



Plan members win as Executive Board approves OPT improvements

\$467 million extends Factor 80, helps stabilize rates

“The maximum benefit for the maximum number of members for the maximum period of time.”

That’s how OPSEU Executive Board Member (Region 6) Bill Kuehnbaum describes the latest changes to the OPSEU Pension Trust (OPT). At its Sept. 12 meeting, the Board allocated the \$467 million in recent gains in the pension plan to:

- improve pension benefits;
- shore up the long-term financial health of the plan; and
- continue a modified contribution reduction for plan members over the next three years.

The Executive Board based its decisions on 14,000 completed surveys that plan members sent in in August.

“The three groups in the plan – active members, deferred members, and retirees – all placed the highest priority on immediate benefit improvements, followed by rate stabilization and continuation of the contribution reduction,” said Kuehnbaum, who sits on the Board’s Pension Liaison Committee with Region 5 Board Member

Nancy Pridham. “These changes reflect the priorities of survey respondents.”

The pension plan improves as follows:

- **The Factor 80 early retirement plan is extended to March 31, 2005.** This is

three months beyond the expiry of the new collective agreement.

- **Effective Dec. 1, 2002, the Canada Pension Plan (CPP) “offset” is reduced by 0.02 per cent.** This technical change

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Contract signing highlights role of enforcement

OPSEU bargaining teams have signed the final version of the new OPS collective agreement.

The Central team and the Corrections team signed the deal in a low-key ceremony Friday morning. Chief negotiator Andy Todd, who retires this year after 34 years in his field, emphasized the key role of contract enforcement in making sure OPSEU members get what they bargained for.

“The price of a good collective agreement is eternal vigilance,” he told the teams. “If we don’t make [the employer] do what they’ve agreed to do, then we will weaken

our contract. It’s a never-ending journey.”

“Even though we sign this collective agreement today, the fight continues,” said OPSEU president Leah Casselman. “We need to figure out how to make sure we’re stronger going into the next round.” She said the union needs to find new ways to police the contract, such as a greater enforcement role for the Ministry Employee Relations Committees (MERCs).

In a telling indicator of union-management relations, employer

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Pension benefit improvements

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improves the pensions of all current and future retirees.

- **Effective Dec. 1, 2002, the CPP offset on survivor pensions is permanently eliminated.** This saves a small number of survivors (currently about 500 people) from a drastic reduction in their pension when their spouse or parent is a plan member who dies before age 65.
- **The “points off” program is extended to Dec. 31, 2005.** This low-cost change means a bigger pension for members 55 and older who retire before they are eligible for an unreduced pension, i.e., their 60/20 or Factor 90 eligibility date. About 7,300 members will be eligible to benefit from this change.

Rate stabilization fund increased; modified contribution reduction continues

The total cost of plan improvements approved by the Board is approximately \$247 million. In addition, the Board set aside \$136 million to protect plan members from potential future investment losses in the plan.

About \$84 million will pay for a partial continuation of the contribution reduction enjoyed by plan members since Dec. 1, 1999.

The current four per cent reduction will end Nov. 30, 2002. The \$84 million will extend the reduction at reduced levels. It will fall to three per cent on Dec. 1, 2002, two per cent on Dec. 1, 2003, and one per cent on Dec. 1,

2004. The reduction is now slated to end on Nov. 30, 2005.

“Not everybody got all the benefits that they wanted, but every group of people got substantially what they wanted,” said Kuehnbaum.

OPSEU president Leah Casselman gave a lot of credit for the plan improvements to OPSEU members in the OPS.

Contract

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representatives did not attend the ceremony. The union continues to urge the employer to sign the contract now so the final version can be posted on line and then prepared for publication in book form.

The official signing usually occurs after a joint “Edit Committee” meets to iron out technical details like spelling and the renumbering of clauses. That was not the employer’s approach this time. In meetings throughout May and June, the employer tried to revise agreed-to contract language, particularly as it relates to benefits. Since then, employer attempts to interpret key clauses to suit their own agenda have resulted in several legal actions by the union, including grievances, an unfair labour practice charge, and a lawsuit.

“The filing of actions before the collective agreement was signed has never happened before,” said Todd.

The Friday ceremony was a chance for team members to reflect

“If you want to know whether our 54-day strike was worth it, I’ve got 467 million reasons that tell me it was,” she said. “Any time you preserve your right to control your own future, it’s a victory.”

The OPT will officially notify plan members of the pension changes once it makes the formal amendments to the plan documents.

on a tense and stressful period since they were elected in April 2001.

“People have asked whether we got the ‘A’ contract we wanted,” said Central team chair Marg Simmons. “I can honestly, confidently, and proudly say that it was an A-minus.”

Simmons pointed to inroads for unclassified members, wage improvements, and the defense of the OPSEU Pension Trust as major successes of the round.

Employer attacks on benefits “were intended as... an attempt at public embarrassment,” she said.

“The more I look at this contract, I see that there are some important steps,” said Corrections team chair Barry Scanlon. “We got a lot more than the bureaucrats wanted to give us and a lot more than the government wanted to give us.”

*Authorized for distribution by
Leah Casselman, president.*