

**MANITOBA REGIONAL OFFICE**

703 – 275 Broadway, Winnipeg, MB R3C 4M6  
Tel.: (204) 942-0343 Fax: (204) 956-7071 / cupe.ca / scfp.ca

**SENT VIA EMAIL: kerry.poole@hebmanitoba.ca**

October 17, 2017

Mr. Kerry Poole  
Chief Executive Officer  
HEB Manitoba  
900 – 200 Graham Avenue  
Winnipeg, Manitoba  
R3C 4L5

Dear Mr. Poole:

**RE: CHANGES TO THE HEB PENSION PLAN – OCTOBER 17, 2017**

---

On behalf of the Canadian Union of Public Employees we would like to express our opposition to the changes to the Healthcare Employees' Pension Plan (HEPP) announced on October 17, 2017.

The changes to the plan announced today may force some health care workers to delay or change their retirement plans and creates unnecessary division between existing plan members and the future generation of health care workers. Notably, the decision to eliminate all supplementary and bridge benefits for new members after January 1, 2018, is completely unacceptable.

Two-tier pension benefit structures are unfair to future members of the plan and disproportionately affect newcomer or younger members of the workforce who are starting their careers in health care in Manitoba.

Two-tier pension benefits that create a disparity between senior and junior/new employees, create animosity and resentment between co-workers, and threaten the retirement security of future employees.

As a matter of both principle and policy, CUPE opposes the creation of two-tiered wages and benefits – including pensions which are, after all, a deferred wage.

Health care staff work tirelessly every single day to support the health and well-being of the people of Manitoba. The difficult nature of their work is strenuous, both physically and mentally, and they deserve the best possible support in their retirement.

.../2

**MARK HANCOCK**

National President/Président national

**CHARLES FLEURY**

National Secretary-Treasurer/Secrétaire-trésorier national

**DENIS BOLDUK, FRED HAHN, JUDY HENLEY, DANIEL LÉGÈRE, MARLE ROBERTS**

General Vice-Presidents/Vice-présidences générales

We fear that these changes will, in the future, compel health care workers to remain on the job when they otherwise may have chosen to retire due to reasons of physical or mental health. Further, we suspect that this may lead to increased reliance on long-term disability and accompanying higher rates for both employees and employers.

The HEB Pension Plan is a critical component in recruitment and retention of health care workers province-wide, as well as ensuring health care workers in Manitoba are recognized for their hard work and contributions to Manitoba. The changes announced today are a step backwards for the retirement security of health care workers in Manitoba.

We are also issuing our concern in the structural governance of HEB Manitoba. While we recognize the value of a jointly trusted plan, we feel it is time to re-examine how decisions are made, and who is making them, to ensure greater transparency and democracy in our plan.

While we recognize that low-interest rates, increasing life spans, and the fallout of the 2008 stock market crash have challenged all pensions plans including HEPP, we do not believe that the current situation necessitates the changes which have been announced.

Additionally, the *2016 Report to Members* detailed that the current going concern funding ratio has improved to 101.3%, and the contribution sufficiency ratio has moved to 107.2%. The plan is apparently healthy.

In short, we do not believe the current financial situation of the plan requires such drastic changes that will negatively impact our members.

We look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read 'LEE McLEOD', with a stylized flourish extending from the end.

**LEE McLEOD**  
**REGIONAL DIRECTOR, MANITOBA**

LMc:cbc/cope 491

cc: Gerry Gattinger, Chair, HEPP Board of Trustees  
Bob Romphf, Vice-Chair, HEPP Board of Trustees