

CAW members rightfully expect to debate and vote on their contracts. And why not? Our settlements determine our pay increases and standard of living for several years. CAW members rightfully expect to bargain their pension plans with their employers or to have union representation on any jointly-trusted board of trustees deciding their pensions. CAW members do not expect to face a big drop in take-home pay; let alone one without debate or opportunity to vote on the issue.

However, without your input or input from your union, all members in the Hospitals of Ontario Pension Plan (HOOPP) suddenly face a far less significant increase in take home pay after ratifying our contracts because the pension plan trustees decided last month to increase the member contribution rates.

A contribution rate reduction at HOOPP has been in effect from 1999-2001 with members contributing at 2.4% of annual earnings up to the years' maximum pensionable earnings (YMPE) and 3.2% on amounts above the YMPE. The YMPE in 2001 was \$38,300 and members earning less than \$38,300 or \$19.65 per hour contributed only at the lower rate.

Already this year that rate has increased to 3.75% (and 5.0% above the YMPE). Next year, in 2003 it almost doubles to 6.23% (and 8.3% above the YMPE). By 2004-2005, rates are expected to be 6.9% (and 9.2% above the YMPE). The effect will be noticeable. Members will see very little real take home gains in coming years in spite of annual increases of even 3%. In the table below we illustrate with two examples - members earning \$16.50 and \$20.50 per hour and enjoying annual wage increases of 3% in 2002 through to 2004. We assume the YMPE increases by 2% in 2003-2004.

	Hourly Wage Rate	Annual Salary	Employee Pension Contribution	Salary Minus Pension Contribution	Annual Salary Increase	Annual Pension Increase	What's Left After Pension	What's Left as a %
2001	\$16.50	\$32,175	\$772	\$31,403				
	\$20.50	\$39,975	\$973	\$39,002				
2002	\$17.00	\$33,150	\$1,243	\$31,907	\$975	\$471	\$504	51.7%
	\$21.12	\$41,184	\$1,570	\$39,614	\$1,209	\$597	\$612	50.6%
2003	\$17.50	\$34,125	\$2,126	\$31,999	\$975	\$883	\$92	9.4%
	\$21.75	\$42,413	\$2,694	\$39,719	\$1,229	\$1,124	\$105	8.5%
2004	\$18.03	\$35,159	\$2,426	\$32,733	\$1,034	\$300	\$734	71.0%
	\$22.40	\$43,680	\$3,082	\$40,598	\$1,268	\$388	\$880	69.4%

The pension contribution rate increase would be large enough to grab half of our wage increase in 2002 and over 90% of our wage increase in 2003. A member earning \$17.00

per hour in 2002 because of a 3% wage increase will see almost half the increase disappear into the pension contribution rate increase. A member earning \$42,400 in 2003 can expect to pay more than \$1,100 in additional pension contributions - while their pay increases only provides \$1,230 more, leaving an annual increase of about \$100. Unless inflation completely disappears, the sad reality is an additional \$100 that year will represent a drop in real earnings for members - without the opportunity for debate or vote on the issue.

Why not tell the HOOPP trustees what you think of their contribution rate increase. Encourage your co-workers to write, call, fax or email the HOOPP offices and make your voice heard. Remind HOOPP that as a CAW member and a member of their plan, you expect your Union to be invited to select a trustee to sit on the Board of Trustees to represent your interests as a CAW member.

HOOPP

1 Toronto Street, Ste 1400

Toronto, ON

M5C 3B2

E-mail clientservices@hoopp.com

Toll-free 888.333.3659

Fax 416.369.0225

LETTERS TO HOOPP - A GUIDE

To help write or email the HOOPP trustees, you may want to use the following guide to assist in preparing your message. Just take any one or all of points in the following sections as themes, and in your own words, expand them into a sentence. Remember, a forceful and direct letter in your own words will have more impact when read by the trustees than a fanciful or elegant composition by others. Please send a copy of your letter or email to your CAW Local representatives.

1. TELL THE HOOPP TRUSTEES WHY YOU ARE WRITING

- opposed to pension contributions taking away real wage increases in coming years
- opposed to 'yo-yo' style of setting contribution rates
- opposed to failing to consult with and debate the issue with your union
- trustees cannot escape from their accountability to plan members, meaning YOU
- although you weren't asked what you thought, you intend that the trustees will hear (or read) your thoughts on this issue

2. TELL THE HOOPP TRUSTEES WHY YOU OPPOSE THIS DRASTIC RATE HIKE

- it erodes virtually all of your wage increase in coming years
- it is a sudden and dramatic jump in contributions to the pension
- it displays a lack of prudent fiscal planning by the trustees
- it was decided without your input or input from your union
- it suggests that the trustees' decision to reduce contribution rate reductions was ill-advised, if not particularly poor timing

3. TELL THE HOOPP TRUSTEES WHAT YOU WANT

- demand a say in the future of your pension
- demand CAW representation on the Board of Trustees
- demand accountability of the trustees to the members and pensioners of HOOPP
- demand stable consistent multi-year contribution rates
- demand contribution rates be set on three year intervals coinciding with contracts
- demand that contribution rates be stable over the three year term of your contract

4. TELL THE HOOPP TRUSTEES THAT THIS ISSUE WILL NOT WAIT

Remind the trustees that the issue of your union having a trustee to represent your issues on the Board wouldn't disappear and that you intend to fight until a CAW pension trustee speaks on your behalf.

5. SEND YOUR LETTER OR EMAIL TO:

HOOPP Board of Trustees
1 Toronto Street, Ste 1400
Toronto, ON
M5C 3B2

E-mail	clientservices@hoopp.com
Toll-free	888.333.3659
Fax	416.369.0225