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October 22, 2014

Greetings,

**To: All Unifor Local Unions**

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Attached you will find a one page flyer on the federal framework for Target Benefit Plans (TBPs). This legislation is a smoke and mirrors scheme that opens the way for employers to attack good defined benefit pension plans in federally regulated workplaces. Their agenda is to allow employers to convert DB plans for current employees (not just new hires) to TBPs. If the Harper government is successful with federal sector employees, the provinces will be quick to follow.

Several employers have closed the DB plan to new hires and offered a defined contribution (DC) plan instead. But the federal government is opening the way for employers to convert the DB plans for current members to TBPs. Furthermore, all past benefits and retiree's pensions could be converted.

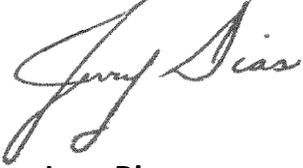
Unifor will continue to defend our member's DB plans. We need to respond to this attack and continue to voice our disagreement. I encourage you to distribute the flyer attached to units throughout your local with federally regulated DB plans. It is also important to work closely with our local retiree chapters that could be affected. Employers, especially those with pension plans in deficit position will be keen to convert DB plans to TBPs. This will place pressure on the union in bargaining where we fight to keep our DB plans.

Some of our members do not have a defined benefit pension plan. They may ask, "why should I care?" It is a good question. First, if the government attacks the good pensions, the standards drop and no one can expect a decent pension. Second, we need to tell Harper to stop attacking our pensions and start providing decent pensions to all workers through an expanded CPP/QPP.

We are encouraging members to write to their MP's, the Department of Finance and the Minister of State (Finance) rejecting the framework for TBPs. We would like members to include our pensions and benefits department on any emails at [pensionsandbenefits@unifor.org](mailto:pensionsandbenefits@unifor.org).

If you would like additional information or clarity to respond to member questions you are welcome to contact our pensions and benefits department. Please send your questions to [david.leacock@unifor.org](mailto:david.leacock@unifor.org)

In solidarity,

A handwritten signature in black ink that reads "Jerry Dias". The signature is written in a cursive, flowing style.

**Jerry Dias**  
**National President**

*JD:DL:nmcope343*  
Encl.

## **Federal Framework for Target Benefit Pension Plans**

*Unifor members working in federally regulated sectors, including members at Air Canada, VIA Rail, NAV CANADA, and Bell Telecommunications*

### **What is the proposed Framework?**

On April 24, 2014, the Harper government released a federal framework for target benefit plans that would allow Crown Corporations and employers in federally-regulated sectors to offer single-employer target benefit plans. The framework would also allow for the conversion of existing defined benefit plans to target benefit plans. This would not only apply to future service but all past defined benefit service could be converted to target benefit service as well.

### **What is a Target Benefit Plan?**

Target benefit plans are similar to defined benefit plans with set retirement benefits. However, target benefit plans have fixed contributions and if there is a funding shortfall, pension benefits can be cut. With a defined benefit pension, the employer must make up the funding shortfall to provide the set benefit.

### **What is the problem?**

Employers, especially those with pension plans in deficit position will be keen to convert defined benefit plans to target benefit plans. This will place pressure on the union in bargaining where we try to keep our defined benefit plans. Recall that in the past, we have made wage concessions and increased member contributions to maintain our defined benefit plans. Retirees' pensions may also be changed to TBPs.

### **I don't have a DB plan. Why should I care?**

Union members make gains when we work together. If the federal government attacks the decent pensions, the standards go down and no one will get a decent pension. We need to tell Harper to stop attacking workplace pensions and enhance the CPP/QPP to improve pensions for ALL Canadian workers.

### **What can I do?**

Write to your Member of Parliament – Demand that the Harper government withdraw the federal framework for target benefit plans. Please copy [pensionsandbenefits@unifor.org](mailto:pensionsandbenefits@unifor.org) and it's a good idea to copy your employer!

Write to the Minister of State (Finance): [kevin.sorenson@parl.gc.ca](mailto:kevin.sorenson@parl.gc.ca)

Talk to your co-workers – The Alberta government introduced similar legislation for target benefit plans and the Alberta Federation of Labour led such a strong protest, that the government has sent the legislation to a standing committee for review. [Our voices need to be heard on this issue.](#)

Questions? For further information contact: [david.leacock@unifor.org](mailto:david.leacock@unifor.org)