



January 31, 2024

ONA VON Members

Dear Members,

Re: VON Canada Pension Plan Update

This is a joint communication to members from the following six unions: the Nova Scotia Government and General Employees Union (NSGEU); the Nova Scotia Nurses Union (NSNU), the Canadian Union of Public Employees (CUPE), the Ontario Public Service Employees Union/Syndicat des employés de la fonction publique de l'Ontario (OPSEU), SEIU Healthcare and the Ontario Nurses' Association (ONA). Together our six unions represent more than 1,600 active members of the VON Canada Pension Plan (the Plan) in two different provinces. **We are united in a common cause to ensure that VON Canada lives up to the important pension promises it has made to our members.**

2006 Reduction in retirement benefits

In 2006, VON unilaterally imposed a major cut to retirement benefits under the Plan. The basic rate at which members earn benefits was slashed by about one-third, however there was not an equivalent adjustment to the amount contributed by plan members. Essentially plan members continued to pay the same amount but received a lower pension benefit. This cut is still in place and hardworking VON employees are not earning pension benefits nearly as fast as they should. Our pension benefits continue to lag behind other public sector and healthcare plans. This was and remains unfair.

2010 VON Promise to restore benefits

In 2010, the Plan faced a deficit and the employer wanted to take advantage of and secure an easing of its annual pension funding obligations that had been offered by the Ontario government (the Plan has members in Nova Scotia and Ontario but is regulated by Ontario's pension laws). At the time, VON told members that "to remain a viable organization, VON **must** use the new temporary measures." However, to be able to access this funding relief, the government required Plan members' consent, recognizing it comes with an increased risk to plan members' benefit security. A negotiation took place and an agreement was reached: in exchange for member consent, VON agreed to reinstate benefits back to their pre-2006 levels when the Plan had returned to surplus and met certain actuarial conditions. This promise was documented in written agreements between VON and the unions in 2010. With this VON promise made, Plan members gave their consent and VON was able to reduce its annual contributions to the pension Plan. VON clearly believed that without this relief, the financial viability of VON itself would have been in question.

Since that time, the pension Plan's health has been improving. We have fulfilled our side of the agreement. We have continued to trade our labour (even through a pandemic) on the understanding that VON would make good on its side of this deal.

The Unions' request to restore retirement benefits

The funding levels in the Plan have, for some time now, been at a threshold at which a restoration of benefits is required under the 2010 agreement. In late 2020, the unions demanded for the restoration of benefits. VON did not restore the benefits as promised. The unions responded by filing grievances to compel VON's compliance with the 2010 agreements. In 2021 and 2022, the unions engaged in settlement discussions with VON that did not lead to a resolution.

The unions are now moving ahead with hearing the grievance filed by NSGEU. Because all the grievances involve identical agreements reached by VON and the six unions, resolution of one grievance may effectively determine the outcome of the others. The unions therefore decided the NSGEU grievance would be advanced to arbitration because NSGEU represents the largest number of Plan members. The other grievances are being held in abeyance. Proceeding with a single representative grievance will simplify the hearing process and avoid unnecessary duplication of the grievance proceedings. Hearing dates have been scheduled in 2024 and 2025. The labour arbitration process does not move as quickly as we would like. But given VON's refusal to comply with the terms of the 2010 agreement, we have no choice but to fight for our members' rights within the confines of this system, which can unfortunately take time.

The unions have retained Goldblatt Partners (Ontario) who have provided legal advice with regards to the grievances and will represent us in the labour arbitration process. Goldblatt Partners are leading lawyers in labour law with a specialty in pension law.

The unions have retained an independent actuary to analyze the financial position of the Plan over the years in order to confirm that the Plan can afford to improve benefits and has met the thresholds of the restoration promise obtained in 2010. Costs related to that work are being shared by the unions.

The unions will keep their members updated throughout this legal process.

The Employer's proposed amendments to the Pension Plan

In the meantime, the unions have had an important win on a separate but related legal process against VON. VON's focus to-date has **NOT** been on restoring benefits as they promised to do. The employer has instead sought to register amendments to the Plan that would allow VON to contribute even less than the Plan rules currently require, with an effective date back to January 1, 2006. Essentially, VON has been breaking the contribution rules in the Plan for a long period and underfunding our already too-modest benefits. VON proposed to fix this problem in a way that suited them (and not Plan members) by attempting to back-date the change so they could claim they had always been following the rules. The employer filed this proposed rule change in late 2020 with the Ontario pension

regulator, the Financial Services Regulatory Authority Ontario (FSRA) (the VON pension plan is regulated in Ontario, even though it has members outside the province). This was simply unacceptable to the unions and collectively we filed an objection to this proposed change. Both sides made multiple submissions to FSRA following our complaint. In late October 2023, FSRA wrote to VON and the unions and said it would not be registering the plan amendment retroactively. While this decision did not pertain to our efforts to restore plan benefits, it is an important legal win for the unions in our ongoing efforts to hold VON to account.

All of these delays and legal expenses on both sides would be unnecessary if VON would simply honour the deal they signed in 2010 and restore pension benefits back to where they were before the employer unilaterally cut them by 1/3 in 2006. VON workers stepped up and effectively saved this employer in 2010. VON workers stepped up again and have continued to do incredibly important frontline work throughout the pandemic. It is time for VON to step up and make good on their promise. Restore our members' pension benefits!

Our coalition of six unions will continue working together to ensure that VON puts Plan members first.



Yours truly,

ONTARIO NURSES' ASSOCIATION

Erin Ariss, RN
President

Yours truly,

ONTARIO NURSES' ASSOCIATION

Andrea Kay, RN
Chief Executive Officer