
Arbitrator Issues VIA New Hire Pension Award

Sisters and brothers,

Following five days of interest arbitration hearings concluding in July 2014, the Arbitrator issued his award earlier this week in regards to the new hire pension plan at VIA Rail. The interest arbitration arose out of the most recent round of negotiations involving Agreements 1 and 2 represented by Council 4000 and Agreement 3 represented by Local 100, dealing with the pension plan which shall govern new employees hired on or after January 1, 2014.

Pension Plan

The parties have six months from the date of signing this agreement to reach an agreement on a new plan for employees hired on or after January 1, 2014.

In the event the parties are unable to reach an agreement, the matter will be decided by interest mediation/arbitration, the mediator-arbitrator to be agreed by the parties. *The arbitrator shall consider, among other things, the impact on the current plan, the necessity, affordability and the sustainability of the plan proposed.*

It would be an understatement to report that the union is disappointed that the arbitrator was not persuaded by our arguments on the impact, necessity, affordability and sustainability and awarded a “hybrid pension plan” for new hires.

The arbitrator did note that the proposed hybrid would not realize anything close to a windfall for the Corporation in respect of current service costs, acknowledging Unifor’s argument that the hybrid plan would only reduce the current service costs by a comparable one percent over the long term period.

We were however successful in convincing the arbitrator that any new hybrid plan that might be ordered, should have a benefit indexation formula included, in order to provide some inflation protection to these future retirees.

The rail leadership of Council 4000 and Local 100 wish to complement Unifor’s Pension and Benefit department for assembling a comprehensive submission on behalf of its VIA Rail members. To receive the entire interest arbitration award, please contact your regional representative.

In solidarity,

Heather Grant – Council 4000

Ken Hiatt – Local 100

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