

Not much has changed – UNA members *still* need to see their MLAs

Don't be fooled! The April modifications made by the government to its proposed changes to LAPP don't change the fact they've broken the pension promise they made to you and plan to make your retirement less secure.

The government is proposing a cut to your future income!

Despite the political developments in Alberta, the official position of the government is still that these changes are going to take place in 2016, whether you like it or not.

But you *can* do something about this.

UNA members need to contact their MLAs now, before a new Progressive Conservative leader is chosen, and tell them that these changes aren't necessary and this plan must be put on hold.

If you don't, here's one example of what will happen to LAPP members' pensions – a nurse earning \$70,000 a year of pensionable salary with 30 years of pensionable service, planning to retire at 55, paying exactly the same amount per year:

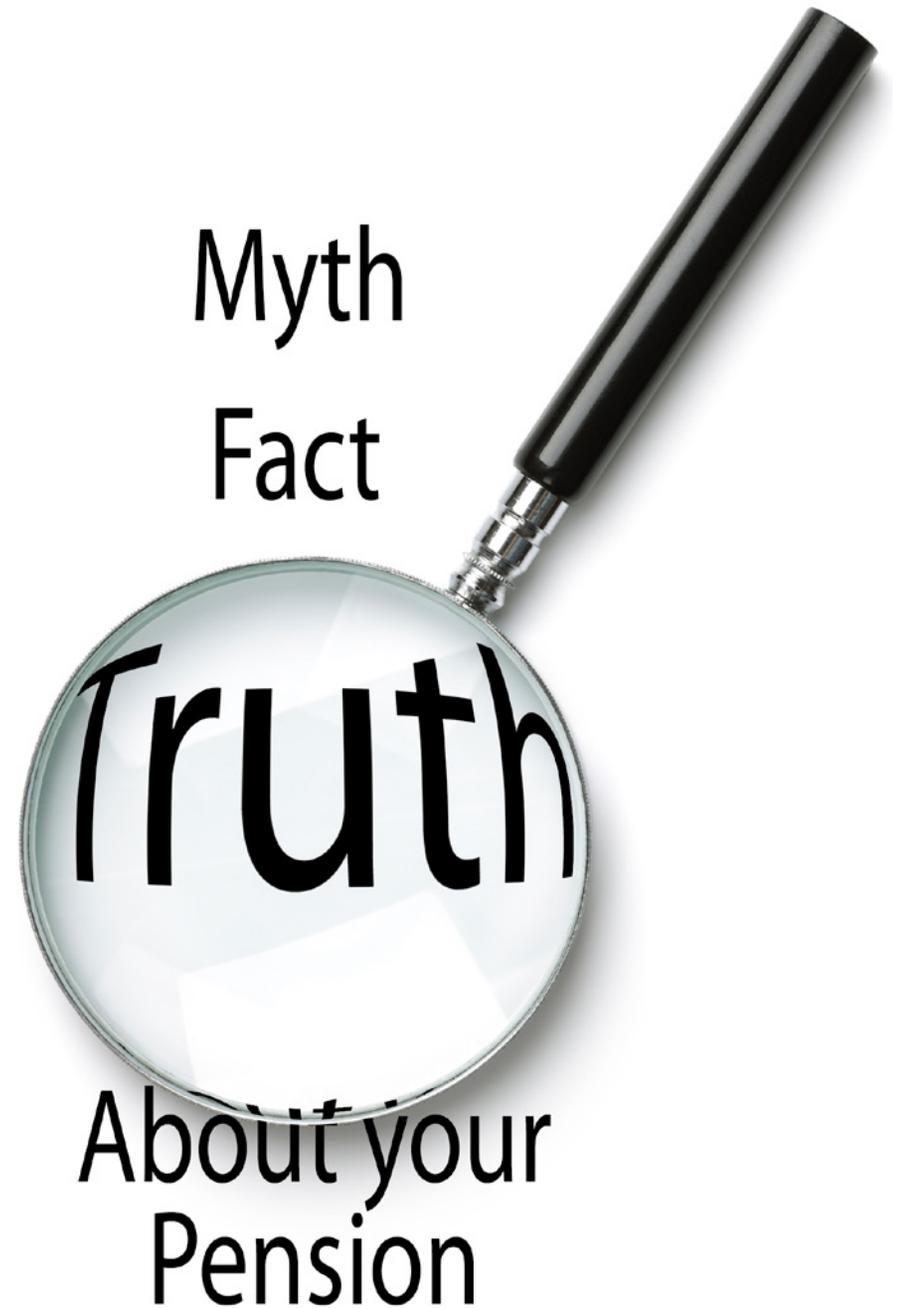
- Current plan: \$2,450/month + 60% COLA
- 20 years in current plan, 10 years after 2016: \$2,244/month + "affordable" 60% COLA only in last 10 years
- 10 years in current plan, 20 years after 2016: \$2,040/month + "affordable" 60% COLA only in last 20 years
- All service in proposed plan: \$1,837/month + "affordable" 60% COLA only



Cost to Member is the same

For more information: www.TruthAboutAlbertaPensions.ca

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www.una.ab.ca



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The truth about your LAPP pension...

In March, the Alberta Government put out a document called “*Myths & Facts About Public Sector Pensions*” to counter statements made by the Labour Coalition on Pensions about the changes the government wants to make to the Local Authorities Pension Plan (LAPP), in which most UNA members are enrolled.

The trouble is, the government’s document was complicated and often misleading – sometimes getting the facts wrong, sometimes incorrectly stating positions taken by the Labour Coalition on Pensions.

Here are some of our concerns with the long list of points identified as “facts” by the government:

1. **The government says there will be no change for current retirees and members close to retirement.** *In fact, there will still be big risks if the government’s plan goes ahead. If the changes are implemented, many future employees will choose to avoid the plan, hurting its sustainability, and benefits may have to be reduced.*
2. **The government denies early retirement is ending.** *Of course, no one has said it is. The problem is that under the government’s plan, members who retire early in the future will be subject to a penalty to the benefits they receive of up to 50%.*
3. **The government says inflation protection will remain.** *Unfortunately, as the government admits, under the planned changes, cost-of-living adjustments (COLA) on benefits earned after 2015 will only be paid “if the plans’ finances allow.” Unless the plan is fully funded, if there’s another stock market crash as in 2008, your retirement income won’t keep up with inflation.*
4. **The government implies the cap it wants to impose on contributions will have no effect.** *That’s untrue. The contribution cap means there is no way to respond to a financial crisis without impacting benefits. This likely means more young workers will try to avoid the plan, hurting its sustainability for everyone.*
5. **The government implies the Labour Coalition wants to do nothing.** *That’s not true and never has been. The Labour Coalition has proposed changes that will reduce the cost of the plan without undermining its value or hurting its sustainability.*
6. **The government implies a consultant’s report that shows the plans are sustainable can’t be trusted because the Labour Coalition paid for it.** *Well, that’s why we hired an independent firm with a reputation so good Alberta Health Services uses it for the same kind of work. But if the government doesn’t trust the report, we have offered to cost-share yet another independent analysis.*
7. **The government says increased life expectancy has not been factored into the LAPP’s own calculations or the Labour Coalition consultant’s report.** *This is incorrect. Both estimates included increased life expectancy.*
8. **The government denies the LAPP’s unfunded liability has already been reduced by \$1 billion through measures already taken by the LAPP Board.** *The government is using out-of-date figures. The reduction in the unfunded liability is real.*
9. **The government says it doubts LAPP’s \$6.6 billion unfunded liability will be paid off in a few years by arguing “no one can predict the future.”** *We can make reasonable predictions about the future based on past and present facts, though. One is that the unfunded liability will be paid off long before 2026, with contribution reductions starting as soon as this year.*
10. **The government says taxpayers are on the hook for your pension plans, so they must be reduced.** *There’s no difference whether an employer is in the public or private sector. Taxpayers aren’t “on the hook” for your pension any more than when a private employer, paid by the government for work, contributes to its employees’ retirement security. LAPP is a modest plan.*