

LABOUR MANAGEMENT REVIEW COMMITTEE

May 2, 2011

Honourable Jennifer Howard
Minister of Labour and Immigration
Room 317,
Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

As requested on February 22, 2011, The Manitoba Labour Management Review Committee (LMRC) would like to thank you for the opportunity to comment on proposed changes to *The Pension Benefits Act (PBA)* that were recommended by the Pension Commission of Manitoba (Attached).

After reviewing the attached recommendations by the Commission, the LMRC unanimously agrees on the appropriateness of such legislation. The proposed changes to the PBA will improve enforcement processes and provide for a new multilateral pension agreement that will provide a more effective approach for administration for plans with members in more than one jurisdiction. Proposals include:

- provisions that will allow for the adoption in Manitoba of a Proposed New Multi-lateral Agreement for the regulation of multi-jurisdiction pension plans.
- improved enforcement of Superintendent orders, including the filing of liens in the case of a failure to remit contributions
- Corporate director liability for unpaid pension contributions that the corporation (employer) has failed to remit to the pension plan

Members of the LMRC indicated that the legislation should be clear in that the corporate director liability attaches only to directors of the employer corporation, and not to a director on the board of trustees of a pension plan.

In addition, management representatives would like to indicate a number of cautions as this initiative proceeds:

1. While management representatives on the LMRC feel that the new proposed multi-lateral agreement is generally a good idea and therefore support the legislative change, they do have a concern regarding the agreement itself, as it applies to multi-jurisdictional multi-unit pension plans (MUPPs). The proposed agreement allows a plan to be funded in accordance with the funding rules of the major authority. For MUPPs this is a positive step. However there is a concern regarding applicability of laws dealing with plan splits and wind-ups. The proposal

says that priority in terms of allocation of assets will be given to those members in provinces that require solvency funding. This could be a concern for Manitoba plans, and we encourage appropriate staff in your department to raise this issue with CAPSA before the agreement is signed.

2. In terms of the administrative penalties, it is noted that the intent is to set the amount of penalty by regulation. Management representatives would like to emphasize that in determining the amount it should be reasonable and appropriately reflect the nature of the non-compliance. Management representatives encourage the department to undertake consultations with stakeholders in this regard.

3. There is some suggestion in the Pension Commission report that certain hearings before it could be heard by a single member of the Commission. Given that pension hearings can arise from employment related disputes, management representatives feel that in development of the regulations, consideration should be given to any hearing panel consisting of at least three members. This should include a management and employee representative, much like the Manitoba Labour Board.

Thank you once again to the members of the LMRC for their timely consideration on this issue and to the staff in the Department of Labour and Immigration for providing assistance to the Committee on these matters.

Sincerely,

Original signed
Kevin Rebeck
Labour
Caucus Chair

Original signed
Michael Werier
Chairperson

Original signed
Peter Wightman
Management
Caucus Chair

Enclosure

cc: Members of the Manitoba Labour Management Review Committee

Attachments