

Consultative Committee on the Indexation of Pension Plans: Finally, a Small Step Forward

You will recall that on September 30, 2009, 5000 or so retirees rallied noisily in front of the National Assembly in Québec and called for the creation of a Standing Committee with the government. This major public demonstration led to an announcement by the government to reactivate the Parliamentary Commission on Public Finances with a mandate to examine the situation regarding pension plans in the public sector.

The Commission was struck and public hearings were held February 2-3, 2010. Here interested associations of retirees presented briefs. This included some of the larger associations in the Groupe de travail des associations de personnes retraitées des secteurs public et parapublic (GTAR). Then, to follow-up on these hearings, at its meeting of April 20, 2010, GTAR unanimously adopted the following resolution (liberal translation, EdZ):

“That GTAR forward an open letter to the Parliamentary Commission on Public Finances, underlining the fact that the various associations of retirees who presented at the Parliamentary Commission are all in agreement with the creation of a Standing Committee of retirees from the public and parapublic sectors.

That a copy be sent to the other associations (non-GTAR) who presented at the Parliamentary Commission on Public Finances on February 2-3, 2010, inviting them to do likewise. *”

* After consulting their groups, the two other associations followed suit.

In an interim report deposited in the National Assembly on June 8, 2010, the Parliamentary Commission on Public Finances recognized that the erosion of purchasing power of retirees is a reality, especially for those with service in the years 1982-99. Further, it also acknowledged the need to find a means to diminish, if not to totally eliminate, the loss of purchasing power of retirees due to the de-indexation of their pension plans. The Commission also considers that the involvement of the associations of retirees is necessary to arrive at a satisfactory settlement of this matter. Thus it recommended the creation of a consultative committee, within CARRA, to examine services to retirees and the parameters of indexation. This consultative committee is seen as a place for discussion and labor, grouping together associations of retirees, unions, and CARRA, the manager of the pension plans. It would answer directly to CARRA's Board of Directors.

This is certainly a step in the right direction, but we are still a long way from closure on this matter. The composition of this Consultative Committee and its mode of operation have yet to be determined, so much remains to be done. However, this is the first time that a group of parliamentarians has recognized that a solution to halting continued impoverishment among retirees begins with involving these retirees in the search for a solution.

The other unknown in the equation is the outcome of the present round of negotiations in the public sector. Although agreements in principle have been reached at the bargaining tables in the public and parapublic sectors, these clauses concern non-monetary matters. The question of salaries and pensions remain to be negotiated and the outcome reached may have an impact on the Consultative Committee's deliberations.

Ed Zegray
2010/06/15