



## UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

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### Local 1598

#### ***A Special Letter to Members ...***

#### **Carpentry Workers Benefit Plan changes:**

The Carpentry Workers Benefit Plan recently sent out fancy brochures advising of the elimination of B.C. Medical coverage for all members as of May 1, 2003. Local 1598 requested the Board of Trustees reconsider the elimination of basic medical or provide options for members to choose.

We further advocated that if the Plan was not prepared to retain basic medical, the May 1, 2003 50 cents per hour increase should be applied to the hourly wage rate so members can purchase B.C. Medical. To alleviate the financial shortcomings of the Plan, we proposed changing the monthly hour bank charge from 100 hours to 125. Changing the hour bank charge would be equal to a 30 cents per hour increase in contributions to the Plan.

As a result of Local 1598 sending a letter to the Board of Trustees and other Locals, a meeting of Business Agents and Carpentry Workers Benefit Plan Trustees was held on March 25, 2003 to supposedly consider options. We were informed the Trustees would provide an option of B.C. Medical without extended benefits. This watered-down option is of little value to members in our opinion. We were further advised by President Len Embree that a tentative agreement was reached with the contractors to allocate 35 cents of the 50 cents increase to the benefit plan.

On March 26, 2003 Brother O'Hara and I attempted to attend a meeting of the Carpenters Joint Advisory Committee. The Joint Advisory is the Provincial Council Negotiating Committee and the contractor members of Construction Labour Relations. This body negotiates the Construction Standard Agreement and the purpose of the meeting was to agree on the allocation of the 50 cents per hour May 1, 2003 increase.

The Provincial Council informed the contractors that they were not prepared to allow Brother O'Hara and I, the duly elected representatives of the V.I. District Council of Carpenters, to attend this meeting. Our right to represent and bargain on behalf of members was denied by President Embree and the Provincial Council. Construction Labour Relations informed us they would not scuttle the meeting over the issue, however the Victoria contractors refused to participate in our absence and left the meeting.

The allocation of the 50 cents increase was agreed to by the remaining contractors and the Provincial Council Negotiating Committee. If Brother O'Hara and I had been able to represent our members at the meeting, the outcome of the allocation may have been different with the members receiving the 50 cents in the form of wages, rather than 15 cents directed to the Benefit Plan and the remaining 15 cents likely going to the Training Funds (no agreement has been reached on the allocation of the remaining 15 cents).

#### **Carpentry Workers Pension Plan changes:**

Members should have received a second fancy brochure advising of changes to the Pension Plan. Local 1598 received the changes by fax on the day they were mailed to members. The highlights are:

- The scheduled reduction of pension for July 1, 2003 will be 35% rather than the 30% projected.
- No unreduced early retirement prior to age 62 (elimination of Rule 80).
- For members who took early retirement between July 1, 1992 and April 1, 2003 a reduction of pension up to a maximum of 45%.
- If the Plan recovers enough to reverse some of these reductions, older pensioners will be the first priority.

The Plan's Actuary has reported at Conventions; and as stated in the brochure ...

**"That gap in performance amounts to roughly our entire unfunded liability ... In other words, if our investments had been managed in the same way as other pension funds, we would not be facing the problems we have today."**

The reality is that these problems didn't have to happen. The information in the brochure demonstrates that between 1994 - 2000, had our Plan achieved the median rate of return of other Canadian Pension Plans, we would not be facing these drastic cuts.

In our view, the changes are unfair as they do not treat all members the same with an identical reduction in pension. Effective July 1, 2003, a \$1,000 pension will be reduced by 35% to \$650. Further, that pension would be reduced by an additional 42% to \$377 if the member chose early retirement at age 55. This is a 62% reduction in pension. We have prepared a PETITION calling upon the Board of Trustees to make changes as outlined in the following resolution:

**WHEREAS** The Carpentry Workers Pension Plan is required to make changes to match the liabilities to the funds assets, and

**WHEREAS** The vast majority of our members are unable to work in the trade to the age of 62 - let alone age 65, and

**WHEREAS** Each and every time the Plan generated surpluses, the increases were applied to both active participants and pensioners equally

**THEREFORE BE IT RESOLVED:**

**That the Trustees of the Carpentry Workers Pension Plan treat all members the same with an identical reduction of pension, and**

**BE IT FURTHER RESOLVED:**

**That the Trustees of the Carpentry Workers Pension Plan maintain the early retirement provisions as amended November 2000, and**

**BE IT FINALLY RESOLVED:**

**That if the Plan generates future investment income in excess of the assumed rate of return, pensions for both active participants and pensioners be restored equally.**

#### **FUTURE:**

Union hours worked in Victoria have increased every year in the past five years while hours worked provincially have gone the other way. Our membership should be proud of their high skills, the competitiveness of our contractors and this Local's reputation as the most productive Local in the Province.

The Executive of Local 1598 adopted a motion at our last meeting to look into the issues of our bargaining rights, benefits and pensions. It may be that the only way to protect the wages and benefits for Local 1598 members will be through our own Agreement and Plans. We do not believe it is impossible to consider this as the Plumbers in Victoria and the Sheet Metal Workers on Vancouver Island have their own agreements and their own benefit and pension plans. We will keep you informed of any possibilities that develop.

We must press forward to find alternatives. It is particularly important during troubling times that we stand together and work to create solutions for these problems.

Fraternaly yours,



Wayne Cox  
Business Manager  
Local 1598 Victoria

OFBU 15  
4/17/03

#### **BILLING INFORMATION UPDATE:**

WE ARE ADVISED BY THE CWBP THAT MEDICAL SERVICES PLAN OF B.C. WILL BE SENDING YOU A BILL FOR MAY, JUNE AND JULY COVERAGE AT THE END OF JUNE. FOR MORE INFO - CALL TOLL FREE TO THE PLAN AT 1 - 877 - 411 - 2806.