

TOGETHER, WE CAN STOP REDFORD'S RECKLESS ATTACK ON PENSIONS

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The Redford government is gutting the pension you paid for.



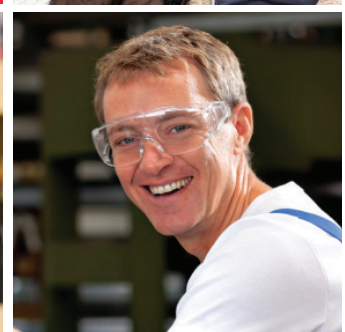
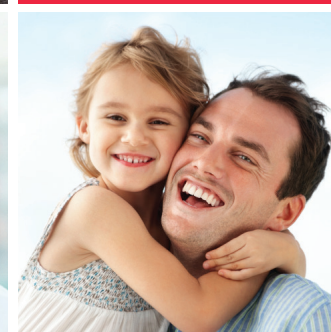
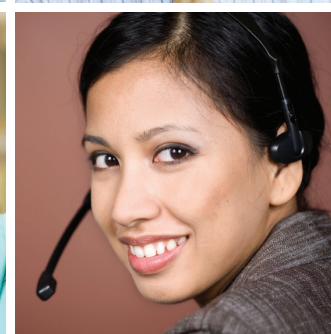
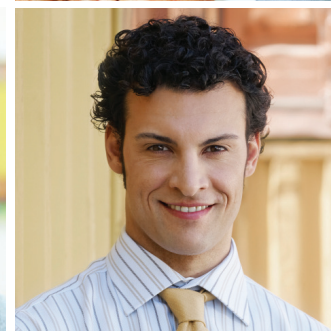
The pension promise.

That's what we call the promise
about modest retirement security
that the alberta government has
made to 90,000 retirees and more
than 200,000 frontline workers in
alberta's hospitals, schools, cities,
and towns.

But now Premier Redford wants
to break the pension promise she
made to you

Her plan is unjustified, reckless and
unfair.

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THE REDFORD GOVERNMENT IS BREAKING THE PENSION

PROMISE IT MADE TO WORKERS LIKE YOU. HERE'S HOW:

An end to early retirement.

Long-service, front-line workers are currently able to retire in their early 60s with small penalties or unreduced pensions. This has been a particularly important benefit for people with physically demanding jobs.

Redford's changes mean much higher penalties for early retirement. So much so that they're essentially taking away the option entirely.

Albertans will have to get used to receiving service from 60-plus-year-old nurses, firefighters and police officers who stay on the job to the bitter end.

In technical terms, the Redford government's proposal scraps the "85 factor" for future service. This alone amounts to a reduction in overall benefits paid of around 20 per cent.

This change will not be good for taxpayers. Those who can no longer do heavier duties will end up going on long-term disability rather than taking early retirement.

290,000

THE NUMBER OF ALBERTANS WHO DEPEND ON PUBLIC PENSION PLANS

Another broken promise: pensions will shrink as cost of living grows

Under the Redford government's plan, your pension will no longer be shielded from cost of living increases.

Over time, the pension plan you paid for will be worth less and less.

Instead of guaranteeing annual cost-of-living increases (currently 60 per cent of inflation), these increases will not be guaranteed. If they're paid at all, they'll be capped at 50 per cent of inflation.

This means the already modest average pension of about \$1,200/month will lose ground to inflation.

The money you depend on when you retire won't keep pace with the rising cost of living.

25%

AMOUNT BY WHICH THE REDFORD GOVERNMENT PLANS TO SLASH THE VALUE OF ALBERTA'S PENSIONS

\$1,200

AVERAGE MONTHLY PUBLIC-SECTOR PENSION PAY

Changes that undermine the future viability of the pension plan you paid for

The Redford government's plan for pensions also puts a hard cap on pension premiums.

This ties the hands of pension boards and limits the tools they can use to sustainably manage the pension fund.

Over the past few years, for example, pension plan boards have had to slightly increase contribution rates in order to deal with a period of low investment returns brought on by the global recession of 2008.

Contribution rate flexibility has also been used to help maintain benefits while at the same time keeping Alberta plans as close to fully-funded as possible.

Once hard contribution caps are imposed by the government, Alberta's public pension plans will have only one choice when faced with periods of low investment returns: they will have to cut benefits.

Cuts will be faced first by younger workers who are still at work. But if those cuts are not enough to manage the plan, then cuts to benefits for current retirees will also have to be considered.

A hard cap on contributions will lock us into substandard pensions forever.

Is my pension plan "unsustainable?"

THE REDFORD GOVERNMENT NEEDS TO GET ITS FACTS STRAIGHT.

The experts who currently manage Alberta's pension plans have concluded that the plans are healthy.

That's the same view held by an independent actuary recently hired to assess the health of our province's two biggest plan, the Local Authorities Pension Plan (LAPP) and the Public Service Pension Plan (PSPP).

He concluded that both plans are actually on track to get healthier over coming years — even without making any changes to current benefits.



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