

September 18, 2017

Fight for Security in Retirement!

**Defined Benefit Pensions for All!
Canada's Pension Regime
Needs a New Direction to
Guarantee the Rights of All**

Demonstrate to Protect Your Pensions



CALENDAR OF EVENTS

Fight for Security in Retirement!

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Fight for Security in Retirement!

Defined Benefit Pensions for All! Canada's Pension Regime Needs a New Direction to Guarantee the Rights of All

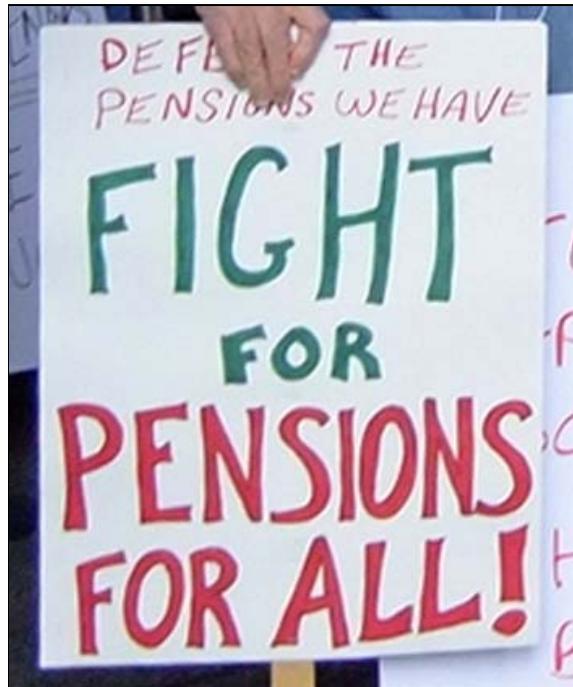
- K.C. Adams -

Those who employ workers either privately or through the state machine are not acting responsibly with regards to ensuring equilibrium in the social relation between the working class and employers. Workers must have peace of mind that their needs, well-being and standard of living will be sustained throughout their lives from birth to passing away under all circumstances.

The actions of the ruling elite are leading the working class to believe that those in control of the means of production and the state do not want equilibrium in the social relation. The use of the state police powers of the *Companies' Creditors Arrangement Act* (CCAA) and changes in legislation to attack the defined pensions of workers, including federal and other public sector workers, and the refusal of the government to strengthen the Canada and Quebec Pension Plans to guarantee defined pension benefits for all are stark evidence of the refusal to uphold rights and ensure equilibrium in the social relation.

Defined pension benefits that guarantee a cultured standard of living until passing away are a necessary component of modern life. The attacks of the ruling elite on defined benefit pensions and their refusal to extend them to all is a major factor causing disequilibrium in society. Workers want equilibrium in the social relation with employers but the other pole in the dialectic needs to come to their senses and recognize the rights of the working class as inviolable, including importantly defined benefit pensions for all.

If the ruling elite refuse equilibrium in the social relation based on the recognition of the rights of all, including the right to defined benefit pensions for all, they prove themselves unfit to rule. Within a condition of disequilibrium and refusal of the ruling elite to extend defined benefit pensions to all and even attack those that exist, a new direction is required that deprives the ruling elite of their power to deprive the people of their rights, a new direction that opens a path forward to modern relations of production within a nation-building project that vests sovereignty in the people and guarantees their rights without exception.



Take Action to Stop Anti-Pension Bill C-27!

- Louis Lang -



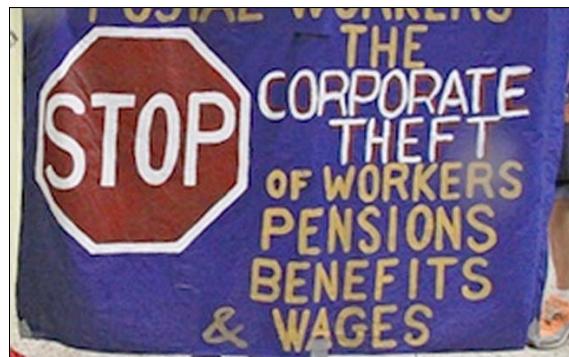
Protest in Ottawa against Bill C-27, May 5, 2017.

The Ottawa Committee for Pension Security has issued a call for Canadians to demonstrate against Bill C-27, the Liberal government's anti-pension legislation. The demonstration in Ottawa will be held on September 18, at the office of Finance Minister Bill Morneau, while another will take place the same day at his Toronto constituency office. The Committee's call to demonstrate continues the determined struggle of public sector workers and their allies to defend the pensions they have and demand Canadian standard defined benefit pensions for all.

The demonstrations at Minister Morneau's offices on September 18 coincide with the reconvening of the House of Commons. The people demand the withdrawal of the Liberal anti-pension bill. The Liberal plan to eliminate public sector defined benefit pensions will result in the loss of secured pension benefits. The proposed target-benefit pensions (TB plans) will increase the amount workers are forced to put into pension savings, directly lowering their disposable wages. TB plans, which are similar to the defined contribution plans currently the rage amongst private corporations, lessen the amount those corporations put into their workers' pension plans thereby raising their profits, a factor widening the gap in social wealth between the working class and the imperialist empire-builders.

The Ottawa Committee for Pension Security also highlights the clear conflict of interest concerning Finance Minister Morneau. It points to the high level of private profits that will flow from the proposed TB plans to pension consulting and management firms such as his family-owned Morneau Shepell Company. Those companies are hired to implement the TB plans as workers' pension plans and gain from the destruction of defined benefit pensions.

Bill C-27, *An Act to amend the Pension Benefits Standards Act, 1985*, was introduced in the House of Commons by Minister Morneau on October 19, 2016. The bill creates a "framework for the establishment, administration and supervision of target-benefit plans" for federally regulated workers in the private sector, as well as Crown Corporations. Currently, there are over 300 defined benefit plans in the federal sector covering 489,000 workers with \$100 billion in assets.



Bill C-27 would allow employers, such as Canada Post, to undermine the existing defined benefit plans and replace them with TB plans. This would reduce the money employers contribute to their employees' pension plans and eliminate their obligation to maintain and provide a guaranteed level

of benefits to retirees. With TB plans, employers' legal requirement to fund, maintain and guarantee pension plan benefits is removed.

The bill has been stalled at first reading in the House of Commons. Since this spring retirees and unions in the public and private sector have actively organized to stop the government's attacks. Still, the government has ignored the demands of workers, has refused to withdraw the bill, and is waiting for an opportunity to move it into second reading and push it through Parliament. Organized workers are just as determined to stop this attack on their right to a secure retirement. Join with them in their resistance to these attacks on the right of Canadians to a secure retirement! Attend the demonstrations September 18!

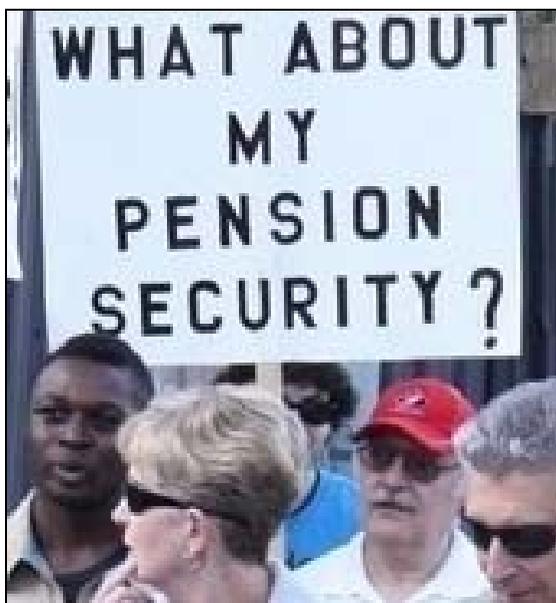
Conflict of Interest Complaint

The Ottawa Committee for Pension Security has announced it intends to lay a conflict of interest complaint with the Office of the Conflict of Interest and Ethics Commissioner against Finance Minister Morneau. The Committee will submit evidence to the Commissioner, Mary Dawson, obtained through the *Access to Information Act* showing, "Mr. Morneau still indirectly owns 2,066,489 common shares in Morneau Shepell worth about \$32 million through a numbered company in Alberta. Morneau also holds another 42,186 common shares worth \$474,000 in AGF Management Limited, an investment firm."

The Ottawa Committee for Pension Security finds ridiculous Morneau's suggestion that his change from sole ownership of his Ontario and Alberta numbered companies to joint ownership with his spouse as the President and Director, somehow relieves him of any conflict of interest. The Commissioner will be asked to rule on the matter.

Also, in 2012, Morneau Shepell acquired the Canadian pension and benefits administration practice of Mercer Canada, the actuarial firm used by Canada Post. This Crown Corporation has the largest federal defined benefit pension plan with 55,000 active members and 37,000 retirees. Morneau's Bill C-27 is a direct attack on the postal workers' defined benefit pension plan and their security in retirement.

Liberal Bill C-27 Directly Targets Postal Workers



A key unresolved issue during the last round of negotiations between the Canadian Union of Postal Workers and Canada Post was the demand of the corporation for the elimination of the defined benefit plan to be replaced by a defined contribution plan similar to the Liberal's TB plan. Under instructions from the Trudeau cabinet, a short 18-month contract was approved without any changes to the defined benefit pension plan. Awaiting the Liberals' legislative changes, Canada Post abandoned their demands to eliminate the defined benefit plan for the time being in the face of the sustained resistance of postal workers.

Postal workers know that their pension plan is not safe as the police powers of the state are being mobilized to attack their defined benefit pension plan through Bill C-27. Negotiations for a new collective agreement are to begin in November or soon thereafter. If the Liberal government uses their majority to force Parliament to adopt Bill C-27, the issue of pensions will be removed from

the negotiations. Workers will have no say in the kind of pensions they have or need, as the police powers of Bill C-27 will replace negotiations with a state dictate. The government through Bill C-27 will direct Canada Post to unilaterally replace the defined benefit plan with a TB plan. Morneau Shepell and other similar parasites will make windfall profits managing the implementation of the TB plan. Canada Post will reduce the value it contributes towards postal workers' retirement, and postal workers will lose their defined pension benefits that will be replaced with uncertain "targeted" benefits.

The working class cannot and will not allow these attacks against their pension security to pass. Workers are determined to stop this assault on their rights by private corporate interests and their flunky representatives in government and state-organized enterprises. The theft of what belongs to workers by right must be stopped! It is up to workers themselves to organize and resist this attack on their rights!

The struggle to defend the defined benefit pensions that workers have now and extend Canadian standard defined pension benefits to all is an important contribution to reversing the retrogressive conditions the imperialist empire-builders are imposing on workers and the entire society.

Defeat Anti-Pension Bill C-27!
Hands Off Our Pensions! Defend the Defined Benefit Pensions We Have!
Fight for Defined Benefit Pensions for All!
Governments Must Guarantee the Right of All to a Secure Defined Benefit Pension and Retirement at a Canadian Standard!



Finance Minister's Conflict of Interest with His Target Benefit Plan

- Ottawa Committee for Pension Security -

The July 12 response from the Director of the Access to Information Privacy Division of the Department of Finance was as follows: "In accordance with section 10(1)(a) of the [Access to Information Act], I must inform you that, after a thorough search, no records exist in the department of Finance Canada concerning this request."

The request to the Commissioner, under section 25(2) and section 27(8)(1) of the *Access to Information Act* was "has there been a public declaration and divestment either by sale taken place or that a trust exists by Finance Minister Bill Morneau for the following:

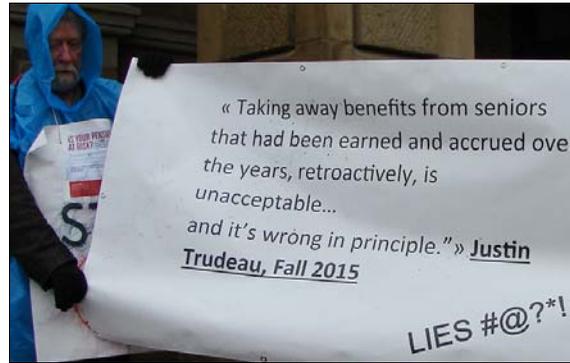
"Insider trading reports at the last filing September 15th 2015 that Mr Morneau still indirectly owned 2,066,480 common shares in Morneau Shepell worth about \$32 million, through a numbered company in Alberta. Morneau also held another 42,186 common shares in AGF Management Limited, an investment firm, worth about \$474,000".

Public Registry on Morneau's Conflict of Interest

The following information was obtained from the public registry of The Office of the Information Commissioner from the Last Annual Review completed on June 21, 2017 on Bill Morneau Member of Parliament Toronto Centre:

"Morneau received income from Morneau Shepell and from AGF Management as well as dividend and interest income from investments in the last 12 months. Morneau reported he will only receive dividend and interest income from investments for the next 12 months.

"Morneau reported joint ownership with 2070689 Ontario Limited of 1193536 Alberta Limited, an investment holding company located in Calgary, Alberta.



"Under the public declaration of agreed compliance measures (section 29) in order to prevent a conflict of interest situation from arising and to avoid the perception, Morneau reported in 2016/02/14 the following: Assets promissory note from the Morneau McCain family Trust Trusts I am a potential (actual). On the same date he reported that this public declaration of assts is no longer applicable "Sole ownership of 2070689 Ontario Limited, a holding company located in Toronto, Ontario."

"Morneau reported his spouse was now the President and Director of the 2070689 Ontario Limited and of 1193536 Alberta Limited. He reported for the last 12 months and for the next 12 months his spouse's income from 1193536 Alberta Limited as well as dividend, interest and capital gains income from investments."

Morneau's Agreed Compliance Measures

"In order to prevent a conflict of interest situation from arising and to avoid the perception of preferential treatment, the Conflict of Interest and Ethics Commissioner has determined that a conflict of Interest screen is necessary to assist with my obligation to abstain from any participation in any matters or decisions, other than those of general application, relating to Morneau Shepell Inc. or its subsidiaries, affiliates and associates.

"Accordingly, a conflict of interest screen has been established and will be administered by my Chief of Staff to ensure that I will abstain from participation in any discussions or decision-making process and any communication with government officials in relation to any matter or issue forming part of the subject matter of the conflict of interest screen."

Bill C-27 Target Benefit Plan Benefits Actuarial Firms!

Finance Minister Bill Morneau's firm Morneau Shepell wrote in a submission to the federal government that TB plans entail "excessive operating costs" (which of course, flow to firms like Morneau Shepell). These actuarial firms would be big winners if Defined Benefit pension plans were converted to TB plans, which require more frequent and complex services from actuarial and pension consulting firms like Morneau Shepell.

A Further Indirect Conflict of Interest by Finance Minister Bill Morneau!

In 2012 Morneau Shepell Inc. acquired the Canadian pension and benefits administration practice of Mercer Canada. The fact that Mercer Canada is the actuarial firm used by Canada Post which has the largest Crown Corporation pension plan (55,000 active members and 37,000 retirees) that would be affected by Bill Morneau's Bill C-27 is a major problem. Morneau's 2012 acquisition of part of the Mercer Canada pension administration practice in itself should be a conflict of interest when it comes to his target benefit plan!

Glen McGregor of Postmedia was the first to question Morneau's conflict of interest. McGregor's Postmedia article published on October 28th 2015 stated, "Morneau's situation recalls Paul Martin's continued ownership of a multinational shipping company while serving as Finance Minister." Under the *Conflict of Interest Act*, Morneau would be expected to either sell off his assets or place them in a blind trust before joining the cabinet -- though the latter option could raise the same concerns as Martin's arrangement with CSL, which critics assailed as "a Venetian blind trust."

Morneau Shepell employs two lobbyists with Toronto StrategyCorp to lobby the government of Canada related to employee assistance contracts, disability management, and pensions for the federal public servants.

McGregor as well reported in February 2014, Morneau resigned suddenly as chair of the board of the C.D. Howe Institute after criticizing the Harper government's economic record at the Liberals national convention. It may be of interest to hear Morneau's response now that the C.D.Howe Institute on April 4th 2017 is calling for the Liberal government to have the new proposed expanded portion of the CPP be a Target Benefit Plan as opposed to having it the same as the existing CPP Defined Benefit Plan.

Bill C-27 "Target Benefit Plan" Trudeau Must Stop the Attack on Defined Benefit Pension Plans and Live up to His 2015 Pre-Election Promise!

On July 23, 2015, the Member of Parliament for Papineau wrote, "As we head into election 2015, I would like to reiterate my position [that] any changes to existing Defined Benefit Pensions (DBPs) should be made on a going-forward basis. DBPs, which have already been paid for by employees and pensioners, should not retroactively be changed into TBPs."

Finance Minister Bill Morneau's Bill C-27 Target Benefit Plan is tainted with his past involvement with Morneau Shepell. Morneau's "conflict of interest screens" (as opposed to the Venetian blind trust of Paul Martin) that Morneau set up to be administered by his Chief of Staff regarding Morneau Shepell does not pass the smell test. Morneau's change from sole ownership of his Toronto company and his Alberta numbered company to joint ownership with his spouse as the President and Director of these numbered companies is not all that reassuring that it relieves the conflict of interest. Finance Minister Morneau's Bill C-27 Target Benefit Plan should not be adopted.



Bill C-27 -- An Attack on Workers' Pensions

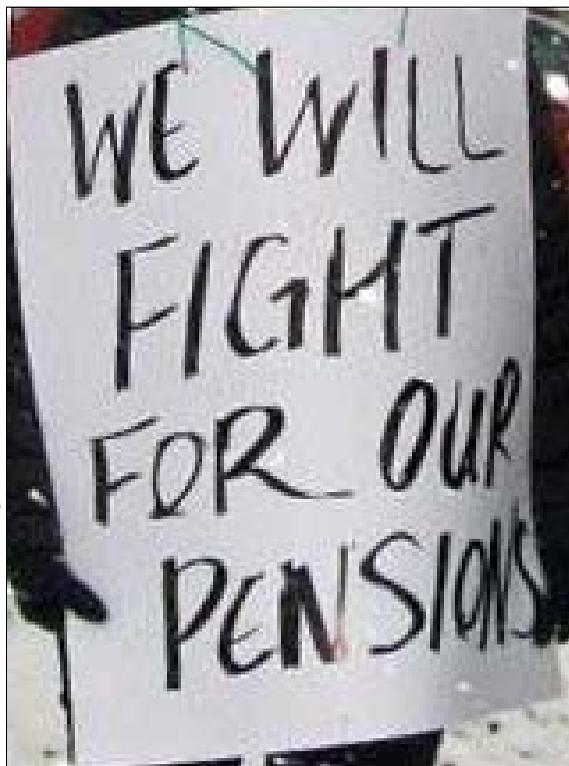
- Ottawa Committee for Pension Security -

Finance Minister Bill Morneau's Bill C-27 would allow employers to rob workers of the retirement security they have already bought and paid for! The target benefit plan model proposed in Bill C-27 would allow the elimination of the guarantee of defined benefit pensions and cuts to your promised pension. This is why, during the 2015 federal election campaign, candidate Justin Trudeau formally condemned the Harper government proposals to do the same thing:

"Taking away benefits from seniors that had been earned and accrued over the years, retroactively, is unacceptable...and it's wrong in principle." -- Justin Trudeau pre-election interview, Fall 2015

Meanwhile, the unnecessary additional administrative oversight the bill would create will translate into a financial windfall for pension consulting firms like Morneau Shepell -- Minister Morneau's family company. This is an obvious and outrageous conflict of interest and attack on long-established workers' pension rights. Even the *Globe and Mail* has pointed out the money to be made by the Morneau consultants from the "more complex" (and less secure) pension design proposed in Bill C-27:

"Investors looking to capitalize on growing work force needs and a changing pension landscape are snapping up shares of human resources consultant Morneau Shepell Inc.... Continuing pension reforms across Canada are poised to benefit the company; as pensions get more complex, more companies are relying on providers such as Morneau to design, develop and administer the plans." -- Globe and Mail, June 3, 2014



In fact, some journalists have already asked whether Morneau's conflict of interest would force him to "step aside" from cabinet decisions involving pension regulation:

" Bill Morneau, touted for Trudeau cabinet post, moving to nix potential conflicts from his corporate holdings

"... the size of his company and its business dealings with the federal government could force Morneau to step aside from the wide range of cabinet decisions on issues affecting Morneau Shepell, such as pension regulation, insurance and taxation." -- Glen McGregor, Postmedia News I, October 28, 2015

None of this stopped Morneau from introducing Bill C-27, a measure that would not only undercut the security of existing defined benefit pensions of federal jurisdiction workers but it does so in a way that will clearly benefit his own family company.

There is still time to stop Bill C-27! Join the Ottawa Committee for Pension Security to defend pensions over profits on Monday, September 18th at noon at 90 Elgin Street, Minister Morneau's office, the headquarters of Bill C-27. Retirees, union activists, and rank and file workers will be there to demand the withdrawal of this Bill, and its replacement with improved pensions and retirement security for everyone.

Follow us on [Facebook](#) for further updates and clips of our recent actions at the Prime Minister's Office and our Townhall.



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