

Protecting Our Pensions

The Health Employees Pension Plan (HEPP) administers pensions for some 37,000 active healthcare workers in Manitoba.

HEPP is funded by contributions by healthcare employees and their employers. Upon retirement, healthcare workers draw a pension based on earnings and years of service.

The global financial crisis of 2008-2009 has affected all pension plans. HEPP is no different. Latest valuation of the plan shows a shortfall of 388 million dollars.

What Does the Shortfall Mean?

In the short term, new and past retirees will continue to receive pension payments without any changes.

However, if both employers and healthcare employees do not increase their contributions to make up the shortfall, there will be problems very soon.

All unions and employers were given an actuarial report in the fall of 2009 which states that that plan members and employers must agree to increase pension contributions by 1.9%.

Otherwise, the HEPP Board would be forced to reduce pension benefits.

No Benefit Reductions

Members of the Manitoba Council of Health Care Unions (MCHCU) have made it clear that they will not accept reductions in pension benefits. Healthcare workers make contributions often over thirty or more years and deserve to get the pension benefits they have earned and deserve.

Each MCHCU member is committed to protecting pension benefits and will not participate in any discussions to reduce benefits such as the Magic 80 Rule or early retirement top up payments.

Increase Contributions to Protect Pensions

MCHCU members have taken the position that employers must accept the actuarial report and increase pension plan contributions by 1.9%. Healthcare unions have made it clear that their members will match the 1.9% increase. It is time for employers to meet their obligations to healthcare workers.

MCHCU members will continue to make this a priority in all pension discussions with employers. Every member union is committed to a solution that maintains benefits at existing

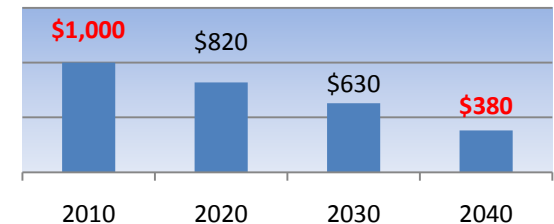
levels and provides the necessary funding to maintain secure pension benefits for healthcare workers in Manitoba.

Cost of Living Adjustment Now

Unlike many other pension plans, HEPP does not have a Cost of Living Allowance (COLA) formula for retirees. COLA payments stopped 6 years ago due to insufficient.

If you retire at age 55 after a thirty year career in healthcare, the purchasing power of your pension benefits will be reduced as follows:

Inflation over 30 Years*



What starts out as a reasonable retirement pension at age 55 is reduced to poverty levels by age 85. Healthcare workers deserve better! It is time that HEPP adopts a COLA provision so that the purchasing power of a healthcare worker's pension is protected over time.

We understand that setting up a COLA fund will need both employers and workers to make additional contributions. We also understand it will take a few years to build up a COLA fund but

the time to act is now! Leaving this issue for another day is no longer an acceptable option and COLA will be a top priority during this round of pension discussions.

***Source: Statistics Canada**

(FOR CENTRE BACK PANEL)

The Manitoba Council of Healthcare Unions (MCHCU) is comprised of 10 unions representing every Manitoba health care employee. Premised upon the recognition that our influence is maximized by a cohesive approach, the MCHCU serves all unionized health care employees by securing consensus of all unions on common issues, speaking with a unified voice, and pursuing the common goals of Manitoba's 35,000 unionized health care employees.

The MCHCU is an equal party to the Health Employees Pension and Benefit Plans. Its representatives serve on a variety of RHA and government committees ensuring the viewpoints of employees are heard, and that your rights and benefits are secured.