

NOVA SCOTIA UNION OF PUBLIC & PRIVATE EMPLOYEES

NSUPE Local 14 Bulletin

Halifax Public Libraries Workers

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Pension change very likely

The NSUPE Local 13 membership voted last week to accept a change to the pension plan recommended by the HRM Pension Plan Committee. The change had already been agreed to by other HRM bargaining units.

Local 14 and Local 2 (Halifax Regional School Board) members were invited to attend the meeting last week when Local 13 (Halifax Regional Municipality inside workers) voted.

The pension plan change will delay from age 60 to age 65 when members who are terminated from employment (either quit or dismissed) can receive an unreduced pension. The change, which still has to be approved by HRM Council and the provincial Superintendent of Pensions, will not take effect until January 1, 2011.

The change will not affect anyone who is terminated after age 60 or who has reached the rule of 80. Under either of those scenarios, members would be eligible to immediately receive an unreduced pension even if they were terminated.

WHY CHANGE NEEDED

The HRM Pension Plan Committee was predicting that because of downturns in the market, when the plan filed its next solvency valuation on December 31, 2010, contribution rates would have to go up from 10.3% to 13.1%. The change agreed to will reduce contributions by 2.25% so that, if all goes as predicted, rates will only need to go up by approximately .5%. If the market improves more than expected, it's possible no increase at all will be needed.

HAVE TO PREPARE

Making a change to the pension plan is a long process. It requires agreement from

the five unionized groups who work for HRM, HRM Council and the Superintendent of Pensions. Notice of changes have to be given to plan members at least six months in advance. Accordingly, the Pension Committee couldn't wait too long to see what actually happens with the market before initiating the change.

ASSUMPTIONS MADE

The Pension Plan Committee is counting on some continued exceptions for the HRM plan to solvency funding requirements and that some recommendations made by a provincial pension review panel will not be put in place. If these things do happen, then contribution increases will likely be necessary. However, for now, it's looking like we don't need to worry too much about these things.

OTHER CHANGES NOT DISCUSSED

There wasn't time at the meeting last week to discuss other possible changes to the pension plan. For now, the Pension Committee is not recommending other changes and so there is no urgency to such discussions.

NO VOTE FOR LOCAL 14

Local 14 does not get a vote on what happens with the pension plan. Halifax Public Libraries, like the Halifax Regional School Board, is a participating employer in the pension plan. HPL was able to join the HRM plan to obtain a better pension plan for its employees than if HPL had a plan all of its own. However, as a participating employer, neither HPL nor its employees have any say over how the plan is run.

Thank you to all who turned out for the meeting last week!