



## INFORMATION UPDATE 2010 #24

July 21, 2010

**YOU BE THE JUDGE:**

**DON'T BE FOOLED INTO BELIEVING A DC PLAN IS BETTER FOR YOU!**

Recently members of Local 1005 and I attended a National Policy Conference in Toronto held the week of April 27<sup>th</sup>, 2010. Delegates at this conference were Steelworkers from all over Canada.

The reason I am writing this article is to explain why this Negotiation Committee is fighting to keep all of our "hard fought gains" and the importance of a defined pension benefit plan.

At this conference the Steelworkers brought in a pension expert to talk about the difference between defined benefit pension plans versus the defined contribution savings plans and that the unions have to fight to keep the defined pension plans. At the end of the discussions there was a clear conclusion: a defined benefit pension plan gives you retirement security. You know what you are going to get when you retire.

*A resolution was submitted and endorsed by all the delegates present which read:*  
**THEREFORE BE IT RESOLVED THAT the USW support the CLC campaign called "Retirement Security for Everyone".**

**BE IT FURTHER RESOLVED THAT the USW lobby for better protection of worker pensions, including creating benefit guarantee funds in the federal jurisdiction and all provinces.**

**BE IT FINALLY RESOLVED THAT the USW develop strategies to protect and expand defined benefit pension plans, secure and improve retirement benefits for members that do not have the benefit of defined-benefit pension plans, and develop educational materials for USW members that outline the need for and benefit of employer and government retirement funds for working people.**

Submitted by Local/Soumise par les Sections Locales 5890, 7552, 9705.

People elaborated the essential importance of these pension plans. That is why it is vital for the workers at Local 1005 to understand why all the other previous leaders of this Local negotiated this for us for today and we must fight to keep this for tomorrow.

For your information: There was a letter printed in the *Hamilton Spectator* on October 5<sup>th</sup>, 2007 which clearly states that Stelco employees and retirees have nothing to worry about in regard to their pensions. The letter is by Gretchen R. Haggerty, Executive Vice-President and Chief Financial Officer, U.S. Steel Corp. This letter was written shortly before U.S. Steel took over Stelco.

*"We want Stelco's employees and retirees to know that we understand the fundamental importance of sound pension funding. We have had a large defined benefit pension plan for decades. We take our obligations very seriously and are proud of the fact that today that plan is fully funded. In fact, over the last four years, we have made over \$700 million in voluntary contributions to that plan. We will honour our commitment to the Stelco pension plans. That is our history and track record. We look forward to closing the transaction, and to Stelco's employees becoming part of U.S. Steel."*

We need everybody, active and retired members, politicians and members of the community to support us in our fight and make U.S. Steel live up to all of their obligations as they promised everyone.

I am asking everybody to stay strong and come out to the Information Meetings held every Thursday at 3:30 p.m. for the latest updates.

Jake Lombardo

Plant Grievance Chairman and Negotiating Committee Member

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LETTER BY TIM BLACKBOROW, TRUSTEE AND NEGOTIATING COMMITTEE MEMBER:

The Union gave notice to bargain on April 26th, 2010. We first met the company on May 20<sup>th</sup>, 2010 and began meeting regularly on June 7. We have been in bargaining since that time. We are trying to reach an agreement that protects our entire membership: current, past and future. Neither the company nor the union has made a request to the Ministry of Labour for Conciliation Officer.

The attack by U.S. Steel on Local 1005 members (future, current and past) includes:

- Attack on the future employees (A DC plan and reduction in benefits)
- Attack on the pensioner's (Elimination of indexing)
- Attack on the members who are near or over the \$70,000 benefit limit.
- Attack on the members in the plant. (Reduction of Cola, vacation and benefits)

"One for all and all for one" is more than just a slogan? What is in our common best interest? Not, "I'm okay; let's abandon our senior brothers and sisters as well as our future brothers and sisters". My senior brothers and sisters did not sell me out and I did not and will not sell out my junior and future brothers and sisters.

A defined contribution plan divides us. If we allow a defined contribution plan we are saying that my future brothers and sisters do not deserve what I receive. How long before the company approaches those brothers and sisters with "why should you care about them, they did not care about you, that's why you are in a different plan". How long do you think a plan with no future will last? Do you think the company wants a defined contribution plan because it is better for the workers? They do what is in their best interest, not ours. How can we allow the company to attack the most vulnerable?

Without indexing, Pensioners would lose almost 20% of their pension every ten years. Someone retiring now should do the calculation and see what this would mean for their pension 20 years from now. (This is the worry that every worker has before they retire: what will my pension look like in 20-30 years from now?)

We only receive and keep what we are willing to fight for brothers and sisters. The dignity of Labour lies in our fights for our rights and the rights of others.

**We need our plant to be producing at or near max capacity.**

**With out the above we cannot be successful and we can never give enough up. Once you give up to the company, how long before they will be back for more and more.**

**DON'T FEED THE WOLF!**