

CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 79

**The Chair:** Our next delegation is the Canadian Union of Public Employees, Local 79. Welcome. I believe we're getting a handout now. Are you both going to be speaking today?

**Ms. Ann Dembinski:** I'll primarily do the speaking.

**The Chair:** OK. If you both speak, before you speak, if you could identify yourselves. When you begin, you'll have 20 minutes.

**Ms. Dembinski:** Good afternoon. My name is Ann Dembinski, and I'm the president of CUPE Local 79. With me today is Tim Maguire, the second vice-president and chief steward of CUPE Local 79. On behalf of the executive and the members of Local 79, I wish to thank you for the opportunity to express our views on the proposed legislation referred to as Bill 206.

First off, I just wanted to tell you who we are. CUPE Local 79 is the largest municipal local in Canada. Our numbers vary anywhere from 18,000 upward. We represent the full-time and part-time members of the city of Toronto, Bridgepoint Hospital and the Toronto Community Housing Corp. Some of the areas we work in are public health, homes for the aged, social services, parks and recreation, housing and court services. We are child care workers, ambulance dispatchers, nurses, city planners, hospital workers, building inspectors, shelter and hostel staff, public health nurses, water and sewage treatment employees and cleaners who work in numerous locations across Toronto, including police stations. We ensure that you'll always have clean water, that a restaurant meal won't make you sick and that the building you occupy is safe. We work to provide shelter for those without homes. We are the individuals who together make Toronto a city that works.

Why are we here? We're here to go on record in support of the transfer/devolution of the governance of the Ontario Municipal Employees Retirement System, OMERS, to those who pay into and benefit from the plan. As the largest municipal local in Canada, we have a vested interest in making sure that the government gets it right. This is about democracy. We wanted the plan devolved to make sure that we could make improvements to the plan on behalf of our members.

As we all know, the proposed legislation will significantly alter the governance structure of OMERS. If passed, OMERS will be governed by a sponsors corporation with representatives from employee and employer groups. The investments will be managed by an administration corporation.

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CUPE Local 79 has a responsibility to all our members to ensure that they are treated fairly and equitably with respect to the plan. That will not occur unless Bill 206 is amended.

What are our concerns? We're very concerned about a number of aspects of the proposed legislation. Bill 206 would create a new sponsors corporation that would have limited power to make benefits and contribution changes and would meet infrequently. The administration corporation proposed under the bill would not be accountable to sponsors, and we have a real problem with that.

CUPE Local 79 wants a structure that will give our representatives a meaningful say over how our retirement savings are managed. The two corporations must be governed in a democratic way. Membership must be based on the principle of representation by population. The proposed structure of the sponsors corporation under Bill 206 means that CUPE will be grossly underrepresented. This must be corrected. CUPE is the largest contributor to the OMERS pension plan, with more than 102,000 members. CUPE represents more than 45% of the plan contributors. We are also 45% of the beneficiaries, and the proportion of retirees is likely to be 45% former CUPE members.

We are very unhappy that the proposed legislation will prevent members' representatives from improving pensions. OMERS pensions compare poorly with other plans. A gap exists between OMERS and other major public sector plans and these proposals will prevent that gap from being closed.

The bill allows for amendments, but not significant ones. For example, it will allow a better accrual rate but only up to 1.4% versus the current 1.325%, when the allowable maximum is 2% under pension law. The government, while claiming to give OMERS autonomy from government, is limiting pension levels by special legislation rather than allowing OMERS to be regulated only by pension law.

This bill is unfair in many ways. The capping of pensions is unfair and will create inequities. There is serious, systemic gender discrimination inherent in this proposed legislation. Most of our members are women. Many of them have difficult, stressful jobs. Some of our members also have dangerous jobs. Many of our members work in the emergency services field. We represent workers at hospitals and home workers who have to deal with SARS epidemics and legionnaires' disease. We represent workers who consult and assist people with infectious diseases. Many of our members work with people in crisis and with the poor and the ill. The cap would apply to all these workers. It would not apply to the male-dominated occupations -- police officers and firefighters. Bill 206 allows the maximum accrual rate for police officers and firefighters. Bill 206 does not allow the accrual rate for other jobs to be regulated by pension law, but instead imposes a cap of 1.4%.

We have a real problem with this. We support early retirement for police officers and firefighters. We support their right to negotiate good pensions. We do not, however, support one set of rules for the guys in uniform and another for women in nursing and other uniforms. It is blatant discrimination to limit these rights to the male-dominated occupations. If the cap is legislated, the gender gap will continue to grow over time, to the detriment of women.

It is no secret that women continue to earn lower wages than men. In Canadian society, the poorest people are elderly women. This proposed legislation will contribute to that. The government is trying to limit the pensions that our members, mostly women, can receive and it's the wrong way to go. We want the cap removed and we want equality with other employee groups when it comes to every aspect of the plan.

We are not asking you to build in special protections for women. We are asking for fairness and equality for everyone. Our members should be able to contribute at the same rate as their brothers in the male-dominated occupations.

We can't fix all of society's problems when it comes to wage disparities and other equity issues. This, however, is one area the government can fix. If it's not fixed, if the cap is not removed, you

are letting down the women of this province. You're also letting down all the people -- men and women -- who believe in equality.

CUPE Local 79 also supports the city of Toronto's position that they be represented on the sponsors corporation. The city of Toronto is the largest municipal employer in Canada and the largest employer group in OMERS. Under the new governance structure proposed in Bill 206, the city of Toronto does not have a significant voice in the sponsors corporation, the administration corporation and the advisory committees to the sponsors corporation. To ensure appropriate representation in the pension plan for employees of the city of Toronto, this must be addressed in the proposed legislation.

We do not agree that improvements to the plan should be postponed, however. We need improvements now. We have waited long enough. OMERS is an inferior plan. It's time to stop the inequities.

To sum up, here is what we are asking for: The new sponsors corporation and the administration corporation must be governed in a democratic way. Membership must be based on the principle of representation by population. CUPE must be appropriately represented to reflect the large proportion of CUPE members in the OMERS pension plan. Bill 206 should include assurances that the sponsors corporation and the administration corporation be required to consist of an equal representation of employees and employers. The structure of the sponsors corporation and the administration corporation should at all times include two members chosen by the city of Toronto, and the advisory committees to the sponsors corporation should at all times include at least one member chosen by the city of Toronto. This is vital and must be clearly articulated in the proposed legislation. CUPE Local 79 considers it fundamental that the city of Toronto has significant representation in the OMERS governance structure.

Section 12 of the proposed bill freezes OMERS benefits at a rate well below public sector standards. Bill 206 should be a real autonomy bill and this section should be removed.

CUPE Local 79 has a responsibility to ensure that this plan will function properly and do what it was designed to do -- provide financial stability by ensuring vital pension dollars are there for all our members when they retire.

CUPE Local 79 insists that the caps be removed on pensions and that any future surpluses be used to improve pensions for retirees. CUPE Local 79 is asking that our members have the best three final average years' earnings as a basis for calculating their benefits.

How do we achieve what we want? Significant amendments which would address our concerns need to be made to the bill before the proposed legislation goes forward to the next stage. These changes must be made to ensure that the people who pay into the plan are represented appropriately in the sponsors corporation and the administration corporation. Membership must be based on the principle of representation by population. Joint trusteeship means that we must have a meaningful say, along with our employers, in running our pension plan. The new administration corporation must be accountable to the new sponsors corporation. Pensions must be protected to guarantee the best possible outcome for retirees. The proposed legislation must allow for significant pension improvements. The caps on pensions must be removed. Future surpluses must be used to improve pensions.

This committee, especially government members, must really listen to the people who will be notably affected by the proposed legislation -- the workers who will receive the pensions. Amend

the legislation to ensure that the workers, who are contributors to the plan, will always have meaningful input and that their financial interests will always be protected appropriately. This, and only this, will guarantee that the people for whom the plan was developed will truly benefit.

Thank you for your time.

**The Following Positive Comments Were Made by Committee Members Specific to Local 79's Presentation on Bill 206:**

**Mr. Duguid:** As you're probably aware, this is first reading and one of the reasons for that is to get input such as some of the input you've provided. I just want to assure you we'll be taking your recommendations very seriously. I don't know if they will all be included in amendments, but certainly we'll seriously be looking at them. You've made some good suggestions. Thank you.

**Ms. Horwath:** I'll just say thank you very much for your presentation. Yours was a unique insight into the issue of the cap, and I appreciate that. Thank you.

**Mr. Duguid:** I'll defer to comments made by Ann Dembinski, President of the Canadian Union of Public Employees, Local 79, in Toronto. She said – and I think it's a view that's held by many others – that by deferring it any longer, this legislation will be disadvantaging the members even more. They want to get on with it.

**Ms. Horwath:** I do actually agree with Local 79 and others who I've been talking to about the fact that it is now time to start putting this into place and seeing whether the government can take the very thoughtful and very important suggestions from the stakeholders, particularly the plan member stakeholders – from my perspective anyway – and make this work. It's been far too long that OMERS has not been under the control of the plan.