

**Public Service Pensioners calls for increased pension benefits unfair to taxpayers in this province**  
Group is asking government for benefits they did not pay for

--FOR IMMEDIATE RELEASE

**March 25, 2011, St. John's, NL** – The Newfoundland and Labrador Employers' Council (NLEC) is taking exception to the NL Public Sector Pensioners Coalition's calls for increased pension benefits -- benefits that were never promised to, or paid for by, the pensioners. The NLEC believes this request amounts to calls for special treatment of one group at the expense of all tax payers in the province.

Information released publicly by the Public Sector Pensioners' Coalition is misleading. These pensioners receive defined benefit pensions, some of which are indexed to inflation, that most taxpayers in this province will never have the benefit of receiving. This group is receiving exactly what is entitled to them based on what they contributed to their pension when they were employed. Currently, the Pooled Pension Fund in this province is underfunded. The unfunded nature of their pension does not impact what is received by the pensioners. It does, however, impact what taxpayers have to pay to fund the existing pensions of the public sector pensioners.

This type of defined benefit pension plan is extremely expensive to taxpayers. This is the reason most private sector employers are unable to offer such lucrative pensions. The Auditor General has raised his concern about the unfunded nature of the public sector pension fund, despite government having put \$4.4 billion in special contributions to the pension fund since 1997. Even with those contributions, currently, the unfunded pension liability represents \$2.2 billion. Taxpayers of this province cannot afford the current obligations, let alone increasing that liability, as is suggested by the public sector pensioner's coalition.

Public Sector Pensioners are not the only people in this province that have worked hard for their retirement. Saving for retirement is an individual responsibility. With a defined benefit pension plan, the Public Service Pensioners had the luxury of knowing exactly what they would receive every month for the rest of their life in retirement before they chose to retire. Many retired Newfoundlanders & Labradorians do not have this luxury, nor do many of them have the luxury of a pension at all.

“What this group is asking for is special treatment simply because they worked for government,” says NLEC Executive Director, Richard Alexander. “Seniors of this province that didn't work for government have the same if not greater challenges than public sector pensioners -- and they don't have the luxury of a pension funded by tax payers. If there is an issue with seniors making ends meet in this province, then government's responsibility is equal among all citizens. Public Sector Pensioners do not deserve preferred treatment at the expense of non-public sector workers. “

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*The NLEC is the leading business advocacy group on matters affecting the employment relationship. Its membership employs over 50% of the province, excluding government.*

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