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THE DEMAND FOR CONCESSIONS WILL NEVER END UNLESS THE WORKERS ARE PREPARED TO TAKE A STAND!

By Rolf Gerstenbeger, President, Local 1005 USW

We are reprinting an article entitled "The Defined Benefit Pension Plan- Our Local's Experience" on the reverse side of this leaflet. This article was published in the May 2010 issue of the Local 6166 USW newsletter, *Steel Gauntlet*, produced out of Thompson, Manitoba. It is an article by Jack Alexander, President of USW Local 1-830, a local that represents workers in a cardboard box manufacturing plant in Winnipeg. This company also has a sister plant in Regina, Saskatchewan. It outlines what is happening to these workers who gave up their defined benefit pension plan "for new hires" in 2008, and what the company is demanding now. They thought they could agree to this since it did not affect "any of our current membership." Now the company at their sister plant is demanding that **"For employees with less than fifteen continuous service at date of ratification...the defined benefit pension plan will be ended and replaced with a defined contribution pension plan for the future service."**

The workers experience all across the country is that once the workers agree to concessions, the demand by the company for more never ends. They are like sharks; once they smell blood, they attack in a frenzy. So not only do concessions not make the situation better for the workers, they only result in more concessions, unless the workers are prepared to take a stand. And for concessions on pension plans, once the workers begin to give up their pension plan in exchange for a defined contribution "savings plan", the whole pension plan gets wiped out eventually.

And imagine this: if a company can convince or force workers to give up their pension plan, what else will the workers give up? Indexing for pension plans? Of course, why should the pensioners have their pensions indexed, they are not working anymore, and the indexing **"makes the company uncompetitive"**. Maybe they'll give up health benefits for the workers and pensioners? After all there is health care in Ontario, and why should the company have to "pay" if someone is sick? This just **"makes the company uncompetitive"**! Why not give up some of the wages? After all, we are making more than minimum wage, and you can always make it up in overtime because there are not enough workers! High wages just **"makes the company uncompetitive"**! After all, you want your job don't you? Why not give up your breaks? If the company has to keep extra workers on just to provide lunch breaks, this just **"makes the company uncompetitive"**. Why not give up the breaks, and you can have your lunch or a coffee break if the line breaks done, or if we run out of iron for the BOF, or the caster turns around, etc. There is an endless list of what the company would want to **"make them competitive"**.

But what they want to hide is that all of these concessions just result in more wealth going into the pockets of the owners, the banks and the financial vultures. If they can produce more steel with less workers, there is more wealth for them. If they don't spend as much for wages, the difference goes into their pockets. The "savings" on going to a savings plan instead of a pension plan means there is more going in their pockets. The less time workers spend on lunch, means the owners and bankers will be having a bigger lunch! Of course, they may not ask for all these concessions now, but they want something, and then they can chip away at the rest, as shown by the following article.

The Defined Benefit Pension Plan Our Local's Experience

By Jack Alexander, President, USW Local 1-830

USW Local 1-830's 2008 negotiations were one of the most difficult, in my opinion, since our 9 week Strike in 1981 to attain wage parity with our sister plants in western Canada. We won that battle, thanks to our friends in the forest industry, who were in negotiations at the same time and refused to agree to terms until our company agreed to settle our Strike.

Here is a little background on our 2008 negotiations. In 2006, our sister plant in Regina accepted a company proposal that all new hires would not be eligible for membership in our Defined Benefit Pension Plan and would be required, after six months, to join a newly created Defined Contribution Pension Plan.

Our Negotiating Committee, in preparing for negotiations, had meetings discussing the Regina deal with our membership and how it could affect our Agenda. Our members told us the Regina deal did not affect any of our current membership, so it was not a problem and we could use it as a bargaining chip for something we want on our agenda.

Our committee was very concerned that agreeing to any proposal that limited new hires eligibility to our Defined Benefit Pension Plan could, in the future, come back to bite us in the ass. We argued this would open the door for the company to come back at our next round of negotiations and we could face a further erosion of our Defined Benefit Pension Plan.

As President, with a lot of years of experience in negotiations with this company, I asked the membership to consider what this company has done in the past when we have opened the door to concessions. Do you think the company would treat this any differently? They had succeeded in concession claw backs in the past.

Our membership, in the end, finally accepted the company proposal and now all new hires are not eligible for membership in the Defined Benefit Pension.

In March of this year, our sister plant in Regina was again in negotiations and our committee's concerns about this company's past record at negotiations have come true. The following quote is from the Regina Memorandum of Agreement:

"For employees with less than fifteen (15) years of continuous service at date of ratification, effective first day of the fourth month following ratification, the defined benefit pension plan will be ended and replaced with a defined contribution pension plan for the future service.

Employees with less than 15 years of continuous service with the Company, who will become members of the Defined Contribution Plan, will maintain their credited service and

bridging as determined by the retirement plan up to the point of transfer.

Employee mandatory contribution of 5% of base earnings up to a maximum of 2080 hours per year

Employer matches employee mandatory contribution

Employees currently enrolled in the Defined Contribution Plan, and all new employees, the plan will remain as follows:

Participation will be mandatory

Waiting period: 6 months

Employee mandatory contribution of 4% of base earnings up to a maximum of 2080 hours per year

Employer matches employee mandatory contribution"

Our Local does not go to the table until March 2013. This gives our Local time to inform our membership and rally the troops for the next round.

Since the Regina deal was announced our members in the plant, for the first time in my 28 years as President, have been talking about the next set of negotiations and are being vocal with local management concerning their Defined Benefit Pension Plan. My experience tells me we are in for a big fight the next time around.

As you prepare for your upcoming negotiations, remember the decisions you make at this round can and probably will affect you in the long run.

I wish you luck in your negotiations, but we all know it's not luck it is "Tenacity, Unity and Strength" that prevails in the end.

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**The future is far too
important to leave up to
CEOs and politicians**

**Lynn Williams
Fifth USW International
President (retired) and
Officer of the Order of
Canada.**