

Indexation – A Brief History 1973 to 2009 (Rally in Québec)

In 1973, the government recognized the principle of protecting purchasing power of retirees (indexation of pensions) in the public sector when it created the REGOP, following negotiations with unions.

In 1982, a decree put an end to negotiations in the public sector and abolished full indexation of pensions. The imposed formula, namely inflation rate minus 3%, and decreasing inflation had as a result that, for the years in question, no indexation has been given since 1993.

In 1999, the government of Québec introduced a partial correction to de-indexation of public sector pensions by allowing indexation equivalent to 50% of the cost of living for the years of service 2000 and later. This modification had no effect for the years of service 1982-99.

In 2005, the government abruptly terminated that round of negotiations and extended working conditions until 2010, without settling the question of pension plans.

In 2006, the major associations representing retirees from the public sector of Québec formed a coalition named Groupe de travail des associations de retraités des secteurs public et parapublic (GTAR). Since then, meetings of GTAR have been held regularly and concerted actions taken.

In February 2007, GTAR elaborated a common position on de-indexation including a demand to establish a Standing Committee (permanent working group) with the government.

During the course of 2007, several rallies of retirees from the public sector were held throughout the province and brought together some 8000 retirees requesting the creation of a Standing Committee. A petition concerning the worrisome financial situation of retirees was also deposited in the National Assembly. It contained over 12 000 names.

In December 2007, the government created a committee to evaluate the cost of indexation of pension plans. This committee's mandate was to specifically identify the main parameters and pertinent facts affecting indexation of pension plans in the public sector for the years 1982-99.

In May 2008, the government released a report that confirmed that public sector retirees lost approximately 1.9 billion dollars due to the de-indexation of their pension plans. This loss affected some 187 000 retirees who took their pensions between 1983 and 2006.

On September 30 2008, the National Assembly's Commission on Public Finances examined this report in the presence of representatives from GTAR. Members of the Parliamentary Commission, MNAs from all political parties, agreed on the need to

consult the associations of retirees from the public sector concerning their own pension plans.

In November 2008, during the provincial election campaign, Premier Jean Charest, as well as Ms Pauline Marois, indicated that they were concerned about the de-indexation problem and they committed themselves once again to consult the associations of retirees from the public sector regarding their own pension plans.

In 2009, the unions negotiating the collective agreement stated their intention to settle the pension issue the earliest possible at the negotiating table.

On September 30, 2009, over 5000 retirees rallied noisily in front of the National Assembly in Québec and called for the creation of a Standing Committee with the government. They came from across the province in over 100 rented buses. Some also came by car, while others local came by public transit or on foot. Considering the chilly and uncertain weather, who would have thought that 5000 seniors would take to the streets to express their impatience as well as their frustration, all the while demonstrating high spirits and strong cohesion.

The vocal and vibrant crowd and the subsequent media attention – interviews on LCN, news reports on TVA as well as Radio-Canada, articles in Québec and regional papers – caught the MNAs ears. With this type of closing of the ranks, the squeaky wheel had its effect. Not only did we get MNAs from opposition parties to address the rally, but Raymond Bernier, the liberal MNA from Montmorency, came by to announce the government's intention to reactivate the Parliamentary Commission on Public Finances with a mandate to examine the situation regarding pension plans in the public sector. This is not the Standing Committee needed to solve the long-term problem, but it keeps the dialogue open.

Bravo to all those who contributed to the Rally's success, the participants, the organizers, and the supporting associations. We had representation from the four English groups, AAESQ, ACRA, QART and QPARSE, including two presidents in attendance, namely Flo Civitarese (QART) and Charles Jeannotte (ACRA). Thank you one, thank you all. However, we will probably have to call upon you to squeak again at some future point, just to get the oxygen flowing. But, as you saw, YES WE CAN!

Ed Zegray