

**REPORT OF THE  
PENSION & BENEFITS COMMITTEE  
TO THE MGEU 65<sup>TH</sup> CONVENTION 2018**

**COMMITTEE MEMBERS**

<b>Area 1</b>	Patti Molyneaux	<b>Area 7</b>	David Hill
<b>Area 2</b>	Veronica Boychuk	<b>Area 8</b>	Shamila Khan
<b>Area 3</b>	Kevin Kotyk	<b>Chair</b>	Ed Miller
<b>Area 4</b>	Robert Wells	<b>Appointee</b>	Randy Carr
<b>Area 5</b>	Shirley Russell	<b>Staff</b>	Samantha Probetts, Pension and Benefits Specialist
<b>Area 6</b>	Annamarie Bonneteau		Ashley Wright, Administrative Assistant

Dear Convention Delegates:

The MGEU Pension and Benefits Committee welcomes you to read our 2018 Report to Convention.

The Committee has five (5) responsibilities listed under the MGEU Bylaws:

- Investigates all matters concerning pensions and benefits and makes recommendations to the Board of Directors as necessary.
- Supports and promotes the continuation of the Superannuation and Insurance Liaison Committee.
- Provides support to the Membership Education Committee and its programming regarding pensions and benefits.
- Appoints members to the Superannuation and Insurance Liaison Committee.
- Recommends to the Chairperson other members to be appointed to the Superannuation and Insurance Liaison Committee.

**EDUCATION**

Since Convention 2016, the Pension and Benefits Committee has continued to research and report on pensions and benefits issues affecting members.

Learning opportunities have been provided to the committee through Canada Pension Benefits Institute (CPBI) Pension Fundamentals program, NUPGE/SHARE pension webinars, lunch and learn sessions at council meetings, component meetings and with bargaining committees. The committee had Michelle Vermette from Great West Life present the MGEU RRSP/TFSA/RRIF options and Liz Farler from Community Agencies Benefits Plan presented on the pension and benefits offerings for non-profit groups.

Pension Lunch and Learns provided at the employer worksite were initiated in June 2016 and continued into 2018. "Introduction to Pensions and Benefits" one-day seminar was introduced in the Education Calendar in the Winter of 2017 and was expanded to a two-day seminar in the Fall of 2017.

The two-day Pension Primer will continue in the Fall of 2018 and Spring 2019.

Samantha Probetts (MGEU Pension and Benefits Specialist) provided a workshop presentation pertaining to the Domestic Violence Leave provision in the Employment Standards Code at the Women's Conference in Brandon MB on April 16, 2018.

## **PENSION PLANS**

There are MGEU members that participate in many different pension plans. We have members in large defined benefit plans such as the Civil Service Superannuation Plan and the Health Care Employees Pension Plan, to defined contribution plans such as The Home Care Employee Benefit Trust, to some of our members that have group registered retirement savings plans (Group RRSPs).

- **The Civil Service Superannuation Fund's (CSSB)**

Last contribution increase was in 2015. Contribution rates are now at 8.0% up to the YMPE and 9.0% over the YMPE (Note: YMPE for 2018 is \$55,900). 10.2% of employee contributions and matching employer payments go into a separate account to fund the Cost of Living Account. The COLA paid out in July 2017 was 1.00%.

- **The Healthcare Employee's Pension Plan (HEPP)**

Contribution rates are 7.9% up to the YMPE and 9.5% over the YMPE. The Cost of Living Account (COLA)'s contribution rate is 1%. COLA increases were granted effective January 1, 2018 to pension payment recipients.

In October 2017, HEPP introduced changes designed to improve the long term sustainability of the pension plan. The HEPP Board identified that the plan has had strong investment returns. However, economic challenges and the increased lifespan of pension recipients were identified as key risks to the plan. The primary changes were to early retirement provisions, bridge and supplementary benefits. A summary of the changes are attached to this report.

- **The Manitoba Home Care Pension Plan**

Implemented the final negotiated pension contribution increase for both employees and employers to 4% on April 1, 2017.

New MB Home Care Pension Plan booklets have been printed and provided to the employer and MGEU for distribution.

A major concern to the committee is that there are still members who have no access to a Registered Pension Plan (RPP) or any other type of group retirement savings plan through their employer.

There have been some significant events in the pension landscape that will have an impact to all members.

### ○ **Canada Pension Plan Expansion**

In 2016, an agreement was reached with the federal, provincial and municipal finance ministers to expand the CPP. CPP contributions (both employee and employer contributions) will gradually increase from 4.95% to 5.95% starting January 1, 2019. The increase will start with 5.1% in 2019, 5.25% in 2020, 5.45% in 2021, 5.70% in 2022 and 5.95% in 2023. In 2024, the additional threshold for CPP contributions will be 14% above the YMPE and the contribution rate will be set at 4% for both employees and employer. CPP currently replaces 25% of the average adjusted career earnings while CPP expansion will replace 33.33% of average adjusted earnings. The movement to expand CPP was rooted in statistics which reflect that a large percentage of Canadians do not have enough retirement savings to maintain their standard of living in retirement, particularly those without employer sponsored pension plans.

### ○ **Pension Tele-Meetings**

In February 2018, the MGEU scheduled two tele-meetings; one with Civil Service Superannuation members and another with members of HEPP, WCEBP, CAB and Home Care to discuss and answer questions pertaining to the proposed changes to the Manitoba Pension Benefits Act (PBA).

The guest speakers included:

- Jody Gillis, Chairperson of the Superannuation Insurance Liaison Committee (SILC)
- Bert Blundon, Secretary/Treasurer for NAPE
- Samantha Probetts, MGEU Pension and Benefits Specialist
- Michelle Gawronsky, MGEU President and Moderator

The MGEU encouraged members to submit to the Pension Commission their disagreement with the introduction of pension arrangements which would weaken public pensions that members have worked hard to maintain.

A recording of the two calls can be accessed on MGEU's website.

[https://www.mgeu.ca/news-and-multimedia/news/read\\_article/1673/thousands-join-the-call-to-talk-pensions#sthash.akzPW2T.dpbs](https://www.mgeu.ca/news-and-multimedia/news/read_article/1673/thousands-join-the-call-to-talk-pensions#sthash.akzPW2T.dpbs)

The Committee will continue to advocate against the erosion of Defined Benefit (DB) pension plans.

## **BENEFITS**

### ○ **HEB Manitoba Healthcare and Dental Plans**

The Healthcare Employee's Benefits Plan (HEBP) Board of Trustees approved premium increases for Healthcare and Dental Plans effective **June 1, 2018**. This is the premium increase since the enhanced Plan started in 2009. The increase is due to higher Plan use and service fee changes.

- Single Healthcare Plan coverage increases from \$16.73/month to \$17.06/month.
- Family Healthcare Plan coverage increases from \$41.73/month to \$42.56/month.
- Single Dental Plan coverage increases from \$17.91/month to \$18.90/month.
- Family Dental Plan coverage increases from \$52.29/month to \$55.16/month.

- **Manitoba Home Care Benefits Program**

The MGEU was successful in bargaining an increase in employer contributions rising from 3.8% of payroll to 4.22% (July 2015) and then to 4.82% (July 2016). A Vision Care plan was also introduced for members in January 2016.

- **Long Term Disability Benefits**

The committee continues to advocate having Cost of Living Adjustments granted on all LTD plans to stop a disabled employee from having their income eroded. Employees on LTD do not benefit from wage increases as the benefit is based on 70% of their pre-disability earnings.

For example, after an employee who has been on LTD for 10 years and who has not benefited from yearly wage increases of 2%, would likely see their LTD replace less than 50% of their earnings.

- **Employment Insurance**

Numerous changes were made to the Employment Insurance (EI) program in this past term.

Effective January 1, 2017, the EI wait period was reduced from 2 weeks to 1 week.

- **Employment Insurance Maternity Benefits**

Eligible pregnant workers will be able to receive EI maternity benefits up to 12 weeks before their due date – previously was up to 8 weeks before their due date.

- **Employment Insurance Parental Benefits**

Effective **December 3, 2017**, at the time of application, parents will have the following options for receiving EI Parental Benefits:

- **Standard Parental Benefit**

You and the other parent can receive up to 35 weeks of EI parental benefits over a period of up to 12 months, which can be divided however you choose, at the current rate of 55 percent of average weekly earnings, to a maximum of \$547 per week for 2018;

**OR**

- **Extended Parental Benefit**

You and the other parent can receive up to 61 weeks of EI parental benefits over a period of up to 18 months, which can be divided however you choose, at a lower benefit rate of 33% of average weekly earnings, to a maximum of \$328 per week for 2018.

- **Benefits for Parents of Critically Ill Children – NOW Family Caregiver Benefit for Children**

Any eligible caregiver providing care or support to critically ill or injured children will be able to receive up to 35 weeks of benefits – no longer limited to parents.

- **NEW Family Caregiver Benefits for Adults**

Caregivers who provide care to a critically ill or injured adult family member will have access to a new benefit of up to 15 weeks.

- **Compassionate Care Benefits**

Medical doctors and nurse practitioners will be permitted to sign medical certificates for benefits claims – no longer limited to medical specialists

Bill 20, The Employment Standards Code Amendment Act, received royal ascent on June 4, 2018, providing for the increased parental leave from 37 to 63 weeks and 17 weeks leave to care for a critically ill or injured adult.

- **MGEU RRSP Program**

The MGEU offers a selection of professionally managed mutual funds to our members by the investment team at Great West Life. The RRSP program utilizes the purchasing power of our union group in order to reduce costs to the members.

- **MGEU TFSA Program**

The MGEU Tax Free Savings Account provides MGEU members the same type of group purchasing power that they provide in RRSP to a TFSA.

- **\*NEW\* MGEU RRIF Program**

The MGEU RRIF is a new product available to MGEU members who are wanting to convert their RRSP savings into a payment product.

## **CLOSING REMARKS**

With the changes that have occurred in the pension and benefits world and the anticipation that further changes will occur in the foreseeable future, the committee will endeavor to continue learning to be able to represent MGEU members.

The Committee wishes to thank Holly Mamchur, Lisa Scheurer, Janelle Sherry, Nadine Fouquette and Ashley Wright for their assistance and support.

The Committee wishes to extend their thanks to members who have left the Committee over the past two years: Dexter Penner, Mike Welfley, Curt Penniston, and Val Hepp.

In Solidarity,

MGEU Pension & Benefits Standing Committee