during our teaching years?

3. There is no assurance that a significant infusion of funds will be made into the COLA account and therefore the Bill is unfair and

unbalanced for retirees. It simply means a benefit reduction – which we reject.

4. A ten-year deal is far too long for retirees because it means there is no opportunity and no plan to solve the COLA funding problems. This really sacrifices the current generation of retirees.

5. Where is the plan for a long-term fix in building up the reserve account? We recognize this problem should have been addressed at least twenty years ago, however, passing this Bill further delays any long-term solutions. The Bill does not give us any specific process in which the problem can be resolved.

We feel betrayed by a government we thought was a strong advocate for teachers. Many of us have, over the years, looked at the NDP Government as one that would protect and promote the interests of its loyal and dedicated supporters. Many of us worked actively to support the re-election of this government. We appreciate this Government's attempt at addressing the dilemma since it already existed well before it took office, but surely this is not the way to solve the problem! A “quick fix” may seem appealing now, but will remain a problem for present and future retiree's during the next ten years.

We feel disillusioned that the retired teachers of Manitoba were not allowed to be a vital part of the deliberations leading up to the plebiscite this spring. It all appears as though a hasty decision was made regardless what suggestions might have been made by the retired teachers. Choosing to ignore us in the process seems most frustrating to us.

Therefore, I would plead on behalf of the retired teachers I represent as well as a score of active teachers, please do not legislate Bill 45 into law until long-term solutions to the COLA problem can be addressed and will have the best interest of retirees and future retirees at its core.

Respectfully submitted by,

Jake Warkentin

To: Members of the Legislative Assembly

Re: Bill 45 and Teachers' COLA

My name is Lorraine Shirley Romanetz and I am a retired teacher. I contributed to the education of children in Manitoba for thirty-seven years, received a comfortable salary, and paid a generous amount into my pension fund, of which 16.6 percent went

towards funding a decent COLA. I had no reason to expect any financial concerns upon retirement.

However, since retiring in 2002, six years ago, I discover that my comfortable retirement is in question. The paltry pension adjustments I've seen hardly buys a new pair of shoes. 2008 inflation promises increased concerns over the diminished value of my pension dollars. What about ten years from now? Did I pay for COLA? Did I pay for a fair COLA? It appears that I did! Why then should I settle for less? The amendment to Bill 45 asks us to make concessions. Politicians can vote themselves increased salaries, government employees seem to automatically receive fair COLAs, our tax money is readily available for endless causes, but we, retired teachers, seem to need to unnecessarily fight for what should be a given.

Retired teachers do not have official representation on the Pension Task Force. Who is better qualified to make decisions about our money? Equal participation in the decision making would be most reasonable.

My voice is obviously not a solitary one on this issue. The retired teachers have been fighting for a fair settlement for some years now, but we are not prepared to settle. Hopefully today our voices are heard loud and clear, and you elected members understand what clearly needs to be done.

Thank you for your attention.

Lorraine Shirley Romanetz

* * *

I am on the list of presenters but I am unable to make a presentation to the Pension committee in person, but would like the following letter to be presented.

I am writing to express my disappointment and concern with the lack of pension changes in the Sale Report to include a full COLA for retired teachers. I have taught for over 35 years and just recently retired. At the time of my retirement I made decisions based on the fact that a full COLA would be included in my future income. We have paid for a full COLA, some have received it, and I feel that we deserve to get it-not up to a 2/3 COLA cap. At the current rate of inflation my buying power is already rapidly declining. If this continues for the next 10 years before the problem is reviewed I will be in serious trouble! The Sale Report may save the

government money, but the changes do not fix or improve the pensions of retired teachers who have served the province well for many, many years. I feel that the government has a moral responsibility to protect these seniors who have served the children of our province well for a great many years. You, as the government, make the laws and are capable of helping to fix this problem.

Sincerely,

Ellen Walker

* * *

Bill 45

As a member of the Retired Teachers Association of Manitoba, I am writing to express my opposition to Bill 45.

I taught for 21 years in England before coming to Manitoba. My pension was held by the Teachers' Pension Fund and was indexed 100 percent to the cost of living until I retired.

I had registered my name to make a presentation to your committee and I would be here in person to make this presentation but have had a trip to Newfoundland planned for months and learned of the presentation dates just last Friday (18th July).

I have taught in Manitoba for fourteen years in a number of school divisions, spending a considerable amount of time helping students with academic difficulties, allowing them success rather than pushing them towards failure and the streets.

I have just participated in two graduation anniversary celebrations having been invited by students I taught many years ago. It was very gratifying to receive their appreciation for my efforts.

I am, therefore, angry and appalled by the government's attitude towards the issue of COLA for retired teachers.

At the last two elections I voted for the NDP as I believed it held sacred the tenet of fairness to working people.

I am even more disgusted by the betrayal of the Manitoba Teachers' Society in siding with the government against the interests of its own former members.

I therefore wish to formally register my strong opposition to Bill 45.

Yours truly,

John Quayle B.A., Dip. Ed., P.G.C.E.

* * *

To members of the Legislative Review Committee for Bill 45:

Thank you for the opportunity to present a few comments with regard to the proposed Bill 45. I would have much preferred to speak to you in person, but that is impossible at this time.

I would urge that Bill 45 be amended to remove the restriction on the amount of COLA payable to retired teachers and to restore the earlier agreements between teachers and governments with respect to COLA.

I am a retired teacher who spent thirty-six of my adult years dedicated to delivering quality education on behalf of the Province of Manitoba, nineteen of them as a School Superintendent. During the seventies, I was on the Executive and a Pensions Review Committee of the Manitoba Teachers Society. I remember spending many hours reviewing pension matters including actuaries' recommendations, the amount to be deducted from our salaries, and making changes so that teachers would receive adequate pensions on retirement.

Others have written of the advice given by George Strang. I remember the clarity and depth of his knowledge on pension issues. I wish he could be here to remind us of the details of earlier agreements and to correct the misinformation that is being treated as truth in the current discussions. I believe it is incumbent upon members of this committee, and on all MLA'S, to review all documentation that is available from those times in order to make a decision that is fair and fully informed on the matters addressed in Bill 45. Any legislation considered should honour the earlier agreements that were made openly between employer (Government) and employee (Teachers). Bill 45, as presented, does not honour those agreements.

Over the years I have had my salary deducted each month by an amount that was higher than my civil servant colleagues but was judged to be adequate to provide the pension teachers had negotiated with government. Each month my salary was also deducted separately to pay for disability and survivor benefits. I was quite content

to pay the higher deductions for pension contributions and the separate disability plan premiums because I believed I was providing protection for my family while working, and a pension with full cost of living protection for myself in retirement. Why is it that teachers have been required to contribute to our pensions at a level higher than others but now receive a COLA that is lower than theirs?

We are in a period of prosperity as a country. We have seen growth in investments that are greater than CPI. Unfortunately the pension funds that provide our COLA missed the benefit of this growth because of restrictive investment regulations, and the way in which government contributed its share of pension costs. At the same time we have seen the buying power of teacher pensions eroded by inflation with little offsetting cost of living allowance. It seems unreasonable and out of character for Manitoba that the cost of living allowance paid to teachers would be among the lowest in Canada given the current conditions. Once again it needs to be said that the provisions of Bill 45 are unfair and need to be reconsidered.

We have not always had the current prosperity. I recall the years of large government debts and high interest rates. Teachers and others were asked to cooperate with government in reducing its debt. For teachers this meant accepting large classes, limited teaching resources, and reduced salary increases which in turn results in reduced pensions (dare I mention Filmon Fridays?) It was also during those years that we developed early retirement plans, not just for the benefit of teachers, but to reduce salary costs. Though never mentioned, the restrictions of those times probably contributed to the weaknesses in our pension plan not being corrected earlier. I am thinking specifically of the unfunded liability which government carried during those years and the effect that has had on funds available for teacher pensions in Manitoba as compared to other provinces. Teachers accepted the limitations of the tight financial times. Perhaps they should also share the current prosperity through improved COLA.

It is with frustration and great disappointment in our Government that I view the changes proposed in Bill 45. I have believed that our current Government represented the party that was dedicated to fairness for workers. It is also the party that implemented the current pension plan structure in the 1970's. I wonder, therefore, why it has taken this government

nine years to address the changes to the pension plan that many knew were needed. I am appalled that the only proposed solution would be the reduction to a benefit that was planned for and agreed to by a previous Government particularly when, because of low inflation, that benefit will cost even less than was envisioned when it was implemented. We are told by those who know far more than I about pensions and investments, that there are solutions available that would honour the agreement for a full COLA rather than providing an empty promise of UP TO, which in fact could be ZERO. These solutions need to be given due consideration through continuing negotiations. Bill 45 would prematurely preclude such negotiations.

In the interest of FAIRNESS to retired teachers and INTEGRITY for the current government, I would urge that Bill 45 be amended to remove the limitations on the COLA payable to retired teachers, and that discussions resume.

Respectfully submitted

Dennis Wrightson

* * *

To Members of the Legislative Review Committee on Bill 45

Thank you for the opportunity to comment on the issue of pensions for retired teachers.

The problems surrounding the cost of living allowance for retired Manitoba teachers have been debated repeatedly, but the recent handling of the Sale Report, and the plebiscite organized by MTS and the present government, have for me, distilled the issue into one of trust versus betrayal.

I began my teaching career in 1965, and have always felt fortunate to have had work that I loved to do. I look back at the intervening years with a great deal of pride in, and gratitude for the work that so many teachers in different organizations have done to improve education in Manitoba schools. Fortunately, some of these people were far-sighted enough to be concerned about the future of aging teachers, and a great deal of work was done in the 1970's by both government and teachers to ensure that retired teachers would receive a fair and reasonable pension. That pension agreement is something for which I have always been both proud and thankful.

The history of the agreement is in the documents. Somewhere in the past forty years, the

intent of that agreement has been ignored and twisted. It is now long past the time for blame and recrimination. The practical view of the matter is that a process has broken down, and it needs to be fixed. The only way the process can be fixed while maintaining my trust is in continuing negotiations amongst reasonable people. It cannot be done with biased reports that must be accepted "as a package" when part of that package offers to perhaps pay a COLA of up to two-thirds of CPI, and then to put the issue to bed for the next ten years. In ten years many of us will be dead, and many others will be trying desperately to find some dignity with which to live their final years. The process cannot be fixed with a plebiscite which was hastily planned by government and MTS, which has a result of a 52 percent for acceptance, 48 percent against acceptance of the Sale report, and which had such a rapid turn-around time that many voters could not get their ballots returned in time to be counted. Contrary to claims by government and MTS spokes-people, such a result does not constitute a very "clear message".

I am an active member of the Retired Teachers' Association of Manitoba, an organization which you know, is growing rapidly, and which should have considerable input into ongoing discussions. I have contributed 28 years to education in Manitoba. I have experience in living and thinking. Perhaps it is naïve to feel that my opinion still counts. Perhaps it is naïve to maintain the trust that I had in both the MTS and the Manitoba government. Such trust is betrayed by a forced agreement to a report, and by a plebiscite organized without in-put from RTAM, and imposed so quickly that many prospective voters did not even have time to mail in their votes. Such tactics add only to the pervasive cynicism felt by much of the public toward political organizations at a time when trust is desperately needed.

Bill 45 needs to be reconsidered. There has been agreement among all parties on some of the issues. Surely a little more work and time would allow reasonable people to find reasonable solutions which will abide by the original intent of the agreement between teachers and government in the 1970's, and which will allow retired citizens, many of whom are still making huge contributions to our society, to live with some guarantee of security for their futures.

Respectfully submitted

Leslie Wrightson

* * *

Submission re: Bill 45

We are unable to attend the hearings, but we thank you for the opportunity to make our presentation in letter form.

We are two newly retired teachers, working in Manitoba schools for well more than 50 years when our careers are combined. As we considered retirement last spring, we were amazed by the number of people who expressed concern about our financial well-being, wondering if our pensions were sufficient to enable us to live comfortably.

It appears that Bill 45 threatens our future financial security because it promises virtually nothing in terms of a fair cost of living allowance. A maximum 2/3 COLA really means anything from 0 percent to 67 percent with no guarantee whatsoever. A ten year deal means that there will be no opportunity to continue to work on a long term funding plan to solve the present COLA funding difficulties. This may not bother younger teachers right now because they do not feel immediately affected, but for us as well as older retirees, there is little promise in Bill 45. The next ten years of our retirement should be our most active and therefore, our most financially demanding.

We are disappointed with the NDP government, the one political party we have faithfully supported in our voting lifetimes. We have always believed the New Democrats to be fair and socially responsible. We now wonder at their motives in considering legislation to keep former teachers unfairly funded in terms of the cost of living allowance.

We hope the government will reconsider the terms of Bill 45 and work with the Retired Teachers' Association to create a fairer plan for our COLA.

Sincerely,

Norma and Robert Somers
Birnie Manitoba

* * *

BILL 45

I oppose Bill 45. RTAM does not support the Sale Report.

My mom, who is 86 years old and a teacher, voted "yes" to Bill 45. She did not understand all the details of this Bill. She had heard advertising on a radio station about Bill 45 and she based her "Yes"

answer on this information. Unfortunately for her and others in her age category, the limitation in the percentage increase in CPI (2/3 CPI), which would be in place for ten years is of great consequence to her. Retired teachers of this age, teachers who are ill and all retired teachers need their money NOW.

Active teachers who plan to retire in ten years would be more than willing to receive the current provision of 100 percent CPI COLA on an affordability basis. My group of retired teachers will have to wait ten years before we receive a provision of 100 percent CPI COLA based an affordability basis if Bill 45 is introduced.

With the cost of gas increasing and other items on the increase in price, we need a fair and equitable resolution to the COLA problem NOW. I oppose Bill 45.

Marlene Frayer

* * *

Thank you for taking the time to read this.

I am sure by now you have read more disparagement concerning the Sale Report and the fiasco over the plebiscite.

My objective here is to induce you to consider other avenues.

In the 70's this pension problem was with us; there were those in negotiations concerned not only for Active teacher packages but concern was there for Permit teachers, Lab people, Librarians, Custodial staff and even Administrators. The reason was simple: larger numbers could mean better contributions to a pension scheme and the concept of a cost of living could keep the pension in a stable condition over the years.

There is no one at fault for the errors made then or even later in the 80's when Actuaries were using probability extrapolations that now, are out-of-date. Simply, Seniors are living longer.

We require a new plan for present and future pensions. To address this is URGENT and requires a skilled group of professionals who can study the problem and come up with workable solutions. The list of tasks should be formulated by the same group of professionals and positive thinking individuals. (One of the mistakes, I suspect, was that the tasks was formed by the committee for Mr Sale).

It is also time that Retired Teacher(s) were on the committee.

Due to the COLA problem there are many retired educators living on a very low income. unless something is done to correct this many Active

Teachers will soon be suffering the same fate.

Respectfully,

W.S. Gallinger.

* * *

I live in Dauphin, Manitoba, and retired from active teaching in June 2006 with 35 years of full-time pensionable service. I am a member of RTAM and the Dauphin Area Retired Teachers' Association. Family commitments in Alberta make it impossible for me to attend the July legislative committee hearings.

For many years the Manitoba Teachers' Society warned me that there was a serious problem with the COLA portion of the pension act that required a long-term solution. I paid attention and so I did not retire with the expectation of a full yearly COLA adjustment. For now, I consider my pension as adequate. Without a fair COLA adjustment and over time my pension will not continue to be adequate.

Most unfortunately, the controversy concerning the Sale report, spring plebiscite and proposed pension act changes has created untold mistrust and divisiveness between active and retired teachers which I find unconscionable.

Firstly, I applaud this government for addressing the teacher pension issue and the unfunded liability problem as previous governments have failed to do so.

However, plebiscite results of 52 percent versus 48 percent are far from overwhelming and to act so hastily on such a slim majority is, in my view, absolutely not sound decision making on the part of the government. Why the big rush? I feel that appointing a skilled mediator to review the positions of both the Manitoba Teachers' Society and RTAM to mediate a more mutually acceptable long-term resolution would be a far more acceptable process to ensure a fair and equitable COLA provision for which Manitoba's retired teachers have paid.

Thanking you for your attention to this matter.

Rosalie Bornn

* * *

As I am not able to be in attendance at the legislative committee hearings regarding the above concern, I would like to submit the following statement in lieu of a personal presentation.

I am a retired school social worker formerly employed by the Child Guidance Clinic of Winnipeg and am a member of the Retired Teachers' Association of Manitoba. I retired in June 1999 and since that time, I have received only minimal COLA increases. I have been advised that, at the present time, my pension dollar is worth 89.2 cents.

With the skyrocketing cost of almost everything over the past few years. it has become extremely difficult, as a single person, to make ends meet financially. Specifically, I was forced to begin collecting Canada Pension Plan benefits much sooner than I had planned to because I was not able to exist on my employment pension. Unfortunately, this resulted in my having to pay much more income tax, so I am still unable to meet my monthly expenses on the income that I have.

While I know that receiving a full COLA will not eliminate all of my concerns, given the state of the economy, it certainly would help a great deal to ease some of the financial pressures and make life easier in my so-called "golden years".

Thank you for the time you are taking to acknowledge my concerns.

Ms. Larice Sych, B.A., M.S.W.

* * *

Subject: B ill 45 A personal viewpoint to considered by Legislative Committee

I am a retired teacher and welcome this opportunity to have the COLA issues studied and hopefully resolved for current retirees as well as for future recipients currently in the teaching force.

To state that the payments presently are inadequate would be a major understatement!

To state that this problem has not been addressed for the past 19 years would be quite accurate.

To treat the retired teachers with a COLA equal with civil servants would be an injustice. Why?

It is true that teacher's currently and have always paid more than civil servants in order to provide for a higher indexing contribution for a higher COLA than the civil servants were entitled to. Why are current teacher's paying 16.6 percent of their contributions

and civil servants pay only 10.2 percent towards COLA and yet teacher's are expected to receive the same COLA as civil servants?

How many committee member's would be happy with this?

The original DEAL set up in 1977 was for a fair COLA to pay an annual

COLA of 5-6 percent and to be properly funded to be able to meet these goals.

Actuarial warnings are on record since 1987 indicating that the funding needed a review. We are now getting around to do some serious reviewing in 2008! This tells me that there this review has to be done in a fair and equitable manner and not to mix up the COLA with the regular civil servants who had a different funding set up and opted for other benefits as a trade-off.

It is unfortunate Manitoba's Teachers are at the bottom of the pack compared to other province's. I invite the committee to check the statistics on this.

The Provincial Government is responsible to contribute it's share as a partner in the whole pension setup. To date the government 'no matter what the stripe, has only kicked in dollars on an emergency situation. There is a need for a designated fund which needs to be contributed to an annual basis and thereby able not only to pay the fair share but to have funds ready to meet any commitments.

We cannot afford to be accept a poor plan which can then only than can be reviewed after another ten years when very few survivors living in the poorhouse may be available.

In my own case ,my wife and I can state that the lack of any fair COLA has impacted on our lives in a negative manner and we can only wish that this Committee can impact on the lives of everyone affected in a fair and positive manner.

Respectfully,

Roland Otto

Serving as a proud and loyal teacher for 40 years.

* * *

I am submitting my presentation respecting my opposition to Bill 45 in writing, although I was assigned speaker No. 236. As I am handicapped, I feel that I will not be able to speak personally, considering the presentation process.

My teaching career came to an abrupt end due to a car accident in which I was not at fault. The consequences from the accident are having a very negative impact on my retirement income, and together with the increasingly dismal position of retired teachers' pension income, I personally find myself in a financial situation which is causing me much anxiety.

I wish to add my concern to those of all current retired teachers, and I support RTAM's position in that I want a fair and equitable resolution of the COLA problem. I feel that a long-term funding plan is needed. Bill 45 has 14 amendments and only two amendments implement COLA and COLA funding recommendations in the Sale report. Retired teachers paid for COLA and a generation of retired teachers is being sacrificed. Our concern is that COLA is still underfunded. More significant funding measures, lump-sum funding, and/or a long-term funding plan are needed.

Without a guarantee or significant funding measures, the existing generation of retired teachers are being asked to bear the brunt of the inadequate funding since 1977; the inattention for 20 years that has caused the COLA problem to be more costly to fix; the inaction of the Manitoba government, the Manitoba Teachers' Society, and now the inadequate funding recommendations of the Sale package and their implementation of Bill 45.

Why are current retired teachers, government retired employees, singled out to receive unfair pension consideration?

Respecting the plebiscite, the voting result created a slim difference, i.e., active versus retired teachers (15,000 versus 11,000), 52 percent for and 48 percent against (497 ballots), and that slim difference needs to be respected. In any voting procedure of this kind, there will always be a disproportionate number of active versus retired teachers which has to be considered. The time line allowed for voting was too short in this instance. I was out of town to attend a family funeral.

In summary, I ask for a fair and equitable pension funding solution for the current generation of retired teachers.

Ingrid Humphries

* * *

I feel Bill 45 is unfair to retired teachers. We paid for 100 percent COLA. We do not get that and

no adequate or equal representation on the Pension Task Force as retired teachers.

We, as existing retired teachers, we feel we have been short-changed. This problem has existed for over 20 years. No significant new funding nor a long-term funding to make the Pension Adjustment Account self-sustaining. May the present-day teachers be fully aware of this, so when they retire they will get the full 100 percent.

Doris Winona Griffiths

* * *

I am opposed to the Tim Sale report.

My COLA in 2007 wouldn't pay for a cup of coffee and a muffin. Is that fair?

The government makes the laws and they should be willing to see that retired teachers receive a decent COLA.

I think we wasted government money to pay for the recent plebiscite.

Dorothy Kilburn

* * *

Back in 1977, COLA was introduced and was designed to offset inflation, and, as things look now, it has become a joke.

I think it is very sad that we taught all those years and considered MTS an organization that worked in our best interest and was there for support and protection, and the minute we retire, they are our enemy and actually work against us. They certainly do not speak in the interest of retired teachers. They are quite willing to represent the retired teachers but certainly do not do so with retired teachers' interests at the forefront.

The recent plebiscite was a bit of a joke. MTS was pushing very hard to get all active teachers to vote yes. They organized emergency staff meetings and active teachers were given an Internet presentation and told to vote yes. In most cases, they did not understand what they were voting for. Everything was pushed through so quickly that no one had time to look into the pros and cons of the situation. I personally know of a school that had to deliver the ballots by car to Winnipeg because there was no time to mail them. Also, I know of an active teacher that did not get a ballot. You can imagine if this was the case for people in Manitoba what hope was there for retired teachers living in other parts of

Canada and those in remote areas or those who happened to be on holiday.

The fact that we as retired teachers do not have adequate or, for that matter, equal representation on the Pension Task Force indicates that there is something seriously wrong. What could be better than having input from pensioners, not to mention the fact that to me it seems very undemocratic not to have retired teachers better represented.

There is a definite need for you, the government, to step in and provide lump-sum funding. I cannot believe that changes in the pension act could be made on the recommendations of Tim Sale, the former NDP Cabinet minister. Yes, it would save the government money, but I believe the government has a moral responsibility to honour the years of dedicated service that thousands of teachers provided even though Tim Sale said that we should get less. Needless to say, no Cabinet minister would be happy with a pension that is slowly disappearing. Those pensioners in their eighties and nineties will soon have no pension left if this keeps up. Two-thirds COLA is just not good enough. It does not address the problem, it is not what we were promised, and it is definitely not what we deserve. All the two-thirds COLA does is put off the problem for another 10 years at our expense.

RTAM and retired teachers oppose the passing of Bill 45. I would urge the government to consider the lives of individual retired teachers and come up with a plan to provide long-term funding and make the Pension Adjustment Account self-sustaining as it was promised and as it should be.

Elizabeth Anne Hitken

* * *

Re: Bill 45 Teachers' Pension Amendment Act
Legislative Committee Hearings.

There are many reasons for me to be truly concerned that retired teachers are not given COLA. For now, I will describe my immediate anxiety and mistrust with our government.

Since last July, I have been trying to survive a journey with breast cancer. The emotional, but especially the financial stress has been taking its toll for me and my family. Life has been many, many trips to Brandon and mostly to Winnipeg.

Trips for scans, imaging, lab tests, appointments with surgical oncologist, medical oncologist, radiologist, lymphatic therapist, CancerCare for

weeks of radiation, follow-ups for surgery and other treatments.

The physical discomfort of a round trip, 420 km. from rural Manitoba to Winnipeg, is not softened by the reality of the high cost of gasoline. Hotel and food bills are necessities for rural retirees. I now must take a cancer drug Arimidex, for five years – \$196.00 per month.

Every one of my specialists and caregivers say, "now, think of yourself, have pleasures, take time to pamper yourself and live without stress." This is not reality is it? Our dollar is no longer equal to the dollar of other retirees, without including inflation.

As many teachers, I enjoyed 39 successful years in junior and senior high classes. As many other retired teachers, I feel cheated and quite helpless to change our government's interests. Surely, Gary Doer has a moral responsibility to our profession that has served Manitoba with pride and diligence. It is sad that retirees did not live to even hear about Bill 45. Our pension plan needs immediate cost-of-living adjustment. I hope I and many other retired teachers live to celebrate this day!

Thank you,

Joan E. Gray

* * *

To the Teachers Pensions Amendment Committee

My wife and I are both retired teachers. As an important part of our retirement planning we considered that our retirement income would be maintained through cost of living increase. This has not been the case. We have been retired 12 years and we are finding that we need to do more part time work to maintain a living style similar to that we enjoyed when we retired. With over 66 years of teaching between us, we contributed to the pension plan with the understanding that we would receive fair and respectful treatment from the government. This has not been the case. Although we have heard all kinds of reasons for not receiving what we had expected, the fact remains that an agreement that existed when we taught has not been honoured. We are requesting that the committee consider seriously what can be done at this time to respect past agreements.

Isabel Hayes
Ron Hayes

* * *

This letter is written regarding Bill 45 and the difficulties of the COLA not being met for retired teachers and their families, which is being discussed at The Teachers' Pensions Amendment Act legislative hearings.

As the wife of a retired teacher, I am disappointed that the COLA promise, which my husband paid into for many years, is not being met. The COLA at this point is far from meeting the cost-of-living index. We chose for me to give up my teaching career in order to raise our children. We were confident in making that decision that in retirement the rising costs of living would be taken care of because the price of this was being taken off his pay cheque each month. We trusted.

With the cost of everything going up rather quickly, it is imperative that this be settled fairly for the retired teachers as soon as possible. When he retired, my husband fully expected that, having done his part, the government would also do its part. The fact that it is not is not ethically correct. A trust is being broken and it needs to be repaired as soon as possible in order to maintain equilibrium of trust between the retired teachers and those who were being paid to meet the agreement for a fair COLA. We did naively expect that we wouldn't have to worry about the delivery of something that was promised and paid for ahead of time, no less, for many years.

Serious questions arise. Should we have put that money instead into our own financial planning, thereby putting out of a job those who were being paid to do their job and are supposed to be putting this right for us? It makes one pause and wonder indeed. Did we trust the wrong people? If we can't trust those who assure us that they are honest, should that make us more wary of those who are being paid to handle any of our business?

I ask that this be settled quickly and fairly in a manner which meets the true cost of living for retired teachers, as promised over the years. It is common knowledge that when citizens pay for anything, they fully expect it to be delivered. This is not happening for the retired teachers' pension. Please fix this.

Bernice and David Lewis

* * *

My name is John Ehinger, and I'm past president of the Sunrise Teachers' Association and a member of the provincial executive of the Manitoba Teachers'

Society. I have been a teacher for 20 years. I live just outside of Beausejour.

I am writing to you today in support of Bill 45, which will create significant improvements in teacher pension COLAs, or cost-of-living adjustments.

In the last number of years, COLA have fallen short of the actual rate of inflation. If some substantive changes aren't made, it seems that they're expected to continue at these low levels into the future.

I've read the Sale report that comes from the last series of talks at the task force on teacher pensions. Based on the discussions that those representatives had, Mr. Sale was able to come up with a report that has eight recommendations on how to best make improvements to the COLA situation for current and future retirees.

Since then, I believe it's accurate to say that the Teachers' Society and the government have both endorsed the report's recommendations, and that in fact the proposed changes to the legislation contain all eight of those recommendations. There is disagreement from the Retired Teachers' Association on the matter, however, and in reading their Web site, it appears that they're taking the position that some of the recommendations are fine, while others are not.

Well, while I think we all basically understand how lobbying works, I'm nonetheless disappointed. Educated people—and teachers certainly are among those I'd consider well educated—know full well that when a report containing eight recommendations is written, it's not meant as a menu. It's not a salad bar. And it's not a fairground, where you can choose which ride you feel like taking that minute or that day.

I quote from page eight of Mr. Sale's report: The recommendations that follow should be seen as a package that I believe will materially improve the PAA's capacity, both in the near term and over the longer term.

The recommendations of that report, and the legislation that flows from it, are indeed a package. They are an ensemble. They clearly were intended to provide a real improvement to the COLA issue, but they were just as clearly intended to do so taken as a whole, as a focussed and considered change, and not as a piecemeal, slapdash attempt to put a Band-Aid on this part or that part of a long-standing problem.

Some of the current financial difficulties of the pension plan arise from improvements that were made to benefits without an accompanying improvement to the contributions that would have supported them. In short, a piecemeal, cherry-picking approach to what should have been a careful and considered approach to balancing benefits and the contributions needed to pay for them.

I'd ask that we please take a lesson from the past and ensure that these recommendations—a package of ideas that provide a balanced approach—are not picked apart until they're at best ineffective, and at worst something that will make the current problems even worse.

Thank you.

John Ehinger

* * *

My name is Julia McKay and I am currently the principal of Kelsey Community School in The Pas, having taught in the Kelsey School Division since the early 1990s. As an active teacher and member of the provincial executive of the Manitoba Teachers' Society, I welcome the opportunity to share my views on Bill 45 and the pension issue.

As we know, the COLA problem goes back a couple of decades when both the government and MTS leadership of the time ignored actuarial warnings that money going into pension was not matching the money going out. Full COLAs were being paid out until 1998 despite the fact that this was not sustainable. Most retired teachers did not contribute enough for their pension, and neither are current teachers today. These mistakes are real and unfortunate, but I know that the current MTS leadership is working hard to try to correct them now. The past is the past. What's important is that we are trying to address the oversights of yesterday, today, and we are protecting the future.

Bill 45 is a step in the right direction. It will improve both current and future COLAs without placing an additional burden on active working teachers. It will help raise COLA for retired teachers right off the bat from 0.7 percent to 1.4 percent. The plan isn't perfect, but it's a significant start and tries to be fair to everyone involved.

If nothing is done right now, COLAs will continue to be minimal and the trend will continue into the future. The logistics are simple. Bill 45 provides a solution that will see real results today

and balances the needs of retired teachers, active teachers, and the government. The pension issue ultimately affects everyone, and the plebiscite showed that the support for this bill is there.

My eldest daughter is also a teacher, and I don't want her to have to pay for the mistakes of previous generations all at once. Active teachers cannot afford the cost of a full guaranteed COLA right now; it would be way too much money. Implementing Bill 45 would help set up a plan to keep moving forward on bettering COLAs for all in the future.

I feel that it is important to ensure that teachers who are in the profession and those who plan to join the profession have the best possible environment in which to educate the minds of the future. This includes knowing that one day, when they retire, they will be financially secure.

Bill 45 is in our best interests, and it's important that retired teachers and active teachers work together to support a realistic, balanced plan. Short-term solutions at this point would be harmful. Supporting Bill 45 is the logical way to begin a change for the better for all of us.

Julia McKay

* * *

My name is Margrose Madak and I am a teacher in Winkler, Manitoba, and the president of the Garden Valley Teachers' Association.

I am submitting my support for Bill 45 to the committee and strongly urge that the government implement the amendments to our pension plan.

In my role as a local association president, I represent teachers at all stages of their careers, from first-year teachers to those colleagues who are in their last year before retirement. So we have a wide range of perspectives on the pension issue. We have also had many discussions about Bill 45 and the Sale report.

When MTS asked for a plebiscite to be held on the Sale report, our members wanted to make sure they had all the facts so that they could make an informed decision. We invited the MTS president, Pat Isaak, to come out to Winkler and talk to us and answer our questions about the COLA issue.

What struck me and many of our members was that this is not really a complex issue. When we looked at all the numbers—the contribution rates of the past, the benefit improvements, and the actuarial

warnings that went on for several years—it became obvious very quickly that the numbers just don't add up.

Pat described pensions as a balancing act. The money paid in and the money paid out have to balance. She also explained how our pension benefits had improved and full COLAs paid out without supporting those payments with contribution dollars.

It wasn't hard to see that, while the money going out was increasing, the money coming in was staying flat. It also wasn't hard to see how the sum total of those decisions 20 years ago has created a huge imbalance in our pension plan.

It appears that everyone agrees that those decisions 20 years ago are what got us into the difficulties that we are now facing. What we don't agree on is how to get out of those difficulties.

I've read all the material on both MTS's and RTAM's Web sites, and the printed material that has been sent to teachers. It seems to me that if we are trying to correct an imbalance, we will need to look at both the money in and the money out. Active teachers will surely have to pay more to put our plan back on track. But the numbers we've seen that will be necessary to pay a full COLA, or even to guarantee a partial COLA, are just not affordable for us. It's not that active teachers aren't willing to share the burden, but there are limits to what young teachers can afford to pay. Frankly, we just can't afford to fix a 25-year problem all at once.

We also know that the money going out of our pension plan will continue to rise as people retire earlier and live longer. We know that the number of retired teachers keeps increasing while the number of active teachers hasn't increased at all in over a decade. This represents another imbalance we have to deal with.

It's really unfortunate that the decision makers didn't pay attention to the warnings in the past. And as I said earlier, as active teachers, we are willing to do our share to help put our pension plan back on track.

The solution to this issue lies in putting our plan back in balance. That means that the needs of retired teachers who want more out of the pension plan must be balanced with the needs of active teachers who will put the money in. We think that Bill 45 provides that balance, and we urge the government to pass this legislation.

I appreciate the opportunity to present my views to the committee.

Margrose Madak

* * *

Good evening, my name is Bohdan Danelak. I taught in the Seine River School Division for 31 years, and I retired in June 2000.

I am here to communicate my concern about COLA and to support RTAM's opposition to Bill 45.

I keep pinching myself because I still am in disbelief that an injustice of this magnitude is taking place. The reason I feel this way is because throughout the latter part of the 70s, all of the 80s and all of the 90s, I paid for full protection against the ravages of inflation. Prior to retirement, I felt that this protection was solid and this gave me a great sense of security.

However, the past few years have spoken to me loud and clear that we have been robbed. It sickens me, disappoints me and angers me that this problem is due to the inaction of both the Manitoba government and the Manitoba Teachers' Society, both of whom apparently did nothing to correct the problem of insufficient funding. This is what has led to the unfair treatment of retired teachers.

The Sale report, with its two-thirds cap is not a good enough attempt to fix this situation. It astounds me that the MTS leadership finds the Sale report to be a win-win solution. I am really disappointed that the MTS, whom I have supported, admired and trusted, has stabbed retired teachers in the back in this manner.

As previously mentioned, I retired in June 2000. Unfortunately, my teaching career did not end on a good note. In 1998, for a seven-month period, I was forced to step away from teaching by a stress-induced medical situation. Both the EAP and a medical doctor advised me to end my teaching career. I compromised and I returned to teaching on a part-time basis for the final two years of my career. Throughout this time I kept reassuring myself everything will be fine. The thought of having full protection against inflation after retirement gave me a sense of security. This was my financial rock, my financial rock that I had paid for. I kept telling myself that, even though my pension would be lower than I would have liked, things would be okay.

What a wicked kick to the face it is to realize that things are not okay.

Bohdan Danelak

* * *

As a retired Manitoba teacher, I have concerns regarding the implementation of the Sale report. Accepting the Sale report as a total package places the Manitoba teachers' pension fund in a difficult position: For the next 10 years, the cost-of-living adjustment will be any amount between zero and two-thirds percent of the consumer price index. There is no provision to find a solution to the unfunded liability of the pension account. The Teachers' Retirement Allowances Fund Board does not have a member from the Retired Teachers' Association of Manitoba.

In the past year, I have experienced a significant rise in the cost of living, most notably in food and household necessities. Since I have no COLA guarantee, I feel my buying power has become limited. How much more limited will it be in 10 years? I feel I must hoard my money to ensure I have enough to live on. Will I become a burden on Manitoba's economy?

A long-term solution to the unfunded liability is necessary. The government's pay-as-you-go policy does not give a feeling of security. At one time, the Canada Pension Plan was in jeopardy. It has been fixed, and Canada can be proud to be able to provide a compensation to be collected by workers upon retirement. I believe there is a will and a means to rectify our problem and guarantee a good pension plan for Manitoba's teachers.

The passing of Bill 212 would amend The Teachers' Pensions Act to require the Teachers' Retirement Allowances Fund Board to have at least one member with investment management experience and one member to be a retired teacher nominated by the Retired Teachers' Association of Manitoba. First, investment management experience is essential to continue positive growth of pension funds. Second, to date, there are 15,000 active teachers and 11,000 retired teachers. Soon the number of retired teachers will be in the majority. Our input should be welcomed to ensure retired teachers contribute to Manitoba's economy.

Joie Van Dongen

* * *

I wish to add my support to the Retired Teachers of Manitoba in their effort to stop the passage of the third reading of Bill 45.

I object to the full COLA being reduced to a maximum of two-thirds with no guarantee of any amount up to the two-thirds.

I am in my 80th year and I taught 40 of those years in Manitoba, 37 in Brandon School Division. I

understand that in the last 10 years I have lost 10 percent of my buying power. I do not know the percentage of loss for the twenty years of my retirement.

I urge you to reconsider the very valid objections to the passage of Bill 45, which have been well researched and ably presented by the Retired Teachers' Association of Manitoba of which I am proud to be a member.

Leota M. Nelson

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/index.html>