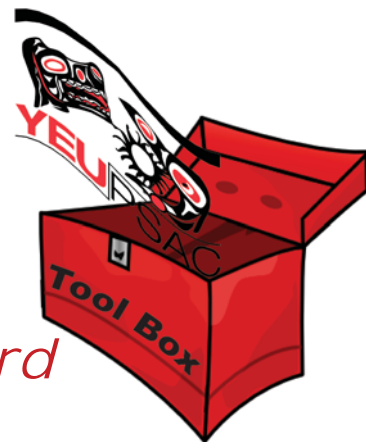


Hospital Corp. Pension Contribution Increase

Shop Steward



With the first pay cheque of January, 2010, hospital employees received a copy of a memorandum from Mr. Wes Wirth, Chairperson of the Yukon Hospital Corporation (YHC) Pension Committee, advising of changes to the YHC Pension Plan. According to Mr. Wirth, as a consequence of "... *several discussions at Pension Committee meetings over the past two years ...*", changes were required in employee pension contribution rates in order to keep the YHC Pension Plan financially viable. Mr. Wirth attempted to minimize the impact of the employee pension contribution increases by citing the example of an employee earning \$65,000 in 2010, who will incur a total annual contribution rate increase of \$156 - approximately \$6 per pay period. Unfortunately, Mr. Wirth's memorandum misrepresented the situation.

YHC members can rest assured that the financial viability of their pension benefit entitlements have never been in doubt. As sponsor of the pension plan, the Yukon Hospital Corporation has a legal obligation to ensure that the YHC Pension Plan has sufficient funds to ensure payment of all pension benefits. In the past several years, the Yukon Government has provided special financial assistance to the YHC in order to meet this requirement.

At no time did the representatives of the Public Service Alliance of Canada (PSAC)/Professional Institute of the Public Service of Canada (PIPSC) agree to the employee pension contribution increases announced by Mr. Wirth. While acknowledging the funding pressures on the YHC Pension Plan, the PSAC/PIPSC representatives on the YHC Pension Committee have consistently taken the position that any proposed revision to employee pension contribution rates must be discussed in a collective forum along with other components of employee compensation. This approach proved successful in 2002, when the YHC and the PSAC/PIPSC reached a mutual agreement at the YHC Pension Committee on the "decoupling" of employee contribution rates from the Canada Pension Plan. This agreement was overwhelmingly supported by a vote of all YHC Pension Plan participants.

The actions of Mr. Wirth and the Yukon Hospital Corporation on this matter have left the PSAC/PIPSC with no other recourse than to file grievances under their our respective collective agreements. This dispute will now be proceeding to binding arbitration. Hopefully the process will conclude as soon as reasonably possible, so that the additional pension contribution deductions can be refunded a timely manner.

