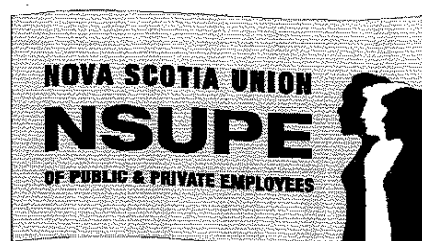


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January 27, 2012

The Honourable Marilyn More
Minister of Labour and Advanced Education
P.O. Box 697
Halifax, NS
B3J 2T8

Dear Minister More,

Re: Bill 96 – Pension Benefits Act/Proposed Regulations

I am writing to you today on behalf of the 800 HRM inside workers who make up the Nova Scotia Union of Public & Private Employees, Local 13. We feel that proposed funding regulations, in some cases, make great strides in trying to improve the current regulations. However there seems to be one glaring difference between the proposed regulations for NS and the regulations currently available to other municipal pension plans from different provinces. We are extremely disappointed that you are not exempting the Halifax Regional Municipality Pension Plan (HRMPP) from funding solvency deficits, even though the Nova Scotia Government has recognized HRMPP to be a Jointly Sponsored Pension Plan.

As you are already aware:

- Ontario Municipal Plans are exempt from solvency if they are considered a JSPP
- British Columbia, Alberta, Manitoba, Quebec and New Brunswick have exempted their municipal plans from funding solvency deficits.
- Saskatchewan announced that it intends to adopt B.C./Alberta's approach which would continue to exempt municipal pension plans
- PEI's pension plans do not fund solvency deficits because they do not have pension legislation
- Historically, Newfoundland has provided funding relief for solvency deficits when required

Why is it that the Nova Scotia Government does not see the value of exempting their own municipal pension plans as clearly all the other provincial governments do? Why does it continue to penalize us and place us at a disadvantage relative to other municipal plans in Canada?

Long term interest rates are at an all-time low causing many pension plans to have higher solvency deficits than normal. With global governments using a low interest rate policy to help stimulate slow economic activity, it is highly unlikely that these long term interest rates will go up significantly enough for the HRMPP to be at 80% funded (as currently proposed in the regulations) before we need do our next actuarial valuation on December 31, 2012. It is realistic for us to envision unnecessary significant contribution increases and reductions in benefits due solely because HRMPP is not exempted from funding solvency deficit. However, when you look at HRMPP funding on a going concern basis, it is funded at 93%. The HRMPP is governed in a true 50/50 manner where all contributions, surpluses and deficits are shared equally by union and management members. Along with being governed this way, the HRMPP has a very low probability of going bankrupt due to their employer being an A+ rated municipality. Both of these scenarios make good candidates on why HRMPP should be managed on the

basis of a growing concern funding and not be driven solely by solvency valuation. In Ontario, their government concluded that plans using this joint governance approach deserved to be exempted from funding solvency deficits. Once again, why is it that the Nova Scotia Government does not see the value of exempting their own municipal pension plans, one who clearly demonstrates a true jointly governed plan, as all the other provincial governments do?

For many people in today's economic turmoil where their budgets are already strapped, why would the Nova Scotia Government want to willingly add to that turbulence by adding undue hardships to the members of the HRMPP? Clearly, the other provincial governments in our country understand these hardships and are making strides to help out their municipal pension plans by exempting them from funding solvency deficits. Can you not do the same? Why should \$1 a municipal worker earns in B.C., Alberta, Manitoba, Ontario, Quebec, and New Brunswick go a lot farther to invest in their surrounding environment than \$1 a N.S. municipal worker earns?

As the proposed regulations are still being reviewed, I urge you to seriously reconsider your proposed regulations regarding how you are handling municipal pension plans and in particular JSPP. Please take into account how your decision will impose additional burdens on the plan members of the HRMPP. These are burdens I feel are unnecessary and inconsistent with the rest of the county. The imposition of such unrequired burdens on these members would not be quickly forgotten or forgiven.

We do applaud you for taking the step to recognize Halifax Regional Municipal Pension Plan as a Jointly Sponsored Plan. Now, let us give you a standing ovation by exempting HRMPP from funding solvency deficits and eliminate the need for contributions increases and benefit reductions by tying our valuations as an on-going concern basis.

Yours very truly,



Joseph Kaiser
President, NSUPE Local 13