

Building and Construction Trades Department, Canadian Office, AFL-CIO (613) 236-0653
Government and Regulatory Affairs

Send us your feedback
csmillie@buildingtrades.ca

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Financial Ruin or Flexible Rules in 2009?

2009 will be

a year of reckoning for financial markets. 2008 was a year to forget for investors as financial markets adjusted to new economic realities. Pension plans are **hard hit** by market losses in both the United States and in Canada. This will be a trying year for pension plans – each year plans are required by law to value themselves for actuarial purposes.

There were a number of provinces this year that reviewed the way pension plans are treated – and specifically in construction the multi-employer plan. Alberta, British Columbia, Ontario and Nova Scotia are the jurisdictions taking a look at the "rules of the game".

In Ontario, the Arthur's report was released at the end of November and it makes a number of recommendations to the

Ontario regulators including temporary solvency relief.

In Alberta and British Columbia a joint report was released wherein harmonization of legislation between the two provinces was recommended.

In Nova Scotia the expert panel is due to report to the Minister by the end of December 2008.

The information in these reports is very complex but overall, pensions are a very important component of the value you bring to your members at the negotiating table. We need to be mobilized on this issue - the rules are different in each province and the federal government only has jurisdiction over plans regulated in federal industries. This means the relationships you have with your provincial governments are very important.

The reports are the first step

in addressing issues in the pension universe. The outcomes however, are more important for your members – in 2009 we need to communicate to our rank and file what all these issues mean for their retirement.

Pension regulators and governments around the world have taken action to ensure the stability and safety of these assets. It remains to be seen what will be done in Canada. In the short term, we can have an impact on regulators.

Pension plans are important players in the financial markets – that means your members are not insignificant when the various jurisdictions are examining reform to the "rules of the game."

As these events unfold, the Canadian office will send you the information you need to respond, collaborate and impact the various regulatory bodies.

2 RUIN OR FLEXIBILITY...

Pension plans are an important part of the value we deliver to our members. If the rules are changing for certain kinds of pension plans we need to ensure the plans on offer are the best options for our members – current and future. **STAY TUNED!**