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Via facsimile & Canada Post
250 387-5594

Honourable Colin Hansen
Minister of Finance
PO Box 9048
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Victoria, BC V8W 9E2

This letter is to appeal to you to take action on protecting pension plans in the wake of the unprecedented and unexpected 2008 economic meltdown. We are now learning that much of the economic catastrophe suffered by investors was caused by greed and that the wrong doing of some entrusted with investing the assets of others was undetected by financial regulators, perhaps assisted by the lack of proper financial market regulation.

Union sponsored multi-employer pension plans ("MEPPS") are a key component in providing financial security for members and their families, and an integral part of the economic system, in BC and across Canada. I am sure you are aware of the substantial amount of funds that form part of the financial system due to the existence of union sponsored pension plans.

The 2008 economic meltdown has affected all pension plans. Governments and legislators need to act quickly to instill ongoing confidence in the pension and financial system. Urgency is also required in order to send a message to pension plan members that those responsible for the regulation of financial institutions and pension plans will work responsibly to assist pension plans as they work toward resolving the impact of the unforeseen 2008 pension investment returns due to the economic meltdown. Obviously, if the recession turns out to be deeper and more prolonged than anticipated, there may be a need for long term restructuring of pension plans and regulations, but in the short term remedial measures need to be enforced to instill confidence at all levels.

There have been recent reviews carried out on pension legislation and pension standards in a number of provinces across Canada. Regardless, important short term consequences of the 2008 economic meltdown need to be addressed.

RE: Pension Plans

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Pension plans will continue to exist in the future; pension plans need to be given time, now, to be able to responsibly manage the deficits resulting from the 2008 financial market crisis. Governments need to evaluate what legislation remains relevant in this economic atmosphere. Most certainly the removal of the need to fund pension plans on the basis of solvency is required. There are solvency moratoriums in place now and these need to be extended. Pension plans need to be given an extended period of time to amortize 2008 losses on a going concern basis – probably up to 30 years.

Pension plan members need to be informed how the plan sponsor or the board of trustees is managing 2008's investment losses. Pension plans should not be forced to dramatically change their operating guidelines, including actuarial assumptions, in the midst of a financial crisis. The proper assumptions will be evident with due diligence – not with reactionary and arbitrary measures. Governments have the responsibility to protect citizens. Clearly the regulation of our financial systems has failed citizens. Pension legislators must take proactive steps to ensure that pension plan members do not bear the entire burden of the losses of 2008 – additional time is needed by pension fiduciaries to manage this crisis.

Thank you for your attention to this urgent matter.

Yours truly
BOILERMAKERS LODGE 359



Phil Halley
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