

Quebec's Bill 3 targets municipal worker pensions

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With the tabling of Bill 3, the Quebec Liberal government of Philippe Couillard has launched a massive assault on the wages and pensions of municipal workers, as part of an all-out campaign to dismantle public services and gut what remains of the hard-won social conquests of the entire working class.

The bill tears up existing contracts and forces a restructuring of some 216 different defined benefit pension plans in 1,100 municipalities across Quebec. It allows the government to appoint an arbitrator with the power to impose a settlement if “negotiations” with municipal unions fail to result in an agreement within 18 months.

While the province's 122,000 municipal workers, including 50,000 retirees, are the immediate targets of this draconian bill, it is setting a pattern to be applied against the more than half a million public sector employees and the working class as a whole.

The pretext invoked for the sweeping attacks is that pension plans are facing huge deficits. But these deficits are the outcome of municipalities taking a “holiday” on their contractual obligations to pay into pension funds. This was exacerbated by the world financial crisis of 2008, with Quebec's *Caisse de dépôt et placement*, which manages public pension plans in the province, losing billions of dollars in the markets.

Behind calls for employees to “share equally” in the cost of pension plan deficits, the Couillard government is introducing various means to cut the pay and pension checks of municipal workers drastically.

First is the obligation for employees to contribute half the cost of their pensions, with municipalities covering the other half, a significant reversal of the current situation where the share of employee contributions may be set at 45 percent or in some cases even as low as 30 percent. As a result, white-collar workers and

firefighters, for example, will have to pay about an extra \$60 a week towards their pensions, or a full \$3,000 more annually.

Second is the scrapping of the annual indexation of pensions, a measure that will cost thousands of dollars to the 40 percent of retired municipal workers with agreements supposed to guarantee cost-of-living adjustments of their pensions. According to estimates, after 15 years they stand to lose between a third and a half of their purchasing power.

Finally, in a measure that opens the way for unending attacks on municipal worker pensions, including hikes on contributions, cuts in benefits or raising the retirement age, Bill 3 sets a ceiling of 18 percent on the proportion of a city's budget that can go to pension costs.

Many concessions have been imposed on municipal workers in recent years. In 2012, for instance, Montreal blue-collar workers saw the minimum retirement age go from 52 to 55 and their pension payments increase from 6 percent of their paychecks to 9 percent.

Having pushed through such concessions, the unions are now working day and night to suppress a working class struggle in defense of pensions and other social rights. They rail against Bill 3 because it undermines their privileged position at the negotiating table. But they stand ready, as they have done repeatedly in the past, to shift the full weight of the capitalist crisis onto the backs of workers.

“There is no taboo subject as long as everything is done through negotiation,” said Marc Ranger, spokesman for the Union Coalition for a Free Negotiation, earlier this year. “We are ready to put in more money” in pension contributions, he added, and to “review certain benefits and ... the retirement age.”

The attempt by the union bureaucracy to isolate

municipal workers is a continuation of their actions during the mass Quebec student strike of 2012 in defense of public education. Having refused to lift a finger as the striking students were confronted with riot police and a slew of court injunctions, the unions reacted to the risk of the students' struggle triggering a wider movement of workers by channeling it behind the big business Parti Quebecois.

There exists a similar potential today for the legitimate outrage of municipal workers to become a focal point for a broader counter-offensive of the entire working class in defense of pensions, jobs and social services.

This is why the ruling elite and the big business media are running a demagogic campaign to paint municipal workers as "fat cats" clinging to their over-generous pension plans. There is also an attempt to pit younger workers against the older ones by claiming that decent pension checks are a burden on the newer generations. Class-conscious workers and youth should reject these lies with contempt.

The assault on municipal workers under Bill 3 is only the first stage in a ruling class offensive aimed at the entire working class. As Couillard boasted in a recent speech before the youth wing of his party, "the time for hard choices has come."

Pensions are under attack throughout the world as the ruling class strives in every country to make the working class pay for the historical bankruptcy of the capitalist profit system.

In Canada, so-called "pension reform" has been at the center of the austerity program of the federal Conservative government of Stephen Harper. In 2012, it pushed through an effective increase in the retirement age for workers, by raising the age of eligibility for Old Age Security and the Guaranteed Income Supplement (paid to low-income seniors) from 65 to 67.



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