

# **Labour Coalition on Pensions**

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## **Key Quotes from the Report of the Auditor General of Alberta – February 2014**

“It is therefore unclear whether the proposed reforms significantly increase the likelihood of the plans’ sustainability.” (Page 31)

“If the defined benefit plans were changed to defined contribution plans, it would be more likely that employers would have to pay a much larger share of the current unfunded liabilities than they are currently paying under the existing joint funding model.” (Page 17)

“The financial health and design of Alberta’s public-sector pensions plans can affect the government’s and other plan employers’ ability to cost effectively deliver public services, attract and retain quality employees and provide a level of benefit security for plan members.” (Page 18)

“In September 2013 the government announced that it planned to put caps on the contribution rates. This is an example of a threshold that could be used to achieve clarity. However, the department also needs to ensure the plans to determine how these contribution rate caps will align with other plan attributes. For example, the plans will need to determine how these caps align with the objective of benefit security and investment policy.” (Page 25)

“One of the objectives was to ensure there was intergenerational fairness for members and taxpayers; however, we did not see how the analysis compared options considered against this principle.” (Page 31)

“The department’s comparative analysis of proposed changes did not include feedback from stakeholders.” (Page 31)

“The department has not assessed the impact of the proposed plan changes on employee recruitment and retention.” (Page 31)

## **Backgrounder: Coalition Response to Auditor General's Report**

### **Response to the Auditor General's Report from Union Presidents**

“The Auditor General's report makes it clear that the government has not done its due diligence. They have not demonstrated how their proposed changes will actually improve the sustainability of Alberta's public-sector pension plans.”

**Heather Smith, President, United Nurses of Alberta**

“The Auditor General was particularly critical of the government's failure to consult with relevant stakeholders. The retirement security of thousands and thousands of Albertans is going to be undermined – but they didn't even bother to talk to those people, let alone negotiate with them. It's shameful.”

**Elisabeth Ballermann, President, Health Sciences Association of Alberta**

“The Auditor General's report is an indictment of how the Redford government has approached the whole pension issue. They didn't consult with the people who actually pay for the plans; they didn't investigate the impact their proposals would have on individual Albertans and their families; and they didn't consider the impact these changes will have on the ability of public-sector employers to attract and retain staff. The shoddy work done by the Redford government is more than shocking, it's inexcusable.”

**Guy Smith, President, Alberta Union Provincial Employees**

“The Auditor General's report calls into question the government's entire rationale for pension reform. The minister's plans are clearly ill-considered and premature. For the sake of the 300,000 Albertans who rely on these plans for their retirement security, the government has an obligation to stop the process and go back to the drawing board.”

**Marle Roberts, President, Canadian Union of Public Employees (Alberta Division)**

“If the government were to proceed with changes to Alberta's pension system in the face of this kind of damning criticism from the Auditor General, it would be tantamount to negligence.”

**Gil McGowan, President, Alberta Federation of Labour**

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