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# CAW, CUPE, IAMAW Joint Statement on Air Canada Pension Relief Announcement

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March 15, 2013

As the unions representing the majority of Air Canada's workers, we are pleased the federal government has agreed to allow Air Canada further relief from its solvency pension funding obligations. Basically, the proposal from the Minister of Finance would extend and modify the special regulations expiring January 30, 2014, which allow Air Canada to contribute to the plans on a reduced basis, until January 31, 2021.

We supported Air Canada in its request for such continued relief because the alternative would have brought the carrier once more into serious financial difficulties, and potentially another round of creditor protection.

Minister Flaherty has attached a number of conditions to these special relief provisions. Some are overdue – such as restrictions on executive compensation, dividends and share repurchases. If, as we called for when the company left CCAA, Air Canada management had been required to use even some of the cash from its asset sales to fund pensions rather than be siphoned off to outside investors, the Air Canada pension plans would be much better condition today.

Unfortunately, Minister Flaherty is also pushing Air Canada to seek, in the next round of negotiations, provisions which would require employees to contribute 50% of pension normal costs. This is another example of the federal government's unjustified interference into free collective bargaining at Air Canada. The government should let the parties decide their priorities and who pays what.

Air Canada's pensions are not underfunded because members did not pay their fair share. Unlike Air Canada, members never took contribution holidays. Our members have made major sacrifices to keep Air Canada flying over the last decade. They deserve to share in every bit of the company's success.

In spite of this unwelcome intrusion into future bargaining, we will not oppose this funding relief plan, in the hope that better circumstances and better management will keep Air Canada and its pension plans viable in the long run.

In Solidarity,

Ken Lewenza, National President, CAW-Canada

Jamie Ross, President CAW Local 2002,

Paul Moist, National President, Canadian Union of Public Employees (CUPE)

Michele Cournoyer, President CUPE Air Canada Component

Dave Ritchie, Canadian General Vice President, International Association of Machinists and Aerospace Workers (IAMAW)

Fred Hospes, President and Directing General Chairperson, Transportation District 140, IAMAW