

# PROPOSED PENSION REFORMS

COMPILED BY  
THE EXECUTIVE OF THE  
GENMO SALARIED PENSION ORGANIZATION

1. Both levels of government must support the auto companies with loans in a structure similar to the USA and in a size comparable to Canada's size.
2. The \$1000 per month Pension Benefit Guarantee Fund (PBGF) should be raised immediately to \$3600 per month. The USA monthly amount is \$4,312.50!! The USA adjusts this amount yearly. Ontario has not adjusted their amount since 1980.
3. Remove the "Too Big to Fail" funding status for GM within a reasonable time frame (the only company that hasn't yet failed under this status). Apparently no one is too big to fail. GM salaried employees and retirees must be offered the same protection as every other Ontario citizen. With GM having 15 years to fund a shortfall instead of 5 years allowed for all other companies, places a high risk on employees. GM Salaried Pension Fund was only 74.1% solvency ratio in November, 2007. Now with a deep recession the plan may be at 50%. Companies fail during the bad times. Risk is unacceptable!!
4. The PBGF funding limits by companies needs to be adjusted to proper levels in line with pension risks. GM's \$5,000,000 annual charge (times 2 for salary and hourly plans) does not come close to covering an estimated pension shortfall of \$1.2 billion and \$7 billion respectively.
5. Change Pension Plan requirements so that buyouts and other employee attrition plans cannot be funded from the plan unless the fund is at 95% windup. Junior employees could get 100% of the commuted value now, while later the current existing retirees could end up with just 50%. Pension Benefit Guaranty Corp in the US has sent letters to the Big 3 with similar concerns.
6. Pensioners with "at-risk" funds must be given yearly fund summaries showing both going concern and windup data and details on how the company will eliminate any under-funding.