

After almost a fourteen-month recess - during which time the Consultative Committee mandated by CARRA to examine the services to retirees and the parameters of indexation, had been deliberating - GTAR (Groupe de travail des associations de retraités des secteurs public et parapublic), which represents over 110 000 retirees, has been reactivated.

You will recall that this Consultative Committee brought together representatives from associations of retirees, unions, and senior management, as well as representatives from the Treasury Board and from the pension administrator, CARRA. This was a first - to have parity between active and retired public sector personnel sitting at the same table discussing improvements to pensions. According to its mandate, the Committee was to formulate recommendations destined to diminish, if not to eliminate, the loss in purchasing power of retirees who have been subjected to loss of indexation of their pensions for the years 1982- 1999.

The Consultative Committee began its deliberations on September 8, 2011 and its final report was submitted September 30, 2012. Mr. Stéphane Bédard, Chair of the Treasury Board, was briefed on the report in January 2013. Although fourteen (14) out of sixteen (16) associations agreed on a common recommendation, since the committee had adopted a rule that consensus was required to forward recommendations (further, consensus was interpreted to mean unanimity), the committee came up empty-handed. The two holdouts were insisting on immediate full indexation of pensions and showed no interest in a gradual phasing in of benefits. It was a case of an all or nothing situation, and the latter prevailed. So for the moment, the rules for indexation remain as they were: pension contributions up until 1982 are fully indexed; pension contributions after 1999 are subject to a minimum 50 % rule; and the contribution between these periods are described in the next paragraph.

“When am I getting money and how much?” are questions that are often asked (for the 1982-99 contribution period). At the present time, for indexation to be awarded there needs to be a 20% surplus in the pension plan. That being the case, then the same indexation rule that governs service in year 2000 and beyond would apply. That is, we would get 50% of the CPI (consumer price index). But this only if the government puts in its share. If the government doesn't contribute, then we would only get 25% of the CPI. These were conditions that were negotiated and accepted by the common front for the last collective agreement (2010 negotiations). GTAR's position is that the government should agree to automatically contribute its share, given the surplus threshold, and further, this threshold should be reduced to a 10% surplus.

Defined benefits pension plans (like ours) are constantly coming under attack in the media and this not only in Quebec but also in Canada and elsewhere. We

need to be vigilant and to monitor provincial and federal trends that may have an impact on both public sector and private sector pensions. In particular, the Régie des rentes du Québec struck a committee, chaired by Mr. Alban D'Amours former head of the Desjardins Credit Unions, to examine pension plans and make recommendations as to their future. This committee's report is due April 17, 2013 (already some aspects have appear in the media) and could have repercussions on our defined benefits pension plan since CARRA pensions are harmonized with the QPP.

When we look at teacher pension plans across Canada, we see that some of the cost of living allowance (COLA) formulae are more generous than ours in QC, and some are less generous. However in all cases, retirees are either actively trying to maintain what they have earned, or are actively trying to regain what they have lost (as is our case). The facility of mobilization and vocalization seem to be factors that capture governments' attention. It is also apparent from all these skirmishes that indexation isn't merely a battle, it's a continuous war. GTAR is a grouping of associations of retirees from the public sector whose focus is coordinating efforts and concerting actions in a search for solutions to alleviate the cumulative loss in our CARRA pensions.

Members of GTAR in alphabetical order are: AAESQ; AAR; ACRA; ACREQ; APRQ; AQDER; AQRQ; AREF; AREQ; QART; QPARSE; RIIRS.