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February 8, 2017

Attention: All Members  
CUPE Local 873

**Re: Important Update on Your Pension**

This is a follow up to recent information regarding your pension.

Your Executive continues to work with legal counsel to understand what changes are being considered by the Public Service Pension Plan (PSPP) partners, the BC Government Employees Union (BCGEU) and Government, and the potential impact on you and your future pensions.

Government representatives have responded to our inquiries and advised that the *“Partners understand there are additional pension benefits provided to CUPE Local 873, and others, which are funded above and beyond the basic pension” ....“it is the intention of Partners to value these benefits and maintain them above and beyond the benefits available to all members.”*

While this is encouraging, neither of the Plan Partners have defined what “value” means, nor whether it is their intention to retain the early retirement 80 formula for CUPE 873 members. As a result, the executive of CUPE 873 and our legal counsel continue to correspond with the Plan Partners to obtain clarity and to press our position that our early retirement benefits are sacred. We are also in the process of setting a meeting with the BCGEU in the next short while which will include our lawyer and actuaries.

The letters from CUPE 873 and our legal counsel can be viewed here.

CUPE 873 does not agree with, or support any proposed change which does not maintain our Factor 80 early retirement benefit into the future. We have no intention of accepting such a significant concession to the benefits our members have bargained, and thus bought and paid for. We will continue to vigorously oppose any reduction to the retirement benefits of our members.

It is important to note that to date no final agreement to change the plan is in place between the Plan Partners that we are aware of. Members should not make decisions on their pension or retirement based on this communication, or any speculation as to what the Plan Partners are negotiating. Wait until the full extent of the changes, if any, are known.

We will continue to update you as further information becomes available.

Sincerely,

Provincial Executive Committee  
Ambulance Paramedics and Emergency Dispatchers of BC  
CUPE Local 873



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December 20, 2016

BCGEU  
PSPP Plan Partner  
4911 Canada Way  
Burnaby, B.C. V5G 3W3

Pension Board Secretariat  
Public Service Pension Board of Trustees  
PO Box 9460  
Victoria, B.C. V8W 9V8

Dear PSPP Trustees:

**Re: PSPP Partners' Agreement in Principle Plan Re-Design**

I am writing to you in regards to the planned PSPP Partners' Agreement in Principle Plan Re-Design dated June 17, 2016 (the "**Agreement in Principle**"). I have been briefed by our BCPSPPAC members on the issue and wish to address some of CUPE Local 873's concerns.

The proposed changes have a potential significant and differential impact on our members. The Agreement in Principle authorizes certain reductions in benefits provided under the Plan, including the elimination of the "rule of 85" for certain members of the PSPP. We have some questions about it including the following:

1. Is it the intent of the Agreement in Principle to eliminate the rule of 80 for members of CUPE Local 873?
2. When will there be communications and an opportunity to address the proposed amendments and scope of the Agreement in Principle?
3. Has any actuarial costing or related work been conducted in connection with the Agreement in Principle, and if so, will the Trustees or Partners make that available to other members and CUPE Local 873?

We have assumed for the purposes of this correspondence that an implementation of the Agreement in Principle will result in an elimination of the "rule of 80" early retirement formula to which our members are currently entitled under section 102 of the PSPP. We write to inform you about the history of the introduction of that benefit, and identify our concerns about a process which might result in its elimination.

In 1995, in consideration of the nature of the work and both the physical and mental stress involved in our members' employment service, we entered into a Memorandum of Understanding with the Government of British Columbia on a funding policy to facilitate and permit a lower unreduced early retirement factor for our members. An Order in Council implementing early retirement for CUPE Local 873 members was signed on September 28, 1995 and took effect shortly thereafter, on October 1, 1995. In return for the introduction of a Factor 80 unreduced early retirement benefit for its members, the

Union agreed to a 2.25% reduction in supplementary benefits provided by the Employer. Factor 80 was funded by that reduction. That is, CUPE Local 873 members have collectively bargained this benefit, and paid for it through an adjustment to their wage package.

We understand that one of the objectives of the amendments proposed by the Agreement in Principle is to assist lower income BCGEU workers. While we understand this objective, and the role of the Partners in seeking to give effect to it, we believe that the Partners and the Trustees have not considered potential adverse effects of the elimination of the unreduced early retirement benefit. Most importantly, we do not believe sufficient consideration has been given to the differential impacts of the proposed amendments on those groups of PSPP members who are not represented by the Partners, nor to the particular situation of CUPE Local 873 members and their bargained (and paid-for) Factor 80 benefit. As a result, we have concerns that, in negotiating the Agreement in Principle or considering the amendments as Trustees, or both, the Partners and the Trustees may have failed to take into account relevant factors, and/or be in a position of conflict, or otherwise not validly or fully considered the consequences of eliminating a collectively bargained benefit of CUPE 873 members.

As you can see, CUPE 873 has several questions regarding this issue. We cannot support any change that impacts our members in an adverse and differential manner and breaches our Collective Agreement.

We look forward to a response at your earliest convenience.

Sincerely,



Bronwyn Barter  
Provincial President  
Ambulance Paramedics and Emergency Dispatchers of BC  
CUPE Local 873

CC: Provincial Executive Committee  
E. Grant  
G. Mafatow  
T. Clifford  
T. Manz  
J. Elworthy  
D. Kattler

BB/km/MoveUp





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January 13, 2017

BCGEU  
PSPP Plan Partner  
4911 Canada Way  
Burnaby, B.C. V5G 3W3

Government of British Columbia  
Attn: Minister of Finance  
PSPP Plan Partner  
PO Box 9400 Stn Prov Govt  
Suite 210, 880 Douglas Street  
Victoria, B.C. V8V 9V1

Public Service Pension Board of Trustees  
c/o Pension Board Secretariat  
PO Box 9460  
Victoria, B.C. V8W 9V8

Via Email and Canada Post

Dear Sirs/Mesdames:

**Re: PSPP Partners Discussions and Proposed Changes to the PSPP**  
**Re: Impact on Ambulance Paramedics, CUPE Local 873 ("Local 873")**

I am writing to follow up from my letter of December 20, 2016 (copy enclosed for your reference) regarding certain proposed changes to the Public Service Pension Plan ("PSPP" or the "Plan") as outlined in a document entitled the PSPP Partners' Agreement in Principle Plan Re-Design dated June 17, 2016. In that letter I raised some of Local 873's concerns about the process and proposed changes to the Plan as described in that document.

We have had no response to our questions or concerns. Despite that, we understand that discussions about the proposed changes are continuing. We further understand that the proposed changes have potential significant, negative and differential impact on our members and may be a breach of our collective agreement.

Accordingly, we require the following:

1. The Partners and the Trustees refrain from passing or implementing any changes to the PSPP whatsoever to the extent they negatively impact Local 873 members;

2. The Partners and/or the Trustees direct the Plan's actuary to provide Local 873 with a costing of the impact of any and all proposed changes to the Plan on Local 873 members. That is, Local 873 requires a description of the economic impact of each proposed change on its members so that appropriate consideration may be given to it both by Local 873 and the Trustees.

Should the Trustees and/or the Partners fail to accede to our reasonable requests above and as set out in our December 20, 2016 correspondence, we shall have no alternative but to consider legal action to protect our member's interests to the fullest extent.

We look forward to your immediate response.

Sincerely,



Bronwyn Barter  
Provincial President  
Ambulance Paramedics and Emergency Dispatchers of BC  
CUPE Local 873

CC Provincial Executive Committee  
E. Grant  
G. Mafatow  
T. Clifford  
T. Manz  
J. Elworthy  
D. Kattler

BB/sw/MoveUp



January 17, 2017

Bronwyn Barter  
Provincial President  
Ambulance Paramedics and Emergency Dispatchers of BC  
CUPE Local 873  
105 – 21900 Westminster Hwy.  
Richmond, BC V6V 0A8

Dear Ms. Barter

This letter is intended to respond to concerns raised in your correspondence dated December 20<sup>th</sup>, 2016 and January 13<sup>th</sup>, 2017, the latter addressed to the Public Service Pension Plan (PSPP) Partners.

The intention of plan design changes is to create improved equity in the plan and to modernize provisions to better represent current and future members. The PSPP has not undergone a significant update to reflect current membership since 1966. Plan design changes have been contemplated as they impact all plan members, with consideration given to situations where the changes would impact plan members differently because of their unique early retirement options, like those of CUPE Local 873.

The focus of plan re-design has been on shifting early retirement subsidies, which some members benefit from, to a higher accrual rate (lifetime benefit) in which all members benefit. Plan re-design is intended to be net neutral in cost. Special pension benefits, like those of CUPE Local 873, will be valued and maintained. However, some members, including CUPE Local 873, may find they will have to work a little longer to make up for the shift away from early retirement subsidies. This is not without precedent, as both the College and Teachers' pension plans in B.C. have moved from a variable-accrual rate above and below YMPE to a flat rate of accrual, and have funded this change by changing early retirement benefits.

While the Government Plan Partner consulted with the largest employers in the plan representing approximately 85% of all members, the BCGEU Plan Partner consulted, based on the AiP, with the PSPP Advisory Committee of unions in August, inviting further comment and discussion. Since then, there have been phone consultations with CUPE Local 873, and BCGEU has attempted to set up a meeting with the Local.

The AiP is currently being considered further, based in part on feedback from the Advisory Committee. The Partners reached out to the Pension Board and received assistance from their Actuary, as well as the Pension Board Secretariat, in contemplating changes to the plan design. Partners continue to welcome input and discussions on plan re-design.

Responses to questions raised in the December 20<sup>th</sup> letter:

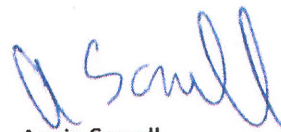
1. The Partners are considering the elimination of the rule of 85, as well as the rule of 80, for all plan members on future service only. The value of the Rule of 80 benefit above the existing Rule of 85 in the plan would be preserved and applied to early retirement benefits for eligible public safety workers, including CUPE Local 873 plan members.
2. There have been communications with both employers and unions to address the proposed amendments and scope of the AiP. For unions this came first in the form of the Advisory Committee meeting, and then through subsequent informal conversations. Once the Plan Partners reach an agreement on final provisions, based on the AiP and feedback from consultations, the final proposed agreement will be shared with and reviewed by the Pension Board and discussed with the Advisory Committee and employers.
3. The Plan Partners, as noted above, requested actuarial estimates from the Pension Board to assist in the proposed plan design changes. This costing was used to inform Partner discussions on plan re-design. The actuary will value the additional pension provisions for those in public safety occupations and maintain them separate and above the provisions for all other members: once this costing is available, we will ask the Pension Board for approval to provide this to CUPE Local 873.

It is important to note the BCGEU Plan Partner only received the December 20<sup>th</sup> correspondence with the January 13<sup>th</sup> letter, via an email from the government plan partner. BCGEU would welcome a further meeting with Local 873 to discuss the proposed plan re-design changes, in particular the concerns around changes to early retirement provisions. The Plan Partners will ask the Board of Trustees to make available the actuary and pension secretariat to inform the discussions.

Sincerely



Paul Finch  
Treasurer  
B.C. Government and Service Employees' Union  
BCGEU Plan Partner



Angie Sorrell  
Executive Director Pensions  
PSEC, Ministry of Finance  
Government Plan Partner Representative

January 25, 2017

**Susan Philpott \***  
*\* Practicing through a professional corporation*  
Direct Dial: 416-595-2104  
Direct Fax: 416-204-2882  
sphilpott@kmlaw.ca

***Via Email***

BCGEU  
PSSP Plan Member Partner  
4911 Canada Way  
Burnaby, B.C. V5G 3W3

**Attn: Paul Finch (paul.finch@bcgeu.ca)**

Government of British Columbia  
PSPP Plan Employer Partner  
PO Box 9400 Stn Prov Govt  
Suite 210, 880 Douglas Street  
Victoria, B.C. V8V9V1

**Attn: Angie Sorrell, Executive Director Pensions (Angie.Sorrell@gov.bc.ca)**  
**PSEC, Ministry of Finance**

Public Service Pension Board of Trustees  
c/o Pension Board Secretariat  
PO Box 9460  
Victoria, B.C. V8W 9V8

**Attn: Pension Board Secretariat (PSPBT@pensionsbc.ca)**

Dear Sirs/Mesdames:

**Re: PSPP Partners Discussions and Proposed Changes to the PSPP**  
**Re: Impact on Ambulance Paramedics, CUPE Local 873 ("Local 873")**  
**Our file No. 16/2015**

We have been retained by the Ambulance Paramedics, CUPE Local 873, whose members participate in the Public Service Pension Plan (the "**PSPP**" or the "**Plan**").

We write in response to the January 17, 2017 letter to Ms. Barter, Provincial President of CUPE Local 873, from the Plan Partners by their representatives, Paul Finch of the BCGEU and Angie Sorrell of PSEC. We enclose a copy of that letter for reference, along with two prior pieces of correspondence from Ms. Barter (December 20, 2016 and January 13, 2017) which are also relevant to this matter.

You have advised that certain changes to the PSSP are being contemplated by the Plan Partners. We have reviewed an Agreement in Principle (the "**AIP**") executed by the Plan Partners on June 17, 2016. We understand the AIP has not yet been implemented, and has been the subject of some comment by a number of the stakeholders, including Local 873. It is



not clear from your January 17, 2017 correspondence what changes will be made to the Plan, if any, as contemplated in the AIP. However, by way of explanation for the proposed changes you indicate as follows, which is cause for significant concern by Local 873 and its members:

"The intention of the plan design changes is to create improved equity in the plan....with consideration given to situations where the changes would impact plan members differently because of their unique early retirement options, like those of CUPE Local 873."

You also indicate that:

"The focus of plan re-design has been on shifting early retirement subsidies, which some members benefit from, to a higher accrual rate (lifetime benefit) in which all members benefit; Plan re-design is intended to be net neutral in cost. Special pension benefits, like those of CUPE Local 873, will be valued and maintained. However, some members, including CUPE Local 873, may find they will have to work a little longer to make up for the shift away from early retirement subsidies.

As you are well aware, the changes described in the AIP could well have a significant detrimental impact on Local 873 members in particular and, as indicated in Ms. Barter's prior correspondence, Local 873 will not tolerate a diminution of its members' pension rights, particularly in order to fund improvements for other BCGEU and other members of the Plan. As you have been advised, Local 873 members bought and continue to pay for a Factor 80 early retirement benefit by shifting 2.25% of their wages from other benefits into the Plan.

It is not clear what exactly is intended by your statements quoted above. To the extent that the above assurances constitute something less than a full guarantee of the unconditional continuation of the early retirement Factor 80 benefits currently provided to and relied upon by CUPE Local 873 and its members, Local 873 will do everything in its power to prevent such changes from being made, including taking such legal steps as are available to hold the Trustees and the Plan Partners accountable for the abrogation of the legal rights of Local 873 and its members.

In any event, we insist that you cease and desist from any further action whatsoever in advancing any changes that have the effect of reducing the benefits of Local 873 members in any way.

Notwithstanding, our client is certainly prepared to engage in a discussion about proposed changes to the Plan, and Local 873 has engaged an actuary to assist them in understanding costs and impacts. You have offered an opportunity to meet to discuss proposed changes. It will assist this dialogue if the Plan's actuary is given the authority to speak with Local 873's actuary, and to provide him with the requisite information and costings as were requested in Ms. Barter's January 13 letter) so that Local 873 can be an informed participant in these discussions.

Local 873 is in the process of ensuring that other similarly situated stakeholders are aware of the changes that the Plan Partners are considering, and of the potential differential and deleterious impact on them and their members. You may be hearing from them as well, and Local 873 would welcome their participation in any meetings with the Plan Partners to be scheduled.

We look forward to your immediate response.

Yours truly,

**KOSKIE MINSKY LLP**



Susan Philpott  
SP:mm

cc. Provincial Executive Committee  
E. Grant  
G. Mafatow  
T. Clifford  
T. Manz  
J. Elworthy  
D. Kattler

Terry Lake, Minister of Health

Stephen Brown, Deputy Minister of Health &  
Lynne Stevenson, Associate Deputy Minister

Ted Patterson, Assistant Deputy Minister

Carl Roy, President & Chief Executive Officer, *PHSA*

Linda Lupini, Chief Executive Officer, BCEHS

Barb Fitzsimmons, Chief Operating Officer, BCEHS



Our Ref: 356499

January 27, 2017

**Via Email**

Susan Philpott  
Koskie Minsky LLP

Dear Ms Philpott:

**Re: Your letter dated January 25, 2017 to Mr. Finch, BCGEU and myself.**

The Public Sector Pension Plan is established through the *Public Sector Pension Plans Act* and is administered in compliance with the Joint Trust Agreement (JTA) dated 2 April 2001. The JTA gives the Partners, the Provincial Government and the BC Government and Services Employees' Union, authority to make changes to plan design. When considering changes, the individual partners are responsible for consulting with their respective members.

The Partners are considering plan design changes at this time for reasons noted in the letter dated January 17, 2017 to Ms. Barter. The AiP referenced in your letter is not detailed and indicates a higher level of intent. Partners understand there are additional pension benefits provided to CUPE Local 873, and others, which are funded above and beyond the basic benefits. These are not noted in the AiP but it is the intention of Partners to value these benefits and maintain them above and beyond the benefits available to all members.

Provisions in the AiP are currently being revisited based on feedback as previously noted in the January 17 letter; BCGEU will base its response on consultation with its members, including CUPE 873. Any changes to the PSPP will impact all members, regardless of employer or union. As noted above, though, those extra benefits will be valued and maintained for those members.

Government has consulted with employers and continues to do so, while BCGEU is responsible for consulting with union members. We look forward to hearing the outcome of the consultations between BCGEU as Plan Partner and CUPE 873 as one of the union members.

Sincerely,

Angie Sorrell  
Executive Director Pensions  
PSEC, Ministry of Finance  
Government Plan Partner Representative

<b>Ministry of Finance</b>	Public Sector Employers' Council Secretariat	Mailing Address: PO Box 9400 Stn Prov Govt Victoria BC V8W 9V1	Location Address: 210 – 880 Douglas St Victoria BC V8W 2B7 250.387.0842
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CC Christina Zacharuk, CEO & President PSEC, Ministry of Finance  
Terry Lake, Minister of Health  
Stephen Brown, Deputy Minister of Health  
Lynn Stevenson, Associate Deputy Minister  
Ted Patterson, Assistant Deputy Minister  
Carl Roy, President & Chief Executive Officer, PHSA  
Linda Lupini, Chief Executive Officer, BCEHS  
Barb Fitzsimmons, Chief Operating Officer, BCEHS  
Stephanie Smith, President, BCGEU  
Paul Finch, Treasurer, BCGEU

# KOSKIE MINSKY

JUSTICE MATTERS

February 3, 2017

**Susan Philpott \***  
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**Via E-mail: Angie.Sorrell@gov.bc.ca**

Government of British Columbia  
PSPP Plan Employer Partner  
PO Box 9400 Stn Prov Govt  
Suite 210, 880 Douglas Street  
Victoria, B.C. V8V 9V1

**Attention: Angie Sorrell, Executive Director Pensions**

Dear Ms. Sorrell:

**Re: PSPP Partners Discussions and Proposed Changes to the PSPP**  
**Re: Impact on Ambulance Paramedics, CUPE Local 873 ("Local 873")**  
**Our file No. 16/2015**

Thank you for your January 27, 2017 correspondence and acknowledgement that CUPE Local 873 members are entitled to special pension benefits under the Public Service Pension Plan (the "Plan") which are additional to the basic benefits enjoyed by all Plan members. We note those are funded by additional special contributions from Local 873 employers.

You advise that it is the intention of the Plan Partners to "value [Local 873's members'] benefits and maintain them above and beyond the benefits available to all members". It is not clear to us, however, what that implies in practical terms, how it is to be accomplished, and whether the Factor 80 and bridge benefit will be maintained for Local 873 members.

As you suggest, we will contact the BCGEU directly as the Plan Member Partner and seek a formal consultation with them in respect of the Plan amendment discussions that are underway.

Yours truly,

**KOSKIE MINSKY LLP**



Susan Philpott  
SP:mm

c Paul Finch, Treasurer, BCGEU  
Bronwyn Barter, President, CUPE Local 873  
Provincial Executive Committee  
Tom Manz  
Trustees  
Terry Lake, Minister of Health  
Stephen Brown, Deputy Minister of Health & Lynne Stevenson, Associate Deputy Minister  
Ted Patterson, Assistant Deputy Minister  
Carl Roy, President & Chief Executive Officer, PHSA  
Linda Lupini, Chief Executive Officer, BCEHS  
Barb Fitzsimmons, Chief Operating Officer, BCEHS



**Public Service  
Pension Board of Trustees**

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5<sup>th</sup> Floor  
395 Waterfront Crescent  
Victoria BC V8T 5K7

Email: [pspbt@pensionsbc.ca](mailto:pspbt@pensionsbc.ca)

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February 1, 2017

Bronwyn Barter  
Provincial President  
Ambulance Paramedics and Emergency  
Dispatchers of BC – CUPE Local 873  
105 – 21900 Westminster Highway  
Richmond, BC V6V 0A8

Dear Bronwyn Barter:

I am writing in response to your letters of December 20, 2016 and January 13, 2017 about the Public Service Pension Plan Partners' Agreement in Principle regarding plan re-design (AIP). I apologize for the delay in getting this response to you.

In your letters, you outline some concerns about the AIP, mainly with respect to the potential elimination of the rule of 80 for members of CUPE Local 873. You also pose some specific questions about the AIP.

Negotiation of a Partners' Agreement is currently under way between the Plan Partners; that is, between the BCGEU and the provincial government. The Public Service Pension Board of Trustees (Board) is not involved in the negotiation. Consequently, your concerns and inquiries should be addressed to the Plan Partners rather than the Board.

I see that your letters were also sent to the Plan Member Partner (BCGEU). You may wish to forward your concerns to the Plan Employer Partner as well. The contact for the Plan Employer Partner is the Public Sector Employers' Council Secretariat (PSEC).

The June 2016 AIP does not constitute a Partners' Agreement. In the event that the Plan Partners conclude an Agreement and present it to the Board, the Board is required to consider it against the criteria established in section 11.3 of the Joint Trust Agreement. Subject to the criteria, the Board must amend the Pension Plan Rules as required to implement the Partners' Agreement. Section 11.3 of the Joint Trust Agreement is enclosed for your reference.

Yours truly,

David Vipond  
Chair  
Public Service Pension Board of Trustees

Enclosure

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**Extract**  
**Public Service Pension Plan**  
**Joint Trust Agreement**

**11.3. Amendment Requested by Partners.**

The Partners, the Professional Employees Association and the Union of Psychiatric Nurses agree that the Partners may direct the Board to amend the Pension Plan Rules, and the Board must so amend the Pension Plan Rules if:

- (a) the Partners have first received and considered the advice of the Board respecting both the cost and the administrative impact of implementing the proposed amendment;
- (b) the proposed amendment is not inconsistent with Section 11.2, the Trustees' fiduciary responsibilities or any funding policy adopted by the Board; and
- (c) the proposed amendment will not result in the Pension Plan failing to be funded in accordance with the PBSA's going concern funding requirements.