

RREGOP UNDER ATTACK: THE GOVERNMENT PERSISTS

There's been some movement on the retirement issue at the central table. The government has finally dropped its attack on the thousands of people who have devoted 35 years of their lives to public service. This is good news. However, the major attack aimed at cutting RREGOP pension benefits for all workers has not been withdrawn. Yes, it's been changed – but in a way that produces the same result. Basically, they're offering to trade four quarters for a dollar!

Cuts to public-sector workers' pensions

The new proposal for cuts is not far removed from the government's first offer, which was explained in our last Info-Négo (<https://www.frontcommun.org/info-nego-retraite/>). The first proposal aimed to considerably reduce RREGOP pension benefits before age 65 and to slightly increase them after age 65. The new offer, on the other hand, significantly reduces RREGOP benefits after age 65, while promising to maintain the status quo before age 65.

This means that over the period of workers' retirement, the same value will be removed from the RREGOP despite the proposed change.

The government's objective now appears increasingly clear: to recover approximately 1% of the payroll on a recurring basis by cutting the RREGOP in order to pay for its other measures.

This attack by the government would unfortunately have major effects on members' pensions. Here are three examples: Louise (age 60), Julie (age 45) and Catherine (age 30). They will all be eligible for retirement at age 60, and will have accumulated 30 years' service by then. Let's look at the impact of employer demands on their eventual RREGOP pension benefits, with three different annual incomes.

	\$44,000	\$60,000	\$80,000
Louise, age 60, plans to retire now (status quo at RREGOP).	She will receive a pension of \$26,400 between ages 60 and 65. After age 65, she will receive \$17,160.	She will receive a pension of \$36,000 between ages 60 and 65. After age 65, she will receive \$23,400.	She will receive a pension of \$48,000 between ages 60 and 65. After age 65, she will receive \$34,014.
Julie, age 45, will retire in 15 years.	She will receive a pension of \$26,400 between ages 60 and 65. After age 65, she will receive \$16,302, a 5% decrease.	She will receive a pension of \$36,000 between ages 60 and 65. After age 65, she will receive \$22,230, a 5% decrease.	She will receive a pension of \$48,000 between ages 60 and 65. After age 65, she will receive \$31,557, a 7% decrease.
Catherine, age 30, will retire in 30 years.	She will receive a pension of \$26,400 between ages 60 and 65. After age 65, she will receive \$15,444, a 10% decrease.	She will receive a pension of \$36,000 between ages 60 and 65. After age 65, she will receive \$21,060, a 10% decrease.	She will receive a pension of \$48,000 between ages 60 and 65. After age 65, she will receive \$29,101, a 14% decrease.



The government's new formula for calculating benefits is not in any sense a withdrawal of its attack. It has changed its approach, but the result of the cut in RREGOP pension benefits is similar to its initial proposal and remains unacceptable.

The *Front commun* has asserted several times at the bargaining table that it is not open to reducing the pensions of people employed in public services. Instead, we are banking on voluntary incentives so that people who want to stay longer in employment can find advantages in doing so, even when they are eligible for retirement. We invite the government to negotiate along these lines.

A totally unjustified attack on the RREGOP!

As we all know, there is NO justification for attacking retirement conditions. The RREGOP is a tool to retain employees. It is in excellent financial health, with funding now at 123% according to the latest actuarial valuation – the highest level in at least 20 years. It's time for the government to stop trying to recoup money on the back of public sector workers' pensions, and focus on negotiating positive measures.

