

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

Wednesday, July 23, 2008

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

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

**VICE-CHAIRPERSON – Ms. Erin Selby
(Southdale)**

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Mr. Bjornson, Hon. Ms. McGifford, Hon.
Mr. Rondeau

Messrs. Altemeyer, Cullen, Faurshou, Ms.
Marcelino, Mrs. Mitchelson, Messrs. Saran,
Schuler, Ms. Selby

APPEARING:

Mr. Kevin Lamoureux, MLA for Inkster

WITNESSES:

Ms. Jean Todd, Private Citizen
 Ms. Deanna Dolf, Private Citizen
 Ms. Laurena Leskiw, Private Citizen
 Mr. John Nelson, Private Citizen
 Mr. Paul Olson, Private Citizen
 Mr. Terence Clifford, Private Citizen
 Ms. Bernice Stebbing, Private Citizen
 Mr. Brian Ardern, Private Citizen
 Ms. Jacqueline Stalker, Private Citizen
 Mr. Roland Stankevicius, Private Citizen
 Ms. Marjory Grevstad, Private Citizen
 Mr. Lyle Beattie, Private Citizen
 Mr. Bill Johnston, Private Citizen
 Mr. Brian Head, Private Citizen
 Ms. Beverly Reeves, Private Citizen
 Ms. Barbara Teskey, Private Citizen
 Ms. Donna Miller, Private Citizen
 Ms. Inez Striemer, Private Citizen
 Ms. Iris Nowakowski, Private Citizen
 Ms. Jean Ogren, Private Citizen
 Ms. Kay Arnot, Private Citizen
 Ms. Peggy Prendergast, Private Citizen
 Ms. Lorraine Forrest, North East Winnipeg
 Chapter, Retired Teachers' Association of
 Manitoba
 Mr. Tom Forrest, Private Citizen

Ms. Maizie Walton, Private Citizen

Mr. Jake Peters, Private Citizen

WRITTEN SUBMISSIONS:

Ellen Hamlin, Private Citizen
 Muriel Gamey, Private Citizen
 Aimé Campagne, Private Citizen
 Margaret Ambrose, Private Citizen
 Paulette Hughes, Private Citizen
 Jacqueline Kilburn, Private Citizen
 Merle MacFadyen, Private Citizen
 Shirley Case, Private Citizen
 Helene Merrell, Private Citizen
 Victor Nehe, Private Citizen
 Joan Lawrence, Private Citizen
 Annette Hercus, Private Citizen
 Connie Newman, Private Citizen
 Laurena Leskiw, Private Citizen
 P. Allen and Len Dueck, Private Citizens
 Doug Adams, Private Citizen
 Kathy Knight, Private Citizen
 Irene Belanger, Private Citizen
 Elizabeth Bryan, Private Citizen
 Ray Cooper, Private Citizen
 Beverly Reeves, Private Citizen
 Yvonne Collins, Private Citizen

MATTERS UNDER CONSIDERATION:

Bill 45–The Teachers' Pensions Amendment Act

* * *

Mr. Chairperson: 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 Vice-Chairperson. Are there any nominations?

Hon. Diane McGifford (Minister of Advanced Education and Literacy): I'd like to nominate Ms. Selby.

Mr. Chairperson: Ms. Selby has been nominated. Any other nominations? Seeing none, Ms. Selby is Vice-Chairperson this evening for the committee.

This meeting has been called to, of course, consider Bill 45, The Teachers' Pensions

Amendment Act. We have a number of presenters registered to speak this evening, listed on the sheet before you and posted at the entrance to the room. It was announced that this committee would sit until midnight this evening. It has also been announced that this committee will meet again to consider the same legislation tomorrow morning starting at 10 a.m.

We have opened up our other committee room, Room 254 just straight down this hallway, as an overflow room should we need it. We will have staff available in that room, and the proceedings of this meeting will be broadcast there as well.

The committee has previously agreed to hear out-of-town presenters first, and last night we completed our first call through the rural presenters. We began calling Winnipeg presenters, which we will continue with this evening and that is where we will start. Before we proceed with presentations, we do have a number of other items to consider.

First of all, is there anyone else in the audience who would like to register to make a presentation? You still can. Please speak with our staff at the entrance to the room at the large table there. Also, for the information of all presenters, while written versions of presentations are not required, if you are going to accompany your presentation with written materials, we ask that you provide us with 20 copies so that each member of the committee can have one, and if you need help with photocopying, again, please talk to our staff and they can help you with that. As well, I would like to inform everyone, presenters and committee members, that, in accordance with our rules, a time limit of 10 minutes has been allocated for each presentation with another maximum of five minutes allowed for questions from committee members to presenters.

Also in accordance with our rules, 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.

We also have one correction to make on the list that committee members have in front of them. If you could please flip to, I believe it's page 4. There was a miscommunication and a person who was thought to have requested to be removed from the list has in fact clarified they want to be on the list. So could you please insert Linda Asper's name as presenter No. 43. Every presenter thereafter would

be one number higher but Linda Asper inserted as presenter No. 43 on our list for this evening.

We have had a few requests from presenters on which I need to receive some direction from the committee.

Presenter No. 191, Albert Dubé, was one of the French presenters last night who did not appear. He has indicated that he would be able to present *en français* at our meeting tomorrow morning. We would at that time be able to again provide concurrent translation for this presentation. What is the will of the committee? *[Agreed]*

Thank you very much for that.

Another item, presenter No. 180, John Nelson has indicated that, due to work commitments and travel requirements, tonight is the only night that he is able to attend and he asked permission to speak this evening following our initial previously arranged presentation.

Just to repeat, we do have a few people who've already been put as a priority on this list for other similar reasons. What is the will of the committee regarding this presenter, John Nelson? Agree to hear him tonight? *[Agreed]*

Okay, right after the other previously arranged presenters. Excellent. Thank you very much.

Similarly, due to a previous commitment, presenter No. 13, Donna Miller, who appears on page 2, she will be unable to attend tonight until 10 o'clock and cannot attend tomorrow. She has asked that her name not be called tonight before 10 p.m. What is the will of the committee in that regard?

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): Any time after 10 o'clock she can be the next presenter.

Mr. Chairperson: Very good. So after 10 o'clock tonight we will call her name, and, hopefully, she will be able to make an appearance.

As with the previous nights, since last night we have received some more written submissions on Bill 45. I need to read the names of the following persons. Their copies of their presentations have been distributed to all committee members. Ellen Hamlin, Muriel Gamey, Aimé Campagne, Margaret Ambrose, Paulette Hughes, Jacqueline Kilburn, Merle MacFadyen, Shirley Case, Helene Merrell, Victor Nehe, Joan Lawrence, Annette Hercus, and Connie Newman.

Does the committee agree to have these documents appear in the *Hansard* transcript of this evening? [*Agreed*] Thank you.

Now, prior to proceeding with the public presentations, I'd like to advise members of the public regarding the process for speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript which goes into *Hansard*. Each time someone wishes to speak, whether it be an MLA at the table or a presenter, I as Chair must first say that person's name. This is the signal for the *Hansard* recorder to turn the appropriate microphones on and to turn the appropriate microphones off. We thank you for your patience in advance, and we will now proceed with the public presentations.

To begin, the committee has previously agreed to hear three presenters at the outset of this meeting as follows: Presenter No. 31, Jean Todd, followed by presenter 147, Deanna Dolff, followed by No. 155, Laurena Leskiw. Once they have finished presenting, we will then resort to the top of page 1—[*interjection*] Sorry. The other gentleman that we agreed to and then we would resort to the top of the list.

The committee now calls Jean Todd to come forward and present.

Good evening. Do you have written copies of your presentation, or an oral?

Ms. Jean Todd (Private Citizen): You wouldn't want one. It's in my handwriting, and my handwriting is not what it used to be when I was teaching grade 1.

* (18:10)

Mr. Chairperson: More than fine. Please proceed when you're ready.

Ms. Todd: Good evening. I started teaching in 1956, retired in 1994, teaching 37.6 years. I was on MTS negotiating committees in both East Kildonan and Interlake School Division off and on. Through negotiations, the funding of the teachers' retirement premiums was agreed to by the government at a 50/50 deal, 50 percent the teachers would pay and 50 percent the government would pay. At its inception, only government administrators took the money and invested it. They usually invested it in Manitoba government bonds which paid minimal interest at the time. However, eventually, the administration of these funds was given over to a board. Now, the board consisted of mostly government appointees, a

few MTS, not very many, not as many as the government had, and believe it or not, no representation by retired teachers.

Now, every year, thousands of Manitoba teachers have been having our pension premiums deducted from our monthly paycheque. That money was and still is being invested into the teachers' retirement fund. Our premium contributions have earned millions and millions in dividends, but until recently, I, and most of the rest of us had never heard of unfunded liability. I didn't hear about it when I was on the negotiating committees years ago and more recently. I just discovered it a couple of years ago when we had our first rally outside on your steps. It's my understanding now that successive Manitoba governments have never paid their share of the pension funding until a teacher actually retires.

Well, this means that when I retired, the pension money that was in my fund was only the money that I had actually contributed and the interest that it had gained over the 30-something years. There was not one red cent of the government's 50 percent earning any interest. That's where the problem came in. The problem came in because my money is all that's in there. Each month the government says, well, if pension fund is paying you so many hundred dollars, so we will pay that, we'll match it. But there was no interest there. That's coming out of the pockets of the people now. It was supposed to have been done years ago.

Now, tell me, is this even legal? If a private company had a 50-50 deal with their employees, do both parties have to contribute, or only the workers? Doesn't the company have to have some sort of a holding fund? If they have a holding fund to support their half of the agreement, it's earning interest, isn't it?

Well, had the governments of—and notice that's plural—had the governments of Manitoba put their half of the retirement fund agreement into our fund or into one of their own that earned dividends, we wouldn't have needed an account B. We would not have needed account B because there would have been plenty of money in there. I think if you find out something from the Ontario government, that's why the Ontario teachers have one of the biggest pension funds in the country. I don't think they cheated their teachers way back then.

Now, past and present Manitoba governments are really responsible for the financial difficulties

that TRAF has and they're responsible for helping us at least get account B. However, in my mind, such as it is, I think there was the immoral policy of the unfunded liability that's caused the problem in the first place. Now it's time for the people who caused the problem—and that wasn't the teachers—to clean up the mess they've made. Teachers paid higher premiums into account B so that 100 percent COLA would be possible. If the government's share of the original fund, A and B, B would never have been needed. Time for government to fix it.

The plebiscite was a farce. There was no lead time. There was no warning or preparation of the voters, especially the ones that were far out. There wasn't enough time for us to research, to consider, to discuss or enough time to get those votes in for counting, because some of them had to come from so far away, and you know what the post office sometimes has a problem.

So I urge every member of the entire Legislature to defeat Bill 45 and to find an honest way to repair past damages without further laying the problems on the backs of retired and present-day teachers.

Thank you for your time.

Mr. Chairperson: Thank you very much, Ms. Todd. Questions?

Mr. Ron Schuler (Springfield): Yes, thank you very much, Ms. Todd. We appreciate you coming forward and making this presentation. I'm sure you've waited a long time to get here. I think you've basically nailed it. It's not active teachers that are to blame for this and it's not retired teachers to blame for this. It is successive politicians that are to blame for this, and that is the problem. I believe it's time for the politicians to start showing leadership and go back to figuring out how we're going to solve this. I don't believe punishing one group or the other is the way to do this.

You've been on negotiations. You've got a lot more experience than I do. Certainly, I've negotiated with MTS as a school trustee, and they're magnificent at it. They're very good negotiators. Do you not feel that somehow this could be negotiated, that both sides feel that they've come away from the table at least winning something?

Ms. Todd: Not with Bill 45. Bill 45 is not the way to go. I haven't read every word of every page, but from anything that I have read, the parts that I have read, I cannot see—there are two sections in there that don't

fit with a decent repair. Now, some of that bill, some of the other parts are just fine. But there are two parts that—and I can't tell you what number they are or what page they're on—two parts of them just don't fit.

Mr. Kevin Lamoureux (Inkster): You'd indicated that you're on and off again in terms of MTS and possibly the negotiations. You seem to be very familiar with the whole process. I believe it was in the late '70s, or early '80s, possibly, when they reduced the retirement age from 65. I think it was down to 55. To the best of your knowledge, was there ever any sort of an impact study, or do you have an opinion on what that might have done to the pension fund at that time?

Ms. Todd: At the time, it was supposedly a good idea, and I loved it because I did it. Not exactly at 55, but it came a little sooner, a little sooner than 60. But, at that time, we weren't given a lot of information on how much impact it would have. It just sounded like a great deal, and nobody said, watch out for this, that I heard.

Mr. Lamoureux: Finally, when you did retire, what was your honest opinion at the time? Did you feel that you were going to be receiving 100 percent COLA or two-thirds maximum? What was your honest opinion at the time?

* (18:20)

Ms. Todd: I honestly thought we were going to get a 100 percent the whole time. That's what we had been promised when we started paying in. See, we paid a huge chunk out of our monthly cheques to increase from whatever was suggested in the first place, which may have been two-thirds, I don't know. But we said that's not going to work, and so we paid a much higher premium than we would have paid if we'd been satisfied with two-thirds, or what's being suggested now is two-thirds, maybe. And maybe is not enough.

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Thank you for your presentation, Ms. Todd.

I just wanted to address one of your concerns. I've heard it a few times over the course of the presentations, the unfunded liability issue. I think it's important to point out that we have been working to address that, \$1.5 billion last year and \$300 million that had been put into that unfunded liability prior to the \$1.5 billion. So, approximately 75 percent of that liability. We faced a potential \$8.3-billion unfunded

liability if it hadn't been addressed. That was actuarial advice that we took very seriously, and we are addressing that portion of the main benefit account. So I want to assure you that we are indeed acting on that.

Mr. Chairperson: Ms. Todd, thank you very much for your time with us this evening.

Our next presenter, as previously agreed by the committee, is No. 147, Deanna Dolff.

Good evening, Ms. Dolff. Thank you for the written copies. Much appreciated.

Ms. Deanna Dolff (Private Citizen): Good evening.

Mr. Chairperson: You may begin whenever you're ready.

Ms. Dolff: Okay. As I pondered what I would say tonight to try to impress you to withdraw or abandon Bill 45 so that it would work for retired teachers, I thought I would leave the facts, figures and history of the case to those more knowledgeable about it than I. Neither would I discuss the poverty issue. Although, I know there are many retired teachers whose pension leaves them living below the poverty line. I decided that I would expand on two points: injustice and betrayal, injustice and betrayal I feel perpetuated by the current NDP government and the current and past president of the Manitoba Teachers' Society.

I started teaching in 1964 in a one-room rural school with 21 students in all eight grades for the annual gross salary of \$2,900. It was a wonderful and memorable year in my teaching career. At that time, at age 18, I thought nothing about pensions. Years later, when I became a principal and vice-principal, I decided I should attend the retirement seminars so I could help teachers if they had any questions. I learned from these seminars that Manitoba teachers had one of the best pensions in the country and that we were protected from inflation. I felt good that my employer, the Manitoba government, and my professional organization, the Manitoba Teachers' Society, were looking out for us.

The last 14 years of my 38-year career was spent back in the classroom. I quickly scanned the pension reports that came out and also read the auditor's warnings, but had faith in my employer and my professional organization that everything would be looked after. Certainly, there were no emergency meetings at the local level or at the provincial level to discuss the pension problem. Retirees were

receiving full COLAs; it will be fine. I had a large classroom of students to teach. Times were very busy.

In 2002, after suffering through the Filmon Fridays and wage freezes which kept my pension lower than I was expecting, I retired after 38 years of educating Manitoban students. I attended a number of retirement seminars and never was warned that I might be facing years of very small COLA increases. I was shocked after I received a notice that my pension increase was to be 0.5 percent, 0.43 percent. What is this? This isn't the inflation protection I was promised. What happened to the extra 16-and-two-thirds cents of every dollar that I contributed to my pension? It was to protect my pension. What went wrong?

I calculated that if I had received a 0.5 percent annual increase during my teaching career, I would have an annual salary of just \$17,636.07 the last year of my 38-year career.

I retired just months short of my 57th birthday. Hopefully, I'll live another 30 years. What will the future be like with a 0.5 percent annual increase when inflation in Canada is already 3.1 percent this year? Retired teachers in the past received full COLAs for 18 years. Why are we not getting a reasonable COLA now?

I believe we are heading into a prolonged period of very high inflation which will be very hard on retired teachers who have no way to improve their earning power for the next 10 years. Where are the people responsible for this blunder? What happened to the money? Why wasn't something done? I find out all pension funds are invested the same. Why are the low earnings assigned to the fund that pays the COLAs? I found out that, soon after 1977, when this was set up, retirees who never contributed 16.66 percent of their pension contributions for inflation protection received full COLAs.

Surely the government at that time felt some responsibility to see retirees receive a fair pension and needed inflation protection. What is happening now? This is unjust. In the six years I have been retired, my dollar has become worth about 90 cents. I also find out that new entrants to the teaching profession since the early '90s have not contributed enough to earn the pension they will draw at retirement. Is a portion of the earnings of my pension contributions paying for this shortfall, while I am receiving a very small increase?

I believe about half of the funds in TRAF were contributed by teachers who are now retired. Why is any surplus only going to pay for the shortfall in contributions for active teachers? I also find out that, in 2004, Bill 46 allowed the long-term disability plan to discontinue to submit the approximate \$1.5 million to the pension fund for all teachers on disability. How could this happen? How much can \$1.5 million earn annually? How much does the pension fund lose in earning power annually because of this?

I cannot understand how a pension fund and the insurance policy, the LTD plan, can change the rules in midstream when the MTS chairman of the pension committee knew nothing about the legislation that made the change until after it happened. Was that legal, just, or wise when the insurance premium is not tax deductible? Did the teachers receive an LTD rebate that year? Were their LTD premiums reduced by approximately a million and a half dollars that year? That was the year my increase was 0.5 percent. This is unjust. What a betrayal.

The fact that the teachers pay the lion's share to administer the teachers' pension fund and the government pays nothing is unjust. The fact that the teachers invest the government's portion, the famous \$1.5 billion, plus the pension funds of teachers from the year 2000, and the government pays only a mere 19 basis points—that's less than a quarter of 1 percent—is unjust.

* (18:30)

If slightly less than half of the funds in TRAF are government funds, then the Manitoba government should be paying slightly less than half of all costs. In 2006, investment costs for TRAF were \$7,333,000. In 2007, the same costs were \$9,910,000. This is the year the \$1.5 billion arrived. The government paid \$1.8 million when \$1.887 billion was managed by TRAF in the government's trust account. This is a very sweet deal for the government at a tremendous cost to all teachers. This is very unjust. Were teachers again betrayed by MTS? The fact that teachers financed their own disability plan—

Mr. Chairperson: One minute remaining.

Ms. Dolff: —paid more for inflation protection than other government employees and received a smaller COLA is unjust. The fact that the past and current MTS president claim to speak and work for both active and retired teachers and allow the surplus

from the pension fund to pay for the underfunding of pensions of some current active teachers but says she will not use the fund to help retired teachers is unjust. The fact that the government of Manitoba stooped to finance a flawed plebiscite when it knew the positions of both active and retired teachers and then plans to implement the Sale report when 48 percent voted against its implementation is unjust.

Although the NDP government claims they have done more for Manitoba teachers during their mandate than the previous governments, they have only alienated and frustrated retired teachers.

Mr. Chairperson: Order. We've reached the 10-minute mark. If there's leave from the committee—

Some Honourable Members: Leave.

Mr. Chairperson: Okay. You may continue your presentation. It'll just come out of the five minutes of question and answer.

Ms. Dolff: I can tell you that retired teachers feel bullied, betrayed and hoodwinked by both the government and by MTS who has condoned the deterioration of the Manitoba teachers' pension for all teachers, not only retirees. As you know, retired teachers have had no power and practically no voice in the regulations of their pension fund. Only the government has the power to fix the problem.

I urge you to withdraw Bill 45 and continue discussions so that senior citizens who served and supported both MTS and the NDP party in the past can feel that they have been heard and treated fairly.

Mr. Chairperson: Thank you, Ms. Dolff.

Questions?

Mr. Schuler: Thank you very much, Ms. Dolff. I appreciate your patience in waiting your turn to be heard.

It's been an interesting three days. But, for those who have to sit in the back of the room and wait hour after hour, I'm sure it can be fairly trying. We appreciate your comments. I would say that probably what should happen is that we should continue discussions so that senior citizens who served and supported all Manitobans in getting a good education should be heard and treated fairly. I don't think it's just because they might have supported a political party. I think you've done us well, and there are going to be a few individuals who, when they get up to the microphone, I will be blaming them for who

I've become. They know who they are. You've done a very good job.

You know, you've got a lot of experience, more than I do. You've listed a few things that you think should be done. Can you reflect a little bit more perhaps on what you think we as a committee, what the minister with his department should be doing going forward? It'll only take a moment.

Ms. Dolff: Well, the fact that all funds are invested and the low rates are assigned to the portion that funds the COLAs, that should be changed. There's no reason why, I don't think, that that can't be done. I'm not an expert on these things, but I think further discussions would be much better than practically freezing the pension, if this implementation of the Sale report is done.

Mr. Chairperson: Seeing no further questions, the committee thanks you for your time with us this evening.

Our next presenter, No. 155, by previous agreement, Laurena Leskiw.

Just before we begin, for everyone's reference point, the previous nights I have been providing a notice for the presenters at the nine-minute mark when you have one minute left. I will continue to do that, so for those of you who may approach the 10-minute mark—and not everyone does—that's what that is for.

For folks who are at the back who may have come in late, we do have an overflow room just down the hallway should anyone wish to sit in a chair. The proceedings of this committee are provided in that room as well.

Ms. Leskiw, thanks very much for joining us this evening and for the copies of your presentation. You may begin at your leisure.

Ms. Laurena Leskiw (Private Citizen): Thank you, Mr. Minister, and MLAs that are sitting around the table. I'm glad to be here tonight to express my concerns and views. I was told this morning that I should talk a little bit about myself so that you know that I really have some background and have a little bit of knowledge, so here goes. Then I will pick parts out of my speech so it won't be really following the word line by line of my speech.

First of all, I was born on a farm, so I'm a good country girl. I taught one year on permit just as I graduated out of grade 12 at United College, or now

the U of W. I then took teacher training at Brandon University where we had two small children. My husband was doing the rural electrification to the Manitoba Hydro so he was away most of the time. So I raised two children and studied and did fairly well in university in spite of all of the work that we had to do as well.

I was president of the Retired Teachers' Association in 1993. I was also a charter member of the RTAM. I served on the Department of Education math committees for 20 years. I served without extra salary. I was not compensated for my five hours of driving back and forth to Winnipeg once or twice a month. In addition to that, I was foolish enough to even take on the minutes of committees over all those years. I did a lot of in-service all about Manitoba, doing metric, doing curriculum, doing computers and in addition to that, I did different provinces than Manitoba and also in the United States with the math association. I also did other committee work for the government in that I was the seniors' representative on the recent building code for the handicapped people and sat on that for three years and helped develop your building guidelines for that.

I also received some awards for some of that work and I was very privileged with that. I received a Manitoba Association of Math Teachers award for my contribution to mathematics from grade 1 to grade 8 and that was over my different years. That was the first one that was presented from the Manitoba Association of Mathematics Teachers.

I served as president of the Brandon Teachers' Association also and was awarded a life membership from the Manitoba Teachers' Society too, so I've worked on many, many committees locally and in Brandon. But also, I served on many committees with the provincial Manitoba Teachers' Society. I also served on the MAMT, the Manitoba Association of Math Teachers board and on the resource teacher committee as well.

I've been a very strong supporter and worker for the Manitoba Teachers' Society in my teaching years. As I said, I sat on many provincial committees and did much work for that. However, I have been very concerned about what has been happening with our—what we use to really find wonderful was our professional organization. I do not go along with what the union is doing now for the teachers in that I do not feel that they are servicing the retired teachers. They may be doing a very good job for the

active teachers but they forget that the active teachers are going to retire, maybe some of them next year, and then they will be going through the same problems that we are. They have tunnel vision, as I see it, and that concerns me.

* (18:40)

I also have done a lot of community work. I've been chairing the advocacy committee also for the Seniors for Seniors Co-op in Brandon for many years, which deals with concerns of the seniors in our area. I have also sat on their board for many years. I sit on the board at Clear Lake for our cabin owners' association in that I'm working to make sure that all Canadian children, all Manitoba children, all my children that I had had in core-area schools, can afford to enter the national park. A national park is not for just the rich, but it's also for all of my little children, and that's where the concerns really lie with that is that the prices are getting so high that the little children that don't get holidays away down in Florida, and all of the other places, but could perhaps go to the park and have an ice cream cone or a swim in the lake, would get that opportunity and not be unable to enter our national park.

One of the questions I would like to ask is how can you treat us, and me, who has done so much for the community and for the Department of Education, and for the Manitoba Teachers' Society, to not work toward improving our COLA. Something is wrong somewhere. You must acknowledge that we contribute a great deal to the community around us and everything that retired teachers have had interests in. I think we help out the government a lot by doing that.

I know that we as retired teachers are being blamed for not doing something about the PAA, the pension account. We didn't have any power to do that. There were two groups that had. That's the government and the Manitoba Teachers' Society. They are the only people that could do something about that. In fact, we weren't even privy to anything. We tried to get a person on as a retired teacher on the task force and on the TRAF board, but we were not successful for years, and I don't think some of it has ever occurred with that. So those are concerns I have.

Why didn't the government and MTS do something for 10 years? Why did they sit on their fannies and do nothing about it? I believe that Pat Isaak, the president of the Manitoba Teachers', sat on the TRAF board for about 10 years. She knew

exactly what was occurring, yet she wasn't able to do something about it. Why?

So those are things about me. Now, going into my speech, I am one of the senior teachers that I think will be presenting here tonight. I've recently had a new knee and I've had newly ordered braces for my arthritic feet, my knee and my ankles. This is what I wore for two years prior to having my knee replaced. It is not funny. Now I have other braces that are coming on. How can I pay for them with my pension with no COLA added to it? My expenses are increasing greatly. We've had to do different fixtures on our house, even, so that I can move about on that. I am not the only person. I work with seniors constantly, and all of them are being handicapped in different ways. Many of the teachers are the same.

Why pick on the most senior of pensioners to freeze their COLA for the next 10 years when most of us will not live long enough to see full COLAs again. We have the lowest pensions because we had the lowest salaries, because only grade 11 with two grade 12 subjects was first required for entrance to normal school. My sister is like that. She's 92, but she was a teacher with only grade 11 and two grade 12 subjects. That was the norm for that area. Then, we needed a complete grade 12. It was a complete grade 12 when I took teacher training.

Since, later on, you were required to have your university degree. But, because we were in that class 1, which is one year, class 2 is two years of university, and you went up on your salary scale, so your salary also went up. Your pension was deposited into the pension account in a similar manner. So what we put into the pension wasn't very great, that's true, but it was supposed to give us a full retirement pension, 50 percent paid by the teachers and 50 percent paid by the government.

I have my book that was given out at the pension seminars, and it's from 1986. On the page in there, it says one half of the pension adjustment grant is paid from a separate account. The other half is paid by the provincial government.

Mr. Chairperson: One minute.

Ms. Leskiw: Okay, and so it goes on to there.

I have my other book that talks, the MTS handbook, back from 1975 when I was president in Brandon. In there, it also talks about the full COLA. It doesn't talk about a reduced COLA. So we all retired thinking we were getting a full COLA.

I'll have you look at this in your spare time. Read it tonight when you go to bed. It's very important—much more than those other people's, of course. But what you find right at the very back is a chart and, because of my little bit of math ability, I thought we needed to know how much the government is saving by not paying us COLA. You will look at that and if you start down at year 2005, you will see that they saved \$1,000,600 that year. Because it's continuing on, they saved \$1,600,000 for the next year and the next year—

Mr. Chairperson: Order. We've reached the 10-minute mark. Leave of the committee to have remaining presentation time come out of questions?

Some Honourable Members: Yes.

Mr. Chairperson: You may proceed. We have a maximum of five minutes more.

Ms. Leskiw: Well, you can read across. You can read the data at the top, the titles and that, so you'll know what each column stands for there. Okay, we got the B column is 0.64, 0.63 and 0.4 were the COLAs that were given that year and when you put that into the next column, it tells you what percentage of the full COLA was given.

Then, under D, is the amount of COLA that we received then and what the full COLA will have been. Then if you look at F column, that tells you what the government should have been paying if we'd had full COLA. So that F column then tells you that's what they have saved each year from one teacher. When you multiply it by the number of retirees in column G, you'll see what that amount is.

Anyhow, when you look at all three years and the impact of bringing forth what we were paid the previous year, the COLA from there, you'll see that the government has saved \$8,815,200 in just those three years from not paying it. But who lost that? We lost it. Retired teachers lost that amount because it should have been paid to us.

So that's what this is about. I want you to take it home—that's just for three years. That isn't for all the years that we have lost, the last 10 or 12. Thank you very much.

Mr. Chairperson: Thank you for your presentation. We have three and a half minutes left.

Mr. Schuler: Ms. Leskiw, thank you very much for coming forward. You, like basically every other speaker, always brings something new to committee and we'll certainly have a look at this chart. I never

thought about how much the government actually saves by not having to pay out COLA and we will certainly have a good look at that.

You know, I did read through, basically, your entire presentation. You spoke about, for instance, your knee brace costing you \$1,200; \$415 for other things; ankle support, \$700. One of the things that I've heard before here at this committee and I've heard from others is, in their golden years, they're still looking for the gold. One of the unfortunate things is that by denying people a fair pension, it robs them even more of their golden years. Certainly, we will encourage the government to have another look at this and see if there isn't a better way to proceed with this.

You have a lot of experience. What is your recommendation to the committee? How should this proceed and go forward? And again, thank you very much for presenting at committee.

Ms. Leskiw: I think we need to go back to the table and discuss. I really feel this is something that we can come to an agreement upon. I understand that there are some clauses in the Tim Sale report that we have agreed upon, but we were told that it had to be all or nothing, had to freeze the COLA for 10 years. Who's going to be retiring in that? Maybe the Minister of Education (Mr. Bjornson) may be retiring in 10 years and will benefit by that increase in that.

But I think it is something that we can work upon and come in agreement. I know it's not easy getting money. I know that. I've worked for that all my life and I know exactly what it's like trying to get money. So I do hope that Bill 45 will be defeated. I hope every party will defeat that.

Mr. Lamoureux: Very quickly, can you recall offhand in any of those two books that you've showed where it makes reference to the COLA?

* (18:50)

Ms. Leskiw: Oh, dear, I thought I had it marked.

Pension adjustments are calculated on the basis of the full increase in the consumer price index. That's out of the MTS booklet that was handed out by TRAF at our pension seminars. In the handbook for all MTS members in 1975, it also states it in there as well.

The full effect of the change in the consumer price index—oh, I missed that. Provision has been made to continue the adjustment in July, 1973, and in

all pension calculations under the average salary formula for the full effect of the change in the consumer price index.

So there it is again, and Webster's dictionary defines pension as unpaid salary that you receive later. That's what I'm looking for is my unpaid salary that I did not get.

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

Mr. Schuler: Could we ask that the presented presentation be accepted as read and entered into *Hansard*?

Mr. Chairperson: The written submission you're referring to?

Mr. Schuler: Yes.

Mr. Chairperson: Is there leave of the committee? [*Agreed*] Thank you for that.

Our next presenter, as agreed to this evening, No. 1-8-0, 180, John Nelson.

Good evening, sir. Do you have an oral presentation for us this evening?

Mr. John Nelson (Private Citizen): I have an oral presentation.

Mr. Chairperson: That's fine. You may begin.

Mr. Nelson: My software program is Dixon HB. I think best with that one, so it's not very conducive to copying, and I thought you might just be ready for a listening evening as well.

An Honourable Member: Could you speak into the mike.

Mr. Nelson: I will.

I'd like to thank you for the opportunity to speak to you about our pension concerns. I would like to apologize for not having been here Monday or Tuesday, and I really do appreciate the opportunity that you've given by putting me on early today.

My name is John Nelson. I live in Neepawa, which is a two-hour drive to Winnipeg. During my teaching career, I've been a high school teacher and principal, special services co-ordinator, and an elementary school principal. I had the good fortune to work with many good colleagues in four different school divisions over 37-plus years in education.

Most of that time, while I was working in the school system, my wife was home raising our

children, and by the time she was ready to return to the profession there was little opportunity left for a class 1 teacher without a three- or four-year degree. So, as a result, my wife became a teaching assistant until we both retired in 2002.

Now, why do I tell you that? Because you need to know that we basically live on one pension. We are fortunate to have a pension, and I don't want you to get me wrong about that, but we also pay increasing taxes on our house, we're paying for rate hikes in home insurance, water bills, Hydro bills, not to mention increasing prices for gasoline, car repairs, and, of course, coffee.

Some of the things we once regarded as luxury items like Internet and cell phones are increasingly more necessary and, of course, subject to repair and replacement, at a price. So it doesn't take long for those increases and liabilities to eat away at that pension amount, and I don't think Hydro will charge me only 66 percent of my projected increase next year. Two of our children live with their families in Vancouver, and, again, contrary to advertising, travel prices remain expensive. We still like to visit them. We still need to visit them. Now, by being a real estate agent, we can afford to spend a few weeks there, a few trips there, but that's an enabling factor that a second job has given us.

There are many teachers older than I whose pensions have been gradually eroding. Some of those people are couples with one pension. Some are surviving spouses whose pension has been reduced to two-thirds or whatever option was chosen at retirement. Some of those teachers have pensions whose contributions were made on a class 1, class 2, or class 3 salary. Those pensions were not very large in the first place.

To place this in context, imagine your father or mother, or grandfather or grandmother, as your age may be, living on a thousand dollars or less pension that dwindles in purchase power each passing year. At what point would your parent qualify for social assistance?

Some retired teachers are also caring for an ailing spouse, disabled elderly parents, or disabled dependent children where costs and need for respite are high. Some retired teachers have a pension based on a career of part-time teaching.

I think it needs to be recognized that what may appear as the norm today, two adults in a family each contributing to a pension plan, is not the norm of past

years; jobs, family roles, day cares have evolved and changed that structure. Now, that's not anyone's fault that now, currently, there seem to be more people with two pensions coming into a family, and there's no fault there. The fault is more in terms of what has not been done to assist those who are retired and who rely on a predictable pension. Everyone should have the right to a predictable pension, whether you have a meagre single pension from 30 years ago, or whether you are a couple with two pensions.

I visited an elderly teacher last night in hospital. She's one of the most gracious, most genuine ladies I have ever met. She's over 88 years old. She was admitted to hospital, lying in a hospital bed on oxygen, waiting for tests today to which she would have to be driven for an hour there, an hour back. She's frustrated. She just wants to feel well again. But she was interested enough to know, or interested to know that I would be speaking here this evening. So I asked her if she had any messages that she'd like me to bring. She said, in her kind and quiet way, tell them I'm extremely disappointed in the MTS, of which I was a member. I think we can safely generalize that disappointment to the governments of the day who have also not addressed and not solved the problem of the pension.

When we were in the teaching profession, we were proud to be part of the Manitoba Teachers' Society. That organization worked and lobbied and fought for improvements in the education system and in teacher welfare. I'm one of many retired teachers who worked on collective bargaining, public relations, curriculum committees and teacher welfare issues, and it's a strange feeling to know that the professional organization that we helped build, and the people for whom we built it, essentially stopped caring for us when we retired. In fact, I feel somewhat like a rugby player being tackled at the knees. I can only stand up at about 66 percent or less of my self worth. Active teachers need only look at us to see how they will be treated in their own retirement.

So what can be done? I understand that money has already been put in by the government for backfilling the liability, as I quote from the *Brandon Sun*, and that is commendable. Now, if the government were building a new building, a museum, for example, and it cost several million dollars more to complete, would they stop building? I think not. We are not a building. We are living, breathing, taxpaying people. Maybe we deserve an overrun.

* (19:00)

In the same vein, if the government can find money for pensionable government employees and MLAs, can they not find equitable money for retired teachers? I would suggest consulting with other provinces to see how they handle pensions. Manitoba seems to be the only place to have this problem.

Mr. Chairperson: One minute.

Mr. Nelson: I would suggest that the Manitoba Teachers' Society begin increasing their contributions to the PAA immediately so future retirees will have some adjustment funds. It might even be a good idea for a two-tier pension system, a two-thirds COLA or better for pre-2009 retirees and two-thirds COLA or less for post-2009 retirees.

My concern is that a position is adopted that is neither progressive nor satisfactory, and is then buried for 10 years. But it's bound to resurface, but with just a whole bunch of new faces at the table. So I know it must seem like an endless task that you have, but I appeal to RTAM, government and MTS—

Mr. Chairperson: Order. Sorry, we've reached the 10-minute mark. You still have some of your presentation left?

Mr. Nelson: Forty-five seconds.

An Honourable Member: Leave.

Mr. Chairperson: Leave has been granted. As before, out of the questions.

Mr. Nelson: Perhaps, in the voice of one of my old teachers I could say, go back to your desks, get out your eraser and a fresh pencil and your collective wisdom and work the problem through unemotionally. I'm convinced that a satisfactory compromise could be reached with an open mind, a new perspective and, perhaps, some input from an impartial mediator.

To you, as a committee, thank you for listening. We need your assistance in bringing a sense of justice to this issue, and we appeal to your good judgement. Thank you very much.

Mr. Chairperson: Thank you, Mr. Nelson. Questions?

Mr. Schuler: Thank you very much, Mr. Nelson, and appreciate you waiting so patiently for the opportunity to have your say. We are now into our third day of committee meetings, in the middle of a

relatively nice summer, and I guess we need rain, too.

You brought to the table something that I think is very important for us to reflect on. This doesn't just affect the pensioners; it affects all the dependants as well, whether that's a spouse or family members. I think that's very important that this is something that goes beyond just retired teachers, it's also all the others that depend on that pension.

The other point that you made, and I think it's something that we have to reflect on as the generation that's sitting at this table, is that for 20, 30 years the problem has been shoved to others. At some point in time the problem has to be dealt with, and probably now is as good a time as any that we start to deal with the problem. I liked your comment, satisfactory compromise. We appreciate your comments and, certainly, I know on this side, and I'm sure, the minister's sitting at the end of the table, and he, with the majority of the government that they have, have a lot of clout, and we will be pushing them that we look for a satisfactory compromise. I happen to agree full-heartedly with your last statement, sharpen your pencils and get to it. Thank you for being here.

Mr. Nelson: Thank you.

Mr. Chairperson: Thank you, Mr. Nelson. We will now go to the top of the list this evening. Potential speaker, No. 1, Dick Marshall. Is Dick Marshall here? Seeing no one rise, their name will be dropped to the bottom of the list.

Number 2, Paul Olson. Thank you, Mr. Olson.

Just while you're getting ready—I see you have written copies of your presentation—I will notify the committee that we have received several more written submissions since we began this evening. They come from the following persons: P. Allen and L. Dueck, who was not on the list originally; Doug Adams, Kathy Knight, they were not on the list originally either; Irene Belanger, who's No. 63 on our speakers list, she has submitted a written document and can be struck from the speakers list. Elizabeth Bryan, also on our list at spot No. 101 has submitted. Does the committee agree to have these documents appear in *Hansard*? [Agreed] Thank you very much.

Copies will be distributed to committee members.

Mr. Olson, we appreciate your patience. You may now begin.

Mr. Paul Olson (Private Citizen): Thank you, Mr. Chair, and good evening to the honourable minister and the other members of the committee.

My name's Paul Olson and I'm the vice-president of the Manitoba Teachers' Society. I've been a teacher for 18 years and I've served as an elected member of the executive, to the boards, if you like, of the Winnipeg Teachers' Association for 10 years and the Manitoba Teachers' Society for another six.

I do thank you for the opportunity to be here this evening and to offer what I hope will be some different perspectives on the matter under consideration.

I'd like to discuss two issues that I believe are of particular importance to the many active teachers who are years or even decades away from retirement. One is the so-called new entrant shortfall, and another is the suggestion by the Retired Teachers' Association of Manitoba that we might use money from the account that's used to fund the basic benefit to improve COLA. In addition to those two issues, I have a few brief comments on the matter of the plebiscite and on the supposed 10-year moratorium.

Now the idea that there is a new entrant shortfall is a serious misconception. While everyone, I think, acknowledges that teachers coming into the profession are not contributing enough to pay for the pension they will someday receive, or that they hope to receive, there are some who claim incorrectly that that means that somehow those new entrants are being subsidized by retired teachers.

The root of our pension problems, and we've heard a lot of information to this effect, can be found in decisions that were made, or that should have been made decades ago. Any blaming of the current situation on the people who have just entered the profession is very unfortunate at best. By not matching pension contributions in the '80s and '90s with the contribution increases from active teachers of the day that were needed to pay for them, those looking out for our plan made a serious mistake, and my president has made that very clear. What this means is that most teachers who retired in the last 15 or 20 years did not contribute enough into the pension plan to cover the long-term costs of the pension they are now receiving. Benefit improvements were made without ensuring that the

payment of increased contributions to support them was there.

Now we can start to correct that situation with active teachers by raising the amount they contribute to the pension plan. Once a teacher retires, however, the opportunity to pay more into the plan is lost forever, and they've made that clear. They weren't asked and they can't now.

In September 2005, teachers began to pay more for their pensions. We are now paying an additional 1.1 percent of salary, and we often use percentages. That's not a 1.1 percent increase. That's 1.1 percent off gross salary. It's a lot of money. That was in fact an 18 percent increase in our contributions. On top of that, as a member of the provincial executive, I can tell you that we've made it really clear to our members that another increase of about the same amount is sought. We want it, it is needed, and we know that. If government agrees to that, and MTS has made it really clear we hope they do, then active teachers are going to be paying 35 percent more into the pension plan than they were in September 2005. If that happens this year, that's a 35 percent increase in three years.

Now, I have the privilege of talking with teachers of all ages and listening to teachers of all ages, and I can assure you that those increased pension costs have angered a lot of people. Teachers understood the importance of those increases, and in fact they strongly supported them, but they, nonetheless, are having trouble, and they can't help but wonder why they have to contribute so much more into the plan in order to get the same benefit as teachers who are already retired. Paying for an improvement, that's one thing. Paying dramatically more so that all pensions can simply be maintained, we hope, that's another thing entirely.

We don't have a new entrant shortfall. What we have is a funding shortfall, period.

The second issue I'd like to address is the suggestion that we might take lump sums out of the account that pays the basic benefits in order to fund improved COLAs. I'll say it again, it's been said here before, that is a recipe for disaster. Now some have claimed that up to half the money in the account that pays the basic benefit was contributed by retired teachers, and that, therefore, it somehow belongs to them. The nature of a benefit plan is that you pay in a precise premium in exchange for very specific insurance or benefits. Our pension plan, in fact, by design, by structure, is a defined benefit plan. One

pays a defined premium. One is assured of a defined pension payment each month upon retirement, and that is what belongs or is due to the retiree.

* (19:10)

Now, in the 1980s, warnings about the inadequate funding of COLA were ignored. This has led to our present situation where we cannot pay reasonable COLAs. No one is saying what we have now is a reasonable COLA level. If we now begin to take money from the account that pays the basic benefit in order to fund future COLAs, we're going to be back here in a few years and we're going to be facing a problem where we can't fund the basic benefit, and forget about any COLA adjustments.

At that point, I imagine that retired teachers might insist that the basic benefit is guaranteed, and they would be entirely correct, but the laws and regulations that govern pension plans belong to the government of the day. Those elected representatives can change the pension plan at will, including raising the retirement age or cutting benefits. While a lot of actuarial math is involved, at the end of the day a pension plan is not a complicated creature. The promised benefit level must not exceed the money available to pay it. When it does, serious problems develop, and, what do you know? Here we are.

Now I need to speak to a few statements and questions that have been made regarding the plebiscite itself. At these hearings we've heard that the plebiscite was a sham and a public relations exercise, and it has been repeatedly criticized because it was non-binding. I am absolutely amazed that anyone is willing to run for public office anymore. Had the government or the pension task force not consulted with plan members, it would, doubtless, have been criticized for not giving plan members a voice. Perhaps most strangely, a plebiscite, by definition, is non-binding. How the members of the pension task force can be criticized for doing everything they could to let plan members have their say, with the government not shirking its ultimate responsibility to render a decision, is remarkable. Had the vote been binding, in other words, had it been a referendum, then none of us would need to be here because the decision would already have been made.

Questions regarding the timing and time lines of the plebiscite have been raised as well. Decisions that are made regarding changes to COLA come into effect once annually, July 1. In bringing our request for a plebiscite to the pension task force, MTS was

hoping to get an improved COLA to plan members as soon as possible. There was not an evil or hidden agenda. An improved COLA for retirees as quickly as we could get it was the goal.

As for the supposed 10-year moratorium, this issue has caused a great deal of anxiety, and, honestly, that is really unfortunate. It is perhaps one of the best or worst examples of misunderstanding or misinformation that we've seen to this point. I really hope this comes out when the bill itself is reviewed, but I'll say it now. There is no 10-year moratorium on anything. The word is not present in the bill. The concept is not present in the bill.

In fact, the only place in that bill when a 10-year period is mentioned is as follows: For a 10-year period, the Pension Adjustment Account will be credited with the better of the interest rate for equities or the interest rate for fixed rate tools such as bonds, capped at a maximum of two-thirds of COLA.

The better of crediting was suggested by RTAM at the Pension Task Force meetings, and it was agreed to by the Manitoba Teachers' Society. For those not conversant with what that means, it basically means that the COLA account, if you want to call it that, is guaranteed the best possible interest rate for a decade.

Mr. Chairperson: One minute.

Mr. Olson: Thank you, Chair.

Passing Bill 45 simply does not prohibit discussion, plan improvements, contribution increases, or other changes that would benefit plan members. We would not support it if it did. I truly hope that you can support Bill 45. It is not and it does not pretend to be a perfect solution or a final solution, because it does not contain a billion dollars within its provisions. What it is is a very positive step. It brings tangible improvement to teacher COLAs, now and into the future, and, as such, I believe it's worthy of your support.

I thank you for your kind attention, and I wish you well in your deliberations. Thank you, Chair.

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

Mr. Schuler: Yes, thank you very much, Mr. Olson. You, too, have been sitting here very patiently. I think this is your third day that you've been sitting here. I'm sure at times it's challenging. There have been a lot of presentations that have been made and

with great credibility you've sat and listened. We certainly appreciate you having the patience to wait for your opportunity.

You make a statement, and it's on page 1, the last paragraph, and I quote: "The root of our pension problems can be found in decisions that should have been made more than two decades ago. Any blaming of these problems on teachers who are just coming into the profession is unfortunate at best."

I agree with that. I don't think this is an issue where active teachers are at fault and I think I've been clear on that. I agree with you wholeheartedly on that. This is something that in the end will have to be decided at the political level where the poor decisions were made. Certainly appreciate your presentation and that quote in particular. I think, you know, we have to be very mindful of that, that it's not those that are teaching right now that are to blame. They are doing what they do best and are doing it well for the next generation of students coming up. We appreciate that and thank them for it, and thank you for coming forward and making your presentation.

Mr. Lamoureux: A couple of questions. First, do you feel that the pension fund would be healthier today if the government had been matching the funds at the time the teachers were putting the funds into the pension?

Mr. Olson: Fundamentally, the issue is level of contributions, not whether the government is matching that up front or after the fact. So it may have had some small impact. I'm not an expert in actuarial sciences, but it's not the key issue here.

Mr. Lamoureux: In listening to a number of the presenters, that seems to be one of the issues that's raised; that had the government taken on its responsibility maybe that fund would be healthier. I think that it's important in terms of how do we hold the government account for, you know, reinvesting or putting the monies that are necessary back in. So I would have thought it would have been an important point.

The second issue, when you make reference to the plebiscite. Because it is a very sensitive issue, the non-binding didn't seem to be the most offensive in terms of the presentations that I've heard. It seems to me it was the manner in which it came about, and I have it noted: May 13 the ballots were mailed out; May 26—how did we ensure that there was equal funding to make sure that both sides were being

heard, what sort of neutrality was there; those types of concerns. It started off, one would argue that why did we have to have it so quickly? I was under the understanding, with the exception of what you just finished saying in terms of the July 1, that it had to be here because of provincial legislation. One of the questions I wanted to ask the president was, who initiated? Was it the Minister of Education (Mr. Bjornson) or was it MTS that the vote had to take place when it did as opposed to later in the year?

Mr. Olson: The timing was an attempt to get as much information before the House as possible so that if we could get retirees an improved COLA this year, that whatever needed to happen in the House was done. So, essentially, as quick as we can to get the maximum COLA to retired people as we possibly can. That was our objective.

Mr. Chairperson: Mr. Lamoureux, very briefly.

Mr. Lamoureux: Finally, the legislation couldn't pass. It would have to pass this fall. So, technically, the legislation could have been introduced in September. Do you feel that that might have been more appropriate then, to provide more time? This way we might have had greater participation in the process. Would that have been healthier had you known that we could have brought in the legislation in September as opposed to back in June?

Mr. Olson: I think fundamentally the fact remains that this matter, this issue has been in discussion four years. RTAM and MTS and government have been discussing this matter four years. There was not going to be a whole bunch of new data to inform decision-making whether we wait a week, a month, or anything to that effect. So, honestly, it didn't figure into my thinking and, even standing here now, I don't see how it would have improved or changed the relevance of anything.

* (19:20)

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

Committee now calls speaker No. 3, Terence Clifford. Is Terence Clifford here this evening? Very good. I see you have written copies. We appreciate that.

Mr. Terence Clifford (Private Citizen): Mr. Chair, I'm not sure of the process, but I would rate that particular document as my formal presentation. It is my intent to ad lib, or not necessarily ad lib as such, but speak more freely than is perhaps on that paper.

Claims were made by the last speaker, for example, that errors were made. The biggest error, I suggest, that was made was referred to by Tom Ulrich last evening when he made reference to the expectation that the COLA would be maintained at a reasonable level and that teachers after that time would take such actions as would cause that to happen itself evidently has not. The second point I would wish to make is that, with regard again to the same speaker, the plebiscite was to provide as much information as possible to the Legislature. Take it or leave it does not strike me as being particularly informative.

My background, Chair, is a mathematics teacher in core area schools in London, in Bristol, and I came here 40 years ago next month to the city of Winnipeg. In the society, I was active on both the curriculum side, which seems to be sadly neglected by the current regime in the society, and also in negotiations. My background with regard to the, if you like, political side of things, I was president of my local association of the Manitoba Teachers' Society and of the Retired Teachers' Association. That sort of experience backdates to around about 1970 till I retired in 1970 and became more active in the retired teachers. Currently, I am a member appointed by Order-in-Council on the recommendation of the current Minister of Education to be a member of the TRAF board.

I've worn many hats, but at this meeting I stand here as a victim of Bill 45. For all the work that has been done by the task force, this bill is remarkably unimaginative. It can only be considered as a stopgap measure. The bill is based at least in part on the Sale report and a related plebiscite, and one cannot comment on the bill without dealing with those two items. I don't know who had the idea of the plebiscite. I do not know if it is becoming practice by the government to rule by referendum. If indeed it is, perhaps we should be referred to as the canton of Manitoba.

I wrote to TRAF to be excluded from this referendum as I believe it is nobody else's business other than my own as to what it should be. I was told that on legal advice, my name could be released to the general public and I would be participating in that survey. If it was in the public interest, I must admit that I find that reason at best tenuous, and a plebiscite itself is of course highly skewed. There's a whole slew of people, people who are on deferred salaries, who were not even consulted. They had that

right. It was ignored. That, I believe, is something in the order of 6,000 or 7,000 people.

The question on the plebiscite was take it or leave it. For many of us, we would like to have made comments. There was no opportunity before I read the full instructions. Regrettably, I wrote over it. I don't regret what I said. I do regret that I didn't reduce that difference between the two groups of people. But it really was—a statistician would squirm at the wording or the intent of this. On the time lines, many retired teachers do not live in metro Winnipeg nor indeed in the province, and I hope that was accidental. That short time line was simply unfair.

The results of the referendum are worthy of examination. I acknowledge that a small majority of a minority of responders is still a majority. But to claim victory and a win-win-win are patently absurd. Consider the resources put into getting approval of the Sale report by the Teachers' Society. Now, in my past, I have been involved in that sort of PR campaign. It is very expensive. I wonder why. Of course, in this sense, you've just got to look at American elections where the depth of pocket is largely the predeterminer of the result.

Frankly, I think the referendum is an abject failure, and I just would like to make this point: What would have happened, to use a number that was used here two nights ago, if 50.1 percent had denied it? What would have happened? Though I do note that there is a nice escape clause saying that this is only for consultation, rather than action.

If Joe Clark had claimed the same victory on those numbers in support of his leadership, he could still be prime minister, but chose to resign. It was an appropriate action then; it's an appropriate action now. I am tempted, Chair, but it would be inappropriate to make comments about Joe Clark's leadership now and the current leadership federally, but that would be ruled out of order, likely.

Claims are made in this report which simply cannot be substantiated. There's nowhere of which I'm aware that there was any claim for a two-thirds cap. If it had been that intent then it would have been legislated. To compare those, as has been said by others, with the civil servants is nonsensical. I simply don't understand the motivation, except to put an artificial ceiling in. For the foreseeable future, that two-thirds is not even attainable in the first place. I simply do not understand.

The bottom line of most of my presentation is to say the whole issue of the adequacy of the COLA has not been adequately addressed. A hundred dollars—I retired in 1997—for me, personally, is now worth in the order of \$89 and a couple of cents.

The proposed change to fund the PAA based on total returns is a good idea. It is part of an idea, and certainly the better-of is redressing that which should have occurred when the plan was first designed, although, people at that time with bonds and equities, a decision was made on that current knowledge. But to only consider that, I suggest, is inappropriate. I regard it as a disgrace and a callous disregard for the problems which are currently known to exist. While that change makes some minor relief, the task force has got to continue its work. It is not a finished task.

A number of years ago, the minister, to his credit, decided that an extra payment from account A to the PAA was necessary. That took political courage, and I commend him for it. Account A still has large sums of money, which is in fact that which I have contributed. Now I don't pretend to be an actuary, but where is that money? Where is my portion of it, and that of other retired teachers? Where is the balance in all of that? The minister has done that once, and perhaps it should be continued.

I would like to address one other issue, because it has been a bone of contention. A number of years ago when I was president of RTAM, there was a meeting between senior personnel of MTS and RTAM.

The society made this proposal to RTAM: We would like you to agree to a two-thirds cap—now, I do paraphrase; I don't remember it verbatim—If you agree, we will then ask the government to increase the contribution rate by 2 percent. Of that 2 percent, 1.1 would go to the general rate increase, and 0.9 percent to the PAA.

Mr. Chairperson: One minute.

* (19:30)

Mr. Clifford: When I asked what guarantees there were for the 2 percent, we were told none. That, Chair, is not negotiation. If we had agreed to that, I regard that as surrender. Quite frankly, once two-thirds is in place, I don't care the political stripe of the government, two-thirds will stay. It is something that people have wanted for years and years and they have got it. When you give up something freely in a negotiation situation, it is obvious that it isn't critical. Well, I'm sorry, but it is.

The last thing that I would like to say is that there is reference in this bill between some kind of relationship solely between MTS and the government about rate increases. MTS does not represent all its members in the first place. Members are allowed to write themselves out so therefore they cannot be talking of those people.

Mr. Chairperson: We've reached the 10-minute mark. Is there leave for the committee to hear the rest of the presentation out of question time? *[Agreed]* Leave has been granted. Please continue.

Mr. Clifford: They do not cover superintendents; they do not cover their own staff, nor do they cover MAST staff. To claim to represent all the payees is simply erroneous. I will fully acknowledge that the others are small in number but they are not zero.

On that basis, Chair, I am distinctly upset by this bill. There is a lot more work to be done on it. There are different ways of looking at it. I will stress, having been through various offices in RTAM, but I do not speak for RTAM, but many of the members are personal friends of mine, it is not RTAM's position to lock into the full COLA. This has got to be looked at. It has got to be negotiated but this farce of two-thirds has got to be eliminated. Thank you, Chair.

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

Mr. Schuler: Thank you very much, Mr. Clifford, for patiently waiting for your opportunity to come forward and give your presentation. Certainly appreciate a lot that you brought to the table. I particularly appreciate your comments that this is something that should be taken forward and further negotiated. I think we're hearing a consistent theme coming forward, that there are parts of this that you can live with and if those were included in Bill 45, you'd be fine with Bill 45 moving forward. There are ever parts that should continue to be negotiated and they should come out and the discussions should continue on those. Is that a fair assessment of what you basically said today?

Mr. Clifford: Yes, we have not finished the job.

Mr. Lamoureux: I guess it will be a very personal question, feel free to answer it if you like. If there would have been a guarantee of the two-thirds COLA in the legislation, would that have changed the way you would have voted and your support of having a plebiscite? Would that have changed the

way you voted on the plebiscite, or how would you have voted? I don't want to assume the way you voted.

Mr. Clifford: To be honest with you, I don't know yet because I'd want to look at what was causing the two-thirds and why it was causing the two-thirds. I don't have a fixed figure. One that I don't want is zero. The one that I don't expect is 100 percent. Somewhere between the two. Two-thirds has got this magic about it, there's nothing magic about it. It's not a particularly nice decimal, let alone anything else.

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

Calling No. 4, Bernice Stebbing. Is Bernice Stebbing with us here this evening?

Good evening. Do you have an oral presentation for us?

Ms. Bernice Stebbing (Private Citizen): Yes, I do.

Mr. Chairperson: You may proceed.

Ms. Stebbing: Thank you very much. You've all been paying close attention I can see and you've all been very well behaved. There you go. So far. *[interjection]* Well, not necessarily now.

For tonight now, I've had many of my former colleagues, learned speakers on and you've listened diligently to them, as I can see, as the rest of us have also. So I'm coming at a different approach tonight. I have questions for you and later on I have some answers. I hope that that will maybe shed a tiny bit of light on this whole situation. There is a reason why I guess I have to ask questions and they've been bothering me as I've been puttering around in my yard these last few nice days. Some of the questions I have like, what is the current reimbursement, the CPI, say, retired government MLAs would get, their assistants, consultants? It may sound like not an appropriate question, but going on, what is, say, the current CPI for the retired people from—worked in MTS? Say, like the general secretary, you know, the bigger positions. I don't know. Is it like mine? Am I being unreasonable wanting more, wanting a fair COLA? Actually, some of my former colleagues that are now in the government seem so very quiet around this issue. I would like to hear more from them.

So, you know, as they say, I'm here today with a lot of questions. Why deny—support the Sale report? Another question. Why is the union—actually it was a professional called the Manitoba professional

teachers' association when I first joined. Why does it not so fully support me now? Is that still my home I can go to? You know, we helped build it; many of us and some of you here around this table helped build it, I know. I would like to still feel very welcome and have that support there. I don't really find it. I was in there this last spring at something RTAM did and there was the same receptionist, and it was good to see her again and the custodian. So, like, those people seemed very friendly still. I hope others will.

Why didn't I vote on the plebiscite? Why didn't I vote? So now I will try and give—you've got something, maybe, to think about, and now I'm going to try and give you some answers. Maybe part of my problem is, that being from Saskatchewan we maybe look at things a little differently. Not sure. I sort of heard one of the speakers previous to me who was from Neepawa. It seems to me Neepawa's pretty close to the Saskatchewan border now. I found that very welcoming, warming. Now, so I am a retired teacher. Why am I here tonight? I am here tonight because I think I and many others are being not treated fairly in this whole operation. I really don't understand all the statistics around it. The former speaker, I worked with him. I know he does—he knows lots about those figures. I know why he doesn't like the two-thirds as a decimal. So I really—I didn't vote on the plebiscite because I wasn't here. It arrived the day after I returned home.

Why did I retire, take early retirement in 1991? Early retirement was being encouraged at the time. I had no idea that I would not be receiving some form of an adequate increase to my pension. Because if you go way back, I started teaching in 1953—surprised hey—a long time ago, a first-year teacher, you did not start paying into any pension. I was with Winnipeg 1 for my first three years. I was on what was called probation. I hadn't done anything wrong by the way. It wasn't that kind of probation. And you needed to take some Department of Ed courses. I did that dutifully; very good, very interesting; had a good time in the summer doing that; and then you had the inspector come and he visited the school, was a gentleman, and gave his word as to whether he thought you could go on and, yes. So then I started paying into what was called an annuity—by the way, just in case you wondered, I get \$9 and I think it's 33 cents or something I get a month from that annuity—until I finally got in and we became part of this whole pension plan thing.

* (19:40)

So, why was I upset? I'm going to answer a couple of the questions, just so you know you're not on one of these are you smarter than a grade 5 student. Why don't I accept the whole Tim Sale—Mr. Sale report, sorry, Sale report, is what it's called. I apologize for that. I should have just said the Sale report, was because there was no mention of the money that came out of our pension plan toward paying for a shortfall in the disability insurance plan that the Manitoba teachers have. I saw nowhere where that was mentioned. It could have been and I missed it. To me that's a point. I paid into it. Many other people paid into it. It was certainly there for the people when they needed it. But, as a retired teacher, I really questioned who was looking after that plan. What happened with that? Why was there a shortfall? How come the money came out of the pension? Like, again, I think it's because those of us from Saskatchewan probably ask a lot more questions.

Now I still consider myself a teacher. Why? Because I still work, only a little bit now. I work part time with students who are not accepted in their school for certain periods of time. I really enjoyed working with them. I find it very encouraging, and that money goes to help supplement my pension, because when I was a young teacher, when you became pregnant, it was not a good thing in the school division. After the fourth month, zippo, you were gone. So, many things interrupted, and I know you've heard some of these stories before, because I recognize some of your faces around the table, always changing one, that's a good thing, too, but you know what happened with many of us. We had to leave. We weren't allowed to continue teaching. When you were four months pregnant, you left. Then you had to come back and sort of start things over again. If you went part time, then there was another little hidden thing, because you had to resign. A part-time teacher could not get a leave at that time, at least that was the rule with Winnipeg One. Many little things interrupted. Our lives don't always turn out as we expect them to. I didn't expect I was going to become a single parent.

Mr. Chairperson: One minute remaining.

Ms. Stebbing: Thank you. I did not know that children always left home afterward. I did. When I turned 18 years of age, I left home. I didn't know they kind of hung around. Then, of course, nobody told me there would be grandkids.

I want my grandchildren to go to things like a nice stadium. My 11-year-old has just started football practice, and that's a good thing because the Bombers are going to need him, I know. But a question for you gentlemen and ladies. I should have asked this earlier. Will there be money to build the stadium? Help with it? Will there be money to help build a water park? Like, I have a lot of questions. Once again, I think it's a Saskatchewan thing.

I do not support Bill 45. Something is not right there. It needs to be looked at. It needs to be looked at, as has been suggested, with fresh eyes.

Mr. Chairperson: Order. We've reached the 10-minute mark.

Ms. Stebbing: Thank you. I'm good.

Mr. Chairperson: Thank you for that.

Questions?

Mr. Schuler: Thank you, Ms. Stebbing, for waiting so long to make your presentation. I'm not going to ask you any questions. I think you've done a good job of that. We appreciate the delivery of your speech in the way you did. I think you made your point very well, and I think it has given this committee a lot to think about.

Again, thank you for being patient and waiting for the opportunity to ask all those questions.

Mr. Lamoureux: One quick question, you said that you got the plebiscite ballot the day after you got back.

Mr. Stebbing: I was away for a few days.

Mr. Lamoureux: Can you just explain the time frame as to when you actually received the ballot? Do you remember the day that you would have received it?

Ms. Stebbing: Don't know. I'm not exactly sure, but I know it was the day after it was to be put in the mail. It came in an envelope with an envelope to be returned. Too late. It was just the day after. I had waited for it because I had spoken with some people, and they were telling me it was going to be out. I waited and it seemed it took a little while to come out.

Mr. Lamoureux: When you actually had your hands on it, were you able to vote or was it too late?

Ms. Stebbing: Twenty-four hours too late.

Mr. Chairperson: Seeing no further questions, the committee thanks you for your time this evening.

Ms. Stebbing: Thank you.

Mr. Chairperson: Our next name we call is No. 5, Mr. Brian Ardern. Thank you for the written copies. You may begin when you are ready.

Mr. Brian Ardern (Private Citizen): I think the Bombers might be ready for that kid now.

My name's Brian Ardern and I want to thank you for the opportunity to be here today. I've been involved in questions regarding our pension plan for a good portion of the last decade, and my time as MTS president, which ran from 2003 until 2007, was dominated by pension issues. As someone who has spent the last five years striving for solutions to the lack of an adequate COLA for retired teachers, I see this legislation as a solid step in the right direction.

In just over three years, I will become eligible to receive my pension. This legislation will directly affect me. My desire, like that of every retired teacher, is to receive full indexing of that pension. Barring full indexing, I would like at least a significant guarantee, something that would assure a high percentage of annual CPI. Unfortunately, the time when such arrangements could have been made has long passed. Regrettably, the right time to deal with the issue of COLA was in the 1980s and '90s, when the actuary was warning annually of future problems.

During that period, time and demographics provided an opportunity to deal with the question of COLA relatively painlessly. During those years, minimal contribution increases or limiting the annual payouts would have combined to create a pool of money that would have grown and been available today. Instead, the PAA paid out full or nearly full COLAs for many years, draining the account of funds it would need for the future.

You know, it's interesting. I was a delegate to the 1993 MTS annual general meeting, and I went back to review what our organization was saying about inflation protection at that time; 1993 was a significant year. Terry Clifford, who just made a presentation and currently sits on the TRAF board, was the MTS president that year. Anne Monk had been sitting on the TRAF board for years and, as she told us yesterday, the actuarial warnings that had started in 1984 had been passed on to government and MTS every year. Tom Ulrich was not only sitting on the TRAF board, he was the MTS staff

expert on pensions, and he would have had a key role in writing the report that went to our AGM.

So here is what the 1993 annual general report on pensions says about COLAs, and it's pretty short: The committee has concluded that the provision for inflation protection is adequately addressed in the present arrangement at the current level of inflation.

How on earth, after nine years of actuarial warnings that the COLA provisions were not adequate, could the MTS pension experts have reported to AGM and teachers that they were? It defies logic. The other partner to our plan, government, also has some responsibility.

Today, we are working against time and swimming against overwhelming demographics. The time for simple and painless solutions is long past, no matter how much we talk. Having ignored the issue for more than two decades, we face difficult choices and the realization that anything approaching full COLA or even a specific guarantee, is financially beyond reach. It is important, however, that we move now. Waiting for a solution that is perfect, that will satisfy everyone, merely puts retired teachers into a bigger and bigger COLA hole. The sooner we begin to address this issue, the sooner we can begin to make improvements. These improvements will not provide retired teachers with all they would like. They will not provide me with all that I would like, but, although we cannot provide a guarantee, we must make a start.

* (19:50)

By now the mistakes of two decades ago have been acknowledged by everyone. Less attention has been paid to the mistakes that were made just five years ago. I'm well acquainted with the proposal that was put forth by the Manitoba Teachers' Society in 2003. Parts of that proposal were very similar to recommendations contained in the Sale report.

In March of 2003, the current president of MTS, Pat Isaak, and I attended a meeting with representatives of RTAM, government and TRAF. A number of ideas were explored at that meeting, including the society's proposal that we move to a total fund return for the PAA and that future COLAs be capped at two-thirds. In the end, RTAM would not accept a cap of two-thirds and refused to support the society's position. MTS put these proposals forward in the fall of 2003 in a brief to the Minister of Education but, without the support of RTAM, government refused to move. Clearly, the refusal of

government and RTAM to support the position of the society in 2003 did not have a positive outcome. If the society's 2003 proposal had been implemented retired teachers would have received significantly higher COLAs over the last five years. Instead, retired teachers have received next to nothing over that period.

It is ironic that, while the rejection of the 2003 MTS proposal was a victory for RTAM, it had a negative impact on retired teachers. RTAM views the two-thirds cap as a benefit reduction because the current legislation allows for COLAs of up to 100 percent of what the PAA can afford. Of course, when the PAA can afford little or nothing, this distinction is meaningless, and no one believes that under the current circumstances anything is going to change soon. But unless something is altered, retired teachers will continue to get up to 100 percent of what the PAA can afford, which means they will continue to get next to nothing.

My own view is that two-thirds of something beats 100 percent of nothing every time. No one can reasonably expect that active teachers or government will be able to step forward with the hundreds of millions of dollars that would be required to provide for even a two-thirds guaranteed COLA. But the current provisions are clearly inadequate and we cannot stand still. The only possible solution is to take a gradual approach and find incremental steps that will allow us to improve the situation over time.

One step, the 2005 contribution increase, has already been taken. It resulted in active teachers putting approximately 18 percent more money into the Pension Adjustment Account every year, and we still need an additional contribution increase which will mean more money for the PAA. But we still need to do more. We need to implement the recommendations of the Sale report as contained in Bill 45 now. We need to recognize that we cannot fill a 25-year hole all at once, but we can start to make realistic changes that will provide retired teachers with improved COLAs and also act to protect the health of the basic benefit for both retired and active teachers.

Our failure to act in the past means we have wasted years and decades. We should have dealt with the issue of contributions over 20 years ago. We didn't. We ignored the clear warnings that were given, and retired teachers are now facing the cost of that inaction. Five years ago we had another opportunity. The society's proposal did not provide a

perfect solution, but it would have meant significantly greater COLAs over the last five years. Our inaction means that over that period retired teachers have received significantly less than they might have.

We could, of course, reject the Sale report and reject Bill 45. We could insist it isn't good enough and send everybody back to the table to talk some more. We've talked about this for more than five years already. What's another year or three or five? It's always easier to talk than act. In the end, however, common sense tells us that the hundreds of millions of dollars required to provide the guarantee that everybody would like is not and will not be available. Retired teachers are not going to get a full COLA. We cannot even guarantee them a two-thirds. No government of any political stripe can. What we can do is make reasonable and fiscally sound improvements. We can and should improve COLAs. Holding out for more and demanding a solution that is simply unattainable can only hurt retired teachers. It's a lesson we should have learned five years ago.

I want to thank you for the opportunity to be here today. I will retire soon and the COLA question is of vital concern to me. I applaud the recommendations of the Sale report, the willingness of government to introduce Bill 45, and the courage of the MTS provincial executive to finally face this situation. I believe Bill 45 represents a practical and balanced approach to a difficult situation. I have two hopes tonight. The first is that government will pass Bill 45, and the second is that Mr. Schuler will keep his preamble short enough to give me time to answer some questions.

An Honourable Member: Question, Mr. Schuler?

Mr. Chairperson: Now to questions. Mr. Schuler.

Mr. Schuler: Thank you, Mr. Ardern. You've waited very patiently over the last three days and I suspect you'll probably be back tomorrow. You have, with great integrity, sat through a lot of presentations, and, yes, I will give you some time to respond. I would be wrong not to.

I'm really intrigued about your 2003 presentation or proposal that you had made. Perhaps you can take a little bit of time reflecting on that. I think there's also recognition, from what I've heard, is that a full COLA is probably not something that retired teachers are looking for. I think what a lot of retired teachers and what RTAM is looking for is to be brought into the process in a meaningful way.

Can you sort of reflect on both of those? Your 2003, and how you view how the process proceeded over the last year, year and a half?

Mr. Ardern: Please notice I waited. You know, I find process always an interesting thing. RTAM has been very heavily involved in the process over the last five years. Every piece of actuarial information that MTS has received has been passed along to RTAM. There have been a lot of discussions. The simple truth is that we have two groups that disagree. That happens. It's unfortunate, but it happens.

My experience with process is that when people complain about process, frequently the complaint happens because they didn't get the solution that they wanted. To be fair, if Mr. Sale had written a report that said everything that RTAM wanted, and Bill 45 had everything that RTAM wanted, I wonder if RTAM would be complaining about the process.

So, I know that we've spent five years talking about this already. I know the different things that we've talked about. The solution to this is relatively simple. If we can find somebody who'll write a cheque for about \$700 million, everybody can go away happy. I don't think the current government's going to do that. I don't think the next government's going to do that or the one after that. The process is what it is. I think everybody's had lots of time to sit and talk. The difficulty is we have a simple disagreement. What the society is saying is we need to take incremental steps. RTAM is saying that's not enough; we want more.

Mr. Lamoureux: For clarification, in 2003, MTS did put a proposal to the Department of Education that would have seen a two-thirds guarantee?

Mr. Ardern: Not a two-thirds guarantee. What we suggested was the fund rate be used for the PAA. What Mr. Sale has proposed is a guarantee. It's actually a little better. It was a big compromise on the part of MTS, but it would have been capped at two-thirds. That part was similar.

Mr. Lamoureux: And you were told it was turned down because you didn't have the Retired Teachers' Association on side.

Mr. Ardern: No, we weren't told that, but government's worked very hard. I mean, I think government likes to work with a consensus from the bodies that are there. I think when RTAM made it very clear that they would not support anything that contained a cap of two-thirds, I suspect that that's a large reason why that didn't go forward.

Mr. Chairperson: Mr. Lamoureux, quickly, if you can.

Mr. Lamoureux: Yeah, in 2003, we were heading into a provincial election and I can understand why they would have been more sensitive to the retired teachers at that time. Now, we're three years away from an election, do you think there's any reason why the government would be moving today?

Mr. Ardern: I think government has—first of all, I think government has done more work on our pension plan in the last five or six years than in the decade before that. Government's made a lot of efforts on our pension plan. I think what happened in 2003 is government said maybe if we talk some more we can work something else out. I think, after another five years of those talks—and the disagreement between RTAM and MTS really hasn't changed in that five-year period—I think what government has said is, we've waited five years. Retired teachers have lost out for the last five years. They could be getting a lot more than they got and we have to act now because if we don't, if we send everybody back to the table and talk for another year, we lose another year. If we talk for another five years, we lose another five years.

* (20:00)

I think Mr. Olson said it earlier, we can do something with this legislation and then we can come back and talk some more. There's nothing in this legislation that says you can't talk anymore. In fact, Mr. Sale's report says you need to look at the contribution level in '09. An increase automatically means more money for the PAA. So I think government, in 2003, was looking for a consensus. I think, by 2008, it realized, if we don't act, if we continue to refuse to act because these two groups don't agree, retired teachers are going to sit again and again and again. That wasn't acceptable to government, and, frankly, it's not acceptable to MTS either.

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

We now move on to presenter No. 6, potentially, Dr. Jacqueline Stalker.

Sir, can you identify yourself and why you're at the mike?

Mr. Tom Ulrich (Private Citizen): I am Tom Ulrich and I'm here on a matter of personal privilege to correct the record.

Mr. Chairperson: Not possible, under normal circumstances, unless there is leave of the committee.

Mr. Ulrich: The previous speaker referred to me in areas that were absolutely incorrect, and I believe you should know the correct information.

Mr. Chairperson: One moment.

Yes. With all due respect, my initial ruling has just been corroborated by the expert who knows this better than I, namely, a Clerk of the Legislature. Matters of personal privilege are reserved for MLAs only in a committee process and not for members of the public.

You have had a chance to present your views to this committee, so I would have to, with respect, rule that you do not have an opportunity to speak now, unless some other proposal comes to the committee and the committee changes its mind.

Mrs. Mitchelson, do you have your hand up in that regard?

Mrs. Bonnie Mitchelson (River East): Thanks very much, Mr. Chair.

I believe the person, and I don't know him personally, but it's Tom Ulrich. I listened very intently to the presentation and read it, the one that was being presented just previous to Mr. Ulrich coming to the microphone. I know that Mr. Ulrich's name was mentioned and there were some facts put on the record in that presentation. I think, out of respect for someone that is in the room, if there has been something that has been said that is false, I believe this committee would all want to hear what the presenter or what the person that is at the microphone would like to say in his own defence.

So I would like to ask whether there might be leave in order for Mr. Ulrich to put his comments and clarify the record. I'd like to ask whether, you know, with respect, all members of this committee might afford leave to make that happen.

Mr. Chairperson: Okay. Leave is being requested. I have two hands to speak to this.

Mr. Rondeau: Mr. Chair, I think we all know that the presentations are to provide personal opinions, information to the committee. We've had the past practices where people are allowed to present once and only once. I think that that allows people who are waiting and have waited a long time the opportunity to present, and I think if we get into

debate that's something that committees have never allowed. It's something that would be inappropriate. I think that we have to respect the people who have been sitting a long time to make presentations to move through very expeditiously and give them a chance to present, and not get into debate between presenters, because it's up to this committee to take his information and then use the information to make decisions, not to participate in debate among people.

Mr. Chairperson: I've heard from both sides of the table. Leave has been requested. *[interjection]*

I will put the question formally: Does the committee wish to grant leave as proposed?

An Honourable Member: No.

Mr. Chairperson: No. Okay, leave has been denied.

Point of Order

Mr. Schuler: Point of order. Like I've said, you can recognize me on that one, or I'm just going to make another one, and that's fine.

I think what the concern is, and the previous speaker, also, in his written report, mentions an Aubrey Asper as well, who was the MTS general secretary. He mentions a Terry Clifford, an Anne Monk and a Tom Ulrich.

I hesitate because we've heard a lot of emotion and we've had a lot of things said. Again, this is an issue that I grapple with. I, however, do believe that we have to be very careful that individuals not be harmed professionally or personally. I think this is one of those times when the committee should listen to some information other than what we've heard from the previous speaker and get some clarity, because there are four names in this presentation, Aubrey Asper, Terry Clifford, Anne Monk and Tom Ulrich, who are all mentioned, and maybe we should be hearing a clarification, if even just on a very short time restraint, what they have to say to defend themselves.

Again, it's a very difficult thing for this committee to deal with, but I think we should be very careful with this, because there are four individuals here that are named, and at least some kind of response probably wouldn't be uncalled for.

Mr. Chairperson: Ms. McGifford, on the same point of order.

Ms. McGifford: I'm not sure that there is a point of order, but I do want to address the points raised by Mr. Schuler. I think one of the rulings we're very

used to in the House is this is not a point of order; it's a dispute over the facts.

Of course, when we have 300 individuals here who will be presenting their points of view, there will be disputes over the facts. I think we take that for granted. I think our rules are here for a purpose, and I like to follow rules. I think they obviously serve important purposes and act as checks and balances.

I don't want our committee hearings to become arenas for public debate between individuals. This is our opportunity as legislators to hear from the public, and I'd like to follow the rules. Thank you.

Mr. Chairperson: Having heard from both sides of the table again, I'm prepared to make a ruling. It is not, in fact, a point of order. We do appreciate the sentiment and the raising of the issue, but it is not technically a point of order. It is a dispute over the facts.

Committees, for everyone's knowledge, are an opportunity for the public to directly present to the government representatives—to all elected members of all stripes. Thank you.

* * *

Mr. Chairperson: So, with that said, we will now move on to, potentially, our next speaker, No. 6 on the list, Dr. Jacqueline Stalker. I hope I pronounced your name close to correctly.

Do you have copies, or an oral presentation?

Ms. Jacqueline Stalker (Private Citizen): No, I want you to listen to me, not be reading what I hand you. You've been given over 80 submissions already, and I hope you will read them sometime.

Mr. Chairperson: With that note, you may begin when you're ready.

Ms. Stalker: Thank you, Sir.

Mr. Chairperson, honourable ministers, members of the standing committee, and educators in this room, I hope you can all hear me. My name is Jacquie Stalker. I have 40 years in education, 20 of them in Manitoba. I retired at the age of 62. Like the French speaker last evening, I also had a choice of going with either the MGEU civil service pension or with the teachers' TRAF pension. I now wonder whether I made the right choice.

I am not a member of the Manitoba teachers' association, although I have worked closely with

them for many years. So I don't belong to one side or the other side. I'm right in the middle in this tragedy. If you want to know more about that, you can ask me afterwards. I'll go on to my presentation.

At one time during the years that I was with the Department of Education, I saw the Manitoba Teachers' Society taking care of its teachers, both active and retired. At one time the government also took care of its provincial educators.

* (20:10)

Madam Vice-Chairperson in the Chair

Indeed, in 1977, the NDP government initiated withdrawals from teachers' salaries of significant sums, in addition to the pension withdrawals so as to cover the indexing of their pensions upon retirement. Teachers weren't too happy about it at first but they had no choice. And then they were quite pleased because, despite paying significantly more than civil servants, they were also promised more than civil servants, a full indexing rather than two-thirds.

That brings me to the present. This time. In this decade, the Manitoba Teachers' Society has not cared for its retirees. Indeed, it has supported changes detrimental to them. The government also has not taken care of its retired educators. I'm not talking about a party; I'm talking about the government. The government has not kept its word about indexing. The government has not paid its share into the PAA fund so that interest earned could support payments due.

An NDP government arbitrarily lowered the retirement age but did not commensurately increase the pension contribution rate, so we're in a mess. The government, over the years, has not listened to its auditors—either party—who recommended specific actions to rectify this situation. The government also has not followed the actions of all other provinces in regard to teacher pensions. The government has allowed Manitoba teachers to have the lowest and most shameful pensions in Canada and this government still has no plan for long-term funding.

This is the government that publicly and quite recently, pledges to expose and reduce the incidents of elder abuse while it continues to abuse its own elderly retired teachers. This government established committees and boards and Pension Task Force to recommend on teacher issues but it has never given equitable representation to we old folks, the retired teachers. So you make decisions, we have no choice about them.

This government recently imposed a costly plebiscite to seek support for the shameful actions. I think you've heard enough about that. You paid lots of money and you excluded over 6,000 people from voting so we won't say shame—you know it. Despite imposing and rushing and excluding, this government did not get a large majority but it rushed ahead anyway, bringing us to this point. A point at which this NDP government has not paid adequate COLA funds for the past nine years. A point at which this government is making one generation of retirees pay for the provincial government's utter ineptitude and lack of financial planning for 30 years—more than 30. Current retirees paid during their working years for the indexed pensions of their retired colleagues. And now, those same retirees are being forced to pay for the indexed pensions of people who will succeed them and retire after 10 more years. We're getting it coming and going.

How can that not be called abuse? When money was taken from them throughout their working careers on the promise of indexed pensions, and then it's not being paid back now, how can that not be called lying and stealing? When a contingent of current retirees is being forced to pay twice for something they are not getting, I think that's definitely abuse. It's discrimination by our own government on the basis of our age and our profession.

No other Canadian province has treated its educators so badly. No other Canadian provincial government has treated its electorate with such disdain. Of course, no other professional association has treated its retirees as poorly as the current Manitoba Teachers' Society either. If you recall the big half-page yellow ad in last year's *Free Press*, it's apparently not treating its own staff that well, either. One major lesson to be learned here is that—and listen closely—if you want to be poor and abused in your later years, teach in Manitoba.

Now, I'll tell you briefly how this has affected me. I'm not suffering as much as many of my colleagues are. I'll tell you why. I have 40 years of teaching and administrative experience in schools, community colleges, universities, organizations, and government in three provinces and several countries. The reason for this wide variety of experience is that my husband was in the Canadian military and we were transferred around by the Air Force until we arrived in Manitoba in the early 1970s and stayed here. We even thought it was a nice place where they'd treat us well.

My husband's federal pension was indexed. My provincial pension was supposed to be indexed, but in reality it was not. I watched his pension grow and keep pace with inflation while mine remained stagnant and lost purchasing power. Then my husband died last winter. In the matter of finances, this meant that I now received one-half of his pension, and one-half of his indexed pension is greater than my whole pension. For that reason, I think I'll be able to survive financially with my TRAF pension in the low \$20,000 range.

Most of my colleagues are not as lucky, as you have heard. They're trying to survive inflation and recessions on one low TRAF pension. Sometimes a couple is trying to survive on that one low TRAF pension, and, the older they are, the lower the pension is. If they taught when salaries were \$1,000, which is what I got paid the first year I taught, 1952, or \$2,000 or \$3,000 a year, can you imagine the size of their pensions that have not been adequately indexed?

Madam Vice-Chairperson: One minute remaining.

Ms. Stalker: That's why we have so many retired Manitoba teachers living below the poverty line, and that's why this government should be ashamed of its actions, not providing adequate funding since '77, mismanaging the teachers' pension fund, 30 years of what could be called legislative incompetence, ignoring the actuarial warnings, blaming RTAM, a Tim Sale government report that you've heard about filled with inaccuracies and inadequate funding, implementation of all this into this Bill 45. Frankly, it's a morality tale of failure: your failure to govern appropriately, your failure to plan for and contribute your portion to long-term funding for teacher pensions, your failure to put a stop to the unfunded liability fiasco, your failure to treat the people that elected you with honesty and respect, your failure to treat the retired—

Madam Vice-Chairperson: We've reached the 10-minute mark.

Is there leave to continue, or to go into question time?

Ms. Stalker: I have got a half, three, four sentences.

Some Honourable Members: Yes.

Madam Vice-Chairperson: Continue.

Ms. Stalker: Okay. Pat Isaak said last night the pensions are all about money in, money out, and she's right. I finally found something I can agree with

her on. You, our government, didn't put the money in for 30-plus years, so now you don't have the money to pay out.

Our active teachers should not have to pay for this, nor should we, except as taxpayers. It has been our failure, too—I've dumped on you, now I'll dump on us—our failure as teachers to instil in you a conscience with some honour, justice, fairness, honesty, accountability, integrity, and morality. We're now paying for our failure to instil these traits in you. I trust that you will pay for your failures in due course, certainly at the next elections, and also in your years as senior citizens when memories become quite important. Remember us then, and remember what you are doing and have done to so many of us. Depriving us of our own money is certainly a unique form of saying thank you for our years of service to the province.

I close with these comments: I support RTAM's position, and I oppose Bill 45. Thank you.

* (20:20)

Madam Vice-Chairperson: Thank you for the presentation. We have some time for questions.

Mr. Schuler: Thank you, Dr. Stalker, for waiting very patiently. You have been waiting for days for your opportunity to speak. Being No. 6 on the list, I suspect you thought you were going to get up imminently, and it took two and a half days to get here.

Ms. Stalker: These things happen.

Mr. Schuler: There has been a lot of talk about has there been enough time to fully debate this issue. Do you feel that RTAM and retirees were engaged in the last five years to the point where the argument could be made that there have been enough discussions taken place, that it's time now to move forward?

Ms. Stalker: Yes and no. There has been lots of discussion. Has it been equitable? No. When you have two parties talking and telling the third one, you may have a seat, maybe; you don't have equitable representation on all the committees and boards. No, there hasn't been adequate discussion.

But we should move beyond. Let's stop discussing ad infinitum and have some action. Bring in a mediator, someone who knows how to do things, not a political appointee, and get something done. It can be done.

Every other province has done it. We're the only one that doesn't. Almost every other province doesn't have a PAA separate account either. We're the only ones that do. I think, with B.C., perhaps. I had marked down somewhere how many, whole piles of them. Yes. I checked with the Canadian Teachers' Federation and Manitoba appears to be almost unique in that one category. We've got the lowest COLA increases, lowest pensions, and this separate PAA account. Alberta doesn't have one, Saskatchewan doesn't have one, Québec doesn't have one, New Brunswick doesn't have one, Nova Scotia doesn't have one, Prince Edward Island doesn't have one, Ontario doesn't have one. But we have continued to tolerate this abusive behaviour.

Even our federal government stopped having a separate account like that in 1992. We're out of step.

Madam Vice-Chairperson: Mr. Schuler, briefly.

Mr. Schuler: Briefly, Dr. Stalker, if for instance Bill 45 were to put on a six-month hoist and a mediator brought in, would that be something RTAM would be agreeable to, to allow the sides one more opportunity to see if some kind of an agreement could be reached?

Ms. Stalker: As I've said before, I'm not on either side, so I can't speak for RTAM. Do I think it'd be a good idea, you bet. Let's not do anything with Bill 45 unless the garbage can is close by. Let's get in a mediator who knows what he's talking about, not another political appointment.

Madam Vice-Chairperson: Thank you for the presentation.

I see no further questions, so we will go on the list and call the next presenter, No. 7, Roland Stankevicius. I see you have a written presentation that will be handed out.

Mr. Roland Stankevicius (Private Citizen): I do.

Madam Vice-Chairperson: You can begin.

Mr. Stankevicius: Good evening, my name is Roland Stankevicius. I am a teacher at Transcona Collegiate, and I am a member of the Manitoba Teachers' Society. I want to thank the committee for the opportunity to present my opinion on the proposed amendments to The Teachers' Pensions Act through Bill 45. I want to thank this government for introducing these important amendments.

I have been a Manitoba teacher for over 20 years active in all facets of my teaching career, including

coaching, community service, serving in my profession in various capacities with both River East and the River East Transcona Teachers' Association, and with a variety of committees for the Manitoba Teachers' Society. It is a rewarding and interesting career and I'm very grateful for the experience and relationships I have forged over these past 20 years.

During this time, with my partner, Barb, who is also a Manitoba teacher, we have raised three children. Calvin and Clair are now both attending the University of Manitoba and our daughter, Angela, will graduate from Collège Béliveau in June 2010.

I am sharing this background for you to put a human face on what I want to say about Bill 45.

The past 25 years of marriage, family and career have not been neat and tidy as that short narrative I've just shared with you. There have been challenges and frustrations and some disappointments, some bad decisions in this journey, but often realistic and practical decisions had to prevail over greater expectations. If I could get into my time machine I might go back and make changes as necessary, but that is impossible. So we move forward and deal with reality. In a nutshell, this is how I view the amendments proposed by Bill 45.

The teacher pension plan is very important to me. I've always been one of those who actually read the TRAF annual reports and my own personal TRAF pension statement. I have no illusions about what to expect and I have done my best to build a lifestyle that is consistent with that reality.

Bill 45 is not perfect. But, as Mick Jagger famously sang, you can't always get what you want, but if you try sometime, you'll get what you need. Bill 45 may not be everything we want, but it is an important step forward to resolve some immediate COLA concerns and hopefully to avoid a bigger pension problem down the road. We have taken far too long to get to this point. It is very important that we begin to work towards dealing with reality and need in terms of the teacher pension issues in Manitoba and the pension issues we are facing in the future.

Pat Isaak has provided the reality check and history around the past 25 years of our plan. I don't need to revisit those facts. It is of interest though, that the issue of COLA has been so misunderstood by so many presenters these past days of presentations. Clearly, during the past 10 years of cost-of-living adjustments that were less than one

hundred percent, and usually less than 66 percent, the pension adjustment was completely on side with the legislation. Section 10(8) of the act provides for this. The expectation may have been that COLA should be a hundred percent, but reality, the statute is clear. As the TRAF report consistently states: Annual COLAs are the lesser of the prior year change in CPI for Canada and the amount the Pension Adjustment Account can support.

Mr. Chairperson in the Chair

Since 1999, the PAA balance has not been able to support the expectations of a hundred percent COLA and, as stated by TRAF in their annual report: we continue to expect that future COLAs will average approximately 0.8 of 1 percent per annum for the foreseeable future. Of course, that is far less than the expected cost-of-living increases approaching 2.5 percent per year; that would be only 33 percent of CPI. This is the reality of our pension plan today. Bill 45 provides for an immediate and significant improvement of COLA paid to beneficiaries. If we don't act on these amendments to improve and grow the PAA, the erosion of benefits to retirees will not slow down and newer retirees will see their pensions erode more quickly.

Don't get me wrong. I would love to see a fully indexed pension, but I also would like to see only 20 students in my classroom rather than the 25, 26 and 27 that I get at the beginning of each semester. That's not going to be happening too soon and that's my reality. The hundred percent COLA was a different time with different realities. The current reality is very different. We have all heard now on the demographics around our profession and the pension plan have changed. I believe that Bill 45 is a realistic step solution to dealing with current price inflation concerns and to bringing much-needed attention by government and plan members about issues around our pension. It is a best start to a very difficult problem that has been too long ignored or misunderstood.

The history of decisions, changes and expectations for our pension are what they are, and if we had a time machine I'm sure we'd like to revisit some of the aspects of decision-making that took place in the past, but that is impossible. So we move forward and deal with reality. That's what I see in Bill 45.

* (20:30)

On balance, we have to state we have a good pension plan with excellent fundamentals. A defined plan for life for teachers is of paramount importance. Access to pension at a minimum age 55, plus 25 years of service, is a standard that is entrenched. Our government sponsor of our plan as a rock-solid partner, and price inflation protection through cost-of-living adjustment that is fair and reasonable in the face of uncertain economic realities for the future.

These features of the plan are the envy of the majority of working people anywhere. We need to acknowledge these hard-fought gains through the efforts of our forebears and a model working people strive for, but it is time to make some changes. I'm very thankful for the hard work and efforts made by all members of the Pension Task Force in working through these challenging and complex problems. It is important to acknowledge the efforts made to resolve competing interests of costs and benefits and to come forward with a solution that tries to bridge the differences.

Clearly, it has been a difficult challenge, but I believe Bill 45 deserves support as the status quo is a worse case. Bill 45 protects the most important features and plan-design elements that teachers and pension plan members expect and it takes important steps forward to protecting costs and benefits for all pension plan members. Of course, Bill 45 is not a perfect solution, and it will leave some plan members frustrated. Just as I feel frustrated when I have to welcome student No. 28 or 29 to my ELA 20 class. It's not a perfect world.

To recap, Bill 45 does address the following important realities. It provides an immediate and significant improvement in COLA paid to beneficiaries. It recognizes a need for checks and balances so that COLA is sustainable. It provides a 10-year safety net in the form of the better-of investment earnings crediting. It provides for review of the implementation after five years. It provides and, most importantly, it places a priority on protecting the basic pension benefit. Raiding the basic pension benefit for any reason is absolutely unacceptable.

In conclusion, I'm speaking in favour of Bill 45, as have the majority of pension plan members who voted this past spring. A clear majority of members of the teachers' pension plan said yes to these changes. I urge you to proceed with passing Bill 45 and begin the process of a realistic change, recovery and better health for our pension plan.

Thank you for this opportunity to address the committee.

Mr. Chairperson: Thank you very much, sir. Questions?

Mr. Schuler: Yes. Thank you very much, Mr. Stankevicius, for waiting so patiently and waiting for your opportunity to present to committee.

You've heard a lot of presenters, retired teachers and RTAM say that they were not included in the discussions in the process in a meaningful way. You've gone through a lot of the history. Could you reflect for us? Do you believe that retired teachers were part of the process in a meaningful way, and is there any place here to put a hoist on for six months and try one more time for mediation or do you just think it has to go through as is?

Mr. Stankevicius: Well, it's the latter. I believe we have had lots of consultation. Going back to 2003 when I was the local association president, I know that two-thirds COLA was actively being discussed. I know RTAM was involved. I wasn't involved with the discussions, but we've been talking about fixing problems with the pension plan. The analogy of my 25 years of marriage and 25 years of problems are running parallel. So it's been there. It's thankful that we have now a government that's taken some steps to bring it to some resolution.

Mr. Schuler: One last question. In the next five years there'll be teachers that will be retiring, as they do every year. How does Bill 45 affect them? Does it affect them at all? Is it better for them? Is it worse for them? What happens to them?

Mr. Stankevicius: I believe that with the passage of Bill 45, the PAA will begin to be strengthened. There is a better COLA payment in terms of the approach to two-thirds. I think that will be very satisfying to teachers near retirement. The worst fear is that when they hear for the last 10 years COLA has been less than a third, or around a third, that's the frightening part. That has to be fixed. I think with the amendments in Bill 45, we will strengthen the PAA and we will strengthen the ability of the pension to carry forward with a stronger COLA adjustment. That's what I believe.

Mr. Lamoureux: Yes, quickly. Do you think that the government should be compensating for its neglect, or its role over the last number of years? I'm thinking of the consequences of bringing in early retirement, the government not providing matching pension funds in a timely fashion, not acting on the

issue in itself in a more timely fashion. Should there be some additional compensation coming from the government? If so, who should be advocating for that compensation?

Mr. Stankevicius: Well, the past is the past, and we're dealing with the present and the future. We have the situation we are now embroiled in. I believe that this government has done a lot to strengthen the plan. The benefits that were improved on were, I'm sure, at the behest of members of the plan. Of course, maybe the demographics and the pension numbers were different then, and it seemed to be able to carry itself. I don't think you can accuse them of liability for those decisions.

The situation is completely different now. We are seeing a changing demographic, not only for the profession but also for the pension plan. I think a lot of pension plans are going through this same type of restructuring.

Mr. Chairperson: Seeing no further questions, the committee thanks you for your time.

Our next name on the list is No. 8, Marjory Grevstad. Marjory Grevstad? Do you have copies of your presentation? Thanks very much.

You may begin when you're ready.

Ms. Marjory Grevstad (Private Citizen): My presentation is brief and personal.

Minister Bjornson, Mr. Chairperson, members of the committee, my name is Marj Grevstad. I am a member of the Retired Teachers' Association of Manitoba. I'm also a member of the northeast Winnipeg retired teachers group. I am speaking to you today because I do not support Bill 45. While I support parts of the Sale report, I do not accept it in its entirety.

I taught school for 34 years, mostly in River East School Division, and retired in June 2001 from my full-time teaching position. As a young woman, while teaching full time, I attended university in the evenings and at summer school and earned my Bachelor of Arts and Bachelor of Education degrees. I planned to do some work after retirement to supplement my pension income and did so. I worked part time for five years in the teaching profession until June 2006. As my career ended, I felt as if I had provided well for myself and looked forward to a secure future as a retiree.

I had paid for what I believed to be a good pension for myself, totally unaware of the problems

our pension plan was about to have to face. I also remember what seemed to be quite large deductions for the long-term disability plan that we paid for from the deductions which came off my teacher's paycheque for many years.

In seven years since I formally retired, what has happened to me? Remember that I retired in 2001. Firstly, my pension dollar has decreased by almost 10 percent when one looks at the increase in the cost of living as compared to how much my pension has increased. Therefore, my actual dollars are now worth 90 cents. I know that this loss in the value of my dollars will never be recovered.

I've listed a number of items there just to indicate the kinds of increases that I've experienced. My net monthly pension amount has increased by \$108. Rent on my apartment, gas for my car, basic telephone bill, and Blue Cross extended health have increased a total of \$194.60. Some of those may be give or take a dollar or two. So my deficit there is \$86.60, and I should note that this list includes only four items and does not touch on food costs at all.

*(20:40)

I'm extremely concerned and feel that in a very short time my pension income will not even meet my very basic needs let alone any extras. As I read that statement again, I realize that now it does not pay for expenses and extras. It never crossed my mind that this would occur, ever, let alone in such a brief time period. What if the next seven years are the same? I could be receiving an 80-cent dollar by 2015. This is a very frightening thought.

Active teachers should take note of how quickly this happened to me and should be directing their energies to make sure they do everything possible to be certain their pension will better meet their needs in the years to come. See, I still consider myself a young retiree who goes out on my bike riding 20 to 25 kilometres a day. I'm just warning you guys. I'm just trying to say to you, be sure that you look after your pension, sincerely.

When I first heard about the Sale report I was optimistic. I did not know Tim Sale but respected him for what I had heard about him in the media. Now I realize Tim Sale was just doing the job using the facts he had been given.

Also, I wanted to believe that MTS would be looking out for its active members who will all retire sooner or later and for those of us who are already retired. For most of my working years, I was a

school rep for our local organization and served on numerous committees. I wanted to believe we would work together to solve this problem. My optimism and hopes were quickly put down when I learned that the amendments to the pension plan would give us up to two-thirds COLA. This COLA could result in little more than we have been receiving since I first retired. The proposed amount of increase for this year, the first of the 10 years if that 10 years were binding, would be considerably less than two-thirds.

I feel as if the government has tried to put the bill through in a very hurried manner. The Sale report does not provide a fair, equitable or long-term solution. This COLA issue is very, very serious to those who are presently receiving pensions as it will greatly affect our futures as well as the futures of those who will retire after us. I am sure that you, as members of the Legislative Assembly, must be fully aware of the impact reduced pension dollars will have on the financial independence and the purchasing power of retired folk and hence the economy of the province in general if the existing problem is not resolved.

As you consider Bill 45, I urge you to give the matter of COLA on pensions of all teachers, those already retired and active teachers who will retire in the future, your full attention in a manner that will result in a fair and equitable solution to all concerned.

Since I know this presentation was short, I would just like to tell you about a little thing that happened to me. This is the second time I've done a presentation on this issue. I did one a number of years ago when we were doing them. Bonnie Mitchelson is my MLA. I kept going into her office and making comments to her about it. She said, Would you please drop off a copy of your presentation? I said, Yes, I will. The very next night, she was in my apartment building. I don't know if she remembers this. She was in my apartment building canvassing for the election and I went and opened my door and I said, Oh, Bonnie, you're here for my presentation. We had a good laugh about that. That's all I have to say. Thank you.

Mr. Chairperson: Thank you for your presentation, and I think Mrs. Mitchelson has a question for you.

Mrs. Mitchelson: Thanks very much, Ms. Grevstad, for your presentation and for the previous one that you made. I just want to make a personal comment and indicate that you have a great reputation and were an excellent teacher in the River East School

Division, and I want to commend you for your years of service and believe you should be treated fairly.

I guess, as I've been listening to presentations tonight, I've heard both sides of the issue. I've heard mostly retired teachers that believe they haven't been given a fair shake and many that aren't retired yet that are saying, let's get on with it, you know, retired teachers have been dragging their feet for too long. That seems to be the impression that I've been getting.

I would like to ask, and I know my colleague has asked, you know, and there aren't many pieces of legislation that get moved so quickly into the House and through committee. It's been a very rushed process; the Sale report only came out this spring. There seems to be a lot of controversy around it. Do you think that maybe if government would consider putting a six-month hoist on this legislation and not, you know, trying to ram it through or rush it through this fall whether, you know, maybe a professional mediator or someone could be brought in to try to bring both sides together and resolve the issue? Because I don't sense that this is a win-win for retired teachers today and for those that seem to be pushing retired teachers to accept something that they don't believe is fair and equitable. So I would just ask whether you think that a little more consultation and maybe some mediation could, you know, result in something that would be a little more fair and equitable.

Ms. Grevstad: I would really like to see that happen, and I really wish that the parties could come together in a way that was inclusive of everybody on equal grounds, and that everybody could be fairly heard in a very civilized manner. It's a terrible problem. I can really think about it and as I was sitting there, I thought, how is this ever going to be solved? But like I said, it frightens me to think of having an 80-cent dollar in another seven years. I can't afford to do that. I support myself. So I would really like to see that more time be given to the issue and that the parties come together with an intention of reaching some kind of a consensus that would be a win-win-win situation for all the parties concerned.

Mr. Chairperson: Seeing no further questions, the committee thanks you for your time this evening.

I have two items for the committee to consider prior to calling our next presenter. One, we have received a written submission via e-mail from Ray Cooper in B.C.—British Columbia. Does the committee agree to have this document appear in the

Hansard transcript of this evening? *[Agreed]* Thank you very much. Copies will be distributed to committee members.

Secondly, we have a gentleman here who registered I believe today—*[interjection]* registered today to speak at the—sorry. Slight correction. Gentleman No. 209 on your list, Mr. Lyle Beattie, is from Brandon. He was called once previously when we were prioritizing the rural presenters. He is here tonight seeking permission to present to the committee. We have already prioritized rural presenters. He would have a second opportunity, but I thought I would ask the committee if there was leave to allow him to present or should we stick with urban presentations?

Is leave granted? *[Agreed]*

Okay. The committee now calls No. 209, Mr. Lyle Beattie, to present. I want to thank the committee for their flexibility here.

Mr. Lamoureux, on a—

Mr. Lamoureux: Yes. I guess we could take one more, but it's just important to recognize that the way the system works in terms of how presenters are coming before the committee tend to not favour those individuals that have taken the time to register well in advance, and they've been sitting here for literally hours and hours and no doubt seeing their names continuously bumped further and further. And to those individuals—and I think I speak on behalf of all the committee members—we apologize for having to keep you here. Our system does need to be fixed so that all members would be better facilitated in making their presentations because, obviously, it's not a healthy thing to have someone that's No. 20 on the list from the beginning having to wait 18 hours or 15 hours to give a presentation. It's not to take away from any of the leave that we've issued, but I think it's just an important point because we see a lot of people here being very, very patient.

Mr. Chairperson: Thank you for the comments. It's not a point of order. You didn't raise it as such; we'll just accept that as information.

* (20:50)

Ms. McGifford: Well, we thank Mr. Lamoureux for his advice, but I'm sure that Mr. Lamoureux respects the fact that this gentleman is from Brandon. It's at least a two-hour drive and so I think we're all agreed, and it has been the practice of this Legislature to respect the special needs of out-of-towners and I'm

sure we're in the agreement that we're doing the correct thing tonight.

Mr. Chairperson: Thank you for that as well. The committee has, in fact, granted leave, so we will now hear from Mr. Beattie. Thank you for coming here, sir.

Mr. Lyle Beattie (Private Citizen): I would like to thank you for granting me this special leave and especially to the other people that have been set aside to allow me to speak.

I oppose Bill 45 and I support RTAM. I've spent my 30 years in the classroom combatting schoolyard bullies, but little did I know that in my retirement, I'd be victimized by some cruel bullies. Manitoba Teachers' Society has become a mean institution. Instead of pursuing a reasonable COLA on behalf of their members and for teachers in receipt of pension, they are endorsing a totally inadequate COLA proposal in Bill 45. They're pressuring their members to do so. I see tonight, and I'd like to make this statement: we've heard nothing but number-crunching from the MTS. I would like to state that we are really human beings.

I've been retired for only five years and I have not received any cost-of-living allowance that even approached the consumer price index in any of those years. It's particularly insulting to read the announcement that our 2008 COLA was to be doubled. I ask, what COLA? Doubling the number still does not come even close to the two-thirds COLA that seems to be the focus of the Sale report.

My purchasing power has dropped some 10 percent in the last five, six years. What does this forecast for the future? I did some number crunching today. If I should happen to live as long as my father, I will have lost 70 percent of my purchasing power. Lord knows, there wouldn't be enough to bury me.

The Sale report gives a further insult by offering up to a two-thirds COLA. The term, up to, gives further licence to attack our pension and no additional funding is provided to even come close to providing the two-thirds of the CPI. Our generation of educators had paid into a PAA since 1977, I'm told. We're told that this account is to provide a fair and decent cost-of-living allowance. Upon my retirement, I was quite surprised to discover the PAA is essentially drained. The very generation that filled the fund is left without benefits. The Sale report does not address this issue. It provides substantial benefits to the people who've spent their careers supporting

the account. The decision to delay the proper solution for 10 years seems to be—and by the way it does say 10 years in the Sale report—seems to be designed to force this very group into poverty.

The problem could have been easily fixed in 1985. Could have been solved with some pain in 1999. But the government has left us stranded and nothing has been done. I know lecturing you will do me no good and you no good, but since 1999, the Bill 45 does very little to improve our future COLAs. I will argue that. With each passing day, the TRAF COLA problem becomes more difficult and costly to solve.

Manitoba's NDP Cabinet is hiding behind the label of social democrat, however, it is treating some of its weakest people with the utmost of disrespect and I put in brackets, they're a schoolyard bully. Meanwhile, they have cut corporate taxes to our wealthiest persons, have given taxpayer funding to arenas and proposed for football stadiums. It really sends my mind spinning. We must remember that, in the early 1970s, the government of the honourable Edward Schreyer saw a fatal flaw in teachers' pensions. There were errors that had been made that were totally out of the powers of that generation of educators. He corrected those errors and it cost money. Why can't today's NDP government take the same kind of action?

Retired teachers are active in volunteer organizations throughout the province. I wonder how some of the organizations could function without us? And we're happy to be of service to the communities in which we live. The actions and inactions of this government will soon have many of us living below the poverty level. Pardon me, the spelling, the typographical error. We will have to abandon our community service groups to take some menial jobs in our old age and some already have. Some are already forced to do supplemental work to help their dwindling resources. In light of the increased costs all around us, and we've heard of them tonight, are you prepared to find a fair solution to this TRAF-COLA problem?

Mr. Chairperson: Thank you very much, sir. Questions? Seeing none, the committee thanks you for your presentation this evening and for the drive in and safe drive home.

Returning back to the front page of our list this evening, the committee now calls No. 9, Bill Johnston.

Good evening, sir. Do you have copies of your presentation?

Mr. Bill Johnston (Private Citizen): It's just an oral presentation.

Mr. Chairperson: Just oral, okay, fantastic. Please proceed.

Mr. Johnston: Thank you. Good evening, Mr. Chairman, committee members. I think I'm a first, having sat here since the beginning. I am not a member of RTAM. I am not a member of MTS. I am not a retired teacher. I am the husband of a retired teacher, and I would like to speak against Bill 45.

I would first like to take issue with the spin the Minister of Education, Citizenship and Youth, Peter Bjornson, has placed on the COLA mentioned in the Sale report. He stated that had Bill 45 been in force, retired teachers would have received a COLA increase double what they received this year. COLA was based on 100 percent the cost of living, and retired teachers received 0.7 percent.

Mr. Bjornson stated that COLA, based on 66 percent, would have been 1.41 percent. Now, I'm not a math genius or a teacher, principal or an MLA, but these figures don't add up. Before we're too harsh on Mr. Bjornson's math teachers, part of the blame lies with the English teacher. Oh yes, Mr. Bjornson forgot to mention seven little words: subject to available funding in the account. When these seven words are factored into Mr. Bjornson's COLA of 1.14 percent for this year, it now becomes a 0.5 percent increase or 0.2 percent less than what the retired teachers received.

Mr. Bjornson must be a very convincing individual for not only did he convince voters to elect him, he also convinced Pat Isaak, the current president of the Manitoba Teachers' Society, that his math was correct, and she blindly followed his lead with the same message. Not only that, this morning on CJOB, Premier Doer couldn't understand why he had offered double COLA to the retired teachers and they called him a bully.

* (21:00)

Subject to available funding in the account. Retired teachers paid handsomely into the account to pay 100 percent for the COLA that teachers had previously retired before them, to themselves and now, obviously, to teachers who will retire in the next 10 years. They have paid their 50 percent of costs, however, the government, through something

called unfounded liability, have not paid their 50 percent. Now the account can't pay anything but 0.7 percent of the cost of living. So, in a rush to blame the teachers, as the public often does, it was not Mr. Bjornson's math teacher, nor his English teacher, but instead his colleague, the Minister of Finance (Mr. Selinger) who was the culprit.

With regard to the plebiscite on the Sale report, Pat Isaak and Mr. Bjornson have hung their hat on the plebiscite run by the Manitoba Teachers' Society with the support of the government. A total of 26,000 voters were eligible to vote: 15,000 current teachers representing 58 percent, 11,000 retired teachers representing 42 percent. Results, 52 percent in favour, 48 percent not in favour. Of the eligible voters, only 42 percent are currently retired teachers, however, the nays had 48. I would not call this a ringing endorsement of the report.

In fact, the Premier (Mr. Doer) stated on CJOB, the day the numbers were released, that it was obviously not a clear majority and further discussion would be required of the parties to come to a successful conclusion. What happened to the Premier's discussions? The Retired Teachers' Association of Manitoba was never contacted to participate in any of these discussions.

How does MTS say they scored a moral victory when only 22 percent of their constituents voted? Is COLA an important issue? To answer the question, I looked at MLA pension and salary increases. In his report to the Legislative Assembly of Manitoba, dated 5 May 2005, Jerry L. Gray, Ph.D., Interim Commissioner for MLA Pension and Salary commented in section 2.1, The Overall Approach of Interim Commissioner, regarding salary increases: Although no specific weight was assigned to any benchmark factor, it should be noted that decisions contained in the report are, in the final analysis, my judgment with regard to primary criteria of fairness.

In section 2.2, factors considered in making the decision—and I beg you to listen carefully, because I think this describes teachers as well as MLAs: The complexity of arriving at decisions regarding MLA pay is reflected not only in the large number of factors that should be considered, but also in the fact that many of the factors are not quantifiable. Indeed, it would be impossible to construct a formula that would be appropriate either for these specific decisions or for MLA salary decisions in the future because the variables are always changing. The process used here considered the most important

factors that needed to be included in reaching a decision and then utilized those factors in reaching a judgment regarding fairness for MLA salaries.

He continued, in section 3.12: Effective 1st of April 2006, and each April 1st thereafter, until such time as a different decision is made, a cost-of-living increase will be added to the basic salary of MLA persons appointed to the positions mentioned in section 1.62. COLA adjustment should be applied at the beginning of the pay period that includes April 1; 3.52: COLA adjustments should be rounded to the nearest dollar.

Nowhere in the report are the seven magic words, if there are available funds in the account. Perhaps, if they were, the provincial finances would be in a much better condition than they currently are. The major word used for MLA COLA and pay increases is fairness, something that is entirely missing in the Sale report and Bill 45. MLAs must believe COLA isn't important as, in the first draft of The Elections Finances Amendment Act, section 10.6 (1.1), at the beginning of each calendar year after 2008, the Chief Electoral Officer must adjust the amounts in subsection 1, which is the amount you take from us to run your campaigns and publish the new amount in the Manitoba Gazette to determine the ratio between the consumer price index.

Mr. Chairperson: One minute remaining.

Mr. Johnston: Then it goes on to explain COLA. Somewhere, someone realized this was hypocritical and they were reducing retired teachers' COLA by 33 percent. This section was withdrawn.

Teachers must work a minimum of 25 years to receive a pension, an MLA only eight. Yet the MLA is entitled to a full COLA even if there isn't money in the account. The leader of your federal counterpart, Mr. Jack Layton, always claims the NDP is the only party that cares about the low-income and impoverished people. What is his reaction to his provincial counterparts not only caring about the low-income or impoverished people, but creating impoverished people? By implementing Bill 45 you are creating this impoverishment for retired teachers.

Mr. Chairperson: Order. We've reached the 10-minute mark. Is there leave of the committee to hear the rest of the presentation in lieu of question time? *[Agreed]*

Thank you, committee members. Please continue.

Mr. Johnston: According to the Bank of Canada, inflation over the last decade is 25 percent. Teachers' pensions in that same time period have increased only 9 percent. If this continues for another 10 years, without the recession all bankers are predicting, inflation will have increased to 50 percent while teachers' pensions will increase to 14 percent. That is based on the average performance of the account over the last three years.

Those of you sitting on this committee owe your positions in no small way to the retired teachers. For all they did for you, your answer is drop dead. With the 10-year moratorium on pension discussions, a good majority of these teachers that are due a debt will be dead. That is the thanks they receive for all their work. Where is the fairness in Bill 45 for retired teachers? I sincerely request that Bill 45 be withdrawn and all members vote against it. Thank you.

Mr. Chairperson: Thank you, Mr. Johnston. Questions.

Mr. Schuler: Thank you very much, Mr. Johnston. I appreciate you coming forward and making this presentation.

I have a question for you. Teachers going forward—and we know that in the next five to 10 years there are going to be again a lot of retirees, especially as the baby boomers decide its time to retire—do you think that a lot of them will consider working longer in order to establish a more secure pension? Do you see individuals working longer just to hedge against a pension that may or may not be sufficient for them to retire on?

Mr. Johnston: I don't see that they have any choice but to work longer. Their pension would not be sufficient. I, too, like Dr. Stalker, have a federal government pension, and if I was to die now, my wife's pension currently is only \$100 more than half of my pension. I worked 31 years, she worked 33.

Mr. Lamoureux: You know, when Mr. Sale was appointed to come up with the report, that was a lead-up into an election. I had thought at the time that maybe it was to try to create optimism within the retired teachers that the government is going to do something. Now we see what the government's actually done in the actual agenda.

I think it was Mr. Gray that did the MLA report. If you take a look at the background of Mr. Gray, and you were to compare it to the background of Mr. Sale, do you think it would have been more

advisable that we would have had someone like Mr. Gray doing the report as opposed to a political appointment?

* (21:10)

Mr. Johnston: Yes, I believe you should have had someone that had some financial experience in pensions or knowledge of them. I don't know Mr. Gray's background but I do believe he is in accounting, University of Manitoba. So I think if you had professionals. I've sat here for the last two and a half days now, and I've heard people speaking that knew what they were speaking about.

The resources are there and if a mediator was needed, I think all you have to do is get a professional outside of the government and see if they couldn't come to a suitable conclusion.

Mr. Chairperson: Seeing no further questions, many thanks for your time.

Next name to be called is No. 10, Brian Head.

Good evening, sir. You have an oral presentation for us?

Mr. Brian Head (Private Citizen): I have an oral presentation.

Mr. Chairperson: Please begin.

Mr. Head: Good evening, Minister of Education Mr. Bjornson, Chairman, MLAs, teachers, one spouse and, I believe, one lawyer.

My name is Brian Head and I'm a lifer. I was a teacher employed in the public system for 36 years. I've been retired for three years. I would like to thank the government of the day for backfilling the term used earlier this evening by borrowing \$1.5 billion. In today's *Winnipeg Free Press* editorial, there's another figure of borrowing another \$1.8 billion to backfill the civil service pension; short-term costly but positive and long overdue. Comes with considerable political risk. I've been involved in politics for over 45 years, and I'm sure the opposition will hold your heels to the fire in the next election on the amount of money that you have borrowed.

It is most unfortunate that Bill 45 and the Sale report have been so divisive. Seems a bit odd to me when so many members of the Legislative Assembly were involved in one time or another in education and hold teaching certificates. The Minister of Education (Mr. Bjornson), the Minister of Science, Technology and Mines (Mr. Rondeau), the Minister of Health (Ms. Oswald) hold teacher certificates,

plus I am told a significant number of other MLAs or their spouses.

The Sale report—brought forward, I believe, in November of '07—uses financial data to calculate three-year projections. That data today is no longer accurate because that data was not based on oil being over \$130 a barrel.

The plebiscite which has been mentioned time and time again over the past three evenings has pitted teachers against teachers, and this is most unfortunate, active versus retired. The Manitoba Teachers' Society has used divide and conquer—an organization that I was very proud to be a member of, and I served on a variety of committees over the years that I was employed by the St. James-Assiniboia School Division.

Their representatives have been strangers to the truth as has been mentioned numerous times over the past three evenings. I also feel very betrayed, and this emotion has been stated over and over again. As mentioned once before this very evening, the MTS has even taken a negative approach with their own support staff on the issue of pensions. I firmly believe that the Manitoba Teachers' Society and the current government are equally responsible for this contentious matter.

RTAM should have had and must have official status. I agree with the MTS that current teachers cannot be expected to make up the shortfalls in the pension accounts. The problem we all face was not created by teachers. It was created by politicians: Conservatives and New Democrats.

Members of the MTS have blocked RTAM presentations to active teachers. I've been told by a good number of teachers in several school divisions that RTAM people were prevented from going into schools to be heard. We've heard the term "misinformation"—preventing information from being available to teachers. Very undemocratic and I'm being polite. Some active teachers have informed me that in some instances, they were so confused on these issues, they chose not to vote.

The demands of teaching plus not being overly concerned about their pensions, and that goes for many of us in this room, retired teachers and those who will be retiring, dedicated to teaching and extra-curricular activities. Sometimes we leave the pension issues to experts like Pat Isaak and Anne Monk, who have taken years to study these issues.

I was very disturbed last evening, the very last presenter, it was very hot and I was tired and I was getting very cranky, the president of the River East Transcona Teachers' Association stood here and claimed he knew for a fact that all 1,800 of his members plus the retirees from River East School Division voted yes. Nobody in the MLAs here challenged such a statement. I spoke to him afterwards to make sure that I had heard correctly. He must have gathered all of the members into an auditorium, passed out the ballots, watched them mark them, put them in the envelopes, bagged them and took them down to his accounting firm of Do We, Cheat'em and How and he must have acted as a scrutineer. If he is correct about getting 1,800 teachers to complete a form on time and turn it in on time, then he will also be successful in herding cats.

We heard from one retired teacher from River East, so his 100 percent. I got on the phone to friends of mine who have taught in River East and currently taught and are retired and they told me they voted no or they didn't vote at all.

The design of the plebiscite was flawed to the point of being an affront to the democratic process. Again, time and time again, the time allowed to return ballots was insufficient. Friends of mine in lower mainland of B.C. and Saltspring Islands, and some of my friends who have chosen to live in the excited states, where mail service is an oxymoron, did not have time to get their ballots back.

So we've talked about over and over again this 48-52 and all the numbers and the last presenter talking about number crunching, I'm not going to go there anymore. Again, the problem, well-documented over the past two decades, somebody mentioned last year, 24 years, successive governments, both tweedle-dums and tweedle-dees, have lacked the political courage to deal with this issue. It's turned me into a sceptic. Again, the number of active teachers and retired teachers are getting closer and closer, so this issue is not going to go away.

The tactics used to develop and deliver the plebiscite one would have expected from the former Mike Harris government of Ontario, the former Ralph Klein government of Alberta and, if you turn the history pages back 50 years, you can go to the Ronald Reagan administration when he was governor of California. All right-wing, anti-teacher administrations.

We supposedly still have a government slightly to the left, supposedly social democratic. You've heard the term numerous times over the past three evenings, shame on Premier Doer. A 10-year moratorium brings severe hardships and we've heard this time and time again. I phoned through a list of 50 names of retired teachers to get them to sign up to come here and make presentations and I knew this before I spoke to some of these people and they're all women in their 70s, 80s and 90s and some requiring financial support provided by their retired children. Again, shame on you, Mr. Doer.

A 10-year moratorium, it's not acceptable. The problem will be on the books for over a third of a century. A good number of us will be dead and that was mentioned by the previous speaker and maybe that's what you're waiting for. Then that problem will go away.

Many teachers do not teach for 35 years. Many teachers will collect pensions in excess of their years of service and that's compounding the problem. A significant number of teachers are in financial hardship due to both inaction of Mr. Filmon and Mr. Doer, watching over us these past three evenings.

Problem has to be dealt with. Mediation has been suggested. Maybe arbitration. In the years previous to the current government, where nearly a hundred percent COLA was paid, maybe we were taken down the garden path and a false sense of security. That's when the problem should have been dealt with.

Over the past three evenings, we've had excellent presentations on both sides of this issue, but I've heard very few questions from government members of this committee asking of the presenters. That's troublesome. In the last provincial election, I crossed over. I supported the MLA for Assiniboia (Mr. Rondeau). With time, I knocked on doorbells for him, telephone support, and I also campaigned and contributed campaign funds to the first successful NDP candidate for Kirkfield Park (Ms. Blady). This issue and my becoming a sceptic might make that hard to do in year 11.

Mr. Chairperson: One minute remaining, a little less.

* (21:20)

Mr. Head: A time will come when some NDP MLAs will be 32, 46, 57 votes shy in eight constituencies. Perhaps even three votes, as when the

MLA for Assiniboia defeated a former Minister of Education who was, at one time, a certified teacher.

I thank you.

Mr. Chairperson: Thank you very much for your presentation, Mr. Head. Questions?

Mr. Schuler: Thank you very much for your presentation, Mr. Head. The question I'd like to ask you—I mean, we've heard a lot of passion and a lot of individuals coming forward and speaking with clarity and raising issues that are troublesome. What does that do to the next five to 10 years of retirees? I mean, certainly not everything that is discussed in the Legislature is discussed out in the communities, out on the street, and we know that, but some of this will be discussed out there. What impact is this going to have?

Mr. Head: You've asked that question time and time again and you've got a similar answer time and time again. It is a hardship, and it is especially a hardship on retired female teachers who took time to raise families, maybe were class 2, class 3 teachers, and have inadequate pensions, and the number crunching and the amount of dollars have been referred to many times. It's a hardship, and for what teachers have put in in time in teaching and in extra-curricular activity and community service, it's a shame.

Mr. Schuler: Do you get the sense—and you've obviously done a lot of work on this—do you get the sense that teachers will now feel that they have to teach longer rather than taking early retirement, perhaps even work longer just to ensure that they have enough money for retirement?

Mr. Head: I will answer that question in my own experience. I retired when I was 58. If I knew today what I knew when I was 57, the answer is I would have put in another two or three years minimum.

Mr. Chairperson: Seeing no further—oh, Mr. Lamoureux?

Mr. Lamoureux: Back when you did retire, were you of the opinion then that you had a 100 percent COLA? What were you thinking then?

Mr. Head: Yes. With the information that I had over the years, I did feel that my COLA was going to be a 100 percent. Now, I may have been at fault there for not pushing or asking the right questions at retirement seminars, but I did believe that the COLA—and it's been said time and time again over three evenings—we paid into it. We believed we paid into it. We took over our disability and huge amounts

of money and some people here have given you the figures. I don't have them at hand, but huge amounts of money over my 36 years of teaching. That said, I'm disappointed in the Manitoba Teachers' Society. I truly feel that they did not do enough for us.

Mr. Chairperson: Seeing no further questions, the committee thanks you for your time.

The next name we will call is Beverly Reeves. Good evening to you and thanks for your patience and for your written copies. You may certainly begin your presentation when you're ready.

Ms. Beverly Reeves (Private Citizen): Okay. As the previous speaker said, the very last page in your package has a question that one of you may want to ask, and then I could read the answer into the record.

Good evening, my name is Bev Reeves and I am here to express my personal views on the situation that has culminated in these hearings on Bill 45 to amend The Teachers' Pensions Act. I present to you my credentials first. In 1983-84, I was president of the St. James-Assiniboia Teachers' Association in a very interesting year when, among other important issues such as refusing to reopen negotiations to allow the board to renege on a two-year ratified contract, we, the MTS, fought to keep teacher volunteer activities as voluntary and it was known as schools on the square. I feel as if I have come full circle in 25 years. Let me explain.

During that year, the chairperson of the board informed me that I was responsible for everything that was wrong with education in the province of Manitoba. I was quite relieved to hear later from provincial president, Linda Asper, that she also had been deemed responsible by that soon-to-be minister of education. Today I stand, somewhat ironically, before you, having been told publicly by my mother organization that I, as a retiree and an MTS official in the 1980s, am responsible for everything that is wrong with the teachers pension today. In all the years in a leadership role within MTS, I have reiterated many times that MTS is not you guys. It is we guys. We, the people, are MTS. We are in this together, and in my opinion, I will always be MTS if for no other reason than I am part of TRAF, and I hope sincerely I don't have to go to court to prove it.

So, if I am responsible for the ills of my MTS pension fund, then I am the pension, and I have come before you to suggest how to fix me. It is a simplistic view, but it is in simple things that solutions might take root and something might get done. Before I

begin, please note that I will be reading into the record pages 1 and 2 only of my written brief and that pages 3 and 4 are the rationale behind my addressing the issue of the unfunded liability of the government and therefore should be included in *Hansard*, particularly item 5 on page 4 that outlines how the government's \$1.5 billion account C within TRAF is being eroded since November, 2007, I understand, at the rate of \$3 million per month.

Please note also that attached to my brief is a copy of the official St. James newsletter, *Tempo* article in the April 2008 issue summarizing MTS and RTAM positions on the pension issue at the bottom that clearly shows that active teachers in St. James were deliberately given the impression that there was a somewhat guaranteed two-thirds CPI COLA on the negotiation table, an impression perpetuated this morning, I understand, by Premier Doer's comments on CJOB.

You guys are ganging up on me, the pension, so let's get learning how to fix this.

There are, in reality, three parties to the dispute regarding Bill 45 which seeks to implement an all-or-nothing Sale report into legislation: the government of Manitoba, also known as the employer; the Manitoba Teachers' Society, apparently representing all the active employees/members of TRAF; and the Retired Teachers' Association of Manitoba, founded in response to retired employees/members of TRAF being disenfranchised. Only the first two of these organizations are officially part of The Teachers' Pensions Act and of Bill 45's definition of the Pension Task Force. In a move unprecedented in the history of the Manitoba Teachers' Society, the MTS has chosen to move to the government's side of the traditional negotiation table and has made it clear to all members of TRAF that they blame retired teachers for the current dispute and lack of sustainability in the TRAF pension funds. There has been no apology either by MTS or the government of Manitoba for the mistakes of the past in ignoring actuarial warnings since approximately 1984 that adjustments needed to be made to TRAF in order to ensure the sustainability of the fund, nor to date has there been an apology to founding members of the fund for the disenfranchisement that has taken place in the pension fiasco of recent years.

During the course of my study of the pension issues and my search to separate the grains of truth from the misinformation being forwarded to TRAF

members—and active teachers alike, I might add—I have come to the conclusion that the fund's problems begin and end with the unfunded liability of the government and with the failure of those in control of operating procedures of the fund not only to understand this fundamental problem of unfunded liability but to begin traditional negotiations to do something about it.

* (21:30)

A secondary problem is the problem of the disenfranchisement of retired members of TRAF created by the failure of the Manitoba Teachers' Society to anticipate that their responsibility to its members will need to extend beyond active teaching into retirement because of joint membership in TRAF and because there will come a time when the retired members of its organization outnumber the active members.

It goes without saying that retired persons in the world of the future have much to offer both the government and the Manitoba Teachers' Society in a proactive role. It is my personal and very much considered opinion that much of the tension between active and retired teachers can be resolved in the course of addressing the fundamental pension fund problem of unfunded liability. Therefore, I offer the government and the MTS and RTAM my personal assessment of the way out of this dilemma if all parties will work toward that end.

No. 1. The government of Manitoba needs to immediately take steps to complete its gathering of funds to pay out its debt to TRAF. Unfunded liabilities are a burden to governments, teachers and taxpayers alike. As Alberta recently did, Manitoba needs to start negotiating with the Manitoba Teachers' Society what it will cost them to get rid of this burden in terms of matching contributions owed to date to current retirees, including what is owed in terms of the long-standing CPI COLA provision, and in the process, get these funds into the investment pool permanently.

As today's problems regarding COLA provisions and increased teacher contributions will likely disappear, well, maybe for 10 years, once these funds are made available and are not subject to government withdrawal at will, then there will be time and energy and will to move on to other current educational issues and to heal some wounds. I have been told by TRAF—I'm interjecting this—that since November, when TRAF submits the \$10-million matching contribution bill to the government, in

recent months they have been saying, take it out of account C. They put \$7 million per month into matching contributions of active teachers. Do the math. We have that fund being depleted, that borrowed money being depleted at the rate of \$36 million a year.

I will personally be around to help ensure that misinformation regarding the buy-out process is not given to taxpayers as buying out the teachers' debt as it was in Alberta. I have already begun educating the Canadian Taxpayers Federation about unfunded liabilities being the government's debt, owed and matching contributions to the teachers' pension fund—

Mr. Chairperson: One minute remaining.

Ms. Reeves: —and I will continue to do so vigorously. Unfunded liabilities are no longer acceptable in today's world.

The Manitoba Teachers' Society needs to immediately get back to the right side of the table in a traditional negotiating role to begin deliberations with the government on the unfunded liability issue, and it needs to take the initiative to make structural changes within the society in order to make the Retired Teachers' Association of Manitoba a franchise part of the Manitoba Teachers' Society in a full, non-adversarial partnership.

I'm just going to skip down. The annual general meeting of the society is due to occur in May 2009, plenty of time to co-operate with the RTAM board to draft resolutions towards the necessary structural changes to the society and to prepare a strategy for both partners to appear before the membership, with most past issues resolved and with the united front to deal with the unfunded liability issue with this government.

Mr. Chairperson: Order. We've reached the 10-minute mark. If there is leave of the committee, we can hear the rest of the presentation in lieu of question time.

Some Honourable Members: Leave.

Mr. Chairperson: Leave has been granted. You may continue.

Ms. Reeves: Thank you. The Retired Teachers' Association of Manitoba needs to begin the process of moving from a reactive role to a proactive role. To that end the RTAM board must take the initiative of drafting a formal letter of request to the society requesting a partnership within the society's structure so that a formal and united representation may be

made to the government of Manitoba regarding the opening of negotiations towards the eventual payout of the government's unfunded liability to TRAF.

However, before any of these healing processes can begin, the matter of Bill 45 must be satisfactorily resolved for both the society and RTAM. To that end, the society and RTAM must insist separately or together, preferably together, that the government call a meeting of the Pension Task Force to determine if the government and the society would agree to withdraw its all-or-nothing proviso toward the end of presenting to the Legislature for third reading the one clause already agreed upon by all three parties known as the better-of method of investment returns to the PAA account of TRAF.

The fourth one I'm going to summarize. I am very proud of the presentations made by my colleagues. Finally, individual members of both the society and RTAM need to insist that all three parties work in the immediate future toward a resolution of Bill 45 pension issues that is satisfactory to all three parties concerned, and that steps toward a long-term solution, such as the one I have presented to the committee regarding unfunded liabilities, begin immediately and be conducted in good faith. To that end, I am suggesting that every presentation that has been submitted to this government be also submitted with a covering letter to the media so that taxpayers know what the government has been told in these hearings today.

Thank you for your time. Does someone have a question?

Mr. Chairperson: Thank you for your presentation. Are there any questions? Seeing—oh, Mr. Schuler?

Mr. Schuler: Thank you very much—

Mr. Chairperson: With less than three minutes.

Mr. Schuler: Thank you very much, Ms. Reeves, and I will ask if there's leave to have the entire report read into the record as if read, printed as read.

Some Honourable Members: Leave.

Mr. Chairperson: Leave has been requested and been approved. Thank you.

Mr. Schuler: Ms. Reeves, you waited a long time to make the presentation. It's well-written, well-researched, and I think it's very telling that you come forward and you say, it really is time as teachers to work together. I do think that's important. If there was such a thing as a hoist of the bill for six months,

do you think there is room for the organizations to get together and come up with a compromise?

Ms. Reeves: When you take a leadership role in RTAM, the government, or the MTS, you are obligated to find the solution. I have thought many times during all of these presentations that this whole process, all of these speeches, should have been done in-house within the Manitoba Teachers' Society, which included all of its members, and that is retired members, not just people who have been declared lifetime members, but people who are members of the Manitoba Teachers' Society by the very fact that they belong to TRAF. You can't say, here's your silver tray, goodbye, you're on your own.

So, yes, I do believe that if we, as individual members, say to RTAM and to MTS and the government, you have to get this problem solved, that message is loud and clear. If it has no effect, you, the government, have the power to do what you want to do. You have the majority. You can do it. But whether you should do it has been questioned here the last three days.

By the same token, all of this happening between RTAM and MTS should have been done in-house. MTS should have stayed on this side of the negotiating table, and the Minister of Education (Mr. Bjornson) should have butted out until we were ready to meet with him.

Mr. Chairperson: Time has expired. We thank you for your time here this evening.

We now call Barbara Teskey. Is Barbara Teskey here—oh, thank you. Do you have copies or an oral presentation?

* (21:40)

Ms. Barbara Teskey (Private Citizen): No, this is an oral presentation.

Mr. Chairperson: Thank you. You may begin.

Ms. Teskey: It's always a pleasure to address a committee of the House and this time we are lucky to be here to speak on the subject of Bill 45. This opportunity is afforded to the people, the citizenry, the parties at interest, at times generally chosen by the legislative mandarins to provide maximum inconvenience for all concerned. So I bring you greetings.

By now, you've heard all the ins and outs of the pension scheme and the COLA problem and the inadequacies of the Sale report and how irritated

people are at Bill 45. I want to add my irritation to everybody else's.

First of all I'd like to speak to the role of MTS. Are they still around? Yes. MTS represents the employed teachers of Manitoba. Those teachers pay MTS a lot of money. Whether or not they get good value for their dollar is a moot point at the moment. There are about 15,000 employed teachers in Manitoba. MTS is not a union. It's not a licensing body. It might do some negotiating and offer some services, but it does not determine wages. It has no real power because teachers have no right to strike. It has no power to determine what happens with teachers' pension plans. Once employed teachers are out the door, they're retired and, as far as MTS is concerned, invisible.

There are about 10,000 retired teachers in Manitoba. About 7,000 belong to the Retired Teachers' Association of Manitoba. We pay dues, too, \$1.75 a month, and we get very good value for our money. RTAM's power is only the power of reasoned argument and moral suasion. We cannot do anything about our pensions or about the cost-of-living adjustment.

The power to do anything real about the teachers' pension situation resides entirely in the provincial government. True, this particular government has done something about its unfunded liability, borrowing big bucks, \$1.5 billion, earning a higher interest rate than it's paying and taking care of business over the next 30 years. So far, so good, not good enough, though.

What has been most infuriating about what, in the past, has been bungling government ineptitude is lack of action since 1989 or earlier and certainly lack of action since 1999. You remember that year, of course, don't you, when we all trot up and down the streets on your behalf, government side. Guess who will not be doing it again.

You know what should be done. The trouble is this government has treated retired teachers with cynicism and disrespect. You have had an unwillingness to acknowledge RTAM as a party at interest in the act governing teachers' pensions. We are not mentioned in the act.

You have employed foot dragging in recognizing RTAM as representatives at the Pension Task Force. Your failure to acknowledge the need for the Pension Task Force to be regularly constituted has been a trial to us. What this means is

that it has an independent chair, equal membership, regular meetings, notices of meetings, agenda distributed in advance, minutes recorded and circulated, and very little of that has happened. It's been last minute. It's been ad hoc. There's been grumpiness about who's going to be able to attend and who's going to take minutes. Who can be there? It's really been humiliating, and all of this culminating in the Sale report which was a document based on untrue premises. The two-thirds nonsense I think has been thoroughly aired and embodying threats and demands that all retired teachers like it or lump it. It has to be done holus-bolus or not at all, or you don't get anything. That is to say, we don't get anything.

Now, what is really trying for us is that the members of the government have failed to recognize the inadequacies of the pension plan as it presently stands. Many people have pretty good pensions, I put it to you, but the trouble is, there are many who don't.

More than half of the retired teachers are women. Most women have lower pensions than most retired teaching men and we all know the reason for this. They have typically worked fewer years, they have earned lower salaries, they may have had lower classifications and they held the lower paid jobs in the entire system.

Many older women have lived through hard times in pre-RRSP days and were unable to save. Now, we are all living longer and longer, both women and men. Our pensions will have to support us longer than anyone ever dreamed or dreaded. For older women, particularly, an adequate COLA is desperately important. We hope that our pensions will rise every year in a cost-of-living adjustment based on the rise in the consumer price index. You all know what that is. It seems that the consumer price index can be figured in a variety of ways, but it's the change in the cost of a basket of goods year over year.

Well, I want to suggest a new basket of goods for my generation of retired women teachers. It will be called the old women's basket of goods. The first thing it will have at the top of its basket will be a recipe for a thing called Scottish oat cakes. Now Scottish oat cakes were made with oatmeal, yeast and water and were the staple of the Scottish poor. They were cooked on a hot stone. They were dried out and hung on a rack and the Scots ate them for breakfast and supper and probably lunch as well. Or,

if they were really unlucky, they had oatmeal and they had porridge-and-stop. Porridge-and-stop meant that you made porridge in the morning, a double batch if you had enough. Put half of it into a stone jar. Put that stone jar in the bed to keep warm over lunch. Then you stopped, stopped eating until you got some more money. That is not really what we want, but never mind. That'll be the first thing on the list in our basket of goods. So we will also have a big supply of Tylenol for our arthritis because most of us are starting to suffer from that. Calcium supplements for our bones. Handi-Transit and taxi costs for trips to the doctor and the big boxes of incontinence products because that's what we're going to need because we're all getting old.

Now, you're proposing a maximum COLA of two-thirds CPI for the next 10 years or whenever you feel good about doing something else. We know that you'll never be near two-thirds CPI. How will we live? A litre of milk will cost the same for us as it does for you. The cynicism of the Sale report and the total lack of respect of this government for old retired teachers is for me bitterly disappointing. When I think how I used to belong to the NDP and how I paid you money, I can hardly believe I was so stupid.

Mr. Chairperson: One minute remaining.

Ms. Teskey: I call upon you to do the following: Name RTAM in the act, properly constitute the Pension Task Force, inject a lump sum of money to pay a decent COLA, completely overhaul the pension plan, fix it and demonstrate will and finally, withdraw this bill. Thank you.

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

Mr. Schuler: Thank you very much for the presentation and thank you for being so patient, waiting as long as you have to make your presentation. *[interjection]* Along with everybody else, exactly.

Does this actually send a message that women should teach longer? Is that inadvertently the message that it sends?

* (21:50)

Ms. Teskey: I fail to understand the question. Does what send a message?

Mr. Schuler: The lack of a real cost-of-living increase every year where you actually see an

erosion of your pension, and you mentioned that. This really impacts women significantly—

Ms. Teskey: It impacts all women. It impacts—

Mr. Schuler: I mean, does it send a message not just to all teachers, but specifically to women teachers that they should consider work or teaching longer?

Ms. Teskey: I suppose so. If we all taught longer we'd have, according to the formulae, larger pensions, wouldn't we? And we'd be closer to death, so they wouldn't have to be paid as long, and everybody would benefit. The question is, would we benefit? Would teachers benefit? Would the students benefit?

I remember seeing teachers clawing their way into old age, oh, I can't wait till it's time for me to go, I'll be 65, and that sort of thing. Is that really what you want? Or do you want people to, maybe not retire at the top of their game, but certainly when they're still competent, and 25, 30 years is usually about right. So if you start teaching when you're 25, 30 years means what, 55, 60 at the most. Now teachers are starting to teach at a later age because they do other things. They get qualified, they perhaps even earn more money. They take time off to raise children—some of us actually did that, imagine that; we stayed home with our kids—and then they try to come back to teaching. But I don't know. If I had it to do again, would I quit when I did, at age 56 after 23 years of teaching? You bet I would. I was burnt out. Does that answer your question?

Mr. Chairperson: Seeing no further questions, the committee thanks you for your time.

Ms. Teskey: Thank you.

Mr. Chairperson: Next name is Donna Miller, and she's here. We're two for two.

Ms. Donna Miller (Private Citizen): I have copies of my presentation.

Mr. Chairperson: Thank you for that.

Ms. Miller: But I was here last night and I will be making some changes so that I won't be repeating some of the things that have been said over and over again.

Mr. Chairperson: That's fine.

Ms. Miller: I'm sure you're getting bored with that, too.

Mr. Chairperson: Ms. Miller, you can begin your presentation when you're ready.

Ms. Miller: I would like to start my presentation by thanking the government for holding these hearings which allows citizens to present their viewpoints and recommendation.

I have many concerns about this bill. They are:

(1) That I have paid for something I have not yet and will not receive. When the teachers' pension COLA was designed, teachers also agreed to pay additional money into their pension plans to pay for it. The ballpark figure for my COLA contribution is \$45,000. Did you match that, by the way? Is that now \$90,000? As a result of Bill 45, the cost-of-living allowance provision will now be the same as the one provided to provincial civil servants whose COLA contributions were less. Where has my money gone? You're telling me you're broke. Where is my \$90,000? Will it be refunded so that I can invest it for myself? The average return on pension investments over the last little while has been around 10 percent. On \$45,000, that would have been \$4,500 per year. We could even afford 5 percent if you've matched it, and there's \$90,000 in my account—still \$4,500 a year. I've not received enough money in the past four years that I've been retired to buy myself a coffee at Tim Hortons once a week, and, to add insult to injury to that, the civil servants, who paid less into their COLA fund, have been receiving higher COLAs than the teachers. How do I know that? Well, my father is a retired civil servant and we compare our cost-of-living increases.

(2) I am concerned with the inadequate funding of the teachers' pension plan and the continuation of no plan to address this concern for another 10 years. Our pension plan is in sore need of major changes. This bill is too little, too late. Manitoba teachers have the worst pension plan in Canada. Are you proud of that? No one seems to have the will or the desire to change this situation in this province. Other provinces have. They've made changes to their plans that have been more than effective. Why is it that we continue to lag behind as a province? Where are our good minds? Toronto?

We constantly hear that our children are leaving the province to find opportunity elsewhere. My daughter is a university student. I've told her many times that she would make an excellent teacher, but I also tell her that if she decides to embrace teaching as a career, don't do it here. Stay in Ontario where you'll have a pension.

In addition to the pension problems we are facing, there is a total lack of creative solutions to the

problems to come even though these problems have been obvious for over 50 years. I am speaking now of the demographic crunch which will impact not just this pension plan but the pension plans of the country as a whole. Ignoring this demographic for me, a baby boomer, has meant large class size, staggered school hours, and a lack of qualified teachers when I was in school, more competition for graduate school, more competition for jobs and later promotions, mortgages at 18 percent, interest rates on my retirement savings at 3 percent, et cetera, et cetera.

For 63 years, since 1945, we have existed, and for 63 years, no one has bothered to confront the problems facing us. As I began my teaching career at 19 years of age, I was able to choose early retirement. At 55, I had 35 years of service. If I'm lucky and take care of my health, I could live well into my 90s, 30 or more years.

What were salaries like 30 years ago? Could I live on that money today? I imagine the response of those who do not want to honour the pension commitments made to me as a contributor would be, I should have saved some more money. For many years, I was not allowed to contribute to RRSPs because my pension contributions were so high. I was told by financial planners not to worry as I had a really good pension plan that would protect me from the effects of inflation. This statement always came with the rider: however, you're paying a lot for it too. Did I mind? No, I did not. I was happy that my Teachers' Society was looking out for my best interests, and I knew I could trust my government.

Well, today, none of this is true. Money was taken from me under false pretences. Money was taken from me for a cost-of-living increase to my pension that has been meagre, to say the least, since I retired in June 2004. I am terrified for my future. I did not make the big money we baby boomers all apparently made. Instead, I contributed to my country and my province by helping children become literate, productive members of society. Many times, I felt like I was parenting my students as well as teaching them. I know that there are many successful adults in our province today who owe their success to me and other teachers like me, many of whom are present in this room right now. We were put in a position of trust and we worked long, hard hours honouring our commitment to children.

We were not paid by the hour. We worked until the job was done, no matter how long it took. Did we

have expense accounts, business trips, income tax deductions, tax-free salaries, sick leave payouts, severance packages? No. What we had was a pension after 35 years of service, a pension that we paid for with the expectation that our employer, you, was also contributing to it, and that our Teachers' Society and our employer were taking care of it with our best interests in mind.

Are MTS and the present government acting in the best interest of active and retired teachers? In 1968, when I started teaching, my ex-husband was articling as a chartered accountant in the provincial government audit office. One of his audits was the Teachers' Retirement Allowance Fund. He told me then that the government was not providing their matching dollars, and that auditors had pointed this out to the government of the time and had continued to point it out to subsequent governments.

They were advised to set this money aside as contributions were made and to invest it. Not one government from 1968 to 2008 has heeded this warning. I don't even know why you hire these people. Why? The answer at the time was, we don't need to because we are the government and we'll always have money. Don't worry. We'll pay it to you when your pension is collected. Now we are told there is no money to pay us the pension we agreed upon and that we must be the ones to accept the consequences of government inaction.

* (22:00)

I was very happy that the present government has set aside money to pay this debt owed to all teachers who have contributed to the Teachers' Retirement Allowance Fund. I am very unhappy to hear it referred to as a bailout. If I owe Revenue Canada money for 30 to 40 years, plus compound interest, am I bailing out the government when I pay my debt? I wouldn't have had the chance to provide a bailout, as Revenue Canada would just seize the money I owed them from my bank account. However, when the government is the employer, the situation suddenly changes. Would any business, large or small, be allowed to forget to set aside their contributions to the Canada Pension Plan on behalf of their employees? I do have a question: That money that has been allocated, then borrowed and allocated, is it including the compound interest of the 35 years of my investment? Thank you.

I am here today to tell you that you have not acted in good faith with my pension money, but you know that already. Your response is Bill 45, a bill

which does not attempt to produce a long-term solution to the problems facing our pension plan, a bill which says too bad for you; we're changing the rules; you're not going to get what you paid for. I could understand this response if a wholehearted attempt had been made to resolve the concerns presented to you. What the retired teachers have been given instead were orders to accept the crumbs being offered.

Mr. Chairperson: One minute remaining.

Ms. Miller: Well, you did hold a plebiscite but more on that later. What do I want? I want a written commitment to find a solution acceptable to all affected by this bill. I would like the representation of retired teachers on any task force, study group, committee formed to study this problem, and I would like to see our Province consult with the provinces who have found solutions to this dilemma. Specifically, Ontario, plus others, Nova Scotia, British Columbia, Alberta, even Saskatchewan has a better plan than we do.

I do not want to wait 10 years for you to do this. Ten years from now we will have to reinvent the wheel with yet another group of players. Ten years from now many retirees will be gone, dead. Is that what you're waiting for? We all know this problem is not going to go away by itself. It will still be here 10 years from now. Why are we again allowing the problem to get worse before we deal with it?

I have developed many theories during the last year to explain to myself what the motive of the government is. The best answer I can come up with—

Mr. Chairperson: Order. Sorry, we have reached the 10-minute mark. Is there leave of the committee to continue in lieu of question time? [*Agreed*] Okay, thank you. You may continue.

Ms. Miller: The best answer I can come up with is to save money for other expenditures, a seemingly noble motive. The savings approach being used is the rob-Peter-to-pay-Paul approach. Not only do I not like being Peter, I am disgusted with the betrayal of trust, trust that commitments would be kept and money would be well managed. Obviously this betrayal has not just been by the present government; however, it is the present government that won't rectify the problem, and it is the present government that I am now addressing.

You are in a position of trust. I spent my career believing that the hope for a peaceful civilization was entrusting our governments to act fairly on our

behalf. I taught my students to respect rules and in return they could expect to be treated fairly. This was preparation for them to live the rest of their lives as productive law-abiding citizens contributing to our economy. Today, I regret to say that I lied to them.

I also taught them to take responsibility for their behaviour. I am very sorry I never had the opportunity to teach this to any of you. According to the *Winnipeg Free Press*, the MTS and the government, RTAM is asking for too much and will not negotiate. RTAM is willing to negotiate as soon as a sound offer is presented. Are we saying Bill 45 is not a sound offer? Exactly. We are told that two-thirds COLA is better than what we have been getting. I am very glad I had the opportunity to teach mathematics, because as a result I know that two-thirds of nothing is still nothing.

In a democracy, when the perception of government fairness and trust are no longer there, the electorate responds. We expect fair play. This is the only way I know for peace and good government to be part of our lives. This is why I thanked you for the opportunity to be here tonight, and this is why I will not let this issue go until I am satisfied that the best attempt has been made to resolve it. I will exercise all of my rights as a citizen in a democracy, and, thankfully, I am no longer burdened with long hours of work which would interfere with my dedication to this cause. I promise I will not go away.

This bill was supported by a faulty plebiscite which did not result in a majority of teachers endorsing it. I will just kind of skip over this, but I would like to read the paragraph that starts, could it be because of poor quality control?

I, for one, did not receive a ballot in my envelope. When I phoned to report the error, I was told the computer weighed all the envelopes and could not be wrong. When I persisted, I was told that errors actually had been made for others as well and if I had not persisted and demanded that a ballot be delivered to me, I, too, would have been part of that 57 percent that did not respond.

Furthermore, I am disgusted and ashamed that the Manitoba Teachers' Society did not hold a debate to provide Manitoba's teachers with viewpoints in favour of this bill and viewpoints against it. This is not how we would treat our students. Following blindly is not what we teach students to do. We teach them to research all sides of the debate and to think for themselves. Any thinking person knows there is something wrong with this picture.

I am also upset with the lack of representation for retired teachers on the Teachers' Pension Task Force. There is a very obvious difference of opinion between the Manitoba Teachers' Society and the Retired Teachers' Association of Manitoba. To date, this has been dealt with by belittling and bullying RTAM and their position and denying active teachers access to their viewpoint and data that they have presented. MTS has provided and continues to provide active teachers with misinformation to gain their support of this bill. This animosity must be stopped. We are on the same team. We need to work together to find a solution that meets the needs of active and retired teachers. Continuing to exclude retired teachers who are presently dealing with the effect of pension legislation on a daily basis from any input is not in the best interest of anyone.

Active teachers will retire someday. They should welcome the input of those directly experiencing the problems associated with the teachers' pension plan. This is valuable information. Why does MTS and the government want the voice of RTAM silenced? Since this bill gives the Teachers' Pension Task Force the ability to make recommendations to the Lieutenant-Governor-in-Council who can determine contribution rates by regulation, it is imperative that RTAM have representation on the Pension Task Force.

Now, I wish to end my presentation on a more positive note. I do support the new proposed method of calculation of interest in the PAA account. I do support—

Mr. Chairperson: Order. Sorry, the full 15 minutes has expired.

Ms. Miller: Thank you.

Mr. Chairperson: We thank you for your time here this evening.

Point of Order

Mr. Schuler: Yes, just on a point of order, Ms. Miller, thank you very much for your presentation for having waited this long.

Mr. Chairperson: I guess I have to officially rule that's not a point of order.

* * *

Mr. Chairperson: Committee calls No. 14 on the list, Inez Striemer. Do you have copies of your presentation?

Ms. Inez Striemer (Private Citizen): No, I don't.

Mr. Chairperson: Just oral? Okay, that's fine. You may begin now.

Ms. Striemer: Good evening. I have taught for almost 35 years. I retired at age 60 in 1986. That year, I received pension for only the four months. So, in 1987, I'm able to say what my pension was in that year, and I was a class 5 teacher. My pension was \$26,660.82. The income tax that year for that amount was \$6,477. So you see that what I was left with was approximately \$20,000, and no old age security, no CPP. So, of course, I had to withdraw from my RRSP and I tried to do some work. I was doing extra jobs here and there for the Department of Education and doing presentations to schools.

*(22:10)

Since that time, my income has gradually increased, for which I'm very thankful because I note that, this year, the MLAs were told they weren't receiving enough and they all got a cost-of-living allowance. Now, think about what you're getting and what I would still be getting if there had been absolutely no COLA, which would be around \$20,000, and maybe not as much if the income tax was more. So, at the time that we were paying for COLA, I was very happy to pay for it, and I thought that I would have a good pension someday. Now I am afraid, and why am I afraid? Because there is not enough money being put into not only the COLA but the teachers' pension.

COLA has not been looked after. One year, 2002, my COLA was \$98.46. So how much a month was that? In 2005, it was \$185.40. Last year, I received \$252.96. So how much per month extra have we been receiving now and what can we do with it?

I did not vote for Bill 45 because I was very afraid, very worried and I still am. I can't understand why people are saying that Bill 45 would give us two-thirds of the cost-of-living as a COLA. That's not what it says. Bill 45 says, up to two-thirds. I don't know what the "up to" is. Will the "up to" be \$98 again? What is it going to be? I think Bill 45 needs to be looked at and specified so we know what we're going to get. We don't know. Is it going to be two-thirds of cost of living or is it going to be nothing?

That's what worries me and that's why I didn't vote for it. It needs a lot of work. We need to look at it and you've heard many presentations that have told you what is wrong, what needs to be done. I think that's what you need to do, and you need to think

about doing that and including retired teachers. Thank you.

Mr. Chairperson: Thank you very much. Any questions?

Mr. Schuler: Ms. Striemer, thank you very much. You made it very personal and put onto *Hansard* what your original intention was, and we certainly appreciated it. It's good to have real-life examples of what a pension is and what impact it has on you.

You've taught. You've been around and have a lot of experience on these matters. Do you feel that there is room to negotiate a compromise that would be agreeable to all parties?

Ms. Striemer: I think that's what we need to do. Something I didn't say, at this stage of my life, I'm now over 80 years old, and what is happening? Well, I have had a problem with macular degeneration in one of my eyes, and it has bleeding behind the retina. So I have to have some shots in that eye. Do you know that I have to pay \$100 each to have them, and that will stop the bleeding.

Some of my medicine that I take, when I pick it up at the drugstore, it's over \$200. If I need a cleaning woman, I have to pay \$65 for four hours of work. So that's what happens as you get older.

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

Committee now calls No. 15, Iris Nowakowski. Thank you for being here this evening. You have an oral presentation, I gather.

Ms. Iris Nowakowski (Private Citizen): Yes.

Mr. Chairperson: You may begin.

Ms. Nowakowski: Greetings. My name, as you know, is Iris Nowakowski. I could pretend to be conversant with all the technicalities of this situation but I'm not knowledgeable enough about them. As we've heard in the past three days, many of my former colleagues are, and I thank them for all their hard work. My presentation, too, is somewhat different from the others.

I have been a primary grade school teacher for 23-plus years. Four of those years I taught in Thompson, Manitoba, for the school district of Mystery Lake. Just for interest, we were paid a bit more in Thompson because it was so far north and the cost of living was so much higher. So my first month's pay in 1963 was a little over \$200. After these four years of teaching, I raised a family while I

went to university to update my teachers' college education to a bachelor's degree. When I graduated I was hired by Hanover School Division. I taught in Landmark for the remainder of the time until the sometimes harsh and extreme demands of the profession took their toll, and I suffered burnout. After having exhausted all other means and still not able to continue teaching, I had nowhere left to turn but to take early retirement. I would have liked to continue but my health did not allow it.

The growing rift between MTS and RTAM pains me. How can the world be at peace when two similar help organizations cannot come to a mutual understanding and exist together in peace? I always insisted in my classroom that we talk about issues because I asked them, if we can't get along together in the classroom and in the playground, how can we expect others to get along with us? I do understand the working teachers' very evident and very palpable fears. They are in the time of life when it is natural to be concerned about establishing careers, buying houses and looking after families. All of this takes a great deal of money. I've heard again and again that it is not possible to pay another \$3,000 a year to the pension fund. It probably isn't. But I also hear my fellow retired teachers mentioning that they have already lost well over \$2,000 in buying power. It isn't possible to pay for our necessities with this situation, either. A solution must be found.

Bill 45 isn't the solution as it stands, and I stand with RTAM that more talks are necessary to find an honourable and fair solution for everyone. In speaking with an MLA yesterday, I appreciated the fact that much hard work has gone into the preparation of Bill 45. But I ask you, if the government were to legislate on motherhood, for instance, would they talk only to potential mothers about what they plan to do, or would they consult with women who already had children in order to get a better understanding of the situation and its needs? It would seem to be that the government has used this same thinking in not consulting with the retired teachers and the many among us who could give actual useful and truthful information. I ask you, does this make sense?

There are many retired teachers who are very capable of providing useful and viable information, who have the will and would make the time to do it. The same MLA also said that if this bill is not passed we stand a good chance of getting nothing. I take it that this wasn't a threat, but it did make me wonder whether all these presentations are falling on deaf

ears and that the government will act irregardless of what we say or what facts we present.

* (22:20)

I don't think that we are being unrealistic when we want to continue to live in our homes, eat healthy food, buy the medications and health care items that we need, keep our cars and come home to the companionship of our pets. I also understand that we have, to the best of our knowledge, paid as much as we were asked to to ensure that we would be getting a liveable amount of COLA. Two-thirds of something is something, but two-thirds of nothing is still nothing. I taught that to my grade 2s and 3s.

Governments also seem to find the funds for what they decide is important. Are we, the retired teachers of Manitoba who taught many of you as well as the other students of the province of Manitoba, important to you? Do you have the spirited energy to find a solution suitable for all, even if it means reworking some of your past efforts? So far you haven't found the right solution and I believe that you are under moral obligation to find it.

It has been said, and I think rightly so, that a society or a government can be judged by the way that it treats its weakest members. As senior citizens, we retired teachers of Manitoba are among your weakest members. We are depending on you to do the right thing. What does the kind of treatment that you are suggesting with Bill 45 say about this political party? I, perhaps unwisely, have always supported the NDP government of Manitoba and believed that this party was the champion of the ordinary person. I believed that the downtrodden and disenfranchised had a louder voice with you.

Now I am deeply, deeply, deeply disappointed. Where has your sense of social justice gone? I know that it was there at one time. Can that ember be fanned into a flame once again?

To tell my own story, my net monthly pension from the time of retirement in 2000 has gone up by less than \$100. Our apartment rent alone has gone up by \$200. We've already applied for a cheaper apartment, but the waiting lists are long with only a 1 percent vacancy rate in the city. I would dearly love to continue to live where we are now, and that isn't Wellington Crescent. My friend who retired more than 15 years ago has already had to give up her apartment because she could no longer afford the rent.

Along with the rise in rent comes the increase in the cost of utilities, groceries, medication, clothes—and I often shop at used clothing stores—and the horrendous increase in transportation costs, even just to keep our family car, a 1992 Lumina, going. At a more personal level, we seldom go to movies or concerts. We can't afford a daily newspaper subscription. We have basic cable because it is included in our rent, but we can't afford additional channels. We don't really eat out and then never in a quality restaurant. We think long and hard about visiting my older brother who lives alone an hour's drive from the city.

It's actually true for us that we won't be able to continue to have pets after our 9- and 10-year-old cats die. It will be a cost-cutting measure. Isn't it a bit sad that the seniors who served this province for so many years can't afford the companionship of a pet?

During our first 15 years of marriage, expenses were such that my husband was unable to contribute to his company's RRSP plan, and the money that he was later able to contribute when I went back to work has been to a greater extent already gobbled up by rising inflation. He, at 68—

Mr. Chairperson: One minute remaining.

Ms. Nowakowski: —years of age, has gone back to work, which for him entails two 20-minute walks to and from the end of the bus line and being on his arthritic feet all day. We don't know how long he will be able to contribute in this way. My pension should be able to make a more reliable contribution to our shared income. I paid my part so that it would.

Elder abuse sometimes makes the headlines. Your government is publicly in favour of its eradication. To me it would seem that if Bill 45 is passed, it will be a form of elder abuse.

In closing, I repeat, we retired teachers of Manitoba have served this province well in good faith. We need our fair and dependable increase, and we need that increase while we are still alive. What will you do? Will you sacrifice us or will justice be served?

Mr. Chairperson: Thank you for your presentation. Any questions from the committee?

Mr. Schuler: Thank you very much for that powerful presentation and for waiting for as long as you have to make it. Your question was if you're being listened to, are you being heard. It pains me to say, maybe the Minister of Education (Mr. Bjornson)

should work his BlackBerry a little less, and one of the other ministers here should stop reading her magazine. *[interjection]*

Mr. Chairperson: Order, order.

Mr. Schuler: I think I've mentioned to other presenters that I go home and I don't go to bed right away because I'm troubled by what you say. It bothers me because the only thing that separates me from you is a little bit of time. I appreciate your presentation. Thank you.

Mr. Lamoureux: I did have one question. You said last night you met with one of the MLAs. My assumption is that it was a government MLA that you met with that posed it, and maybe if you want to share the name, you can feel free to do that. Otherwise, I'll just assume it was a government MLA.

Ms. Nowakowski: My husband suggested I not use the name. I had it in originally, but—*[interjection]*

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

The committee now calls No. 16 on the list, Jean Ogren. I see you have copies. Thank you very much for that.

Ms. Jean Ogren (Private Citizen): I have a question to ask before I begin, and that is that I'm going to make a remark early in it which is not written on that. I wanted to make sure, I don't know if everything's entered in *Hansard*. I wrote it down on one copy if you need it in writing.

Mr. Chairperson: You may begin.

Ms. Ogren: Members of the legislative committee, interested members of the public, and I thought there might be members of the media, but apparently they don't want to hear from so many members of RTAM. My name is Jean Ogren and I am a retired teacher.

My first comment is just that I want you to know that Mr. Tom Ulrich was not a member of the TRAF board in May 1993, nor was he the staff adviser of the group benefits committee that drafted the report to the 1993 AGM of the MTS. I have that in writing if you want it.

I'm here today to speak to you because I am incredibly disappointed. As a taxpaying citizen and former government employee, I am disappointed in my government. As a retired teacher, I am disappointed in my professional society. These two institutions were bastions of the values I hold and

have always held: decency in dealing with all other human beings; fair play in resolving contentious issues; support for the efforts of those who contribute positively to society; honour with regard to contractual matters; honesty and integrity in regard to goals set and commitments made.

An agreement was made in the 1970s between two honourable parties. Fact: the agreement, simply put, was for a full pension for teachers and as close to a 100 percent COLA as the account set up for it could tolerate. Yes, I know that it's as close as it could come.

The teachers contributed their full share throughout their teaching careers. The government was to match with its share upon each teacher's retirement. The government determined—this is what the government was in charge of—what types of investments it would allow the Teachers' Retirement Allowance Fund to make. The government was obliged to be fiscally responsible in this. It's the sole party with the ability to change anything in The Teachers' Pensions Act. Fact: from that date on until their retirement, teachers paid steadily into these accounts. Our pension contribution amount was set by legislation. I paid what I was supposed to pay. We counted on those legislators to permit us to purchase the pension we had agreed to.

* (22:30)

Madam Vice-Chairperson in the Chair

In the 1980s, we tried to increase it, and we were so surprised that we weren't allowed to. I hear they tried to again, 2 percent, and got 1.1. We counted on those legislators to contribute the governor's own full and fair measure to the plan. We counted on those legislators to act on recommendations by knowledgeable actuaries—of course they were coming every year, of course we saw them—as necessary to fund liabilities, if any, in the account. What was I suppose to do with the actuaries result? I wasn't investing the funds. Our pension was set by fair and open negotiation between the Manitoba Teachers' Society and the provincial government. The results of these negotiations are binding on both parties. Fact: I was there. I was teaching in the '70s. If you want to know how I know, I was there. I'm a much older biddy than my hair colour tells.

When teachers were proudly settling their 100 percent COLA agreement, my father-in-law was an active federal government union member at the time. I was young and stupid; I didn't know what a COLA

was. I was in my late 20s, early 30s and he had to explain it to me. He told me, Jean, never settle for less than 100 percent COLA or else the poverty that had been all too common among senior citizens would return to this province. My grandparents, his parents, we knew, we knew what would happen. I reassured him, papa, don't worry about me—I'm mad, I don't why I'm being like this—I know my rights. The government and the Teachers' Society are on my side in this. I knew that. How ashamed and embarrassed I would be if he were alive today. To hear the travesty being made of this agreement today—I'm much feistier than this, I'm very sorry. This is shorter than 10 minutes.

I had to laugh so that I would not cry when I read a *Winnipeg Free Press* reporter's statement that on June 12, 2008 the Legislature had been dealing with Bill 45, which was referred to as the improvement to the teachers' pension plan. An improvement, how ironic. By whose math calculations—and I'm not good, my husband counts the beans—is my indexed pension improved when an arbitrary two-thirds of inflation cap is suddenly stuck onto it? How is it an improvement when a legitimately negotiated settlement is scuttled by a misguided plebiscite?

My out-of-province—I have a friend in the Philippines—my out-of-country colleagues, they want to know why their voices weren't heard in this quick vote. The active teachers I've talked to are hungry for real facts. My son's a teacher. He wanted to know, Mom, why don't you accept this? Two-thirds versus nothing, duh. Holy mackerel, my son's a really smart cookie. He's got almost as many degrees as me.

Okay. The active teachers I've talked to, they're hungry for those real facts, so I've been trying to e-mail them as they ask. They really want to know. They're quite sincere. Many of them know that they are being snowballed and kept ill-informed.

The one item on Tim Sale's list of recommendations that was backed by all three parties, the government, the Teachers' Society and the Retired Teachers' Association—but the latter involved only in a unofficial capacity, because remember we are not named in the pension act, we have no vote on the Pension Task Force—the three agreed and that was not allowed to pass since the government wants this foisted onto retired teachers as an all or nothing package. I say no to a non-negotiated collective agreement, no to broken promises and no to coercion.

In the 1970s the honourable provincial government of the day bargained in good faith. In the 1970s the provincial Teachers' Society of the day guarded the rights of all teachers. I knew very well that when I was paying that extra into COLA that it was for the other teachers. I knew it. Sounded like a good thing to me, silly me. We took care of each other. That—it was as a society. It was the right thing. Okay, the provincial Teachers' Society of the day guarded the rights of all teachers both working and retired. I never imagined the day when one group of teachers would be deliberately pitted against the other by misinformation. I am appalled. My loyalty to the Teachers' Society was so enormous and it is so eroded. Who is my ally now? I'm asking you guys, please answer me. Who's my ally? Who's my advocate? I don't have one.

While I was an active teacher, I attended retirement planning sessions to make sure I was doing it right. What a mockery has been made of the inflation protection promised me by my former advocates, the government and the Teachers' Society. If you, the legislators, vote for Mr. Sale's plan in the fall upon third reading, what then? You will have legislated a bill that allows me to come begging again for what is already mine today but not until 2018. You think I'm cranky old witch now, you watch. In 10 long years. I am sure that you became legislators for a variety of reasons. I'm not kidding. Many, you know—I'm not going to talk about friendship, but I have reason to hope that you were planning to try to make a positive difference in your home province. You had values to uphold, goals to meet. I am your constituent and I was your employee for 34 worthwhile years working in many areas of the province. How will you treat me now? My fate is in your hands.

Thank you for considering the heavy and important consequences of your role within government and good luck in fulfilling the role you dreamed of for yourselves when you took upon you this important job. Thank you.

Madam Vice-Chairperson: Thank you for the presentation. We have time for questions.

Mrs. Mitchelson: Thank you very much, Madam Vice-Chairperson, and thanks very much for your presentation, Ms. Ogren.

I just want to say it was a very impassioned presentation. It is unfortunate that you feel let down by both the government and your professional association. I keep hearing, of course, recurrently

tonight in presentations that everyone else seems to know what's best for retired teachers except retired teachers, and it's unfortunate that you're having to feel this way.

It is unfortunate, too, that teachers have been pitted against teachers. Do you feel that an opportunity maybe to have some sort of a mediated process with Bill 45 not being passed until after that process takes place, that that's something that might be of benefit and might make retired teachers feel included and an important part of the decision that will be made?

Ms. Ogren: I thought about this because of the question being asked a few times. I don't have all the answers.

I'm very angry. The mediator better be very good, not only financially but in terms of human relations because, you know, I listened to the Aboriginal people's apology and I cried then. My indignation is righteous, I'm sorry.

I think that I've heard other people say MTS and RTAM better get together and make friends. I'm a paying member of RTAM. You heard exactly how much I pay. I can actually afford that. But I suspect that we'd have to meet as three distinct groups: government, MTS and RTAM with a negotiator with the kind of knowledge that—Mr. Ulrich, my God, that man is so worthy of respect. He's so intelligent and he's so compassionate. It isn't just money in and money out to him, and he knows so much. I mean, the government could have come out solvent working with somebody like him.

If you have really intelligent people and sensitive to the issue—and no one expects a 100 percent COLA. And why would you pick that obnoxious amount of two-thirds? I was there. I was teaching in 1977 when we—do you want to take a two-thirds like the superannuates are taking? No, now that Papa's explained to me what COLA is, no, I don't want two-thirds; I'm willing to pay for more. So we did. We paid for more. So, you know, they've been getting it. And, okay, I'll even pay for disability, and I did.

I know the money's not all there, and I know some gestures of good faith have been made that have cost a lot of money, and I realize that there's been an attempt made to look after future pensions. Thank you for looking after my son. He is so cynical that he doesn't believe any of it will be there. CPP,

OAS, teacher pensions, he doesn't believe any of it, and I didn't even make him that way, honest.

But you're trying to undo what was done in the past. You're starting, I think, with today, and that's not a bad thing, and, Mr. Bjornson, I thank you and your government for that. And I thank the feisty minority government for trying to keep you guys on your toes, and all of you for giving us a chance, and Mr. Schuler for letting us answer questions after—I think I've had about 16 hours on my arthritic backside.

* (22:40)

You're heading the right way, but you are, when we say neglecting a generation of teachers, I'm one of them. We retire early for different reasons. I could have gone on disability. I'm supposed to have both knees replaced, but you know what? Retirement's the best thing I ever did for my health. Now, I'm riding a bike and improving my knees. They still don't have to be replaced. The doctor is positive they will both have to go, but I didn't cost you that. I retired early. I was allowed to. I got less pension for retiring early. Nobody told me I wasn't paying. It looked like I was paying. I made a choice. Just like the CPP: you take it early, you don't get as much; that's what happened with my pension too. So, go figure.

Madam Vice-Chairperson: Thank you. The time for presentation and questions has run out. We'll move on to the next presenter. Kay Arnot. Arnot? Do you have a written presentation to hand out?

Ms. Kay Arnot (Private Citizen): Yes, and I have copies. My name is Arnot; it's my Scottish husband.

An Honourable Member: A familiar face.

Ms. Arnot: You're right.

An Honourable Member: Wonderful to see you again. You haven't changed since I left Elmwood High School.

Ms. Arnot: I will take that as a compliment, thank you.

An Honourable Member: You look just like you did back—[interjection]

Ms. Arnot: No, he never gave me apples. A lot of hard times, though.

Madam Vice-Chairperson: We can begin whenever you're ready.

Ms. Arnot: Thank you. As I mentioned, my name is Kay Arnot.

What a fiasco this whole situation is. Originating from a biased and inaccurate report penned by a former MLA, Mr. Tim Sale, this entire process has been an absolute sham. In writing reports one can be selective in choosing that which best caters to the end result that the writer wishes to achieve, even if that information is taken out of context.

For example, Mr. Sale states that Turnbull and Turnbull began voicing concerns about this practice in 1986, repeating these concerns every year until 1996, stating that the PAA was designed to pay approximately two-thirds COLA. What he fails to mention is that in that same piece of correspondence, the company recommends that the pension adjustment which becomes effective July 1, 1993, be made equal to the full change in CPI. Why, if as Mr. Sale claims, it was designed to pay two-thirds?

Later in that same paragraph, Mr. Sale comments: The response of the TRAF Board was to ask the Actuary to stop raising these concerns, because they were upsetting to the members. What he ignores is the crux of the letter, which states that the two-thirds does not reflect the actual legislation or current agreement between the government and the Manitoba Teachers' Society as developed through the task force. These are just two examples in one paragraph on the first page, and I could go on and on and on.

Both Mr. Sale and Ms. Isaak have repeatedly stressed the fact that retired teachers were not guaranteed 100 percent. In fact, Mr. Sale's report claims that RTAM officials, faced with the dilemma of a weak PAA, Pension Adjustment Account, have taken the militant stand that this problem must be resolved and have sought 100 percent COLA guarantees. This is an outright attack on the RTAM board, which asks for the government to meet its obligation as outlined in the pension act, which stipulates in the legislation to provide up to 100 percent.

Past presidents have definitely raised the expectation of a reasonable cost-of-living adjustment. From 1984 until 1998, the percentage of CPI granted has been over 96 percent. Even in 2002, when the present government was in power, retired teachers received 100 percent COLA. We know the government would not give 100 percent increase if they truly believed that the pensions were to be capped at two-thirds.

Since 2002, the actual percentage of consumer price index has ranged between 19 percent and 43.30

percent. Rather pitiful isn't it, not even 50 percent?

This year, although Mr. Sale's, Ms. Isaak's heralded promises of a two-thirds COLA in the media and in letters to teachers, the actual amount will be 0.71 of 1 percent despite the fact that the CPI was 2.4. This means a grand total of \$17 per month before deductions. Considering that the minimum wage increase was 25 cents an hour, or \$40 per month, we know just how highly the members of this Legislature view retired teachers.

Despite 20 years of warnings, the government decides once again not to address the real issue of the Pension Adjustment Account and thus the COLA. It is not two-thirds versus 100 percent but rather the funding of the actual account. Rather it decides to call a clawback, benefits that were paid for by teachers, and impose a moratorium on pensions for the next 10 years. To state a review will be conducted in five years is a red herring since it does not outline a process in which all parties will be involved. That would be a total of 20 years during which the government would ride on the backs of retired teachers, denying them a quality of life to which they are entitled. Even this year, although the government consistently stated that they would put money into the pensions, they reneged, since everyone did not automatically agree with the minister's wishes.

Since the government was willing to put in the money to increase the amount to be given this year, why did they not do so? Why should that have been contingent on accepting the entire package, and thus relinquishing some paid-for benefits? No. It was either accept our offer or do without. Is this a form of extortion, or is it a case of you play by my rules or I will take my ball and go home?

Rather than deal with the real issue above board, the government decided to run a plebiscite which wholeheartedly was endorsed by the MTS. To state that RTAM was involved in the decision is inaccurate since the pension task force consists of six MTS representatives and two chosen by the government. RTAM is graciously allowed to attend the meetings but does not have any power since it cannot vote. This is the representation for 11,000 retired teachers? Right.

In formulating the package as an easy sell for active teachers the bottom line was that they would not have to pay more for their pension. Therefore, they were told to support the Sale report. Ramifications that the decision would have for them

in the future and for retired teachers now were never shared with active teachers. The MTS continued to repeatedly reiterate its misinformed stance regarding that a yes vote would increase the pensions of retired teachers, even going so far as stating that two-thirds is better than nothing of 100 percent. Where is the two-thirds guarantee?

Then the biggest farce of it all, the non-binding plebiscite. Manitoba Teachers' Society sent out copies of the Sale report to select retired teachers, urging them to support the acceptance of the report. Other retired teachers received the ballot without any forewarning and, since a number of them do not have access to computers, could not get a copy of the actual report in time to digest the information and formulate a response. Many retired teachers received their ballots so late that they would miss the deadline for voting by a couple of days.

* (22:50)

Access to government information—

Madam Vice-Chairperson: One minute remaining.

Ms. Arnot: —was made even more difficult for those who lived out of province and did not have a computer since the 1-800 number for Manitoba is restricted to within the province. Yes, active teachers were bombarded with one-sided information and told to vote yes and trust the MTS. MTS devoted massive resources to the plebiscite while RTAM had to rely on non-cost ways to get their message across.

Although both the government and MTS repeatedly stated that the decision for the plebiscite was a unanimous decision of all groups, the results were known to the media prior to RTAM, thus making RTAM react to statements made by government and MTS.

Madam Vice-Chairperson: We have reached 10 minutes of the presentation.

An Honourable Member: Leave.

Madam Vice-Chairperson: We have leave to continue and that will take time from the questions.

Ms. Arnot: The results of the plebiscite indicated a 4 percent difference in the 11,000 teachers who voted or a 497-vote difference. Considering that there were 26,000 eligible voters, this represents less than 2 percent of the teachers, and that does not include those who are part of the plan but whose addresses were not known. Such a variance in statistics is not sufficient for accuracy when polls are taken.

However, Mr. Bjornson, is, quote, prepared to accept the results of a recent teachers' vote as a signal they are ready to resolve their pension conflict.

What a bunch of crap. The issue has been there for 20 years, and, as recently as 2005 during committee hearings on Bill 48, the government was asked to address the concerns and deal with the funding issue for pensions. However, Mr. Bjornson and the government chose not to listen to those directly affected by the decision.

It is the government that has been reluctant to deal with the real issues and now will mandate a Band-Aid solution which again does not solve the situation. It has not addressed MTS's current conflict of interest which is really being highlighted on a regular basis.

And, lastly, the committee meetings, which are keeping up the stupidity of this whole exercise. To give three days' notice during the middle of summer when families are on vacation is absolutely asinine. This is only matched by the timing of the meetings. To have evening sittings from 6 to midnight at a time when the Legislature is not in session boggles the mind. Out-of-town people are asked to drive home after this? Also, who knows when you might be called. After I am finished, who is going to walk me to my car, please. *[interjection]* Thank you. I noticed a sign on a Golden Retriever bus and thought how appropriate it was.

Senior citizens have planted the seeds for everything we enjoy today. They deserve a share of the harvest, and I add especially since we paid for it in so many ways.

Madam Vice-Chairperson: Thank you for the presentation. We have brief time for questions.

Mr. Schuler: Ms. Arnot, it is wonderful to see you again. The last time I saw you was when I graduated from Elmwood High School in 1981, and you haven't changed a bit. You look great, and, if there's any doubt about the wonderful education I got with passionate individuals, well-spoken individuals like yourself, no wonder I have gotten where I am today. I have a lot to thank you—

Ms. Arnot: It's not my fault.

Mr. Schuler: No, actually it's presenter No. 20, when he gets up here. It's his fault.

It's great to see you out and we appreciate the passion with which you make your case. I think the

committee has heard you loud and clear. We appreciate that you came out.

Ms. Arnot: Thank you.

Madam Vice-Chairperson: Seeing no further questions, we'll move on to the next presenter, Peggy Prendergast.

Ms. Peggy Prendergast (Private Citizen): Seventeen hours later.

Madam Vice-Chairperson: I see you have some written presentations. We'll hand those out to the committee. You may begin when ready. You may begin.

Ms. Prendergast: Thank you. Madam Vice-Chairperson, Mr. Minister and committee members, my name is Peggy Prendergast and I am a retired teacher.

Life is difficult. These are the opening words of a book, *The Road Less Travelled*, written by Scott Peck. He goes on to say that, once this is truly known, life is no longer difficult. Life becomes a series of solutions to problems.

The problem I have as a retired teacher in Manitoba is my pension dollar is becoming worth less and less each year. I now have an 89-cent dollar after 11 years of retirement. My physical ability to earn money, certainly as a teacher in the public school system, has significantly diminished. Living a full life now requires the income I worked and planned for, a fairly indexed pension.

I thought my pension was secure within certain parameters. With Bill 45, you are significantly changing those parameters. Yes, Bill 45 suggests the possibility of a small increase to the cost-of-living allowance, but the package includes solutions that could mean not only little or no COLA, but also no meaningful discussion about finding solutions to this very complicated problem for the next 10 years.

The memorandum of agreement to keep discussion open, with retired teachers involved, could find creative funding solutions to this long-standing problem. I've learned in my professional life that no problem is too difficult to solve if those involved in finding the solution have a mind to work at solving that problem with a creative solution which takes into account everyone's needs. I think this is what has been lacking.

I was part of the Pension Task Force discussion in 1999 when they first began. That's quite awhile

ago, almost 10 years ago. At the time and now, I still see myself as an advocate for the older teacher. I chose a quote from *The Road Less Travelled* because, in a way, I think it describes my story and, like some of the teachers before me, I'm going to tell you part of my story.

My parents immigrated to Canada from the British Isles; actually, they met on the boat coming over. They struggled through the Depression and, as their children grew, came to believe and to impart, especially to me, the value that education was the answer to the good life in Canada. I acquired their passion for learning, practical usable knowledge that is enabling not only to oneself, but for others.

I have been working since I was 13; I received a university education when girls from a low-income family rarely did. Money was not an obstacle. The will and the passion to do it was what kept you going. I actually now believe that was an investment which has paid off in ways I could not imagine at the time.

I began teaching in 1955. Because of a shortage of teachers, the system had changed in 1950 from having only single women teach to that of accepting married women into the profession. I had indicated an interest in the profession in the spring of 1954 to a supervisor in Winnipeg, but was told there was an overabundance of Home Economics teachers. Don't bother starting teacher training this summer; there'll be no job for you.

Mr. Chairperson in the Chair

* (23:00)

Friday of the Labour Day weekend, I was called and offered a job for the following Tuesday morning. My introduction to the profession was, first, a teaching vice-principal in the inner city school I was assigned to who put his head down on the desk and moaned, why do they send me these people, and then a classroom with half a dozen old wooden worktables and a few old treadle sewing machines all pushed into a corner of an unused classroom. My junior high timetable consisted of one regular grade 7 class and eight ungraded developmental education classes and whatever other name that described girls that didn't fit into what was judged a normal classroom at the time. All these students were from inner city schools other than the one I worked in which meant many more discipline problems.

I was a class 3 teacher on a letter of authority. My learning curve was parabolic. I survived, not

because of the system but because of a few wonderful mentors, including that vice-principal. These same people told me of the system they had lived through during the depression, the war, and after. They believed in what they were doing and worked often for a few hundred dollars a year and their room and board. Many lacked a university education. They were class 1, 2 or 3. By the way, my initial annual salary was \$2,800, and by the time I left the profession, that was half of my monthly income. They believed they had no way of increasing their income because they were either working full time or they had married and then had a full-time job looking after their family. I joined the Winnipeg women's local of the Winnipeg Teachers' Association wondering how things could improve.

In 1960, I had my first child. Someone strongly advised me to take a leave of absence instead of leaving the teaching profession I so enjoyed. However, I was told I couldn't return until my child was two years old. Although I had no intention of returning, a teacher shortage again provided me with a little part-time work for the following two years. In 1963, after my third child was born in March, I was told I could come back two weeks after her birth if I chose. In September of that year, I returned to a part-time teaching contract because a supervisor realized she could hire two part-time, experienced, and certified teachers by having us job share instead of a full-time inexperienced teacher, which was all that was available at the time.

I stayed in that junior-senior high school that Mr. Schuler has referred to for 18 years. An observation: it seems obvious the system's needs always supersede the individual teacher's and students' needs. Is this what is happening here? Is the disparity between the income and needs of active teachers and retirees so great that neither can appreciate the other's dilemma and the government is encouraging the rift to widen?

I think you need to be retired to know how a retired person lives, and unless you're listening very closely, you don't understand what it feels like to be unemployed, which you are when you're retired, and to know that there are no future raises and no way to negotiate one. When that woman spoke and said she was afraid, fear is part of the anger you're hearing.

During the 1970s, I learned that increasing your qualifications increased your salary. Because of the family situation, this became necessary. A sabbatical year in the mid-'70s allowed me to move from class

4 to class 6 on the salary schedule. I only applied, however, for the sabbatical leave because of the unfair working conditions that I thought I was required to work in because I was a part-time employee: no preparation time, unreasonable expectations of extracurricular involvement and no knowledge that support would come from my association.

At the same time the present teachers' pension act was legislated in 1977, the Status of Women in Education committee was formed by some very courageous and visionary women in the Manitoba Teachers' Society. Linda Asper's thesis for her Master's degree that year and shortly after Muriel Smith's involvement at the local level in Winnipeg, where she was teaching, provided the group with outstanding mentors as well as many more you may not know. The necessary research from the Canadian Teachers' Federation connections led to awareness in growth for many women. We learned to speak out for fairness for ourselves and girl students and found support from one another. We, not only as teachers but as seniors, are learning to do the same again.

I note that, in this last TRAF evaluation, 69 percent of the teaching population are classed as women and the disabled. Put us together. However, I also note that there is now no status of women or equality in education committees in MTS. Women still live longer than men as a whole in our population with less years of teaching and less total education, thus will receive less in the pension. They need to be more involved in the retirement income planning.

I generally had an awareness of the pension deal. I bought into the five-year averaging that was being espoused in the early 1980s. It was in 1984 when my husband died suddenly that I began to plan my retirement. I had three children in university and went from a two-income family to one and no other pension availability.

Mr. Chairperson: One minute remaining.

Ms. Prendergast: One more?

Mr. Chairperson: One minute remaining.

Ms. Prendergast: Thanks. Early retirement was achieved in 1985 by MTS but not an option for me. I worked for 41 years until the age of 64, in the profession I loved, to receive a 31-year pension. I was convinced I would be financially independent because at the time I retired, COLAs had been, on average, 80 percent of CPI since 1977. You can

imagine my shock when we were told there would be no COLA in the year 2000.

I'm going to diverge a little here because that was the year that I was president of RTAM and Murray Smith was past president. We actually asked permission of the MTS committee if we could speak on behalf of that pension, the pension needs and this COLA's needs, because MTS's first priority that year was the labour act that they were pursuing.

Mr. Chairperson: Order. We've reached the 10-minute mark.

Some Honourable Members: Leave.

Mr. Chairperson: With committee's leave. All right.

Ms. Prendergast: So Murray and I pursued that, and we came and we met with 25 MLAs individually and both caucuses. So we decided that what needed to be done was people needed to be educated on what our pension issues were all about. Again, you can imagine our relief when a partial COLA was given by this government and, by the way, as a quick fix. There seemed to be an understanding we would keep discussing a long-term fix.

Instead, we spent years talking about representation. We were told if we gave up the return of our payments for the cost of five-year averaging that the money could be used to improve the COLA. We suggested sharing the surplus in account A between active and retired teachers so that the underfunding of the pensions of new teachers would be accounted for as well as the COLA for retirees.

What has been achieved? Pension payments for those teachers on LTD are paid out of account A. The surplus is being used mainly for the underfunding of the active teachers' pensions. It took two retired teachers four long years working on a case-by-case basis to achieve a small but similar benefit for retired teachers as the maternity buyback that was given to active teachers. All of those teachers who had quit their jobs when they got pregnant were not eligible. Only teachers with a leave of absence during their maternity leaves were declared eligible to buy back that leave; thus, only 50 to 60 teachers took advantage of the benefit. How many women didn't have the information I did to make an informed decision when they got pregnant?

I believe we need to travel a new road, the road less travelled to date as we move into the future. Let us look at the statistics I passed out to you. They are self-explanatory. If you'll just take a quick look,

there is an explanation at the top of the page, and you will note that those teachers from 80 to 100 total about 10 percent of the total retired teacher population. And just take a look at the differences in their annual and monthly income. I'll leave that with you to read.

* (23:10)

This is not a gender issue. It is a seniors' issue. Elder abuse has been mentioned more than once during these hearings. The older pensioner is the most drastically affected by the lack of COLA. We are all getting older by the minute. I'm 75. Look at what I am looking forward to if nothing significant is done for 10 years. We need a memorandum of agreement to travel this new road, with a commitment from all to a solution that will provide solid funding for a COLA that is fair to all. The benefits to all will be more than any of us can imagine. The money spent will allow retired teachers to live in dignity with many of them giving back many-fold to their communities.

You have witnessed a small number of the vital population of seniors that live in our province. Honour them, respect them and allow them their due. Thank you.

Mr. Chairperson: Thank you for your presentation. We have time for probably one question.

Mr. Schuler: Well, I thank you very much, and it's probably more of a comment than a question, Ms. Prendergast. As one of my former teachers, I appreciate you waiting so patiently, 17 hours I think you said, to make the presentation, and I don't think it would be fair to let you sit down without me at least putting on the record that you taught me many important lessons, one of which was you taught me how to sew and, you know, that's actually a life skill. It's amazing how often I've actually needed that skill.

We very much appreciate what you've done. Elmwood High School was overcrowded at that time, inner city school, we were tough, and out of that school have come some amazing students. You are deserving of a fair pension and a fair COLA. Thank you for coming and making a presentation.

Mr. Chairperson: Thank you for your time.

The committee next calls No. 19 on our list. Lorraine Forrest. I see you have copies of your presentation. Thank you for that. Ms. Forrest, you may begin when you are ready.

Ms. Lorraine Forrest (North East Winnipeg Chapter, Retired Teachers' Association of Manitoba): Thank you very much.

My name is Lorraine Forrest, I taught in the River East School Division at the elementary level for 25 years. I was very involved in the River East Teachers' Association serving eight years on the teachers' executive and was president of 900 teachers in 1995. Throughout the last 15 years of my teaching career I worked in various capacities on negotiating committees striving to improve teachers' working conditions. I was the regional co-ordinator of metro bargaining for the Manitoba Teachers' Society for six years. I retired from teaching seven years ago.

I became a member of the Retired Teachers' Association of Manitoba immediately upon my retirement. I must admit that, having worked so hard on teachers' issues and concerns throughout my teaching career, at first I shied away from becoming actively involved in the association. I did some substituting and worked at the University of Manitoba as a faculty adviser for the past seven years to supplement my pension. I thoroughly enjoyed working with individuals who would be entering the teaching profession. I admired the hard work and the dedication of the many volunteers working on the Retired Teachers' Association of Manitoba's executive and their local chapters.

It did not take long after retirement to realize that, while my pension would remain the same, the cost-of-living adjustment I was receiving was not going to help my financial situation deal with the steady rising of inflation.

I began to attend RTAM COLA presentations and became better educated with regards to our current COLA situation.

In 2007 it became apparent that more Winnipeg chapters of RTAM were needed. It didn't take long to get 30 retired teachers and colleagues to meet. Within an hour or so of discussions on the cost of living, we formally became the North East Winnipeg Chapter of the Retired Teachers' Association of Manitoba. Our inaugural meeting was held at the Henderson Library on October 15 of '07. Elections were held, a constitution accepted, and fees established. I became the president of this organization. On February 27 of '08, our chapter held a meeting at the North Kildonan Mennonite Church and many colleagues attended. Our current membership rose to 77 retirees. At this meeting, the pension committee of RTAM presented their

response to the Tim Sale report. I can honestly tell you that every person there that day, everyone agreed with the response and decision taken by the retired teachers with regards to the Sale report and Bill 45.

I have given you this brief history of the formation of our new, the North East Winnipeg Chapter for a reason. As I mentioned, there are currently 75 members of our group and more colleagues are joining in the fall at our next meeting. The sole purpose of this formation of this group was to show our unconditional support for RTAM and to add our voices to many others telling the government that a fair and equitable solution must be found to resolve the current COLA issue. Our membership consists of teachers, principals, and superintendents. We're all working together. We speak with one voice. We joined together for one reason. There are no social groups, no parties planned; COLA is our only focus.

Speaking on behalf of the retired teachers of the North East Winnipeg Chapter, I would like to state the following: We did not envision seeing ourselves in the position we find ourselves today. We did not see ourselves attending rallies at the Legislative Building trying to get the government to listen to us. We did not foresee ourselves up in the gallery at the Legislature listening to any discussion that dealt with education. We did not envision ourselves attending meetings to talk about the rising costs and the inability of our pensions to meet these challenges without a yearly adjustment. We did not envision calling our members of the Legislative Assembly to discuss our concerns or sending letters, and we certainly did not envision ourselves attending hearings to speak against bills that government plans to enact. This is not how we envisioned retirement.

The North East Winnipeg Chapter unanimously supports RTAM in its position in Bill 45. While we can appreciate that this government has been willing to open The Teachers' Pensions Act several times and address some of the issues of active and retired teachers, we do not support passing this bill as it currently stands. This is a very serious situation for retired teachers. We worked many years in the public sector aiding in the development of the youth of Manitoba, and we deserve a fair and equitable resolution in this matter. Thank you.

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

Mr. Schuler: Yes, thank you very much, Ms. Forrest, and nice to see you again. I think it was

Emerson elementary school was your school and I remember being there often. The students loved you and I know that you loved the students.

I have a question for you. You talk about we did not envision ourselves in the position you find ourselves today and you list those things. Do you think that a hoist on the bill—and that means that the bill is basically set aside for six months—do you think within six months that a mediation or negotiation could take place where both sides or all sides could come out with some kind of agreement? I mean, you've done a lot of negotiations. I think when I was on the board of the River East School Division we negotiated with you, and you were very good at it, by the way. With all the strength of negotiations that we see in this room, is there not an opportunity here to negotiate our way through this?

Ms. Forrest: Thank you. I am not an expert in the ways of government passing bills and negotiations today. So I don't know how that can work with government. I know the parties involved. I know that I don't have access to speaking to the government every day, except I can talk to Bonnie. I know the two people who represent both MTS and RTAM. They're very smart women. They see issues. They know they're important and they are working towards resolving difficult issues. I would hope that if we could take away all the stuff that has happened and sit down and everyone listen maybe with new ears, things could work out better. At present, those words "up to two-thirds" make you very concerned—and the affordability clause.

* (23:20)

I will go back to negotiations. When I did negotiate, we worked very hard to get certain clauses. Then, sometimes the wording of those clauses bit us, and things came back at us that we hadn't expected. I don't want the up-to-two-thirds and affordability to bite retired teachers.

Mr. Lamoureux: Let me ask you what I think is a fairly difficult question to answer and I hope you do your best at doing it. One of the lasting impressions that's obviously being left with committee members is that teachers who have retired were fairly clear, when they retired, that they were going to get 100 percent or virtually that 100 percent COLA, that there was a very strong feeling that was not going to be an issue and the COLA was going to be there for them in the future.

Now, if you take a look at the report and the plebiscite, had there been an absolute guarantee to the two-thirds, do you think that would have changed the outcome of the plebiscite, if it would have been a guarantee of two-thirds?

Ms. Forrest: I can't speak for—I don't know how many thousands there are—15 and then there's another—I can't speak for 26,000 people. I can't speak for MTS and I can't speak for RTAM.

I don't believe ever that I knew there was going to be 100 percent. Even with all my negotiating and my experience with working on teachers' working conditions, I must admit I didn't look far enough in the future.

I retired the day I turned 55; my birthday is on June 30. I retired not because I didn't want to teach anymore; I retired because my father died at 63, my mother at 65 and my sister at 48. I got out because I had to do some living, in case I didn't make it much further.

Retirement has been good, but watching your pennies—you have to do it. We need some kind of protection against inflation. I think the people who can do that are sitting at this table and sit in the Legislative.

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

The committee next calls No. 20 on our list, Tom Forrest. Thank you for the written copy, sir. You may begin when you're ready.

Mr. Tom Forrest (Private Citizen): Good evening, members of the Legislature. My name is Tom Forrest and I taught in the province of Manitoba for 35 years. I retired in 1999.

When I taught history, my students and I traced the evolution of representative governments, studying the history of Britain and Canada. You, as members of the Legislature, were elected, chosen by your constituents as the best person to represent your constituency in the Legislature. Your constituents were confident that you would listen, meet, discuss and represent their positions in this House.

Well, members, retired teachers are constituents. We wish to be heard; we wish to be listened to and we wish to be treated with respect. Quite frankly I, as a retired teacher, do not feel this is occurring.

I, along with many other teachers, experienced a great deal of economic conditions throughout our teaching careers. We experienced salary cutbacks, several years of zero percent increases which had an overall effect on our pensions. However, we continued to make our contributions to our pension plan as we had a legal and moral obligation to do so.

Government decided that our contributions needed to be increased. Government decided that teachers had to finance their disability insurance program and we paid for that. I believe we asked and were granted permission by government to increase our contributions to TRAF to ensure that there would be sufficient funds for COLA. We were assured by governments of the day that our pension plan was solid, that there would be a COLA provided on an annual basis. Red flags were raised by auditors that insufficient funds were being allocated to sustain a COLA, but these warnings were not heeded by government nor sufficiently by MTS, it would appear.

Teachers over these years have done and have paid what government has stipulated. So, if there is a lack of funding, surely this is a government problem, as they have been the power that has set the ground rules, and it's neither fair nor equitable to change the rules.

So now that all are aware of the problem, why is there a reluctance to meet and discuss with representatives of retired teachers, namely RTAM, to resolve the matter? Why will the government and MTS not recognize RTAM as being the official representative of retired teachers? And by what right does MTS presume to speak for retired teachers when they neither listen, meet, or discuss issues with RTAM? I, as a retired teacher, have no vote or voice at MTS and yet they claim to represent me.

Then there is the Sale report and subsequent Bill 45. I don't understand how the government and the MTS executive can put forth this report and this piece of legislation as being the cure-all. My questions are this: If this report and Bill 45 is the answer, why was it initially set up to be in place for only 10 years? Why not written for perpetuity? And why, after that 10-year period, was the COLA to revert back to the current situation? Given that the COLA clause and the Sale report are based on affordability of the fund to pay and no more funds are going into it, two-thirds of nothing remains nothing. I find this policy unacceptable.

Yet MTS claimed that their 4 percent margin of victory in the plebiscite, that this was a clear indication of the directions that teachers wanted. I'm not certain what statistics courses were studied, but a 4 percent margin is hardly clear cut. Even if the Premier (Mr. Doer), if I might ad lib, admitted it was a narrow victory on CJOB, amongst other things.

This was certainly not a clear indication when this plebiscite was foisted upon retired teachers without consultation from either MTS or the government. Further, there was no clear indication despite MTS using a very costly print and multimedia campaign to convince active teachers to vote yes, knowing RTAM had none of those resources.

In addition, why would the Minister of Education (Mr. Bjornson) and the president of MTS, again claiming to represent us and wishing to act in our best interest, not consult with RTAM prior to the imposition of the plebiscite? I would think that the results clearly indicate that there were many active teachers who voted no as well as retired teachers. Those active teachers voted no because they, too, are concerned about their future pension and the status of a reasonable COLA.

So I'm asking the government, I'm asking the House, to examine Bill 45 very carefully. I am suggesting—no, I am saying that as a retired teacher, this bill does not meet our needs and is not going to resolve the situation. As one lady says, we've got nothing to do now but be around here to bother you. Hmm. I'm asking you as duly elected representatives to represent your constituents and to provide a fair and equitable solution to this matter. Thank you.

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

Mr. Schuler: Thank you very much, Mr. Forrest. First of all, appreciate very much that you took the time to sit through all the other presentations and finally had the opportunity to be heard. I am going to take a small moment and use a bit of time for a preamble.

* (23:30)

I don't think in my wildest, as a student at Elmwood High School, did I ever think I would be sitting at a committee table and hearing the history teacher who really fired my love of politics and we'd be now at this table having this discussion. You made the decision—yeah, I give you the credit for it

and people on the other side can give you the blame. It just depends on perspective. But—and I say this with all seriousness—you were the calibre of an individual that could have been a professor at university. The way you taught us, the way you had passion, the way you fired us up as really inner-core students. You could have been a university professor, but you decided to stay at Elmwood High School and year after year fire up really disadvantaged students. We came from disadvantaged homes. We didn't have the money. We didn't have socioeconomic standing, and you did it because of the love of your job. For all of the students that you fired up and got a love for politics, I thank you for that.

And you know what? For that, I believe, like your last sentence says, provide a fair and equitable solution to this matter. I owe it to you and all the teachers who taught me to sit here and fight for fair and an equitable pension and COLA. On behalf of all the students of Elmwood High School who, whether it was Mrs. Prendergast who taught us how to sew, and you taught us about the BNA Act and Trudeau's repatriation and you and I fought it out in class. You allowed that kind of thing. You fired us up. You made us challenge. You made us think, and for all of that I thank you, and I will try and repay you by fighting for you for fair pension and a fair COLA. Thank you, Mr. Forrest.

Mr. Chairperson: Mr. Forrest, I didn't hear a question in that, but you may certainly comment.

Mr. Forrest: Well, he always did have a hard time making a question. It was more of a speech. Anyway, thank you very much.

Mr. Chairperson: Seeing no further comments or questions, we thank you for your time with us here tonight. Committee now calls No. 21 on our list, Yvonne Collins. I've just been informed she is not here in person to present, so with the committee's permission, we will accept it as a written submission. *[Agreed]*

Very good. Thank you.

Committee next calls Maizie Walton. Thank you for preparing those copies of your presentation this evening.

Ms. Walton, you may begin when you're ready.

Ms. Maizie Walton (Private Citizen): Mr. Chairman, honourable minister, members of the government and members of the opposition and the educational group seated behind me.

Thank you for the opportunity to speak today. My name is Maizie Walton. I would like to give you a little of my personal history, but before I do that, I would like to compliment everybody here on sitting here for three evenings in this incredibly bad air and not just three evenings. Everybody in front of me has probably sat here for days and nights and perhaps years, and I don't know how you all survive because I have asthma. But even somebody without asthma, I don't know how you breathe in here. The gentleman behind me who's manning the desk at the back turned on some fans. Thank God, because it's really bad in here.

Anyway, I just want to briefly go through the personal history because it's not too important to anyone. Today is a special day for me. July 23 is special. I'm very glad that I got on to speak tonight because it's an anniversary, and 49 years ago, I turned 18 and signed my first teaching contract and I'm very proud of that.

In 1959, high schools were very short of teachers for the business education and shops programs. Mr. Addy from the Department of Education asked the school principals to recommend some students as likely prospects as future teachers. I was recommended for a Department of Education scholarship by my high school principal. He was my inspiration. So, at age 17, I came on the bus from Swan River to Winnipeg for the two summer courses at the university and at 18, began teaching for \$3,000 a year. I want to mention that most of the teachers made \$2,500, but business teachers and shops were specially desired right then so they got \$3,000 a year. I was rich.

Over the next 38 years, I completed a five-year education degree from the University of Manitoba, working summers and nights while I was teaching and raising children. The first four years of the degree were largely business administration courses, economics and accounting, and computer science. Also, during that time, I gave birth to, and raised, my two children and taught a full 32 years. It was a very busy time. I taught 24 years at the high school and then, the joy of my life, I taught early years grade 1 for my last eight years. My former students range in age from 17 to 71. One person came back to do high school so he was older than I am now.

I retired in 1997. I've had many wonderful opportunities in teaching. I was one of the first three teachers in the mid-1960s to teach computer science. FORTRAN and COBOL were the languages of the

day. We had key-punch machines in the school. Each evening, a grade 12 student took our punch cards to the computer at the University of Manitoba and ran them through the card reader. The output was edited by students the following day and the cycle repeated.

Another experience, which is even more important to everybody here who's a woman, is a very groundbreaking experience I had, was being allowed to teach when my first pregnancy was evident. Prior to 1963 in Manitoba, a teacher was not allowed to teach in a public school after her pregnancy was obvious, more than three months. In 1963, Vic Wyatt, our superintendent in St. Vital, decided that since high school students see their pregnant aunties, mothers and neighbours, they must know the origin of babies. Thus, he decided that seven of us who were pregnant in our division would teach as long as our health permitted or the end of June, whichever came first.

I didn't want to be a groundbreaker. I was always shy. I never wanted to be up front, but as it turned out, we didn't have to worry because the students' response was overwhelmingly positive. I never had to carry a briefcase, to carry a textbook, to open a door, to walk alone to my car, because a variety of boys from my classes made it their business to look after me. Parents hosted two baby showers for me. Almost every female student I taught was there at the showers. They seemed to know the significance of this. We didn't talk about it. None of the seven teachers talked about it, but the students seemed to know the significance. I don't know how. So, after 1963, in St. Vital, teachers were allowed to teach as long as their pregnancy and their health permitted.

* (23:40)

Now, I'm jumping right to the task at hand: cost-of-living allowance for retirees. I retired in 1997. You've heard the facts many, many times. I have seen it greatly erode my purchasing power in the past 11 years. My purchasing dollar now buys 90 cents, or I think it might be even 89 cents, but I'm concerned about two groups of retirees, not so much for myself, but retired women teachers who fall into the following categories: older teachers, who did not have an opportunity to teach while they were pregnant, stayed home the entire time they were giving birth and raising their children. These teachers, once they wanted to get back into their profession, often were not able to do so and certainly not right away. Some managed to get back initially

by substituting, filling in for sick leaves, et cetera. They lost a number of years of pensionable service.

Also, some were single; I know some to this day that are retirees, single. Some were widowed early in life; I know some of those too. Many of them were divorced during their working years and, in divorce situations, the spousal support laws weren't what they are today. Many of the women retirees have small pensions and rely heavily on the adequate COLA.

Another group I'm very concerned about—you've heard about this group before my talk tonight—that's teachers 75 and older. Teachers in this era worked many of the early years when salaries were extremely low. On Monday evening, you heard the gentleman from Moose Factory who taught at Moose Factory—he wasn't from there, but he taught there—for \$1,100 a year.

A few minutes ago, the former superintendent of our St. Vital division, Gord Newton, had to leave because he just couldn't hang in there any longer. He said that he started in 1954 and earned \$2,000 a year. I started '59 and I got the bonus, so I earned not \$2,500, but \$3,000. The fellow in Moose Factory, he didn't only earn \$1,100 annually, but he had to do the school's caretaking as well—you all heard that—for no extra pay.

These people have no savings for much of their lives, or maybe all of their lives—I don't know—but certainly for many early years and rely heavily on the teachers' pension. Adequate COLA payments would mean everything to them.

Now, this brings me to the Pension Adjustment Account. In 1977, this account was started. Its purpose was to fund the COLA. My personal story regarding the COLA, I think it's important because it's been told many times before tonight—I am not getting this from RTAM. I am a personal member; I belong to RTAM because, from the day I retired, I paid, I think, a small fee off my paycheque; I think that's how it works. I'm not an—

Mr. Chairperson: One minute remaining.

Ms. Walton: I'm not an active member; I'm not conversant with their line. I think they're a wonderful organization, but I'm not speaking for them, okay?

My personal story regarding COLA is right from my memory. I attended a meeting at Dakota Collegiate where I taught in the mid '70s, chaired by George Strang, president of MTS, a local MTS

member, and a Manitoba government official. I can't remember who the government official was; I can't remember who the local member was, but I know the story's right because one of my friends, Yvonne Collins—the one before me that gave you the written submission—she was there with me. She just couldn't hang in there tonight either, but she remembers this as I remember it.

We were told that, if we contributed additional money toward our pension fund, we would be guaranteed 100 percent COLA after retirement. For the next 20 years, I paid the larger deduction with total faith that it was going into the PAA and being matched by the government, so I would be given a guaranteed COLA each year after I retired—

Mr. Chairperson: Order. We've reached the 10-minute mark but, with leave of the committee, we can continue at the expense of question time. Thank you, committee members. Sorry for the interruption. Please continue.

Ms. Walton: I've been told that the deduction was 60 percent more than civil servants of the day paid towards their pension. I'm not sure of that, but that's what I've been told. Then, for two years after retirement in 1998 and 2002, I got a full 100 percent COLA but, for six out of 10 years, it's been very small indeed. I've been retired for 11 years and my pension dollar, as I mentioned, buys less than 90 cents today.

Now, funding for pensions—I know that, in year 2000, the government started contributing to a trust account. The account is intended to eventually finance its share of teachers' pensions. I'm going to be like Ms. Stebbing, the teacher that was from Saskatchewan. Swan River where I came from is pretty near Saskatchewan, so I guess I'm asking questions too, like her.

It's an unfunded liability that the government has toward the TRAF account. To me, this would be like living in a house that was mortgaged and not paying the mortgage payment. I mean, I took business admin, I took a lot of math and accounting and taught it and whatever, but I'm not conversant with the real figures right now. You know, like many of my giants behind me are. I'm not conversant, but, to me, it just doesn't make sense. I know also another fact, the government doesn't match the pension contributions of current teachers but instead pays half the cost of pension when members retire. This doesn't make sense to me, okay?

Now, on to Bill 45: I reject it in its current form because of the way it addresses COLA, the zero to two-thirds thing. You've heard it thousands of times before. I don't have to repeat it. I'd be happy somewhere between, you know, maybe less than a hundred, but a guarantee of something, not the zero to two-thirds. Also, about the plebiscite, a lot of teachers even didn't get to vote. I know that.

My recommendation would be that a committee be struck, perhaps with a mediator. I'm not sure how it would work, but I think I'm optimistic. I don't think it's a no-go, and I don't think MTS and RTAM and the rest of us that are retired and the government can't work together. I'm totally optimistic. I also know that there's actuaries out there that could give us figures, the right figures to figure it out, because I know. I come from that kind of a background. In fact, one of my grade 1 students retired last year and he is an actuary. He retired—I mean, he graduated; what am I talking about retired? He graduated. One of my grade 1 students graduated last year as an actuary from the University of Manitoba, and I know those guys can figure a lot of things out.

I know the present government I'm not blaming. The present government and the previous governments for many, many years have not dealt with the issue. I'm not blaming the NDP. I'm not blaming the current government. I'm blaming government—big, you know, quotes—for many, many years of not dealing with this issue. I think it's extremely important that we start dealing with it now because it's going to affect not just the retired teachers but the future teachers. And I believe that every retired teacher admires current teachers and wants the best for them, wants them to have a decent pension, wants the current teachers to have a COLA when they retire, but we want a COLA too. Everybody wants.

I just wish a committee would be formed again with the MTS, the government, the retired teachers, lots of good actuaries around, and work it out. Allow retired teachers to live with dignity during their retirement. For many, many years they've made a great, great contribution to this country. Thank you.

Mr. Chairperson: Thank you very much for your presentation. We have less than a minute for questions. Mr. Schuler, very briefly.

Mr. Schuler: Very briefly. Mrs. Walton, thank you so much for staying. I know others couldn't because it's just been too long. You have a great quote on page 6 in which you say: I think that teachers are

great. I agree with you. I know this committee agrees with you. We will keep working on this.

Thank you for staying this long and making such a wonderful presentation.

Mr. Chairperson: Thank you for your presentation. Just before I call names again, I just want to make it known that, whoever the next person is, whether it's the next one on the list if they're present or someone afterwards, they will be the last presenter here this evening.

Mr. Rondeau: I take it that we'll just go after 12 to make sure that we hear the person, hear the questions just to make sure—

Mr. Chairperson: That's exactly where I was leading us. If the committee is agreed that we will not see the clock if we extend a little bit past our scheduled midnight finish, that would be wonderful. Also, in case members of the public choose to leave now, I do want to remind everyone that this committee is scheduled to resume its hearings a few short hours from now at 10 o'clock tomorrow morning, and we will pick up on the list where we leave off tonight. So, with that said—*[interjection]* Tomorrow I don't know that we have a time firmly established. It was midnight at the latest.

Just to be clear, we have sat the last three nights until midnight. That might well be the case tomorrow, but the committee will, in fact, in the decisions it will make before we hear presentations tomorrow, be asked that question and we'll see what the committee decides.

* (23:50)

Mr. Lamoureux: Mr. Chairperson, in order to maybe help facilitate those individuals that are in attendance now, I would indicate that the committee should not be sitting for more than six hours tomorrow.

I don't know if others might want to put their comments, so that we can find out whether or not it's the intentions of the government to try to force closure tomorrow on the bill by forcing us to sit till midnight again, which would be completely unbelievable. That would be 14 hours of a committee sitting, which would likely be a record, and there would only be one purpose. That purpose would be to try force the end of the public hearings on debate.

So, I think it's reasonable to expect a six-hour sitting tomorrow. Maybe other committee members can comment on that.

Mr. Chairperson: If the committee wants to discuss this now, they can. Normally, this would be done tomorrow. Does anyone have any further comments right now? We would leave it as a decision for the committee to make first thing tomorrow morning.

Ms. McGifford: I would like to recommend that we proceed and hear from the next individual who is probably desperately waiting to make his or her presentation, and we discuss this matter tomorrow.

Mr. Chairperson: I believe I saw Mrs. Mitchelson's hand up first.

Mrs. Mitchelson: I know that there is one more person who is on the list; there are many, many others that have been sitting waiting for hours and days to make presentations.

In order to show some respect for the presenters that are left on the list and still here, I don't think it would hurt us to take a couple of minutes, right now, and ensure that those people are given the kind of respect which this committee and Legislature should give them, so that they know how to plan their schedules tomorrow.

Mr. Chairperson: Order. The end sitting time for tomorrow is not decided, but the start is. So anyone who is on the list, shortly after where we finish tonight, you know that we are starting tomorrow at 10 o'clock in the morning. With that, though—Mr. Schuler?

Mr. Schuler: We have the Minister of Education (Mr. Bjornson) here and we've heard a lot of presenters talk about the way we treat our seniors. A lot of the presenters are seniors. To expect people again to sit from 10 in the morning till midnight and beyond—by the way, just please, nobody be under the impression that it ends at midnight. It's only the agreement these three days that we end at midnight.

After this, the government can force committee to sit from 10 in the morning until the Second Coming. They can force committee to sit through until everybody has spoken or left, so let's not be under any illusion. The minister is here. He can make the decision if it's going to be till four o'clock or till six o'clock, but we do owe the public which has been sitting here patiently some kind of an answer.

Ms. McGifford: There being no motion on the floor, I'd like to suggest we proceed with the next speaker.

Mr. Chairperson: I believe I saw Mr. Lamoureux's hand first.

Mr. Lamoureux: I want to just pick up on the point of having this whole process being credible. An argument to be made is that there are many retired and current teachers who might even be on holidays, not even available this particular week. Given the very nature, we have made the suggestion that we should have three days in July and three days in August in order to accommodate better participation.

To give the impression this evening—and that's what happening—my fear is that it's the government's intent to try to limit the number of people who are going to be able to express themselves. I've seen the passion and the emotions in teachers, trying to express what they feel about what the government is doing through Bill 45. I think we have to argue for the right to be able to be heard, at the very least, in this committee.

To try to ram them through by not setting a time, I think, is irresponsible and feeds the whole notion that this is nothing but a façade and serves no valid purpose.

I think that what we should do is be reasonable, say six hours tomorrow is plenty of time. If there is a need to meet again, we can meet in August for a few days; we can meet next week. We don't have to rush this bill through. The Legislature does not sit until September 8, so there is plenty of time for us to be able to hear what the public and, in particular, our retired teachers and current teachers have to say about this very important, life-changing bill.

Ms. McGifford: Mr. Chair, I think members opposite know that this is a matter for House leaders to discuss, and I do want to add that there is absolutely no intent on the part of government to force closure. We're merely asking that we finish with the next speaker. The committee will meet at 10 o'clock tomorrow morning. House leaders will be discussing it. Individuals will be here to make presentations. We'll soon know when the committee will rise or how long the committee will continue.

So, having said that, I would really like to move on with the next presentation.

Mr. Schuler: When the minister mentions that the House leaders will discuss this, basically it's the Government House Leader (Mr. Chomiak) that will say what's going to happen and the Opposition House Leader (Mr. Hawranik) has to go along with it. There's no debate that goes on here. There's no negotiations. It's basically the government will decide and we live with it. So I don't know how the

minister can sit here and try to snowball people here that somehow there's a negotiation that takes place. No. If the government wants to sit through until we've run out of presenters, that's what's going to happen. I think it's eminently reasonable we sit for six hours, and then the committee can reconvene again in August.

The Minister of Education has a lot to say about what takes place with this legislation. He's the man. He's the guy that will be making this decision, and I think we should be giving him an opportunity to give an indication where he would like to see committee go tomorrow. But for us to sit again all day and all night is terribly, terribly unreasonable. It looks and smacks of exactly the way the plebiscite was run: empty envelopes sent out, not enough time, all the rest of it. You know, we should be treating our public with a little bit more respect.

Mr. Chairperson: Just before I recognize the next presenter, just from a process point of view so everyone is clear on where we're at, there's no motion on the floor. The committee is well within its rights to discuss now when it wants to sit and for how long. House leaders do also play a role.

This is something just for the public to know. This issue is going to go back and forth until it is resolved one way or another. I, as Chair, don't have any particular purview to halt this discussion or to hear our final presenter until some sort of decision or agreement—even an agreement to disagree and to discuss it later—is reached. So, just so everyone is clear on where we're at and why.

I'll now recognize Honourable Ms. McGifford and then Ms. Mitchelson.

Ms. McGifford: Mr. Chair, I just want to reiterate the three points that I've made earlier. There is no intent on the part of government to create a closure situation. Secondly, this matter will be discussed with House leaders. Thirdly, we will not be determining tomorrow's closing time today. I suppose, lastly, I could add that, whether we agree tonight on a time or not, all presenters will be here in the morning. So it's not affecting whether presenters are here or not. *[interjection]*

Mr. Chairperson: Order. This is a matter for committee members only to debate. I'd appreciate the public's patience. It's been asked for already. We ask for it again. This is a matter that only committee members can comment on. So I'd ask everyone else

to try and keep your views in your head for the moment.

Next speaker is Ms. Mitchelson.

Mrs. Mitchelson: Well, thank you very much, Mr. Chair, but I'm becoming increasingly concerned about the motives of the government. So, therefore, I would like to make a motion.

I move that presenters tomorrow, when committee is called at 10 a.m., be called only once, dropped to the bottom of the list and that the committee adjourn to allow an opportunity for them to be called back for the second time at a later date.

* (00:00)

Mr. Chairperson: Order. Recognize Mrs. Mitchelson with a clarification.

Mrs. Mitchelson: The Clerk has just correctly indicated to me that there needs to be a bit of a clarification so that my motion would read that presenters only be called once tomorrow, dropped to the bottom of the list, and then let the committee adjourn at that time. The reason would be, at that time, to allow an opportunity for them to be called back for the second time at a later date.

Mr. Chairperson: Order. It has been moved by Mrs. Mitchelson that presenters only be called once tomorrow, which would be July 25, 24, and dropped to the bottom of the list if they are not present. The committee would adjourn at that time to allow an opportunity for them to be called for the second time back at a later date.

I'm going to try that again. It has been moved by Mrs. Mitchelson

THAT presenters only be called once tomorrow, dropped to the bottom of the list and committee adjourn at that time to allow an opportunity for them to be called for the second time back at a later date.

The motion is in order. The floor is now open for debate.

Mrs. Mitchelson: Thank you very much, Mr. Chair.

I think it's really important that we allow presenters the opportunity to be here and to make presentation. I know, because I've seen the minister already shake his head no to his colleagues on that side of the table, indicating that they are not going to support this motion. So there's been a clear indication from the minister that he does not want to give

presenters the opportunity to come back at a later date.

The reason I'm asking for that is because we know what the government's agenda will be tomorrow. Tomorrow morning at 10 o'clock they will indicate to us that they are going to sit until the list of presenters is called. They will be dropped to the bottom of the list. They will be called a second time tomorrow and you will be dropped off the list. At that point in time, your ability to make presentation before this committee will be ended; it will be gone and over.

What they are hoping to do is to get this portion or this part of the legislative process over and done tomorrow, if it takes from 10 a.m. until midnight or until 2 a.m. or 4 a.m. in the morning; they are wanting to push this through as quickly as possible.

I know, as a result of the actions of government and the lack of interest in asking questions of the presenters, that in fact, their mind is made up that Bill 45 will pass, it will go forward. I just thought that should be put on the record because presenters should know that is exactly what is going to happen tomorrow.

I would encourage members on the government side of the House and the minister to think very seriously about the kinds of presentations that have been made to date, the impassioned presentations that have been made to date. I would hope that he would not want to deny the opportunity for those who have such very strong feelings about the direction this government is taking with Bill 45, want to limit their ability to come forward, and by taking a very sensible, common-sense approach to this and calling names and allowing people the opportunity not to have to sit here for 12 or 18 or 24 hours in one day, tomorrow. Possibly not being able to make it through and being denied the opportunity is something that I believe is not in the best interests of this committee process.

I would hope that the government and the minister would have some second thoughts and maybe encourage his colleagues and he himself, I know that there were members on the government side of the House, just a few minutes ago, that were nodding in agreement when we were talking about showing some respect for presenters. I know, specifically, the Member for Assiniboia (Mr. Rondeau) was nodding in agreement. I would hope that some members on the government side would

contribute their comments, support this motion and encourage their colleagues to come on board and support the motion and ensure that retired teachers and all of those who want to make presentation are heard.

Ms. McGifford: We have been very pleased with the participation in these committee hearings. We're very pleased to have been here, listened. We take all the presentations very, very seriously. I might point out that we asked members opposite to sit on Friday, but apparently Mr. Schuler's schedule didn't permit that, so I don't really understand why he's complaining now. What we really, really want—I know that the member opposite is trying to analyze motives and deduce motives and attribute motives, but what we really want is to let that last presenter present right now, so that we can get on with it and return tomorrow to continue this important work.

Mr. Lamoureux: It nice to see that members of the government side have now found themselves to be able to speak. They've chosen to speak when it comes to supporting a measure that is not in the public's best interest. I've said it in the Chamber, and, you know, one has got to question that today's NDP are not new democrats. You know, I'm amazed when I look at what's happening. What's beginning to show here, Mr. Chairperson, is that if you go back to the '80s, and I remember the final offer selection debates, at that time, presenters could speak and everyone was provided, all committee members were afforded the opportunity to ask questions endlessly. Then we get all these time constraints.

The way in which we are making our committee more and more efficient is to limit the public's ability to provide their input. You might not necessarily agree with a good percentage of the content that's coming from that podium there, but you have to respect it, and you have to at least honour it by allowing people to give their views. How many seniors have we had come to that podium that have said this is virtually senior abuse by having them come from 6 o'clock to midnight. We even had one presenter saying, who's going to walk me out to the car after the end of the presentation? Where is the respect that we should be giving our presenters?

All we're asking for in the motion that I think is good is to say that, look, if your name is called once, that it appears, to the bottom of the list. So you don't have to worry about, if you step out to go to the bathroom and your name's called that second time, that you've lost your opportunity, even though you've

been waiting for 18-plus hours. All we're asking for is the government to be reasonable. So if they're not prepared to be reasonable, then one has got to ask the question, why? Why is it that you're not prepared to allow these names to be continued on for a future meeting? I suspect that it's in an attempt to try to wind this committee down sometime tomorrow, to end the public presentations.

* (00:10)

If I'm wrong, then you have nothing to lose by allowing those people that show up tomorrow the opportunity to speak—I'll be quiet, now—and those individuals would be allowed to speak, and those that cannot make it tomorrow will be afforded another opportunity to be able to come to committee. I think that is reasonable, that is fair, and if the government has no other agenda in terms of trying to rush through the bill, they will allow that to occur. It's a good motion that should be supported by all members of this committee.

I know the New Democrats in the '90s, when they were in opposition, would have supported it. They would have likely moved a motion of this nature, and I suspect that, if I went into *Hansard*, I would see that New Democrats in the past moved motions of this nature. So I would suggest to you that it's a motion worth supporting, that you don't have to follow the lead of the Minister of Education (Mr. Bjornson), because I saw the Minister of Education wave the No wand.

Mr. Chairperson, I think that committee members should have a vote as what they believe that teachers, both retired and current, should be treated in the province of Manitoba when it comes to dealing with important legislation of this nature, which is life-changing. It has an impact on every one of them, whether they are retired now or they are going to retire.

Mr. David Faurichou (Portage la Prairie): All I'd like to say in regard to the motion is that it affords the persons an opportunity to be informed as to when the committee will effectively hear them in case they are unable to sit the duration out tomorrow. I'm afraid that most of us do plan our days prior to the actual day of its occurrence. What we're doing is that, if we don't have some semblance of order for tomorrow, then effectively you are asking people to set aside their whole day and not knowing what they are going to be doing.

I think that it is just showing respect and using common sense to have this motion passed so persons understand exactly what will happen tomorrow.

Mr. Chairperson: Seeing no further names on the speakers list, is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: The question before the committee is the motion brought forward by Mrs. Mitchelson.

Do committee members want me to read it again, or we'll remember it?

An Honourable Member: Sure, absolutely.

Mr. Chairperson: Okay. Question before the committee is

THAT presenters only be called once tomorrow, dropped to the bottom of the list and committee would adjourn at that time to allow an opportunity for them to be called for the second time back at a later date.

Shall the motion pass?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Chairperson: The motion in my view—

Formal Vote

Mr. Schuler: Could we have a recorded vote, please?

Mr. Chairperson: Sure. Thank you for your patience. A recorded vote has been requested.

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

Mr. Chairperson: The motion is accordingly defeated.

Mr. Lamoureux: Just for the record, had I been, for the opportunity to vote, even though I've been listening to the vast majority of the presentations, I would have definitely voted in favour of the motion.

That's because I'm not an official member of the committee.

Mr. Chairperson: Thank you for that. We will receive that as information.

* * *

Mr. Rondeau: Is it the will of the committee to hear the last presenter because we have been bickering for 15 minutes or 25 minutes? Could we hear the last presenter and allow the person the five minutes of questions?

Mr. Chairperson: As previously determined, the committee has granted leave for this, so we will call a name until we get a presenter.

Jake Peters. Thank you for being here. Thank you very much for your extended patience, Mr. Peters. You may begin whenever you're ready.

Mr. Jake Peters (Private Citizen): Members of the Manitoba legislative hearing committee, Canadians often look with pity at citizens of other countries, such as Zimbabwe or Burma, where governments utterly fail their own people. Now, Manitobas' retired teachers are becoming objects of pity.

We now see our government turning away from the people it used so shamelessly to educate the children and young people of this province. As an educator, I worked tirelessly to teach a wide variety of skills and to instil positive attitudes, such as the need to respect and care for all members of society and the environment.

Having completed 34 years service in this honourable profession, I now see that our government is ready to put aside all responsibilities it has in providing those retirement benefits established in 1977. It now wishes retired teachers to simply fade away, just like the purchasing power of the teachers' pension which is rapidly diminishing.

The Honourable Gary Doer, Premier, Honourable Peter Bjornson, Minister of Education, Citizenship and Youth, Honourable Greg Selinger, Minister of Finance, and all other members of the present government of Manitoba have made a serious error in writing Bill 45.

If this bill is passed and given Royal Assent, members of this governing party will be cast as those who refuse to see the error of their ways, which tossed retired teachers on society's poverty heap. What a reputation.

When I first read the Sale report, a number of major flaws jumped out at me:

(1) The Pension Adjustment Account was not designed to pay out a cost-of-living adjustment of only two-thirds of the cost-of-living increases, as Mr. Sale reports. He seems to think that, repeated often enough, people will actually believe this falsehood.

I find it hard to believe that the Manitoba government has prepared Bill 45, based on a shaky report from a man who apparently has not read The Teachers' Pensions Act or who fails to comprehend it. I did not find two-thirds in that report. Also, I must add, I did not find 100 percent in that report—pardon me—in the pensions' act, but I have read it.

(2) When looking at options to improve the capacity of the PAA, Mr. Sale's three options present some possibilities, with change to the investment rule for the PAA being the most viable option.

I can appreciate that, thank you very much, but where is Mr. Sale's imagination? Where are options 4, 5, 6 and 7? When the teachers' pension plan in a number of other provinces faced the problem of not enough money for adequate cost-of-living increases, their governments took responsibility to forge a solution in the light of which Manitoba's Bill 45 is nothing more than mere tinkering.

* (00:20)

(3) Accepting all or none of the Sale recommendation amounts to a bully's take-it-or-leave-it approach. Why slam the door on wisdom of dialogue and openness to find a best-practice solution rather than forcing down this sugar-coated poison?

Bill 45 seeks to find support from a flawed plebiscite called for by the Manitoba Teachers' Society and the government of Manitoba. It was flawed because it failed to involve the Retired Teachers' Association of Manitoba. One would think that retired teachers would have the most meaningful insight in this matter. We remember the 1970s when our pension contributions increased dramatically, I might add, so that an adequate COLA would be there for us upon retirement. We remember an even heftier deduction from our monthly pay when MTS established its own long-term disability plan so that an adequate COLA would be there for us upon retirement.

The government wishes to water down the teachers' pension plan to that of the civil servants who do have a two-thirds cap in their Civil Service Superannuation Plan. However, civil servants had lower contribution rates and their plan did or does include an LTD.

The plebiscite did not allow adequate time for informing active and retired teachers. Even the pro-

Sale report MTS did not provide its active teachers with sufficient information. I base that comment on the fact that a teacher representing his school's staff at his divisional teachers' association lamented the lack of time allowed to discuss this important matter.

The plebiscite did not allow adequate time to respond with the mail-in ballots, and you've heard that numerous times. A yes-no ratio of 52 to 48 is hardly strong support, and yet this government appears determined to force its 11,000 retired teachers—actually, all the other active teachers as well—into this unacceptable bind.

Now we have the grand promise of a COLA of 5.33 percent. That is grand, indeed. The small print reveals that the 5.33 would occur only if the CPI were 8 percent. Worse than the small print is that which remains unspoken, that there is no money to pay out 5.33 percent. Bill 45 provides absolutely no minimum guarantee.

The COLA in TRAF has a major funding problem which has been flagged 20 years ago—a problem that the government of Manitoba has ignored all these years. Those were governments of both political stripes. This problem has escalated since 2000 and is now growing to gigantic proportions.

Bill 45 does little more than rub salt in the wounds of those who worked hard to make Manitoba a better place. It will ensure that retired teachers continue to move steadily from their modest lower-middle income—

Mr. Chairperson: One minute remaining.

Mr. Peters:—toward poverty in old age. I've only been retired six years and already my pension income, compared to the consumer price index, has reduced my purchasing power by 9 percent.

My reason for appearing at this hearing is that there remains in my generally disillusioned soul a flicker of hope that members of this government will possess some element of caring and respect.

Should I still believe that the NDP care about people? Do the right thing. Forget Bill 45. The Manitoba government has a problem which affects approximately 26,000 people and their families. Begin serious discussion and real problem-solving. Thank you for hearing me.

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

Mr. Schuler: Very briefly. Mr. Peters, thank you very much for tolerating the hours and hours that you had to sit to the end of the third day and being patient, even for the debate that we had. We appreciate very much your presentation and will take it into consideration.

We hope that, in the end, you and others like you, who have educated us, get not just a fair pension but fair recognition of your work by getting a fair COLA. Thank you for being here tonight or this morning rather, I should say; thank you for being here this morning.

Mr. Bjornson: I'd just like to take this opportunity to thank everyone for their patience this evening and for their presentations. As we've been in this process for 18 hours, I would just like to assure those in attendance this evening that I have been listening very attentively to all which has been said.

It was called into question when it was pointed out that I was on my BlackBerry. However, I did teach for 13 years; I am a multi-tasker. I was listening very attentively. For the record, I would like to let my critic know that I was responding to a text message from my wife. I asked her to tuck my son in, who's fighting sleep because I haven't seen him for three nights, Mr. Schuler. So just for the record, I would like you to know that was the nature of that distraction.

Again, I appreciate your efforts here this evening and I appreciate your advocacy.

Mr. Chairperson: The hour being 12 midnight, committee rise.

COMMITTEE ROSE AT: 12:27 a.m.

WRITTEN SUBMISSIONS PRESENTED BUT NOT READ

Although I am unable to travel into Winnipeg at this time to be part of the present hearings at the Manitoba Legislature, I would like to voice my concerns.

All my life I have proudly proclaimed my allegiance to the NDP—where issues of social justice can be raised and voices which are otherwise silenced—can be heard. What a sense of betrayal that as retired teachers we are denied fair and equitable treatment. Personally I feel that I have paid for inflation protection and am being denied that. I have already suffered years of eroding purchasing power, and my concern is for teacher sons and daughters in

law who will be retiring in the future. For my sake, and theirs, and the thousands of current retirees, I urge the government to honor the implied social contract that we all counted on. We need a long-term funding plan to fix the COLA problem in a way that puts Manitoba at the forefront of provinces who provide significant funding their retired teachers. I am with RTAM in spirit as the discussions regarding long term solutions go forward!

Yours truly,

Ellen Hamlin

* * *

As a retired teacher I am very concerned about the content of Bill 45 and the process that brought it to this stage.

This bill is very unfair to retired teachers. For years teachers made their TRAF contributions believing that all the terms of their pension plan would be fulfilled. For many, living on a pension that is not fully indexed is creating financial and emotional hardship. Now having a proposed bill that legislates that we will never be fully indexed, is truly unjust.

Delaying the implementation of this bill for 10 years does nothing to solve the root problem. For years individuals with financial insights have been asking for changes to be made. They have been ignored. Although the government has the final say in how the problem is resolved, it is critical that the government sit down with all the parties involved and work out a plan for the future. It is absurd that the group with the most to win/lose, (the retired teachers), did not have a vote on the Pension Task Force, and in many situations seemed to be ignored in the ongoing process. It is also inconceivable to think that a democratic government would push through a bill that only had the support of 22 percent of all active and retired teachers. This alone should cause the government to stop and reconsider its actions.

I sincerely beg you to withdraw this bill, and to sit down with elected representatives from each group: government, active teachers and retired teachers. Together they should bring in people with financial expertise, as needed. Relying on the input of one person (i.e. the Sale report) is not wise for a problem of this complexity.

The people involved in the teaching profession, have played and will continue to play a significant role in the development of our society. Let's ensure that

they do not experience unnecessary hardship after giving the best years of their lives to others children.

Sincerely,

Muriel Gamey

Neepawa, Mb.

* * *

Objet : projet de loi 45

1. Je suis contre ce projet de loi.

2. Je n'ai pas pu voter à l'occasion du plébiscite ; j'étais hors-pays du 15 mai 2008 au 29 mai 2008. Mon bulletin de vote est arrivé durant mon absence et il était trop tard pour voter à mon retour. Je soupçonne que bien d'autres membres de RTAM n'ont pas eu l'occasion de voter pour la même raison alors que les membres de la MTS, qui étaient encore en salle de classe, n'ont pas perdu leur droit de vote. Ceci est significatif car la MTS, dont j'ai été membre pendant 33 ans, est devenu notre plus acharné ennemi dans toute cette affaire.

3. Mes amis retraités et moi-même ressentons un profond manque de justice face à ce projet de loi 45. Nous pensions avoir payé durant toutes ces années pour une pension qui serait pleinement indexée au coût de la vie. Le projet de loi 45 légifèrerait cette injustice pour une période de 10 ans, probablement pour toujours.

4. Malgré mon pessimisme devant ce qui semble être l'inévitable, j'ose espérer qu'on nous écouterait et qu'on ne procéderait pas avec ce projet de loi.

Aimé Campagne

N.B. : Je suis inscrit à la liste des personnes devant faire une présentation mais il m'est impossible d'être présent aux sessions du comité.

Translation

Subject: Bill 45

1. *I am against this bill.*

2. *I was unable to cast my ballot during this plebiscite as I was out of the country from May 15 – 29, 2008. My ballot arrived while I was away and it was too late to vote when I returned. I suspect that many other RTAM members were unable to vote for the same reason, while MTS members who were still in class did not lose their right to vote. This is significant because MTS, of which I was a member*

for 33 years, has become our greatest enemy in this whole matter.

3. *My retired friends and I feel a deep sense of injustice with respect to Bill 45. During all those years, we thought we were paying into a pension that would be fully indexed to the cost of living. Bill 45 legislates this injustice for a period of 10 years, and probably permanently.*

4. *Despite my pessimism before what seems to be inevitable, I still dare hope that we will be heard and that this bill will not be passed.*

Aimé Campagne

N.B.: I am registered to make a presentation but am unable to attend the committee hearings.

* * *

I am a recently retired Manitoba teacher—June 2006 after 36 years of teaching—and I attended the meeting at the legislature tonight and listened as many retired teachers after retired teachers presented their feelings, experiences and thoughts about the pension Bill 45 before the Legislature. As I may not get to speak at all, and I am uncomfortable being on the Legislature grounds at that time of night again, I am writing my views instead of attending another session—or more.

Many people who spoke tonight were much more informed than myself, and most eloquent. For the most part, my information will be quite brief, and more or less endorse the views of the group before you tonight, that being that I do not support Bill 45.

1) The recent plebiscite results of 52 percent yes and 48 percent no:

The 4 percent difference is far too small to be of any significance. I am unsure of the number of returned ballots, but I know many were destroyed due to the short and tight time frame for returning them. Some were still in the mail. Also, some retirees were away and not informed in time to take action.

2) The COLA and what were our expectations based on our information from Government and MTS:

In 1977 teachers agreed to pay for their own disability insurance fund in exchange for a guaranteed COLA. Teachers, including myself, have been paying for that since that agreement.

3) The all-or-nothing package:

This approach did not entirely suit the retired teachers, and instead left a feeling of being bullied.

4) The zero to two-thirds COLA:

This is a joke, and is less than what we agreed to in 1977 when it was discussed then. There is no guarantee that there will be any COLA for any number of years with this statement. Zero percent is an insult.

5) The state of the PAA account:

As a regular delegate to the annual MTS AGM for approximately the last 10 years of my career, I distinctly remember the state of the PAA Account frequently surfacing from time to time from accounting reports and actuarial concerns. This account has been in trouble for years. A long-term plan to increase contributions to it needs to be created and put into place. Shoving it aside for 10 years will only guarantee it will be in worse shape than ever. I would not do well myself if I ignored poor results in a personal investment plan, and continued to ignore it for that amount of time.

6) The effect on me of the little or no COLA offered this past year: I received a grand total of \$5.83 a month this past year after the COLA was taxed. As a single parent of three, I enlisted good financial advice and engaged in a financial growth plan that would allow me to retire at age 58. I stayed teaching until age 60. I struggled to put aside a secondary retirement savings while paying for the many needs of a growing family. I trusted a full COLA that kept up with the CPI would assure that I could make ends meet. \$5.83 doesn't even cover a trip to the grocers' for basic milk and bread! I began substituting this winter as I felt the sting at the gas pump. I do not know what a 30 percent increase in Manitoba Hydro/natural gas will do. And I am only two years into retirement! I cannot imagine what someone at the age of 80 is experiencing, especially if he/she lives alone.

What would I like to see?

1) Continued talking of all the major players, but please include the retired teachers in your planning and deliberations instead of telling us what has been decided.

2) There should be greater retired teacher representation on the Pension Task Force and the TRAF Board to assure retirees get a fair and equitable conclusion.

3) Find a long term solution to support that PAA account to support retired teachers now, and those that will retire in the future.

Please do not shove aside those who earn the least, and ignore our financial future any more.

Thank you for allowing me to speak my mind, and for considering these issues as you address the pension and Bill 45.

Margaret Ambrose

* * *

I am a retired teacher. I have 27 years of experience and I was a class 5 teacher. I am the average teacher retiree. I am female, took mat leave, and subsequently stayed home with my children before returning to teaching, therefore reducing my pensionable years. The majority of retired teachers and those who will retire in the next 10 years are in this category. I am here to tell that story.

Changes to The Teachers' Pensions Act have been rare and truth be told, I didn't pay much attention to my pension in the beginning years of my career. I paid my portion, trusting that the information that I was being given by the Manitoba Teachers' Society was accurate because I was paying dues and the organization was my organization and it was working for me.

In 1977, a change was made that I took in stride. The changes meant I was going giving up a disability pension, and increase what I was contributing but I was going to get cost-of-living (COLA) increases when I received my pension. Part of my contributions were to be allocated to an account to cover the COLA for my pension. MTS supported the change and I was paying dues and the organization was my organization and was working for me so it must be acting in my best interests. At the time, George Strang wrote an article in the Manitoba Teacher that outlined the changes and one of his statements was, and I quote "The present level of contributions is expected to offset the full increase in the cost of living provided the cost of living does not increase more than five to six per cent per year." So I figured, "lose a bit, but gain a bit" and the cost of living does not spike that much, the figures seemed reasonable.

Then in 2000 another change was proposed (interestingly enough, also Bill 45). This one had to do with maternity leave buy back that I wholly supported, being one of those teachers directly

affected. I had a really tight period within which to find the money to buy back my maternity leave but MTS told me that I would benefit as this would be added to my pension contributions and calculated towards my pension in the future, so I managed by tightening my budget and giving up a few things. And I was paying dues and this was my organization and it was working for me, so it must be acting in my best interests.

I have been retired since 2004. To subsidize my pension dollar, I have taken on part-time work, because since 2004, I have lost approximately 6 percent of my retirement dollar's value due to the COLA problem. The problem that was supposed to not be a problem. The problem that the actuaries have been warning the Government about for the last 10 years. I remember hearing rumblings that the demographics had changed; retirees were living longer and retiring earlier, in many cases school divisions were even giving monetary incentives to those who chose early retirement. Surely those in the know must be considering these issues. I still have many friends who are active teachers, who pay their dues to their organization and it is supposed to be working for them. Turns out it is not working for any of us but for the Manitoba New Democratic government. This most recent change to The Teachers' Pensions Act again reduces what future and current retirees will receive. The COLA will be reduced and frozen below two-thirds of the increase in CPI for the next 10 years without any discussion or plan to redress the issue. No provision is being considered for additional funding to even meet the reduced objectives. The problem that was not supposed to be a problem, and that the government was warned about 10 years ago is still around. Does Bill 45 propose any solution? No, it sweeps it under the rug for another 10 years. This time, teachers lose a bigger bit and gain nothing, not even the support of the Manitoba Teachers' Society, that I and all teachers paid, and pay dues to; the organization that is supposed to be working for them. And all this from an NDP government, founded and supported by union workers, of whom the Premier is a former union rep for MGEA. How things change when the shoe is on the other foot.

Thank you for giving me the opportunity to state my views and possibly educate some of you in the process.

Paulette Hughes

* * *

I have taught for over 30 years and was promised 100 percent COLA. My retirement income is not going to keep up with the cost of living in Manitoba. I feel that the passing of Bill 45 is very unfair to me and fellow retired teachers. Tim Sale's recommendations and Bill 45 prolong a fix for at least 10 more years. I also feel that MTS has not been speaking for the interests of retired teachers when urging current teachers to vote yes to this bill. The passing Bill 45 is not a solution.

Respectfully submitted,

Jacqueline Kilburn, Retired Teacher

* * *

Please record my name on your list of retired teachers who oppose the Sale report.

I don't know how these individuals justify taking away what we have paid for in good faith!

By individuals I refer to those who put together a plan to solve the problem of COLA and imply that the government can't afford to pay us what has been paid for by us as working teachers and the money held in reserve to meet the government's obligation. Who do you think you are kidding?

Merle MacFadyen

* * *

My name is Shirley Case. I reside near Portage la Prairie. I began teaching in 1950 in a one-room rural school. For the next 37 years, I was in the Manitoba educational system, either as a full- or part-time teacher. During those years, I was also a farm wife and mother of four so I worked hard and worked long hours, but continued to do this because I loved my profession. I also continued to better my qualifications and, in 1982, the same week I became a grandmother, I received my B. of Ed. degree.

Obviously I did not have much time to be involved with MTS or to be as aware of the politics which would so affect my pension. I left that up to others, our elected representatives, whom I trusted to do the best for us. Now, however, the time has come to take a stand for retired teachers who are being badly treated by the present government.

I know that the spending power of my pension has been seriously eroded since 1987. In those twenty-one years, our pension has not come close to maintaining par. The last statistic I read, based on my year of retirement, gave my pension dollar today as being worth seventy-nine cents. It may well be even

worse now. How does one maintain the expected standard of living on that? Expenses are rapidly rising, expenses over which we have no control. Meanwhile, our pension dollars buy less which results in a much-lowered ability to have the means to enjoy our retirement years. What is fair about that?

The failure of the present, and of previous governments, to guarantee that teachers would receive as pension the amount for which they had contributed is deplorable. To try to lump us in with government employees, when we have paid much more in contributions, is completely unfair and undeserved.

Because I was raised in an era when one's word was as good as a contract, I naively believed that I would be treated fairly by the province in which I have lived all my life and by those whom we had elected to protect our interests. How wrong I was! I, therefore, take responsibility for not having paid more attention earlier to what was happening. But now I must make my voice heard. Otherwise, we who are retired now are doing a great disservice to those who are still teaching (and even to our grandchildren). If this government is unopposed in the passage of this legislation, we are committing ourselves, and those who follow us, to two-thirds of the amount of COLA to which we are entitled, not just for now, but for the next 10 years. What kind of a deal is that? If Bill 45 is allowed to pass, which group will be the next to be decimated by unfair practices? Think about it

The manner in which the recent vote was conducted gives us insight into the manner in which numbers can be rigged to make it appear to the general public that a democratic process has been served. Those of us involved in that vote know how far from the truth that is. Forty-eight per cent is too close to a majority to ignore. Had there been a proper amount of time, and had the retired teachers been better informed of what the Sale report would really do, I think there would have been an overwhelming majority against its passage. Current teachers, too, should have been made more aware of how this will affect them. Many of us oldies will no longer require pension cheques well within the next ten years. But, for ones just preparing for retirement, they need to know that their hard-earned money spent on pension deductions will be much-eroded by the time they receive it.

I strongly suspect that, if this were your pension which was being dealt with in this manner, you

would be in my place complaining vehemently. Consider that.

If you can read this, thank a teacher and treat us with the respect which we earned all those years in our classrooms or offices.

Respectfully submitted:

Shirley Case, Portage la Prairie

* * *

To the committee Clerk and Minister of Education re Bill 45, Tim Sale's report:

I fully concur with the letters included by Beth Illott, R.M. Swayze, Dennis and Leslie Wrightson, Tom Ulrich, and Jim Reid. I am adding some of my own thoughts and feelings.

My name is Helene Merrell, now retired after teaching in Manitoba for over 34 years. My late husband was involved in the COLA/long-term disability negotiations. I know, at the time, the outcomes of the negotiations seemed fair to all, and yet over the years, this has not worked out to be so.

I feel that we as retired teachers are being treated shabbily. The Tim Sale recommendations are a complete disregard and dismissal of what was negotiated years earlier. The Tim Sale recommendations do little if anything to resolve the issues and have only made tensions worse.

The plebiscite conducted by the government and Manitoba Teachers' Society, paid by the taxpayers, was a sham. It was unilaterally initiated and conducted without the direct input and involvement by those most directly affected by it, we the retired teachers. How unfair. The plebiscite managed to add insult to injury. I see it as a guise to make justice appear to be done. Clearly, justice was not done. I feel betrayed and cheated; betrayed and cheated because we as retired teachers have been denied, robbed of what was bargained for and agreed upon, a fair COLA.

Ever since I was eligible to vote, I have, with one exception, voted NDP who best seem to reflect my values and beliefs. With how our COLA has been dealt with, I now need to reconsider. I therefore ask Bill 45 and the Tim Sale recommendations not be implemented as a package. I ask that the contentious issues be reviewed, negotiations resumed, and resolved to the satisfaction of what we as retired teachers bargained for and deserve.

Helene Merrell

Letter to the editor: The publicity surrounding the recent rejection by RTAM, Retired Teachers' Association of Manitoba, of the Sale report recommendations as a "package" reminded me of a gap that has developed in my pension income.

I retired in 1987 after 20 years of teaching, holding an arts degree for the last eleven years of my career. I was not entitled to a very large TRAF, Teachers' Retirement Allowance Fund, pension. However, at that time, I was receiving a Canadian Forces widow's pension that contained a cost-of-living adjustment. Both pensions paid approximately the same monthly amount in 1987. Believing that my TRAF pension would also keep pace with the cost-of-living increases, I believed my future was financially secure.

However, 21 years later, due to an inadequate COLA, cost-of-living allowance, my TRAF pension has fallen behind the Canadian Forces pension by \$200 per month in recent years. Consequently, the financial security I had anticipated has been diminished by \$2,400 a year. Many other retirees' pensions have fallen short of their expectations as well. Is this fair?

Beth Ilott (*submitted by Helene Merrell*)

... having served as an ... for almost four decades, it is with deep regret that I find myself writing this letter, but I do so because I am feeling bullied by the executive of the Manitoba Teachers' Society and the members of the provincial government.

I was only a member of the Manitoba Teachers' Society for a very few years as I became a member of the Manitoba Association of School Superintendents early in my career. However, as a superintendent in Brandon, I was regularly involved in discussions with the executive members and labour relations officers of the MTS. I particularly recall a meeting with George Strang, a highly respected officer of the MTS, actively involved in the negotiations with government concerning the cost-of-living adjustments to teachers' pensions undertaken when the members of the society agreed to solely fund their own long-term disability insurance in turn for a guaranteed cost-of-living adjustment in their pensions. George made a point of meeting with the then-superintendents of Brandon School Division to ensure we understood the changes being proposed and would support it with the teachers in Brandon School Division.

Following that meeting, there was no doubt in my mind that the needs of future retired teachers were being well looked after. That seemed true until the present government and the MTS executive recently joined forces against retired teachers and called for a plebiscite which would ask teachers in this province, both practising and retired, to accept less than that agreed upon some years ago.

I wish you to know that in my opinion, the actions of the current MTS executive are completely without regard to the efforts of past executives, the understandings conveyed to the teachers in this province in the past by those executives, and the financial undertakings of teachers in this province made in good faith that the COLA would be protected.

While I appreciate the fact that the current government has seen fit to finally advance payments to the Teachers' Retirement Annuity Fund, I am not fooled by the fact that this is/was an obligation they could not avoid, whether paid annually or in advance. Such payment, however, does not relieve them from the obligation, previously negotiated, to see that the COLA commitments made are met.

I recognize the government's attempt to seek a solution by assigning Tim Sale to review the circumstances and attempt to find a solution. I have read the Sale report and while it makes an attempt to find a resolution for the government, regrettably, it does not, in my opinion, address the needs of either the currently practising teachers or the retired teachers. It fails to address the government's failure during the last nine years to address the problem which was well known to it. It provides no guarantee of better treatment in the future, and it fails to recognize that teachers in this province have paid for a benefit as a result of negotiations with government they are not receiving.

... I am particularly disturbed by the actions of the current MTS executive. That they can so calmly ignore the fate of the currently retired teachers of the province is one thing. That they can so blindly propose to practising teachers that they support the Sale report, a report which will see teachers in Manitoba without any reasonable COLA guarantees for perhaps as long as another 10 years is beyond belief. If I were a practising teacher in this province, I would be withdrawing my membership from MTS immediately and investing the money in an RRSP to assist in my retirement in the future, as it is obvious

the MTS executive does not support provisions for an adequate COLA to assist teachers in the future.

It has been my good fortune during my career to come to know hundreds of very dedicated teachers, many of whom are now retired, many who were so committed to education and family that they were unable to pursue the education which would have seen them earn higher salaries and consequently higher pensions. Today, for them, the result of inadequate COLA is devastating. Others will soon feel the same pain as their pension value diminishes, and the teachers in today's classroom will find the true reality when they retire.

Frankly, I consider the current actions of MTS and government to be a form of elder abuse. Abuse of the worst kind as it is directed at people who committed their lives to serving the youth of this province in the hope that their efforts would benefit not only the youth but our province and that they did so understanding that they had the support of both the MTS and government. That the government and MTS are now jointly supporting a plebiscite in which it is well known that retired teachers form a minority and cannot possibly be fairly represented is a sham of which both of them should be very ashamed.

If a young person was to approach me today about entering education as a profession, I would encourage them to do so, but under the current circumstances, in another province where teachers are more valued both by their professional body and the government.

R.M. Swayze, Former Superintendent of Brandon School Division (*submitted by Helene Merrell*)

Hon Gary Doer, Premier:

I am writing to express frustration, disappointment and, perhaps, even some anger at the lack of progress with regard to making improvements to the cost-of-living adjustment for retired Manitoba teachers. We are particularly disappointed that the Minister of Education would attempt to force an agreement after so much effort has been put into the COLA issue. Agreement had been reached on major points and others were still under discussion. Surely a better approach would have been to adopt the parts agreed to and then to deal with the balance.

This letter represents the opinions of both my wife and me. We have each spent our adult years dedicated to delivering quality education on behalf of the Province of Manitoba. Our joint service includes 64 years of direct service, and in my case, service on

the MTS provincial executive and on a number of Manitoba government committees. During this time we were treated fairly by our employers and received the benefit of good work done by the Manitoba Teachers' Society. It is disappointing that our interests seem to be of such little regard to both parties now that we are retired.

We wish you to know that we cannot support the Sale report as a package. We cannot accept a proposal of up to two-thirds since this could be nothing, just as easily as it could be two-thirds. We previously trusted that our pensions would provide a COLA and have been disappointed and disregarded. Now we need any changes to be secure and specific before we can agree to them. Neither can we accept a proposal that in effect would prevent further discussion for 10 years. In a fast-changing world no one can foresee what might be needed over that period.

We wish you to know that we do not regard the Manitoba Teachers' Society president to be our spokesperson. Retired teachers now constitute a large group. Our interests are materially different to those of practising teachers. Although we would want to work in co-operation with MTS in every way possible, we also need to be represented by our own organization, the Retired Teachers' Association of Manitoba. We believe the make-up of boards and task forces dealing with pensions should be adjusted to reflect the new reality of more retired teachers and fewer active ones. Retired teachers are currently underrepresented.

We are surprised at the lack of co-operation from MTS with regard to an improved COLA. Teachers who are still active also stand to benefit from the changes requested by RTAM. We wonder why MTS appears to be controlling information to our members, and why RTAM and RTAM chapters have been discouraged from interaction with active teachers' local associations on this item of common interest. We wonder why a plebiscite is conducted without RTAM being part of the planning.

We appreciate the fact that the Government of Manitoba has responded to earlier criticism, and has improved the manner in which they fund their share of teachers' pensions. However, we are aware that this is simply advancing funds already due. Previous governments benefited financially from the previous arrangement, perhaps to the detriment of funds such as TRAF. It is time to move forward and to address other weaknesses in the funding of teacher pensions.

For example, changes need to be made to allow improved earnings by the PAA.

We have a government made up of the political party committed to fairness to workers. We are in a period of prosperity as a country. We have seen growth in investments that are greater than CPI (a growth missed by retired teachers because of restrictive regulations, deduction rates for pension during our working years, internal transfers, and other factors). 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.

Understandably, there have been tensions among the parties attempting to address the pension and COLA issues. We urge that the differences among the concerned parties be set aside in order that the items agreed upon by the Pensions Task Force can be adopted, and negotiations resume on the items still outstanding.

Dennis Wrightson and Leslie Wrightson (*submitted by Helene Merrell*)

Response to Sale report:

Having had the opportunity to read the Sale report, I find the contents quite distressing. Being one of the few people remaining who was party to the discussions that established the Pension Adjustment Account, PAA, it is very disconcerting to read the misinformation included in the report. In noting that Mr. Sale was a member of the government at the time of his appointment, it cannot be a surprise that he would deliver a report that essentially recommends what the government's objectives have been in relation to the problem of inflation protection for teachers' pensions. That the conclusions were reached with minimal attention paid to researching the history and alternative approaches to financing is surprising. That the report is based on incorrect information is extremely disappointing.

Since the process of finding a proposed solution to the problem commences with an incorrect premise, the appropriateness of the conclusions is less surprising. Mr. Sale accepted that the intent of the Pension Adjustment Account was to deliver two-thirds of the Consumer Price Index, CPI, Cost of Living Adjustment, COLA. As a member of the Pension Task Force that negotiated the

implementation of the PAA, I can most assuredly tell you that finding is absolutely incorrect. It was certainly the government's objective, since they wanted The Teachers' Pensions Act to mirror The Civil Service Superannuation Act, but it was an objective that was totally unacceptable to the Manitoba Teachers' Society at that time. As a result, discussions continued until an acceptable resolution was achieved. While that solution required substantially higher contributions by teachers than by civil servants and the acceptance of the elimination of disability and survivor benefits that civil servants continued to enjoy, teachers chose to take these actions to provide reasonable protection against inflation for their colleagues in receipt of pension. The agreed funding of the PAA was to provide an annual COLA that would be slightly greater than the actuary's projected increase in the CPI.

In 1978 the actuary assumed that the annual CPI increase into the future would be 4.5 percent. The initial funding level of the PAA was designed to be able to pay an annual COLA of 5 to 6 percent. Documentation for this expected level of COLA adjustment can be found in an article written by George Strang published in the *Manitoba Teacher* in September 1977: "The present level of contribution is expected to offset the full increase in the cost of living adjustment provided the cost of living does not increase more than 5 to 6 percent per year." In fact, during the first few years of the operation of the PAA, it paid more than expected due to the high rates of interest during that period. Instead of relying on the statement made concurrently with the agreement by an MTS staff office and its spokesperson in those discussions, Mr. Sale chose to rely on a comment made a decade later by the actuary in the annual valuation of the PAA. While Mr. Sale acknowledged that the actuary was requested in 1994 to delete this comment from the valuation report, as it was neither historically accurate nor consistent with the clear provisions of The Teachers' Pensions Act, he did not note that the actuary subsequently acknowledged the inaccuracy of his comment. Instead, he continued to rely on the inaccurate comment as a basis for his findings as to the intended objective of the PAA.

The report then proceeds to justify a reduction in the potential benefit payable from the PAA by arguing about the potential cost of a COLA provision that would guarantee a 100 percent COLA, claiming that is what the Retired Teachers' Association of Manitoba, RTAM, was seeking. Again, this

misinformation is used in order to justify the recommendations. RTAM has never requested such a benefit guarantee, as it understood that it would be extremely costly. What RTAM has been requesting is that the original intent of the PAA be honoured and that it be funded sufficiently to accomplish that intent. It may be of interest to note that such objective is much less costly today than it was in 1977, since the assumed rate of increase in the CPI today is only slightly more than half of what it was in the late '70s. With the objective in mind of restoring the funding of the PAA to achieve its original intent, solutions are possible that are not excessively costly to active teachers, who will receive this benefit in the future, nor to the government of Manitoba, who must share one-half the cost of the benefit.

It is true that the actuary first warned of the necessity of additional funding in the mid-80s, actually in 1984. At that time the MTS was successful in convincing the government to amend The Teachers' Pensions Act to provide for retirement at age 55 with a full-formula pension (previously a reduction for early retirement was imposed for those who retired before age 60). The actuary accurately predicted that this change would result in teachers retiring earlier, therefore drawing pensions for longer periods and consequently receiving COLA for longer periods. The actuary recommended a contribution increase was necessary to sustain both the basic pension account and the PAA. However, neither the government nor the MTS wanted to increase teacher pension contributions during a period of economic distress when teachers were receiving minimal salary increases and both the basic pension account and the PAA were experiencing surpluses. As a result it was agreed to defer discussion of contribution increases to a later date when hopefully economic circumstances would have improved. In retrospect, that agreement may have been unwise but understandable in the context of the times. What is truly unfortunate is that for the next 20 years government continued to be intransigent in agreeing to revisit appropriate funding for the teachers' pension plan. As a result, neither the basic pension account nor the PAA are appropriately funded to this day. While an increase to the contribution rate was legislated in recent years, it was known at the time that it was less than adequate to provide for full funding.

It is truly unfortunate that Mr. Sale chose to accept the MTS position on the use of surplus investment return. Surplus return should belong to all the

members of the plan, not to a select group. To restrict its use to benefit only a portion of the members has no possible moral justification. The only other teacher pension plan that has attempted to provide COLA through use of a PAA, British Columbia, transfers all of the surplus return annually to the PAA, arguing that such allocation benefits all the members. While I cannot agree with that extent of use of surplus return, nor is it necessary to fund an adequate COLA, neither can I agree that none of the surplus return should be used for the benefit of members in receipt of pension.

The reality is that the greatest asset that teachers, both active and retired, have to address any funding issues is investment return. Fairness would dictate that a portion of the surplus investment return should be used to support a reasonable COLA the primary way that a benefit can be provided for members in receipt of pension. Instead of taking a reasonable and fair approach to finding a funding solution for the PAA, Mr. Sale chose to accept the totally morally unjustifiable position of the MTS and explored no alternatives. Isn't it somewhat strange that the same organization that fought hard, and successfully, in the late 70's for a fair and reasonable COLA should now fight against that same objective? This betrayal of its members' interests not only denies a reasonable COLA to current retirees, who they do not represent, but also to active teachers that they are supposed to represent, all of whom will be retiring in the future, many of them in the next 10 years.

Solutions are possible to the funding issues of the PAA if fair and reasonable people sit down to find them. Unfortunately, the process used by Mr. Sale appears not to have sought fair solutions. That he brought forward recommendations that did not even come close to meeting his restricted objective for COLA raises serious questions as to the overall integrity of the report. The report appears to have been an attempt to achieve preconceived objectives using misinformation and unfair restrictions to the scope of solutions as justification for the recommendations. That is truly distressing!

Tom Ulrich, MTS Provincial Executive, 1974-75 and Chair, Pensions Committee; MTS Staff Officer, 1975-1999; Member, Pension Task Force, 1976-1999; Spokesperson for MTS, 1993-1999; Member, TRAF board, 1993-1999; Co-ordinator, Benefit Programs, 1993-1996; Assistant General Secretary, 1996-1999; President and CEO, TRAF, 1999-2004
(submitted by Helene Merrell)

An open letter to the Minister of Education:

I am writing to express my deep concern about the activities being planned by the government of Manitoba and the Manitoba Teachers' Society regarding retired teachers' pensions. I am a recipient of a pension from TRAF and have seen my buying power significantly eroded since retiring in 2000. 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 achieve what we believe to be a fair COLA, and efforts in previous years directed at the Conservative government.

I understand that you have decided to fund a plebiscite to reach 26,000 active and retired teachers at a cost of over \$100,000 in order to assess their opinions about the recommendations of the Sale report. This is a shocking and completely unproductive use of money that should be directed at the problem we have been discussing, not thrown away on a useless public relations exercise (if that's what this is—I can see no other value in the plebiscite since you already know what all parties concerned want). This plebiscite was devised by MTS and is being funded by you, with no discussion or input from our retired teachers' association, RTAM. The result will most likely be that active teachers, at the direction of the MTS executive, along with the most impecunious and desperate of retired teachers, will probably say: Give us whatever improvements in the plan you can. This will serve only to save face for MTS, so they can claim a win while failing to address the reality that their own future pensions are insufficiently funded by their present contribution levels, and for your government, who can spend less money that it should on a temporary patch job to move the problem 10 years into the future and thereby make it some other government's problem.

The Sale report commissioned by your government made a number of recommendations the RTAM agreed with and several to which we 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 to a contract with a previously absent hard cap, two-thirds 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 two-thirds, the cost of inflation, is patently unfair, since you are aware that we teachers poured additional moneys into pension for the past 30 years to improve the cost-of-living (COLA) protection while the government employees received a long-term disability plan instead of the higher pension contributions over that entire period. Teachers funded their own LTD plans outside the government pension system in order to prevent their COLA, in vain it seems now.

I am sure you are aware 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 workers' best bet for fair treatment. I am bitterly disappointed that you have not addressed this problem for nine years, and now have chosen a public bullying tactic to force a partial and unsatisfactory solution onto this group of senior citizens. That is not what I understood to be the NDP way.

It seems perfectly obvious to me and many other retired teachers that you should either proceed with implementation of the Sale report as you seem to want to do, or listen to the retired teachers and select the agreed-upon parts of the report for implementation, while continuing to negotiate in good faith on the other portions. To conduct this plebiscite is to throw away valuable taxpayer funds.

I would sincerely like to hear some reasonable rebuttal to the arguments I have made here, if in fact they are wrong, and to provide me with some rationale that justifies the expenditure involved in the pending plebiscite. I look forward to a response. I do not, however, need to be reminded of the following steps you have told me about in previous correspondence:

(a) \$1.5 billion contribution to the TRAF fund—I understand that this is money the government already was committed to spending on teachers' pensions, and previously was simply coming from general government revenues as needed. The lump sum is definitely an improvement in the method of funding but it is totally misleading to intimate that it was a "new money" gift.

(b) increased premium contributions by 1.1 percent—not only was this change done many years after it was needed (yes, it should have been done even

before your government took office—there was plenty of blame to share among everyone), but it was only half of what the actuaries who have evaluated the plan have indicated would be needed to make the plan viable going forward.

(c) matching the contributions of new entrant teachers.

(d) appointed a retired teacher to the TRAF board. This is a welcome initiative. It does not, however, seem to have any major relevance in the context of the current discussion.

Jim Reid, Ph.D., School Psychologist (retired)
(submitted by Helene Merrell)

* * *

My name is Victor Nehe and am a retired teacher since 2001. I taught in Winnipeg schools: Winnipeg School Division and St James-Assiniboia School Division for 33 years.

I would like to voice my opposition to the implementation of the Sale report with regard to teacher pensions. I am unable to attend the hearings held on Monday to Wednesday, July 21-23, that are being held at the Legislature and I hope my opinion can be heard and recorded through this email.

Since my retirement in 2001, my dollar has dropped in value to 91 cents due to the rising cost of living and insufficient COLA funding in our pension plan. The two-thirds COLA mentioned in the Sale report is not guaranteed and depends on other economic circumstances. It is likely that the two-thirds mark will never be reached and retired teachers will fall even further behind.

While I was teaching we paid additional funds to offset the effects of inflation, 60 percent more than civil servants.

I urge the government not to implement the Sale report and continue to negotiate with MTS to secure a more fair solution to the COLA situation.

Thank you

Victor Nehe

* * *

I respectfully request that you forward this message to all members of the Manitoba Legislature and to members of the committee holding hearings on Bill 45 on July 21, 22, 23, 2008.

I am a 71-year-old retired teacher, having retired 10 years ago in June 1998, with 20 years teaching experience in Brandon. I began teaching in 1956 in Québec and after nine years remained at home to raise my family, returning to the classroom in 1978. Thus my pension is about 40 percent of my five best years on the salary scale.

Unfortunately for me, those last five years saw one salary increase of minimum proportions, the next one coming into place on my last teaching day. Thus, with my TRAF pension, my CPP and OAS pensions, my annual income is not far above the poverty line.

With respect to Bill 45:

1. The Sale report was a start to correcting a long-outstanding problem with pensions and COLA.

Why must there be a 10 year moratorium on further discussion?

2. The much-touted plebiscite with a 52 percent majority was really only 52 percent of the 11,000-plus teachers, active and retired. That number is less than half the 25,000 active and retired teachers in Manitoba. Actually, only 23 percent of those 25,000 members voted yes, so legislation is being rushed through on behalf of less than one quarter of a constituent group.

3. Why is there no mention in Bill 45 of the appointment of an RTAM member or two to the Pension Task Force?

4. Manitoba Teachers' Society does not represent retired teachers. We pay no dues to MTS, have no vote at any meetings, cannot attend their AGM nor speak at the AGM, yet they issue news releases stating they represent all teachers in the province, active and retired—June 3, 2008.

5. Bill 45 does not guarantee even a two-third COLA.

In closing, I am disappointed that the government of Manitoba wants to railroad this legislation through as quickly as possible. What is the urgency? Legislate parts of the Sale report that are agreed upon by all parties and continue to discuss possible solutions in the outstanding areas. Shutting down communication for 9-10 years does not seem reasonable or practical.

Joan Lawrence

* * *

Members of the Legislature, I am opposed to the implementation of the Sale report and the plebiscite process.

I paid all my required dues and trusted that with my hard-earned pension and the promised cost-of-living increases that I paid for, I would not have to worry about being stuck at the poverty level. With inflation and no fair COLA, I am now worried about my future. When the government helped itself to hefty raises with our tax money, I felt betrayed.

I am asking you to support the retired teachers with a fair COLA. Thank you for your attention to this important issue.

Annette Hercus

* * *

I was in attendance on Tuesday, July 22, 6 p.m. to 12 a.m. My schedule is such that I cannot make this evening and I am a working retiree on Thursday a.m. I would appreciate having this placed in Hansard for the official record.

Connie Newman, a retired educator from the Province of Manitoba, 34 years working with junior high, middle school students and I thought I saw it all.

While I was doing my best to educate/guide the youth of the day I believed my representatives to Manitoba Teachers' Society and the elected government representatives were taking care of me, my finances, my contributions to the pension plan. I believed they were making knowledge based decisions—they were doing what was right for me—they knew what they were doing.

Today, I am still involved with programming for youth.

Today, Manitoba Teachers' Society, in the best interest of their members, not those who went before them, decided to mount a massive media campaign encouraging members to agree—vote yes—to the Tim Sale report. The cost of that media blitz is yet to be told.

Today, the government agreed to pay \$80000 to cover the cost of the plebiscite which did not even get to thousands of teachers who had paid into the pension plan.

The results of that plebiscite has given Manitoba Teachers' Society and the government nothing. Forty-four percent return. Lots of money spent and

no new information with which to make intelligent, knowledgeable decisions.

Eighty-thousand dollars would have provided a great deal of programming to keep today's youth occupied and off the streets.

Today, having retired four years ago, my purchasing power with my pension has dropped already. Pension adjustment—up to two-thirds. What does that mean? I have read the words in the Sale report and I have read the words in Bill 45. Up to two-thirds—that is what I have been getting now 0.1 percent which is up to two-thirds.

I have colleagues/friends who retired 20 years ago and their purchasing power has dropped much more than mine. How fair is it to them to now be living at the poverty line – these retired teachers taught you when you were in the early grades. What would you say to them if you met them today.

The Sale report refers to a 10 year deal. The problem with inadequate funding did not happen yesterday. It was noticed in 1977. It has been ignored for years. The auditor suggested a three year approach. Reasonable people who analyse the financial market on a daily basis would not lock anything in for 10 years. Why does this government want to do that? What is the hurry with Bill 45? Two readings in June. Why hurry?

Pass Bill 45 and then what? No discussion, no talks, no memorandum of understanding and the number of retired teachers nearing the poverty line increases. Then what?

To the Manitoba Teachers' Society—I loved my career in education—I sat on committees within the Manitoba Teachers Society at the provincial level. We cared about each other. We worked together; we were a team, a family. We took care of each other across this province. The volunteer hours I put in on evenings and Saturdays were special. Retire and you immediately are no longer part of that team, that family. Why?

To our leaders in our Government and Manitoba Teachers Society—with Bill 45—what are you doing to today's teachers? How many of them are taking it for granted that you are looking after them? Are you? What person would want to become a teacher today in Manitoba knowing what I know now?

Bill 45 in its present format does not consider a long-term plan. There is a problem with my pension plan that I paid into for 34 years. I thought I was paying

for COLA, a pension adjustment. I thought the Pension committee was looking out for my best interests—my money, my plan. What representation do I have at the task force? What representation do I have on the TRAF Board? What expertise does each of the members on both groups have? Manitoba Teachers' Society does not represent retired teachers.

As a taxpayer, as a voter, as a retired educator, I expect my government to provide leadership, to be respectful of people and the process, and to be transparent. I am not happy.

Pass Bill 45 as it stands, I will remember what you have done to me, other retirees, and teachers today.

Thank you.

Connie Newman

* * *

As one of the more senior retired teachers with a new knee and newly ordered braces for my arthritic feet, knee and ankles, I felt I had to speak to you to express my personal feelings and utter disgust that your government and the MTS have fallen to major senior abuse with Bill 45. I urge all parties to defeat the passing of this Bill 45. It is unjust, criminal and falls under senior abuse. It breaks our original pension contract between the MTS and the government of Manitoba which all teachers have relied upon for our success in retirement.

Why pick on the most senior of pensioners to freeze their COLA for the next 10 years when most of us will not live long enough to see full COLAs again? We have the lowest pensions, because we had the lowest salaries, because only grade 11 with two grade 12 subjects first required for entrance to normal school—teacher training—and later grade 12 which was required when I became a teacher in 1962. This was the normal education required for many years. University degrees were required much later.

According to the final 2007 TRAF pension information, the average pension for retired female teachers age 90 to 94 is \$878, a thousand dollars less than males. These senior teachers also had to teach until 65 and thus paid into their pension fund for up to 10 years longer than those 55.

Now, however, these older seniors require much more medication, assistance in their homes and yards. Now because of age they are required to pay much higher Blue Cross premiums health insurance many paid more years into the pension fund until 65

years of age before they could retire. They withdraw the smallest pensions from the fund, too.

How can you break our pension agreement?

What is a pension? Webster defines it as an annual grant of money for past services. I look upon it as unpaid salary which is coming to me and to be paid to me upon retirement. It is part of your salary contract. It is not a gift as the media has made it out to be.

I taught in Brandon schools for 27 years, plus one year on permit right after the war in 1961-62. I took teacher training after raising our two pre-school children. My teacher's contract said I was to have mandatory pension payments deducted off my monthly salary. It was not an option! They told me I would receive the other 50 percent of my pension from the government once I retired. Yes, my family would be fine now and in retirement. I took my other two degrees and resources teaching certificate later at night classes, summer school and intercessions at Brandon University.

In 1977 we negotiated the full COLA by paying 60 percent more than other civil servants into the Pension Adjustment Account from which our COLA payments would be made. This full COLA is stated on page 37 in my 1986 TRAF booklet distributed by MTS at their pre-retirement seminars. Perhaps, President Pat Isaak had not seen this confirmation that it was to be full COLA.

I served over 20 years on Department of Education mathematics committees without extra pay, not even compensation for my five hours of driving time before and after school to attend once or twice a month meetings. I even had the honour of doing the minutes for most of those years, too!!! I did hours of in-service all over the province and in Canada for the department on new math, metric and calculator curricula. I drove into Winnipeg after hours, all this without extra salary nor compensation for my five hours of driving time each trip to Winnipeg once and twice a month, and my daybook was always done before leaving for Winnipeg each time. I never expected to be treated so badly by the government in my retirement. Is this my thanks for hundreds of hours donated to math education in Manitoba?

Recently, I served for three years for the government as their representative for seniors on their new government building guidelines for physically handicapped. Again, this was without payment for time nor travelling time for each monthly meeting in

Winnipeg. I served on the board for seniors for Seniors Co-op and also chaired their Advocacy Committee for Seniors Committee for many years, also. Yes, retired teachers contribute much to their communities and country.

I also was a very strong supporter of our MTS professional organization that worked vigorously for all teachers, active and retired. What has happened to the present MTS union that they no longer negotiate for retired teachers? Their tunnel vision has them only supporting the active teachers and not even considering their welfare in retirement.

Yes, I, too, served on many provincial MTS committees and attended many AGMs. I was president of the Brandon Division Association of the MTS in 1975-76 and was honoured with a life MTS membership. As past president of our Brandon MTS association in 1976-77, I was very involved when the Schreyer government offered us the civil servants pension and a two-thirds COLA with the paid disability insurance. MTS declined their offer. You know this story so I shall not repeat this.

Can you understand why I am so frustrated to be treated this way by both the NDP and the MTS? This elder abuse should not be tolerated by teachers who have given so much to your province's education system and our communities. For Bill 45 to freeze

the COLA portion for 10 years means many of my age and older will be dead before we see an adequate COLA again.

Seniors require much more medication, diets, help with daily living, housing modifications, et cetera. This is very expensive. (Case in point, my knee brace is \$1,200, orthotics \$415 and ankle support \$700.) Fortunately, I had some help from Blue Cross, but my premiums there have more than tripled since I retired.

Many retired teachers would like to sell their homes while inflated markets, but they have no place to go. They need safe, affordable housing. Most need daily assisted living rooms. Brandon and area has only 15 rooms where they can have some independence, but also help with medications, et cetera. They cannot afford the high rents of private apartments nor the inflated private condo prices. They need COLA to survive.

I wish to close with the first point in your seniors Web site, titled, "Investing in Seniors. The NDP government takes pride in tailoring its legislation and services to the needs of seniors."

Did you mean for all except retired teachers?

Laurena Leskiw

A	B	C	D	E	F	G	H	J	K	L
Year	COLA	% of CPI	COLA\$ paid	Full COLA\$	COLA NOT paid	\$ Gov't share	\$ Gov't saved	2007	2006	2005
2007	0.64	39% (40)	\$128	\$320	\$192	\$96	\$1 075 200	\$1 075 200	\$1 470 000	\$1 600 000
						11 200x96=				
2006	0.63	29% (30)	\$126	\$420	\$294	\$147	\$1 470 000		#1 470 000	\$1 600 000
						10 000x147=				
2005	0.4	19.2% (20)	\$80	\$400	\$320	\$160	\$1 600 000			\$1 600 000
						10 000x160=				
								\$1 075 200	\$2 940 000	\$4 800 000
As TRAF PAA had insufficient funds to pay full COLA the Gov't saved \$8 815 200 in just 3 years. Therefore the Gov't's financial obligation was										
2007	Based on 11,200 retirees									
	2006 and 2005 based on 10 000 retirees									
TRAF = Teacher's Retirement Allowances Fund										
PAA = pension adjustment account										
COLA = Cost of Living Adjustment										
What the Government Saves by Not Paying Teachers the Full COLA to Match the CPI										

* * *

I am adding my story to the list of people presenting theirs in order to show my concern and hope for improvement to the financial state of retired teachers.

Having retired in June 2003 and divorced just prior, I was left with the need to assume a mortgage at a time in my life, when, hopefully, mortgages have been dealt with—mine had finally been paid off.

It is distressing to be reminded that in the '70s and '80s, considerable pension money was withdrawn at full COLA, leaving insufficient pension funding for the present and future. Can we not improve our situation, when, having a severely limiting COLA, we are confronted by spiralling living costs?

I am hoping and strongly recommending a unified front of all teachers (active and retired) to reach a much needed fair and just settlement with the government that also would compare favourably with the pension arrangement in our neighbouring provinces.

Yours sincerely,

P. Allen and L. Dueck

* * *

I am a teacher in the Brandon School Division and have taught for the past 21 years. I am writing this letter and having it presented by a friend, Mrs. Pat Bowslaugh, as I am unable to attend the committee meetings on the dates that have been scheduled.

As a current teacher, I am opposed to Bill 45 largely because of the issue of fairness and the inappropriate treatment of people. As a classroom teacher I work with students talking about these two areas. I would hope that we would be given the same degree of respect in regard to teacher pensions and COLA.

It is my understanding that Manitoba teachers pay their full fee for long-term disability, and that the pension act states that they receive a full COLA when money is available. In terms of Manitoba government employees, a portion of their LTD is paid by the government, and as a result of this, they are entitled to up to a two-thirds COLA. This does seem fair. I cannot understand why Manitoba teachers under Bill 45 would only receive up to two-thirds COLA when they are paying their full LTD. Where is the fairness in this equation?

It has been identified by Pat Isaak, through local MTS associations, that active teachers will be required to pay \$3,000 this year to the pension fund

for retired teachers to get a full COLA. This has created fear amongst present teachers, as this is a substantial sum of money to contribute in a year. I have trouble believing this statement, as it is my understanding that there can't be a change in the pension contribution unless there is a change in the legislation. Common sense also suggests that this tariff would not be possible since the government would have to match this contribution. It seems highly unlikely that the government would match this contribution.

The inadequate funding of teacher pensions has been a problem for years. There appears to be no significant long-term funding or a plan for long-term funding. These concerns have been brought forward through actuarial warnings, but nothing seems to be done regarding this matter. I feel that it is important that we get this right now and not attempt to fix it with a Band-Aid solution or the sore will continue to grow. The education of children is an honourable profession, which benefits the future generations of both Manitobans and Canadians. It is my hope that the committee reviewing Bill 45 and that the government of Manitoba will ensure that their teachers are treated honourably and not pass Bill 45.

Respectfully yours,

Doug Adams

* * *

I wish to point out to you the lack of credibility of the recent plebiscite. I taught over a period of several years but, unfortunately, some of my teaching was in blocks of less than full-time employment. As a result, the total sum of my teaching years was approximately five years and so I have not qualified for my pension until October of this year when I turn 65.

Hearing that there was a plebiscite being held, I awaited its arrival. It did not come! I could not understand why until I made some inquiries and found that I was one of the approximately 6,000 deferred TRAF members.

I found this disenfranchisement to be discriminatory and frustrating. Are my contributions to TRAF not as valuable to me as any of my former colleagues' contributions are valuable to them? I wonder how many of those other approximately 5,999 people who are aware of this situation of being disenfranchised to be feeling the same as I am.

I feel it is irrelevant that, due to family circumstances, I was not able to enter the teaching profession as early as many teachers. However, I had no choice in whether I could contribute to the TRAF pension. To be unable to access my contributions prior to reaching age 65 was one circumstance, but now, through Bill 45, I learn that there will not be anything near the full COLA which I was led to believe was forthcoming.

Disenfranchised? No full COLA? No guaranteed COLA?

I ask you: Is this fair treatment? Is this the way you would like to be treated?

Kathy Knight

* * *

I have only 18 years of pensionable service. Even so, I taught many more years in another province prior to the time when pensionable contributions were not transferable.

I am an elderly person and as a former class 2 teacher, my income was limited compared to today; hence, my pension is much less. I am a widow so I must sustain myself on a lesser pension. Out of my meagre income, I am trying to remain independent in my own home. Besides my house taxes, I must pay heat, light, and water and maintenance, and I also need to plan for my food and medical costs as I have no extended health-care insurance.

My COLA last year amounted to \$4.08 per month. I ask each one of you how to perform the magic to sustain my livelihood on an extra \$4.08 per month?

Irene Belanger

* * *

Members of the Legislature, I wish to speak against Bill 45. Teachers like me who retired in 1998 have already had 10 years of very low COLAs and cannot be expected to want to continue this practice for another 10 years. That is supposing we live for another 10 years. Many of us stayed home for some years to raise our families and so have smaller pensions. We are responsible people who have contributed to Manitoba at home and at school, both as workers and as volunteers. We also paid contributions for our pensions, expecting that those pensions would be protected by adequate COLAs.

The Sale report has started the discussion but it needs to continue with full participation from the representatives of RTAM so that a fair COLA can

begin. At the moment, and also with the Sale report, we are guaranteed a COLA that the PAA fund can support, and we have had 10 years of experience of the very low COLAS with this system. Change is needed but Bill 45 is premature. There is talk in the report of two-thirds COLA but only as a cap, not as a guaranteed payout. The report also says very clearly that the current level of the PAA is insufficient to provide meaningful COLAs.

The plebiscite to measure support for the Sale report was very close, even though some retirees were out of province and unable, in the time span allotted, to cast their vote. With their votes, the no side might have won or at least drawn even.

Obviously, changes to the PAA account need to happen, and perhaps less than 100 percent COLA needs to be agreed upon, but it all has to be acted on much sooner than in 10 years. In 10 years, many more teachers will have retired and our pension fund must support them too. All retired teachers have paid for the right to a fair pension and for a fair COLA too.

To pass this bill when so many feel that it does not address the problem of insufficient funds in the PAA account to provide a fair COLA is letting down a generation of teachers who deserve better from their government. Discussions need to continue with proper representation from the current, very large group of retired teachers which is destined to grow even larger.

Elizabeth Bryan

* * *

I am e-mailing the Manitoba government in order to voice my opposition to Bill 45. Manitoba teachers PAID for better than the Sale report. The Manitoba Government should be ashamed of the way they are treating retired teachers of Manitoba with respect to their COLA clause. Thanks for your time.

Ray Cooper

* * *

It is with great concern that I express my opposition to Bill 45, and I respectfully ask that you give serious consideration to the many presentations made by retired teachers and that your committee deliberate carefully so that changes to legislation reflect fairness and equity.

My main concern is that the government and MTS president appear to be saying, retired teachers are

rejecting COLA of two-thirds, when in fact there is no possibility that we will receive two-thirds COLA without the PAA account being funded properly. Also, the Tim Sale report fails to recognize that teachers in this province paid for a benefit as a result of negotiations with the NDP government of the time and we have now been betrayed.

In attempting to solve the COLA issue, retired teachers agree with several major points in the Sale report and are more than willing to continue to work to reach an equitable solution on the remaining issues. Surely it would be more in keeping with the principles of fairness and equity to continue discussions to resolve the remaining issues.

During my working years, I attended many retirement planning sessions and learned to cross all t's and dot all i's before entrusting to investment advisers/bankers, any savings I managed to make. I was frugal and saved some money, and had I not been required to contribute to this pension plan, I would have had more than a small sum of money saved which would have provided me with sufficient earnings and also covering COLA. I was given to understand that I was paying for COLA and I would receive COLA upon retirement.

I feel cheated by the two parties who are legally responsible for this fund—the government and MTS. And now, my government and past employer is planning to lock me in to a COLA of at best half the CPI, assuming CPI remains low at the current rates. I believe actuarial analyses indicate that, during the 10-year deal, retired teachers should expect no more than 52 percent of CPI COLA on average annually, and even this will depend on inflation and investment returns. How can we expect two-thirds COLA if the PAA account is not properly funded and we must accept that nothing will change for 10 years? I don't have to be a mathematical genius to be able to figure out that my pension income will be eroded greatly during this 10-year deal which the Sale report recommends.

I am told that CPI is 2.4 percent right now, but when I look at all the bills I have to pay—utilities, going up 5 percent this year and a further 4 percent next year; telephone; transportation—gasoline; house insurance; even food. I find it extremely hard to believe that CPI is 2.4 percent, and I think many of you will agree with me.

I have always considered the NDP to be a party and government that believes in fairness and equity for the working man, retirees, and all its citizens, but

now I am deeply disappointed to think that this fiduciary trust is being broken.

I plead with the government not to abandon its senior citizens who have worked hard and contributed greatly to this province. Surely the government can find a solution to this matter by consulting with and taking the advice of experienced and capable citizens like Tom Ulrich and many other retired.

Yvonne Collins

* * *

Introduction:

Good evening, my name is Bev Reeves and I am here to express my personal views on the situation that has culminated in these hearings on Bill 45 to amend The Teachers' Pension Act. I present to you my credentials first. In 1983-84, I was president of the St. James-Assiniboia Teachers' Association in a very interesting year when, among other important issues such as refusing to reopen negotiations to allow the board to renege on a ratified contract, we, the MTS, fought to keep teacher volunteer activities as voluntary. I feel as if I have come full circle in 25 years. Let me explain. During that year, the chairperson of the board informed me that I was responsible for everything that was wrong with education in the province of Manitoba. I was quite relieved to hear later from provincial president, Linda Asper, that she also had been deemed responsible by that soon-to-be Minister of Education.

Today I stand, somewhat ironically, before you, having been told publicly by my mother organization that I, as a retiree and an MTS official in the 1980s, am responsible for everything that is wrong with the teachers' pension fund today. In all the years in a leadership role within MTS, I have reiterated many times that MTS is not you guys; it is we guys. We, the people, are MTS. We are in this together. And, in my opinion, I will always be MTS, if for no other reason than I am part of TRAF, and I hope sincerely I don't have to go to court to prove it. So, if I am responsible for the ills of my MTS pension fund, then I am the pension, and I have come before you to suggest how to fix me. It is a simplistic view, but it is in simple things that solutions might take root.

Before I begin, please note that I will be reading into the record pages 1 and 2 only of my written brief, and that pages 3 and 4 are the rationale behind my addressing the issue of the unfunded liability of the government and, therefore, should be included in *Hansard*, particularly item No. 5 on page 4 that

outlines how the government's \$1.5 billion account C within TRAF is being eroded, since November 2007 I understand, at the rate of \$3,000,000 per month. Please note also that attached to my brief is a copy of the official St. James newsletter, *Tempo*, article in the April 2008 issue, summarizing MTS and RTAM positions on the pension issue at the bottom, that clearly shows that active teachers in St. James were deliberately given the impression that there was a somewhat-guaranteed, two-thirds CPI COLA on the negotiation table, an impression perpetuated this morning, I understand, by Premier Doer's comments on CJOB. You guys are ganging up on me, the pension. So let's get to learning how to fix me.

Teacher Pension Manitoba: Solution Options:

There are in reality three parties to the dispute regarding Bill 45 which seeks to implement an all-or-nothing Sale report into legislation: the government of Manitoba, aka the employer; the Manitoba Teachers' Society, apparently representing only active employees/members of TRAF; and the Retired Teachers' Association of Manitoba, founded in response to retired employees/members of TRAF being disenfranchised. Only the first two of these organizations are officially part of The Teachers' Pension Act and of Bill 45's definition of the Pension Task Force. In a move unprecedented in the history of the Manitoba Teachers' Society, the MTS has chosen to move to the government's side of the traditional negotiation table and has made it clear to all members of TRAF that they blame retired teachers for the current dispute and lack of sustainability in the TRAF pension funds. There has been no apology either by MTS or the government of Manitoba for the mistakes of the past in ignoring actuarial warnings, since approximately 1984, that adjustments needed to be made to TRAF in order to ensure the sustainability of the fund, nor to date has there been an apology to founding members of the fund for the disenfranchisement that has taken place in the pension fiasco of recent years.

During the course of my study of the pension issues and my search to separate the grains of truth from the misinformation being forwarded to TRAF members, I have come to the conclusion that the fund's problems begin and end with the unfunded liability of the government, and with the failure of those in control of operating procedures of the fund, not only to understand that fundamental problem, but to begin traditional negotiations to do something about it. A secondary problem is the problem of the disenfranchisement of retired members of TRAF,

created by the failure of Manitoba Teachers' Society to anticipate that their responsibility to its members will need to extend beyond active teaching to retirement, because of joint membership in TRAF and because there will come a time when the retired members of its organization outnumber the active members. It goes without saying that retired persons in the world of the future have much to offer both the government and the Manitoba Teachers' Society in a proactive role.

It is my personal and very-much-considered opinion that much of the tension between active and retired teachers can be resolved in the course of addressing the fundamental pension fund problem of unfunded liability. Therefore, I offer the government and the MTS and RTAM my assessment of the way out of this dilemma, if all parties will work toward that end.

The government of Manitoba needs to immediately take steps to complete its gathering of funds to pay out its debt to TRAF. Unfunded liabilities are a burden to governments and taxpayers alike. As Alberta recently did, Manitoba needs to start negotiating with the Manitoba Teachers' Society what it will cost them to get rid of this burden in terms of matching contributions owed to date to current retirees, including what is owed in terms of the long-standing CPI COLA provision, and in the process, get those funds into the investment pool permanently. As today's problems regarding COLA provisions and increased teacher contributions will likely disappear for at least 10 years, once these funds are made available and are not subject to government withdrawal at will, then there will be time and energy and the will to move on to other current educational issues and to heal some wounds. I will personally be around to help ensure that misinformation regarding the buyout process is not given to taxpayers as "buying out the teachers' debt" as it was in Alberta. I have already begun educating the Canadian Taxpayers Federation about unfunded liabilities being the government's debt, owed in matching contributions to the teachers' pension fund, and I will continue to do so vigorously. Unfunded liabilities are no longer acceptable in today's world.

The Manitoba Teachers' Society needs to immediately get back to the right side of the table in a traditional negotiating role to begin deliberations with the government on the unfunded liability issue. It needs to take the initiative to make structural changes in the society in order to make the Retired Teachers' Association of Manitoba a franchised part of the Manitoba Teachers' Society in a full non-

adversarial partnership. There will come a day when the 1.4 active to 1.0 retired will be reversed, and the society must not only prepare for that day, but must immediately present a united front to the government in what will be long and hard negotiations over the unfunded liability issue. The annual general meeting of the society is due to occur in May 2009, plenty of time to co-operate with the RTAM board to draft resolutions towards the necessary structural changes to the society and to prepare a strategy for both partners to appear before the membership with most past issues resolved and with a united front to deal with the unfunded liability issue with the government.

The Retired Teachers' Association of Manitoba needs to begin the process of moving from a reactive role to a proactive role, and to that end, the RTAM board must take the initiative of drafting a formal letter of request to the society, requesting a partnership within the society's structure, so that a formal and united representation may be made to the government of Manitoba regarding the opening of negotiations towards the eventual payout of the government's unfunded liability to TRAF. However, before any of these healing processes can begin, the matter of Bill 45 must be satisfactorily resolved for both the society and RTAM. To that end, the society and RTAM must insist, separately or together, preferably together, that the government call a meeting of the Pension Task Force to determine if the government and the society would agree to withdraw its all-or-nothing proviso, towards the end of presenting to the Legislature for third reading the one clause already agreed upon by all three parties, known as "the better of" method of investment returns to the PAA account of TRAF.

Finally, individual members of both the society and RTAM need to insist that all three parties work in the immediate future towards a resolution of Bill 45 pension issues that is satisfactory to all three parties concerned, and that steps towards a long-term solution, such as the one I have presented to the committee regarding unfunded liabilities, begin immediately and be conducted in good faith. The presentations made to the committee on Bill 45 must not lay gathering dust in *Hansard*. Each and every one of us need to inform media and taxpayers of what we have shared with the government, so that the public is aware of the views expressed to the Minister of Education in particular. Sending a copy of your presentation to the media with a covering letter is going to eventually pique the media's

interest. We all know that the government of Manitoba has the power to ignore our presentations to committee and to proceed with the legislation, but we also have the power to make sure they do not do it in secret. Governments are accountable to us. Let us ensure that they are, and let us make them prove that the committee hearings on government bills are not a sham of democracy. In addition, should there not be a satisfactory move towards solving the issues surrounding Bill 45, individual members need to step forward and do whatever is within their power to force a resolution that will protect our pension fund, including legal action. It is our pension fund, and the government and the society need to ensure its future without sacrificing the welfare of one single Manitoba teacher. I am so personally proud of the courage and fortitude displayed in these committee hearings, and I am personally insisting that both the government and the society take the necessary steps that their mandate empowers them to make, but which must be deemed fair, equitable and reasonable.

Submission to Committee Hearings Bill 45:

First of all, I want to make it abundantly clear I am in full support of the position of the Retired Teachers' Association of Manitoba in opposition to Bill 45, because they are the only one of the three organizations involved in the process which has stood up for the welfare of both active and retired teachers in the long term. On the other hand, the Manitoba Teachers' Society deliberately chose to abandon currently retired teachers and deliberately chose to pit active and retired teachers against one another in the process. They joined forces, aka crossing the floor, with the government of Manitoba to conduct a hasty, ill-conceived plebiscite on the pension issue with highly questionable misinformation in the process and equally highly questionable results, as their joint effort to bully their way into a closed-door, 10-year, interim solution to those pension issues, with no willingness to consider proposed measures put forth by RTAM in an effort to compromise in the interim and to then work together towards long-term funding solutions, as has been done in British Columbia and Alberta.

What is specifically unacceptable in my opinion about Bill 45?

(1) Bill 45 attempts to amend The Teachers' Pensions Act by implementing the Sale report in its entirety as an all-or-nothing package whose author's bias is clearly in the best interests of the government's

position, a position which has apparently gained the full-hearted approval of the Manitoba Teachers' Society which, in a move unprecedented in the history of the society, accepted the government's offer to pay for a plebiscite designed to hastily implement this all-or-nothing-at-all, doubly biased package. The pension situation calls for an unbiased assessment of the pension fund and a long-term solution that is 20 years overdue. Furthermore, the Retired Teachers' Association of Manitoba needs to be an official party to the Pension Task Force since, after all is said and done, retirees should have a full one-third official voice in how their pension investments are being administered.

(2) Bill 45 also precludes any further discussion on the COLA issue for a period of 10 years. It shuts out retired teachers past, present and future from having any say about the COLA issue during a time when the government is likely to complete its recent efforts to deal with their unfunded liability to the pension fund, a factor so important that I would like to deal with that issue at the end of my presentation this evening. Suffice it to say at this point, that any reduction in pension benefits means a reduction in matching unfunded liabilities of the government and that underscores the bias of Bill 45 that is presented to the Legislature at the same time as the government takes an also long-overdue series of steps to address its unfunded liability owing to the teachers' pension fund. Make no mistake about the reduction in teacher pension benefits, over and over again have we teachers reminded the Pension Task Force that we, unlike civil service unions, paid for a full CPI COLA and, therefore, have that current provision written into the current Teachers' Pension Act.

(3) Bill 45 also contains two highly crucial words that make the bill totally unacceptable, "up to", referring to a cap on COLA payments of up-to-two-thirds CPI, that could result in a zero percent COLA to the pensions of currently retired teachers and to those pensions of active teachers planning to retire within the next 10 years or more when discussions might get re-opened, if ever. Bill 37 was a pretty good example of how the government looks after its own inflationary protection while ignoring the need for such for both their past and present employees. Political parties, including their own, would have received a fully indexed voter's tax had it not been for firm and loud objections to such at committee hearings on that bill. About the same time 10 years ago, as the PAA account began to have difficulty in providing a full COLA to teachers as per the

provisions of the Teachers' Pension Act, I retired. Since then, I have had a more than 30 percent increase in rent because the government's legislation, The Residential Tenancies Act allows landlords to recoup inflationary expenses as often as they want, through over the guideline increases that are approved more often than not because the act tells the branch that landlords are within their rights. So why are landlords inflation protected and teachers are not? The answer may lie in the fact that the government does not have an unfunded liability obligation with landlords, and they do have a matching-contribution unfunded liability with the teachers. It is about time for this government to honour paid for and duly negotiated inflation provisions of the current Teacher's Pension Act, instead of legislating teachers rights to such out of the act, so that their obligations to the teachers' pension fund is reduced on the back of a whole generation or two of retirees.

(4) Furthermore, by its first-time reference to a Pension Task Force that includes only the Manitoba Teachers' Society and the government of Manitoba, Bill 45 continues to shut out retired teachers in having any significant or meaningful say as to how their own pension contributions are to be administered. I am in support of RTAM's attempt to reach a compromise by accepting parts of the Sale report, specifically that part regarding the better of method of interest-crediting to the PAA account, fixed-income return or total-fund return, whichever is greater, and their attempts to keep open discussions for a long-term solution to the jeopardized viability of the Teachers' Retirement Allowance Fund. If the very people who contribute to the pension fund were given official status years ago to help seek long-term solutions to identified problems, such as those ignored 20 years ago by the government of Manitoba Teachers' Society, perhaps we would not be here these next three nights and many nights hereafter, fighting for our investment rights and our legal rights under the current law, namely The Teachers' Pension Act.

(5) Finally, let us return to the negative impact of Bill 45's effect on the teachers' pension fund in terms of the government's unfunded liability owing to the fund. Reduction in a fairly negotiated and paid-for benefit of full inflation protection will affect all teacher retirees in that it allows the government to renege on its agreement to match inflation protection monies that have been and continue to be paid for by teachers in terms of our agreement to administer our

own disability insurance. Any matching contribution lost is a continued problem for the viability of our pension fund. Minister Bjornson is fond of talking about the \$1.5 billion dollars the government has already pumped into TRAF but he has not totally disclosed to taxpayers and legislators alike the following facts:

(a) Account C, containing these funds, is under the control of the government, not TRAF, and therefore can be pulled out at will. Indeed, it already has been pulled in part because government has chosen an unfunded liability route. Each month TRAF requires payment of \$10 million to pay their debt to the fund. However, recently, instead of submitting such payment, they have directed TRAF to take it out of account C.

(b) The government has opened account C to begin to address the burden on governments whose matching pension contributions are delayed until employees retire. As a result, they have been matching active teachers' contributions at a rate of \$7 million per month. If you look at the mathematics, you will note that account C is being depleted at the rate of about \$3 million per month in terms of addressing the unfunded liability goal which, in my understanding, is \$2.4 billion.

(c) If the government is successful in passing Bill 45 with its COLA benefit reduction, the teachers' pension fund stands to lose significant amounts of matching contributions originally agreed upon and paid for by all teachers. Then we are looking at a Crocus-like problem of having to litigate compensation for lost investment funds due to the failure of the government and MTS to make full disclosure of all the facts.

There is no lie so evil as that which contains a grain of truth. What MTS and the government have done in this process towards Bill 45 is to use grains of truth to cheat us out of our inflation protection.

Why do I believe that TRAF's unfunded liability is the underlying problem?

In case someone is interested to ask this question in 10 seconds or less:

(1) To quote John Lennon, *Imagine*. End of quote. Imagine the investment generating power of TRAF if those matching contributions of ours had been in account A since TRAF members contributed their share or for the last 44 years or 20 years or from 2008 on. Imagine how that matching contribution might have helped fulfill the CPI COLA provision in

The Teachers' Pension Act that is paid for by a formula based on the investment returns of the TRAF fund.

(2) Any reduction in pension benefit, COLA or otherwise, reduces the government's unfunded liability/ matching contribution and the government has already started depleting the \$1.5 billion they borrowed to cover their unfunded liability debt to TRAF, a debt for which they are accountable to taxpayers.

(3) Any limitation on active teacher contribution increases, such as 1.1 percent increase rather than the 2 percent requested by the society, reduces the government's matching contribution/unfunded liability for current/active TRAF members.

(4) As long as account C, government savings for their unfunded liability debt to TRAF, is not permanently in the investment pool and out of the control of the government to pull it out at will, the government of Manitoba cannot morally or legitimately claim that they have already pumped \$1.5 billion into rectifying the problems teachers are facing with their pensions. By the same token, if they delay paying out their unfunded liability to TRAF and maintain control of account C, they can continue to attempt to fool some of the people some of the time that they are doing something about their debt to TRAF and their debt to the taxpayers of Manitoba.

(5) The matching contributions of the government, past and present, for TRAF alone is costing taxpayers, including teachers as taxpayers, \$17 million per month. It is a foolish way to fund a pension plan. I am assuming that what the government needs to do to fulfill its legal obligation to TRAF is similar to what they must do for other pension plans for other government employees. Future governments will be forced to make up the shortfall in account C that is being depleted currently, or was being depleted in the recent past, at the rate of \$35 million per year. The situation can only get worse. MTS can anticipate that future governments will try similar tactics to these ones of recent months to delay the government's dealing with the problems and the growing debt to the Province of Manitoba. In that event, we must stand as a house united and we must make other taxpayers aware that unfunded liability is our government's debt to owing, by law, to us and it is long overdue. Manitoba, by the way, is the highest-taxed province in the west. If the government can stop wasting our tax dollars on plebiscites and Spirited Energy campaigns, to name

only two recent events, the government can find a solution to their legal and unfunded liability problems.

Excerpt from Tempo (submitted by Beverly Reeves)

WHAT IS THIS 'COLA' THING ABOUT?

by Norman Gould

There is a great deal of debate and discussion surrounding COLA (Cost of Living Adjustment) for retired teachers in Manitoba. There seems to be little disagreement related to the fact that COLA for retired teachers simply isn't enough and that each year retired teachers experience a significant decrease in the spending power of their pensions. The Manitoba government, under the direction of Tim Sale, investigated the issue of COLA and invited MTS (The Manitoba Teachers' Society) and RTAM (Retired Teachers' Association of Manitoba) to take part in the discussions. It is safe to say that MTS and RTAM are on opposite sides when it comes to the suggestions within Tim Sale's report. I have attempted to simplify the options identified by Tim Sale to address the COLA issue, as well as both MTS' and RTAM's viewpoints. If you have any questions, I'd be pleased to answer them. And, if you would like to read the Tim Sale report, it is available on both the RTAM (www.rtam.mb.ca) and MTS websites (www.mbteach.org) in PDF format.

Manitoba Tim Sale Report

OPTION I

Increasing active members' contributions to the Pension Adjustment Account (PAA)

- the increased support to the PAA would be so marginal that this option wasn't considered

OPTION II

Changing the nature of the benefit (ie. age of entitlement could be separated from age or retirement)

- could be considered in the future (plenty of options)

OPTION III

Changing the investment rules for the PAA

- increases the capacity of the PAA by about 50 basis points (a **HUGE** concession on the part of MTS, because the unfunded liability will be assumed by active teachers). For ten years, COLAs will be limited to no more than 2/3rds CPI. The discount rate for the PAA would go from 4.5% to 6.25%



A COLA of 2/3rds CPI is the best we are ever going to get.

Active teachers are assuming the liability associated with changing the investment rules of the PAA for the next ten years.

YES to the Tim Sale report.

Yes to 2/3rds COLA CPI.



We were promised 100% COLA, and will **not** settle for anything less.

NO to the Tim Sale report.

NO to 2/3rds COLA CPI.

Beverly Reeves

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>