

For Immediate Release
Sunday, September 15, 2013

Statement

Statement on pensions by Alberta's public service union presidents

As the presidents of Alberta's four largest public service unions, representing approximately 300,000 Albertans enrolled in our province's public service pension plans, we have met this afternoon on the steps of Government House to express our grave concern about the Government of Alberta's plans for our members' and former members' sustainable, affordable, modest and fair retirement savings plans.

Tomorrow, in the building behind us, Finance Minister Doug Horner will make what has been billed as a major announcement about the future of the Public Service Pension Plan (PSPP), the Local Authorities Pension Plan (LAPP), the Special Forces Pension Plan (SFPP) and the Management Employees Pension Plan (MEPP). Plan members are the owners and contributors to three of these plans. None of us has been informed of the contents of Minister Horner's announcement.

We believe that in advance of this announcement it is important for the people of Alberta to understand that these pension plans are sustainable and capable of continuing indefinitely with their present investment and contribution structure. As we speak, thanks to the contributions made by plan members, these plans are returning to full funding, where they stood in the 1990s.

These plans are funded by their members and their employers, and the contributions made by members and employers represent savings from members' pay. As such, these pensions provide a way for workers employed by the Alberta public sector to accumulate modest savings for their retirements. And their savings are modest – the average yearly pension paid to members of the PSPP is currently \$12,414; the average pension paid to members of the LAPP is \$14,958.

As such, these modest retirement incomes constitute the life savings of plan members. They are a huge benefit to the Alberta economy because most of the retirement income of middle class Albertans is spent right here in our own Alberta communities.

Not knowing the contents of Minister Horner's announcement tomorrow, our members are naturally fearful that the Government of Alberta has been unduly influenced by the long campaign against fair pensions by corporate-financed think tanks and lobby groups. This campaign has been based on misleading, fanciful and at times overtly dishonest claims about the sustainability and cost to taxpayers of such plans. There is no sustainability crisis in Alberta's public service pension plans.

Earlier this week, one such “research report” made the claim of a “disaster waiting to happen” in Canada’s pension system. There is a disaster waiting to happen, but it is the result of the inadequate or nonexistent retirement savings available for so many working Canadians.

In other words, there is a crisis, but it is not the crisis that has been cooked up by right-wing lobby groups and corporations seeking to reduce the pay of their own employees and exploit the “politics of envy” to create a situation in which all working people are left more vulnerable and dependent.

The real crisis is the retirement security disaster faced by tens of thousands, possibly millions, of middle-class taxpayers in Alberta and throughout Canada. Media reports tell us there is a vast number of Canadians justifiably fearful of outliving their retirement income!

The solution to the real retirement crisis is staring us in the face. It is not to attack the retirement savings of working Canadians or to raise the age at which they can retire, but to provide a fair publicly administered pension plan for all.

- *Elisabeth Ballermann, president, Health Sciences Association of Alberta*
- *Guy Smith, president, Alberta Union of Provincial Employees*
- *Heather Smith, president, United Nurses of Alberta*
- *Marle Roberts, president, Canadian Union of Public Employees Alberta*