



WINNIPEG, March 21, 2012

R. Hon. Stephen Harper, PC MP  
Office of the Prime Minister  
80 Wellington St.  
Ottawa, ON K1A 0A2

Dear Rt. Hon. Stephen Harper, PC MP,  
Prime Minister of Canada:

We are writing in regard to Bill C-377, a private member's bill concerning amendments to the *Income Tax Act* in regard to labour organizations. We are proud partners with various Unionized Employer's and their affiliate Unions throughout Canada with respect to the pension and insurance benefits offered to their employees and members.

As administrators and consultants for various Union benefit plans, we are concerned that Bill C-377, as presently drafted, where 'labour trusts' would also be included, will result in unintended administrative complexity and associated costs for pension and health and welfare trust funds with respect to the additional administrative reporting required under the Bill. Union health and welfare and pension trust funds are currently subject to an annual independent audit as well as provincial and federal legislative reporting requirements (i.e. annual T3P with CRA) and as such should be exempt from this Bill, should it proceed any further. The intent of this Bill, transparency and disclosure to Union members, is currently provided for on their health and welfare and pension trust funds under existing pension and benefits legislation, where members have access to plan financial information.

In its current state, Bill C-377 will require the disclosure of a statement each time a transaction worth more than \$5,000 is made. That statement will have to set out the name and address of the payer and payee, the purpose and description of the transaction, and the amount that has been paid or received. When taking into account plan payments, a single pension plan may have hundreds (or possible thousands) of such transactions in a year. Depending on the structure of investments, this could also number hundreds of transactions that would need to be reported on. To this effect, the amount of material that Union trust funds would be required to file annually could be immense, and will add a significant cost to those plans. This additional cost burden would not be required from comparable non-union plans and therefore does not provide for an equal treatment in the marketplace, and in fact subjects union contractors and employers to an economic disadvantage. We do not believe that any legislation should put any group at an economic disadvantage and should not be the intention of this Bill.

western branch

street address

175 Hargrave Street, Suite 100  
Winnipeg, MB R3C 3R8

mailing address

P.O. Box 764  
Winnipeg, MB R3C 2L4

tel: (204) 942-4438

1-888-204-1234

fax: (204) 943-5998

head office

street address

466 Tremblay Road  
Ottawa, ON K1G 3R1

mailing address

P.O. Box 3517, Stn C  
Ottawa, ON K1Y 4H5

tel: 613-231-2266

1-888-613-1234

fax: 613-231-2345

webmaster@coughlin.ca

www.coughlin.ca

Rt. Hon. Stephen Harper

Page 2

March 21, 2012

In relation to payouts from pension and health and welfare trust funds, we believe this would also represent a breach of the Federal Privacy Act (PIPEDA) with respect to the public reporting of personal financial information. Again, we do not believe this is the intent of the Bill, nor do we believe this type of reporting will provide any additional benefit to beneficiaries of these trust funds.

Labour and Management Trustees of Union pension and benefit trust funds are subject to fiduciary duty that requires them to act solely in the best interest of these trusts and their beneficiaries. The additional costs incurred from the increase in administrative reporting from this Bill will add no additional benefit to Plan beneficiaries, but will in fact serve to reduce the resources available to provide benefits, which is counter-productive.

For all these reasons, we believe that pension and health and welfare trust funds should be exempt or removed from Bill C-377. **We are of the opinion that the Bill, as it applies to pension and health & welfare trust funds, would be redundant, costly, invasive of privacy and generally unsuited to the regulation and administration of such plans, especially multi-employer trust funds.**

We appreciate you taking the time to consider our concerns with respect to this issue.

Yours sincerely,

**COUGHLIN & ASSOCIATES LTD.  
CONSULTANTS AND ADMINISTRATORS**

Kirby Watson  
Chief Operating Officer

KW/sc

c.c. Ms. Gail Shea, Minister of National Revenue