



January 11, 2012

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

Dear Minister More,

Re: Bill 96 –Pension Benefits Act/Proposed Regulations - Funding

I write to you today on behalf of the 635 unionized police officers and civilian staff who make up the Halifax Regional Police Association. It is stunning that after such a lengthy review and consultation period, the government continues to impose unprecedented hardship on these workers and other unionized members of the Halifax Regional Municipality Pension Plan.

As a union participating in the HRM Pension Plan we are in fact at the decision making table regarding our pensions. We have access to information, influence decisions and even have veto powers; things most unions only dream of. Along with the other HRM unions, we share both the risks and rewards of governing the pension plan equally with the municipality. It would appear that the Nova Scotia government understands this special joint-governance model with an introduction in the Act of the Jointly Sponsored Pension Plan (JSPP) designation. Why then, does the Nova Scotia Government continue to impose solvency funding rules on JSPP's instead of introducing a solvency funding exemption for them? This is completely unexpected and inconsistent with recently implemented and or planned legislation throughout the remainder of the country.

Minor long-term interest rate fluctuations have a significant impact on solvency valuations. The myriad of global economic difficulties have created record solvency deficits for nearly every pension plan. Under the Bill 96 provisions as introduced, it is realistic to envision unnecessary benefit reductions and contribution increases in the near future for all HRM union members. These are unnecessary because they will be based on solvency valuations. In our case, benefit reductions/contribution increases should be solely based on going concern valuations.

Maddening for members of a JSPP without a significant going-concern deficit such as ours, is that solvency-based special payments will not benefit plan members, only cause undue hardship. What is the explanation for requiring such sacrifice from JSPP members in a stable A+ rated municipality? The extra money to be taken away from workers under your solvency funding legislation/regulations due to increased contributions or reduced pensions is money that will not be invested here to any significant degree, hardly helpful events for the local economy.

As the Pension Benefits Act moves towards proclamation and while regulations are being considered, I urge you to seriously consider the repercussions of imposing additional burdens on the union members of the HRM plan, burdens that are unnecessary and burdens that are inconsistent with the rest of the country. The imposition of such unrequired burdens on these members would not be quickly forgotten or forgiven.



Mark Hartlen

President

Halifax Regional Police Association