

**REPORT OF THE
PENSION AND BENEFITS COMMITTEE
TO THE MGEU 66TH CONVENTION 2021**

COMMITTEE MEMBERS

Area 1 Patti Molyneaux
Area 2 Brent Fuchs
Area 3 Kevin Kotyk
Area 4 Robert Wells
Area 5 Shirley Russell
Area 6 Loreen Halek

Area 7 James Alexander
Area 8 Jean Nemeth
Chair Ed Miller
Appointee Veronica Boychuk
Staff Samantha Probetts, Pension and Benefits Specialist
Paula Baert, Administrative Assistant
Ashley Wright, Administrative Assistant

Dear Convention Delegates:

The MGEU Pension and Benefits Committee welcomes you to read our 2021 Report to Convention.

The Committee has five responsibilities listed under the MGEU Bylaws B:7:6:

- 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 (SILC).
- 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 2018, 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 various professionals and organizations. In May 2019, the Committee attended the Canada Pension Benefits Institute's (CPBI) two-day Pension Administration Fundamentals program at the Norwood Hotel in Winnipeg. Joel Dudeck from Myers LLP provided a seminar on Estate Planning in October 2019.

Due to COVID-19 restrictions, 2020 saw a slight pause in external educational opportunities. In late 2020 Blaine Duncan (MGEU Health and Safety Specialist) provided a presentation on COVID-19 and Workplace Health & Safety allowing the Committee to further explore how COVID-19 may affect workplaces and benefit programs. The OmbudService for Life and Health Insurance (OLHI) provided a presentation in April 2021 to the Committee sharing the impartial third party review resources they provide to individuals who have health, life and disability insurance claims appeals.

Pension Lunch and Learns provided at the employer worksite continued into 2019 and slowly picked up again in mid-2021 in virtual format. Formal and informal pension education sessions were provided to existing and prospective MGEU members throughout the Bill 29 campaign. The two-day "Pension Primer" and "Introduction to Pension & Benefits" courses continued until the fall of 2019. Due to COVID-19 restrictions, these two courses were placed on hold in the spring of 2020.

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).

o **The Civil Service Superannuation Board (CSSB)** www.cssb.mb.ca

The last contribution increase was in 2015. Contribution rates are currently 8.0% up to the Year's Maximum Pensionable Earnings (YMPE) and 9.0% over the YMPE (Note: YMPE for 2021 is \$61,600). 10.2% of employee contributions and matching employer payments go into a separate account to fund the Cost of Living Account (COLA). The COLA paid out in July 2020 was 1.50%.

On October 14, 2020, The Civil Service Superannuation Amendment Act (Bill 43) was passed bringing three notable changes to the Civil Service Superannuation Plan (CSSB):

- Improvements to purchase pensionable service for those on maternity/parental leave;
- Moving the SILC from an election to an appointment process; and
- Changes to the calculation of commuted values as recommended by the Canadian Institute of Actuaries (CIA).

o **The Healthcare Employees' Pension Plan (HEPP)** www.hebmanitoba.ca

Contribution rates are 7.9% up to the YMPE and 9.5% over the YMPE. The Cost of Living Account (COLA) contribution rate is 1%. COLA increases were granted effective January 1, 2018 to pension payment recipients and has continued to be paid as a lump sum on January 1 of each year. COLA payments are not guaranteed and are only paid provided there are sufficient funds to do so.

HEB has announced "Vision 2020", which is a strategic initiative to modernize their administrative systems and operations with a goal to:

- Shift the responsibility for the majority of pension and benefits administration back to HEB which will significantly reduce the administrative burden on employers;
- Introduce a new employer portal with the functionality to support the new way of reporting information;
- Provide members with 24/7 online access to all of their HEB Plan information via an enhanced member portal; and
- Move towards faster response times and more value-added services such as support and information for members throughout their careers.

Due to COVID-19 restrictions, the implementation of this initiative has been delayed and is expected to go live in April 2022. The Pension and Benefits Committee will continue to monitor this project and provide membership with updates.

- **The Manitoba Home Care Pension Plan** www.mbhomecarebenefits.ca

Contribution rates are 4% matching by employer and employees.

Ellement Consulting became the new pension plan administrator in October 2019. A website dedicated to Home Care Pension and Benefits is available, along with a dedicated toll-free phone line:

Toll-free phone number: 1.844.521.1716

Email: mbhomecarebenefits@ellement.ca

The Home Care Pension Plan now offers a Variable Benefit option, which allows members to keep their pension funds invested in the plan, while receiving a monthly pension. This helps to reduce the need for members to search for a pension fund carrier while benefiting from the returns generated by the fund's investments.

- **Winnipeg Civic Employees' Pension Plan (WCEBP)** www.wcebp.com/

Employee contribution rates are 9.5% on earnings up to the YMPE and 11.8% on earnings over the YMPE. Additional voluntary contributions can be made, but they are not matched by the employer and do not increase credited service.

On December 1, 2020, the WCEBP amended calculations of commuted values to reflect the revisions made by the Canadian Actuarial Standards Board. Notices were mailed out by WCEBP to active and deferred members on October 27, 2020.

- **Canada Pension Plan (CPP) Expansion** www.servicecanada.gc.ca

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.

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

- **Bill 8 - The Pension Benefits Amendment Act**

On April 12, 2021, MGEU presented to the Legislative Standing Committee on Bill 8. MGEU raised concerns with the proposed amendments, including lowering the requirements for unlocking of pension funds for pension plans which fall within the MB PBA regulations. MGEU pressed that the Manitoba Government maintain its commitment not to make changes to public pension plans. Furthermore, MGEU requested the government consult meaningfully with unions regarding criteria for pension unlocking.

BENEFITS

Due to the effects of COVID-19, many benefit plans saw benefit premiums reduce or remain unchanged for 2021.

- **Civil Service**

Extended health benefits premiums were reduced in June 2020 reflecting reduced claims due to COVID-19 restrictions:

	January 2020		June 2020		2021	
	Single	Family	Single	Family	Single	Family
Extended health bi-weekly premiums	\$8.29	\$19.19	\$7.71	\$17.86	\$7.10	\$16.43

o **HEB Manitoba Healthcare and Dental Plans**

The Healthcare Employees' Benefits Plan (HEBP) Board of Trustees approved premium increases for Healthcare and Dental Plans effective **June 1, 2021**. The previous rate increase was in June 2019:

- Single Healthcare Plan coverage increases from \$18.08/month to \$19.16/month (6%).
- Family Healthcare Plan coverage increases from \$45.11/month to \$47.82/month (6%).
- Single Dental Plan coverage increases from \$19.18/month to \$19.47/month (1.5%).
- Family Dental Plan coverage increases from \$55.98/month to \$56.82/month (1.5%).

o **HEB Manitoba Disability & Rehabilitation Program**

On January 1, 2019, HEB extended Disability & Rehabilitation coverage to all part-time employees and removed the requirement that an employee must work a minimum of 15 hours per week for coverage and D&R premiums were reduced to 2.2% from 2.3% of earnings.

On January 9, 2020, HEB approved a 2.1% ad hoc Cost of Living Adjustment (COLA) for members who have a date of disability on or before December 31, 2018, and are in receipt of D&R benefits or entitled to receive a D&R benefit as of January 1, 2020.

On January 11, 2021, HEB approved a 1.8% ad hoc Cost of Living Adjustment (COLA) for members who have a date of disability on or before December 31, 2019, and are in receipt of D&R benefits or entitled to receive a D&R benefit as of January 1, 2021.

o **Long Term Disability Benefits**

The Committee continues to advocate having Cost of Living Adjustments (COLA) 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 a percentage of their pre-disability earnings.

For example, after an employee who has been on LTD for ten years and receives a benefit of 70% of their pre-disability earnings and who has not benefited from yearly wage increases of 2%, would likely see their LTD replace less than 50% of their earnings.

FEDERAL BENEFITS

There were many changes to existing federal benefits and the introduction of several new benefits in light of COVID-19. Updates were made to the MGEU website to keep the membership up-to-date on the ever-changing supports available during the pandemic.

o **Canada Emergency Recovery Benefit (CERB) - March 15, 2020**

www.canada.ca/en/revenue-agency/services/benefits/apply-for-cerb-with-cra

The Canada Emergency Recovery Benefit (CERB) became available effective March 15, 2020 until September 26, 2020 to Canadians who were unable to work due to the impacts of COVID-19. CERB provided a \$2,000 benefit covering a four (4) week period (equivalent to \$500 per week). CERB effectively replaced all Employment Insurance (EI) Regular and Sickness benefits for that same period. Once the CERB program ended on September 26, 2020, if eligibility was met, these claims were transferred to the respective EI Regular or Sickness program.

o **Canada Recovery Benefits (CRB) - September 27, 2020**

www.canada.ca/en/services/benefits/covid19-emergency-benefits

On September 27, 2020, several Recovery Benefits were introduced to address the ongoing financial needs of Canadians during the COVID-19 pandemic and are forecasted to remain available until September 25, 2021:

- Canada Recovery Benefit (CRB).
- Canada Recovery Caregiving Benefit (CRCB).
- Canada Recovery Sickness Benefit (CRSB).

o **Employment Insurance (EI)** www.canada.ca/en/services/benefits/ei

Effective January 1, 2017, the EI wait period was reduced from two weeks to one week. MGEU continues to negotiate continuation of bargained benefits tied to the EI wait period.

Effective December 3, 2017, EI Extended Parental Benefits were introduced increasing paid parental benefits from 35 weeks to 61 weeks. 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.

Effective March 17, 2019, parents who split EI Parental Benefits may receive an extra five to eight weeks of paid EI parental benefits.

Effective September 27, 2020 until September 25, 2021, the following adjustments have been made to EI claims:

- The wait period may be waived;
- Benefits will be a minimum of \$500/week (\$300/week for extended parental);
- The maximum number of weeks for an EI Regular claim is increased to 50 weeks; and
- EI Sickness benefit claims will not require a medical certificate.

MGEU MEMBER BENEFITS

o **MGEU RRSP Program**

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

o **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.

o ***NEW* MGEU RRIF Program**

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

CLOSING REMARKS

With the world and local communities continuing to navigate COVID-19 and its impact, and the anticipation that further changes in the pension and benefits world 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 Paula Baert 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 three years: Annamarie Bonneteau, Cheri Cable, Randy Carr, Kimberly Grey, David Hill, and Shamila Khan.

In Solidarity,

MGEU Pension and Benefits Standing Committee

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