



The Teachers' Portion of the Unfunded Pension Liability

What makes this a critical issue?

- In 1992, the ATA and the Government of Alberta concluded an arrangement to deal with the unfunded liability in the ATRF.
- Government assumed responsibility for dealing with $2/3$ of the liability.
- Teachers (through their union) assumed responsibility for dealing with $1/3$ of the liability.

- The ATA has become increasingly dissatisfied with the deal and wishes to re-negotiate it. The Government has agreed to do so.
- There must be a public policy objective for any additional expenditure of public funds on a pension plan for a select group of Albertans.

- To date, that public policy objective has yet to be defined.
- School boards also have employees who are members of the LAPP (which also has an unfunded liability).

What options are there?

- Government can inject major dollars. However, if they choose to invest public dollars to benefit ATRF participants, there must be a corresponding public benefit.
- Any increased government contribution to the plan has the immediate effect of increasing teacher compensation.

- Normally, teacher compensation issues are dealt with in collective agreements between school boards and the ATA.
- Because of this link there is clearly a relationship between local bargaining and resolution of the pension issue.

Cost and benefits of option

- While we have no specific option to propose, a period of labour relations stability would be most welcome.
- However, if “labour relations stability” is the goal – it must be comprehensive in scope.
- Salary and benefits are important cost drivers for education – however they are not the only ones – so too are working conditions.

- It will be important for the Task Force to examine all potential solutions to see if those which do not require a direct investment from the public purse can play a part.

Our bottom line

- Dollars spent on ATRF pension liabilities will mean fewer dollars are available for improvement in K-12 education, for example:
 - early intervention for kids at risk
 - building much needed school infrastructure

- Teachers feel it's important to find a solution to the pension issue.
- Any solution, however, must not divert resources from public education without an off-setting public benefit.