



Harper government prepares attack on pensions

In 2005, the then-Liberal government passed a budget bill that included a special provision to allow correctional officers and those in other public-safety occupations the possibility of negotiating a higher pension accrual rate (from 2% to 2.33% per year). This amendment to the Income Tax Act received all-party support. However, the Treasury Board, which was then led by the late Reg Alcock, refused to negotiate this provision with the union.

Later that year, just before the election his party would win, Conservative opposition leader Stephen Harper met with UCCO-SACC-CSN in Montreal to discuss our pension demands. At that meeting Mr. Harper asked how, if his party formed the government, he could satisfy our pension demand without having to implement the same arrangement for all federal public servants. We explained that the law already allowed for a higher pension accrual rate under the Income Tax amendments that his party supported in the House of Commons.

During that winter's election campaign, we sent a questionnaire to all political parties that included the following question:

Currently, correctional officers can take retirement by the time they are 50 years old, after 25 years of service. Upon retiring, their income is equivalent to 2% of their salary per year of service, which means 50%. Those who wish to have a decent retirement income must continue to work despite the dangerous nature of their profession. Considering that the last federal budget changed the Income Tax Act to allow certain professions linked to public safety, the benefit of accumulating as much as 2.33% per year of service towards their pension revenue instead of 2%, do you agree that correctional officers may benefit immediately from this provision?

The Conservative Party's written response: **"A Conservative government will be prepared to negotiate an extension of the maximum pension accrual rate for corrections officers and other public safety occupations within the federal public service to 2.33 percent per year, as proposed in the initial 2005 federal Budget, which the Conservative Party supported."**

In May 2006, the new Treasury Board President, John Baird, announced pension improvements for correctional officers that made our pension provisions comparable to the RCMP. Correctional officers could now retire with a reduced pension after 25 years of service, but with no age restriction. Treasury Board also removed the 1.25% pension surcharge that correctional officers had been paying for a benefit (early retirement) that they were unable to use because of lower

salaries during this period. The change was welcomed but still fell far short of the Conservatives' previous promise to negotiate the 2.33% pension accrual rate.

Since 2006, even as the Conservatives have made more our job more stressful and dangerous as a result of their tough-on-crime legislation, we have seen the following:

- **An increase to our pension premiums; instead of paying 40% of the costs and the employer paying 60%, the contribution is now 50-50;**
- **An increase to the eligibility age of Old Age Security (OAS) from age 65 to age 67;**
- **Numerous media comments from Treasury Board President Tony Clement saying pensions must be overhauled to reflect drastic reductions in private-sector plans, and to create a system of deferred annuities instead of the present defined pension benefit plan.**

As usual, the Harper government is refusing to consult with those who will be affected by changes to their pension plans. Instead, as we have seen with Bill C-4, we should expect wholesale change in the form of a massive omnibus bill that will be bulldozed through the House of Commons by a Conservative majority that invokes closure to cut off debate.

Correctional officers perform a dangerous job, one that is not getting any easier under this government. After promising to meet the retirement needs of officers who sacrifice their health and experience extreme levels of stress while protecting the Canadian public, the Harper government gives every indication it is instead about to radically slash our pension benefits.

It is unacceptable that this government make any further assaults on our retirement plan. Remember that the former Liberal government confiscated about \$30 billion of the federal public servants' pension surplus; a decision that the Harper government defended by fighting the lawsuit over this confiscation brought by federal unions. We will be monitoring the government's threats around this subject closely and inform our members promptly of any actions taken by this government around this important subject for members of UCCO-SACC-CSN.

