



BULLETIN

TRANSPORTATION DISTRICT 140 DISTRICT DES TRANSPORTS 140

International Association of Machinists and Aerospace Workers
Association internationale des machinistes et des travailleurs et travailleuses de l'aérospatiale

TO ALL IAMAW MEMBERS

AIR CANADA

Air Canada Pionairs March 7, 2015 Communiqué

Dear Brothers,
Dear Sisters,

Members of the Air Canada IAM&AW Pension Committee have been receiving a number of enquiries from our retirees and members about a communiqué that the Air Canada Pionairs sent out via email to their members on March 7, 2015.

The communiqué asks all Pionairs members to get involved in a grassroots campaign with respect to the Federal Conservative Government's plan to introduce single employer Targeted Defined Benefit (TDB) Pension Plans in the federal sector. The campaign asks for all Air Canada retirees to email, write or visit their MP's, Minister of State for Finance Kevin Sorenson, Finance Minister Joe Oliver and Minister of State (Seniors) Alice Wong, opposing this proposed legislation.

The specific concern expressed by the Pionairs is that the government is proposing to allow federally regulated employers like Air Canada to convert existing Defined Benefit pension plans into TDB plans which place a greater risk on the members of the plan in the event of solvency underfunding. This concern stems from a Ministry of Finance consultation paper on TDB pension plans that was issued in April 2014.

As the consultation paper relates to federally regulated employers like Air Canada and their unionized workers, it says that changes to existing Defined Benefit pension plans, including converting them to TDB plans, can only be made with the agreement of the unions, members, and beneficiaries (retirees) of an existing Defined Benefit plan. This requirement for agreement to any pension plan benefit changes is also in accordance with the current federal pension legislation.

Conversion of existing DB pension plans into TDB pension plans is specifically covered in Section 4.8 of the federal Ministry of Finance April 2014 Targeted Defined Benefit pension plan consultation paper. The consultation paper is available online at www.fin.gc.ca. Here is Section 4.8:

4.8. Conversion of Pension Plans to Target Benefit Plans

*As **conversion from a DB plan to a TBP would require consent from plan members and retirees**, rules which outline the conversion process for DB plans are necessary. In the context of federally-regulated TBPs, conversion rules for DB plans would outline the method by which the existing pension benefit credits held by active plan members and pension benefits owed to retirees would be carried over to the TBP model in the event of conversion.*

The pension plans at Air Canada form part of the respective collective agreements of all of the unions representing workers at Air Canada. Therefore, just like any other article, clause or item in a signed and binding collective agreement, changes cannot be made without the consent of both parties. All pension plan provisions and terms are negotiated and bargained at Air Canada and agreed to between the respective parties.

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The new single combined IAM&AW pension plan at Air Canada also requires the consent of the IAM&AW for any changes to the pension plan text or benefits. Section 18.1 (a) of the IAM&AW pension plan text stipulates that the provisions of the plan can only be amended by mutual consent of the IAM&AW and Air Canada. Having said that, I fully encourage all retirees and active members to contact their MP's and the Harper Conservative Government in the run-up to the 2016 federal election and let them know that pensions and retirement benefits are a priority concern for you.

As we have seen time and time again from the Harper Government, their contempt for workers and our wages, benefits and rights is inexhaustible. As long as they remain in power, we run the risk of them simply introducing anti-worker changes to any existing legislation. They have ignored the rulings of the Supreme Court of Canada upholding the Constitutional rights of workers before and I am sure they will not hesitate to do so again for political purposes.

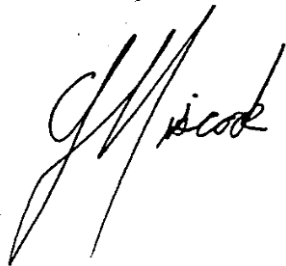
The very best protection that Air Canada employees and all workers in Canada can have against any type of anti-worker and anti-pension legislation ever being implemented into law is to get to a ballot box during the next election and make sure that the Harper Conservatives are removed from office and a more worker friendly government is elected as our new federal government.

Voting is the ultimate worker protection to provide meaningful labour laws and enhanced pension protection. We deserve the government that we elect. The next federal government must be elected by and for working class Canadians, not by and for Canadian and International business corporations' money as it is today. Our future is in our hands this year.

The IAM&AW is always actively supporting increased political action and involvement by our members. We fully encourage all of our members to contact their MP's and the Federal Government and let them know that pension benefits and Defined Benefit pension plans are a significant political issue for you and that they risk introducing legislation that allows employers to reduce existing pension obligations at their peril.

Let your MP know this is an issue that will cause you to vote against them and that you will work actively to remove them from office in support of your DB pension plan. You can assist the Pionairs' grassroots campaign by visiting www.saveourpensions.ca to find suggested letter templates to send to your MP.

In Solidarity,



Christopher Hiscock,
Chairman
Air Canada IAM&AW Pension Committee

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