Frequently Asked Questions

Memorandum of Agreement relating to surplus sharing under the Canadian Broadcasting Corporation Pension Plan and to cost management under the Canadian Broadcasting Corporation Supplementary Health Care Plan

1. Q: What is the arbitration decision on the 2009 benefits and pension agreement about?

A: In 2019, the Corporation said that it was unilaterally terminating an Agreement that it signed with its unions and the pensioners' association in 2009. This Agreement provides for two things: (1) the equal sharing of pension plan surpluses between the Corporation and members of the plan, and (2) the setting up of a Health Care Fund to pay for out-of-the-ordinary increases in the cost of employee health care benefits. In 2019, the unions and the Pensioners National Association challenged the Corporation's attempt to terminate the Agreement and took the Corporation to arbitration to ensure members' rights were protected.
The arbitration decision issued Friday, June 9, 2023 agrees with the unions and Pensioners Association that the Corporation could not terminate the Agreement and that the Agreement remains in effect.

In his decision, arbitrator Justice Dennis O'Connor wrote the following:

> *"I make the following Award:*
>
> *(a) A Declaration that the MOA is a valid and subsisting contract between the parties and that the notice of termination dated December 13, 2019 by which CBC/Radio Canada purported to give three months' notice of its intention to terminate this agreement is of no force or effect and does not operate to terminate the MOA;*
>
> *(b) An Order that CBC/Radio-Canada forthwith recognize STTRC as a full party to the MOA, and meet with the CCSB to reach any necessary agreements on the implementation of this Order."*

This decision means that all provisions of the Agreement remain in full force and effect. This means first of all that the Corporation must meet its obligations to share pension surplus consistent with the terms of the agreement. The decision removes as well any uncertainty about the status of the Health Care Fund, which was created by employee contributions of 0.1% of their wage increases from 2009-2019 for the purpose of ensuring that there is no elimination or reduction in employee benefits as costs rise. The decision confirms the unions' oversight of the Fund and its use through the unions' participation on the Consultative Committee on Staff Benefits (CCSB).

The Arbitrator ruled as well that STTRC is a full party to the agreement which means that all unionized employees have all of the rights provided by the Agreement.

2. Q: How much money are we talking about?

A: The agreement calls for an equal distribution of pension surpluses between the CBC and contributors to the pension plan (current staff and retirees). In a surplus position, defined by specific federally regulated criteria on pension solvency, CBC is required by law to forego making employer contributions to the pension plan. There have been two such so-called "contribution holidays" in the past two years for the Corporation, thus far totalling around $95 million. The 2009 Agreement gives contributors to the pension plan (current staff and retirees) the right to share an equal amount of the surplus, i.e., around $95 million.

As for the Health Care Fund, it is our understanding that it presently contains more than $40 million, though we have not had proper updating of its status since 2019 when the Corporation purported to terminate the 2009 Agreement. As noted above, the Fund is intended to be used as a reserve in circumstances where annual healthcare costs exceed an agreed upon threshold.

3. Q: How much will each pension plan member receive?

A: The amounts will vary from person to person. There is some complicated math to do, but the payout amounts can be expected to be based on the amount that each pension plan member contributed. Eligible members of the plan will include current employees, pensioners, as well as surviving spouses and surviving children.

4. Q: When will I get my share of the pension surplus?

A: At this point no one can say for sure. The 2009 Agreement calls for surplus payments to be made "on or about October 1". The payments for 2022 are obviously overdue and the payments for 2023 should be in the process of being worked out. As mentioned, there is some complicated math to do here, and this needs to be done by the pension plan's actuaries. As well, while the 2009 Agreement says that an arbitrator's award cannot be appealed, it is possible that the Corporation might attempt to commence a judicial review of the decision by a court. We don't think this is likely but we are awaiting confirmation on this from the Corporation.

5. Q: How about next steps

A: We have written to the Corporation and proposed that we meet as soon as possible to talk about the arbitration decision, and in particular about the various things that have been on hold over the last couple of years while the litigation ran its course. By this we mean the sharing of the pension surplus, the expected rise in the cost of health care benefits, the amount of money in the Health Care Fund, whether it is sufficient, any changes to the Fund that might be needed, etc.

As soon as we hear back and know more, we will provide you with an update.