



NORPW NEWSLETTER April 2021

2021 – A Year to Protect Pensions

As we head into the early months of 2021, we are all hopeful 2021 will bring the COVID 19 vaccines to everyone and people everywhere will feel safer.

However, in 2021 as in 2020 we will need to work hard to protect our Canada Post Defined Pension.

This is for a number of reasons:

- Our Defined Benefit Pension provides us with a secure and dignified retirement.
- The Bank of Canada is predicting that interest rates will remain low in 2021. Low interest rates could result in an increase in the Canada Post Defined Benefit Pension having a higher solvency deficit
- Canada Post is saying that they are facing financial “losses” and may use this as an excuse to once again attack our pension
- There is a probability that there will be a Federal election in 2021, and federally regulated pensions may become an election issue.

In 2021 we need to:

- Pressure both Canada Post and the Federal Department of Finance to adopt policies that will not require the Canada Post Defined Benefit Pension Plan to undertake solvency evaluations or make solvency payments. We need to argue for the Canada Post Pension Plan to have a permanent exemption from carrying out solvency evaluations and making solvency payments
- Remind Canada Post and our politicians that our pensions are our deferred wages and as such cannot be rolled back. Our pensions are a promise to us and that promise must be kept.
- Support CUPW as they commence bargaining for new collective agreements for both the RSMCs and Urban Operations.

Stay safe in 2021 and keep working to protect your pensions.

NORPW Brief to Department of Finance on Strengthening Canadians' Retirement Security

The National Organization of Retired Postal Workers has presented an in-depth Brief in response to the Federal Finance Department call for consultation on “Strengthening Canadians’ Retirement Security—Proposals to Support the Sustainability of and Strengthen the Framework for Federally Regulated Private Pension Plans”. NORPW President Jean-Claude Parrot has submitted it on behalf of our executive Board and membership in both official languages.

At the outset, the NORPW Brief notes that despite the fine sounding words of the Finance Department call for consultation, its mandate is seriously limited in scope. It fails to include consideration of improving the non-contributory public pension floor (the Old Age Security (OAS) and Guaranteed Income Supplement(GIS)), the compulsory-earnings-based Canada/Quebec Pension Plan or improvement in restructuring and Bankruptcy proceedings.

Our Brief reviews important earlier 2018 recommendations we made on doubling the CPP/QPP, expressing support of the Canadian Centre for Policy Alternatives (CPAA) on expansion of the CPP and of the Canadian Labour Congress for “enhancements to the Guaranteed Income Supplement” to target poverty reduction and also to explore providing improvement to the OAS.

The Brief reviews weaknesses to the rights of retirees in recent examples of bankruptcy proceedings such as Sears and Toys ‘R Us, including the increasing corporate management practices associated with hedge funds and private equity firms as investors, “leading to the threat of large scale corporate failures and widespread losses” in the future.

Among other recommendations, NORPW joins the CLC in promoting NDP MP Scott Duvall’s re-introduced Bill (now Bill C – 259), proposed legislation that would protect the pensions and benefits already earned by workers and retirees. “This bill would fix legislation in order to protect workers’ pensions and benefits, and force companies to provide termination and severance pay, before secured creditors receive payment.”

The NORPW Brief is calling for large federally regulated single employer plans such as the Canada Post Pension Plan to be exempted from the requirement to undertake solvency evaluations and to make solvency payments. We are strongly urging the development of “legislation, regulations and policy exempting the Canada Post Pension Plan and other similar plans from being required to undertake solvency evaluations and to exempt them from being required to make solvency payments”. The Brief notes that Canada Post Management has made similar recommendations in 2008 and 2009.

A major emphasis of the NORPW Submission is the insistence that “the accrued pension contributions and pensions of both active members and retirees are guaranteed and that the federal government legislation must clearly reflect these accrued contributions are protected and cannot be changed retroactively”. It traces the long history of this guaranty back to 1967, when

the first federal legislation incorporated the principle that “a pension promise is a binding legal obligation.”

Under the topic of governance, the Brief covers NORPW’s insistence with respect to a clear, timely and transparent vote by retirees on any proposed change to pension plans and “only the votes of people who actually cast ballots must be counted”. The submission also contains a full definition of what are the required elements of “informed consent”.

The NORPW Submission ends with a strong call for adding Environmental, Social and Governance (ESG) factors into pension plan investments, including decarbonization by 2040 and divestment from riskiest fossil fuels by 2025, as has been done by the \$226B New York State Retirement Fund. “The federal government,” states the Brief, “should require greater, detailed metrics by private and publicly-traded Companies...[disclosing] ESG-related practices that materially effect the interest of investors...workers, pensioners and the public...”

The full Brief is available in both languages upon request.

Report of NORPW Ontario South Regional Representative

As the horrible 2020 has drawn to a close, we must hold onto the hope that the Vaccines in 2021 will allow us to return to seeing one another, and gathering again to openly discuss and support many of the social concerns that we are all facing. There is nothing like the feeling of being at a rally with hundreds or thousands of people committed to labour issues, including the need for decent pensions, giving the government our message..

The Labour Movement and retiree organizations in Ontario recently have participated in an important campaign opposing Provincial Government legislation (Bill 218) permitting Long Term Care (LTC) homes access to unacceptable loopholes to avoid lawsuits. Personally, I hope these for-profit outfits are charged criminally for the horrific things that have happened in LTC homes. One inadequate piece of legislation was passed around staffing to ensure 4 hours per person care, but even this fails to come into effect until 2024. This certainly will be an election issue.

While COVID19 has removed our on-the-ground strength in numbers, it is worth noting that significant online campaigns are growing in effectiveness, and Groups are getting better and better at online gatherings by way of Zoom and other platforms. Of course, being together is better, and I hope retirees in the various Regions will soon be able to meet in various CUPW sponsored events.

I have taken part in various Zoom webinars and some meetings put on by Labour organizations such as CUPE, CLC, London and District Labour Council, Age Friendly London, Ontario Health Coalition, especially about the ones covering issues concerning Seniors, like pensions, health care, housing, and women's issues. I work on sharing petitions and other information via Facebook and emails (mostly via my London Area Council of CURC as I am the President). I am suggesting that NORPW, despite the very real difficulties, needs to find a way to hold virtual meetings. We need Membership input.

Like others, I am concerned about what will emerge from the Federal Government consultations in the new year, (starting after the January 14th submission deadline), under the title of "Strengthening Federally Regulated Pension Plans". I am concerned they will use the pandemic, and market losses to insist on changes like those contained in Morneau's (thankfully unsuccessful) Bill C-27. We have to say NO to changes that will risk any Pension reductions. Keep an eye out for all Group's campaigns and please support them.

Best wishes for a happy and healthy 2021. In Solidarity ,Sue Scott-Mallet

Former Liberal Finance Minister Morneau Withdraws from OECD Leadership Race

Following a brief campaign, endorsed by the President of the CLC, to promote the candidacy of former Liberal Finance Minister Bill Morneau in his quest for the position of Secretary-General of the Organization for Economic Co-operation and Development (OECD), Morneau subsequently withdrew from running for the position, on the grounds that he was unable to generate significant international support. NORPW was one of many unions and retiree organizations to criticize the idea that the labour movement should be promoting him in the first place.

Our concern centred on Bill Morneau's responsibility for putting forward the infamous Bill C-27, which had it been successful, may well have resulted in an end to the Defined Benefit pension system won over many years by unions and its replacement by market-based pension plans reducing accrued benefits in the future. He then narrowly escaped a NORPW conflict-of-interest complaint that in the end forced him to divest 1 million shares he still held at the time in Morneau-Shepell, a company standing to make huge profits from the proposed Bill C-27 pension changes. After Bill C-27 ended, Morneau worked to make regulatory changes through the Office of the Superintendent of Financial Institutions (OSFI) echoing the provisions of Bill C-27.

NORPW also noted in our statement that Bill Morneau supported denying postal workers their basic constitutional and democratic right to collective bargaining when his government pushed through its "back-to-work" legislation in 2018. For these, and other reasons, NORPW expressed its opposition to support for his candidacy.

REVERA Private For-Profit Care Homes—Owned by Federal Pension Funds

It is hardly controversial to state that workers and retirees don't like having their pension benefits based on the exploitation of other workers or unsafe conditions for vulnerable persons based on privatization or large reduction of public services. Yet in this grim time of the Corona virus, a cautionary tale has emerged telling us a major problem exists in how pension funds are invested and raising this issue in a particularly wrenching way.

Early on in the pandemic, shocking news emerged about the huge underfunding of seniors' care in private for-profit long-term care facilities (LTCs) across the country and the astounding and heartbreaking number of deaths that resulted. A military specialist report described the conditions in private LTC homes where they were brought in to assist during the crisis as "gruesome".

In the first wave of COVID 19, the outbreaks of resident and staff infections in Revera LTC facilities resulted in 226 deaths. In the second wave, from September to December 8 the number of deaths had reached 222.

In the midst of this tragedy, it emerged in the media that Revera, a private company with a large network of private for-profit care homes in the country, had been purchased in 2007 by the Public Sector Pension Investment Board (PSP). The PSP is a Crown Corporation that manages and invests the pension funds of federal government workers (excluding Crown Corporations such as Canada Post workers), most military personnel and RCMP employees. PSP consolidated Revera under a new management structure it fully controls and that has not addressed the problems earlier identified nor ensured the safety of its residents.

PSAC, whose members are covered by the PSP, quickly began a campaign calling on the Federal Government to facilitate talks between the PSP and provincial health ministries to transition to public ownership. The Professional Institute (PIPSC), the second largest Union covered by the PSP, and most of the 18 unions in the Federal National Joint Council later also endorsed this campaign.

This campaign is an important component of what must be a larger labour movement and Health Coalition demand for a full overhaul of the entire LTC system that will result in a properly funded, public long-term care system. Certainly corporate private interests will fiercely resist this, but polls show a huge majority of Canadians support this initiative.

At the end of January, NDP Leader Jagmeet Singh reiterated his call on the federal government to end profit-driven long-term care. The NDP wants to start with facilities that are operated by Revera, which is owned by the federal Crown Corporation. Jagmeet Singh, PSAC and CUPE are deepening the campaign that Revera must be publicly owned, not sold to another private company. This follows the erupting scandal suggesting Revera may have been engaged in a major tax-avoidance Scheme (in the Cayman Islands!). Ramping up this campaign underscores the outrage most retirees and workers express upon discovery that the Crown Corporation that owns Revera and its long-term care homes finances Federal pensions.

The larger issue of confronting the current system in which workers have virtually no say in how their pension plans are managed and invested looms as another battle for workers and their unions.

Documentary : Justice and Dignity for All

Before there were gig workers, there was the predominately-female workforce delivering the mail in rural and suburban Canada.

Known as rural route mail couriers, they worked for a corporation that used federal legislation (preventing these women from unionizing) as a way of shirking its responsibilities to pay these employees a living wage. Canada Post argued that the couriers were independent contractors, not employees.

It was a race to the bottom - no benefits, no sick leave, no maternity leave, and remuneration that was less than the minimum wage. This, said Canada Post, was its “competitive advantage”.

You can now stream the documentary of the 40-year struggle by Rural and Suburban Mail Carriers for pay equity on the CUPW website. <https://www.cupw.ca/en/node/22926>

The documentary premiered on-line on October 25,2020.

About Michael Ostroffl : “As most of you know, I spent the last year working on this project. It marks 45 years since my first connection to CUPW, when in 1975 I began editing a documentary that would become “The Struggle Continues.”

Post-Retirement Benefits – an RSMC Victory

CUPW fought for many years for post retirement extended health benefits for RSMCs. This was an issue in the RSMC pay equity arbitration, but unfortunately the pay equity Arbitrator ruled that RSMCs were not entitled to post retirement extended health benefits until 2031. CUPW continued to fight for this, and raised it in the 2019/2020 forced arbitration in front of Arbitrator Macpherson.

CUPW was successful. On June 11, 2020, Arbitrator Macpherson ordered that all continuous service of the RSMCs since they became employees on January 1, 2004 be recognized for the right to post-retirement benefits. This meant that RSMCs who retire with 15 or more years of continuous service will be entitled to post retirement extended health benefits when they retire.

RSMCs who are accepted for medical/disability retirement under the Canada Post Pension Plan are also entitled to these benefits even if they have less than 15 years of continuous employment (this entitlement began January 1, 2016 as a result of Arbitrator Flynn’s decision in the RSMC pay equity case).

CUPW met with Canada Post on this issue and after several discussions CPC agreed that the option of post-retirement benefits would be available to RSMCs who retired prior to June 11, 2020 if they had 15 years of continuous employment (i.e. since January 1, 2019).

There has been a delay in the implementation of RSMCs receiving the forms and information necessary to apply for post retirement extended health benefits. Canada Post has made a commitment to send these documents with priority given to RSMCs who have already retired.

It is therefore important that recently retired RSMCs keep their receipts for medical services, including medications and other eligible expenses, since June 11, 2020 as they will be able to claim these amounts as soon as their insurance coverage comes into effect.

Considering the above, RSMC post retirement extended health premiums will be retroactive to June 11, 2020 or since their retirement as the case may be if taken after that date.

We need to remind ourselves that this could not have happened without the determination of RSMCs and the hard work of CUPW

Pension Advisory Council Retiree Elections

Thank you for participating in the selection of your PAC retiree representatives in 2020. The voting period for the PAC elections for 3 retiree positions was extended due to the pandemic by one month, to May 22nd, 2020. A delay in counting the ballots also kept results from being announced when expected, and the terms of the previous PAC retiree representatives were temporarily extended. The results of the PAC Retiree Representatives election were mailed by the Pension Centre. Your elected retiree representatives are Karen Kennedy, Peter Whitaker, and Dave Taylor. Alternates are Ian Blair, Serge Champoux, and Richard Gasparini. The next PAC retiree representative election is in 2023.

Private Delivery of Health Care --- Lessons from British Columbia

Long-term health care has been in the news lately. People living in long-term care (LTC) homes in Canada have been far more likely to die of COVID-19 than the rest of the population.

The reality is that not all long-term health care facilities are the same. As CUPW members know well, there is a difference between public and contracted types of service provision. A December 2020 report from the Office of the Seniors Advocate British Columbia “British Columbia Long-Term Care Facilities Quick Facts Directory 2020” contains shocking information.

1. Direct Care Hours. Direct care hours are delivered by nursing staff, care aides, and other healthcare workers such as therapists, social workers and dietitians. The B.C, Ministry of Health has set a guideline that residents of long-term care facilities should receive a minimum of 3.36 hours of direct care daily. 100% of public long term care facilities owned by the applicable government health authority met this guideline, but only 22% of contracted facilities met this level. In other words, seniors in many private for-profit facilities received less daily care.

2. Food. Food is crucial to the comfort and well-being of seniors in long-term health care facilities. Public long-term facilities owned by the applicable government health authority spent an average of \$9.16 for raw food per resident per day, while contracted long-term health facilities spent an average of \$8.02 per resident per day. This difference means that seniors in a large number of private for-profit health care facilities were fed less nutritious food.

3. Physically abusive behaviour in long-term care. Study after study has found that violence in long-term health care facilities can be reduced by implementing a number of measures including different types of staffing models. The BC Seniors Advocate found that physically abusive behaviour was slightly higher in contracted facilities (10%) than public facilities owned by the applicable health authority (7%). Again this emphasizes the importance of public long-term health care facilities.

4. Licensing Complaints. These complaints are generally about care and services in long-term healthcare facilities. In 2019/2020 3.7% of the complaints in publically run health authority facilities were substantiated. In contracted facilities the number of substantiated complaints was more than double at 8.4%.

The COVID-19 pandemic has highlighted the critical importance of federal government leadership in health care. The pandemic's impact has been particularly dramatic in long-term care homes, exposing a fragmented and under-resourced system that is heavily reliant on for-profit delivery.

We need foundational principles for long-term health care services. These need to include national standards for long-term care homes.

Brother Jean-Claude Parrot Retires as President of NORPW

Monday March 1 2021

TO ALL MEMBERS OF THE NORPW, TO ALL OTHER RETIRED POSTAL WORKERS; TO ALL MEMBERS OF CUPW WHO WILL RETIRE ONE DAY; TO ALL SURVIVORS COVERED BY THE PENSION PLAN AND TO ALL OUR ALLIES.

This is to inform you that I am resigning from my position as President of the National Organization of Retired Postal Workers (NORPW) for family-related reasons. I turned 84 in July and I am sure that there are many younger good activists among the retirees who will be pleased to continue the work that has been done since the formation of the NORPW, including obviously, the other members of the present executive of NORPW.

Sister Karen Kennedy, who is the current Vice-President, will become President, and I trust you will give her the same support that I received since we began forming the NORPW in 2014. She is a long-time activist in both CUPW and NORPW. I am sure that, with the other members of the executive, she will continue to move forward in protecting our pension system as guaranteed by then Minister responsible for the Post Office, André Ouellet, and later guaranteed by Prime Minister Justin Trudeau.

PROTECTING OUR PENSION SYSTEM

The Conservative government under Stephen Harper first attempted to introduce their Target Benefit Plan (TBP) in 2014. TBPs do not provide a guaranteed pension or benefits. Retirees, with the help of their Sisters and Brothers in the Canadian Coalition for Retirement Security, and the broader labour movement, were successful in forcing the Conservatives to stop the introduction of the TBP. We made their TBP a major issue in the 2015 election, which assisted in defeating the Conservative government.

The appointment of Bill Morneau as Finance minister under the Liberal Government required us to stay vigilant, knowing he was in favour of introducing Target Benefit Plan legislation. Bill C-27 was introduced on October 19, 2016 and was similar to the one introduced in New Brunswick in 2012, which Morneau had been the architect of.

Bill C-27 remained at the first level reading due to conflict of interest charges against Morneau as a result of his ownership of over a million shares in his former company Morneau/Shepell, which stood to greatly benefit from TBP legislation. Bill C-27 died on the order paper when the

2019 election was called. The Liberal Government chose another route to achieve the same goal as Bill C-27, i.e. through the Office of the Superintendent of Financial Institutions (OSFI), which proposed to implement the changes the government wanted in Bill C-27 without having to go before the House of Commons. The OSFI proposed amendments to the Instruction Guide for the Authorization of Amendments Reducing Benefits in Defined Benefit Pension Plans.. The Liberal government has since put the consultation on the changes to the Guide on hold due to Covid-19, and we must ensure these changes to our guaranteed DBP are not introduced!

WE ARE NOT ALONE

Since we formed the NORPW, we have joined the Council of Union Retirees of Canada (CURC), who is providing us with great support. At their last convention, they adopted a strong resolution to that effect. At this same convention, CURC delegates elected Bill Chedore, a former CUPW National Vice-President, as their new President.

The NORPW is represented on the Canadian Coalition for Retirement Security. The CCRS partners represent over 6 million retirees and workers across Canada and were instrumental in stopping the Trudeau government's Target Benefit Plan.

We are also getting some strong support from the Canadian Labour Congress (CLC) who in fact adopted a resolution to that effect at their last Convention.

We are also involved in providing support to the Ottawa Coalition for Pension Security organization, which is fighting for decent pensions for all retirees.

YOU MUST GET INVOLVED

I would like to encourage all retired postal workers to join the NORPW (or renew your membership) so we can continue the work in the months and years ahead to protect our guaranteed Defined Benefit pensions. This is a great way to ensure that we will be able to continue improving our communications with you and with our allies. This is also a great way to show the government that we are all determined to continue our struggle.

Finally, I want to thank CUPW for the assistance they provided us since the formation of NORPW. Thanks also to all those who have served as members of the executive of NORPW, with special thanks to my good friend Peter Whitaker, who provided me with great help in carrying out my duties as President in this difficult time.

Brothers and Sisters, I want you to know that my resignation as President of the NORPW doesn't mean that I will not be there when needed to participate in activities called for by NORPW, and I trust that you will be there with me.

In Solidarity,

Jean-Claude Parrot parrotjeanclaude@gmail.com

Thank You, Brother Jean Claude Parrot

Words will never be enough to convey the deep appreciation for your leadership of NORPW, and before that for your role in proudly representing the interests of postal workers in CUPW and workers generally in the CLC.

The NORPW Constitution provides that the Vice-President, Sister Karen Kennedy becomes President for the remainder of the current term. While normally, a new election would be held this summer, the ravages of COVID 19, and the lack of access to many of our files in National Office will almost certainly result in a delay. Thanks to all members for your patience!