



SYNDICAT CANADIEN DU PERSONNEL CANADIAN STAFF UNION

Pension Update for Retirees

The Bargaining Committee spent a lot of time with the Employer and with the Union actuary exploring every option to secure indexing in our plan. On Thursday September 13, COPE 491 joined CSU at the table to ensure that all three Settlers could reach a settlement – the pension settlement was signed Friday morning.

- Retirees will receive a catch-up adjustment of their base pension to make up for the years without an indexing adjustment. A person that retired Jan 1, 2010 or earlier will see a base increase of 9.07 % (but they will not receive a retro payment).

Date of commencement of pension	Percentage Increase
January 1, 2010 (or earlier)	9.07%
January 1, 2011	7.30%
January 1, 2012	5.98%
January 1, 2013	5.56%
January 1, 2014	5.00%
January 1, 2015	4.19%
January 1, 2016	3.12%
January 1, 2017	1.87%

(Pensions that commenced in a month other than January will be adjusted accordingly.)

- January 1, 2018, retirees get an indexing adjustment of 100% of CPI and a retroactive payment for the period from January 1, 2018 to the date of the adjustment.
- The conditions for the indexation benefit formula negotiated in 2007 have been replaced to improve the likelihood of delivering this benefit in the future. The old solvency threshold of 105% has been removed. There is now no solvency threshold. The formula ensures that future plan surpluses are fairly shared between current and future retirees, while making it more likely that indexation will be at 100% of CPI.

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- The Employer will contribute an additional 1% of pensionable salary to the pension plan every year the plan is funded at 130% or lower. Unlike previous employee and employer contribution increases, this 1% is specifically earmarked for indexing and cannot be absorbed by normal plan cost increases. The plan is currently funded at 129% and the pension improvements we have negotiated will reduce the surplus, so the Employer will start contributing the additional 1% as of Jan 1, 2019.
- We had intended to negotiate an indexing guarantee of 50% of CPI up to a maximum of 1%, however, the long-term projections showed that the guarantee would actually unfairly impact future retirees and active members. The projections also showed that even with a market drop such as 2008, the improved conditional indexing formula could deliver indexing above 50% of CPI.
- Our actuary is working with the Employer's actuary on a presentation to explain and illustrate the indexing formula. The presentation will be available shortly.
- In addition to the improvements for delivering the indexing benefit, we have also removed the last tier of the Bridge. Employees hired after May 16, 2007 will no longer need 15 years of service to get the full value of the \$8,000 Bridge. The service requirement is now 10 years for everyone.
- We have a provision that allows the Employer to recover special payments from future surplus (Banker's Note). The Employer has made special payments over the last few years worth \$6 million. They have agreed not to recover those monies prior to the conclusion of the next round of bargaining.

The Employer will present and ratify the agreement at the NEB meeting on Wednesday, September 19. CSU members will vote on the settlement Wednesday, September 26 and Thursday, September 27. While COPE 491 has not concluded bargaining, they have agreed to hold a separate ratification vote on the pension settlement. Although we don't know the exact timeframe, the catch-up as well as the Jan 1, 2018 inflation adjustment and retro should be implemented before the end of the year.

I believe that this is very good news for retirees and I would like to thank the CSU Bargaining Committee for their hard work on our behalf.

In solidarity,

Blair Redlin

CSU Retiree Representative